Report on

EDUCATION LEGISLATION

2015 Session of the General Assembly

PUBLIC SCHOOLS OF NORTH CAROLINA
State Board of Education | Department of Public Instruction

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M0415

North Carolina General Assembly
2015 Long Session

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About this Publication

The 2015 Report on Education Legislation was compiled by Rachel Beaulieu, Legislative and Community Relations Director, Zane Stilwell, Legislative Liaison for SBE, and Skye David, Law School Extern, with the assistance of Anne Murtha, Legislative Assistant. It was produced and printed by the Division of Communications and Information, Department of Public Instruction. Electronic copies are available at http://legislative.ncpublicschools.gov/resources-for-legislation/2015-long-session. For printed copies, please visit the NCDPI Publications and Sales website at http://ncpublicschools.org/publications/.

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Money Report

2015-2017 MONEY REPORT
SL 2015-241 (HB 97)
(Conference Report on Base, Capital, and Expansion Budgets, for HB 97)
[Items affecting public education only]

Section F: K-12 Education	FY 2015-2016		FY 2016-2017	
Recommended Base Budget	**$8,106,033,100**		**$8,106,033,100**	
1. Compensation Increase Reserve – Teachers *(Section 9.1 of the Budget bill for details)* • $750 bonus for educators. • Bonuses granted in FY 2014-2015 continued. • Increase starting pay from $3,300 to $3,500/month. • Experience-based step increase.	**$62,171,653** **$79,521,583**	**R** **NR**	**$62,171,653**	**R**
2. Compensation Increase Reserve – SBAs *(Section 9.2 of Budget bill for details)* • $750 bonus for school-based administrators. • Experience-based step increase. • Bonuses granted in FY 2014-2015 continued.	**$4,550,919** **$3,599,248**	**R** **NR**	**$4,550,919**	**R**
3. Compensation Increase Reserve – LEA *(Section 9.3 of Budget bill for details)* • $750 bonus for central office personnel.	**$39,781,698**	**NR**		
4. Compensation Increase Reserve – DPI • $750 bonus for DPI staff. • Raises for eligible teachers.	**$216,430** **$676,818**	**R** **NR**		
5. State Retirement Contributions – LEA	**$6,308,775**	**R**	**$6,308,775**	**R**
6. State Retirement Contributions – DPI	**$49,396**	**R**	**$49,396**	**R**
7. State Health Plan – LEA Personnel	**$14,124,040**	**R**	**$14,124,040**	**R**
8. State Health Plan – DPI	**$77,199**	**R**	**$77,199**	**R**
9. Average Daily Membership (ADM) • Funds an estimated 17,338 more students in 2015-2016. • Funds for an estimated 17,701 more students in 2016-2017 held in reserve until appropriated by the General Assembly.	**$100,236,542**	**R**	**$207,195,864**	**R**
10. Exceptional Children Headcount	**$404,103**	**R**	**$404,103**	**R**

11. Average Certified Personnel Salaries	**($14,839,270)**	**R**	**($14,977,035)**	**R**
12. Classroom Teachers • Adjusts allotment for new distribution of Lottery receipts; no impact to combined total funding.	**$254,586,185**	**R**	**$254,586,185**	**R**
13. Non-Instructional Support Personnel • Adjusts allotment for new distribution of Lottery receipts; no impact to combined total funding.	**($310,455,157)**	**R**	**($314,950,482)**	**R**
14. Civil Penalties	**($3,978,850)** **($3,978,850)**	**R** **NR**	**($3,978,850)**	**R**
15. Low-Wealth Supplemental Funding • Aligns funding with eligibility; $205.5M total. • No reduction to eligible districts.	**($10,091,091)**	**R**	**($10,091,091)**	**R**
16. Teacher Assistants (TAs) *(Section 8.47 of Budget bill for details)* • Maintains 2014-2015 funding; $377.1M total.	**$138,134,525**	**R**	**$138,134,525**	**R**
17. Funding for Classroom Teachers *(Section 8A.3 of Budget bill for details)* • Funds first grade class size reduction in FY 2016-17.			**$26,898,798**	**R**
18. Textbooks and Digital Resources *(Sections 8.18 and 5.4 of Budget bill for details)* • $52.4M total from General Fund in FY 2015-2016 and $62.0M in 2016-2017, not including $6M from Indian Gaming Fund in each year.	**$21,820,000**	**R**	**$31,030,837**	**R**
19. School Connectivity Initiative • Funds for enhanced school Wi-Fi networks. • $21.9M total in FY 2015-2016 and $31.9M in 2016-2017.	**$2,000,000**	**R**	**$12,000,000**	**R**
20. Cooperative/Innovative High Schools (CIHSs) • New in Pitt, Watauga, and Wilson Counties. • $24.3M total in FY 2015-2016 and $24.5M in 2016-2017.	**$621,338** **$100,000**	**R** **NR**	**$932,007**	**R**
21. CIHS Tuition	**$800,000**	**R**	**$800,000**	**R**
22. Transportation • 5% reduction for lower fuel costs; $444.4M total.	**($25,079,807)**	**R**	**($25,079,807)**	**R**

23. ADM Contingency Reserve • Funds to offset costs associated with virtual charter school pilots. • $8.8M total.	**$2,500,000**	**R**	**$2,500,000**	**R**
24. Read to Achieve Reading Camp Expansion • Expands camps to first and second grades.	**$20,000,000**	**R**	**$20,000,000**	**R**
25. Excellent Public Schools Act • $41.8M total in FY 2015-2016 and $46.5M total in 2016-2017.	**$3,812,141**	**R**	**$8,520,748**	**R**
26. EVAAS	**$871,474**	**R**	**$871,474**	**R**
27. Driver Training *(Sections 5.3 and 8.39 of Budget bill for details)* • Beginning 2016-17, Civil Fines and Forfeitures will provide revenue source.	**$24,120,000**	**NR**		
28. NE Regional School of Biotech. and Agriscience	**$310,669**	**R**	**$310,669**	**R**
29. Beginnings for Children, Inc.	**$84,486**	**R**	**$84,486**	**R**
30. Eastern North Carolina STEM Program	**$180,000**	**R**	**$180,000**	**R**
31. DPI Flexible Reduction • Reduces state support by 5.2%. • $45.3M remains.	**($2,500,000)**	**R**	**($2,500,000)**	**R**
Total Legislative Changes	**$266,735,700** **$144,000,497**	**R** **NR**	**$313,231,521** **$180,000**	**R** **NR**
Revised Budget	**$8,516,769,297**		**$8,419,444,621**	

Section F: Community College System	FY 2015-2016		FY 2016-2017	
46. NC Works Career Coaches *(Section 10.14 of Budget bill for details)* Community college employees in high schools.	**$500,000**	**R**	**$1,000,000**	**R**

Section F: UNC System

63. Academic Summer Bridge Program • Eliminates all General Fund support.	**($1,193,000)**	**R**	**($1,193,000)**	**R**
64. Hunt Institute *(Section 11.21 of Budget bill for details)* • Eliminates all General Fund support.	**($737,230)**	**R**	**($737,230)**	**R**
66. ASU: Recruit Comm. College Students Pilot • Funds pilot at ASU to recruit/retain community college students for teaching.	**$140,868**	**NR**	**$140,868**	**NR**
71. Transforming Principal Preparation *(Section 11.9 of Budget bill for details)* • New program administered by State Education Assistance Authority.	**$500,000**	**R**	**$1,000,000**	**R**
72. Opportunity Scholarships • $17.6M total in FY 2015-16 and $24.8M in 2016-17.	**$6,800,000**	**R**	**$14,000,000**	**R**
74. Special Education Scholarships • 6% increase; $4.2M total.	**$250,000**	**R**	**$250,000**	**R**

Section G: Health and Human Services

21. Federal Funding for NC Pre-K • Replaces state funds with Federal TANF funds.	**($16,829,306)**	**NR**	**($12,333,981)**	**NR**
24. NC Pre-K • Including $2,716,401 Lottery; $144.2M total.	**$2,323,599 R**	**R**	**$2,323,599 R**	**R**
26. Early Childhood Integrated Data Sys. (ECIDS) • Information system for children ages 0-5 receiving state and federal services.			**$699,690**	**R**

Summary of
Special Provisions

SESSION LAW 2015-241
House Bill 97
http://www.ncleg.net/Sessions/2015/Bills/House/PDF/H97v9.pdf

Appropriations Act of 2015
Effective July 1, 2015, except as otherwise provided in SL 2015-241

(Please see reports by the Department of Public Instruction (DPI) and its Financial & Business Services Division for funding-related requirements: http://www.ncpublicschools.org/fbs/budget/. For complete language on each budget provision summarized below, please see the Session Law 2015-241 link in the title above or the tab in this Report entitled, "Budget Bill Excerpts." *Listings below only include excerpts involving K-12 public education.*)

PART V. OTHER APPROPRIATIONS

Section 5.1A Other Receipts from Pending Grant Awards
Notwithstanding G.S. 143C-6-4, state agencies may, with approval of the State Budget Director in the Office of State Budget and Management (OSBM), spend grant funds from grant awards that are less than $2.5 million, do not require state matching funds, and will not be used for a capital project. Agencies must report to the Joint Legislative Commission on Governmental Operations (JLCGO) of the General Assembly within 30 days of receipt of any such grant funds.

Any other applicable grant funds awarded after the enactment of the Budget (September 18, 2015) may be spent only with approval of the State Budget Director and after consultation with JLCGO. Under Section 5.1A(c), notwithstanding these requirements, state agencies may not "accept a grant not anticipated in this [Budget] if acceptance of the grant would obligate the State to make future expenditures relating to the program receiving the grant or would otherwise result in a financial obligation as a consequence of accepting the grant funds."

Section 5.2 Education Lottery Funds/Expenses of the Lottery
Appropriations from the Education Lottery Fund for the 2015-2017 fiscal biennium are as follows:

	FY 2015-2016	FY 2016-2017
Non-Instructional Support Personnel	$310,455,157	$314,950,482
Pre-Kindergarten Program	$78,252,110	$78,252,110
Public School Building Capital Fund	$100,000,000	$100,000,000
Scholarships for Needy Students	$30,450,000	$30,450,000
UNC Need-Based Financial Aid	$10,744,733	$10,744,733

Total Appropriation	**$529,902,000**	**$534,397,325**

Section 5.3 Civil Penalty and Forfeiture Fund
Appropriations from the Civil Penalty and Forfeiture Fund for the 2015-2017 fiscal biennium as follows:

	FY 2015-2016	FY 2016-2017
School Technology Fund	$18,000,000	$18,000,000
Drivers Education	$0	$27,393,768
State Public School Fund	$132,320,490	$128,341,640
Total Appropriation	**$150,320,490**	**$173,735,408**

Excess receipts in this fund in each year of the fiscal biennium will go to the School Technology Fund. Proceeds of the newly established motor vehicle registration late fee enacted in Section 29.30(m) of this Budget (see summary below) will be used as a dedicated source of revenue for the Driver Education program administered by the Department of Public Instruction (DPI) in FY 2016-2017 and 2017-2018.

Section 5.4 Indian Gaming Education Revenue Fund
In each year of the fiscal biennium, $6 million will be transferred from the Indian Gaming Education Revenue Fund to DPI, Textbooks and Digital Resources Allotment.

PART VII. INFORMATION TECHNOLOGY

Section 7.9 Data Centers/Consolidation
Beginning with the 2015-2017 fiscal biennium, the State Chief Information Officer (SCIO) shall create an inventory of data center operations in state agencies and implement a plan for consolidation of agency data centers. By December 1, 2015, SCIO shall inform the General Assembly of the plan, and before May 1, 2016, must report on the number of servers eliminated throughout state government and the associated costs savings.

State agencies shall use state infrastructure to host projects, services, data, and applications, unless SCIO grants an exception based on one of the following reasons:

1. Using an outside contractor would be more cost effective for the state.
2. The newly created Department of Information Technology (DIT) does not have the technical capabilities required to host the application.
3. Valid security requirements necessitate a vendor.

SCIO will also establish a convenience contract with a state-based vendor for a full range of information technology (IT) products and services, including networking, security, infrastructure, data center hardware/software, storage, cloud-based systems/services, unified communications, conferencing, video, wireless, etc.

Section 7.17 Governmental Budgetary Transparency/Expenditures Online
In coordination with the State Controller and OSBM, SCIO must establish a state budget transparency website to provide information on budget expenditures for each state agency by April 1, 2016. Also, this section directs each county, city, and LEA to work with SCIO, the Controller, and OSBM to ensure that a complete and accurate posting of their respective local budgetary and spending data is online and provided to the Local Government Commission (LGC) for publishing on the state budget transparency website.

Section 7.20 Data Security Study
Directs the Joint Legislative Oversight Committee on Information Technology (JLOCIT) to study liability issues with data security in both the public and private sectors. The Committee will report its findings and any legislative proposals to the General Assembly by April 1, 2016, to include all of the following:

1. State liability issues.
2. State and vendor financial liability for data security breaches.
3. Methods of allocating risk for the state's vendors and IT contractors.
4. Feasibility of developing a surplus line insurance policy and rate schedule for data breach liability coverage.
5. Federal government requirements.
6. State response to data security threats and breaches.
7. Third party liability issues.
8. Recommendations for managing data liability for the state.
9. Data breach liability allocation best practices in the public and private sectors.

Section 7.23 State Broadband Plan
SCIO shall coordinate with other agencies to develop a state broadband plan that includes the following elements, and report annually by December 1 to the General Assembly on development and implementation:

1. Information regarding the availability and functionality of broadband throughout the state and evaluation of the current deployment of broadband service.
2. A strategy to support the affordability of broadband and maximum utilization of infrastructure, including potential partnerships and sources of funding.
3. Analysis of means, methods, and best practices to establish universal broadband access across the State.

Section 7.25 Agency Use of Enterprise Active Directory
By July 1, 2016, unless exempted by the Governor, state agencies identified as principal departments under G.S. 143B-6 are to begin using the Enterprise Active Directory, a centralized and standardized statewide directory that automates network management of user data, security, and distributed resources, enabling inter-operation with other directories. A department may submit to SCIO a written request to deviate from this requirement, if funding to do so is available, subject to any terms and conditions specified by SCIO.

Section 7.27 State Funded IT Contracts
For all IT contracts that receive any state funds, state agencies and vendors must provide copies of all contract documents upon request of the JLOCIT or the General Assembly's Fiscal Research Division (FRD).

PART VII-A. ESTABLISH DEPARTMENT OF INFORMATION TECHNOLOGY

Section 7A.1 Establish Department of Information Technology (DIT)
DIT is established as a single, unified cabinet-level department that generally consolidates IT functions, powers, duties, obligations, and services, which had previously been separate in the various state entities listed in G.S. 143B-6 ("Principal Departments").

The head of DIT is the SCIO, to be appointed by the Governor. Previously, the Office of Information Technology Services (OITS) conducted many of these IT functions. DIT will continue to provide oversight to DPI in the areas of project management, IT contracts management, IT architecture, security, and other services that OITS had provided to DPI prior to the establishment of DIT.

Section 7A.2 Statutory Changes Creating the Department of Information Technology
This section of the Budget bill and its various provisions provide for the establishment, duties, and functions of the newly established DIT under Article 14 of Chapter 143 of the General Statutes (beginning at G.S. 143B-1300). Primarily, this is a re-codification of now repealed statutes that had set forth the responsibilities of the former OITS under Article 3D of Chapter 147 of the General Statutes (beginning at G.S. 147-33.72A).

PART VIII. PUBLIC SCHOOLS

Section 8.1 Funds for Children with Disabilities
Increases supplemental funding for children with disabilities to $3,926.97 per child ($3,768.11 in FY 2014-2015). A cap of 12.5% of an LEA's 2015-2016 allocated average daily membership (ADM) remains in place.

Section 8.2 Funds for Academically Gifted Children
Increases supplemental funding for academically or intellectually gifted children to $1,280.70 per child ($1,239.65 in FY 2014-2015). A cap of 4% of an LEA's 2015-2016 allocated ADM remains in place.

Section 8.3 Use of Supplemental Funding in Low-Wealth Counties
Maintains the same calculation and parameters for low-wealth county supplemental funding, whereby funds are allocated to LEAs located in whole or in part in counties where the county wealth as a percentage of the state average wealth is less than 100% based on legislated formulas and criteria. These funds must be used to supplement local current expense funds and shall not be used for supplanting. Eligible LEAs can only use these funds for: (1) instructional positions, instructional support positions, teacher assistant (TA) positions, clerical positions, school

computer technicians, instructional supplies, staff development, textbooks and digital resources; and (2) salary supplements to instructional and instructional support personnel.

Other provisions related to supplemental funding for low-wealth counties:

1. For the fiscal biennium, counties containing a military base that have an ADM of more than 23,000 students (Cumberland and Onslow Counties only) will receive the same amount of low-wealth funds as in FY 2012-2013.
2. LEAs may use funds to purchase services that allow for data extraction from the Education Value-Added Assessment System (EVAAS).
3. SBE is to report to FRD if it determines that counties have supplanted funds.
4. The Department of Revenue provides DPI with reports containing tax information for each county in the state.

Section 8.4 Small School System Supplemental Funding
For the 2015-2017 fiscal biennium, each eligible school district receives an allotment according to the following schedule (unchanged from last year):

Allotted ADM	Small County Allotment
0-600	$1,710,000
601-1,300	$1,820,000
1,301-1,700	$1,548,700
1,701-2,000	$1,600,000
2,001-2,300	$1,560,000
2,301-2,600	$1,470,000
2,601-2,800	$1,498,000
2,801-3,200	$1,548,000

As in previous years, if an LEA becomes ineligible for this funding in either year of the biennium, its funding will be phased out in equal increments over the successive five years. Funds must be used to supplement local funds and shall not be used for supplanting.

Other provisions related to supplemental funding for small school systems:

1. State Board of Education (SBE) reports to FRD if it determines that counties have supplanted funds.
2. Local boards are encouraged to use at least 20% of these funds to improve the academic performance of children who are performing at Level I or II on either reading or mathematics EOG tests in grades three through eight.
3. LEAs may use funds to purchase services allowing for data extraction from EVAAS.

Section 8.5 Disadvantaged Student Supplemental Funding (DSSF)
Maintains the same funding and policy requirements for DSSF allotments as in past years.

Section 8.7 Uniform Education Reporting System (UERS) Funds
Funds appropriated for UERS in the 2015-2017 fiscal biennium will not revert at the end of each fiscal year, but shall remain available until expended.

Section 8.8 Cooperative Innovative High Schools (CIHSs)
Revises G.S. 115C-238.54 by adding new subsection "(j)" to read: "Any State funds appropriated for cooperative innovative high schools shall not be adjusted to reflect legislative salary increments, retirement rate adjustments, and health benefit adjustments for school personnel, unless specifically provided for by the General Assembly."

Section 8.11 Study NCVPS Alternative Funding Formula
SBE is to study implementation of an alternative funding formula for the North Carolina Virtual Public School (NCVPS) in lieu of the funding formula currently in place (pursuant to Section 7.22(d) of S.L. 2011-145, amended by Section 8.9 of S.L. 2013-360). The study must include consideration of potential costs and benefits of: (1) offering an alternative funding option for local boards of education, and (2) replacing the current NCVPS formula with a new formula applicable to all districts participating in NCVPS. The results of this study and any legislative recommendations must be reported to JLEOC by January 15, 2016.

Section 8.12 Competency-Based Learning and Assessments
The General Assembly intends to transition to a system of competency-based learning assessments that will measure student performance and growth for all elementary and secondary public school students. Encourages SBE to evaluate the feasibility of integrating competency-based assessments as part of the statewide testing system by examining similar systems in other states, potential benefits and obstacles, and the relationship between competency-based assessments and innovative teaching methods. This competency-based student assessment system should provide all of the following components:

1. Students advance upon mastery.
2. Competencies are broken down into explicit and measurable learning objectives.
3. Assessment is meaningful for students.
4. Students receive differentiated support based on their learning needs.
5. Learning outcomes emphasize competencies that include the application and creation of knowledge.

Section 8.14 Collaborative Procurement
DPI will collaborate with the Friday Institute at North Carolina State University to implement "public school cooperative purchasing agreements" for LEAs, regional schools, and charter schools, or some combination thereof, for the procurement of IT goods and services to support public schools. By October 15, 2015, of each year, DPI and the Friday Institute must report on the establishment of the cooperative purchasing agreements, resulting savings, and other issues to the JLOCIT, JLEOC, and FRD. This section repeals Section 7.6 of S.L. 2013-360, as amended by Section 91 of S.L. 2014-115, which had required SCIO and DPI to report quarterly to the General Assembly on public school cooperative purchasing agreements. The report, therefore, is now annual and not quarterly.

Section 8.18 Revise the Designation of the Textbook Allotment
Effective July 1, 2015, the existing "Textbooks" funding allotment in the State Public School Fund was designated as the "Textbooks and Digital Resources" funding allotment. Consistent with existing law, directs SBE to establish the purposes for which said funds in the new allotment may be used: (1) to acquire textbooks as defined in G.S. 115C-85, which includes technology-based programs, and (2) for allowable expenditures as were permitted under the Textbooks funding allotment as of June 30, 2015.

Section 8.22 Twelve-Month Personnel Positions for Vocational Agriculture Teachers
G.S. 115C-302.1(b) is amended to prohibit LEAs from reducing "...the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 2014-2015 school year for any school year thereafter."

Section 8.25 Repeal Unnecessary State Board of Education Reports
This section repeals, amends, or clarifies various education reports as follows:

1. Report on Paperwork Reduction. This annual SBE report under G.S. 115C-12(19) is repealed. SBE must still comply with all other duties set forth in G.S. 115C-12(19), including identifying all reports that are required at the state level for the school year.
2. Report on the ABC's. This annual SBE report under G.S. 115C-12(25) is amended as follows:

   Upon the request of [JLEOC], the State Board shall examine and evaluate issues, programs, policies, and fiscal information, and shall make reports to that Committee. Furthermore, beginning ~~October 15, 1997,~~October 15, 2015, and annually thereafter, the State Board shall submit reports to that Committee regarding ~~the continued implementation of Chapter 716 of the 1995 Session Laws, 1996 Regular Session. Each report shall include information regarding the composition and activity of assistance teams, schools that received incentive awards,~~ schools identified as low-performing, school improvement plans found to significantly improve student performance, personnel actions taken in low-performing schools, and recommendations for additional legislation to improve student performance and increase local flexibility.

   See Section 8.25(b).
3. Report on State School Technology Plan. The SBE is no longer required to report under G.S. 115C-102.6B(b) to JLEOC on the Plan, but is still required to submit to SCIO for approval on technical components of it.
4. Evaluation of the School-Based Accountability System. The three-sentence requirement for SBE to evaluate the state's accountability system every five years under G.S. 115C-105.35(a) is deleted.
5. Reports by LEAs and Charter Schools on Students With Diabetes. This annual LEA and charter school report to SBE under G.S. 115C-375.3 is repealed.

Section 8.26 School Safety/Statewide School Risk and Response Management System
This section contains revisions and additions to school safety statutes including, but not limited to, the following:

1. Amends G.S. 115C-47(40) to require local boards of education by March 1, 2017, to adopt a School Risk Management Plan (SRMP) for each school in its jurisdiction,

utilizing the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A.

2. Amends G.S. 115C-105.49, requiring LEAs to hold a full school-wide tabletop exercise drill in each school under their control based on the procedures documented in the SRMP, including a practice school lockdown. LEAs are further encouraged to hold a tabletop exercise and drill for multiple hazards included in the SRMP.
3. Adds new statute, G.S. 115C-105.49A, to require the Department of Public Safety (DPS), Division of Emergency Management, and the Center for Safer Schools (CSS) to construct and maintain a statewide SRRMS based on certain prescribed criteria.
4. Amends G.S. 115C-105.51 to permit DPS, in consultation with DPI, to develop standards and guidelines for the development, operation, and staffing of tip lines using a new anonymous safety tip line application and statewide panic alarm system, which are to be developed by July 1, 2016.
5. Amends G.S. 115C-105.53 to provide LEAs with the option of providing local law enforcement agencies with keys to the main entrance of all school buildings in addition to access key storage devices such as KNOX® boxes and require that any changes are relayed to local law enforcement.
6. Amends G.S. 115C-218.75 to encourage each charter school and regional school by March 1, 2017 to: (1) develop and adopt a SRMP utilizing the SRRMS, (2) hold a full school-wide lockdown exercise with local law enforcement and emergency management agencies, and (3) provide school safety information to DPS.
7. By February 1, 2016, DPS and CSS are directed to provide a report to the JLCGO regarding: (1) the status of the SRRMS implementation, and (2) the anticipated annual cost to operate and maintain the system.

Section 8.27 Investing in Innovation Grant

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 2012-2020 requires participating students to enroll in a community college course in the 10th grade. Grant funds cover all costs incurred by an LEA and community college partners to implement the grant and offer one community college course to participating students. LEAs receiving the grant for 2015-2016 are Alleghany, Beaufort, Bladen, Duplin (added), Hertford, Harnett (added), Jones, Madison, Martin, Richmond, Rutherford, Scotland (added), Surry, Warren, and Yancey County Schools. The New Schools Project is to report on the implementation of the grant to SBE, the State Board of Community Colleges (SBCC), Office of the Governor, and JLEOC no later than March 15, 2016, and annually thereafter until 2021.

Section 8.28 Study on Charter School Closure Funds

(This section was subsequently repealed and rewritten by SL 2015-248 (HB 334), Section 8(d), with no substantive changes. For convenience, the current law on this Study is summarized here.)

This provision in HB 334 directs SBE to study and develop a proposed policy regarding circumstances in which a charter school would be subject to the existing requirement under G.S. 115C-218.100 of maintaining $50,000 to cover expenses related to potential closure proceedings. SBE must consider providing certain charter schools with a total or partial waiver of the requirement by examining criteria for potentially eligible charter schools, such as: (1) the

years in operation; (2) proven compliance with legal requirements, SBE policies, and the charter agreement; and (3) appropriate documentation to demonstrate financial health and sustainability. SBE must report to JLEOC on this study and a proposed policy, including any legislative recommendations, by February 15, 2016.

Section 8.29 After-School Quality Improvement Competitive Grants
These grants serve at-risk students not performing at grade level in after-school learning programs. The grants are renewed with funding increased to $6 million in each year of the 2015-2017 fiscal biennium. Grants may be provided for new or existing after-school learning programs (including current recipients) operated by LEAs, charter schools, and non-profits. Participants are eligible to receive grants up to $500,000 in each of two years. DPI may use up to $200,000 to administer the program.

Grant recipients must certify that grants will be matched on a ratio of 3:1, grant to non-grant funds. Non-grant funds cannot include other state funds, but may include in-kind contributions. A new provision explicitly permits participating non-profits to act as their own fiscal agents for this program. Recipients must report to DPI on the progress of the grant after the first year before receiving additional funding. After the second year, grant recipients must report on key performance data, including state test results, attendance rates, promotion rates, and financial sustainability of the after-school program. DPI is to provide an interim report to JLEOC by September 15, 2016, with a final report by September 15, 2017.

Section 8.30 DPI Study/Improve Outcomes for Students with Disabilities
(See also, comparable study in UNC Budget, Section 11.19 below.)
DPI shall study and develop potential policy changes to improve outcomes for students with disabilities, including graduation rates, outcome-based goals, greater access to career-ready diplomas, increasing digital learning options, and earlier/improved transition services planning. Each year by November 15, 2015, DPI must report to JLEOC on the progress of developing and implementing potential policy changes. As directed in this section, DPI shall do the following:

1. Examine current Individualized Education Program (IEP) requirements and develop reforms with greater focus on outcome-based goals.
2. Solicit input from stakeholders and other interested parties to develop policies on transition services plans, employment opportunities, and adult living options.
3. Solicit input from stakeholders to create accessible ways to access the Future Ready Core Course of Study in more significant numbers as a viable alternative to the Occupational Course of Study.
4. Examine model programs that may be employed by LEAs aimed at increasing the graduation rate and school performance of students with disabilities.

Section 8.33 Textbooks and Digital Resources Allotment/Use of Funds
This section adds two new requirements under G.S. 115C-105.25(c) regarding information that an LEA is required to post on its website by October 15 each year that details how state funds are spent within the district, as follows:

1. A description and explanation of any transfer of funds from the Textbooks and Digital Resources allotment into another allotment category.
2. A chart that clearly reflects how the LEA spent state funds.

Section 8.34 Study on Juvenile Literacy Program
JLEOC shall study the results of the Juvenile Literacy Center program established in Wake County, reporting the results and any recommendations on the expansion of the program, including proposed legislation, before the 2016 Regular Session, as follows:

1. Examine the impact of the program on: (1) improving basic literacy skills, (2) reintegrating juveniles into schools, (3) preventing criminal behavior and recidivism, (4) developing overall academic skills, and (5) addressing problem behaviors in school.
2. Evaluate the existing program for potential expansion into other counties, including projected costs, feasibility of implementation, and recommendations for locations for additional programs.

Section 8.37 Budget Reductions/Department of Public Instruction
SBE shall implement a $2.5 million (5.2%) budget reduction for DPI, leaving $45.3 million available to support operations. In doing so, SBE may reorganize DPI, reporting to JLCGO on any reorganization. This section forbids any funding reductions for:

1. The North Carolina Center for Advancement of Teaching (NCCAT).
2. The Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf, and the Governor Morehead School (except for positions that have been vacant for more than 16 months).
3. Communities in Schools of North Carolina, Inc.
4. Teach For America, Inc.
5. Beginnings for Parents of Children who are Deaf or Hard of Hearing, Inc.

Section 8.38 Local Boards of Education/Performance-Based RIFs
Pursuant to a new subsection "(c)" under G.S. 115C-325.4, each local board of education shall adopt a reduction in force (RIF) policy that includes the following criteria:

1. To determine which positions are subject to a reduction, local boards must consider:
    a. Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are: (1) less essential, duplicative, or excess personnel; (2) job responsibility and position inefficiencies; (3) opportunities for combined work functions; and (4) decreased student or other demands for curriculum, programs, operations, or other services.
    b. Organizational considerations, such as anticipated organizational needs of the LEA and program or school enrollment.
2. To identify which teachers in similar positions are subject to a dismissal, demotion, or reduction to part-time employment under the policy, LEAs must consider work performance and teacher evaluations.
3. Conforming changes are also made in G.S. 115C-325(e)(2), which is set to be repealed effective June 30, 2018.

Section 8.39 Driver Education Training
<u>Effective July 1, 2016, but set to be repealed effective December 1, 2017, as follows:</u>

1. G.S. 115C-215(a) is amended to add the following sentence: "The driver education program shall be for the purpose of making available public education to all students on driver safety and training."

2. Existing law under G.S. 115C-216(g) allows LEAs to charge each student participating in a driver education course up to $65 to offset the costs of training and instruction. The subsection is amended to require LEAs that charge this fee to adopt a process for fee reduction or waiver for students unable to pay due to economic hardship.
3. G.S. 115C-105.25(b) is amended by adding a new subsection "(11)" to forbid LEAs from transferring non-driver education state funds into the driver education allotment category.

Effective September 18, 2015 (date of Budget enactment):

1. LEAs shall report to SBE by December 15, 2015, regarding their respective driver education programs for each school year from 2012-2016. DPI distributed a statewide survey and each LEA must submit the following required information:
    a. How driver education is provided – whether by the LEA or with a contracted outside provider, and a detailed summary of any/all related contracts.
    b. Total cost for the program, the individual student cost, and a detailed explanation of expenditures of all associated funds, written in plain English.
    c. How training vehicle fleet is provided and maintained – number of vehicles, procurement, maintenance, fuel cost, replacement cycle, and funding.
    d. Number of students eligible to participate in the program, number of students participating, and number of students successfully completing.
    e. Materials used for instruction of the standardized curriculum.
    f. Methodology for transfer to agencies of student information.
    g. Role of parents and legal guardians in driver education instruction.
    h. Process, if any, for filing and resolving complaints related to the program.
    i. Assessments/evaluations used to determine quality/success of the program.
    j. Average and maximum length of time between classroom instruction and behind-the-wheel instruction.
    k. Average and maximum number of classroom hours taught per day on regular school days and on any other day.
    l. Average and maximum number of behind-the-wheel hours taught per day on regular school days and on any other day.
    m. Process, if any, for reviewing driving records for driver education instructors.
    n. Tracking, if any, of student outcomes when seeking a driver's license. If an LEA tracks this information, they shall provide data on student outcomes, including numbers of students who successfully or unsuccessfully completed the written and driving portions of the license examination, respectively.
    o. If fees are charged for driver education, fee waivers or reductions, if any, provided to students. If fee waivers or reductions are provided, the LEA shall provide data on the authorizing policy, how many students are eligible for and use the waiver or reduction, and the amounts waived or reduced.

SBE shall report to JLEOC by February 15, 2016, on the above information to be provided by LEAs. JLEOC will conduct its own study by examining information, findings, and recommendations in the following reports and any additional information that it deems necessary and relevant, making recommendations before the 2016 Legislative Session:

1. National Highway Traffic Safety Administration report issued in May 2015, entitled "State of North Carolina: Technical Assessment of the Driver Education Program."

2. North Carolina Driver Education Strategic Plan prepared in June 2012 by the Driver Education Advisory Committee of SBE.
3. North Carolina Driver Education Program Management Review prepared in November 2010 by OSBM.
4. Program Evaluation Division's report issued in March 2014, entitled "Performance Measurement and Monitoring Would Strengthen Accountability of North Carolina's Driver Education Program."
5. Information provided by local boards of education, as reported by SBE.

Section 8.40 DPI Report on the Educator Licensure Processing System

By October 15, 2016, DPI shall report to JLEOC on operation and implementation of the educator licensure processing system, including the electronic processing of applications, with the following information:

1. Estimated processing time from receipt of application to issuance of a license in each category of licensure (initial, lateral entry, renewal through automated system, renewal manually, out-of-state reciprocity, and advanced degrees) including comparative data from before August 1, 2015, for each licensure category.
2. Schedule of fees and services, including any changes made to amounts or services.
3. Any backlog of application processing at the time of the report, including the categories of licensure experiencing the backlog.
4. Data from the prior year, as follows:
    a. Number of applications received and transactions completed.
    b. Number of newly licensed educators.
    c. Number of licensure renewals.
    d. Demographic information regarding currently licensed educators.
    e. Number of licenses issued by area of licensure and type of license.
    f. Number of initial licenses for:
        1. Graduates of educator preparation programs.
        2. Lateral entry.
        3. International educators.
        4. Out-of-state educators seeking reciprocity.

Section 8.41 Modify Educator Preparation Program Approval Process

This section reorganizes and recodifies the current licensure statute, G.S. 115C-296, under a new series of statutes, G.S. 115C-296.8 thru -296.13. Additionally, it makes substantive changes to requirements of educator preparation programs (which, for *existing programs*, are effective no later than July 1, 2017; and, for *new programs approved by SBE after September 18, 2015*, are effective upon approval):

1. Programs are to be either state-approved or nationally accredited based on certain prescribed criteria for their graduates to be eligible for licensure.
2. SBE may place a program provider on probationary status, requiring a plan for improvement or revoking approval for failure to maintain high standards.
3. Minimum admissions requirements, including: (1) minimum individual student scores on pre-professional skills tests (e.g., Praxis Core tests; SAT: 1100; or ACT: 24); (2) minimum cumulative GPA of 2.7; and (3) minimum entering cohort GPA of 3.0 for each program.

4. Demonstration of competencies using digital and other instructional technologies.
5. Strikes former references to "supervising teacher(s)" in the student teacher context and sets forth a new term, "clinical educator," with the following requirements, among others:
    a. Must be professionally licensed in the field of licensure sought by the student.
    b. Must have three years minimum experience in a teaching role.
    c. Must have been rated at least at the "accomplished" level on the NC Teacher Evaluation System and met growth expectations.
6. SL 2015-268 (HB 259) subsequently amended this section to require SBE to submit its Educator Preparation Report Card to JLEOC annually by December 15 (previously, November 15).

Section 8.42 Access for Teachers to EVAAS Data
Creates new statute, G.S. 115C-333.2, requiring LEAs to provide each of its teachers with access to school-level value-added data, the teacher's own value-added data, when applicable, and the teacher's evaluation dashboard through the Education Value-Added Assessment System (EVAAS). Beginning with the 2015-2016 school year, each principal must notify teachers at least annually when EVAAS data has been updated to reflect teacher performance from the previous school year.

Section 8.43 Certain CIHS Operating Without Additional Funds
Beginning with the 2015-2016 school year, the following schools are permitted to operate as Cooperative Innovative High Schools:
1. The Academy at High Point Central.
2. The Academy at Ben L. Smith High School.
3. STEM Early College at NC A&T State University.
4. Middle College at the University of North Carolina at Greensboro.
5. Vernon Malone College and Career Academy.
6. The Northeast Regional School of Biotechnology and Agriscience.

Each CIHS program receives an annual allotment of $310,669. Wilson Academy of Applied Technology will receive non-recurring planning funds in FY 2015-2016 ($100K) and the full allotment beginning in FY 2016-2017, as it will open a year later than the others listed. *See* Section 20 of the Money Report.

Section 8.44 Change the Mandatory Training for Local Boards of Education
G.S. 115C-50(a) is amended to require that all local board of education members receive at least 12 hours of training every two years (previously, every year). Training may be earned at any time during the two-year period and may include ethics training required under G.S. 160A-87.

Section 8.45 Repeal Extracurricular Duties Restriction for Teachers with 27+ Years
This section repealed G.S. 115C-47(18a)b, which read:

> Teachers with 27 or more years of experience are not assigned extracurricular activities unless they request the assignments in writing and that other non-instructional duties assigned to these teachers are minimized, so these teachers have an opportunity to informally share their experience and expertise with their colleagues.

Section 8.46 Licensure for Retired Substitute Teachers with 30+ Years
G.S. 115C-296(b) is amended to allow continued licensure of retired teachers who serve as substitutes beginning with the 2015-2016 school year based on the following criteria:

1. 30+ years of teaching experience in North Carolina upon the date of retirement.
2. Served as a substitute at least once every three years since retirement.
3. At least 640 hours of documented substitute teaching in each renewal cycle.
4. Eight hours of annual professional development approved by an LEA.

Any such retiree-substitute whose teaching license has expired, will be paid as if he/she possesses a current teaching license for the six months following the effective date of the Budget (September 18, 2015), if the following criteria are met:

1. Served as a substitute in the six months prior to September 18, 2015.
2. Notify their LEA of intent to satisfy the professional development requirements for license renewal.

Section 8.47 Teacher Assistant Allotment
This section amends G.S. 115C-105.25(b) by adding a new subdivision that forbids LEAs from transferring state funds out of the TA allotment category. Also, it revises the formula for state TA funding as follows:

1. Two TAs for every three classes in kindergarten.
2. One TA for every two classes in grades 1 and 2.
3. One TA for every three classes in grade 3.
4. For FY 2015-2016, distribution of funds is to be based on an average class size of 21 students.

Section 8.48 Reading Camps Offered to First and Second Grade Students
Reading camps, as part of the state's *Read to Achieve* law under G.S. 115C-83.3(4a), are extended to first and second grade students who demonstrate reading comprehension below grade level. Consistent with changes made to the program last year, LEAs are to "encourage" parents or guardians to enroll eligible students in the camps for each grade served (1-3), but they may opt out.

All camps will also be available for those students who demonstrated proficiency but whose parents/guardians wish to enroll them. The LEA may set a fee of up to $825 for these students to attend, but priority enrollment must be granted for students not demonstrating reading proficiency.

G.S. 115C-83.10 requires each LEA to publish certain student reading performance statistics on its website annually by September 1 and report to SBE. These websites and subsequent SBE reports to the General Assembly are also now required to have: (1) the number and percentage of first and second grade students demonstrating/not demonstrating reading comprehension at grade level, and (2) the number of first and second grade students attending a reading camp offered by the LEA.

PART VIII-A. LEGISLATIVE FINDINGS, DIRECTION, AUTHORITY, AND RESOURCES TO ENSURE THAT ALL STUDENTS HAVE THE OPPORTUNITY TO RECEIVE A SOUND BASIC EDUCATION

Section 8A.1 Legislative Findings

(This section is quoted in its entirety.)

a. "The General Assembly finds that some local boards of education have failed to comply with the requirements of the judiciary's decisions in *Leandro* to provide all public school students the opportunity to receive a sound basic education. Notwithstanding a history of adequate State and local funding and legislatively-granted flexibility in administration, management, and employment at the local level to provide tools to facilitate compliance with *Leandro*, some local boards of education have failed to take actions sufficient to:
    1. Prevent education bureaucracies from interfering with and overriding accountability measures and education reforms required by State law.
    2. Properly administer the public schools.
    3. Provide high-quality principals in every school and high-quality teachers in every classroom."

b. "It is the intent of the General Assembly in this act to provide the following additional direction, authority, and resources to local boards of education and to the State Board of Education to enable them to correct these deficiencies:
    1. Clarify the role of local boards of education to ensure that their main focus is to provide each public school student with the opportunity to receive a sound basic education, and that all policy decisions should be made with that objective in mind, including employment decisions, budget development, and other administrative actions.
    2. Direct the State Board of Education not to allow waivers of State laws and rules that permit local boards to avoid accountability measures and education reforms required by the State.
    3. Provide additional teacher positions to transition to a lower class size in first grade, which, according to research, is optimal for learning at this critical time.
    4. Facilitate the identification of low-performing schools and low-performing local school administrative units.
    5. Provide the State Board of Education with authority to consolidate local school administrative units in contiguous counties as necessary to ensure that all school systems have the size, expertise, and other resources necessary to provide their students with the opportunity to receive a sound basic education.
    6. Provide [$41,846,123] in additional funds to increase the base teacher salary paid by the State by [6.1 %]."

Section 8A.2 Duty of Locals to Provide Opportunity to Receive Sound Basic Education

Amends G.S. 115C-47(1) to reflect language from *Leandro*, as follows: "To Provide ~~an Adequate School System.~~ the Opportunity to Receive a Sound Basic Education. - It shall be the duty of local boards of education to provide ~~adequate school systems~~ students with the opportunity to receive a sound basic education and to make all policy decisions with that objective in mind, including employment decisions, budget development, and other

administrative actions, within their respective local school administrative units, as directed by law."

Section 8A.3 Class Size in Kindergarten through Third Grade
Existing law under G.S. 115C-301(g) requires local boards of education to report exceptions to legislated class size requirements for K-3 and significant increases at other grade levels to SBE, directing the boards to request allotment adjustments for any grade level, waivers from the requirements for K-3, or both. This section amends the statute to permit SBE, within funds available, to allot additional positions at any grade level. However, it no longer allows SBE to grant waivers for class size excesses in K-3, except under the following circumstances:

1. Emergencies or acts of God that impact space in facilities.
2. An unanticipated ADM increase of greater than 2% at a single school.
3. Organizational problems in a geographically isolated LEA where ADM is less than 1.5 students per square mile.
4. Classes organized for a solitary curricular area.
5. A charter school closure.

Additionally, a new subsection "(j)" is added to G.S. 115C-301 providing that if SBE determines that a local superintendent is willfully not complying with class size requirements, no state funds can be used to pay the superintendent's salary until compliance is restored. However, the local board of education will continue to be responsible for fulfilling the terms of the superintendent's contract. This subsection reinstates language that was previously repealed by SL 2013-363 (HB 112), Section 3.3(a).

The General Assembly provided enough funding for 1 teacher to every 16 students in 1st grade in FY 2016-17. The class size requirements nonetheless remain unchanged (e.g., 1 teacher for every 21 students on average in 1st grade, and 1 teacher for every 24 students maximum for 1st grade). *See* Section 8A.3(b).

SECTION 8A.4 Identification of Low-Performing Schools and Units
Repeals G.S. 115C-105.35(c), which directed SBE to consider incorporating into the School-Based Management and Accountability Program a character and civic education component that could have included a requirement for student councils.

Amends G.S. 115C-105.37 regarding SBE's role in identifying low-performing schools and re-defines low-performing schools as "those that receive a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" as defined by G.S. 115C-83.15." *See* Section 8A.4(b) for full details. Also, new statute, G.S. 115C-105.39A, provides for the identification of low-performing LEAs on an annual basis: "A low-performing school administrative unit is a unit in which the majority of the schools in that unit that received a school performance grade and school growth score as provided in G.S. 115C-83.15 have been identified as low-performing schools, as provided in G.S. 115C-105.37."

SBE shall identify low-performing schools and districts in accordance with these new definitions. Local superintendents are required to establish and implement improvement plans approved by the local board, including how the superintendent and district administrators will

work with the schools and monitor progress. Among other obligations, each school and LEA identified as low-performing must provide prompt written notification to parents and guardians of students attending a low-performing school.

Section 8A.5 State Board Authority to Consolidate Contiguous County School Districts
New statute, G.S. 115C-66.5, provides SBE with "the authority to consolidate and merge contiguous county school administrative units or a group of county school administrative units in which each county unit is contiguous with at least one other county unit in the group." In such a merger, SBE must adopt a written plan setting forth the conditions. Also, it would not abolish any special taxes that may have been voted into effect in a district. Notably, there is no mandate to merge any LEAs, nor any specific deadlines.

Any such merger would become effective on the July 1st immediately following the 31st day of a legislative session or the day of adjournment of the next regular session of the General Assembly that begins at least 25 days after the date that SBE approved the merger, whichever is earlier. If a bill that specifically disapproves a merger is introduced in either chamber of the legislature before the 31st day of that session, the merger becomes effective on the July 1st immediately following the day an unfavorable final action is taken on the bill or the day that session of the General Assembly adjourns without ratifying such bill, whichever is earlier.

A merger is voided if a bill enacted into law before the merger becomes effective specifically disapproves it. Any member of the General Assembly may introduce a bill during the first 30 legislative days of any regular session to disapprove a merger that has not become effective.

Section 8A.6 Limit Local Board of Education Waivers
G.S. 115C-105.26 is amended to explicitly forbid SBE from granting waivers of state laws or rules to local boards of education, with limited exceptions. If a waiver under one of those exceptions is requested, the request must meet all of the following requirements:

1. Identify the school or schools making the request.
2. Identify the state law or rule requesting to be waived.
3. Set out with specificity how the waiver may be used.
4. Explain how the requested waiver will permit the school to improve student performance.

The only waivers permitted under revised G.S. 115C-105.26 are the following:

1. Class size requirements only as provided in G.S. 115C-301(g). *See* Section 8A.3 above.
2. Calendar requirements for anticipated makeup days due to school closings only as provided in G.S. 115C-84.2(d) regarding weather-related and emergency closures.

By October 15 annually, SBE shall report to JLEOC with a list of the specific waivers granted to each local board under this section. SBE may include any legislative recommendations.

PART IX. COMPENSATION OF PUBLIC SCHOOL EMPLOYEES

(See corresponding salary schedules under the "Budget Bill Excerpts" tab. For detailed information on the state salary schedules and the State Salary Manual, see DPI's Financial and Business Services resources at http://www.ncpublicschools.org/fbs/finance/salary/)

Section 9.1 Teacher Salaries

Assuming no change in position, no teacher will receive less state pay than received in the previous year. The following comparative chart on monthly teacher pay reflects changes beginning in FY 2015-2016 for licensed personnel of the public schools who are classified as teachers, including an increase in starting pay from $3,300 to $3,500 per month and experience-based step increases for all eligible teachers.

State Pay Teacher Salary Schedule (Bachelor) for 2015-2016

(Reflects experience-based step increases and salary changes for this year)

Years of Experience		Monthly Salary		Monthly Increase	
2014-2015	2015-2016	2014-2015	2015-2016	Amount	%
0-3	0-4	$3,300	$3,500	$200	6.1
4	5	$3,300	$3,650	$350	10.6
5-8	6-9	$3,650	$3,650	---	---
9	10	$3,650	$4,000	$350	9.6
10-13	11-14	$4,000	$4,000	---	---
14	15	$4,000	$4,350	$350	8.8
15-18	16-19	$4,350	$4,350	---	---
19	20	$4,350	$4,650	$300	6.9
20-23	21-24	$4,650	$4,650	---	---
24	25	$4,650	$5,000	$350	7.5
25+	25+	$5,000	$5,000	---	---

Salary supplements (unchanged from last year) for licensed teachers, including instructional support personnel, paid on this salary schedule are as follows:

1. NBPTS teachers receive a 12% supplement of their salary on the "A" schedule.
2. "M" teachers receive a 10% supplement of their salary on the "A" schedule.
3. Teachers with licensure based on the six-year degree level receive a $126.00 monthly supplement in addition to their supplement as an "M" teacher.
4. Teachers with licensure based on the doctoral degree level receive a $253.00 monthly supplement in addition to their supplement as an "M" teacher.
5. Certified school nurses receive a 10% supplement of salary on the "A" schedule.

The first step of the salary schedule for school psychologists, speech pathologists licensed as speech pathologists at the master's degree level or higher, and audiologists licensed as audiologists at the master's degree level or higher are equivalent to Step 5 of the "A" schedule. These employees receive a 10% monthly supplement of their salary and are eligible to receive

supplements equivalent to those of teachers at the six-year degree level or the doctoral degree level. This school psychologists/speech pathologists/audiologists salary schedule has a new tier added for 25 years and above at 7.5% higher than the 20-24 tier.

Section 9.2 School-Based Administrator (SBA) Salaries
Establishes salary schedules for principals and assistant principals in FY 2015-16 and includes a step increase for SBAs. No change to the salary amounts on each step of the schedule except for the beginning step of the assistant principals schedule (0-9 years of experience), which was increased by $81 per month. Maintains previous salary supplements, longevity pay, and classification guidelines.

Effective July 1, 2015, any person paid on the state salary schedule in the 2013-2014 school year and employed on July 1, 2015, who does not receive a salary increase on this salary schedule, shall receive a non-recurring $809 salary bonus.

Section 9.3 Central Office Salaries
No increase in salary. Base salaries remain the same as in 2014-2015.

Section 9.4 Non-Certified Personnel Salaries
(This section was subsequently amended by SL 2015-268 (HB 259), Section 3.2. The below summary incorporates the technical change.)
No increase in salary. The annual salary for permanent full-time and part-time non-certified public school employees whose salaries are supported from state funds will not receive a state-funded increase for the fiscal biennium, but the salaries may be increased as otherwise allowed by law (e.g., locally-funded increases/salaries).

Section 9.5 No Pay Loss for Teachers or Assistant Principals Who Advance
(This section was subsequently amended by SL 2015-268 (HB 259), Section 3.3. The below summary incorporates the technical change.)
Amends G.S. 115C-285(a) to ensure that an assistant principal who becomes a principal without a break in service will be paid at least as much as he or she was paid as an assistant principal employed by that LEA. The technical change in SL 2015-268 (HB 259) clarifies that there will be no retroactive pay for years before July 1, 2015.

See Section 30.18A below for the $750 one-time bonus provision.

PART V. COMMUNITY COLLEGES

Section 10.11 Youth Career Connect Program
The federal Youth Career Connect Grant awarded to Anson County Schools for 2014-2018 allows students to enroll in community college courses, tuition free, in the ninth and tenth grades at South Piedmont Community College.

Section 10.13 Career- and College-Ready Graduates

This section directs the State Board of Community Colleges (SBCC), in consultation with SBE, to develop a program for implementation in the 2016-2017 school year that: (1) introduces college developmental mathematics and developmental reading and English curricula in the senior year of high school, and (2) provides opportunities for college remediation prior to high school graduation through community college partners. SBCC and SBE shall report on the progress of statewide implementation to JLEOC by March 15, 2016. Students enrolled in the Occupational Course of Study cannot be required to participate in the program or take mandatory remedial courses, unless a parent specifically requests participation through the IEP process. The program requires the following:

1. SBCC to establish measures for determining student readiness and preparation for college using ACT scores, GPAs, or other measures currently used by SBCC.
2. Changes in curriculum, policy, and rules needed by SBCC and SBE to make remedial courses mandatory for students not meeting readiness indicators by junior year.
3. High schools to use curriculum approved by SBCC in consultation with SBE.
4. Determinations by SBCC on the following:
    a. Appropriate measures of successful completion of the remedial courses without need for further remediation in mathematics or reading and English.
    b. The length of time following high school graduation in which a student who successfully completed high school remedial courses will not be required to enroll in developmental courses at a state community college.
5. Delivery of remedial courses by high school faculty consistent with policies adopted by SBCC and SBE. The policies must include the following:
    a. High school faculty teaching the approved remedial courses must successfully complete training requirements determined by SBCC and SBE.
    b. The NC Community College System must provide oversight of the remedial courses to ensure appropriate instructional delivery.

Section 10.14 NC Works Career Coaches

New statute, G.S. 115D-21.5, establishes the NC Works Career Coach Program, which will place community college career coaches in high schools to assist students in determining career goals and identifying appropriate community college programs. The board of trustees of a community college and local boards of education within the service area of the community college shall enter into a memorandum of understanding for placement of career coaches. At a minimum, any memorandum of understanding must include the following:

1. Requirement that the community college provides the following:
    a. Hiring, training, and supervision of career coaches. A local board of education liaison may be included on the hiring committee.
    b. Salary, benefits, and all other expenses related to the employment of a career coach. The coach is an employee of the college only.
    c. Development of pedagogical materials and technologies to enhance the advising process.
    d. Criminal background checks required by the LEA for employees working directly with students.
    e. While on any school campus, a career coach will obey local board of education rules, subject to authority of the school building administration.

2. Requirement that the LEA provides the following to career coaches:
    a. Access to student records, as needed to carry out responsibilities.
    b. Office space on site appropriate for student advising.
    c. IT resources (Internet access, telephone, copying, etc.).
    d. Initial school orientation and ongoing integration with faculty and staff.
    e. Promotion of school-wide awareness of coach duties.
    f. Facilitation of coach's access to individual classes and larger assemblies for the purposes of awareness-building.

Funding is awarded by SBCC, as allotted in the Budget – $500K in FY 2015-2016 and $1M in 2016-2017. Community colleges and LEAs may jointly apply for funds based on a process to be established by SBCC. SBCC will begin accepting applications for funds no later than December 15, 2015, to select initial recipients by February 22, 2016.

PART XI. UNIVERSITIES

Section 11.9 Transforming Principal Preparation
Creates a new competitive grant initiative administered through the State Education Assistance Authority (SEAA) seeking to transform the preparation and support of highly effective future principals. SEAA will establish a cooperative agreement with a separate unnamed, private non-profit corporation to be chosen through a Request for Proposal process by January 15, 2016. The selected non-profit will review grant applications and make recommendations to SEAA on the selection of grant recipients by June 1, 2016. Grant recipients can be for-profits, non-profits, or institutions of higher education that have a demonstrated record of principal preparation that improves student achievement and focuses on high-need schools, among other criteria. In each fiscal year, $500,000 is allocated to SEAA to contract with the selected non-profit, and beginning in 2016-2017, an additional $500,000 will be allocated to award grants.

Other directives set forth in this section:
1. By June 1, 2016, SBE shall adopt a policy to provide a specific licensure process for school administrators who successfully complete a principal preparation program awarded a grant under this section.
2. The selected non-profit shall provide SBE with the required data annually.
3. By September 15, 2021, SBE, with the UNC Board of Governors is to revise, as necessary, the licensure requirements for administrators and standards for preparation programs using data from grant recipients.
4. SBE shall report to JLEOC by November 15, 2021, on any changes made to licensure requirements for school administrators and standards for preparation programs.

Section 11.11 Special Education Scholarship Changes and Reevaluation Funds
Existing law under G.S. 115C-112.6 is amended beginning with the 2015-2016 school year as follows:
1. Increases to $4,000 (from $3,000) the amount per semester per eligible student.
2. Scholarships will remit at least two times each school year versus reimbursement at the end of each semester. Reimbursement will continue for non-tuition expenses.

3. Scholarship funds cannot be provided for tuition for home-schooled students.
4. Schools receiving scholarship funds must be deemed eligible by the Division of Non-Public Education (under the Department of Administration), subject to requirements of G.S. 115C-562.5.
5. By November 2015, SEAA shall adopt rules providing for pro rata return of funds if a student withdraws prior to the end of a semester after funds have been remitted.
6. Each year, SEAA, with DPI, shall analyze trends in scholarship data to ensure the amount of funds transferred to DPI for reevaluations by LEAs of eligible students under G.S. 115C-112.6(c) are sufficient and based on actual cost requirements.

Section 11.16 Early College Graduates/UNC Admission Policy
The UNC Board of Governors shall adopt a policy to require each constituent institution to offer any eligible student (one who graduated from a CIHS program with an associate degree and applies for admission) the option of being considered as either a freshman or a transfer student for admission beginning with the 2016-2017 academic year. The institution must also provide information to the student regarding the consequences of each option and other relevant information.

Beginning March 1, 2017, the Board of Governors is to report annually to JLEOC regarding the number of students who graduated from a CIHS program with an associate degree and which option those students chose when applying for admission.

Section 11.19 Education Opportunities for Students with Disabilities
The NC Department of Health and Human Services (DHHS), with the assistance of DPI and various other education organizations and stakeholders, shall study needs and methods for transitions of people with disabilities to adulthood, including postsecondary education and employment opportunities. DHHS shall report annually to JLEOC and the Joint Legislative Oversight Committee on Health and Human Services (JLOCHHS) by November 15, 2015 through 2017. Also, SEAA shall study and report to the same committees by March 15, 2016, on strategies to ensure that state financial assistance for postsecondary education is fully available to assist qualified students with disabilities who are enrolled in certificate-based university programs developed for them.

Section 11.21 Hunt Institute/General Funds
This section ends state support of the Hunt Institute, a center for educational policy and leadership that is affiliated with UNC-Chapel Hill.

PART XII. DEPARTMENT OF HEALTH AND HUMAN SERVICES

SUBPART XII-B. DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

Section 12B.1 NC Pre-K Program/Standards for Four- and Five-Star Rated Facilities
Maintains existing eligibility criteria and historical program guidelines. The Division of Child Development and Early Education (in DHHS) shall submit an annual report by March 15 that includes the following:

1. Number of children participating in the NC Pre-K program by county.
2. Number of those who have never been served in any other early education program.
3. Expected NC Pre-K expenditures for programs and the source of local contributions.
4. Results of an annual evaluation of the NC Pre-K program.

Section 12B.8 Statewide Early Education and Family Support Programs
Directs a subcommittee appointed by JLOCHHS to study early childhood and family support programs (the Child Care Subsidy program, NC Pre-K, and Smart Start) and develop a proposed statewide plan addressing how to meet needs of children by county or region. The subcommittee may seek input from other states, stakeholders, and national experts on similar support programs. The report is to be submitted on or before April 1, 2016, and shall consider the following:

1. The purpose, outcomes, and effectiveness of each program.
2. The flexibility needed to ensure needs of young children across the state are met.
3. The potential for streamlined administration across the programs.
4. Any other relevant issues the subcommittee deems appropriate.

SUBPART XII-E. DIVISION OF PUBLIC HEALTH

Section 12E.1 Funds for School Nurses
Maintains the same funding and policy requirements for school nurses as in past years. Sets forth prescribed core responsibilities of school nurses.

Section 12I.1(x) Maternal and Child Health Block Grant
If federal funds are received under the federal Maternal and Child Health Block Grant for abstinence education for FY 2015-2016 or 2016-2017, those funds shall be transferred to SBE for DPI to establish an abstinence until marriage education program, delegating at least one person the responsibility of implementing the program under G.S. 115C-81(e1)(4) and (4a). DPI shall follow federal guidelines to implement and administer the grant funds.

PART XV. DEPARTMENT OF COMMERCE

Section 15.23 Lottery Proceeds Disclosure
This section amends G.S. 18C-115 and directs each state department or agency that receives lottery funds to use its established communications channels to inform the public about amounts received and activities supported by lottery proceeds.

PART XXIII. OFFICE OF STATE BUDGET AND MANAGEMENT

Section 23.4 OSBM/Public School Construction Needs Study
Directs OSBM to use $100,000 of its allocated funds in FY 2015-2016 to contract with an outside entity to: (1) perform an independent assessment of school construction needs of LEAs in the 50 counties determined under the low-wealth school funding formula to have the lowest ability to pay for school facilities, and (2) determine which of those LEAs have the highest

facility needs in relation to their capacity to meet those needs. OSBM shall report the results of this study to JLCGO by May 1, 2016.

PART XXVII. DEPARTMENT OF ADMINISTRATION

Section 27.3 Streamline Seized Vehicle Disposal
(This section was subsequently amended by SL 2015-268 (HB 259), Section 38.3. The below summary incorporates the changes.)
Transfers the vehicle seizure and sale program under G.S. 20-28.3 from DPI to the State Surplus Property Agency within the Department of Administration (DOA). Proceeds from the sale of these vehicles, which are seized due to certain criminal driving offenses, continue to go to LEAs. Additional provisions set forth under this section would have allowed State Surplus to conduct the program in-house or contract with vendors for the services. One sentence of this section, however, was subsequently deleted in SL 2015-268, Section 38.3, that involved State Surplus's authority to tow, store, and sell the seized vehicles in-house.

PART XXIX. DEPARTMENT OF TRANSPORTATION

Section 29.30(m) Increase and Adjust DMV Fees
Adds new statute, G.S. 20-88.03, directing the Division of Motor Vehicles (DMV) to charge a new $15-$25 late fee for tardy vehicle registration. The clear proceeds of this fee are remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2 and will be used beginning in 2016-2017 to fund driver education. *See also,* Section 5.3 above.

PART XXX. SALARIES AND BENEFITS

Section 30.7 State Agency Teachers
Employees of schools operated by DHHS, DPS, and SBE who are paid on the Teacher Salary Schedule shall receive any experience step increases authorized in Section 9.1 of the Budget.

Section 30.8(c) All State-Supported Personnel
Except as otherwise provided, salary increases provided in the Budget do not apply to persons separated from state service due to resignation, dismissal, RIF, death, or retirement, or whose last workday was prior to July 1, 2015. This section also contains other technicalities about state-funded salaries, salary increases, bonuses, and effective dates.

Section 30.18A Compensation Bonus Awarded for FY 2015-2016
Any person who was employed in a state-funded position on November 1, 2015, will be awarded a one-time, lump-sum bonus for FY 2015-2016 of $750.00 in December 2015. The bonus is not part of annual salary and will be paid out separately to eligible permanent employees. For permanent part-time employees, the bonus will be adjusted based on their hours.

Section 30.20 Salary-Related Contributions
For the 2015-2017 fiscal biennium, the state's employer contribution rate to the retirement system is 15.32% for Teachers and State Employees (up from 15.21% in 2014-2015).

The state's employer contribution rate to the State Health Plan for Teachers and State Employees is $5,471 for non-Medicare-eligible employees/retirees and $4,251 for Medicare-eligible employees/retirees.

Section 30.25 Rehired Retiree State Health Plan Coverage Options
Amends G.S. 135-48.40 to solve a problem where certain rehired retirees (e.g., retirees who return as substitute teachers) had been forced to elect a "bronze level" plan for healthcare insurance. Under this provision, eligible rehired retirees who return to work on a full-time non-permanent basis may maintain their State Health Plan coverage (and not be placed on the "bronze level" high deductible health plan). Employing entities (e.g., LEAs) are required to pay applicable insurance premiums for any such rehired retiree.

Section 30.26 Reserve for Future Benefits Needs/State Health Plan Reserve
Declares legislative intent to make funds in the Reserve for Future Benefits Needs available for increasing employer contributions to the State Health Plan during FY 2016-2017 only if the General Assembly determines that the State Treasurer and the State Health Plan Board of Trustees have adopted sufficient measures to limit projected employer contribution increases during the 2017-2019 fiscal biennium. Also, requires the State Health Plan to maintain a cash reserve of at least 20% of its total annual costs. If the amount falls below 20%, the State Treasurer shall report to the JLCGO within 60 days on departmental plans to maintain this required amount.

Section 30.30 Clarify and Amend Purchase of Service for Educational Leave
Amends G.S. 135-8(b)(5) to add restrictions to the purchase of "creditable service" by any member of the Teachers' and State Employees' Retirement System (TSERS) for leaves of absence or interrupted service, such that it may only be approved in the following situations:

1. A period of employment as a teacher in a charter school.
2. During the time of leave or interrupted service, the member is enrolled and participates in a full-time degree program at an accredited institution of higher education.
3. The member is not paid for the activity in which he or she is acquiring knowledge, talents, or abilities.
4. Service is not purchased for any month in which the member performed any services for organizations listed in G.S. 135-27(a) or G.S. 135-27(f) (i.e., the NC Association of Educators, the State Employees' Association of NC, the NC Teachers' Association, the State Employees' Credit Union, or the NC State School Boards Association, amongst others), or a successor to any of those organizations.

Section 30.30A Qualified Excess Benefit Arrangement
Amends G.S. 135-151(j) to provide that no member of TSERS or the North Carolina Local Governmental Employees' Retirement System retiring on or after August 1, 2016, will be eligible to participate in QEBA, and the Retirement System will not pay any such new retiree more

retirement benefits than allowed under section 415(b) of the Internal Revenue Code. This provision extends the sunset from January 1, 2015, to August 1, 2016.

PART XXXII. FINANCE PROVISIONS

Section 32.19 Additional Local Sales Tax Revenue for Economic Development, Public Education, and Community Colleges

This section creates new statute G.S. 105-524 that is effective July 1, 2016, and applies to local option sales taxes collected on or after that date. Revenue will be distributed on or after September 1, 2016, whereby $84.8 million will be allocated to 79 counties based upon specific legislated percentages and formulas. Funds must be used for economic development, public education, and community colleges. The amount for subsequent years will be adjusted based on loss or gain in local sales and use taxes collected in the preceding fiscal year.

Budget Bill
Excerpts

Excerpts from the Budget Bill Affecting Public Schools*

GENERAL ASSEMBLY OF NORTH CAROLINA
2015 Session

SESSION LAW 2015-241
HOUSE BILL 97

AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.

The General Assembly of North Carolina enacts:

PART I. INTRODUCTION AND TITLE OF ACT

TITLE OF ACT

SECTION 1.1. This act shall be known as the "Current Operations and Capital Improvements Appropriations Act of 2015."

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.

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's departments, institutions, and agencies and for other purposes as enumerated, are made for the fiscal biennium ending June 30, 2017, according to the following schedule:

Current Operations – General Fund	**FY 2015-2016**	**FY 2016-2017**
EDUCATION		
Community Colleges System Office	$1,069,066,998	$1,065,895,520
Department of Public Instruction	8,516,769,297	8,419,444,621
University of North Carolina – Board of Governors		
Appalachian State University	127,841,892	127,835,582
East Carolina University		
Academic Affairs	210,407,112	210,739,558
Health Affairs	73,527,686	73,527,686
Elizabeth City State University	33,759,228	33,759,228
Fayetteville State University	48,741,530	48,741,530
NC A&T State University	90,898,021	90,898,021

*The asterisk line in pages that follow denotes a skip in budget text (i.e., budget text deleted).

NC Central University	82,132,848	82,132,848
NC State University		
Academic Affairs	392,256,502	392,249,291
Agricultural Extension	38,595,927	38,595,927
Agricultural Research	53,099,332	53,099,332
UNC-Asheville	37,592,283	37,592,283
UNC-Chapel Hill		
Academic Affairs	252,265,861	252,265,861
Health Affairs	187,779,905	187,779,905
AHEC	49,282,678	49,282,678
UNC-Charlotte	198,971,605	198,971,605
UNC-Greensboro	143,459,427	143,459,427
UNC-Pembroke	53,184,870	53,192,105
UNC-School of the Arts	28,669,298	28,669,298
UNC-Wilmington	101,627,684	101,473,413
Western Carolina University	85,805,817	85,805,817
Winston-Salem State University	64,619,124	64,619,124
General Administration	37,256,706	37,256,706
University Institutional Programs	110,112,626	35,984,886
Related Educational Programs	108,168,501	108,168,501
NC School of Science & Mathematics	19,786,361	19,787,561
Aid to Private Institutions	116,719,754	127,419,754
Total University of North Carolina – Board of Governors	**2,746,562,578**	**2,683,307,927**
HEALTH AND HUMAN SERVICES		
Department of Health and Human Services		
Central Management and Support	122,466,586	130,033,253
Division of Aging and Adult Services	43,815,337	43,815,337
Division of Blind Services/Deaf/HH	8,173,207	8,173,207
Division of Child Development and Early Education	232,462,829	243,033,976
Health Service Regulation	16,105,247	16,110,674
Division of Medical Assistance	3,736,574,943	3,916,237,272
Division of Mental Health	596,082,420	537,861,308
NC Health Choice	12,556,342	746,758
Division of Public Health	141,377,220	148,298,428
Division of Social Services	183,183,263	185,533,263
Division of Vocation Rehabilitation	37,752,132	37,752,132
Total Health and Human Services	**5,130,549,526**	**5,267,595,608**
AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES		
Department of Agriculture and Consumer Services	116,314,975	116,955,773
Department of Commerce		
Commerce	57,487,974	57,596,128
Commerce State-Aid	20,754,240	18,055,810
Department of Cultural Resources		
Cultural Resources	163,398,267	169,289,403
Roanoke Island Commission	523,384	523,384

Wildlife Resources Commission	10,153,623	10,023,496
Department of Environment and Natural Resources	81,306,602	82,429,609
Department of Labor	15,995,359	15,822,235
JUSTICE AND PUBLIC SAFETY		
Department of Public Safety	1,848,129,110	1,847,365,626
Judicial Department	484,931,217	484,126,321
Judicial Department – Indigent Defense	116,002,897	116,629,964
Department of Justice	53,849,464	52,715,592
GENERAL GOVERNMENT		
Department of Administration	61,340,912	58,664,485
Office of Administrative Hearings	5,180,184	5,143,413
Department of State Auditor	12,103,663	12,004,791
Office of State Controller	22,853,779	22,726,386
State Board of Elections	6,764,842	6,513,363
General Assembly	57,409,649	57,009,051
Office of the Governor		
Office of the Governor	5,822,109	5,566,174
Office of the Governor – Special Projects	2,000,000	2,000,000
Office of State Budget and Management	7,683,949	7,531,408
OSBM – Reserve for Special Appropriations	14,781,688	2,000,000
Housing Finance Agency	21,618,739	25,660,000
Department of Insurance	38,652,279	38,355,246
Office of Lieutenant Governor	682,875	677,972
Department of Military and Veterans Affairs	9,536,995	7,806,254
Department of Revenue	81,059,539	80,457,679
Department of Secretary of State	11,888,691	11,750,695
Department of State Treasurer		
State Treasurer	10,262,911	10,348,384
State Treasurer – Retirement for Fire and Rescue Squad Workers	22,041,299	21,691,299

RESERVES, ADJUSTMENTS AND DEBT SERVICE

Contingency and Emergency Fund	5,000,000	5,000,000
Salary Adjustment Reserve	12,500,000	25,000,000
OSHR Minimum of Market Adjustment	0	12,000,000
Reserve for Future Benefit Needs	0	71,000,000
Workers' Compensation Reserve	23,500,543	21,500,543
Information Technology Reserve	21,320,843	21,320,843
Information Technology Fund	21,755,191	21,681,854
IT Reserve – Budget Transparency Project	814,000	0
One North Carolina Fund	6,995,976	9,000,000
Job Development Investment Grants (JDIG)	57,816,215	71,728,126
Film and Entertainment Grant Fund	30,000,000	30,000,000
Public Schools Average Daily Membership (ADM)	0	107,000,000
UNC System Enrollment Growth Reserve	0	31,000,000
Debt Service		
General Debt Service	713,159,643	701,849,215
Federal Reimbursement	1,616,380	1,616,380
TOTAL CURRENT OPERATIONS – GENERAL FUND	**21,717,958,405**	**21,913,380,578**

GENERAL FUND AVAILABILITY STATEMENT

SECTION 2.2.(a) The General Fund availability used in developing the 2015-2017 fiscal biennial budget is shown below.

	FY 2015-2016	**FY 2016-2017**
Unappropriated Balance	2,033,330	182,588,544
Over Collections FY 2014-15	445,820,623	0
Reversions FY 2014-15	415,657,138	0
Proceeds from Sale of Dix Received in FY 2014-15	2,000,000	0
Revenue Adjustment as per S.L. 2015-2	(1,000,000)	0
Earmarkings of Year End Fund Balance:		
Savings Reserve	(200,000,000)	0
Repairs and Renovations	(400,000,000)	0
Beginning Unreserved Fund Balance	**264,511,091**	**182,588,544**
Revenues Based on Existing Tax Structure	**20,981,400,000**	**21,592,400,000**
Non-tax Revenues		
Investment Income	17,100,000	17,400,000
Judicial Fees	227,800,000	225,500,000
Disproportionate Share	139,000,000	139,000,000
Insurance	78,400,000	79,600,000
Master Settlement Agreement	137,500,000	137,500,000
Other Non-Tax Revenues	168,000,000	168,800,000
Highway Fund Transfer	215,900,000	215,900,000
Subtotal Non-tax Revenue	**983,700,000**	**983,700,000**
Total General Fund Availability	**22,229,611,091**	**22,758,688,544**
Adjustments to Availability: 2015 Session		
Historic Preservation Tax Credit	0	(8,000,000)
Modify Corporate Income Tax Rate Trigger, Expand Corporate Tax Base, and Repeal Bank		

Privilege Tax	6,000,000	0
Phase-In Single Sales Factor Apportionment	(7,900,000)	(23,300,000)
Reduce Individual Income Tax (Reduces Rate to 5.499% in 2017, Restores Medical Deduction, and Raises Standard Deduction)	(117,300,000)	(437,100,000)
Expand Sales Tax Base	44,500,000	159,500,000
Transfer Additional Local Sales Tax Revenue for Economic Development, Public Education, and Community Colleges	0	(17,600,000)
Renewable Energy Safe Harbor (S.L. 2015-11)	0	(36,700,000)
Repeal Highway Fund Transfer	(215,900,000)	(215,900,000)
Transfer to Medicaid Transformation Fund	(75,000,000)	(150,000,000)
Standard & Poor's Settlement Funds	19,382,143	0
Master Settlement Agreement Funds to Golden L.E.A.F.	(10,000,000)	(10,000,000)
Department of Justice Tobacco Settlement	2,194,000	0
Transfer from Federal Insurance Contributions Act (FICA) Fund	4,296,802	641,628
Transfer from E-Commerce Fund Cash Balance	3,000,000	0
Transfer from DPS Enterprise Resource Planning System IT Fund	9,000,000	0
Adjustment of Transfer from Treasurer's Office	62,998	18,471
Adjustment of Transfer from Insurance Regulatory Fund	355,915	58,882
Realign Judicial Fees	25,000,000	25,000,000
Subtotal Adjustments to Availability: 2015 Session	**(312,308,142)**	**(713,381,019)**
Revised General Fund Availability	**21,917,302,949**	**22,045,307,525**
Less General Fund Appropriations	**(21,734,714,405)**	**(21,919,468,078)**
Unappropriated Balance Remaining	**182,588,544**	**125,839,447**

SECTION 2.2.(b) G.S. 105-164.44D is repealed.

SECTION 2.2.(c) Notwithstanding the provisions of G.S. 143C-4-3(a), the State Controller shall transfer a total of four hundred million dollars ($400,000,000) from the unreserved fund balance to the Repairs and Renovations Reserve on June 30, 2015. This subsection becomes effective June 30, 2015.

SECTION 2.2.(d) Of the funds transferred under subsection (c) of this section to the Repairs and Renovations Reserve:

(1) The sum of one hundred fifty million dollars ($150,000,000) is appropriated from the Reserve for Repairs and Renovations for the 2015-2016 fiscal year and shall be used in accordance with Section 31.5 of this act.

(2) If House Bill 943, 2015 Regular Session, is not ratified prior to January 1, 2016, an additional sum of two hundred fifty million dollars ($250,000,000) is appropriated from the Reserve for Repairs and Renovations for the 2015-2016 fiscal year and shall be used in accordance with Section 31.5 of this act. If House Bill 943, 2015 Regular Session, is ratified prior to January 1, 2016, then these funds shall be transferred from the Reserve for Repairs and Renovations to the Savings Reserve Account. This transfer is not 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.(e) Notwithstanding G.S. 143C-4-2, the State Controller shall transfer a total of two hundred million dollars ($200,000,000) from the unreserved fund balance to the Savings Reserve Account

on June 30, 2015. This transfer 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, 2015.

SECTION 2.2.(f) Notwithstanding any other provision of law to the contrary, effective June 30, 2015, 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 2015-2016 fiscal year and the 2016-2017 fiscal year.

Budget Code	Fund Code	Description	FY 2015-2016 Amount	FY 2016-2017 Amount
24100	2514	E-Commerce Fund	$3,000,000	$0
24160	2000	NC FICA Account	4,296,802	641,628
24554	2004	DPS – Enterprise Resource Planning System IT Fund	9,000,000	0

SECTION 2.2.(g) The State Controller shall transfer the net proceeds from the sale of the Dorothea Dix Hospital property in the amount of forty-nine million eight hundred ninety-nine thousand four hundred fifty-six dollars ($49,899,456) to the Dorothea Dix Hospital Property Fund, established pursuant to Section 12F.7(b) of this act. This transfer is not "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.(h) The State Controller shall reserve from funds available in the General Fund the sum of seventy-five million dollars ($75,000,000) nonrecurring for the 2015-2016 fiscal year and the sum of one hundred fifty million dollars ($150,000,000) nonrecurring for the 2016-2017 fiscal year. The funds reserved in this subsection shall be transferred and deposited in the Medicaid Transformation Fund established in Section 12H.29 of this act. Funds deposited in the Medicaid Transformation Fund 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.(i) Funds reserved by Section 2.2 of S.L. 2014-100 in the Medicaid Contingency Reserve established in Section 12H.38 of that 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.

PART III. CURRENT OPERATIONS/HIGHWAY FUND

CURRENT OPERATIONS AND EXPANSION/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 made for the fiscal biennium ending June 30, 2017, according to the following schedule:

Current Operations – Highway Fund	FY 2015-2016	FY 2016-2017
Department of Transportation		
Administration	$ 112,626,679	$ 90,246,679
Division of Highways		
Administration	33,377,654	33,313,151
Construction	45,054,878	42,554,878
Maintenance	1,227,435,222	1,300,435,872
Planning and Research	0	0
OSHA Program	358,030	358,030
State Aid to Municipalities	147,500,000	147,500,000
Intermodal Divisions		

Ferry	40,600,395	40,600,395
Public Transportation	88,173,419	88,173,419
Aviation	38,260,952	33,760,952
Rail	23,651,674	23,651,674
Bicycle and Pedestrian	726,895	726,895
Governor's Highway Safety	251,241	251,241
Division of Motor Vehicles	120,334,217	120,334,217
Other State Agencies, Reserves, Transfers	64,417,173	60,728,046
Capital Improvements	5,019,700	6,965,700
Total Highway Fund Appropriations	**$ 1,947,788,129**	**$ 1,989,601,149**

HIGHWAY FUND/AVAILABILITY STATEMENT

SECTION 3.2. The Highway Fund availability used in developing the 2015-2017 fiscal biennial budget is shown below:

Highway Fund Availability Statement	**FY 2015-2016**	**FY 2016-2017**
Unreserved Fund Balance	$ 0	$ 0
Estimated Revenue	1,959,030,000	1,918,940,000
Adjustment to Revenue Availability:		
Motor Fuel Tax (Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund)	(10,960,000)	(10,390,000)
Motor Fuel Tax (Wildlife Resources Fund)	120,524	116,409
Motor Fuel Tax (Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund)	0	1,775,000
Motor Fuel Tax Distribution	(76,290,000)	(73,800,000)
Division of Motor Vehicles Fee Adjustments	75,887,605	152,959,740
Revised Total Highway Fund Availability	**$ 1,947,788,129**	**$ 1,989,601,149**
Unappropriated Balance	$ 0	$ 0

PART IV. HIGHWAY TRUST FUND APPROPRIATIONS

HIGHWAY TRUST FUND APPROPRIATIONS

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 made for the fiscal biennium ending June 30, 2017, according to the following schedule:

Current Operations – Highway Trust Fund	**FY 2015-2016**	**FY 2016-2017**
Program Administration	$ 35,064,813	$ 35,064,813
Turnpike Authority	49,000,000	49,000,000
Transfer to Highway Fund	400,000	400,000
Debt Service	48,619,701	61,012,229
Strategic Prioritization Funding Plan for Transportation Investments	1,179,455,486	1,193,757,958

Total Highway Trust Fund Appropriations	**$ 1,312,540,000**	**$ 1,339,235,000**

HIGHWAY TRUST FUND AVAILABILITY STATEMENT

SECTION 4.2. The Highway Trust Fund availability used in developing the 2015-2017 fiscal biennial budget is shown below:

Highway Trust Fund Availability	**FY 2015-2016**	**FY 2016-2017**
Unreserved Fund Balance	$ 0	$ 0
Estimated Revenue	1,215,900,000	1,221,200,000
Adjustment to Revenue Availability:	76,290,000	73,800,000
Motor Fuel Tax Distribution		
Motor Fuel Tax (Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund)	0	725,000
Division of Motor Vehicles Fee Adjustments	16,180,000	33,510,000
Highway Use Tax Adjustments	4,170,000	10,000,000
Total Highway Trust Fund Availability	**$ 1,312,540,000**	**$ 1,339,235,000**
Unappropriated Balance	$ 0	$ 0

PART V. OTHER APPROPRIATIONS

CASH BALANCES AND OTHER APPROPRIATIONS

SECTION 5.1.(a) Cash balances, federal funds, departmental receipts, grants, and gifts from the General Fund, revenue funds, enterprise funds, and internal service funds are appropriated for the 2015-2017 fiscal biennium as follows:

(1) For all budget codes listed in "The Governor's Recommended Budget, the State of North Carolina 2015-2017" and in the Budget Support Document, fund balances and receipts are appropriated up to the amounts specified, as adjusted by the General Assembly, for the 2015-2016 fiscal year and the 2016-2017 fiscal year. Funds may be expended only for the programs, purposes, objects, and line items or as otherwise authorized by the General Assembly. Expansion budget funds listed in those documents are appropriated only as otherwise provided in this act.

(2) Notwithstanding the provisions of subdivision (1) of this subsection:

a. Any receipts that are required to be used to pay debt service requirements for various outstanding bond issues and certificates of participation are appropriated up to the actual amounts received for the 2015-2016 fiscal year and the 2016-2017 fiscal year and shall be used only to pay debt service requirements.

b. Other funds, cash balances, and receipts of funds that meet the definition issued by the Governmental Accounting Standards Board of a trust or agency fund are appropriated for and in the amounts required to meet the legal requirements of the trust agreement for the 2015-2016 fiscal year and the 2016-2017 fiscal year.

SECTION 5.1.(b) Receipts collected in a fiscal year in excess of the amounts appropriated by this section shall remain unexpended and unencumbered until appropriated by the General Assembly, unless the expenditure of overrealized receipts in the fiscal year in which the receipts were collected is authorized by the State Budget Act. Overrealized receipts are appropriated in the amounts necessary to implement this subsection.

SECTION 5.1.(c) Notwithstanding subsections (a) and (b) of this section, there is appropriated from the Reserve for Reimbursements to Local Governments and Shared Tax Revenues for each fiscal year an amount equal to the amount of the distributions required by law to be made from that reserve for that fiscal year.

OTHER RECEIPTS FROM PENDING GRANT AWARDS

SECTION 5.1A.(a) Notwithstanding G.S. 143C-6-4, State agencies may, with approval of the Director of the Budget, spend funds received from grants awarded subsequent to the enactment of this act for grant awards that are for less than two million five hundred thousand dollars ($2,500,000), do not require State matching funds, and will not be used for a capital project. State agencies shall report to the Joint Legislative Commission on Governmental Operations within 30 days of receipt of such funds.

State agencies may spend all other funds from grants awarded after the enactment of this act only with approval of the Director of the Budget and after consultation with the Joint Legislative Commission on Governmental Operations.

SECTION 5.1A.(b) The Office of State Budget and Management shall work with the recipient State agencies to budget grant awards according to the annual program needs and within the parameters of the respective granting entities. Depending on the nature of the award, additional State personnel may be employed on a time-limited basis. Funds received from such grants are hereby appropriated and shall be incorporated into the authorized budget of the recipient State agency.

SECTION 5.1A.(c) Notwithstanding the provisions of this section, no State agency may accept a grant not anticipated in this act if acceptance of the grant would obligate the State to make future expenditures relating to the program receiving the grant or would otherwise result in a financial obligation as a consequence of accepting the grant funds.

EDUCATION LOTTERY FUNDS/EXPENSES OF THE LOTTERY/LIMIT ON REGIONAL OFFICES

SECTION 5.2.(a) The appropriations made from the Education Lottery Fund for the 2015-2017 fiscal biennium are as follows:

	FY 2015-2016	**FY 2016-2017**
Noninstructional Support Personnel	$ 310,455,157	$ 314,950,482
Prekindergarten Program	78,252,110	78,252,110
Public School Building Capital Fund	100,000,000	100,000,000
Scholarships for Needy Students	30,450,000	30,450,000
UNC Need-Based Financial Aid	10,744,733	10,744,733
TOTAL	**$ 529,902,000**	**$ 534,397,325**

SECTION 5.2.(b) Notwithstanding G.S. 18C-164, the Office of State Budget and Management shall not transfer funds to the Education Lottery Reserve Fund for either year of the 2015-2017 fiscal biennium.

SECTION 5.2.(c) G.S. 18C-163 reads as rewritten:

"§ 18C-163. Expenses of the Lottery.

(a) Expenses of the Lottery may include any of the following:

(1) The costs incurred in operating and administering the Commission, including initial start-up costs.

(2) The costs resulting from any contracts entered into for the purchase or lease of goods or services required by the Commission.

(3) A transfer of one million dollars ($1,000,000) annually to the Department of Health and Human Services for gambling addiction education and treatment programs.

(4) The costs of supplies, materials, tickets, independent studies and audits, data transmission, advertising, promotion, incentives, public relations, communications, bonding for lottery game retailers, printing, and distribution of tickets and shares.

(5) The costs of reimbursing other governmental entities for services provided to the Commission.

(6) The costs for any other goods and services needed to accomplish the purposes of this Chapter.

(b) Expenses of the lottery shall also include a transfer of two million one hundred thousand dollars ($2,100,000) annually to the Department of Public Safety, Alcohol Law Enforcement Branch, for gambling enforcement activities."

SECTION 5.2.(d) Article 8 of Chapter 18C of the General Statutes is amended by adding the following new sections to read:

"**§ 18C-174. Number of regional offices limited.**

The Lottery Commission shall maintain no more than seven regional offices. A regional office may include a claims center, but in no event shall the Lottery Commission maintain more than seven regional offices as provided in this section.

"**§ 18C-175. Use of public assistance funds.**

The Commission and all lottery game retailers are prohibited from accepting any form of public assistance funds for the purchase of any lottery ticket or participation in any lottery game."

SECTION 5.2.(e) The Lottery Commission shall adopt any rules necessary to implement the provisions of this section.

CIVIL PENALTY AND FORFEITURE FUND

SECTION 5.3.(a) Appropriations are made from the Civil Penalty and Forfeiture Fund for the fiscal biennium ending June 30, 2017, as follows:

	FY 2015-2016	**FY 2016-2017**
School Technology Fund	$18,000,000	$18,000,000
Drivers Education	0	27,393,768
State Public School Fund	132,320,490	128,341,640
Total Appropriation	**$150,320,490**	**$173,735,408**

SECTION 5.3.(b) Excess receipts realized in the Civil Penalty and Forfeiture Fund in each year of the 2015-2017 fiscal biennium shall be allocated to the School Technology Fund.

SECTION 5.3.(c) The clear proceeds of the newly established motor vehicle registration late fee charged pursuant to G.S. 20-88.03, as enacted by this act, shall be used to provide a dedicated source of revenue for the drivers education program administered by the Department of Public Instruction in accordance with G.S. 115C-215 and shall be appropriated by the General Assembly for this purpose for the 2016-2017 and 2017-2018 fiscal years.

INDIAN GAMING EDUCATION REVENUE FUND

SECTION 5.4. Notwithstanding G.S. 143C-9-7, the sum of six million dollars ($6,000,000) in each year of the 2015-2017 fiscal biennium is transferred from the Indian Gaming Education Revenue Fund to the Department of Public Instruction, Textbooks and Digital Resources Allotment.

PART VI. GENERAL PROVISIONS

ESTABLISHING OR INCREASING FEES

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.

VENTURE CAPITAL MULTIPLIER FUND

SECTION 6.3.(a) G.S. 147-69.2(b) reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds. The State Treasurer may invest the funds as provided in this subsection. If an investment was authorized by this

subsection at the time the investment was made or contractually committed to be made, then that investment shall continue to be authorized by this subsection, and none of the percentage or other limitation on investments set forth in this subsection shall be construed to require the State Treasurer to subsequently dispose of the investment or fail to honor any contractual commitments as a result of changes in market values, ratings, or other investment qualifications. For purposes of computing market values on which percentage limitations on investments in this subsection are based, all investments shall be valued as of the last date of the most recent fiscal quarter.

...

(12) It is the intent of the General Assembly that the Escheat Fund provide a perpetual and sustainable source of funding for the purposes authorized by the State Constitution. Accordingly, the following provisions apply:

a. With respect to assets of the Escheat Fund, in addition to those investments authorized by subdivisions (1) through (6) of this subsection, up to ~~twenty percent (20%)~~ ten percent (10%) of such assets may be invested in the investments authorized under subdivisions ~~(7)~~(6c) through ~~(9)~~(9a) of this subsection, notwithstanding the percentage limitations imposed on the Retirement Systems' investments under those subdivisions.

b. The State Treasurer shall engage a third-party professional actuary or consultant to conduct a valuation and projection of the financial status of the Escheat Fund. The associated costs for the services may be directly charged to the Escheat Fund. The State Treasurer shall communicate the valuation of the actuary or consultant in an annual report to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the chairs of the respective appropriations and appropriate substantive committees of each chamber. The annual report shall evaluate claims by owners upon the Escheat Fund, current and projected investment returns, and projected contributions to the Escheat Fund. In the report, the State Treasurer shall assess the status of utilizing the Escheat Fund as an endowment fund and shall recommend an annual amount available for the funding of scholarships, loans, and grants from the Fund. The annual report shall be presented no later than December 31 of each year.

c. The State Treasurer shall invest, in addition to those investments authorized by subdivision (12) of this subsection, ten percent (10%) of the net assets of the Escheat Fund as authorized under G.S 147-69.2A."

SECTION 6.3.(b) Article 6 of Chapter 147 of the General Statutes is amended by adding a new section to read:

"**§ 147-69.2A. Investments; special funds held by the State Treasurer.**

(a) Firm to Administer Fund. – Following a public procurement process, a designee of the Governor, a designee of the State Treasurer, a designee of the Speaker of the House of Representatives, and a designee of the President Pro Tempore of the Senate shall jointly and unanimously select a third-party professional investment management firm, registered with the U.S. Securities and Exchange Commission, to administer the Fund and select investment opportunities appropriate for receiving allocations from the Fund on the basis of potential return on investment and the risks attendant thereto. The State Treasurer shall assign professional and clerical staff to assist in the oversight of the Fund. All costs for the third-party investment management firm and the professional and clerical staff shall be borne by the Fund pursuant to G.S. 147-69.3(f). The State Treasurer shall discharge his or her duties with respect to the Fund as a fiduciary consistent with the provisions of applicable law, including, without limitation, G.S. 36E-3.

(b) Organization and Reporting. – All documents of the Governor or the State Treasurer concerning the Fund are public records governed by Chapter 132 of the General Statutes and any applicable provisions of the General Statutes protecting confidential information.

The State Treasurer and the Governor shall jointly develop and adopt an investment policy statement for the Fund.

The State Treasurer and Governor shall jointly adopt a common policy to prevent conflicts of interests such that (i) the designees of the State Treasurer and Governor who selected the third-party investment management firm, (ii) the staff of the State Treasurer overseeing the Fund, and (iii) the third-party investment management firm's employees selecting or overseeing Fund investments do not provide services for compensation (as an employee, consultant, or otherwise), within two years after the end of their service to the Fund, to any entity in which an investment from the Fund was made.

By October 1, 2015, and at least semiannually thereafter, the State Treasurer shall submit a report to the Governor, the Office of State Budget and Management, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division on investments made from the Fund and any return on investment. This report shall be made for the Fund in lieu of the reports required by G.S. 147-69.1(e), 147-69.2(b)(10a), 147-69.3(h), 147-69.3(i), and 147-69.8.

(c) Types of Investments. – Assets of the Fund may be invested in those types of investments authorized for the North Carolina Retirement Systems by G.S. 147-69.2(b), notwithstanding the percentage limitations imposed on the Retirement Systems' investments under those subdivisions.

(d) Report on Escheat Fund Valuation. – The State Treasurer shall engage a third-party professional actuary or consultant to conduct a valuation and projection of the financial status of the Escheat Fund. The associated costs for the services may be directly charged to the Escheat Fund. The State Treasurer shall communicate the valuation of the actuary or consultant in an annual report to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the chairs of the respective appropriations and appropriate substantive committees of each chamber. The annual report shall evaluate claims by owners upon the Escheat Fund, current and projected investment returns, and projected contributions to the Escheat Fund. In the report, the State Treasurer shall assess the status of utilizing the Escheat Fund as an endowment fund and shall recommend an annual amount available for the funding of scholarships, loans, and grants from the Fund. The annual report shall be presented no later than December 31 of each year."

STATE AGENCIES/REPORTS ON LEGISLATIVE LIAISONS AND SALARY INFORMATION

SECTION 6.4. By January 1, 2016, the Office of State Budget and Management shall report the following information to the chairs of the House of Representatives Appropriations Committee, the chairs of the Senate Appropriations/Base Budget Committee, and the Fiscal Research Division:

(1) Legislative liaisons. -
  a. The number of legislative liaisons designated by each Department or Commission.
  b. For each individual, the position name, position number, salary, the amount of time spent lobbying legislators or legislative employees for legislative action, and whether lobbying is the individual's principal duty such that the individual is required to file a registration statement with the Secretary of State.
  c. An explanation of why each legislative liaison is needed.
  d. A description of any other responsibilities or duties performed by each legislative liaison.

(2) Public Information Officer (PIO) and staff reporting to PIO. -
  a. The number of individuals designated by the Department or Commission to serve as a Public Information Officer and the number of staff reporting to each PIO.
  b. For each individual, the position name, position number, and salary.
  c. The duties and responsibilities of each individual in his or her role as a Public Information Officer or staff to a PIO.
  d. An explanation of why each Public Information Officer and staff to each PIO is needed.

(3) Salary reserve and lapsed salaries. -
  a. The amount of salary reserve, by source, remaining in each fund code on June 30 of fiscal year 2013-2014 and fiscal year 2014-2015.
  b. The amount of lapsed salaries generated in fiscal year 2013-2014 and fiscal year 2014-2015.

c. The Department's or Commission's policy on the use of salary reserve and lapsed salaries.

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EXPENDITURES OF FUNDS IN RESERVES LIMITED

SECTION 6.17. All funds appropriated by this act into reserves may be expended only for the purposes for which the reserves were established.

CLARIFY THE CONSULTATION REQUIREMENT BEFORE THE JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS WHEN A STATE AGENCY ESTABLISHES OR INCREASES A FEE OR CHARGE

SECTION 6.18. G.S. 12-3.1(a) reads as rewritten:

"(a) Authority. – Only the General Assembly has the power to authorize an agency to establish or increase a fee or charge for the rendering of any service or fulfilling of any duty to the public. In the construction of a statute, unless that construction would be inconsistent with the manifest intent of the General Assembly or repugnant to the context of the statute, the legislative grant of authority to an agency to adopt rules shall not be construed as a grant of authority to the agency to establish by rule a fee or a charge for the rendering of any service or fulfilling of any duty to the public, unless the statute expressly provides for the grant of authority to establish a fee or charge for that specific service. Notwithstanding any other law, a rule adopted by an agency to establish or increase a fee or charge shall not go into effect until the agency has consulted with the Joint Legislative Commission on Governmental Operations on the amount and purpose of the fee or charge to be established or increased. Where a rule provides for a periodic automatic adjustment to a fee, the agency that adopts the rule is not required to consult with the Commission every time the fee automatically adjusts. The agency shall submit a request for consultation to all members of the Commission, the Commission Assistant, and the Fiscal Research Division of the General Assembly on the same date the notice of text of the rule is published. The request for consultation shall consist of a written report stating (i) the amount of the current fee or charge, if applicable, (ii) the amount of the proposed new or increased fee or charge, (iii) the statutory authority for the fee or charge, and (iv) a detailed explanation of the need for the establishment or increase of the fee or charge."

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LRC STUDY ON METHODS FOR INCREASING TRANSFERS TO THE SAVINGS RESERVE ACCOUNT

SECTION 6.21.(a) The Legislative Research Commission (LRC) shall study methods for increasing the amount of funds transferred to the Savings Reserve Account. As part of its study, the LRC shall do all of the following:

(1) Examine potential costs and benefits of requiring one or more of the following to be transferred periodically to the Savings Reserve Account:
   a. Growth in General Fund revenue in excess of a benchmark growth rate.
   b. A particular percentage or dollar amount of General Fund revenue each fiscal year.
   c. Some portion of growth in the sources of revenue identified pursuant to subdivision (2) of this subsection each fiscal year.
   d. Interest earned on special funds.

(2) Identify specific sources of State revenue that are especially volatile.

(3) Consider how the timing of transfers to the Savings Reserve Account affects the amount transferred and the stability of the General Fund.

(4) Determine the appropriate target balance of the Savings Reserve Account, if different from the goal set forth in G.S. 143C-4-2.

(5) Any other matters the Commission deems relevant to its efforts to increase the amount of funds in the Savings Reserve Account.

*The asterisk line throughout denotes a skip in budget text (i.e., budget text deleted).

SECTION 6.21.(b) The LRC shall report its findings, together with any proposed legislation, to the 2016 Regular Session of the 2015 General Assembly upon its convening.

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ALIGN AGENCY BUDGETS TO ACTUAL EXPENDITURES

SECTION 6.25.(a) Elimination of Certain Vacant Positions. – Notwithstanding G.S. 143C-6-4, and except as otherwise provided in subsection (c) of this section, each State agency, in conjunction with the Office of State Budget and Management, shall do all of the following:

(1) Abolish all positions that have been vacant for more than 12 months as of April 17, 2015, other than those positions required to exist as part of the State's maintenance of effort requirements related to a federal grant that cannot be addressed with other State funds, or for which the Director of the Budget provides an exception, in the Director's sole discretion. This requirement shall apply regardless of the source of funding for affected positions.

(2) Fund objects or line items in the certified budget for recurring obligations that have been funded from nonrecurring sources in two or more of the previous three fiscal years. The amount funded shall not exceed the average amount expended for each object or line item during the previous three fiscal years.

(3) Fund objects or line items in the following priority order if funds generated pursuant to subdivision (1) of this subsection are insufficient to adequately fund all of the objects and line items described in subdivision (2) of this subsection:

a. Fund legal obligations of the agency that have been funded with lapsed salaries in prior years.

b. Fund operational requirements directly related to the health, safety, or well-being of individuals in the care or custody of the State that have been funded with lapsed salaries in prior years.

c. Fund legal obligations of the agency or operational requirements directly related to the health, safety, or well-being of individuals in the care or custody of the State that have been funded with other nonrecurring sources in prior years.

d. Fund operational deficiencies where the obligation cannot be reduced and where no other source of funding exists and failure to fund will result in operational disruptions or unfunded liabilities at fiscal year-end.

(4) Adjust the appropriate objects or line items in the next recommended base budget submitted pursuant to G.S. 143C-3-5 to reflect the actions taken pursuant to this subsection.

SECTION 6.25.(b) Reporting. – No later than December 1, 2015, the Office of State Budget and Management shall report to the Fiscal Research Division on the implementation of this section. The report shall include all of the following, by budget code and fund code:

(1) A list of positions abolished pursuant to subdivision (1) of subsection (a) of this section.

(2) A list of positions that were exempted from being abolished pursuant to subdivision (1) of subsection (a) of this section.

(3) A list of objects or line items funded pursuant to subdivision (2) of subsection (a) of this section and the associated amount for each object or line item.

(4) The amount and disposition of savings from the Highway Fund, federal funds, and other non-State agency dedicated receipt sources.

(5) A list of objects or line items that were not funded because the funds generated pursuant to subdivision (1) of this subsection were insufficient.

SECTION 6.25.(c) Section Inapplicable to Certain Vacant Positions. – This section shall not apply to vacant positions (i) within the Department of Transportation or (ii) reclassified pursuant to Section 30.18(e) of this act.

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PART VII. INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY FUND

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:

	FY 2015-2016	FY 2016-2017
General Fund Appropriation for IT Fund	$21,755,191	$21,681,854

Appropriations are made from the Information Technology Fund for the 2015-2017 fiscal biennium as follows:

Criminal Justice Information Network	$193,085	$193,085
Center for Geographic Information and Analysis	$503,810	$503,810
Enterprise Security Risk Management	$871,497	$871,497
Staffing and Strategic Projects	$7,873,903	$7,873,903
First Net (State Match)	$ 140,000	$140,000
Enterprise Project Management Office	$1,501,234	$1,501,234
IT Strategy and Standards	$865,326	$865,326
State Portal	$233,510	$233,510
Process Management	$398,234	$398,234
IT Consolidation	–	–
Government Data Analytics Center	$9,101,255	$9,101,255
Compensation Reserve	$73,337	

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 in writing to the chairs of the Joint Legislative Oversight Committee on Information Technology, the chair and cochair of the House Appropriations Committee on Information Technology, and the Fiscal Research Division.

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DATA CENTERS/CONSOLIDATION

SECTION 7.9.(a) Beginning with the 2015-2017 fiscal biennium, the State Chief Information Officer shall create an inventory of data center operations in the executive branch and shall develop and implement a detailed, written plan for consolidation of agency data centers in the most efficient manner possible. By December 1, 2015, the State Chief Information Officer shall present a report on the completed data center consolidation plan to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. On or before May 1, 2016, the State Chief Information Officer shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the number of physical servers eliminated across all departments as a result of data center consolidation and the savings associated with such elimination.

SECTION 7.9.(b) State agencies shall use the State infrastructure to host their projects, services, data, and applications, except that the State Chief Information Officer may grant an exception if the State agency demonstrates any of the following:

(1) Using an outside contractor would be more cost effective for the State.

(2) The Department of Information Technology does not have the technical capabilities required to host the application.

(3) Valid security requirements preclude the use of State infrastructure, and a vendor can provide a more secure environment.

SECTION 7.9.(c) The State Chief Information Officer shall establish an enterprise convenience contract with a vendor with offices located in this State for a full range of information technology products and services. These products and services shall include, but are not limited to, networking, security, infrastructure, data center hardware and software, storage, cloud-based systems and services, unified communications, conferencing, video, and wireless.

SECTION 7.9.(d) This section does not apply to any agency exempt under G.S. 147-33.80.

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STATE INFORMATION TECHNOLOGY BUDGETING

SECTION 7.16.(a) The Department of Information Technology (DIT), as created by this act, shall work with the Office of State Budget and Management (OSBM), the Office of the State Controller, and participating agencies to institute a process to oversee and manage State agency information technology funding. This joint effort shall include implementing a process for the following:

(1) Developing State agency information technology budgets.

(2) Determining what participating and separate agency information technology funding will transition to DIT and what will remain with the agencies.

(3) Developing a plan to transfer appropriate funding to DIT in coordination with other State budget requirements.

(4) Developing rates and chargebacks for support provided to agencies.

(5) Identifying anticipated information technology cost savings.

(6) Identifying any rule or statutory changes required to facilitate information technology budgeting oversight and management.

On or before January 1, 2016, OSBM and DIT shall report jointly to the Joint Legislative Oversight Committee on Information Technology and Fiscal Research Division on the development of the information technology budgeting process and any anticipated cost savings.

SECTION 7.16.(b) OSBM and DIT shall identify anticipated information technology cost savings projected for the 2017-2019 fiscal biennium, with documentation as to the specific sources and amounts of those savings, and shall report that information to the Joint Legislative Oversight Committee on Information Technology and Fiscal Research Division on or before January 1, 2016.

GOVERNMENTAL BUDGETARY TRANSPARENCY/EXPENDITURES ONLINE

SECTION 7.17.(a) In coordination with the State Controller and the Office of State Budget and Management (OSBM), the State Chief Information Officer (State CIO) shall establish a State budget transparency Internet Web site to provide information on budget expenditures for each State agency for each fiscal year beginning 2015-2016.

SECTION 7.17.(b) In addition, the State CIO shall coordinate with counties, cities, and local education agencies to facilitate the posting of their respective local entity budgetary and spending data on their respective Internet Web sites and to provide the data to the Local Government Commission (LGC) to be published, in a standardized format, on the State budget transparency Internet Web site established in subsection (a) of this section.

SECTION 7.17.(c) The Internet Web sites mandated by this section shall be fully functional by April 1, 2016. Each Internet Web site shall:

(1) Be user-friendly with easy-to-use search features and data provided in formats that can be readily downloaded and analyzed by the public.

(2) Include budgeted amounts and actual expenditures for each State agency or local entity budget code.

(3) Include information on receipts and expenditures from and to all sources, including vendor payments, updated on a monthly basis.

SECTION 7.17.(d) Each State agency, county, city, and local education agency shall work with the State CIO, the State Controller, and the OSBM to ensure that complete and accurate budget and spending information is provided in a timely manner as directed by the State CIO. Each State agency Internet Web site shall include a hyperlink to the State's budget transparency Internet Web site. The LGC shall work with the State CIO to post data on the LGC's Internet Web site in a consistent manner that allows comparisons between the local entities providing data under subdivision (2) of subsection (c) of this section.

SECTION 7.17.(e) There is appropriated from the General Fund to the Office of State Budget and Management the sum of eight hundred fourteen thousand dollars ($814,000) for the purpose of implementing the provisions of this section.

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DATA SECURITY STUDY

SECTION 7.20. The Joint Legislative Oversight Committee on Information Technology shall study liability issues associated with data security in both the public and private sectors. The Committee shall report its findings and any legislative proposals pertaining to liability issues associated with data security to the General Assembly on or before April 1, 2016. The study shall include all of the following:

(1) State liability issues.
(2) State and vendor financial liability for data security breaches.
(3) Methods of allocating risk for the State's vendors and IT contractors, including, but not limited to, the feasibility of maximum liability limits.
(4) In consultation with the Department of Insurance, an analysis of the feasibility of developing a surplus line insurance policy and rate schedule for data breach liability coverage.
(5) Federal government requirements.
(6) State response to data security threats and breaches.
(7) Third party liability issues.
(8) Recommendations for managing data liability for the State.
(9) Data breach liability allocation best practices in the public and private sectors.

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STATE BROADBAND PLAN

SECTION 7.23.(a) The State CIO shall develop a State broadband plan that includes:

(1) Information regarding the availability and functionality of broadband throughout the State and an evaluation of the current deployment of broadband service.
(2) A strategy to support the affordability of broadband service as well as maximum utilization of broadband infrastructure, including potential partnerships and sources of funding to support the effort.
(3) Analysis of means, methods, and best practices to establish universal broadband access across the State.

In developing the State broadband plan, the State CIO shall coordinate with other State agencies in order to maximize the effectiveness and efficiency of available resources.

SECTION 7.23.(b) For the 2015-2017 fiscal biennium, by December 1, 2015, and then annually thereafter, the State CIO shall provide a report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the development and implementation of the State broadband plan.

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AGENCY USE OF ENTERPRISE ACTIVE DIRECTORY

SECTION 7.25. On or before July 1, 2016, unless exempted by the Governor, all State agencies identified as principal departments under G.S. 143B-6 shall become direct members of and shall use the Enterprise Active Directory. A principal department may submit to the State Chief Information Officer a written request to deviate from certain requirements of the Enterprise Active Directory, provided that any deviation shall be consistent with available funding and shall be subject to any terms and conditions specified by the State Chief Information Officer.

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STATE FUNDED IT CONTRACTS

SECTION 7.27. For all information technology contracts that receive any State funds, State agencies and vendors shall immediately provide copies of contract documents and any subsequent amendments, modifications, or other changes upon request of the Joint Legislative Oversight Committee on Information Technology or the Fiscal Research Division.

PART VII-A. ESTABLISH DEPARTMENT OF INFORMATION TECHNOLOGY

ESTABLISH DEPARTMENT OF INFORMATION TECHNOLOGY

SECTION 7A.1.(a) The Department of Information Technology is established in this Part as a single, unified cabinet-level department that consolidates information technology functions, powers, duties, obligations, and services existing within the principal departments. Notwithstanding G.S. 143B-9 and G.S. 143B-10, and except as otherwise provided in this act, all information technology functions, powers, duties, obligations, and services vested in the State entities listed in G.S. 143B-6 are transferred to, vested in, and consolidated within the Department of Information Technology. The head of the Department of Information Technology is the State Chief Information Officer, who shall be known as the State CIO. The powers and duties of the deputy chief information officers, directors, and divisions of the Department shall be subject to the direction and control of the State CIO. Upon the establishment of the Department of Information Technology, the Governor shall appoint a State CIO in accordance with G.S. 143B-9.

SECTION 7A.1.(b) The following transfers from the Office of Information Technology Services are made to the Department of Information Technology created by this act:

(1) A Type I transfer, as defined in G.S. 143A-6, of the:
   a. Office of the State Chief Information Officer.
   b. Office of Information Technology Services.

(2) A Type II transfer, as defined in G.S. 143A-6, of the:
   a. 911 Board.
   b. Criminal Justice Information Network.
   c. Government Data Analytics Center.
   d. North Carolina Geographic Information Coordinating Council and the Center for Geographic Information and Analysis.

SECTION 7A.1.(c) G.S. 143B-2 reads as rewritten:

"**§ 143B-2. Interim applicability of the Executive Organization Act of 1973.**

The Executive Organization Act of 1973 shall be applicable only to the following named departments:

...

(11) Department of Information Technology."

SECTION 7A.1.(d) G.S. 143B-6 reads as rewritten:

"**§ 143B-6. Principal departments.**

In addition to the principal departments enumerated in the Executive Organization Act of 1971, all executive and administrative powers, duties, and functions not including those of the General Assembly and its agencies, the General Court of Justice and the administrative agencies created pursuant to Article IV of the Constitution of North Carolina, and higher education previously vested by law in the several State agencies, are vested in the following principal departments:

...

(12) Department of Information Technology."

STATUTORY CHANGES CREATING THE DEPARTMENT OF INFORMATION TECHNOLOGY

SECTION 7A.2.(a) Article 3D of Chapter 147 of the General Statutes is repealed.

SECTION 7A.2.(b) Chapter 143B of the General Statutes is amended by adding a new Article to read:

"Article 14.

"Department of Information Technology.

"Part 1. General Provisions.

"**§ 143B-1300. Definitions; scope; exemptions.**

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

(1) CGIA. – Center for Geographic Information and Analysis.

(2) CJIN. – Criminal Justice Information Network.

(3) Community of practice. – A collaboration of organizations with similar requirements, responsibilities, or interests.

(4) Cooperative purchasing agreement. – An agreement between a vendor and one or more states or state agencies providing that the parties may collaboratively or collectively purchase information technology goods and services in order to increase economies of scale and reduce costs.

(5) Department. – The Department of Information Technology.

(6) Distributed information technology assets. – Hardware, software, and communications equipment not classified as traditional mainframe-based items, including personal computers, local area networks, servers, mobile computers, peripheral equipment, and other related hardware and software items.

(7) Enterprise solution. – An information technology solution that can be used by multiple agencies.

(8) Exempt agencies. – An entity designated as exempt in subsection (b) of this section.

(9) GDAC. – Government Data Analytics Center.

(10) GICC. – North Carolina Geographic Information Coordinating Council.

(11) Information technology or IT. – Set of tools, processes, and methodologies, including, but not limited to, coding and programming; data communications, data conversion, and data analysis; architecture; planning; storage and retrieval; systems analysis and design; systems control; mobile applications; and equipment and services employed to collect, process, and present information to support the operation of an organization. The term also includes office automation, multimedia, telecommunications, and any personnel and support personnel required for planning and operations.

(12) Information technology security incident. – A computer-, network-, or paper-based activity that results directly or indirectly in misuse, damage, denial of service, compromise of integrity, or loss of confidentiality of a network, computer, application, or data.

(13) Local government entity. – A local political subdivision of the State, including a city, a county, a local school administrative unit as defined in G.S. 115C-5, or a community college.

(14) Participating agency. – Any agency that has transferred its information technology personnel, operations, projects, assets, and funding to the Department of Information Technology. The State CIO shall be responsible for providing all required information technology support to participating agencies.

(15) Security incident.– A warning or indication of a threat to or breach of information or computer security. The term also includes threats that have already occurred.

(16) Separate agency. – Any agency that has maintained responsibility for its information technology personnel, operations, projects, assets, and funding. The agency head shall

work with the State CIO to ensure that the agency has all required information technology support.

(17) State agency or agency. – Any agency, department, institution, commission, committee, board, division, bureau, office, unit, officer, or official of the State. The term does not include the legislative or judicial branches of government or The University of North Carolina.

(18) State Chief Information Officer or State CIO. – The head of the Department, who is a Governor's cabinet level officer.

(19) State CIO approved data center. – A data center designated by the State CIO for State agency use that meets operational standards established by the Department.

(b) Exemptions. – Except as otherwise specifically provided by law, the provisions of this Chapter do not apply to the following entities: the General Assembly, the Judicial Department, and The University of North Carolina and its constituent institutions. These entities may elect to participate in the information technology programs, services, or contracts offered by the Department, including information technology procurement, in accordance with the statutes, policies, and rules of the Department. The election must be made in writing, as follows:

(1) For the General Assembly, by the Legislative Services Commission.

(2) For the Judicial Department, by the Chief Justice.

(3) For The University of North Carolina, by the Board of Governors.

(4) For the constituent institutions of The University of North Carolina, by the respective boards of trustees.

(c) Deviations. – Any State agency may apply in writing to the State Chief Information Officer for approval to deviate from the provisions of this Chapter. If granted by the State Chief Information Officer, any deviation shall be consistent with available appropriations and shall be subject to such terms and conditions as may be specified by the State CIO.

(d) Review. – Notwithstanding subsection (b) of this section, any State agency shall review and evaluate any deviation authorized and shall, in consultation with the Department of Information Technology, adopt a plan to phase out any deviations that the State CIO determines to be unnecessary in carrying out functions and responsibilities unique to the agency having a deviation. The plan adopted by the agency shall include a strategy to coordinate its general information processing functions with the Department of Information Technology in the manner prescribed by this act and provide for its compliance with policies, procedures, and guidelines adopted by the Department of Information Technology. Any agency receiving a deviation shall submit its plan to the Office of State Budget and Management as directed by the State Chief Information Officer.

"§ 143B-1301. Powers and duties of the Department; cost-sharing with exempt entities.

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

(1) Provide information technology support and services to State agencies.

(2) Provide such information technology support to local government entities and others, as may be required.

(3) Establish and document the strategic direction of information technology in the State.

(4) Assist State agencies in meeting their business objectives.

(5) Plan and coordinate information technology efforts with State agencies, nonprofits, and private organizations, as required.

(6) Establish a consistent process for planning, maintaining, and acquiring the State's information technology resources. This includes responsibility for developing and administering a comprehensive long-range plan to ensure the proper management of the State's information technology resources.

(7) Develop standards and accountability measures for information technology projects, including criteria for effective project management.

(8) Set technical standards for information technology, review and approve information technology projects and budgets, establish and enforce information technology security standards, establish and enforce standards for the procurement of information technology

resources, and develop a schedule for the replacement or modification of information technology systems.

(9) Implement enterprise procurement processes and develop metrics to support this process.

(10) Manage the information technology funding for State agencies, to include the Information Technology Fund for statewide information technology efforts and the Information Technology Internal Service Fund for agency support functions.

(11) Support, maintain, and develop metrics for the State's technology infrastructure and facilitate State agencies' delivery of services to citizens.

(12) Operate as the State enterprise organization for information technology governance.

(13) Advance the State's technology and data management capabilities.

(14) Prepare and present the Department's budget in accordance with Chapter 143C of the General Statutes, the State Budget Act.

(15) Obtain, review, and maintain, on an ongoing basis, records of the appropriations, allotments, expenditures, revenues, grants, and federal funds for each State agency for information technology.

(16) Adopt rules for the administration of the Department and implementing this Article, pursuant to the Administrative Procedure Act, Chapter 150B of the General Statutes.

(17) Require reports by State agencies, departments, and institutions about information technology assets, systems, personnel, and projects and prescribing the form of such reports.

(18) Prescribe the manner in which information technology assets, systems, and personnel shall be provided and distributed among agencies, to include changing the distribution when the State CIO determines that is necessary.

(19) Prescribe the manner of inspecting or testing information technology assets, systems, or personnel to determine compliance with information technology plans, specifications, and requirements.

(20) Submit all rates and fees for common, shared, and State government-wide technology services provided by the Department to the Office of State Budget and Management for approval.

(21) Establish and operate, or delegate operations of, centers of expertise (COE) for specific information technologies and services to serve two or more agencies on a cost-sharing basis, if the State CIO, after consultation with the Office of State Budget and Management, decides it is advisable from the standpoint of efficiency and economy to establish these centers and services.

(22) Identify and develop projects to facilitate the consolidation of information technology equipment, support, and projects.

(23) Identify an agency to serve as the lead (COE) for an enterprise effort, when appropriate.

(24) Require any State agency served to transfer to the Department or COE ownership, custody, or control of information-processing equipment, software, supplies, positions, and support required by the shared centers and services.

(25) Charge each State agency for which services are performed its proportionate part of the cost of maintaining and operating the shared centers and services, subject to approval by the Office of State Budget and Management.

(26) Develop performance standards for shared services in coordination with supported State agencies and publish performance reports on the Department Web site.

(27) Adopt plans, policies, and procedures for the acquisition, management, and use of information technology resources in State agencies to facilitate more efficient and economic use of information technology in the agencies.

(28) Develop and manage career progressions and training programs to efficiently implement, use, and manage information technology resources throughout State government.

(29) Provide local government entities with access to the Department's services as authorized in this section for State agencies. Access shall be provided on the same cost basis that applies to State agencies.

(30) Support the operation of the CGIA, GICC, GDAC, CJIN, and 911 Board.

(31) Support the operation of the Longitudinal Data Systems Board, as appropriate.

(32) Provide geographic information systems services through the Center for Geographic Information and Analysis on a cost recovery basis. The Department and the Center for Geographic Information and Analysis may contract for funding from federal or other sources to conduct or provide geographic information systems services for public purposes.

(33) Support the development, implementation, and operation of an Education Community of Practice.

(b) Cost-Sharing with Other Branches. – Notwithstanding any other provision of law to the contrary, the Department shall provide information technology services on a cost-sharing basis to exempt agencies, upon request.

"**§ 143B-1302. State CIO duties; Departmental personnel and administration.**

(a) State CIO. – The State Chief Information Officer (State CIO) is the head of the Department and a member of the Governor's cabinet. The State CIO is appointed by and serves at the pleasure of the Governor. The State CIO shall be qualified by education and experience for the office. The salary of the State CIO shall be set by the Governor. The State CIO shall receive longevity pay on the same basis as is provided to employees of the State who are subject to the North Carolina Human Resources Act.

(b) Departmental Personnel. – The State CIO may appoint one or more deputy State CIOs, each of whom shall be under the direct supervision of the State CIO. The salaries of the deputy State CIOs shall be set by the State CIO. The State CIO and the Deputy State CIOs are exempt from the North Carolina Human Resources Act. Subject to the approval of the Governor and limitations of the G.S. 126-5, the State CIO may appoint or designate additional managerial and policy making positions, including, but not limited to, the Department's chief financial officer and general counsel, each of whom shall be exempt from the North Carolina Human Resources Act.

(c) Administration. – The Department shall be managed under the administration of the State CIO. The State CIO shall have the following powers and duty to do all of the following:

(1) Ensure that executive branch agencies receive all required information technology support in an efficient and timely manner.

(2) Ensure that such information technology support is provided to local government entities and others, as appropriate.

(3) Approve the selection of the respective agency chief information officers.

(4) As required, plan and coordinate information technology efforts with State agencies, nonprofits, and private organizations.

(5) Ensure the security of State information technology systems and networks, as well as associated data, developing standardized systems and processes.

(6) Prepare and present the Department's budget in accordance with Chapter 143C of the General Statutes, the State Budget Act.

(7) Establish rates for all goods and services provided by the Department within required schedules.

(8) Identify and work to consolidate duplicate information technology capabilities.

(9) Identify and develop plans to increase State data center efficiencies, consolidating assets in State-managed data centers.

(10) Plan for and manage State network development and operations.

(11) Centrally classify, categorize, manage, and protect the State's data.

(12) Obtain, review, and maintain, on an ongoing basis, records of the appropriations, allotments, expenditures, and revenues of each State agency for information technology.

(13) Be responsible for developing and administering a comprehensive long-range plan to ensure the proper management of the State's information technology resources.

(14) Set technical standards for information technology, review and approve information technology projects and budgets, establish information technology security standards, provide for the procurement of information technology resources, and develop a schedule for the replacement or modification of information technology systems.

(15) Require reports by State departments, institutions, or agencies of information technology assets, systems, personnel, and projects; prescribe the form of such reports; and verify the information when the State CIO determines verification is necessary.

(16) Prescribe the manner in which information technology assets, systems, and personnel shall be provided and distributed among agencies.

(17) Establish and maintain a program to provide career management for information technology professionals.

(18) Prescribe the manner of inspecting or testing information technology assets, systems, or personnel to determine compliance with information technology plans, specifications, and requirements.

(19) Supervise and support the operations of the CGIA, GICC, GDAC, CJIN, and 911 Board.

(20) Oversee and coordinate an Education Community of Practice.

(21) Support the operation of the Longitudinal Data Systems Board, as appropriate.

(c) Budgetary Matters. – The Department's budget shall incorporate information technology costs and anticipated expenditures of State agencies identified as participating agencies, together with all divisions, boards, commissions, or other State entities for which the principal departments have budgetary authority.

(d) State Ethics Act. – All employees of the Department shall be subject to the provisions of the State Government Ethics Act under Chapter 138A of the General Statutes.

"§ 143B-1303. Departmental organization; divisions and units; education community of practice.

(a) Organization. – The Department shall be organized by the State CIO into divisions and units that support its duties.

(b) Education Community of Practice. – There is established an Education Community of Practice to promote collaboration and create efficiencies between and among The University of North Carolina and its constituent institutions, the North Carolina Community Colleges System Office, the constituent institutions of the Community College System, the Department of Public Instruction, and local school administrative units.

(c) Other Units. – Other units of the Department include the following:

(1) Center for Geographic Information and Analysis.

(2) Criminal Justice Information Network.

(3) Government Data Analytics Center.

(4) North Carolina 911 Board.

(5) North Carolina Geographic Information Coordinating Council.

"§ 143B-1304. State agency information technology management; deviations for State agencies.

Each State agency shall have tools and applications specific to their respective functions in order to effectively and efficiently carry out the business of the State with respect to all of the following:

(1) Administrative support.

(2) Facilities management.

(3) Internal auditing.

(4) Boards administration.

(5) Departmental policies and procedures.

"§ 143B-1305. Transition to Department of Information Technology.

(a) Transition Period. – During the 2015-2016 fiscal year, the State CIO shall work with appropriate State agencies to develop a State business plan. The State CIO shall develop documentation to support the consolidation of enterprise information technology functions within the executive branch to include the following:

(1) Information technology architecture.

(2) Updated State information technology strategic plan that reflects State and agency business plans and the State information technology architecture.

(3) Information technology funding process to include standardized, transparent rates that reflect market costs for information technology requirements.
(4) Information technology personnel management.
(5) Information technology project management.
(6) Information technology procurement.
(7) Hardware configuration and management.
(8) Software acquisition and management.
(9) Data center operations.
(10) Network operations.
(11) System and data security, including disaster recovery.

(b) Phased Transitions. – The State CIO shall develop detailed plans for the phased transition of participating agencies to the Department, as well as a plan that defines in detail how information technology support shall be provided to agencies that are not participating agencies. These plans shall be coordinated, in writing, with each agency and shall address any issues unique to a specific agency.

(c) Participating Agencies. – The State CIO shall prepare detailed plans to transition each of the participating agencies. As the transition plans are completed, the following participating agencies shall transfer information technology personnel, operations, projects, assets, and appropriate funding to the Department of Information Technology:

(1) Department of Cultural Resources.
(2) Department of Health and Human Services.
(3) Department of Revenue.
(4) Department of Environment and Natural Resources.
(5) Department of Transportation.
(6) Department of Administration.
(7) Department of Commerce.
(8) Governor's Office.
(9) Office of State Budget and Management.
(10) Office of State Human Resources.
(11) Office of the State Controller.

The State CIO shall ensure that agencies' operations are not adversely impacted during the transition.

(d) Report on Transition Planning. – The Department of Public Safety, the Community College System Office, and the State Board of Elections shall work with the State CIO to plan their transition to the Department. By October 1, 2018, these agencies, in conjunction with the State CIO, shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on their respective transition plans.

(e) Separate agencies may transition their information technology to the Department following completion of a transition plan.

"Part 2. Information Technology Planning, Funding, and Reporting.

"**§ 143B-1306. Planning and financing State information technology resources.**

(a) The State CIO shall develop policies for agency information technology planning and financing. Agencies shall prepare and submit such plans as required in this section, as follows:

(1) The Department shall analyze the State's legacy information technology systems and develop a plan to document the needs and costs for replacement systems, as well as determining and documenting the time frame during which State agencies can continue to efficiently use legacy information technology systems, resources, security, and data management to support their operations. The plan shall include an inventory of legacy applications and infrastructure, required capabilities not available with the legacy system, the process, time line, and cost to migrate from legacy environments, and any other information necessary for fiscal or technology planning. The State CIO shall have the authority to prioritize the upgrade and replacement of legacy systems. Agencies shall provide all requested documentation to validate reporting on legacy systems and shall make the systems available for inspection by the Department.

(2) The State CIO shall develop a biennial State Information Technology Plan (Plan).

(3) The State CIO shall develop one or more strategic plans for information technology. The State CIO shall determine whether strategic plans are needed for any agency and shall consider an agency's operational needs, functions, and capabilities when making such determinations.

(b) Based on requirements identified during the strategic planning process, the Department shall develop and transmit to the General Assembly the biennial State Information Technology Plan in conjunction with the Governor's budget of each regular session. The Plan shall include the following elements:

(1) Anticipated requirements for information technology support over the next five years.

(2) An inventory of current information technology assets and major projects. As used in this subdivision, the term "major project" includes projects costing more than five hundred thousand dollars ($500,000) to implement.

(3) Significant unmet needs for information technology resources over a five-year time period. The Plan shall rank the unmet needs in priority order according to their urgency.

(4) A statement of the financial requirements, together with a recommended funding schedule and funding sources for major projects and other requirements in progress or anticipated to be required during the upcoming fiscal biennium.

(5) An analysis of opportunities for statewide initiatives that would yield significant efficiencies or improve effectiveness in State programs.

(6) As part of the plan, the State CIO shall develop and periodically update a long-range State Information Technology Plan that forecasts, at a minimum, the needs of State agencies for the next 10 years.

(c) Each participating agency shall actively participate in preparing, testing, and implementing an information technology plan required under subsection (b) of this section. Separate agencies shall prepare biennial information technology plans, including the requirements listed in subsection (b) of this section, and transmit these plans to the Department by a date determined by the State CIO in each even-numbered year. Agencies shall provide all financial information to the State CIO necessary to determine full costs and expenditures for information technology assets and resources provided by the agencies or through contracts or grants. The Department shall consult with and assist State agencies in the preparation of these plans; shall provide appropriate personnel or other resources to the participating agencies and to separate agencies upon request pursuant to Part 3, Shared Information Technology Services, of this Article. Plans shall be submitted to the Department by a date determined by the State CIO in each even-numbered year.

"§ 143B-1307. Business continuity planning.

The State CIO shall oversee the manner and means by which information technology business and disaster recovery plans for the State agencies are created, reviewed, and updated. Each State agency shall establish a disaster recovery planning team to work with the Department, or other resources designated by the State CIO, to develop the disaster recovery plan and to administer implementation of the plan. In developing the plan, all of the following shall be completed:

(1) Consider the organizational, managerial, and technical environments in which the disaster recovery plan must be implemented.

(2) Assess the types and likely parameters of disasters most likely to occur and the resultant impacts on the agency's ability to perform its mission.

(3) List protective measures to be implemented in anticipation of a natural or man-made disaster.

(4) Determine whether the plan is adequate to address information technology security incidents.

Each State agency shall submit its disaster recovery plan to the State CIO on an annual basis and as otherwise requested by the State CIO.

"§ 143B-1308. Information Technology Fund.

There is established a special revenue fund to be known as the Information Technology Fund, which may receive transfers or other credits as authorized by the General Assembly. Money may be appropriated from the Information Technology Fund to support the operation and administration that meet statewide requirements,

including planning, project management, security, electronic mail, State portal operations, early adoption of enterprise efforts, and the administration of systemwide procurement procedures. Funding for participating agency information technology projects shall be appropriated to the Information Technology Fund and may be reallocated by the State CIO, if appropriate, following coordination with the impacted agencies and written approval by the Office of State Budget and Management. Any redirection of agency funds shall immediately be reported to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division with a detailed explanation of the reasons for the redirection. Expenditures involving funds appropriated to the Department from the Information Technology Fund shall be made by the State CIO. Interest earnings on the Information Technology Fund balance shall be credited to the Information Technology Fund.

"§ 143B-1309. Internal Service Fund.

(a) The Internal Service Fund is established within the Department as a fund to provide goods and services to State agencies on a cost-recovery basis. The Department shall establish fees for subscriptions and chargebacks for consumption-based services. The Information Technology Strategic Sourcing Office shall be funded through a combination of administrative fees as part of the IT Supplemental Staffing contract, as well as fees charged to agencies using their services. The State CIO shall establish and annually update consistent, fully transparent, easily understandable fees and rates that reflect industry standards for any good or service for which an agency is charged. These fees and rates shall be prepared by October 1 and shall be approved by the Office of State Budget and Management. The Office of State Budget and Management shall ensure that State agencies have the opportunity to adjust their budgets based on any rate or fee changes prior to submission of those budget recommendations to the General Assembly. The approved Information Technology Internal Service Fund budget and associated rates shall be included in the Governor's budget recommendations to the General Assembly.

(b) Receipts shall be used solely for the purpose for which they were collected. Any uses of the Information Technology Internal Service Fund not specifically related to providing receipt-supported services to State agencies shall immediately be reported to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

(c) In coordination with the Office of the State Controller and the Office of State Budget Management, the State CIO shall ensure processes are established to manage federal receipts, maximize those receipts, and ensure that federal receipts are correctly utilized. By September 1 of each year, the State CIO shall certify that federal receipts for participating agency information technology programs have been properly used during the previous State fiscal year.

"§ 143B-1310. Information technology reporting.

The State CIO shall report to the Joint Legislative Oversight Committee on Information Technology and to the Fiscal Research Division regarding the Information Technology Fund, the Internal Service Fund, and Information Technology Reserve Fund on a quarterly basis, no later than the first day of the second month following the end of the quarter. The report shall include current cash balances, line-item detail on expenditures from the previous quarter, and anticipated expenditures and revenues over the next year, by quarter. The State CIO shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on expenditures for the upcoming quarter, projected year-end balance, and the status report on personnel position changes, including new positions created and existing positions eliminated. Spending reports shall comply with the State Accounting System object codes.

"§ 143B-1311. Financial reporting and accountability for information technology investments and expenditures.

The Department, along with the Office of State Budget and Management and the Office of the State Controller, shall develop processes for budgeting and accounting of expenditures for information technology operations, services, projects, infrastructure, and assets for State agencies, notwithstanding any exemptions or deviations permitted pursuant to G.S. 143B-1300(b) or (c). The budgeting and accounting processes may include hardware, software, personnel, training, contractual services, and other items relevant to information technology and the sources of funding for each. Annual reports regarding information technology shall be coordinated by the Department with the Office of State Budget and Management and the Office of the State Controller and submitted to the Governor and the General Assembly on or before October 1 of each year.

The State CIO shall not enter into any information technology contracts requiring agency financial participation without obtaining written agreement from participating agencies regarding apportionment of the contract costs.

The State CIO shall review the information technology budgets for participating agencies and shall recommend appropriate adjustments to support requirements identified by the State CIO.

"**§ 143B-1312. Information technology human resources.**

(a) The State CIO may appoint all employees of the Department necessary to carry out the powers and duties of the Department. All employees of the Department are under the supervision, direction, and control of the State CIO, who may assign any function vested in his or her office to any subordinate employee of the Department.

(b) The State CIO shall establish a detailed, standardized, systemic plan for the transition of participating agency personnel to the new organization. This shall include the following:

(1) Documentation of current information technology personnel requirements.

(2) An inventory of current agency information technology personnel and their skills.

(3) Analysis and documentation of the gaps between current personnel and identified requirements.

(4) An explanation of how the Department plans to fill identified gaps.

(5) The Department's plan to eliminate positions no longer required.

(6) The Department's plan for employees whose skills are no longer required.

For each person to be transferred, the State CIO shall identify a designated position with a job description, determine the cost for the position, identify funding sources, and establish a standardized rate.

(c) Participating agency information technology personnel performing information technology functions shall be moved to the Department. The State CIO shall consolidate participating agency information technology personnel following the time line established in this Article once a detailed plan has been developed for transitioning the personnel to the new agency.

(d) The State CIO shall establish standard information technology career paths for both management and technical tracks, including defined qualifications, career progression, training requirements, and appropriate compensation. For information technology procurement professionals, the State CIO shall establish a career path that includes defined qualifications, career progression, training requirements, and appropriate compensation. These career paths shall be documented by February 1, 2016, and shall be provided to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by February 1, 2016, but may be submitted incrementally to meet Department requirements. The career paths shall be updated on an annual basis.

(e) Any new positions established by the Department shall be exempt from the North Carolina Human Resources Act.

(f) The State CIO may, subject to the provisions of G.S. 147-64.7(b)(2), obtain the services of independent public accountants, qualified management consultants, and other professional persons or experts to carry out the powers and duties of this Article if the Department does not have any personnel qualified to perform the function for which the professionals would be engaged and if the requirement has been included in the Department's budget for the year in which the services are required.

(g) Criminal Records Checks. – The State CIO shall require background investigations of any employee or prospective employee, including a criminal history record check, which may include a search of the State and National Repositories of Criminal Histories based on the person's fingerprints. A criminal history record check shall be conducted by the State Bureau of Investigation upon receiving fingerprints and other information provided by the employee or prospective employee. If the employee or prospective employee has been a resident of the State for less than five years, the background report shall include a review of criminal information from both the State and National Repositories of Criminal Histories. The criminal background report shall be provided to the State CIO and is not a public record under Chapter 132 of the General Statutes.

"Part 3. Information Technology Projects and Management.

"**§ 143B-1318. Project management.**

(a) Overall Management. – All information technology projects shall be managed through a standardized, fully documented process established and overseen by the State CIO. The State CIO shall be

responsible for ensuring that participating agency information technology projects are completed on time, within budget, and meet all defined business requirements upon completion. For separate agency projects, the State CIO shall ensure that projects follow the Department's established process and shall monitor schedule, budget, and adherence to business requirements. For all projects, the State CIO shall establish procedures to limit the need for change requests and shall report on this process to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by January 1, 2016.

The State CIO shall also ensure that agency information technology project requirements are documented in biennial information technology plans. If an agency updates a biennial information technology plan to add a new project, the State CIO shall immediately report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the reasons for the new requirement, the costs, and the sources of funding.

An agency that utilizes the system or software shall be designated as the sponsor for the information technology project or program and shall be responsible for overseeing the planning, development, implementation, and operation of the project or program. The Department and the assigned project managers shall advise and assist the designated agency for the duration of the project.

(b) Project Review and Approval. – The State CIO shall review, approve, and monitor all information technology projects for State agencies and shall be responsible for the efficient and timely management of all information technology projects for participating agencies. Project approval may be granted upon the State CIO's determination that (i) the project conforms to project management procedures and policies, (ii) the project does not duplicate a capability already existing in the State, (iii) the project conforms to procurement rules and policies, and (iv) sufficient funds are available.

(c) Project Implementation. – No State agency, unless expressly exempt within this Article, shall proceed with an information technology project until the State CIO approves the project. If a project is not approved, the State CIO shall specify in writing to the agency the grounds for denying the approval. The State CIO shall provide this information to the agency and the Office of State Budget and Management within five business days of the denial.

(d) Suspension of Approval/Cancellation of Projects. – The State CIO may suspend the approval of, or cancel, any information technology project that does not continue to meet the applicable quality assurance standards. The State CIO shall immediately suspend approval of, or cancel, any information technology project that is initiated without State CIO approval. Any project suspended or cancelled because of lack of State CIO approval cannot proceed until it completes all required project management documentation and meets criteria established by the State CIO for project approval, to include a statement from the State CIO that the project does not duplicate capabilities that already exist within the executive branch. If the State CIO suspends or cancels a project, the State CIO shall specify in writing to the agency the grounds for suspending or cancelling the approval. The State CIO shall provide this information to the agency within five business days of the suspension.

The Department shall report any suspension or cancellation immediately to the Office of the State Controller, the Office of State Budget and Management, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division. The Office of State Budget and Management shall not allow any additional expenditure of funds for a project that is no longer approved by the State CIO.

(e) General Quality Assurance. – Information technology projects authorized in accordance with this Article shall meet all project standards and requirements established under this Part.

(f) Performance Contracting. – All contracts between the State and a private party for information technology projects shall include provisions for vendor performance review and accountability, contract suspension or termination, and termination of funding. The State CIO may require that these contract provisions include a performance bond, monetary penalties, or require other performance assurance measures for projects that are not completed within the specified time period or that involve costs in excess of those specified in the contract. The State CIO may utilize cost savings realized on government vendor partnerships as performance incentives for an information technology vendor.

(g) Notwithstanding the provisions of G.S. 114-2.3, any State agency developing and implementing an information technology project with a total cost of ownership in excess of five million dollars ($5,000,000) may be required by the State CIO to engage the services of private counsel or subject matter experts with the

appropriate information technology expertise. The private counsel or subject matter expert may review requests for proposals; review and provide advice and assistance during the evaluation of proposals and selection of any vendors; and review and negotiate contracts associated with the development, implementation, operation, and maintenance of the project. This requirement may also apply to information technology programs that are separated into individual projects if the total cost of ownership for the overall program exceeds five million dollars ($5,000,000).

"§ 143B-1319. Project management standards.

(a) The State CIO shall establish standardized documentation requirements for agency projects to include requests for proposal and contracts. The State CIO shall establish standards for project managers and project management assistants. The State CIO shall develop performance measures for project reporting and shall make this reporting available through a publicly accessible Web site.

(b) Participating Agency Responsibilities. – The State CIO shall designate a Project Manager who shall select qualified personnel from the Department staff to participate in information technology project management, implementation, testing, and other activities for any information technology project. The Project Manager shall provide periodic reports to the project management assistant assigned to the project by the State CIO under subsection (d) of this section. The reports shall include information regarding the agency's business requirements, applicable laws and regulations, project costs, issues related to hardware, software, or training, projected and actual completion dates, and any other information related to the implementation of the information technology project.

(c) Separate Agency Responsibilities. – Each agency shall provide for one or more project managers who meet the applicable quality assurance standards for each information technology project that is subject to approval by the State CIO. Each project manager shall be subject to the review and approval of the State CIO. Each agency project manager shall provide periodic reports to the project management assistant assigned to the project by the State CIO under this subsection. The reports shall include information regarding project costs; issues related to hardware, software, or training; projected and actual completion dates; and any other information related to the implementation of the information technology project.

(d) State CIO Responsibilities. – The State CIO shall provide a project management assistant from the Department for any approved separate agency project, whether the project is undertaken in single or multiple phases or components. The State CIO may designate a project management assistant for any other information technology project.

The project management assistant shall advise the agency with the initial planning of a project, the content and design of any request for proposals, contract development, procurement, and architectural and other technical reviews. The project management assistant shall also monitor progress in the development and implementation of the project and shall provide status reports to the agency and the State CIO, including recommendations regarding continued approval of the project.

The State CIO shall establish a clearly defined, standardized process for project management that includes time lines for completion of process requirements for both the Department and agencies. The State CIO shall also establish reporting requirements for information technology projects, both during the planning, development, and implementation process and following completion of the project. The State CIO shall continue to monitor system performance and financial aspects of each project after implementation. The State CIO shall also monitor any certification process required for State information technology projects and shall immediately report any issues associated with certification processes to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

"§ 143B-1320. Dispute resolution.

(a) Agency Request for Review. – In any instance where the State CIO has denied or suspended the approval of an information technology project, has cancelled the project, or has denied an agency's request for deviation, the affected State agency may request that the Governor review the State CIO's decision. The agency shall submit a written request for review to the Governor within 15 business days following the agency's receipt of the State CIO's written grounds for denial, suspension, or cancellation. The agency's request for review shall specify the grounds for its disagreement with the State CIO's determination. The agency shall include with its request for review a copy of the State CIO's written grounds for denial or suspension.

(b) Review Process. – The Governor shall review the information provided and may request additional information from either the agency or the State CIO. The Governor may affirm, reverse, or modify the decision of the State CIO or may remand the matter back to the State CIO for additional findings. Within 30 days after initial receipt of the agency's request for review, the Governor shall notify the agency and the State CIO of the decision in the matter. The notification shall be in writing and shall specify the grounds for the Governor's decision.

The Governor may reverse or modify a decision of the State CIO when the Governor finds the decision of the State CIO is unsupported by substantial evidence that the agency project fails to meet one or more standards of efficiency and quality of State government information technology as required under this Article.

"**§ 143B-1321. Standardization.**

The State CIO shall establish consistent standards for the purchase of agency hardware and software that reflect identified, documented agency needs.

"**§ 143B-1322. Legacy applications.**

Participating agency legacy applications shall be moved to the Department once a detailed plan is coordinated and in place for the successful transition of a specific application to the Department. The Department shall identify situations where multiple agencies are using legacy systems with similar capabilities and shall prepare plans to consolidate these systems. Initial identification of similar capabilities shall be reported to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by March 1, 2016. The initial report shall include a schedule for the consolidation. The report shall also include the costs for operating and maintaining the current systems, the estimated costs for an enterprise replacement system, and the operations and maintenance costs associated with an enterprise system.

"Part 4. Information Technology Procurement.

"**§ 143B-1323. Procurement of information technology.**

(a) The State CIO is responsible for establishing policies and procedures for information technology procurement for State agencies.

Notwithstanding any other provision of law, the Department shall procure all information technology goods and services for participating agencies and shall approve information technology procurements for separate agencies. The State CIO may cancel or suspend any agency information technology procurement that occurs without State CIO approval.

(b) The Department shall review all procurements to ensure they meet current technology standards, are not duplicative, meet business objectives, are cost-effective, and are adequately funded. G.S. 143-135.9 shall apply to information technology procurements.

(c) The Department shall, subject to the provisions of this Part, do all of the following with respect to State information technology procurement:

(1) Purchase or contract for all information technology for participating State agencies.

(2) Approve all technology purchases for separate agencies.

(3) Establish standardized, consistent processes, specifications, and standards that shall apply to all information technology to be purchased, licensed, or leased by State agencies and relating to information technology personal services contract requirements for State agencies, including, but not limited to, requiring convenience contracts to be rebid prior to termination without extensions.

(4) Establish procedures to permit State agencies and local government entities to use the General Services Administration (GSA) Cooperative Purchasing Program to purchase information technology (i) awarded under GSA Supply Schedule 70 Information Technology and (ii) from contracts under the GSA's Consolidated Schedule containing information technology special item numbers.

(5) Establish procedures to permit State agencies and local government entities to use other cooperative purchasing agreements.

(6) Comply with the State government-wide technical architecture, as required by the State CIO.

(7) Utilize the purchasing benchmarks established by the Secretary of Administration pursuant to G.S. 143-53.1.

(8) Provide strategic sourcing resources and detailed, documented planning to compile and consolidate all estimates of information technology goods and services needed and required by State agencies.

(9) Develop a process to provide a question and answer period for vendors prior to procurements.

(d) Each State agency, separate agency, and participating agency shall furnish to the State CIO when requested, and on forms as prescribed, estimates of and budgets for all information technology goods and services needed and required by such department, institution, or agency for such periods in advance as may be designated by the State CIO. When requested, all State agencies shall provide to the State CIO on forms as prescribed, actual expenditures for all goods and services needed and required by the department, institution, or agency for such periods after the expenditures have been made as may be designated by the State CIO.

(e) Confidentiality. – Contract information compiled by the Department shall be made a matter of public record after the award of contract. Trade secrets, test data, similar proprietary information, and security information protected under G.S. 132-6.1(c) or other law shall remain confidential.

(f) Electronic Procurement. – The State CIO may authorize the use of the electronic procurement system established by G.S. 143-48.3, or other systems, to conduct reverse auctions and electronic bidding. For purposes of this Part, "reverse auction" means a real-time purchasing process in which vendors compete to provide goods or services at the lowest selling price in an open and interactive electronic environment. The vendor's price may be revealed during the reverse auction. The Department may contract with a third-party vendor to conduct the reverse auction. "Electronic bidding" means the electronic solicitation and receipt of offers to contract. Offers may be accepted and contracts may be entered by use of electronic bidding. All requirements relating to formal and competitive bids, including advertisement, seal, and signature, are satisfied when a procurement is conducted or a contract is entered in compliance with the reverse auction or electronic bidding requirements established by the Department.

(g) Bulk Purchasing. – The State CIO shall establish efficient, responsive procedures for the procurement of information technology. The procedures may include aggregation of hardware purchases, the use of formal bid procedures, restrictions on supplemental staffing, enterprise software licensing, hosting, and multiyear maintenance agreements. The State CIO may require agencies to submit information technology procurement requests on a regularly occurring schedule each fiscal year in order to allow for bulk purchasing.

(h) All offers to contract, whether through competitive bidding or other procurement method, shall be subject to evaluation and selection by acceptance of the most advantageous offer to the State. Evaluation shall include best value, as the term is defined in G.S. 143-135.9(a)(1), compliance with information technology project management policies, compliance with information technology security standards and policies, substantial conformity with the specifications, and other conditions set forth in the solicitation.

(i) Exceptions. – In addition to permitted waivers of competition, the requirements of competitive bidding shall not apply to information technology contracts and procurements:

(1) In cases of pressing need or emergency arising from a security incident.

(2) In the use of master licensing or purchasing agreements governing the Department's acquisition of proprietary intellectual property.

Any exceptions shall immediately be reported to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

(j) Information Technology Innovation Center. – The Department may operate a State Information Technology Innovation Center (iCenter) to develop and demonstrate technology solutions with potential benefit to the State and its citizens. The iCenter may facilitate the piloting of potential solutions to State technology requirements. In operating the iCenter, the State CIO shall ensure that all State laws, rules, and policies are followed.

Vendor participation in the iCenter shall not be construed to (i) create any type of preferred status for vendors or (ii) abrogate the requirement that agency and statewide requirements for information technology support, including those of the Department, are awarded based on a competitive process that follows information technology procurement guidelines.

"**§ 143B-1324. Restriction on State agency contractual authority with regard to information technology.**

(a) All State agencies covered by this Article shall use contracts for information technology to include enterprise licensing agreements and convenience contracts established by the Department. The State CIO shall consult the agency heads prior to the initiation of any enterprise project or contract. Notwithstanding any other statute, the authority of State agencies to procure or obtain information technology shall be subject to compliance with the provisions of this Part.

(b) Notwithstanding any other provision of law, local governmental entities may use the information technology programs, services, or contracts offered by the Department, including information technology procurement, in accordance with the statutes, policies, and rules of the Department. Local governmental entities are not required to comply with otherwise applicable competitive bidding requirements when using contracts established by the Department.

(c) Any other State entities exempt from Part 3 or Part 5 of this Article may also use the information technology programs, services, or contracts offered by the Department, including information technology procurement, in accordance with the statutes, policies, and rules of the Department.

"§ 143B-1325. Unauthorized use of public purchase or contract procedures for private benefit prohibited.

(a) It is unlawful for any person, by the use of the powers, policies, or procedures described in this Part or established hereunder, to purchase, attempt to purchase, procure, or attempt to procure any property or services for private use or benefit.

(b) This prohibition shall not apply if:

(1) The State agency through which the property or services are procured had theretofore established policies and procedures permitting such purchases or procurement by a class or classes of persons in order to provide for the mutual benefit of such persons and the department, institution, or agency involved or the public benefit or convenience; and

(2) Such policies and procedures, including any reimbursement policies, are complied with by the person permitted thereunder to use the purchasing or procurement procedures described in this Part or established thereunder.

(c) Any violation of this section is a Class 1 misdemeanor.

(d) Any employee or official of the State who violates this Part shall be liable to the State to repay any amount expended in violation of this Part, together with any court costs.

"§ 143B-1326. Financial interest of officers in sources of supply; acceptance of bribes.

Neither the State CIO, any deputy State CIO, or any other policy-making or managerially exempt personnel shall be financially interested, or have any personal beneficial interest, either directly or indirectly, in the purchase of, or contract for, any information technology, nor in any firm, corporation, partnership, or association furnishing any information technology to the State government or any of its departments, institutions, or agencies, nor shall any of these persons or any other Department employee accept or receive, directly or indirectly, from any person, firm, or corporation to whom any contract may be awarded, by rebate, gifts, or otherwise, any money or anything of value whatsoever, or any promise, obligation, or contract for future reward or compensation. Violation of this section is a Class F felony, and any person found guilty of a violation of this section shall, upon conviction, be removed from State office or employment.

"§ 143B-1327. Certification that information technology bid submitted without collusion.

The State CIO shall require bidders to certify that each bid on information technology contracts overseen by the Department is submitted competitively and without collusion. False certification is a Class I felony.

"§ 143B-1328. Award review.

(a) When the dollar value of a contract for the procurement of information technology equipment, materials, and supplies exceeds the benchmark established by subdivision (1) of subsection (c) of this section, an award recommendation shall be submitted to the State CIO for approval or other action. The State CIO shall promptly notify the agency or institution making the recommendation, or for which the purchase is to be made, of the action taken.

(b) Prior to submission for review pursuant to this section for any contract for information technology being acquired for the benefit of an agency authorized to deviate from this Article pursuant to G.S. 143B-1300(c), the State CIO shall review and approve the procurement to ensure compliance with the established processes, specifications, and standards applicable to all information technology purchased,

licensed, or leased in State government, including established procurement processes, and compliance with the State government-wide technical architecture and standards established by the State CIO.

(c) The State CIO shall provide a report of all contract awards approved through the Statewide Procurement Office as indicated below. The report shall include the amount of the award, the contract term, the award recipient, the using agency, and a short description of the nature of the award, as follows:

(1) For contract awards greater than twenty-five thousand dollars ($25,000), to the cochairs of the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on a monthly basis.

(2) For all contract awards outside the established purchasing system, to the Department of Administration, Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division on a quarterly basis.

"**§ 143B-1329. Multiyear contracts; Attorney General assistance.**

(a) Notwithstanding the cash management provisions of G.S. 147-86.11, the Department may procure information technology goods and services for periods up to a total of three years where the terms of the procurement contracts require payment of all or a portion of the contract price at the beginning of the contract agreement. All of the following conditions shall be met before payment for these agreements may be disbursed:

(1) Any advance payment can be accomplished within the IT Internal Service Fund budget.

(2) The State Controller receives conclusive evidence that the proposed agreement would be more cost-effective than a multiyear agreement that complies with G.S. 147-86.11.

(3) The procurement complies in all other aspects with applicable statutes and rules.

(4) The proposed agreement contains contract terms that protect the financial interest of the State against contractor nonperformance or insolvency through the creation of escrow accounts for funds, source codes, or both, or by any other reasonable means that have legally binding effect.

The Office of State Budget and Management shall ensure the savings from any authorized agreement shall be included in the IT Internal Service Fund rate calculations before approving annual proposed rates. Any savings resulting from the agreements shall be returned to agencies included in the contract in the form of reduced rates.

(b) At the request of the State CIO, the Attorney General shall provide legal advice and services necessary to implement this Article.

"**§ 143B-1330. Purchase of certain computer equipment and televisions by State agencies and governmental entities prohibited.**

(a) No State agency, local political subdivision of the State, or other public body shall purchase computer equipment or televisions, as defined in G.S. 130A-309.131, or enter into a contract with any manufacturer that the State CIO determines is not in compliance with the requirements of G.S. 130A-309.134 or G.S. 130A-309.135 as determined from the list provided by the Department of Environment and Natural Resources pursuant to G.S. 130A-309.138. The State CIO shall issue written findings upon a determination of noncompliance. A determination of noncompliance by the State CIO is reviewable under Article 3 of Chapter 150B of the General Statutes.

(b) The Department shall make the list available to local political subdivisions of the State and other public bodies. A manufacturer that is not in compliance with the requirements of G.S. 130A-309.134 or G.S. 130A-309.135 shall not sell or offer for sale computer equipment or televisions to the State, a local political subdivision of the State, or other public body.

"**§ 143B-1331. Refurbished computer equipment purchasing program.**

(a) The Department of Information Technology and the Department of Administration, with the administrative support of the Information Technology Strategic Sourcing Office, shall offer State and local governmental entities the option of purchasing refurbished computer equipment from registered computer equipment refurbishers whenever most appropriate to meet the needs of State and local governmental entities.

(b) State and local governmental entities shall document savings resulting from the purchase of the refurbished computer equipment, including, but not limited to, the initial acquisition cost as well as operations

and maintenance costs. These savings shall be reported quarterly to the Department of Information Technology.

(c) The Information Technology Strategic Sourcing Office shall administer the refurbished computer equipment program by establishing a competitive purchasing process to support this initiative that meets all State information technology procurement laws and procedures and ensures that agencies receive the best value.

(d) Participating computer equipment refurbishers must meet all procurement requirements established by the Department of Information Technology and the Department of Administration.

"**§ 143B-1332. Configuration and specification requirements same as for new computers.**

Refurbished computer equipment purchased under this act must conform to the same standards as the State may establish as to the configuration and specification requirements for the purchase of new computers.

"**§ 143B-1333. Data on reliability and other issues; report.**

The Department of Information Technology shall maintain data on equipment reliability, potential cost savings, and any issues associated with the refurbished computer equipment initiative and shall report the results of the initiative to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by March 1, 2016, and then quarterly thereafter.

"**§ 143B-1334. Information technology procurement policy; reporting requirements.**

(a) Policy. – In order to further the policy of the State to encourage and promote the use of small, minority, physically handicapped, and women contractors in State purchasing of goods and services, all State agencies shall cooperate with the Department in efforts to encourage the use of small, minority, physically handicapped, and women contractors in achieving the purposes of this Article, which is to provide for the effective and economical acquisition, management, and disposition of information technology.

(b) Bids. – A vendor submitting a bid shall disclose in a statement, provided contemporaneously with the bid, where services will be performed under the contract sought, including any subcontracts and whether any services under that contract, including any subcontracts, are anticipated to be performed outside the United States. Nothing in this section is intended to contravene any existing treaty, law, agreement, or regulation of the United States. The State CIO shall retain the statements required by this subsection regardless of the State entity that awards the contract and shall report annually to the Secretary of Administration on the number of contracts which are anticipated to be performed outside the United States.

(c) Reporting. – Every State agency that makes a direct purchase of information technology using the services of the Department shall report directly to the Department of Administration all information required by G.S. 143-48(b).

(d) Data from Department of Administration. – The Department of Administration shall collect and compile the data described in this section and report it annually to the Department of Information Technology, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division.

"Part 5. Data Centers.

"**§ 143B-1335. Data centers.**

(a) The State CIO shall create an inventory of data center operations in the executive branch and shall develop and implement a detailed, written plan for consolidation of agency data centers in the most efficient manner possible. By May 1, 2016, the State CIO shall present a report on the data center consolidation plan to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

(b) State agencies shall use the State infrastructure to host their projects, services, data, and applications. The State Chief Information Officer may grant an exception if the State agency can demonstrate any of the following:

(1) Using an outside contractor would be more cost-effective for the State.

(2) The Department does not have the technical capabilities required to host the application.

(3) Valid security requirements preclude the use of State infrastructure, and a vendor can provide a more secure environment.

"Part 6. Communications and Portal Services.

"**§ 143B-1336. Communications services.**

(a) The State CIO shall exercise authority for telecommunications and other communications included in information technology relating to the internal management and operations of State agencies. In discharging that responsibility, the State CIO shall do the following:

(1) Develop standards for a State network.

(2) Develop a detailed plan for the standardization and operation of State communications networks and services.

(3) Establish an inventory of communications systems in use within the State and ensure that the State is using the most efficient and cost-effective means possible.

(4) Identify shortfalls in current network operations and develop a strategy to mitigate the identified shortfalls.

(5) Provide for the establishment, management, and operation, through either State ownership, by contract, or through commercial leasing, of the following systems and services as they affect the internal management and operation of State agencies:

a. Central telephone systems and telephone networks, including Voice over Internet Protocol and Commercial Mobile Radio Systems.

b. Satellite services.

c. Closed-circuit TV systems.

d. Two-way radio systems.

e. Microwave systems.

f. Related systems based on telecommunication technologies.

g. The "State Network," managed by the Department, which means any connectivity designed for the purpose of providing Internet Protocol transport of information for State agencies.

h. Broadband.

(6) Coordinate the development of cost-sharing systems for respective user agencies for their proportionate parts of the cost of maintenance and operation of the systems and services listed in subdivision (5) of this subsection.

(7) Assist in the development of coordinated telecommunications services or systems within and among all State agencies and recommend, where appropriate, cooperative utilization of telecommunication facilities by aggregating users.

(8) Perform traffic analysis and engineering for all telecommunications services and systems listed in subdivision (5) of this subsection.

(9) Establish telecommunications specifications and designs so as to promote and support compatibility of the systems within State agencies.

(10) Provide a periodic inventory of telecommunications costs, facilities, systems, and personnel within State agencies.

(11) Promote, coordinate, and assist in the design and engineering of emergency telecommunications systems, including, but not limited to, the 911 emergency telephone number program, Emergency Medical Services, and other emergency telecommunications services.

(12) Perform frequency coordination and management for State agencies and local governments, including all public safety radio service frequencies, in accordance with the rules and regulations of the Federal Communications Commission or any successor federal agency.

(13) Advise all State agencies on telecommunications management planning and related matters and provide through the State Personnel Training Center or the Department training to users within State agencies in telecommunications technology and systems.

(14) Assist and coordinate the development of policies and long-range plans, consistent with the protection of citizens' rights to privacy and access to information, for the acquisition and use of telecommunications systems, and base such policies and plans on current information about State telecommunications activities in relation to the full range of emerging technologies.

(b) The provisions of this section shall not apply to the Judicial Information System in the Judicial Department.

"§ 143B-1337. Communications services for local governmental entities and other entities.

(a) The State CIO shall provide cities, counties, and other local governmental entities with access to communications systems or services established by the Department under this Part for State agencies. Access shall be provided on the same cost basis that applies to State agencies.

(b) The State CIO shall establish broadband communications services and permit, in addition to State agencies, cities, counties, and other local government entities, the following organizations and entities to share on a not-for-profit basis:

(1) Nonprofit educational institutions as defined in G.S. 116-280.

(2) MCNC and research affiliates of MCNC for use only in connection with research activities sponsored or funded, in whole or in part, by MCNC, if such research activities relate to health care or education in North Carolina.

(3) Agencies of the United States government operating in North Carolina for use only in connection with activities that relate to health care, education, or FirstNet in North Carolina.

(4) Hospitals, clinics, and other health care facilities for use only in connection with activities that relate to health care, education, or FirstNet in North Carolina.

(c) Any communications or broadband telecommunications services provided pursuant to this section shall not be provided in a manner that would cause the State or the Department to be classified as a public utility as that term is defined in G.S. 62-3(23)a.6., nor as a retailer as that term is defined in G.S. 105-164.3. Nor shall the State or the Department engage in any activities that may cause those entities to be classified as a common carrier as that term is defined in the Communications Act of 1934, 47 U.S.C. § 153(11). Provided further, authority to share communications services with the non-State agencies set forth in subdivisions (1) through (4) of subsection (b) of this section shall terminate not later than one year from the effective date of a tariff for such service or federal law that preempts this section.

"§ 143B-1338. Statewide electronic web presence; annual report.

(a) The Department shall plan, develop, implement, and operate a statewide electronic web presence, to include mobile, in order to (i) increase the convenience of members of the public in conducting online transactions with, and obtaining information from, State government and (ii) facilitate the public's interactions and communications with government agencies. The State CIO shall have approval authority over all agency Web site funding and content, to include any agency contract decisions. Participating agency Web site and content development staff shall be transferred to the Department in accordance with the schedule for their agency.

(b) Beginning January 1, 2016, and then annually thereafter, the State CIO shall report to the General Assembly and to the Fiscal Research Division on the following information:

(1) Services currently provided and associated transaction volumes or other relevant indicators of utilization by user type.

(2) New services added during the previous year.

(3) Services added that are currently available in other states.

(4) The total amount collected for each service.

(5) The total amount remitted to the State for each service.

(6) The total amount remitted to the vendor for each service.

(7) Any other use of State data by the vendor and the total amount of revenue collected per each use and in total.

(8) Customer satisfaction with each service.

(9) Any other issues associated with the provision of each service.

"Part 7. Security of Information Technology.

"§ 143B-1339. Security.

Confidentiality. – No data of a confidential nature, as defined in the General Statutes or federal law, may be entered into or processed through any information technology system or network established under this

Article until safeguards for the data's security satisfactory to the State CIO have been designed and installed and are fully operational. This section does not affect the provisions of G.S. 147-64.6 or G.S. 147-64.7.

"§ 143B-1340. Statewide security standards.

(a) The State CIO shall be responsible for the security of all State information technology systems and associated data. The State CIO shall manage all executive branch information technology security and shall establish a statewide standard for information technology security to maximize the functionality, security, and interoperability of the State's distributed information technology assets, including, but not limited to, data classification and management, communications, and encryption technologies. The State CIO shall review and revise the security standards annually. As part of this function, the State CIO shall review periodically existing security standards and practices in place among the various State agencies to determine whether those standards and practices meet statewide security and encryption requirements. The State CIO may assume the direct responsibility of providing for the information technology security of any State agency that fails to adhere to security standards adopted under this Article.

(b) The State CIO shall establish standards for the management and safeguarding of all State data held by State agencies and private entities and shall develop and implement a process to monitor and ensure adherence to the established standards. The State CIO shall establish and enforce standards for the protection of State data. The State CIO shall develop and maintain an inventory of where State data is stored. For data maintained by non-State entities, the State CIO shall document the reasons for the use of the non-State entity and certify, in writing, that the use of the non-State entity is the best course of action. The State CIO shall ensure that State data held by non-State entities is properly protected and is held in facilities that meet State security standards. By October 1 each year, the State CIO shall certify in writing that data held in non-State facilities is being maintained in accordance with State information technology security standards and shall provide a copy of this certification to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

(c) Before a State agency can contract for the storage, maintenance, or use of State data by a private vendor, the agency shall obtain the approval of the State CIO.

"§ 143B-1341. State CIO approval of security standards and risk assessments.

(a) Notwithstanding G.S. 143-48.3, 143B-1300(b), or 143B-1300(c), or any other provision of law, and except as otherwise provided by this Article, all information technology security goods, software, or services purchased using State funds, or for use by a State agency or in a State facility, shall be subject to approval by the State CIO in accordance with security standards adopted under this Part.

(b) The State CIO shall conduct risk assessments to identify compliance, operational, and strategic risks to the enterprise network. These assessments may include methods such as penetration testing or similar assessment methodologies. The State CIO may contract with another party or parties to perform the assessments. Detailed reports of the risk and security issues identified shall be kept confidential as provided in G.S. 132-6.1(c).

(c) If the legislative branch or the judicial branch develop their own security standards, taking into consideration the mission and functions of that entity, that are comparable to or exceed those set by the State CIO under this section, then those entities may elect to be governed by their own respective security standards. In these instances, approval of the State CIO shall not be required before the purchase of information technology security devices and services. If requested, the State CIO shall consult with the legislative branch and the judicial branch in reviewing the security standards adopted by those entities.

(d) Before a State agency may enter into any contract with another party for an assessment of network vulnerability, the State agency shall notify the State CIO and obtain approval of the request. If the State agency enters into a contract with another party for assessment and testing, after approval of the State CIO, the State agency shall issue public reports on the general results of the reviews. The contractor shall provide the State agency with detailed reports of the security issues identified that shall not be disclosed as provided in G.S. 132-6.1(c). The State agency shall provide the State CIO with copies of the detailed reports that shall not be disclosed as provided in G.S. 132-6.1(c).

(e) Nothing in this section shall be construed to preclude the Office of the State Auditor from assessing the security practices of State information technology systems as part of its statutory duties and responsibilities.

"**§ 143B-1342. Assessment of agency compliance with security standards.**

At a minimum, the State CIO shall annually assess the ability of each State agency, and each agency's contracted vendors, to comply with the current security enterprise-wide set of standards established pursuant to this section. The assessment shall include, at a minimum, the rate of compliance with the enterprise-wide security standards and an assessment of security organization, security practices, security information standards, network security architecture, and current expenditures of State funds for information technology security. The assessment of a State agency shall also estimate the cost to implement the security measures needed for agencies to fully comply with the standards. Each State agency shall submit information required by the State CIO for purposes of this assessment. The State CIO shall include the information obtained from the assessment in the State Information Technology Plan.

"**§ 143B-1343. State agency cooperation; liaisons.**

(a) The head of each principal department and Council of State agency shall cooperate with the State CIO in the discharge of the State CIO's duties by providing the following information to the Department:

(1) The full details of the State agency's information technology and operational requirements and of all the agency's information technology security incidents within 24 hours of confirmation.

(2) Comprehensive information concerning the information technology security employed to protect the agency's information technology.

(3) A forecast of the parameters of the agency's projected future information technology security needs and capabilities.

(4) Designating an agency liaison in the information technology area to coordinate with the State CIO. The liaison shall be subject to a criminal background report from the State Repository of Criminal Histories, which shall be provided by the State Bureau of Investigation upon its receiving fingerprints from the liaison. If the liaison has been a resident of this State for less than five years, the background report shall include a review of criminal information from both the State and National Repositories of Criminal Histories. The criminal background report shall be provided to the State CIO and the head of the agency. In addition, all personnel in the Office of the State Auditor who are responsible for information technology security reviews shall be subject to a criminal background report from the State Repository of Criminal Histories, which shall be provided by the State Bureau of Investigation upon receiving fingerprints from the personnel designated by the State Auditor. For designated personnel who have been residents of this State for less than five years, the background report shall include a review of criminal information from both the State and National Repositories of Criminal Histories. The criminal background reports shall be provided to the State Auditor. Criminal histories provided pursuant to this subdivision are not public records under Chapter 132 of the General Statutes.

(b) The information provided by State agencies to the State CIO under this section is protected from public disclosure pursuant to G.S. 132-6.1(c).

"Part 8. Government Data Analytics Center.

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"Part 9. Criminal Justice Information.

...

"Part 10. Emergency Telephone Service.

...

"Part 11. North Carolina Geographic Information Coordinating Council."

...

SECTION 7A.2.(c) G.S. 143B-426.38A is recodified into Part 8 of Article 14 of Chapter 143B of the General Statutes as G.S. 143B-1344, and reads as rewritten:

"**§ 143B-1344. Government Data Analytics ~~Center; State data-sharing requirements.~~Center.**

~~(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 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 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 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 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.~~

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

(1) Business intelligence. – The process of collecting, organizing, sharing, and analyzing data through integrated data management, reporting, visualization, and advanced analytics to discover patterns and other useful information that will allow policymakers and State officials to make more informed decisions. Business intelligence also includes both of the following:

a. Broad master data management capabilities such as data integration, data quality and enrichment, data governance, and master data management to collect, reference, and categorize information from multiple sources.

b. Self-service query and reporting capabilities to provide timely, relevant, and actionable information to business users delivered through a variety of interfaces, devices, or applications based on their specific roles and responsibilities.

(2) Data analytics. – Data analysis, including the ability to use the data for assessment and extraction of policy relevant information.

(3) Enterprise-level data analytics. – Standard analytics capabilities and services leveraging data throughout all State agencies, departments, and institutions.

(4) Operationalize. – The implementation process whereby a State agency, department, or institution integrates analytical output into current business processes and systems in order to improve operational efficiency and decision making.

(b) ~~Government Data Analytics Center.~~ GDAC. - The Government Data Analytics Center is established as a unit of the Department.

(1) ~~GDAC established. – There is established in the Office of the State CIO the Government Data Analytics Center (GDAC).~~ Purpose. – The purpose of the GDAC is to utilize public-private partnerships as part of a statewide data integration and data-sharing initiative and 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 intent is not to replace transactional systems but to leverage the data from those systems for enterprise-level State business intelligence. The GDAC shall continue the work, purpose, and resources of ~~the~~ previous data integration ~~effort in the Office of the State Controller~~ efforts and shall otherwise advise and assist the State CIO in the management of the initiative. The State CIO shall make any organizational changes necessary to maximize the effectiveness and efficiency of the GDAC.

(2) Public-private partnerships. – The 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. Private entities that partner

with the State shall make appropriate contributions of funds or resources, including, but not limited to, knowledge transfer and education activities, software licensing, hardware and technical infrastructure resources, personnel resources, and such other appropriate resources as agreed upon by the parties.

~~(2)~~(3) Powers and ~~duties of the GDAC.~~duties. – The State CIO shall, through the GDAC, do all of the following:

a. ~~Continue~~ Manage and coordinate ~~ongoing~~ enterprise data integration efforts, including:

1. The deployment, support, technology improvements, and expansion ~~for~~ of the Criminal Justice Law Enforcement Automated Data System ~~(CJLEADS).~~(CJLEADS) and related intelligence-based case management systems.

2. The ~~pilot and subsequent phase initiative for~~deployment, support, technology improvements, and expansion of the North Carolina Financial Accountability and Compliance Technology System ~~(NCFACTS).~~(NCFACTS) in order to collect data that will create efficiencies and detect fraud, waste, and abuse across State government.

3. The development, deployment, support, technology improvements, and expansion of the GDAC Enterprise Solutions.

~~3.~~4. Individual-level student data and workforce data from all levels of education and the State workforce.

5. The integration of all available financial data to support more comprehensive State budget and financial analyses.

~~4.~~6. Other ~~capabilities~~ capabilities as developed ~~as part of the initiative.~~by the GDAC.

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,~~ capabilities that are complementary to existing GDAC analytic solutions 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~~ expertise, (ii) assists in defining business rules so the data can be properly ~~used.~~used, and (iii) ensures participating State agencies operationalize analytics and report outcomes.

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.~~any other provision of State law or regulation.

j. Utilize 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.

k. Create efficiencies in State government by ensuring that State agencies use the GDAC for agency business intelligence requirements.

l. Assist State agencies in developing requirements for the integration or creation of an interface with State agencies' workflow processes and transactional systems to operationalize GDAC analytic solutions.

m. Establish clear metrics and definitions with participating State agencies for reporting outcomes for each GDAC project.

n. Evaluate State agency business intelligence projects to determine the feasibility of integrating analytics and reporting with the GDAC and to determine what GDAC services may support the projects.

(4) Application to State government. – The initiative shall include all State agencies, departments, and institutions, including The University of North Carolina, as follows:

a. All State agency business intelligence requirements, including any planning or development efforts associated with creating business intelligence capability, as well as any master data management efforts, shall be implemented through the GDAC.

b. 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 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.

(5) Project management. – The State CIO and State agencies, 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.

~~(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 CIO 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 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.~~

~~c. Phase III requirements. – In the third phase:~~

~~1. The State CIO through GDAC shall incorporate or consolidate existing projects, as appropriate.~~

~~2. The State 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 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.~~

(c) 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 State CIO and the GDAC access to all information required to develop and support State business intelligence applications pursuant to this section. The State 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 agency requirements. – The following agency-specific requirements are designed to illustrate but not limit the type and extent of data and information required to be released under subdivision (1) of this subsection:

a. The North Carolina Industrial Commission shall release to the GDAC, or otherwise provide electronic access to, all data requested by the 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 the GDAC, or otherwise provide electronic access to, all data requested by the 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 the GDAC, or otherwise provide access to, all data requested by the 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 the GDAC, or otherwise provide access to, all data requested by the 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 the GDAC, or otherwise provide access to, all data requested by the 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 the 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 CIO shall work jointly to assure that the evaluation of tax information pursuant to this sub-subdivision is performed in accordance with applicable federal law.

f. The North Carolina Department of Health and Human Services, pursuant to this Part, shall share (i) claims data from NCTRACKS and the accompanying claims data warehouse and (ii) encounter data with the GDAC in order to leverage

existing public-private partnerships and subject matter expertise that can assist in providing outcome-based analysis of services and programs as well as population health analytics of the Medicaid and LME/MCO patient population.

(3) All information shared with the GDAC and the State CIO under this subsection is protected from release and disclosure in the same manner as any other information is protected under this subsection.

(d) Provisions on Privacy and Confidentiality of Information. –

(1) Status with respect to certain information. – The State CIO and the GDAC shall be deemed to be all of the following for the purposes of this section:

a. 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 such 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 CIO and the GDAC related to the initiative may be released as a public record only if the State 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 CIO and the 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 CIO, or by any State agency, is prohibited.

~~(d)~~(e) Funding. – The ~~Office of the State CIO,~~ Department of Information Technology, 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.~~ the GDAC. Savings resulting from the cancellation of projects, software, and licensing, as well as any other savings from the ~~initiative,~~ utilization of the GDAC, 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~~ GDAC 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 ~~CIO in Phase I of the initiative.~~CIO.

~~(e)~~(f) Reporting. – The ~~Office of the~~ State CIO shall:

(1) ~~Submit and present quarterly reports on implementation of Phase I of the initiative and the plan developed as part of that phase~~ On or before March 1 of each year, submit and present a report on the activities described in this section 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 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.~~ The report shall include the following:

a. A description of project funding and expenditures, cost savings, cost avoidance, efficiency gains, process improvements, and major accomplishments. Cost savings and cost avoidance shall include immediate monetary impacts as well as ongoing projections.

b. A description of the contribution of funds or resources by those private entities which are participating in public-private partnerships under this section, including, but not limited to, knowledge transfer and education activities, software licensing, hardware and technical infrastructure resources, personnel resources, and such other resources as agreed upon by the State and the private entity.

(2) Report the following information ~~as needed:~~upon its occurrence or as requested:

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 CIO access to all information required to develop and support State business intelligence applications pursuant to this section. The State 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 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 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 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 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 CIO and the GDAC related to the initiative may be released as a public record only if the State 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 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 CIO, or by any State agency, is prohibited.~~

~~(h) Definition/Additional Requirements. For the purposes of this section, the term "business intelligence (BI)" means the process of collecting, organizing, sharing, and analyzing data through integrated data management, reporting, visualization, and advanced analytics to discover patterns and other useful information that will allow policymakers and State officials to make more informed decisions. The term also includes (i) broad master data management capabilities such as data integration, data quality and enrichment, data governance, and master data management to collect, reference, and categorize information from multiple sources and (ii) self-service query and reporting capabilities to provide timely, relevant, and actionable information to business users delivered through a variety of interfaces, devices, or applications based on their specific roles and responsibilities. All State agency business intelligence requirements, including any planning or development efforts associated with creating BI capability, as well as any master data management efforts, shall be implemented through GDAC. The State Chief Information Officer shall ensure that State agencies use the GDAC for agency business intelligence requirements.~~"

SECTION 7A.2.(d) G.S. 143B-1351(a), as recodified by this Part, reads as rewritten:

"(a) The Criminal Justice Information Network Governing Board is established within the ~~Office of the State Chief Information Officer~~ Department of Information Technology, as a Type II transfer, to operate the State's Criminal Justice Information Network, the purpose of which shall be to provide the governmental and technical information systems infrastructure necessary for accomplishing State and local governmental public safety and justice functions in the most effective manner by appropriately and efficiently sharing criminal justice and juvenile justice information among law enforcement, judicial, and corrections agencies. The Board is established within the Office of the State Chief Information Officer, for organizational and budgetary purposes only and the Board shall exercise all of its statutory powers in this Article independent of control by the Office of the State Chief Information Officer."

SECTION 7A.2.(e) G.S. 143B-1353(a)(2), as recodified by this Part, reads as rewritten:

"(a) The Board shall have the following powers and duties:

...

(2) To develop and adopt uniform standards and cost-effective information technology, after thorough evaluation of the capacity of information technology to meet the present and future needs of the State and, in consultation with the ~~Office~~ Department of Information ~~Technology Services,~~ Technology, to develop and adopt standards for entering, storing, and transmitting information in criminal justice databases and for achieving maximum compatibility among user technologies."

SECTION 7A.2.(f) G.S. 143B-1354(b), as recodified by this Part, reads as rewritten:

"(b) The staff of the Criminal Justice Information Network shall provide the Board with professional and clerical support and any additional support the Board needs to fulfill its mandate. The Board's staff shall use space provided by the ~~Office of the State Chief Information Officer.~~Department of Information Technology."

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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 nine hundred twenty-six dollars and ninety-seven cents ($3,926.97) per child. 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 one-half percent (12.5%) of its 2015-2016 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also be adjusted 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 eighty dollars and seventy cents ($1,280.70) per child for fiscal years 2015-2016 and 2016-2017. A local school administrative unit shall receive funds for a maximum of four percent (4%) of its 2015-2016 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 be adjusted in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve academically or intellectually gifted children.

USE OF SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

SECTION 8.3.(a) Use of Funds for Supplemental Funding. – All funds received pursuant to this section shall be used only (i) to provide instructional positions, instructional support positions, teacher assistant positions, clerical positions, school computer technicians, instructional supplies and equipment, staff development, and textbooks and digital resources and (ii) for salary supplements for instructional personnel and instructional support personnel. Local boards of education are encouraged to use at least twenty-five percent (25%) of the funds received pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades three through eight.

SECTION 8.3.(b) Definitions. – As used in this section, the following definitions apply:

(1) "Anticipated county property tax revenue availability" means the county-adjusted property tax base multiplied by the effective State average tax rate.

(2) "Anticipated total county revenue availability" means the sum of the following:

a. Anticipated county property tax revenue availability.

b. Local sales and use taxes received by the county that are levied under Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of Chapter 105 of the General Statutes.

c. Fines and forfeitures deposited in the county school fund for the most recent year for which data are available.

(3) "Anticipated total county revenue availability per student" means the anticipated total county revenue availability for the county divided by the average daily membership of the county.

(4) "Anticipated State average revenue availability per student" means the sum of all anticipated total county revenue availability divided by the average daily membership for the State.

(5) "Average daily membership" means average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual adopted by the State Board of Education. If a county contains only part of a local school administrative unit, the average daily membership of that county includes all students who reside within the county and attend that local school administrative unit.

(6) "County-adjusted property tax base" shall be computed as follows:

a. Subtract the present-use value of agricultural land, horticultural land, and forestland in the county, as defined in G.S. 105-277.2, from the total assessed real property valuation of the county.

b. Adjust the resulting amount by multiplying by a weighted average of the three most recent annual sales assessment ratio studies.

c. Add to the resulting amount the following:

1. Present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2.

2. Value of property of public service companies, determined in accordance with Article 23 of Chapter 105 of the General Statutes.

3. Personal property value for the county.

(7) "County-adjusted property tax base per square mile" means the county-adjusted property tax base divided by the number of square miles of land area in the county.

(8) "County wealth as a percentage of State average wealth" shall be computed as follows:

a. Compute the percentage that the county per capita income is of the State per capita income and weight the resulting percentage by a factor of five-tenths.

b. Compute the percentage that the anticipated total county revenue availability per student is of the anticipated State average revenue availability per student and weight the resulting percentage by a factor of four-tenths.

c. Compute the percentage that the county-adjusted property tax base per square mile is of the State-adjusted property tax base per square mile and weight the resulting percentage by a factor of one-tenth.

d. Add the three weighted percentages to derive the county wealth as a percentage of the State average wealth.

(9) "Effective county tax rate" means the actual county tax rate multiplied by a weighted average of the three most recent annual sales assessment ratio studies.

(10) "Effective State average tax rate" means the average of effective county tax rates for all counties.

(11) "Local current expense funds" means the most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

(12) "Per capita income" means the average for the most recent three years for which data are available of the per capita income according to the most recent report of the United States Department of Commerce, Bureau of Economic Analysis, including any reported modifications for prior years as outlined in the most recent report.

(13) "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).

(14) "State average current expense appropriations per student" means the most recent State total of county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

(15) "State average adjusted property tax base per square mile" means the sum of the county-adjusted property tax bases for all counties divided by the number of square miles of land area in the State.

(16) "Supplant" means to decrease local per student current expense appropriations from one fiscal year to the next fiscal year.

(17) "Weighted average of the three most recent annual sales assessment ratio studies" means the weighted average of the three most recent annual sales assessment ratio studies in the most recent years for which county current expense appropriations and adjusted property tax valuations are available. If real property in a county has been revalued one year prior to the most recent sales assessment ratio study, a weighted average of the two most recent sales assessment ratios shall be used. If property has been revalued the year of the most recent sales assessment ratio study, the sales assessment ratio for the year of revaluation shall be used.

SECTION 8.3.(c) Eligibility for Funds. – Except as provided in subsection (g) of this section, the State Board of Education shall allocate these funds to local school administrative units located in whole or in part in counties in which the county wealth as a percentage of the State average wealth is less than one hundred percent (100%).

SECTION 8.3.(d) Allocation of Funds. – Except as provided in subsection (f) of this section, the amount received per average daily membership for a county shall be the difference between the State average current expense appropriations per student and the current expense appropriations per student that the county could provide given the county's wealth and an average effort to fund public schools. (To derive the current

expense appropriations per student that the county could be able to provide given the county's wealth and an average effort to fund public schools, multiply the county's wealth as a percentage of State average wealth by the State average current expense appropriations per student.) The funds for the local school administrative units located in whole or in part in the county shall be allocated to each local school administrative unit located in whole or in part in the county based on the average daily membership of the county's students in the school units. If the funds appropriated for supplemental funding are not adequate to fund the formula fully, each local school administrative unit shall receive a pro rata share of the funds appropriated for supplemental funding.

SECTION 8.3.(e) Formula for Distribution of Supplemental Funding Pursuant to This Section Only. – The formula in this section is solely a basis for distribution of supplemental funding for low-wealth counties and is not intended to reflect any measure of the adequacy of the educational program or funding for public schools. The formula is also not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for low-wealth counties.

SECTION 8.3.(f) Minimum Effort Required. – A county that (i) maintains an effective county tax rate that is at least one hundred percent (100%) of the effective State average tax rate in the most recent year for which data are available or (ii) maintains a county appropriation per student to the school local current expense fund of at least one hundred percent (100%) of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools shall receive full funding under this section. A county that maintains a county appropriation per student to the school local current expense fund of less than one hundred percent (100%) of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools shall receive funding under this section at the same percentage that the county's appropriation per student to the school local current expense fund is of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools.

SECTION 8.3.(g) Nonsupplant Requirement. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2015-2017 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if all of the following criteria apply:

(1) The current expense appropriations per student of the county for the current year is less than ninety-five percent (95%) of the average of local current expense appropriations per student for the three prior fiscal years.

(2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

The State Board of Education shall adopt rules to implement the requirements of this subsection.

SECTION 8.3.(h) Counties Containing a Base of the Armed Forces. – Notwithstanding any other provision of this section, for the 2015-2017 fiscal biennium, counties containing a base of the Armed Forces of the United States that have an average daily membership of more than 23,000 students shall receive the same amount of supplemental funding for low-wealth counties as received in the 2012-2013 fiscal year.

SECTION 8.3.(i) Funds for EVAAS Data. – Notwithstanding the requirements of subsection (a) of this section, local school administrative units may utilize funds allocated under this section to purchase services that allow for extraction of data from the Education Value-Added Assessment System (EVAAS).

SECTION 8.3.(j) Reports. – For the 2015-2017 fiscal biennium, the State Board of Education shall report to the Fiscal Research Division prior to May 15 of each year if it determines that counties have supplanted funds.

SECTION 8.3.(k) Department of Revenue Reports. – The Department of Revenue shall provide to the Department of Public Instruction a preliminary report for the current fiscal year of the assessed value of the property tax base for each county prior to March 1 of each year and a final report prior to May 1 of each

year. The reports shall include for each county the annual sales assessment ratio and the taxable values of (i) total real property, (ii) the portion of total real property represented by the present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2, (iii) property of public service companies determined in accordance with Article 23 of Chapter 105 of the General Statutes, and (iv) personal property.

SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING

SECTION 8.4.(a) Allotment Schedule for the 2015-2017 Fiscal Biennium. – Except as otherwise provided in subsection (d) of this section, each eligible county school administrative unit shall receive a dollar allotment according to the following schedule:

Allotted ADM	Small County Allotment
0-600	$1,710,000
601-1,300	$1,820,000
1,301-1,700	$1,548,700
1,701-2,000	$1,600,000
2,001-2,300	$1,560,000
2,301-2,600	$1,470,000
2,601-2,800	$1,498,000
2,801-3,200	$1,548,000

SECTION 8.4.(b) Phase-Out Provision for the 2015-2016 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2015-2016 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local school administrative units shall be reduced in equal increments in each of the five years after the unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local school administrative unit becomes ineligible.

Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2014-2015 in any fiscal year.

SECTION 8.4.(c) Phase-Out Provision for the 2016-2017 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2016-2017 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local school administrative units shall be reduced in equal increments in each of the five years after the 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 under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2015-2016 in any fiscal year.

SECTION 8.4.(d) Nonsupplant Requirement for the 2015-2017 Fiscal Biennium. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2015-2017 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if all of the following criteria apply:

(1) The current expense appropriation per student of the county for the current year is less than ninety-five percent (95%) of the average of local current expense appropriation per student for the three prior fiscal years.

(2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

The State Board of Education shall adopt rules to implement the requirements of this subsection.

SECTION 8.4.(e) Reports. – For the 2015-2017 fiscal biennium, the State Board of Education shall report to the Fiscal Research Division prior to May 15 of each fiscal year if it determines that counties have supplanted funds.

SECTION 8.4.(f) Use of Funds. – Local boards of education are encouraged to use at least twenty percent (20%) of the funds they receive pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades three through eight.

Local school administrative units may also utilize funds allocated under this section to purchase services that allow for extraction of data from the Education Value-Added Assessment System (EVAAS).

DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)

SECTION 8.5.(a) Funds appropriated for disadvantaged student supplemental funding shall be used, consistent with the policies and procedures adopted by the State Board of Education, only to do the following:

(1) Provide instructional positions or instructional support positions and/or professional development.
(2) Provide intensive in-school and/or after-school remediation.
(3) Purchase diagnostic software and progress-monitoring tools.
(4) Provide funds for teacher bonuses and supplements. The State Board of Education shall set a maximum percentage of the funds that may be used for this purpose.

The State Board of Education may require local school administrative units receiving funding under the Disadvantaged Student Supplemental Fund to purchase the Education Value-Added Assessment System (EVAAS) in order to provide in-depth analysis of student performance and help identify strategies for improving student achievement. This data shall be used exclusively for instructional and curriculum decisions made in the best interest of children and for professional development for their teachers and administrators.

SECTION 8.5.(b) Disadvantaged student supplemental funding (DSSF) shall be allotted to a local school administrative unit based on (i) the unit's eligible DSSF population and (ii) the difference between a teacher-to-student ratio of 1:21 and the following teacher-to-student ratios:

(1) For counties with wealth greater than ninety percent (90%) of the statewide average, a ratio of 1:19.9.
(2) For counties with wealth not less than eighty percent (80%) and not greater than ninety percent (90%) of the statewide average, a ratio of 1:19.4.
(3) For counties with wealth less than eighty percent (80%) of the statewide average, a ratio of 1:19.1.
(4) For local school administrative units receiving DSSF funds in fiscal year 2005-2006, a ratio of 1:16. These local school administrative units shall receive no less than the DSSF amount allotted in fiscal year 2006-2007.

For the purpose of this subsection, wealth shall be calculated under the low-wealth supplemental formula as provided for in this act.

SECTION 8.5.(c) If a local school administrative unit's wealth increases to a level that adversely affects the unit's disadvantaged student supplemental funding (DSSF) allotment ratio, the DSSF allotment for that unit shall be maintained at the prior year level for one additional fiscal year.

UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS

SECTION 8.7. Funds appropriated for the Uniform Education Reporting System (UERS) for the 2015-2017 fiscal biennium shall not revert at the end of each fiscal year but shall remain available until expended.

COOPERATIVE INNOVATIVE HIGH SCHOOLS

SECTION 8.8. G.S. 115C-238.54 is amended by adding a new subsection to read:

"(j) Any State funds appropriated for cooperative innovative high schools shall not be adjusted to reflect legislative salary increments, retirement rate adjustments, and health benefit adjustments for school personnel, unless specifically provided for by the General Assembly."

STUDY NCVPS ALTERNATIVE FUNDING FORMULA

SECTION 8.11.(a) The State Board of Education shall study implementation of an alternative funding formula for the North Carolina Virtual Public School (NCVPS) in lieu of the funding formula adopted by the State Board pursuant to Section 7.22(d) of S.L. 2011-145, as amended by Section 8.9 of S.L. 2013-360. The study shall include consideration of the potential costs and benefits of (i) offering an alternative funding formula option for local boards of education to select and (ii) replacing the current NCVPS formula with a new formula applicable to all local boards of education participating in NCVPS.

SECTION 8.11.(b) The State Board of Education shall report the results of the study under subsection (a) of this section and any legislative recommendations to the Joint Legislative Education Oversight Committee by January 15, 2016.

COMPETENCY-BASED LEARNING AND ASSESSMENTS

SECTION 8.12.(a) It is the intent of the General Assembly to transition to a system of testing and assessments applicable for all elementary and secondary public school students that utilizes competency-based learning assessments to measure student performance and student growth, whenever practicable. The competency-based student assessment system should provide that (i) students advance upon mastery, (ii) competencies are broken down into explicit and measurable learning objectives, (iii) assessment is meaningful for students, (iv) students receive differentiated support based on their learning needs, and (v) learning outcomes emphasize competencies that include the application and creation of knowledge.

SECTION 8.12.(b) In order to develop the use of competency-based assessments for all elementary and secondary public school students in North Carolina in accordance with subsection (a) of this section, the State Board of Education is encouraged to evaluate the feasibility of integrating competency-based assessments for use in local school administrative units and as part of the statewide testing system for measuring student performance and student growth. The State Board may examine competency-based student assessment systems utilized in other states, including potential benefits and obstacles to implementing similar systems in North Carolina, and the relationship between competency-based assessments and innovative teaching methods utilized in North Carolina schools, such as blended learning models and digital teaching tools.

COLLABORATIVE PROCUREMENT

SECTION 8.14.(a) Section 7.6 of S.L. 2013-360, as amended by Section 91 of S.L. 2014-115, is repealed.

SECTION 8.14.(b) The Department of Public Instruction shall collaborate with the Friday Institute for Educational Innovation of North Carolina State University to implement public school cooperative purchasing agreements for the procurement of information technology goods and services to support public schools. For purposes of this section, the phrase "public school cooperative purchasing agreement" means an agreement implemented pursuant to this section and available for local school administrative units, regional schools, charter schools, or some combination thereof providing for collaborative or collective purchases of information technology goods and services in order to leverage economies of scale and to reduce costs.

SECTION 8.14.(c) Each public school cooperative purchasing agreement shall be based on a defined statewide information technology need to support education in the public schools. Each public school cooperative purchasing agreement shall allow for equal access to technology tools and services and shall provide a standard competitive cost throughout North Carolina for each tool or service. Public school cooperative purchasing agreements shall follow State information technology procurement laws, rules, and procedures.

SECTION 8.14.(d) By October 15, 2015, and annually thereafter, the Department of Public Instruction and the Friday Institute shall report on the establishment of the 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.

REVISE THE DESIGNATION OF THE TEXTBOOK FUNDING ALLOTMENT

SECTION 8.18.(a) Effective July 1, 2015, the existing Textbooks funding allotment in the State Public School Fund shall be designated as the Textbooks and Digital Resources funding allotment in the State Public School Fund.

SECTION 8.18.(b) The State Board of Education shall establish the purposes for which the funds within the new Textbooks and Digital Resources funding allotment may be used for as follows: (i) to acquire textbooks as defined in G.S. 115C-85, which includes technology-based programs, and (ii) only for allowable expenditures as were permitted under the Textbooks funding allotment as of June 30, 2015.

TWELVE-MONTH PERSONNEL POSITIONS FOR VOCATIONAL AGRICULTURE TEACHERS

SECTION 8.22. G.S. 115C-302.1(b) reads as rewritten:

"(b) Salary Payments. – State-allotted teachers shall be paid for a term of 10 months. State-allotted months of employment for vocational education to local boards shall be used for the employment of teachers of vocational and technical education for a term of employment to be determined by the local boards of education. However, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 1982-83 school year for any school year thereafter. In addition, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 2003-2004 school year for any school year thereafter. In addition, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 2014-2015 school year for any school year thereafter.

Each local board of education shall establish a set date on which monthly salary payments to State-allotted teachers shall be made. This set pay date may differ from the end of the month of service. The daily rate of pay for teachers shall equal midway between one twenty-first and one twenty-second of the monthly rate of pay. Except for teachers employed in a year-round school or paid in accordance with a year-round calendar, or both, the initial pay date for teachers shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment.

Teachers may be prepaid on the monthly pay date for days not yet worked. A teacher who fails to attend scheduled workdays or who has not worked the number of days for which the teacher has been paid and who resigns, is dismissed, or whose contract is not renewed shall repay to the local board any salary payments received for days not yet worked. A teacher who has been prepaid and continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal under G.S. 115C-325 or other appropriate discipline.

Any individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which employs the teacher. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments.

Notwithstanding this subsection, the term "daily rate of pay" for the purpose of G.S. 115C-12(8) or for any other law or policy governing pay or benefits based on the teacher salary schedule shall not exceed one twenty-second of a teacher's monthly rate of pay."

REPEAL UNNECESSARY STATE BOARD OF EDUCATION REPORTS

SECTION 8.25.(a) Report on Paperwork Reduction. – G.S. 115C-12(19) reads as rewritten:

"(19) Duty to Identify Required Reports and to Eliminate Unnecessary Reports and Paperwork. – Prior to the beginning of each school year, the State Board of Education shall identify all reports that are required at the State level for the school year.

The State Board of Education shall adopt policies to ensure that local school administrative units are not required by the State Board of Education, the State Superintendent, or the Department of Public Instruction staff to (i) provide information that is already available on the student information management system or housed within the

Department of Public Instruction; (ii) provide the same written information more than once during a school year unless the information has changed during the ensuing period; (iii) complete forms, for children with disabilities, that are not necessary to ensure compliance with the federal Individuals with Disabilities Education Act (IDEA); or (iv) provide information that is unnecessary to comply with State or federal law and not relevant to student outcomes and the efficient operation of the public schools. Notwithstanding the foregoing, the State Board may require information available on its student information management system or require the same information twice if the State Board can demonstrate a compelling need and can demonstrate there is not a more expeditious manner of getting the information.

The State Board shall permit schools and local school administrative units to submit all reports to the Department of Public Instruction electronically.

The State Board of Education, in collaboration with the education roundtables within the Department of Public Instruction, shall consolidate all plans that affect the school community, including school improvement plans. The consolidated plan shall be posted on each school's Web site for easy access by the public and by school personnel.

~~The State Board shall report to the Joint Legislative Education Oversight Committee by November 15 of each year on the reports identified that are required at the State level, the evaluation and determination for continuing individual reports, including the consideration of whether those reports exceed what is required by State and federal law, and any reports that it has consolidated or eliminated for the upcoming school year.~~"

SECTION 8.25.(b) Report on the ABC's. – G.S. 115C-12(25) reads as rewritten:

"(25) Duty to Report to Joint Legislative Education Oversight Committee. – Upon the request of the Joint Legislative Education Oversight Committee, the State Board shall examine and evaluate issues, programs, policies, and fiscal information, and shall make reports to that Committee. Furthermore, beginning ~~October 15, 1997,~~October 15, 2015, and annually thereafter, the State Board shall submit reports to that Committee regarding ~~the continued implementation of Chapter 716 of the 1995 Session Laws, 1996 Regular Session. Each report shall include information regarding the composition and activity of assistance teams, schools that received incentive awards,~~ schools identified as low-performing, school improvement plans found to significantly improve student performance, personnel actions taken in low-performing schools, and recommendations for additional legislation to improve student performance and increase local flexibility."

SECTION 8.25.(c) Report on State School Technology Plan. – G.S. 115C-102.6B(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 15 of each year to the Joint Legislative Education Oversight Committee on the status of the State School Technology Plan.~~"

SECTION 8.25.(d) Evaluation of the School-Based Accountability System. – G.S. 115C-105.35(a) reads as rewritten:

"(a) The School-Based Management and Accountability Program shall (i) focus on student performance in the basics of reading, mathematics, and communications skills in elementary and middle schools, (ii) focus on student performance in courses required for graduation and on other measures required by the State Board in the high schools, and (iii) hold schools accountable for the educational growth of their students. To those ends, the State Board shall design and implement an accountability system that sets annual performance standards for each school in the State in order to measure the growth in performance of the students in each individual school. ~~During the 2004-2005 school year and at least every five years thereafter, the State Board shall evaluate the accountability system and, if necessary, modify the testing standards to~~

~~assure the testing standards continue to reasonably reflect the level of performance necessary to be successful at the next grade level or for more advanced study in the content area.~~

~~As part of this evaluation, the Board shall, where available, review the historical trend data on student academic performance on State tests. To the extent that the historical trend data suggest that the current standards for student performance may not be appropriate, the State Board shall adjust the standards to assure that they continue to reflect the State's high expectations for student performance.~~"

SECTION 8.25.(e) Reports by Local School Administrative Units and Charter Schools on Students With Diabetes. – G.S. 115C-375.3 reads as rewritten:

"**§ 115C-375.3. Guidelines to support and assist students with diabetes.**

Local boards of education and boards of directors of charter schools shall ensure that the guidelines adopted by the State Board of Education under G.S. 115C-12(31) are implemented in schools in which students with diabetes are enrolled. In particular, the boards shall require the implementation of the procedures set forth in those guidelines for the development and implementation of individual diabetes care plans. The boards also shall make available necessary information and staff development to teachers and school personnel in order to appropriately support and assist students with diabetes in accordance with their individual diabetes care plans. ~~Local boards of education and boards of directors of charter schools shall report to the State Board of Education annually, on or before August 15, whether they have students with diabetes enrolled and provide information showing compliance with the guidelines adopted by the State Board of Education under G.S. 115C-12(31). These reports shall be in compliance with the federal Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g.~~"

SCHOOL SAFETY/STATEWIDE SCHOOL RISK AND RESPONSE MANAGEMENT SYSTEM

SECTION 8.26.(a) G.S. 115C-47(40) reads as rewritten:

"(40) To ~~adopt emergency response plans. – Local boards~~ Adopt School Risk Management Plans. – Each local board of education shall, in coordination with local law enforcement and emergency management agencies, adopt ~~emergency response plans~~ a School Risk Management Plan (SRMP) relating to incidents of school ~~violence.~~ violence for each school in its jurisdiction. In constructing and maintaining these plans, local boards of education and local school administrative units shall utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans are not 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 8.26.(b) G.S. 115C-105.49 reads as rewritten:

"**§ 115C-105.49. School safety exercises.**

(a) At least ~~every two years,~~ once annually, each local school administrative unit ~~is encouraged to~~ shall require each school under its control to hold a full ~~systemwide school safety and school lockdown exercise with the~~ school-wide tabletop exercise and drill based on the procedures documented in its School Risk Management Plan (SRMP). The drill shall include a practice school lockdown due to an intruder on school grounds. Each school is encouraged to hold a tabletop exercise and drill for multiple hazards included in its SRMP. Schools are strongly encouraged to include local law enforcement agencies ~~that are part of the local board of education's emergency response plan.~~ and emergency management agencies in their tabletop exercises and drills. The purpose of the ~~exercise~~ tabletop exercises and drills shall be to permit participants to (i) discuss simulated emergency situations in a low-stress environment, (ii) clarify their roles and responsibilities and the overall logistics of dealing with an emergency, and (iii) identify areas in which the ~~emergency response plan~~ SRMP needs to be modified.

(b) ~~As part of a local board of education's emergency response plan, at least once a year, each school is encouraged to hold a full schoolwide school safety and lockdown exercise with local law enforcement agencies.~~ For the purposes of this section, a tabletop exercise is an exercise involving key personnel conducting simulated scenarios related to emergency planning.

(c) For the purposes of this section, a drill is a school-wide practice exercise in which simulated scenarios related to emergency planning are conducted.

(d) The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools shall provide guidance and recommendations to local school administrative units on the types of multiple hazards to plan and respond to, including intruders on school grounds."

SECTION 8.26.(c) Article 8C of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-105.49A. School Risk and Response Management System.**

(a) The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools shall construct and maintain a statewide School Risk and Response Management System (SRRMS). The system shall fully integrate and leverage existing data and applications that support school risk planning, exercises, monitoring, and emergency response via 911 dispatch.

(b) In constructing the SRRMS, the Division of Emergency Management and the Center for Safer Schools shall leverage the existing enterprise risk management database, the School Risk Management Planning tool managed by the Division. The Division shall also leverage the local school administrative unit schematic diagrams of school facilities. Where technically feasible, the SRRMS shall integrate any anonymous tip lines established pursuant to G.S. 115C-105.51 and any 911-initiated panic alarm systems authorized as part of a SRMP pursuant to G.S. 115C-47(40). The Division and the Center for Safer Schools shall collaborate with the Department of Public Instruction and the North Carolina 911 Board in the design, implementation, and maintenance of the SRRMS.

(c) All data and information acquired and stored in the SRRMS as provided in subsections (a) and (b) of this section are not considered public records 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 8.26.(d) G.S. 115C-105.51 reads as rewritten:

"**§ 115C-105.51. Anonymous tip ~~lines.~~lines and monitoring and response applications.**

(a) Each local school administrative unit is encouraged to develop and operate an anonymous tip line, in coordination with local law enforcement and social services agencies, to receive anonymous information on internal or external risks to the school population, school ~~buildings~~ buildings, and school-related activities. The Department of Public Safety, in consultation with the Department of Public Instruction, may develop standards and guidelines for the development, operation, and staffing of tip lines.

(b) ~~The Department of Public Instruction, in consultation with the Department of Public Safety, may develop standards and guidelines for the development, operation, and staffing of tip lines.~~The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools, in collaboration with the Department of Public Instruction, shall implement and maintain an anonymous safety tip line application for purposes of receiving anonymous student information on internal or external risks to the school population, school buildings, and school-related activities.

(c) ~~The Department of Public Instruction may provide information to local school administrative units on federal, State, local, and private grants available for this purpose.~~The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools, in collaboration with the Department of Public Instruction and the North Carolina 911 Board, shall implement and maintain a statewide panic alarm system for the purposes of launching real-time 911 messaging to public safety answering points of internal and external risks to the school population, school buildings, and school-related activities. The Department of Public Safety, in consultation with the Department of Public Instruction and the North Carolina 911 Board, may develop standards and guidelines for the operations and use of the panic alarm tool.

(d) The Department of Public Safety shall ensure that the anonymous safety tip line application is integrated with and supports the statewide School Risk and Response Management System (SRRMS) as provided in G.S. 115C-105.49A. Where technically feasible and cost efficient, the Department of Public Safety is encouraged to implement a single solution supporting both the anonymous safety tip line application and panic alarm system.

(e) All data and information acquired and stored by the anonymous safety tip line application are not considered public records 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.

(f) Notwithstanding subsection (e) of this section, the Division may collect the annual aggregate number and type of tips sent to the anonymous tip line. The collection of this aggregate data shall not have any

identifying information on the reporter of the tip, including, but not limited to, the school where the incident was reported and the date the tip was reported."

SECTION 8.26.(e) G.S. 115C-105.52 reads as rewritten:

"**§ 115C-105.52. School crisis kits.**

The Department of Public Instruction, in consultation with the Department of Public Safety through the North Carolina Center for Safer Schools, may develop and adopt policies on the placement of school crisis kits in schools and on the contents of those kits. The kits should include, at a minimum, basic first-aid supplies, communications devices, and other items recommended by the International Association of Chiefs of Police.

The principal of each school, in coordination with the law enforcement agencies that are part of the local board of education's ~~emergency response plan,~~ School Risk Management Plan, may place one or more crisis kits at appropriate locations in the school."

SECTION 8.26.(f) G.S. 115C-105.53 reads as rewritten:

"**§ 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) either keys to the main entrance of all school buildings or 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.~~buildings when changes are made to the locks of the main entrances or to key storage devices such as KNOX® boxes.

(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."

SECTION 8.26.(g) G.S. 115C-105.54 reads as rewritten:

"**§ 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).~~(SRMP). 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 8.26.(h) G.S. 115C-218.75 reads as rewritten:

"**§ 115C-218.75. General operating requirements.**

(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.

(b) ~~Emergency Response Plan. – A~~School Risk Management Plan. – Each charter school, in coordination with local law enforcement ~~agencies,~~and emergency management agencies, is encouraged to adopt ~~an emergency response plan~~ a School Risk Management Plan (SRMP) relating to incidents of school violence. In constructing and maintaining these plans, charter schools may utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans 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.

Charter schools are encouraged to provide schematic diagrams and keys to the main entrance of school facilities to local law enforcement agencies, in addition to implementing the provisions in ~~G.S. 115C-105.49(b) and~~ G.S. 115C-105.52.

(c) 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).

(d) School Safety Exercises. – At least once a year, a charter school is encouraged to hold a full school-wide lockdown exercise with local law enforcement and emergency management agencies that are part of the charter school's SRMP.

(e) School Safety Information Provided to Division of Emergency Management. – A charter school is encouraged to provide the following: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Division for the SRMP. The schematic diagrams and emergency response information are not considered public records 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 8.26.(i) G.S. 115C-238.66 reads as rewritten:

"**§ 115C-238.66. Board of directors; powers and duties.**

The board of directors shall have the following powers and duties:

(1) Academic program. –

a. The board of directors shall establish the standard course of study for the regional school. This course of study shall set forth the subjects to be taught in each grade and the texts and other educational materials on each subject to be used in each grade. The board of directors shall design its programs to meet at least the student

performance standards adopted by the State Board of Education and the student performance standards contained in this Chapter.

b. The board of directors shall conduct student assessments required by the State Board of Education.

c. The board of directors shall provide the opportunity to earn or obtain credit toward degrees from a community college subject to Chapter 115D of the General Statutes or a constituent institution of The University of North Carolina.

d. The board of directors shall adopt a school calendar consisting of a minimum of 185 days or 1,025 hours of instruction covering at least nine calendar months.

(2) Standards of performance and conduct. – The board of directors shall establish policies and standards for academic performance, attendance, and conduct for students of the regional school. The policies of the board of directors shall comply with Article 27 of this Chapter.

(3) School attendance. – Every parent, guardian, or other person in this State having charge or control of a child who is enrolled in the regional school and who is less than 16 years of age shall cause such child to attend school continuously for a period equal to the time that the regional school shall be in session. No person shall encourage, entice, or counsel any child to be unlawfully absent from the regional school. Any person who aids or abets a student's unlawful absence from the regional school shall, upon conviction, be guilty of a Class 1 misdemeanor. The principal shall be responsible for implementing such additional policies concerning compulsory attendance as shall be adopted by the board of directors, including regulations concerning lawful and unlawful absences, permissible excuses for temporary absences, maintenance of attendance records, and attendance counseling.

(4) Reporting. – The board of directors shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting System.

(5) Assessment results. – The board of directors shall provide data to the participating unit in which a student is domiciled on the performance of that student on any testing required by the State Board of Education.

(6) Education of children with disabilities. – The board of directors shall require compliance with laws and policies relating to the education of children with disabilities.

(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.

(7a) ~~Emergency Response Plan. – A~~School Risk Management Plan. – Each regional school, in coordination with local law enforcement agencies, is encouraged to adopt ~~an emergency response plan~~ a School Risk Management Plan (SRMP) relating to incidents of school violence. In constructing and maintaining these plans, a regional school may utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans 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.

(7b) Schematic diagrams and school crisis kits. – Regional schools are encouraged to provide schematic diagrams and keys to the main entrance of school facilities to local law enforcement agencies, in addition to implementing the provisions in ~~G.S. 115C-105.49(b) and~~ G.S. 115C-105.52.

(7c) School safety exercises. – At least once a year, a regional school is encouraged to hold a full school-wide lockdown exercise with local law enforcement and emergency management agencies that are part of the regional school's SRMP.

(7d) Safety information provided to the Department of Public Safety, Division of Emergency Management. – A regional school is encouraged to provide the following: (i) schematic

diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Division for the SRMP. The schematic diagrams and emergency response information are not considered public records 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.

(8) Driving eligibility certificates. – The board of directors shall apply the rules and policies established by the State Board of Education for issuance of driving eligibility certificates.

(9) Purchasing and contracts. – The board of directors shall comply with the purchasing and contract statutes and regulations applicable to local school administrative units.

(10) Exemption from the Administrative Procedures Act. – The board of directors shall be exempt from Chapter 150B of the General Statutes, except final decisions of the board of directors in a contested case shall be subject to judicial review in accordance with Article 4 of Chapter 150B of the General Statutes.

(11) North Carolina School Report Cards. – A regional school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A regional school shall ensure that the overall school performance score and grade earned by the regional school for the current and previous four school years is prominently displayed on the school Web site. If a regional school is awarded a grade of D or F, the regional school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school.

(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 8.26.(j) G.S. 166A-19.12 is amended by adding a new subdivision to read:

"(22) Serving as the lead State agency for the implementation and maintenance of the statewide School Risk and Response Management System (SRRMS) under G.S. 115C-105.49A."

SECTION 8.26.(k) By March 1, 2017, each local board of education shall adopt a School Risk Management Plan as required under G.S. 115C-47(40), as amended by subsection (a) of this section.

SECTION 8.26.(l) Each charter school is encouraged to adopt a School Risk Management Plan as provided for under G.S. 115C-218.75, as amended by subsection (h) of this section, by March 1, 2017.

SECTION 8.26.(m) Each regional school is encouraged to adopt a School Risk Management Plan as provided for under G.S. 115C-238.66, as amended by subsection (i) of this section, by March 1, 2017.

SECTION 8.26.(n) By July 1, 2016, the Department of Public Safety shall implement an anonymous safety tip line application and a statewide panic alarm system as required under G.S. 115C-105.51, as amended by subsection (d) of this section.

SECTION 8.26.(o) By February 1, 2016, the Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools shall provide a report to the Joint Legislative Commission on Governmental Operations on (i) the status of the School Risk and Response Management System (SRRMS) implementation under G.S. 115C-105.49A, as enacted by this section, and (ii) the anticipated annual cost to operate and maintain the system.

SECTION 8.26.(p) Except as otherwise provided for in this section, this section applies beginning with the 2015-2016 school year.

INVESTING IN INNOVATION GRANT

SECTION 8.27.(a) Section 8.25 of S.L. 2013-360, as amended by Section 8.27 of S.L. 2014-100, is repealed.

SECTION 8.27.(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 2012-2020 requires students to enroll in a community college course in the tenth grade. Notwithstanding any other provision of law, specified local school administrative units may offer one community college

course to participating sophomore (tenth grade) students. Participating local school administrative units are Alleghany, Beaufort, Bladen, Duplin, Hertford, Harnett, Jones, Madison, Martin, Richmond, Rutherford, Scotland, Surry, Warren, and Yancey County Schools.

SECTION 8.27.(c) Grant funds shall be used to pay for all costs incurred by the local school administrative units and the community college partners to implement the grant, including community college FTE. Community colleges shall not earn budget FTE for student course enrollments supported with this grant.

SECTION 8.27.(d) Research conducted as part of the federal grant program under subsection (a) of this section shall address the effects of early college strategies in preparing students for college completion. The North Carolina New Schools Project shall report on the implementation of the grant to the State Board of Education, State Board of Community Colleges, Office of the Governor, and the Joint Legislative Education Oversight Committee no later than March 15, 2016, and annually thereafter until the end of the grant period.

STUDY ON CHARTER SCHOOL CLOSURE FUNDS

SECTION 8.28.(a) The State Board of Education shall study and develop a proposed policy regarding circumstances in which a charter school, approved by the State Board pursuant to G.S. 115C-218.5, shall not be subject to the minimum value requirement of fifty thousand dollars ($50,000) as required by G.S. 115C-218.100 for the purposes of ensuring payment of expenses related to closure proceedings. The State Board shall consider providing certain charter schools with a total or partial waiver of the requirement. In doing so, the State Board shall examine criteria for potentially eligible charter schools, such as the years of operation of the charter school, proven compliance with finance, governance, academic requirements of its charter, State law, and State Board policy requirements, as well as appropriate documentation to show the charter school's financial health and sustainability.

SECTION 8.28.(b) By February 15, 2016, the State Board of Education shall report to the Joint Legislative Education Oversight Committee on the results of the study and a proposed policy as required by subsection (a) of this section, including any legislative recommendations.

AFTER-SCHOOL QUALITY IMPROVEMENT COMPETITIVE GRANTS

SECTION 8.29.(a) Of the funds appropriated by this act for the At-Risk Student Services Alternative School Allotment for the 2015-2017 fiscal biennium, the State Board of Education shall use up to six million dollars ($6,000,000) for the 2015-2016 fiscal year and up to six million dollars ($6,000,000) for the 2016-2017 fiscal year for the After-School Quality Improvement Grant Program administered by the Department of Public Instruction. The Department may use these funds to provide a second-year grant to grant recipients approved under the After-School Quality Improvement Grant Program pursuant to Section 8.19 of S.L. 2014-100. 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 8.29.(b) The purpose of the After-School Quality Improvement Grant Program is to fund 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 the grant period.
(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.
(7) Emphasis on utilization of digital content to expand learning time, when practicable.

SECTION 8.29.(c) Grants may be provided for new or existing after-school learning programs for at-risk students operated by local school administrative units, charter schools, nonprofits, and nonprofits working in collaboration with local school administrative units. Participants are eligible to receive grants for up to two years in an amount of up to five hundred thousand dollars ($500,000) each year. Programs should focus on serving at-risk students not performing at grade level as demonstrated by statewide assessments.

A grant participant shall provide certification to the Department of Public Instruction that the grants received under the program 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 shall not include other State funds. Matching funds may include in-kind contributions.

SECTION 8.29.(d) A nonprofit may act as its own fiscal agent for the purposes of this program. 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, the source and amount of matching funds, 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, and financial sustainability of the after-school program.

SECTION 8.29.(e) The Department of Public Instruction shall provide interim reports on the grant program to the Joint Legislative Education Oversight Committee by September 15, 2016, 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.

SECTION 8.29.(f) Section 8.19 of S.L. 2014-100 is repealed.

DPI STUDY/IMPROVE OUTCOMES FOR STUDENTS WITH DISABILITIES

SECTION 8.30.(a) The Department of Public Instruction shall study and develop potential policy changes for improving the outcomes for elementary and secondary students with disabilities, including raising the graduation rates, providing more outcome-based goals, creating greater access to career-ready diplomas, increasing integration of accessible digital learning options, and providing earlier and improved transition services planning. The Department shall do at least the following toward achieving the goals set forth in this section:

(1) Examine current Individualized Education Program (IEP) requirements and develop reforms with greater focus on outcome-based goals for students with disabilities.

(2) Solicit input and bring together stakeholders and other interested parties to develop policies on transition services plans for students with disabilities from elementary to middle school, middle to high school, and high school to postsecondary education, and for employment opportunities and adult living options.

(3) Solicit input and bring together stakeholders to create accessible ways for students with IEPs to access the Future Ready Core Course of Study in more significant numbers as a viable alternative to the Occupational Course of Study.

(4) Examine model programs that may be employed by local school administrative units aimed at increasing the graduation rate and school performance of students with disabilities.

SECTION 8.30.(b) By November 15, 2015, and annually thereafter, the Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee on the progress of developing and implementing policy changes on (i) IEP reforms, (ii) transition planning policies, (iii) increased access to Future Ready Core Course of Study for students with disabilities, and (iv) model programs for use by local school administrative units to improve graduation rates and school performance of students with disabilities.

TEXTBOOKS AND DIGITAL RESOURCES ALLOTMENT/USE OF FUNDS

SECTION 8.33. G.S. 115C-105.25(c) reads as rewritten:

"(c) To ensure that parents, educators, and the general public are informed on how State funds have been used to address local educational priorities, each local school administrative unit shall publish the following information on its Web site by October 15 of each year:

(1) A description of each program report code, written in plain English, and a summary of the prior fiscal year's expenditure of State funds within each program report code.

(2) A description of each object code within a program report code, written in plain English, and a summary of the prior fiscal year's expenditure of State funds for each object code.

(3) A description of each allotment transfer that increased or decreased the initial allotment amount by more than five percent (5%) and the educational priorities that necessitated the transfer.

(4) A description of any transfer of funds from the textbooks and digital resources allotment into another allotment category with an explanation of why the transfer from the textbooks and digital resources allotment was made to a different allotment category.

(5) A chart that clearly reflects how the local school administrative unit spent State funds."

STUDY ON JUVENILE LITERACY PROGRAM

SECTION 8.34.(a) The Joint Legislative Education Oversight Committee shall study the results of the Juvenile Literacy Center program established in Wake County. In conducting the study, the Committee shall do at least the following:

(1) Examine the impact of the program on (i) improving basic literacy skills, (ii) reintegrating juveniles into schools, (iii) preventing criminal behavior and recidivism, (iv) developing overall academic skills, and (v) addressing problem behaviors in school.

(2) Evaluate the existing program for potential expansion into other counties, including projected costs, feasibility of implementation, and recommendations for locations for additional programs.

SECTION 8.34.(b) The Committee shall report the results of its study and any recommendations on the expansion of the program, including proposed legislation, to the 2015 General Assembly upon the convening of the 2016 Regular Session.

BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION

SECTION 8.37.(a) Notwithstanding G.S. 143C-6-4, the State Board of Education 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 for the 2015-2017 fiscal biennium. Consultation shall occur prior to requesting budgetary and personnel changes through the budget revision process. The 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 8.37.(b) In implementing budget reductions for the 2015-2017 fiscal biennium, 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 at these institutions 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.

LOCAL BOARDS OF EDUCATION/PERFORMANCE-BASED RIFS

SECTION 8.38.(a) G.S. 115C-325.4 is amended by adding a new subsection to read:

"(c) Local boards of education shall adopt a policy for implementing a reduction in force pursuant to subdivision (a)(15) of this section that includes the following criteria:

(1) In determining which positions shall be subject to a reduction, a local board of education shall consider the following:

a. Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (i) less essential, duplicative, or excess personnel; (ii) job responsibility and position inefficiencies; (iii) opportunities for combined work functions; and (iv) decreased student or other demands for curriculum, programs, operations, or other services.

b. Organizational considerations, such as anticipated organizational needs of the local school administrative unit and program or school enrollment.

(2) In identifying which teachers in similar positions shall be subject to a dismissal, demotion, or reduction to employment on a part-time basis under the policy, a local school administrative unit shall consider work performance and teacher evaluations."

SECTION 8.38.(b) G.S. 115C-325(e)(2) reads as rewritten:

"(2) Reduction in Force. –

a. A local board of education shall adopt a policy for implementing a reduction in force pursuant to sub-subdivision (e)(1)l. of this section that includes the following criteria:

1. In determining which positions shall be subject to a reduction, a local board of education shall consider the following:

I. Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (i) less essential, duplicative, or excess personnel; (ii) job responsibility and position inefficiencies; (iii) opportunities for combined work functions; and (iv) decreased student or other demands for curriculum, programs, operations, or other services.

II. Organizational considerations, such as anticipated organizational needs of the local school administrative unit and program or school enrollment.

2. In identifying which teachers in similar positions shall be subject to a dismissal, demotion, or reduction to employment on a part-time basis under the policy, a local school administrative unit shall consider work performance and teacher evaluations.

b. Before recommending to a board the dismissal or demotion of the career employee pursuant to G.S. 115C-325(e)(1)l., the superintendent shall give written notice to the career employee by certified mail or personal delivery of his intention to make such recommendation and shall set forth as part of his or her recommendation the grounds upon which he or she believes such dismissal or demotion is justified. The notice shall include a statement to the effect that if the career employee within 15 days after receipt of the notice requests a review, he or she shall be entitled to have the proposed recommendations of the superintendent reviewed by the board. Within the 15-day period after receipt of the notice, the career employee may file with the superintendent a written request for a hearing before the board within 10 days. If the career employee requests a hearing before the board, the hearing procedures provided in G.S. 115C-325(j3) shall be followed. If no request is made within the 15-day period, the superintendent may file his or her recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if there is one, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such dismissal. Provisions of this section which permit a hearing by a hearing officer shall not apply to a dismissal or demotion recommended pursuant to G.S. 115C-325(e)(1)l.

When a career employee is dismissed pursuant to G.S. 115C-325(e)(1)l., above, his or her name shall be placed on a list of available career employees to be maintained by the board."

SECTION 8.38.(c) Effective June 30, 2018, G.S. 115C-325(e)(2), as amended by this section, is repealed.

DRIVER EDUCATION TRAINING

SECTION 8.39.(a) G.S. 115C-215(a) reads as rewritten:

"(a) In accordance with criteria and standards approved by the State Board of Education, the State Superintendent of Public Instruction shall organize and administer a standardized program of driver education to be offered at the public high schools of this State for all physically and mentally qualified persons who (i) are older than 14 years and six months, (ii) are approved by the principal of the school, pursuant to rules adopted by the State Board of Education, (iii) are enrolled in a public or private high school within the State or are receiving instruction through a home school as provided by Part 3 of Article 39 of Chapter 115C of the General Statutes, and (iv) have not previously enrolled in the program. The driver education program shall be for the purpose of making available public education to all students on driver safety and training. The State Board of Education shall use for this purpose all funds appropriated to it for this purpose and may use all other funds that become available for its use for this purpose."

SECTION 8.39.(b) 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 sixty-five dollars ($65.00) to offset the costs of providing the training and instruction. If a local board of education charges a fee for participation in a driver education course, the local board shall provide a process for reduction or waiver of that fee for students unable to pay the fee due to economic hardship."

SECTION 8.39.(c) G.S. 115C-105.25(b) is amended by adding a new subdivision to read:

"(11) No funds shall be transferred into the driver education allotment category."

SECTION 8.39.(d) Local boards of education shall report to the State Board of Education no later than December 15, 2015, on the following related to driver education programs offered by and through the local school administrative unit for the 2012-2013, 2013-2014, 2014-2015, and 2015-2016 school years, by year:

(1) How driver education is provided. The local board of education shall provide detailed information regarding whether the driver education program is offered by the local school administrative unit or whether it contracts with an outside provider. If the local school administrative unit contracts with an outside provider to provide any portion of the driver education program, such as instruction, materials, or the fleet used for driver training, the unit shall provide a detailed summary of information as to the terms of the contract, what the unit is responsible for providing, and what the outside provider has contracted to provide, and a copy of all contracts related to driver education.

(2) Total cost for the driver education program and per student cost for the program. The local board shall include a detailed explanation of expenditures of all funds associated with the driver education program, written in plain English.

(3) How the fleet used for driver training is provided and maintained. If the local school administrative unit maintains its own fleet, information regarding the number of vehicles in the fleet, procurement, maintenance, and fuel cost of those vehicles, replacement cycle for the vehicles, and source of funds for the fleet.

(4) Numbers of students eligible to participate in the driver education program, number of students participating in the program, and numbers of students successfully completing the program.

(5) Materials used for instruction of the standardized driver education curriculum.

(6) Methodology for transfer to agencies of student information related to driver education.

(7) Role of parents and legal guardians in driver education instruction.

(8) Process for filing and resolving complaints related to the driver education program. If the local school administrative unit has a process, the unit shall provide information on the numbers, types, and resolutions of filed complaints.

(9) Assessments and evaluations used to determine quality and success of the driver education program.

(10) Average and maximum length of time between classroom instruction and behind-the-wheel instruction.

(11) Average and maximum number of classroom hours taught per day on regular school days and on any other day.

(12) Average and maximum number of behind-the-wheel hours taught per day on regular school days and on any other day.

(13) Process, if any, for reviewing driving records for driver education instructors.

(14) Tracking, if any, of student outcomes when seeking a graduated drivers license. If the local school administrative unit tracks this information, the unit shall provide data on student outcomes, including numbers of students who successfully completed or unsuccessfully completed the written and driving portions of the graduated drivers license examination, respectively.

(15) If fees are charged for driver education, fee waivers or reductions, if any, provided to students. If fee waivers or reductions are provided, the local school administrative unit should provide data on the policy for fee waivers or reductions, how many students are eligible for and use the waiver or reduction, and the amounts waived or reduced.

SECTION 8.39.(e) The State Board of Education shall report to the Joint Legislative Education Oversight Committee (Committee) on the information provided by local boards of education on driver education programs under subsection (d) of this section no later than February 15, 2016.

SECTION 8.39.(f) The Committee shall study the provision of driver education by examining information, findings, and recommendations in the following reports and any additional information that it deems necessary and relevant:

(1) The National Highway Traffic Safety Administration report issued in May 2015, entitled "State of North Carolina: Technical Assessment of the Driver Education Program."

(2) The North Carolina Driver Education Strategic Plan prepared in June 2012 by the Driver Education Advisory Committee of the State Board of Education.

(3) The North Carolina's Driver Education Program Management Review prepared in November 2010 by the Office of State Budget and Management.

(4) The Program Evaluation Division's report issued in March 2014, entitled "Performance Measurement and Monitoring Would Strengthen Accountability of North Carolina's Driver Education Program."

(5) Information provided by local boards of education on driver education programs, as reported by the State Board of Education pursuant to subsection (e) of this section.

SECTION 8.39.(g) The Committee shall make recommendations, which may include proposed legislation, on the study required under subsection (f) of this section to the 2015 General Assembly upon its convening of the 2016 Regular Session on the following issues:

(1) Lowering the cost of delivery for driver education.

(2) Adjusting or removing fees for driver education.

(3) The appropriate level of involvement for parents and legal guardians.

(4) Appropriate level of involvement of the Department of Transportation, Division of Motor Vehicles.

(5) Recommendations on alternate providers, such as community colleges or private entities.

SECTION 8.39.(h) Subsections (a), (b), and (c) of this section are effective July 1, 2016, and apply beginning with the 2016-2017 school year. Subsections (a), (b), and (c) of this section are repealed effective December 31, 2017. The remainder of this section is effective when this act becomes law.

DPI REPORT ON THE EDUCATOR LICENSURE PROCESSING SYSTEM

SECTION 8.40. By October 15, 2016, the Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee regarding the operation of the educator licensure processing system, including implementation of the electronic processing of applications. The report shall include at least the following information:

(1) The estimated processing time from receipt of application to issuance of a license in each category of licensure, including initial licensure, lateral entry licensure, renewal of a license through the automated electronic system, renewal of a license manually, out-of-state licensure reciprocity, and advanced degrees. The report shall include comparative data related to the processing of licenses in each licensure category prior to August 1, 2015.

(2) The schedule of licensure fees and services, including any changes in the prior year made to the fee amounts or services for which fees are charged.

(3) Any backlog of the processing of applications existing at the time of the report, including the categories of licensure experiencing such backlog.

(4) Data for the following from the prior year:

a. Number of applications received and transactions completed.

b. Number of newly licensed educators.

c. Number of licensure renewals.

d. Demographic information regarding currently licensed educators.

e. Number of licenses issued by area of licensure and type of license.

f. Number of initial licenses for the following:

1. Graduates of educator preparation programs.

2. Lateral entry.

3. International educators.

4. Out-of-state educators seeking reciprocity.

MODIFY EDUCATOR PREPARATION PROGRAM APPROVAL PROCESS

SECTION 8.41.(a) Article 20 of Chapter 115C of the General Statutes is amended by adding new sections to read:

"**§ 115C-296.8. Educator preparation program approval process.**

(a) The State Board of Education, as lead agency, in coordination and cooperation with the Board of Governors of The University of North Carolina, the State Board of Community Colleges, the North Carolina Independent Colleges and Universities, Inc., and such other public and private agencies as are necessary, shall establish standards for approval of educator preparation programs. Graduates of educator preparation programs operating in this State that have either (i) not been approved by the State Board or (ii) are not nationally accredited shall be ineligible for an initial license as a new, in-State approved program graduate.

(b) The standards for approval of educator preparation programs shall require that educator preparation program providers be either State-approved or nationally accredited. North Carolina program approval site visitors shall coordinate with educator preparation programs seeking national accreditation. State educator preparation program approval shall include the following components:

(1) Adoption of rules for granting State approval to educator preparation programs and units. These rules shall mirror national accreditation in efforts to maintain the same level of quality preparation across programs. The rules shall include all content, pedagogy, and clinical requirements required by State law.

(2) A State peer review process that includes highly qualified and trained members to adequately review programs within the State.

(3) Technical assistance to educator preparation programs in efforts to do the following:

a. Improve education quality and educator preparation program performance.

b. Inform programs about the program approval process as part of educator preparation program performance based on outcome data.

c. Assist with State and federal reporting process.

d. Help build and maintain partnerships between elementary and secondary schools and educator preparation programs.

(c) The State Board of Education may place an approved educator preparation program provider on probationary status and require a plan for improvement on any of the unmet standards for the program, or revoke educator preparation program approval, for any of the following reasons:

(1) Failing to report required information to the State Board of Education as part of the reporting requirement.

(2) Offering misleading or false information about approved programs.

(3) Accepting students into any part of an educator preparation program that is not approved by the State Board of Education.

(4) Failing to comply with the educator preparation program review process.

(5) Failing to meet standards for approval set forth by the State Board of Education.

"**§ 115C-296.9. Minimum admissions requirements for educator preparation programs.**

(a) Testing. – An undergraduate student seeking a degree in education shall attain passing scores on a preprofessional skills test prior to admission to an approved program in the State. The State Board of Education shall permit students to fulfill this requirement by achieving the prescribed minimum scores set by the State Board of Education for the Praxis Core tests or by achieving the appropriate required scores, as determined by the State Board of Education, on the verbal and mathematics portions of the SAT or ACT. The minimum combined verbal and mathematics score set by the State Board for the SAT shall be 1,100 or greater. The minimum composite score set by the State Board for the ACT shall be 24 or greater.

(b) Grade Point Average. – An approved educator preparation program in the State shall not admit an undergraduate student into an educator preparation program unless that student has earned a minimum cumulative grade point average of at least a 2.7. An approved educator preparation program shall ensure that the minimum cohort grade point average for each entering cohort to an educator preparation program is at least a 3.0.

"**§ 115C-296.10. Content and pedagogy requirements.**

(a) Content and Pedagogy Requirements for Educator Preparation Programs. – To ensure that educator preparation programs remain current and reflect a rigorous course of study that is aligned to State and national standards, the State Board of Education, in consultation with the Board of Governors of The University of North Carolina and the North Carolina Independent Colleges and Universities, Inc., shall require that the rules for approval of educator preparation programs include the following requirements with demonstrated competencies:

(1) All educator preparation programs shall include the following:

a. The identification and education of children with disabilities.

b. Positive management of student behavior and effective communication techniques for defusing and deescalating disruptive or dangerous behavior.

c. Demonstration of competencies in using digital and other instructional technologies to provide high-quality, integrated digital teaching and learning to all students.

(2) Elementary education teacher education preparation programs shall include the following:

a. Adequate coursework in the teaching of reading, writing, and mathematics.

b. Assessment prior to licensure to determine if a student possesses the requisite knowledge in scientifically based reading, writing, and mathematics instruction that is aligned with the State Board's expectations.

c. Instruction in application of formative and summative assessments within the school and classroom setting through technology-based assessment systems available in North Carolina schools that measure and predict expected student improvement.

d. Instruction in integration of arts education across the curriculum.

(3) Elementary and special education general curriculum teacher education preparation programs shall ensure that students receive instruction in early literacy intervention strategies and practices that are aligned with State and national reading standards and shall include the following:

a. Instruction in the teaching of reading, including a substantive understanding of reading as a process involving oral language, phonological and phonemic awareness, phonics, fluency, vocabulary, and comprehension. Instruction shall include appropriate application of instructional supports and services and reading interventions to ensure reading proficiency for all students.

b. Instruction in evidence-based assessment and diagnosis of specific areas of difficulty with reading development and of reading deficiencies.

c. Instruction in appropriate application of instructional supports and services and reading interventions to ensure reading proficiency for all students.

(4) Middle and high school science teacher education preparation programs shall include adequate preparation in issues related to science laboratory safety.

(b) School Administrator Preparation Programs. – Rules for approval of school administrator preparation programs shall incorporate the criteria developed in accordance with G.S. 116-74.21 for assessing proposals under the School Administrator Training Program.

"**§ 115C-296.11. Clinical partnerships and practice in educator preparation programs.**

(a) As used in this section, the following definitions shall apply:

(1) Clinical educator. – An individual employed by an elementary or secondary school, including a classroom teacher, who assesses, supports, and develops a student's knowledge, skills, and professional disposition during the clinical experience.

(2) Internship. – Part of a formal program to provide practical experience and training for beginners in the education profession.

(3) Residency. – A specified period of time in which a person is employed by a local school administrative unit to gain practical experience and training in educator preparation.

(b) The State Board of Education, in consultation with the Board of Governors of The University of North Carolina and the North Carolina Independent Colleges and Universities, Inc., shall adopt and establish rules for educator preparation that require at least the following:

(1) Educator preparation programs shall establish and maintain collaborative, formalized partnerships with elementary and secondary schools that are focused on student achievement, continuous school improvement, and the professional development of elementary and secondary educators, as well as those preparing educators.

(2) Educator preparation programs shall work collaboratively with elementary and secondary schools and enter into a memorandum of understanding with local school administrative units where students are placed. In the memorandum, the educator preparation program and the local school administrative unit shall:

a. Define the collaborative relationship between the educator preparation program and the local school administrative unit and how this partnership will be focused on continuous school improvement and student achievement.

b. Adopt a plan for collaborative teacher selection, orientation, and student placement.

c. Determine how information will be shared and verified between the educator preparation program and local school administrative unit.

(3) Educator preparation programs shall ensure clinical educators who supervise students in residencies or internships meet the following requirements:

a. Be professionally licensed in the field of licensure sought by the student.

b. Have a minimum of three years of experience in a teaching role.

c. Have been rated, through formal evaluations, at least at the "accomplished" level as part of the North Carolina Teacher Evaluation System and have met expectations as part of student growth in the field of licensure sought by the student.

(4) Educator preparation programs shall require, in all programs leading to initial licensure, field experiences that include organized and sequenced engagement of students in settings that provide them with opportunities to observe, practice, and demonstrate knowledge and skills. The experiences shall be systematically designed and sequenced to increase the

complexity and levels of engagement with which students apply, reflect upon, and expand their knowledge and skills.

(5) Educator preparation programs shall require clinical practice in the form of residencies or internships in those fields for which they are approved by the State Board of Education. Residencies or internships shall be a minimum of 16 weeks. Residencies and internships may be over the course of two semesters and shall, to the extent practicable, provide student experiences at both the beginning and ending of the school year.

(6) Educator preparation programs with a clinical practice component shall require, in addition to a content assessment, a nationally normed and valid pedagogy assessment to determine clinical practice performance. Passing scores and mastery criteria will be determined by the State Board of Education.

"**§ 115C-296.12. Lateral entry teacher education preparation programs.**

(a) It is the policy of the State of North Carolina to encourage lateral entry into the profession of teaching by skilled individuals from the private sector. Skilled individuals who choose to enter the profession of teaching laterally may be granted an initial teaching license for no more than three years and shall be required to obtain licensure required for those who have taught more than three years before contracting for a fourth year of service with any local school administrative unit in this State. The criteria and procedures for lateral entry shall include preservice training in all of the following areas:

(1) The identification and education of children with disabilities.

(2) Positive management of student behavior.

(3) Effective communication for defusing and deescalating disruptive or dangerous behavior.

(4) Safe and appropriate use of seclusion and restraint.

(b) The State Board of Education, in consultation with the State Board of Community Colleges and North Carolina Independent Colleges and Universities, Inc., may provide a competency-based program of study for lateral entry teachers to complete the coursework necessary to earn a teaching license. To this end, the State Board of Education, in consultation with the State Board of Community Colleges and North Carolina Independent Colleges and Universities, Inc., shall establish a competency-based program of study for lateral entry teachers to be implemented within the Community College System and at approved educator preparation programs at private, nonprofit two-year colleges. These programs shall meet standards set by the State Board of Education. To ensure that programs of study for lateral entry remain current and reflect a rigorous course of study that is aligned to State and national standards, the State Board of Education shall do all of the following to ensure that lateral entry personnel are prepared to teach:

(1) Provide adequate coursework in the teaching of reading and mathematics for lateral entry teachers seeking certification in elementary education.

(2) Assess lateral entry teachers prior to licensure to determine that they possess the requisite knowledge in scientifically based reading and mathematics instruction that is aligned with the State Board's expectations.

(3) Prepare all lateral entry teachers to apply formative and summative assessments within the school and classroom setting through technology-based assessment systems available in North Carolina schools that measure and predict expected student improvement.

(4) Require that lateral entry teachers demonstrate competencies in using digital and other instructional technologies to provide high-quality, integrated digital teaching and learning to all students.

(c) The State Board of Community Colleges and the State Board of Education shall jointly identify the community college courses and the educator preparation program courses that are necessary and appropriate for inclusion in the community college program of study for lateral entry teachers. To the extent possible, any courses that must be completed through an approved educator preparation program shall be taught on a community college campus or shall be available through distance learning. The State Board of Education shall identify the appropriate courses for a private, nonprofit two-year college to include in the program of study for lateral entry teachers.

(d) In order to participate in the community college or private, nonprofit two-year college program of study for lateral entry teachers, an individual must hold at least a bachelor's degree from a regionally accredited institution of higher education.

(e) An individual who successfully completes the lateral entry program of study and meets all other requirements of licensure set by the State Board of Education shall be recommended for a North Carolina teaching license.

(f) It is further the policy of the State of North Carolina to ensure that local boards of education can provide the strongest possible leadership for schools based upon the identified and changing needs of individual schools. The State Board of Education shall carefully consider a lateral entry program for school administrators to ensure that local boards of education will have sufficient flexibility to attract able candidates.

"**§ 115C-296.13. Educator preparation program reporting.**

(a) Annual Performance Reports. – The State Board of Education shall require all approved educator preparation programs, including master's degree programs in teacher preparation 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.

(b) Required Elements. – The performance report for each educator preparation program in North Carolina shall follow a common format and include at least the following elements:

(1) Quality of students entering the educator preparation program, including the average grade point average and average score on preprofessional skills tests that assess reading, writing, mathematics, and other competencies.

(2) Graduation rates.

(3) Time-to-graduation rates.

(4) Average scores of graduates on professional and content area examination for the purpose of licensure.

(5) Percentage of graduates receiving initial licenses.

(6) Percentage of graduates hired as teachers.

(7) Percentage of graduates remaining in teaching for four years.

(8) Graduate satisfaction based on a common survey.

(9) Employer satisfaction based on a common survey.

(10) Effectiveness of teacher preparation program graduates.

(c) Submission of Annual Performance Reports. – Performance reports shall be provided annually to the Board of Governors of The University of North Carolina, the State Board of Education, and the boards of trustees of nonpublic postsecondary colleges. The State Board of Education shall review the educator preparation program performance reports each year the performance reports are submitted.

(d) Educator Preparation Program Report Card. – The State Board shall create a higher education educator preparation program report card reflecting the information collected in the annual performance reports for each North Carolina institution offering educator preparation programs. The report cards shall, at a minimum, summarize information reported on all of the performance indicators for the performance reports required by subsection (b) of this section.

(e) Annual State Board of Education Report. – The educator preparation program report cards shall be submitted to the Joint Legislative Education Oversight Committee on an annual basis by November 15.

(f) State Board of Education Action Based on Performance. – Based upon the performance reports and other criteria established by the State Board, the State Board may reward an educator preparation program, impose probationary status and plans of improvement on an educator preparation program, or revoke approval of an educator preparation program."

SECTION 8.41.(b) G.S. 115C-296(b) reads as rewritten:

"(b) ~~It is the policy of the State of North Carolina to maintain the highest quality teacher education programs and school administrator programs in order to enhance the competence of professional personnel licensed in North Carolina. To the end that teacher preparation programs are upgraded to reflect a more rigorous course of study, the~~ The State Board of Education, as lead agency in coordination and cooperation with the University Board of Governors, the State Board of Community Colleges and such other public and

private agencies as are necessary, shall continue to refine the several licensure requirements, ~~standards for approval of institutions of teacher education, standards for institution based innovative and experimental programs, standards for implementing consortium based teacher education, and standards for improved efficiencies in the administration of the approved programs [, as follows]:~~as follows:

...."

SECTION 8.41.(c) G.S. 115C-296(b)(2) is repealed.

SECTION 8.41.(d) G.S. 115C-296(b1) is repealed.

SECTION 8.41.(e) G.S. 115C-296(b2) is repealed.

SECTION 8.41.(f) G.S. 115C-296(c) is repealed.

SECTION 8.41.(g) G.S. 115C-296(c1) is repealed.

SECTION 8.41.(h) G.S. 115C-296(c2) is repealed.

SECTION 8.41.(i) G.S. 115C-296.7(g) reads as rewritten:

"(g) NC Teaching Corps members shall be granted lateral entry teaching licenses pursuant to ~~G.S. 115C-296(c).~~G.S. 115C-296.12(a)."

SECTION 8.41.(j) G.S. 115C-309 reads as rewritten:

"§ 115C-309. Student teachers.

(a) Student Teacher and Student Teaching Defined. – A "student teacher" is any student enrolled in an educator preparation program at an institution of higher education approved by the State Board of Education ~~for the preparation of teachers~~ who is jointly assigned by that institution and a local board of education to student teach under the direction and supervision of a ~~regularly employed certified teacher.~~clinical educator, as provided in G.S. 115C-296.11.

"Student teaching" may include those duties granted to a teacher by G.S. 115C-307 and any other part of the school program for which either the ~~supervising teacher~~clinical educator or the principal is responsible.

(b) Legal Protection. – A student teacher under the supervision of a ~~certified~~licensed teacher or principal shall have the protection of the laws accorded the ~~certified~~licensed teacher.

(c) Assignment of Duties. – It shall be the responsibility of a ~~supervising teacher,~~ clinical educator, in cooperation with the principal and the representative of the ~~teacher preparation institution,~~educator preparation program, to assign to the student teacher responsibilities and duties that will provide adequate preparation for teaching."

SECTION 8.41.(k) G.S. 115D-5(p) reads as rewritten:

"(p) The North Carolina Community College System may offer courses, in accordance with the lateral entry program of study established under ~~G.S. 115C-296(c1),~~ G.S. 115C-296.12, to individuals who choose to enter the teaching profession by lateral entry."

SECTION 8.41.(l) Educator preparation programs approved by the State Board of Education on or before the date this act becomes law shall meet the requirements of subsection (a) of this section no later than July 1, 2017. Educator preparation programs seeking approval by the State Board of Education after the date this act becomes law shall meet the requirements of subsection (a) of this section at the time approval is sought from the State Board of Education. The State Board of Education shall not require students enrolled in educator preparation programs that require a nationally normed and valid pedagogy assessment to determine clinical practice performance to provide scores for a pedagogy assessment based on multiple choice or constructed responses.

ACCESS FOR TEACHERS TO EVAAS DATA

SECTION 8.42.(a) Article 22 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-333.2. Teacher evaluation reports.**

Each local school administrative unit shall ensure that individual teachers are provided access to school-level value-added data, the teacher's own value-added data, when applicable, and the teacher's evaluation dashboard through the Education Value-Added Assessment System (EVAAS). The principal of each school shall notify teachers at least annually when EVAAS data has been updated to reflect teacher performance from the previous school year."

SECTION 8.42.(b) This section applies beginning with the 2015-2016 school year.

CERTAIN CIHS OPERATING WITHOUT ADDITIONAL FUNDS

SECTION 8.43. Beginning with the 2015-2016 school year and for subsequent school years thereafter, notwithstanding G.S. 115C-238.51A(c) and G.S. 115C-238.54, the Academy at High Point Central, the Academy at Ben L. Smith High School, STEM Early College at NC A&T State University, Middle College at the University of North Carolina at Greensboro, Vernon Malone College and Career Academy, and the Northeast Regional School of Biotechnology and Agriscience shall be permitted to operate in accordance with G.S. 115C-238.53 and G.S. 115C-238.54 as cooperative innovative high schools approved under G.S. 115C-238.51A(c) and shall be subject to the evaluation requirements of G.S. 115C-238.55.

CHANGE THE MANDATORY TRAINING FOR LOCAL BOARDS OF EDUCATION TO EVERY TWO YEARS

SECTION 8.44. G.S. 115C-50(a) reads as rewritten:

"(a) All members of local boards of education, whether elected or appointed, shall receive a minimum of 12 clock hours of training ~~annually.~~every two years. The 12 clock hours of training may be earned at any time during the two-year period and may include the ethics education required by G.S. 160A-87."

REPEAL EXTRACURRICULAR DUTIES RESTRICTION FOR TEACHERS WITH 27 OR MORE YEARS OF EXPERIENCE

SECTION 8.45. G.S. 115C-47(18a)b. is repealed.

LICENSURE FOR RETIRED SUBSTITUTE TEACHERS WITH AT LEAST 30 YEARS OF TEACHING EXPERIENCE

SECTION 8.46.(a) G.S. 115C-296(b)(1) reads as rewritten:

"(1) Licensure standards.

a. The licensure program shall provide for initial licensure after completion of preservice training, continuing licensure after three years of teaching experience, and license renewal every five years thereafter, until the retirement of the teacher. The last license renewal received prior to retirement shall remain in effect for five years after retirement. The licensure program shall also provide for licensure based on teaching experience as follows:

1. Continuing licensure of a teacher as defined in G.S. 115C-325(6) who has (i) 30 or more years of teaching experience in North Carolina upon the date of retirement of the teacher and (ii) served as a substitute teacher at least once every three years since retirement.

2. ~~lifetime~~Lifetime licensure after 50 years of teaching.

b. The State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall evaluate and develop enhanced requirements for continuing licensure. The new requirements shall reflect more rigorous standards for continuing licensure and shall be aligned with high-quality professional development programs that reflect State priorities for improving student achievement. Standards for continuing licensure shall include the following:

1. For all teachers, at least eight continuing education credits with at least three credits required in a teacher's academic subject area.

2. ~~Standards for continuing licensure for~~For elementary and middle school ~~teachers shall include~~teachers, at least three continuing education credits related to literacy. Literacy renewal credits shall include evidence-based assessment, diagnosis, and intervention strategies for students not demonstrating reading proficiency. Oral language, phonemic and phonological awareness, phonics, vocabulary, fluency, and comprehension

shall be addressed in literacy-related activities leading to license renewal for elementary school teachers.

3. For retired teachers serving as substitutes seeking a continuing license who qualify under sub-subdivision a. of this subdivision, at least 640 hours of documented substitute teaching each renewal cycle and eight hours of annual professional development approved by a local school administrative unit.

c. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall (i) reevaluate and enhance the requirements for renewal of teacher licenses, ~~and~~ (ii) consider modifications in the license renewal achievement and to make it a mechanism for teachers to renew continually their knowledge and professional skills, and (iii) integrate digital teaching and learning into the requirements for licensure renewal."

SECTION 8.46.(b) This section becomes effective the date the act becomes law and applies beginning with the 2015-2016 school year. An individual whose teaching license has expired shall be paid as if the individual held a current teaching license in the six months following the effective date of this section if all of the following conditions apply:

(1) The individual meets the qualifications of G.S. 115C-296(b)(1)a.1., as enacted by this section.

(2) The individual has served as a substitute teacher in the six months prior to the effective date of this section.

(3) The individual indicates to the local school administrative unit in which the individual is employed that he or she is seeking to satisfy the professional development requirements for licensure renewal.

TEACHER ASSISTANT ALLOTMENT

SECTION 8.47.(a) G.S. 115C-105.25(b) is amended by adding a new subdivision to read:

"(3a) No funds shall be transferred out of the teacher assistants allotment category."

SECTION 8.47.(b) This act provides local school administrative units the dollar equivalent of teacher assistant positions based on the following ratios:

(1) Two teacher assistants for every three classes in kindergarten.

(2) One teacher assistant for every two classes in grades 1 and 2.

(3) One teacher assistant for every three classes in grade 3.

For the 2015-2016 fiscal year, funds shall be distributed based on an estimated statewide average salary and benefits per position and an average class size of 21 students in membership per classroom.

READING CAMPS OFFERED TO FIRST AND SECOND GRADE STUDENTS

SECTION 8.48.(a) G.S. 115C-83.3(4a) reads as rewritten:

"(4a) "Reading camp" means an additional educational program outside of the instructional calendar provided by the local school administrative unit to (i) any third grade student who does not demonstrate reading ~~proficiency.~~proficiency and (ii) any first or second grade student who demonstrates reading comprehension below grade level as identified through administration of formative and diagnostic assessments in accordance with G.S. 115C-83.6. Parents or guardians of the student not demonstrating reading proficiency or demonstrating reading comprehension below grade level shall make the final decision regarding the student's reading camp attendance. Reading camps shall (i) 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;~~proficiency or in improvement of difficulties with reading development; and (iii) 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 8.48.(b) G.S. 115C-83.6 reads as rewritten:

"**§ 115C-83.6. Facilitating early grade reading proficiency.**

(a) Kindergarten, first, second, and third grade students shall be assessed with valid, reliable, formative, and diagnostic reading assessments made available to local school administrative units by the State Board of Education pursuant to G.S. 115C-174.11(a). Difficulty with reading development identified through administration of formative and diagnostic assessments shall be addressed with instructional supports and services. Parents or guardians of first and second grade students demonstrating reading comprehension below grade level as identified through assessments administered pursuant to this subsection shall be encouraged to enroll their student in a reading camp provided by the local school administrative unit. Parents or guardians of a student identified as demonstrating reading comprehension below grade level shall make the final decision regarding a student's reading camp attendance.

(a1) To the greatest extent possible, kindergarten through third grade reading assessments shall yield data that can be used with the Education Value-Added Assessment System (EVAAS), or a compatible and comparable system approved by the State Board of Education, to analyze student data to identify root causes for difficulty with reading development and to determine actions to address them.

(b) Formative and diagnostic assessments and resultant instructional supports and services shall address oral language, phonological and phonemic awareness, phonics, vocabulary, fluency, and comprehension using developmentally appropriate practices.

(c) Local school administrative units are encouraged to partner with community organizations, businesses, and other groups to provide volunteers, mentors, or tutors to assist with the provision of instructional supports and services that enhance reading development and proficiency."

SECTION 8.48.(c) G.S. 115C-83.10 reads as rewritten:

"**§ 115C-83.10. Accountability measures.**

(a) Each local board of education shall publish annually on a Web site maintained by that local school administrative unit and report in writing to the State Board of Education by September 1 of each year the following information on the prior school year:

(1) The number and percentage of third grade students demonstrating and not demonstrating reading proficiency on the State-approved standardized test of reading comprehension administered to third grade students.

(2) The number and percentage of third grade students who take and pass the alternative assessment of reading comprehension.

(3) The number and percentage of third grade students retained for not demonstrating reading proficiency.

(4) The number and percentage of third grade students exempt from mandatory third grade retention by category of exemption as listed in G.S. 115C-83.7(b).

(5) The number and percentage of first grade students demonstrating and not demonstrating reading comprehension at grade level.

(6) The number and percentage of second grade students demonstrating and not demonstrating reading comprehension at grade level.

(b) Each local board of education shall report annually in writing to the State Board of Education by September 1 of each year a description of all reading interventions provided to students who have been retained under G.S. 115C-83.7(a). The local board of education shall also include in the report the number of first and second grade students attending a reading camp offered by the local board.

(c) The State Board of Education shall establish a uniform format for local boards of education to report the required information listed in subsections (a) and (b) of this section and shall provide the format to local boards of education no later than 90 days prior to the annual due date. The State Board of Education shall compile annually this information and submit a State-level summary to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Joint Legislative Education Oversight Committee by October 15 of each year, beginning with the ~~2014-2015~~2015-2016 school year.

(d) The State Board of Education and the Department of Public Instruction shall provide technical assistance as needed to aid local school administrative units to implement all provisions of this Part."

SECTION 8.48.(d) G.S. 115C-83.11 reads as rewritten:

"**§ 115C-83.11. Continued support for students demonstrating reading ~~proficiency.~~proficiency and appropriate reading development.**

(a) Parents or guardians of a student demonstrating reading proficiency appropriate for a third grade student as provided under G.S. 115C-83.7 or a first or second grade student demonstrating appropriate developmental abilities in reading comprehension may choose to enroll the student in the reading camp as defined in G.S. 115C-83.3(4a) 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 (i) third grade students not demonstrating reading proficiency as provided under ~~G.S. 115C-83.8.~~G.S. 115C-83.8 and (ii) first and second grade students demonstrating reading comprehension below grade level under G.S. 115C-83.6. Local boards of education shall establish application procedures and enrollment priorities for reading camps for students demonstrating reading proficiency."

SECTION 8.48.(e) Notwithstanding G.S. 115C-83.10, as amended by subsection (c) of this section, the State Board of Education and local boards of educations shall include initial information on first and second grade students in the reports required under G.S. 115C-83.10 by October 15, 2016, and September 1, 2016, respectively.

SECTION 8.48.(f) This section is effective beginning with the 2015-2016 school year.

PART VIII-A. LEGISLATIVE FINDINGS, DIRECTION, AUTHORITY, AND RESOURCES TO ENSURE THAT ALL STUDENTS HAVE THE OPPORTUNITY TO RECEIVE A SOUND BASIC EDUCATION

LEGISLATIVE FINDINGS

SECTION 8A.1.(a) The General Assembly finds that some local boards of education have failed to comply with the requirements of the judiciary's decisions in *Leandro* to provide all public school students the opportunity to receive a sound basic education. Notwithstanding a history of adequate State and local funding and legislatively-granted flexibility in administration, management, and employment at the local level to provide tools to facilitate compliance with *Leandro*, some local boards of education have failed to take actions sufficient to:

(1) Prevent education bureaucracies from interfering with and overriding accountability measures and education reforms required by State law.
(2) Properly administer the public schools.
(3) Provide high-quality principals in every school and high-quality teachers in every classroom.

SECTION 8A.1.(b) It is the intent of the General Assembly in this act to provide the following additional direction, authority, and resources to local boards of education and to the State Board of Education to enable them to correct these deficiencies:

(1) Clarify the role of local boards of education to ensure that their main focus is to provide each public school student with the opportunity to receive a sound basic education, and that all policy decisions should be made with that objective in mind, including employment decisions, budget development, and other administrative actions.
(2) Direct the State Board of Education not to allow waivers of State laws and rules that permit local boards to avoid accountability measures and education reforms required by the State.
(3) Provide additional teacher positions to transition to a lower class size in first grade which, according to research, is optimal for learning at this critical time.
(4) Facilitate the identification of low-performing schools and low-performing local school administrative units.

(5) Provide the State Board of Education with authority to consolidate local school administrative units in contiguous counties as necessary to ensure that all school systems have the size, expertise, and other resources necessary to provide their students with the opportunity to receive a sound basic education.

(6) Provide forty-one million eight hundred forty-six thousand one hundred twenty-three dollars ($41,846,123) in additional funds to increase the base teacher salary paid by the State by six and one-tenth percent (6.1 %).

DUTY OF LOCAL BOARDS OF EDUCATION TO PROVIDE STUDENTS WITH THE OPPORTUNITY TO RECEIVE A SOUND BASIC EDUCATION

SECTION 8A.2. G.S. 115C-47(1) reads as rewritten:

"(1) To Provide ~~an Adequate School System.~~ the Opportunity to Receive a Sound Basic Education. - It shall be the duty of local boards of education to provide ~~adequate school systems~~ students with the opportunity to receive a sound basic education and to make all policy decisions with that objective in mind, including employment decisions, budget development, and other administrative actions, within their respective local school administrative units, as directed by law."

CLASS SIZE IN KINDERGARTEN THROUGH THIRD GRADE

SECTION 8A.3.(a) G.S. 115C-301 reads as rewritten:

"§ 115C-301. Allocation of teachers; class size.

(a) Request for Funds. – The State Board of Education, based upon the reports of local boards of education and such other information as the State Board may require from local boards, shall determine for each local school administrative unit the number of teachers and other instructional personnel to be included in the State budget request.

(b) Allocation of Positions. – The State Board of Education is authorized to adopt rules to allot instructional personnel and teachers, within funds appropriated.

(c) Maximum Class Size for Kindergarten Through Third Grade. – The average class size for kindergarten through third grade in a local school administrative unit shall at no time exceed the funded allotment ratio of teachers to students in kindergarten through third grade. At the end of the second school month and for the remainder of the school year, the size of an individual class in kindergarten through third grade shall not exceed the allotment ratio by more than three students. In grades four through 12, local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement.

(d), (e) Repealed by Session Laws 2013-363, s. 3.3(a), effective July 1, 2013.

(f) Second Month Reports. – At the end of the second month of each school year, each local board of education, through the superintendent, shall file a report for each school within the school unit with the State Board of Education. The report shall be filed in a format prescribed by the State Board of Education and shall include the organization for each school, the duties of each teacher, the size of each class, and such other information as the State Board may require. As of February 1 each year, local boards of education, through the superintendent, shall report all exceptions to individual class size maximums in kindergarten through third grade that occur at that time.

(g) Waivers and Allotment Adjustments. – Local boards of education shall report exceptions to the class size requirements set out for kindergarten through third grade and significant increases in class size at other grade levels to the State Board and shall request allotment adjustments at any grade level, waivers from the requirements for kindergarten through third grade, or both. Within 45 days of receipt of reports, the State Board of Education, within funds available, may allot additional positions at any grade level. The State Board shall not grant waivers for ~~the~~ excess class size in kindergarten through third ~~grade.~~grade, except under the following circumstances: (i) emergencies or acts of God that impact the availability of classroom space or facilities; (ii) an unanticipated increase in student population of an individual school in excess of two percent (2%) of the average daily membership of that school; (iii) organizational problems in geographically isolated

local school administrative units in which the average daily membership is less than one and one-half per square mile; (iv) classes organized for a solitary curricular area; or (v) a charter school closure.

(h) State Board Rules. – The State Board of Education shall adopt rules necessary for the implementation of this section.

(i) Repealed by Session Laws 2013-363, s. 3.3(a), effective July 1, 2013.

(j) Penalty for Noncompliance. – If the State Board of Education determines that a local superintendent has willfully failed to comply with the requirements of this section, no State funds shall be allocated to pay the superintendent's salary for the period of time the superintendent is in noncompliance. The local board of education shall continue to be responsible for complying with the terms of the superintendent's employment contract."

SECTION 8A.3.(b) Notwithstanding G.S. 115C-301, as amended by this section, and any other provision of law, for the 2015-2016 and 2016-2017 school years, class size requirements in kindergarten through third grade shall remain unchanged.

IDENTIFICATION OF LOW-PERFORMING SCHOOLS AND UNITS

SECTION 8A.4.(a) G.S. 115C-105.35(c) is repealed.

SECTION 8A.4.(b) G.S. 115C-105.37 reads as rewritten:

"**§ 115C-105.37. Identification of low-performing schools.**

(a) Identification of Low-Performing Schools. – The State Board of Education shall ~~design and implement a procedure to~~ identify low-performing schools on an annual basis. ~~Low-performing schools are those in which there is a failure to meet the minimum growth standards, as defined by the State Board, and a majority of students are performing below grade level.~~ Low-performing schools are those that receive a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" as defined by G.S. 115C-83.15.

(a1) ~~By July 10 of each year, each local school administrative unit shall do a preliminary analysis of test results to determine which of its schools the State Board may identify as low-performing under this section.~~ Plan for Improvement of Low-Performing Schools. – If a school has been identified as low-performing as provided in this section and the school is not located in a local school administrative unit identified as low-performing under G.S. 115C-105.39A, the following actions shall be taken:

(1) The superintendent ~~then~~ shall proceed under G.S. 115C-105.39.

(2) ~~In addition, within~~ Within 30 days of the initial identification of a school as low-performing by ~~the local school administrative unit or the State Board, whichever occurs first,~~ the State Board, the superintendent shall submit to the local board of education a preliminary plan for ~~addressing the needs of that school,~~ improving both the school performance grade and school growth score, including how the superintendent and other central office administrators will work with the school and monitor the school's progress.

(3) Within 30 days of its receipt of ~~this~~ the preliminary plan, the local board shall vote to approve, modify, or reject this plan. Before the local board ~~makes this vote,~~ votes on the preliminary plan, it shall make the plan available to the public, including the personnel assigned to that school and the parents and guardians of the students who are assigned to the school, and shall allow for written comments.

(4) The local board shall submit ~~the~~ a final plan to the State Board within five days of the local board's ~~vote.~~ approval of the plan. The State Board shall review the plan expeditiously and, if appropriate, may offer recommendations to modify the plan. The local board shall consider any recommendations made by the State ~~Board.~~ Board and, if necessary, amend the plan and vote on approval of any changes to the final plan.

(5) The local board of education shall provide access to the final plan on the local school administrative unit's Web site. The State Board of Education shall also provide access to each low-performing school plan on the Department of Public Instruction's Web site.

(b) Parental Notice of Low-Performing School Status. – Each school that the State Board identifies as low-performing shall provide written notification to the parents and guardians of students attending that ~~school.~~ school within 30 days of the identification that includes the following information:

(1) ~~The written notification shall include a~~ A statement that the State Board of Education has found that the school has ~~"failed to meet the minimum growth standards, as defined by the State Board, and a majority of students in the school are performing below grade level."~~"received a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and has been identified as a low-performing school as defined by G.S. 115C-105.37." The statement shall include an explanation of the school performance grades and growth scores.

(2) ~~This notification also shall include information~~ The school performance grade and growth score received.

(3) Information about the preliminary plan developed under subsection (a1) of this ~~section and a~~ section and the availability of the final plan on the local school administrative unit's Web site.

(4) The meeting date for when the preliminary plan will be considered by the local board of education.

(5) A description of any additional steps the school is taking to improve student performance."

SECTION 8A.4.(c) Article 8B of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-105.39A. Identification of low-performing local school administrative units.**

(a) Identification of Low-Performing Local School Administrative Units. – The State Board of Education shall identify low-performing local school administrative units on an annual basis. A low-performing local school administrative unit is a unit in which the majority of the schools in that unit that received a school performance grade and school growth score as provided in G.S. 115C-83.15 have been identified as low-performing schools, as provided in G.S. 115C-105.37.

(b) Plan for Improvement of Low-Performing Local School Administrative Units. – Once a local school administrative unit has been identified as low-performing under this section, the following actions shall be taken:

(1) The superintendent shall proceed under G.S. 115C-105.39.

(2) Within 30 days of the identification of a local school administrative unit as low-performing by the State Board, the superintendent shall submit to the local board of education a preliminary plan for improving both the school performance grade and school growth score of each low-performing school in the unit, including how the superintendent and other central office administrators will work with each low-performing school and monitor the low-performing school's progress and how current local school administrative unit policy should be changed to improve student achievement throughout the local school administrative unit.

(3) Within 30 days of its receipt of the preliminary plan, the local board shall vote to approve, modify, or reject this plan. Before the local board votes on the plan, it shall make the plan available to the public, including the personnel assigned to each low-performing school and the parents and guardians of the students who are assigned to each low-performing school, and shall allow for written comments.

(4) The local board shall submit a final plan to the State Board within five days of the local board's approval of the plan. The State Board shall review the plan expeditiously and, if appropriate, may offer recommendations to modify the plan. The local board shall consider any recommendations made by the State Board and, if necessary, amend the plan and vote on approval of any changes to the final plan.

(5) The local board of education shall provide access to the final plan on the local school administrative unit's Web site. The State Board of Education shall also provide access to each low-performing local school administrative unit plan on the Department of Public Instruction's Web site.

(c) Parental Notice of Low-Performing Local School Administrative Unit Status. – Each local school administrative unit that the State Board identifies as low-performing shall provide written notification to the

parents and guardians of all students attending any school in the local school administrative unit within 30 days of the identification that includes the following information:

(1) A statement that the State Board of Education has found that a majority of the schools in the local school administrative unit have "received a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and have been identified as low-performing schools as defined by G.S. 115C-105.37." The statement shall also include an explanation of the school performance grades and school growth scores.

(2) The percentage of schools identified as low-performing.

(3) Information about the preliminary plan developed under subsection (b) of this section and the availability of the final plan on the local school administrative unit's Web site.

(4) The meeting date for when the preliminary plan will be considered by the local board of education.

(5) A description of any additional steps the local school administrative unit and schools are taking to improve student performance.

(6) For notifications sent to parents and guardians of students attending a school that is identified as low-performing under G.S. 115C-105.37, a statement that the State Board of Education has found that the school has "received a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and has been identified as a low-performing school as defined by G.S. 115C-105.37." This notification also shall include the school performance grade and school growth score the school received and an explanation of the school performance grades and school growth scores."

STATE BOARD AUTHORITY TO CONSOLIDATE CONTIGUOUS COUNTY SCHOOL ADMINISTRATIVE UNITS

SECTION 8A.5. Article 7 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-66.5. Merger of county school administrative units by the State Board of Education.**

(a) Consolidation and Merger. – The State Board of Education shall have the authority to consolidate and merge contiguous county school administrative units or a group of county school administrative units in which each county unit is contiguous with at least one other county unit in the group. The State Board shall adopt a written plan setting forth the conditions of the merger. A merger of county units and reorganization of those units under this section shall not have the effect of abolishing any special taxes that may have been voted in any such units.

(b) Effective Date. – The merger shall become effective on July 1 immediately following the earlier of the thirty-first legislative day or the day of adjournment of the next regular session of the General Assembly that begins at least 25 days after the date the State Board approved the merger. If a bill that specifically disapproves the merger is introduced in either house of the General Assembly before the thirty-first legislative day of that session, the merger becomes effective on the July 1 immediately following the earlier of either the day an unfavorable final action is taken on the bill or the day that session of the General Assembly adjourns without ratifying a bill that specifically disapproves the merger. A merger that is specifically disapproved by a bill enacted into law before it becomes effective does not become effective.

(c) Legislative Disapproval of Merger. – A bill specifically disapproves a merger if it contains a provision that refers to the written plan of merger and states that the merger is disapproved. Notwithstanding any rule of either house of the General Assembly, any member of the General Assembly may introduce a bill during the first 30 legislative days of any regular session to disapprove a merger that has been approved by the State Board and that has not become effective."

LIMIT LOCAL BOARD OF EDUCATION WAIVERS

SECTION 8A.6.(a) G.S. 115C-105.26 reads as rewritten:

"**§ 115C-105.26. Waivers of State ~~laws, rules, or policies.~~laws or rules.**

(a) ~~When included as part of a school improvement plan accepted under G.S. 115C-105.27, local boards of education shall submit requests for waivers of State laws, rules, or policies to the State Board of Education. A~~ Except as otherwise provided for in this section, the State Board of Education shall not grant waivers of State laws or rules to local boards of education. If permitted under this section, a request for a waiver by a local board of education shall (i) identify the school or schools making the request, (ii) identify the State ~~laws, rules, or policies that inhibit the school's ability to improve student performance,~~ law or rule requesting to be waived, (iii) set out with specificity the circumstances under which the waiver may be used, and (iv) explain how the requested waiver will permit the school to improve student performance.

~~Except as provided in subsection (c) of this section, the State Board shall grant waivers only for the specific schools for which they are requested and shall be used only under the specific circumstances for which they are requested.~~

(b) ~~When requested as part of a school improvement plan, the~~ The State Board of Education may grant waivers ~~of:~~ to local boards of education of State laws and rules pertaining to the following:

(1) ~~State laws pertaining to class~~ Class size ~~and teacher certification; and~~ requirements only as provided in G.S. 115C-301(g).

~~(2) State rules and policies, except those pertaining to public school State salary schedules and employee benefits for school employees, the instructional program that must be offered under the Basic Education Program, the system of employment for public school teachers and administrators set out in G.S. 115C-287.1 and in Part 3 of Article 22 of this Chapter, health and safety codes, compulsory attendance, the minimum lengths of the school day and year, and the Uniform Education Reporting System.~~

(3) School calendar requirements in order to provide sufficient days to accommodate anticipated makeup days due to school closings only as provided in G.S. 115C-84.2(d).

~~(c) The State Board also may grant requests received from local boards for waivers of State laws, rules, or policies that affect the organization, duties, and assignment of central office staff only. However, none of the duties to be performed under G.S. 115C-436 may be waived.~~

~~(c1) The State Board also may grant requests received from local boards for waivers of State laws, rules, or policies that require that each local school administrative unit provide at least one alternative school or at least one alternative learning program.~~

~~(d) Notwithstanding subsections (b) and (c) of this section, the State Board shall not grant waivers of G.S. 115C-12(16)b. regarding the placement of State-allotted office support personnel, teacher assistants, and custodial personnel on the salary schedule adopted by the State Board.~~

~~(e) Notwithstanding subsection (b) of this section, the State Board may grant requests received from local boards for waivers of State laws, rules, or policies pertaining to the placement of principals on the State salary schedule for public school administrators in order to provide financial incentives to encourage principals to accept employment in a school that has been identified as low-performing under G.S. 115C-105.37. The State Board shall act on requests under this subsection at the first Board meeting following receipt of each request.~~

(f) ~~Except as provided in subsection (e) of this section, the~~ The State Board shall act within 60 days of receipt of all requests for waivers under this section.

(g) The State Board shall, on a regular basis, review all waivers it has granted to determine whether any rules should be repealed or modified or whether the Board should recommend to the General Assembly the repeal or modification of any laws.

(h) By October 15 of each year, the State Board shall report to the Joint Legislative Education Oversight Committee with a list of the specific waivers granted to each local board of education under this section. The State Board may include any legislative recommendations identified under subsection (g) of this section in its report."

SECTION 8A.6.(b) This section applies beginning with the 2015-2016 school year.

PART IX. COMPENSATION OF PUBLIC SCHOOL EMPLOYEES

TEACHER SALARY SCHEDULE

SECTION 9.1.(a) The following monthly teacher salary schedule shall apply for the 2015-2016 fiscal year to licensed personnel of the public schools who are classified as teachers. The salary schedule is based on years of teaching experience.

2015-2016 Teacher Monthly Salary Schedule

Years of Experience	"A" Teachers
0-4	$3,500
5-9	3,650
10-14	4,000
15-19	4,350
20-24	4,650
25+	5,000

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) The twenty-sixth 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 seven and one-half percent (7.5%) higher than the salary received by these same employees on the twenty-fifth step of the salary schedule.

SECTION 9.1.(e) Beginning with the 2014-2015 fiscal year, in lieu of providing annual longevity payments to teachers paid on the teacher salary schedule, the amounts of those longevity payments are included in the monthly amounts under the teacher salary schedule.

SECTION 9.1.(f) A teacher compensated in accordance with this salary schedule for the 2015-2016 school year shall receive an amount equal to the greater of the following:

(1) The applicable amount on the salary schedule for the applicable school year.

(2) For teachers who were eligible for longevity for the 2013-2014 school year, the sum of the following:

a. The teacher's salary provided in S.L. 2013-360, Sec. 35.11.

b. The longevity that the teacher would have received under the longevity system in effect for the 2013-2014 school year provided in S.L. 2013-360, Sec. 35.11, based on the teacher's current years of service.

c. The annual bonus provided in S.L. 2014-100, Sec. 9.1(e).

(3) For teachers who were not eligible for longevity for the 2013-2014 school year, the sum of the teacher's salary and annual bonus provided in S.L. 2014-100, Sec. 9.1.

SECTION 9.1.(g) As used in this section, the term "teacher" shall also include instructional support personnel.

SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULE

SECTION 9.2.(a) The following monthly base salary schedule for school-based administrators shall apply only to principals and assistant principals. This base salary schedule shall apply for the 2015-2016 fiscal year commencing July 1, 2015.

2015-2016 Principal and Assistant Principal Salary Schedules
Classification

Years of Exp	Assistant Principal	Prin I (0-10)	Prin II (11-21)	Prin III (22-32)	Prin IV (33-43)
0-9	$3,909	-	-	-	-
10	$3,977	-	-	-	-
11	$4,123	-	-	-	-
12	$4,240	-	-	-	-
13	$4,323	$4,323	-	-	-
14	$4,377	$4,377	-	-	-
15	$4,434	$4,434	$4,489	-	-
16	$4,489	$4,489	$4,547	-	-
17	$4,547	$4,547	$4,606	$4,665	-
18	$4,606	$4,606	$4,665	$4,726	$4,788
19	$4,665	$4,665	$4,726	$4,788	$4,851
20	$4,726	$4,726	$4,788	$4,851	$4,918
21	$4,788	$4,788	$4,851	$4,918	$4,983
22	$4,851	$4,851	$4,918	$4,983	$5,050
23	$4,918	$4,918	$4,983	$5,050	$5,119
24	$4,983	$4,983	$5,050	$5,119	$5,188
25	$5,050	$5,050	$5,119	$5,188	$5,263
26	$5,119	$5,119	$5,188	$5,263	$5,335
27	$5,188	$5,188	$5,263	$5,335	$5,409
28	$5,263	$5,263	$5,335	$5,409	$5,483
29	$5,335	$5,335	$5,409	$5,483	$5,561
30	$5,409	$5,409	$5,483	$5,561	$5,641
31	$5,483	$5,483	$5,561	$5,641	$5,722
32	$5,561	$5,561	$5,641	$5,722	$5,794
33	$5,641	$5,641	$5,722	$5,794	$5,909
34	$5,722	$5,722	$5,794	$5,909	$6,027
35	$5,794	$5,794	$5,909	$6,027	$6,148
36	$5,909	$5,909	$6,027	$6,148	$6,271
37	-	$6,027	$6,148	$6,271	$6,396
38	-	-	$6,271	$6,396	$6,524
39	-	-	$6,396	$6,524	$6,654
40	-	-	-	$6,654	$6,787
41	-	-	-	$6,787	$6,923
42	-	-	-	-	$7,061

2015-2016 Principal and Assistant Principal Salary Schedules
Classification

Years of Exp	Prin V (44-54)	Prin VI (55-65)	Prin VII (66-100)	Prin VIII (100+)
0-19	$4,918	-	-	-
20	$4,983	-	-	-

21	$5,050	$5,119	-	-
22	$5,119	$5,188	$5,335	-
23	$5,188	$5,263	$5,409	$5,483
24	$5,263	$5,335	$5,483	$5,561
25	$5,335	$5,409	$5,561	$5,641
26	$5,409	$5,483	$5,641	$5,722
27	$5,483	$5,561	$5,722	$5,794
28	$5,561	$5,641	$5,794	$5,909
29	$5,641	$5,722	$5,909	$6,027
30	$5,722	$5,794	$6,027	$6,148
31	$5,794	$5,909	$6,148	$6,271
32	$5,909	$6,027	$6,271	$6,396
33	$6,027	$6,148	$6,396	$6,524
34	$6,148	$6,271	$6,524	$6,654
35	$6,271	$6,396	$6,654	$6,787
36	$6,396	$6,524	$6,787	$6,923
37	$6,524	$6,654	$6,923	$7,061
38	$6,654	$6,787	$7,061	$7,202
39	$6,787	$6,923	$7,202	$7,346
40	$6,923	$7,061	$7,346	$7,493
41	$7,061	$7,202	$7,493	$7,643
42	$7,202	$7,346	$7,643	$7,796
43	$7,346	$7,493	$7,796	$7,952
44	-	$7,643	$7,952	$8,111
45	-	$7,796	$8,111	$8,273
46+	-	-	$8,273	$8,438

SECTION 9.2.(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:

Classification	**Number of Teachers Supervised**
Assistant Principal	N/A
Principal I	Fewer than 11 Teachers
Principal II	11-21 Teachers
Principal III	22-32 Teachers
Principal IV	33-43 Teachers
Principal V	44-54 Teachers
Principal VI	55-65 Teachers
Principal VII	66-100 Teachers
Principal VIII	More than 100 Teachers

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 9.2.(c) A principal shall be placed on the step on the salary schedule that reflects the 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 9.2.(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 9.2.(e) Longevity pay for principals and assistant principals shall be as provided for State employees under the North Carolina Human Resources Act.

SECTION 9.2.(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 9.2.(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 9.2.(h) During the 2015-2016 fiscal year, 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 9.2.(i) Effective July 1, 2015, any person paid on the State Salary Schedule in the 2013-2014 school year and employed on July 1, 2015, 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 9.3.(a) The monthly salary ranges that follow apply to assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for the 2015-2017 fiscal biennium, beginning July 1, 2015.

School Administrator I	$3,391	$6,323
School Administrator II	$3,592	$6,704
School Administrator III	$3,811	$7,110
School Administrator IV	$3,962	$7,391
School Administrator V	$4,120	$7,689
School Administrator VI	$4,368	$8,151
School Administrator VII	$4,542	$8,478

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 9.3.(b) The monthly salary ranges that follow apply to public school superintendents for the 2015-2017 fiscal biennium, beginning July 1, 2015.

Superintendent I	$4,819	$8,991
Superintendent II	$5,113	$9,532
Superintendent III	$5,422	$10,109
Superintendent IV	$5,752	$10,721
Superintendent V	$6,102	$11,372

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 9.3.(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 9.3.(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 9.3.(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.

NONCERTIFIED PERSONNEL SALARIES

SECTION 9.4. 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 2015-2017 fiscal biennium.

NO PAY LOSS FOR TEACHERS WHO BECOME ADMINISTRATORS OR ASSISTANT PRINCIPALS WHO BECOME PRINCIPALS

SECTION 9.5.(a) Section 7.22(b) of S.L. 2009-451 reads as rewritten:

"**SECTION 7.22.(b)** This section becomes effective ~~July 1, 2009, and applies to all persons initially employed as assistant principals on or after that date.~~July 1, 2009."

SECTION 9.5.(b) G.S. 115C-285(a) is amended by adding a new subdivision to read:

"(9) An assistant principal who becomes a principal without a break in service shall be paid, on a monthly basis, at least as much as he or she would earn as an assistant principal employed by that local school administrative unit."

PART X. COMMUNITY COLLEGES

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YOUTH CAREER CONNECT PROGRAM

SECTION 10.11.(a) The federal Youth Career Connect Grant awarded to Anson County Schools for 2014-2018 requires students to enroll in community college courses in the ninth and tenth grades. Notwithstanding any other provision of law, South Piedmont Community College may enroll Anson County Schools freshman (ninth grade) and sophomore (tenth grade) students in community college courses associated with this grant. Ninth and tenth grade students enrolled in curriculum courses at South Piedmont Community College associated with the federal Youth Career Connect Grant shall not be charged tuition.

SECTION 10.11.(b) South Piedmont Community College shall not earn budget FTE for student course enrollments supported with this grant.

SECTION 10.11.(c) This section expires June 30, 2018.

CAREER- AND COLLEGE-READY GRADUATES

SECTION 10.13.(a) The State Board of Community Colleges, in consultation with the State Board of Education, shall develop a program for implementation in the 2016-2017 school year that introduces the college developmental mathematics and developmental reading and English curriculums in the high school senior year and provides opportunities for college remediation for students prior to high school graduation through cooperation with community college partners. Students who are enrolled in the Occupational Course of Study to receive their high school diplomas shall not be required to participate in the program or be required to take mandatory remedial courses as provided for in this section, unless a parent specifically requests through the individualized education program (IEP) process that the student participates. The program shall require the following:

(1) Establishment by the State Board of Community Colleges of measures for determining student readiness and preparation for college coursework by using ACT scores, student grade point averages, or other measures currently used by the State Board of Community Colleges to determine college readiness for entering students.

(2) Changes in curriculum, policy, and rules as needed by the State Board of Community Colleges and State Board of Education to make remedial courses mandatory for students who do not meet readiness indicators by their junior year to ensure college readiness prior to high school graduation. These changes shall include the flexibility for students to fulfill senior mathematics and English graduation requirements through enrollment in mandatory remedial courses or to enroll in those courses as electives.

(3) High schools to use curriculum approved by the State Board of Community Colleges, in consultation with the State Board of Education.

(4) Determinations by the State Board of Community Colleges on the following:

a. Appropriate measures of successful completion of the remedial courses to ensure students are prepared for coursework at a North Carolina community college without need for further remediation in mathematics or reading and English.

b. The length of time following high school graduation in which a student who successfully completed high school remedial courses will not be required to enroll in developmental courses at a North Carolina community college.

(5) Delivery of remedial courses by high school faculty consistent with policies adopted by the State Board of Community Colleges and the State Board of Education. The policies shall include, at a minimum, the following requirements:

a. High school faculty teaching the approved remedial courses must successfully complete training requirements as determined by the State Board of Community Colleges, in consultation with the State Board of Education.

b. The North Carolina Community College System shall provide oversight of the remedial courses to ensure appropriate instructional delivery.

SECTION 10.13.(b) The State Board of Community Colleges and the State Board of Education shall report on progress of implementation of the program statewide, including the requirements in subsection (a) of this section, to the Joint Legislative Education Oversight Committee no later than March 15, 2016.

NC WORKS CAREER COACHES

SECTION 10.14.(a) Article 2 of Chapter 115D of the General Statutes is amended by adding a new section to read:

"**§ 115D-21.5. NC Works Career Coach Program.**

(a) Purpose. – There is established the NC Works Career Coach Program to place community college career coaches in high schools to assist students with determining career goals and identifying community college programs that would enable students to achieve these goals.

(b) Memorandum of Understanding. – The board of trustees of a community college and a local board of education of a local school administrative unit within the service area of the community college shall enter into a memorandum of understanding for the placement of career coaches employed by the board of trustees of the community college in schools within the local school administrative unit. At a minimum, the memorandum of understanding shall include the following:

(1) Requirement that the community college provides the following:

a. Hiring, training, and supervision of career coaches. The board of trustees may include a local board of education liaison on the hiring committee to participate in the decision making regarding hiring for the coach positions.

b. Salary, benefits, and all other expenses related to the employment of the career coach. The coach will be an employee of the board of trustees and will not be an agent or employee of the local board of education.

c. Development of pedagogical materials and technologies needed to enhance the advising process.

d. Criminal background checks required by the local school administrative unit for employees working directly with students.

e. Agreement that, while on any school campus, the career coach will obey all local board of education rules and will be subject to the authority of the school building administration.

(2) Requirement that the local school administrative unit provides the following to career coaches:

a. Access to student records, as needed to carry out the coach's job responsibilities.

b. Office space on site appropriate for student advising.

c. Information technology resources, including, but not limited to, Internet access, telephone, and copying.

d. Initial school orientation and ongoing integration into the faculty and staff community.

e. Promotion of school-wide awareness of coach duties.

f. Facilitation of coach's access to individual classes and larger assemblies for the purposes of awareness-building.

(c) Application for NC Works Career Coach Program Funding. – The board of trustees of a community college and a local board of education of a local school administrative unit within the service area of the community college jointly may apply for available funds for NC Works Career Coach Program funding from the State Board of Community Colleges. The State Board of Community Colleges shall establish a process for award of funds as follows:

(1) Advisory committee. – Establishment of an advisory committee, which shall include representatives from the NC Community College System, the Department of Public Instruction, the NC Works initiative located in the Department of Commerce, and at least three representatives of the business community, to review applications and make recommendations for funding awards to the State Board.

(2) Application submission requirements. – The State Board of Community Colleges shall require at least the following:

a. Evidence of a signed memorandum of understanding that meets, at a minimum, the requirements of this section.

b. Evidence that the funding request will be matched dollar-for-dollar with local funds. Matching funds may come from public or private sources.

(3) Awards criteria. – The State Board of Community Colleges shall develop criteria for consideration in determining the award of funds that shall include the following:

a. Consideration of the workforce needs of business and industry in the region.

b. Targeting of resources to enhance ongoing economic activity within the community college service area and surrounding counties.

c. Geographic diversity of awards.

(d) Annual Report. –

(1) The board of trustees of a community college that employs one or more career coaches shall report annually to the State Board of Community Colleges on implementation and outcomes of the program, including the following information:

a. Number of career coaches employed.

b. Number of local school administrative units served and names of schools in which career coaches are placed.

c. Number of students annually counselled by career coaches.

d. Impact of career coaches on student choices, as determined by a valid measure selected by the State Board of Community Colleges.

(2) The State Board of Community Colleges shall report annually no later than October 1 to the Joint Legislative Education Oversight Committee on the following:

a. A compilation of the information reported by the board of trustees of community colleges, as provided in subdivision (1) of this subsection.

b. Number and names of partnership applicants for NC Works Career Coach Program funding.

c. Number, names, and amounts of those awarded NC Works Career Coach Program funding."

SECTION 10.14.(b) The State Board of Community Colleges shall begin accepting applications for available funds for NC Works Career Coach Program funding no later than December 15, 2015, and shall select the initial recipients for the award of funds no later than February 22, 2016.

SECTION 10.14.(c) The funds appropriated under this act to the Community Colleges System Office for the 2015-2017 fiscal biennium to match non-State funds to implement the NC Works Career Coach Program shall only be used for salary and benefits for NC Works Career Coaches.

PART XI. UNIVERSITIES

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TRANSFORMING PRINCIPAL PREPARATION

SECTION 11.9.(a) Purpose. – The purpose of this section is to establish a competitive grant program for eligible entities to elevate educators in North Carolina public schools by transforming the preparation of principals across the State. The State Education Assistance Authority (Authority) shall administer this grant program through a cooperative agreement with a private, nonprofit corporation to provide funds for the preparation and support of highly effective future school principals in North Carolina.

SECTION 11.9.(b) Definitions. – For the purposes of this section, the following definitions apply:

(1) Eligible entity. – A for-profit or nonprofit organization or an institution of higher education that has an evidence-based plan for preparing school leaders who implement school leadership practices linked to increased student achievement.

(2) High-need school. – A public school, including a charter school, that meets one or more of the following criteria:

a. Is a school identified under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended.

b. Is a persistently low-achieving school, as identified by the Department of Public Instruction for purposes of federal accountability.

c. A middle school containing any of grades five through eight that feeds into a high school with less than a sixty percent (60%) four-year cohort graduation rate.

d. A high school with less than a sixty percent (60%) four-year cohort graduation rate.

(3) Principal. – The highest administrative official in a public school building with primary responsibility for the instructional leadership, talent management, and organizational development of the school.

(4) School leader. – An individual employed in a school leadership role, including principal or assistant principal roles.

(5) Student achievement. – At the whole school level, after three years of leading a school, consistent and methodologically sound measures of:

a. Student academic achievement.

b. Aggregated individual student academic growth.

c. Additional outcomes, such as high school graduation rates, the percentage of students taking advanced-level coursework, or the percentage of students who obtain a career-related credential through a national business certification exam.

SECTION 11.9.(c) Program Authorized. – The Authority shall award grants to eligible entities to support programs that develop well-prepared school leaders in accordance with the provisions of this section. The Authority shall establish any necessary rules to administer the grant program.

SECTION 11.9.(d) Contract With a Nonprofit for Administration. – By November 1, 2015, the Authority shall issue a Request for Proposal (RFP) for a private, nonprofit corporation to contract with the Authority for the administration of the program, including making recommendations to the Authority for the award of grants, as authorized by this section. The nonprofit corporation applying to the Authority shall meet at least the following requirements:

(1) The nonprofit corporation shall be a nonprofit corporation organized pursuant to Chapter 55A of the General Statutes and shall comply at all times with the provisions of section 501(c)(3) of the Internal Revenue Code.

(2) The nonprofit corporation shall employ sufficient staff who have demonstrated a capacity for the development and implementation of grant selection criteria and a selection process to promote innovative school leader education programs, including:

a. Focus on school leader talent.

b. Expertise supporting judgments about grant renewal based on achievement of or substantial school leader progress toward measurable results in student achievement.

c. Expectation of creating positive experiences working with the educational community in North Carolina to establish the foundation for successfully administering the programs set forth in this section.

(3) The nonprofit corporation shall comply with the limitations on lobbying set forth in section 501(c)(3) of the Internal Revenue Code.

(4) No State officer or employee may serve on the board of the nonprofit corporation.

(5) The board of the nonprofit corporation shall meet at least quarterly at the call of its chair.

SECTION 11.9.(e) Report on Selection of the Nonprofit. – The Authority shall select a nonprofit corporation to enter into a contract with to administer the program by January 15, 2016. The Authority shall report to the Joint Legislative Education Oversight Committee on the selection of the nonprofit corporation by February 1, 2016.

SECTION 11.9.(f) Application Requirements. – The nonprofit corporation entering into a contract with the Authority under subsection (d) of this section shall issue an initial RFP with guidelines and criteria for the grants no later than March 1, 2016. An eligible entity that seeks a grant under the program authorized by this section shall submit to the nonprofit corporation an application at such time, in such manner, and accompanied by such information as the nonprofit may require. An applicant shall include at least the following information in its response to the RFP for consideration by the nonprofit corporation:

(1) The extent to which the entity has a demonstrated record of preparing school leaders who implement school leadership practices linked to increased student achievement.

(2) The extent to which the entity has a rigorous school leader preparation program design that includes the following research-based programmatic elements:

a. A proactive, aggressive, and intentional recruitment strategy.

b. Rigorous selection criteria based on competencies that are predictive of success as a school leader, including, but not limited to, evidence of significant positive effect on student learning growth in the classroom, at the school-level, and the local school administrative unit-level, professional recommendations, evidence of problem solving and critical thinking skills, achievement drive, and leadership of adults.

c. Alignment to high-quality national standards for school leadership development.

d. Rigorous coursework that effectively links theory with practice through the use of field experiences and problem-based learning.

e. Full-time clinical practice of at least five months in duration in an authentic setting, including substantial leadership responsibilities where candidates are evaluated on leadership skills and effect on student outcomes as part of program completion.

f. Multiple opportunities for school leader candidates to be observed and coached by program faculty and staff.

g. Clear expectations for and firm commitment from school leaders who will oversee the clinical practice of candidates.

h. Evaluation of school leader candidates during and at the end of the clinical practice based on the North Carolina School Executive Evaluation Rubric.

i. A process for continuous review and program improvement based on feedback from partnering local school administrative units and data from program completers, including student achievement data.

j. Established relationship and feedback loop with affiliated local school administrative units that is used to inform and improve programmatic elements from year to year based on units' needs.

SECTION 11.9.(g) Priorities. – The nonprofit corporation shall evaluate the applicants for grants by giving priority to an eligible entity with a record of preparing principals demonstrating the following:

(1) Improvement in student achievement.

(2) Placement as school leaders in eligible schools.

(3) A proposed focus on and, if applicable, a record of serving high-need schools, high-need local school administrative units, or both.

(4) A detailed plan and commitment to share lessons learned and to improve the capacity of other entities in reaching similar outcomes.

SECTION 11.9.(h) Uses of Funds. – By June 1, 2016, the nonprofit corporation shall recommend to the Authority the recipients of grants under the program. Each eligible entity that receives grant funds shall use those funds to carry out the following:

(1) Recruiting and selecting, based on a rigorous evaluation of the competencies of the school leader candidates participating in the program and their potential and desire to become effective school leaders.

(2) Operating a school leader preparation program by doing the following:

a. Utilizing a research-based content and curriculum, including embedded participant assessments to evaluate candidates before program completion, that prepares candidates to do the following:

1. Provide instructional leadership, such as developing teachers' instructional practices and analyzing classroom and school-wide data to support teachers.

2. Manage talent, such as developing a high-performing team.

3. Build a positive school culture, such as building a strong school culture focused on high academic achievement for all students, including gifted and talented students, students with disabilities, and English learners,

maintaining active engagement with family and community members, and ensuring student safety.

4. Develop organizational practices, such as aligning staff, budget, and time to the instructional priorities of the school.

b. Providing opportunities for sustained and high-quality job-embedded practice in an authentic setting where candidates are responsible for moving the practice and performance of a subset of teachers or for school-wide performance as principal-in-planning or interim school leaders.

(3) Collecting data on program implementation and program completer outcomes for continuous program improvement.

SECTION 11.9.(i) Duration of Grants. – The nonprofit corporation shall also recommend to the Authority the duration and renewal of grants to eligible entities according to the following:

(1) The duration of grants shall be as follows:

a. Grants shall be no more than five years in duration.

b. The nonprofit corporation may recommend renewal of a grant based on performance, including allowing the grantee to scale up or replicate the successful program as provided in subdivision (2) of this subsection.

(2) In evaluating performance for purposes of grant renewal and making recommendations to the Authority, the nonprofit corporation shall consider:

a. For all grantees, the primary consideration in renewing grants shall be the extent to which program participants improved student achievement in eligible schools.

b. Other criteria from data received in the annual report in subsection (j) of this section may include the following:

1. The percentage of program completers who are placed as school leaders in this State within three years of receiving a grant.

2. The percentage of program completers who are rated proficient or above on the North Carolina School Executive Evaluation Rubric.

SECTION 11.9.(j) Reporting Requirements for Grant Recipients. – Recipients of grants under the program shall submit an annual report to the nonprofit corporation contracting with the Authority, beginning in the third year of the grant, with any information requested by the nonprofit corporation. Whenever practicable and within a reasonable amount of time, grant recipients shall also make all materials developed as part of the program and with grant funds publically available to contribute to the broader sharing of promising practices. Materials shall not include personally identifiable information regarding individuals involved or associated with the program, including, without limitation, applicants, participants, supervisors, evaluators, faculty, and staff, without their prior written consent. The nonprofit corporation shall work with recipients and local school administrative units, as needed, to enable the collection, analysis, and evaluation of at least the following relevant data, within necessary privacy constraints:

(1) Student achievement in eligible schools.

(2) The percentage of program completers who are placed as school leaders within three years in the State.

(3) The percentage of program completers rated proficient or above on school leader evaluation and support systems.

SECTION 11.9.(k) Licensure Process. – By June 1, 2016, the State Board of Education shall adopt a policy to provide for a specific licensure process applicable to school administrators who provide documentation to the State Board of successful completion of a principal preparation program selected for a competitive grant in accordance with this section.

SECTION 11.9.(l) Evaluation and Revision of Program. – The nonprofit corporation administering the program shall provide the State Board of Education with the data collected in accordance with subsection (j) of this section on an annual basis. By September 15, 2021, the State Board of Education, in coordination with the Board of Governors of The University of North Carolina, shall revise, as necessary, the licensure requirements for school administrators and the standards for approval of school administrator preparation programs after evaluating the data collected from the grant recipients, including the criteria used in

selecting grant recipients and the outcomes of program completers. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by November 15, 2021, on any changes made to the licensure requirements for school administrators and the standards for approval of school administrator preparation programs in accordance with this section.

SECTION 11.9.(m) Of the funds appropriated each fiscal year for this program, the sum of five hundred thousand dollars ($500,000) shall be allocated to the State Education Assistance Authority to contract with the nonprofit corporation selected pursuant to subsection (e) of this section to establish and administer the program. The State Education Assistance Authority may use up to five percent (5%) of those funds each fiscal year for administrative costs.

SECTION 11.9.(n) Beginning with the 2016-2017 fiscal year, of the funds appropriated for this program, the sum of five hundred thousand dollars ($500,000) shall be allocated each fiscal year to the State Education Assistance Authority to award grants to selected recipients.

SPECIAL EDUCATION SCHOLARSHIP CHANGES AND REEVALUATION FUNDS

SECTION 11.11.(a) G.S. 115C-112.6 reads as rewritten:

"**§ 115C-112.6. Scholarships.**

(a) Scholarship Applications. – The Authority shall make available no later than May 1 annually applications to eligible students for the award of scholarships. Information about scholarships and the application process shall be made available on the Authority's Web site. The Authority shall give priority in awarding scholarships to eligible students who received a scholarship during the previous semester. Except as otherwise provided by the Authority for prior scholarship recipients, scholarships 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. – Scholarships awarded to eligible students shall be for amounts of not more than ~~three~~four thousand dollars ~~($3,000)~~($4,000) per semester per eligible student. Eligible students awarded scholarships may not be enrolled in a public school to which that student has been assigned as provided in G.S. 115C-366. Scholarships shall be awarded only for tuition and for the reimbursement of ~~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) Disbursement of Scholarship Funds. – The Authority shall disburse scholarship funds for tuition and for the reimbursement of costs incurred by the parent of an eligible student as follows:

(1) Scholarship endorsement for tuition. – The Authority shall remit, at least two times each school year, scholarship funds awarded to eligible students for endorsement by at least one of the student's parents or guardians for tuition to attend (i) a North Carolina public school other than the public school to which that student has been assigned as provided in G.S. 115C-366 or (ii) a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter as identified by the Department of Administration, Division of Nonpublic Education. Scholarship funds shall not be provided for tuition for home schooled students. If the student is attending a nonpublic school, the school must be deemed eligible by the Division of Nonpublic Education, pursuant to G.S. 115C-562.4, and the school shall be subject to the requirements of G.S. 115C-562.5. The parent or guardian shall restrictively endorse the scholarship funds awarded to the eligible student to the school for deposit into the account of the school. The parent or guardian shall not designate any entity or individual associated with the school as the parent's attorney-in-fact to endorse the scholarship funds but shall endorse the scholarship funds in person at the site of the school. A parent's or guardian's failure to comply with this section shall result in

forfeiture of the scholarship funds. A scholarship forfeited for failure to comply with this section shall be returned to the Authority to be awarded to another student.

(2) Scholarship ~~Reimbursements.~~ reimbursements for costs. – Scholarship reimbursement for costs incurred shall be provided as follows:

~~(1)~~a. 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)~~b. 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.~~1. 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.~~2. 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.~~3. 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.

~~(3)~~c. 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 adopt rules providing for pro rata return of funds if a student withdraws prior to the end of the semester from a school to which scholarship funds have been remitted. 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.

(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 11.11.(b) G.S. 115C-112.9 reads as rewritten:

"**§ 115C-112.9. Duties of State ~~Board of Education.~~agencies.**

(a) 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).

(b) The Authority shall analyze, in conjunction with the Department of Public Instruction, past trends in scholarship data on an annual basis to ensure that the amount of funds transferred each fiscal year by the Authority to the Department for reevaluations by local school administrative units of eligible students under G.S. 115C-112.6(c) are sufficient and based on actual annual cost requirements."

SECTION 11.11.(c) The Authority shall adopt rules within 60 days of the date this act becomes law providing for pro rata return of funds if a student withdraws prior to the end of the semester from a school to which scholarship funds have been remitted.

SECTION 11.11.(d) This section applies to scholarships awarded for the 2015-2016 school year and each subsequent school year.

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EARLY COLLEGE GRADUATES/UNC ADMISSION POLICY

SECTION 11.16.(a) The Board of Governors of The University of North Carolina shall adopt a policy to require each constituent institution to offer to any student who graduated from a cooperative innovative high school program with an associate degree and who applies for admission to the constituent institution the option of being considered for admission as a freshman or as a transfer student. The constituent institution shall also provide written information to the student regarding the consequences that accompany each option and any other relevant information that may be helpful to the student when considering which option to select.

SECTION 11.16.(b) Beginning March 1, 2017, the Board of Governors shall report annually to the Joint Legislative Education Oversight Committee regarding the number of students who graduated from a cooperative innovative high school program with an associate degree and which option was chosen by those students when applying for admission to a constituent institution.

SECTION 11.16.(c) This section applies to the 2016-2017 academic year and each subsequent academic year.

SEAA FUNDS FOR ADMINISTRATION OF SPECIAL EDUCATION SCHOLARSHIP GRANT PROGRAM

SECTION 11.18. Section 5(b) of S.L. 2013-364, as amended by Section 3.2 of S.L. 2013-363, reads as rewritten:

"**SECTION 5.(b)** Of the funds allocated to NCSEAA to be used for the award of scholarship grants to eligible students under subsection (a) of this section, for fiscal year 2013-2014, NCSEAA may retain up to two hundred thousand dollars ($200,000) for administrative costs associated with the scholarship grant program.

For fiscal year ~~2014-2015~~ 2015-2016 and subsequent years, NCSEAA may retain up to ~~two percent (2%)~~ four percent (4%) annually for administrative costs associated with the scholarship grant program."

EDUCATION OPPORTUNITIES FOR STUDENTS WITH DISABILITIES

SECTION 11.19.(a) The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, with the assistance of the Department of Health and Human Services, Division of Vocational Rehabilitation and Division of Social Services, the Department of Public Instruction, The University of North Carolina, and the North Carolina Community College System, and in consultation with the North Carolina Postsecondary Education Alliance, community stakeholders, and other interested parties, shall:

(1) Assess gaps and system needs to support transitions of people with disabilities to adulthood.

(2) Develop a program and fiscal policies to expand and sustain postsecondary education and employment opportunities for people with disabilities.

(3) Plan and implement approaches to public awareness about postsecondary education and employment for people with disabilities.

(4) Plan and implement joint policies and common data indicators for tracking the outcomes of people with disabilities after leaving high school.

(5) Consider options for technology to link agency databases.

The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall report to the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services by November 15, 2015, and annually thereafter through November 15, 2017, on the implementation of this section.

SECTION 11.19.(b) The State Education Assistance Authority shall study strategies for ensuring that the State system of financial assistance for postsecondary education is fully available to assist qualified students with disabilities who are enrolled in certificate-based, approved university programs developed for them. The Authority shall report to the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services by March 15, 2016, on the results of this study.

WESTERN GOVERNORS UNIVERSITY CHALLENGE GRANT

SECTION 11.20. Of the funds appropriated in this act to the Board of Governors of The University of North Carolina, the sum of two million dollars ($2,000,000) in nonrecurring funds for the 2016-2017 fiscal year shall be used as a challenge grant to Western Governors University to raise the sum of five million dollars ($5,000,000) in private funds for the 2016-2017 fiscal year to establish a North Carolina campus. The allocation of two million dollars ($2,000,000) under this section is contingent upon receipt by Western Governors University of five million dollars ($5,000,000) in private funds for the purpose of establishing a North Carolina campus.

The Board of Governors shall disburse the challenge grant funds of two million dollars ($2,000,000) to Western Governors University upon notification and appropriate documentation that the sum of five million dollars ($5,000,000) in private funds has been raised pursuant to this section.

HUNT INSTITUTE/NO GENERAL FUNDS

SECTION 11.21. Notwithstanding any other provision of law, no monies from the General Fund shall be used for the support of The Hunt Institute which is an affiliate of the University of North Carolina at Chapel Hill.

CENTRALIZED PROCESS TO DETERMINE RESIDENCY FOR TUITION PURPOSES

SECTION 11.23. It is the intent of the General Assembly to establish a coordinated and centralized process for residency determination that enables efficiencies within the public sectors of higher education and that simplifies the process while enhancing accuracy and consistency of outcomes. The State Education Assistance Authority (SEAA) is hereby authorized to perform all functions necessary to implement

the coordinated and centralized process to apply the criteria in G.S. 116-143.1 to determine residency for tuition purposes of students who apply for admission and are admitted to a constituent institution of The University of North Carolina or a community college under the jurisdiction of the State Board of Community Colleges and for students who apply for State-funded financial aid to attend eligible private postsecondary institutions so that the process will be fully functional for terms of enrollment commencing after December 31, 2016.

The University of North Carolina General Administration and the North Carolina Community College System shall take the necessary actions to facilitate an orderly transition from the campus-based residency determination system to the coordinated and centralized process authorized in this section. Each of the Division of Motor Vehicles of the Department of Transportation, the Department of Public Instruction, the Department of Commerce, the Department of Health and Human Services, the Department of Revenue, the State Board of Elections, and the State Chief Information Officer shall expeditiously cooperate with the SEAA in verifying electronically, or by other similarly effective and efficient means, evidence submitted to the SEAA for the purposes of classifying an individual as a resident for tuition purposes. The SEAA shall consult with representatives of The University of North Carolina General Administration, the North Carolina Community College System, and the North Carolina Independent Colleges and Universities in implementing the centralized process.

SUBPART XII-B. DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

NC PRE-K PROGRAM/STANDARDS FOR FOUR- AND FIVE-STAR RATED FACILITIES

SECTION 12B.1.(a) Eligibility. – The Department of Health and Human Services, Division of Child Development and Early Education, shall continue implementing the prekindergarten program (NC Pre-K). The NC Pre-K program shall serve children who are four years of age on or before August 31 of the program year. In determining eligibility, the Division shall establish income eligibility requirements for the program not to exceed seventy-five percent (75%) of the State median income. Up to twenty percent (20%) of children enrolled may have family incomes in excess of seventy-five percent (75%) of median income if those children have other designated risk factors. Furthermore, any age-eligible child who is a child of either of the following shall be eligible for the program: (i) an active duty member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was ordered to active duty by the proper authority within the last 18 months or is expected to be ordered within the next 18 months or (ii) a member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was injured or killed while serving on active duty. Eligibility determinations for prekindergarten participants may continue through local education agencies and local North Carolina Partnership for Children, Inc., partnerships.

Other than developmental disabilities or other chronic health issues, the Division shall not consider the health of a child as a factor in determining eligibility for participation in the NC Pre-K program.

SECTION 12B.1.(b) Multiyear Contracts. – The Division of Child Development and Early Education shall require the NC Pre-K contractor to issue multiyear contracts for licensed private child care centers providing NC Pre-K classrooms.

SECTION 12B.1.(c) Programmatic Standards. – All entities operating prekindergarten classrooms shall adhere to all of the policies prescribed by the Division of Child Development and Early Education regarding programmatic standards and classroom requirements.

SECTION 12B.1.(d) NC Pre-K Committees. – Local NC Pre-K committees shall use the standard decision-making process developed by the Division of Child Development and Early Education in awarding prekindergarten classroom slots and student selection.

SECTION 12B.1.(e) Reporting. – The Division of Child Development and Early Education shall submit an annual report no later than March 15 of each year to the Joint Legislative Oversight Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division. The report shall include the following:

(1) The number of children participating in the NC Pre-K program by county.

(2) The number of children participating in the NC Pre-K program who have never been served in other early education programs such as child care, public or private preschool, Head Start, Early Head Start, or early intervention programs.
(3) The expected NC Pre-K expenditures for the programs and the source of the local contributions.
(4) The results of an annual evaluation of the NC Pre-K program.

SECTION 12B.1.(f) Audits. – The administration of the NC Pre-K program by local partnerships shall be subject to the financial and compliance audits authorized under G.S. 143B-168.14(b).

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EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES ENHANCEMENTS

SECTION 12B.7.(a) Policies. – The North Carolina Partnership for Children, Inc., and its Board shall ensure policies focus on the North Carolina Partnership for Children, Inc.'s mission of improving child care quality in North Carolina for children from birth to five years of age. North Carolina Partnership for Children, Inc.-funded activities shall include assisting child care facilities with (i) improving quality, including helping one-, two-, and three-star-rated facilities increase their star ratings, and (ii) implementing prekindergarten programs. State funding for local partnerships shall also be used for evidence-based or evidence-informed programs for children from birth to five years of age that do the following:

(1) Increase children's literacy.
(2) Increase the parents' ability to raise healthy, successful children.
(3) Improve children's health.
(4) Assist four- and five-star-rated facilities in improving and maintaining quality.

SECTION 12B.7.(b) Administration. – Administrative costs shall be equivalent to, on an average statewide basis for all local partnerships, not more than eight percent (8%) of the total statewide allocation to all local partnerships. For purposes of this subsection, administrative costs shall include costs associated with partnership oversight, business and financial management, general accounting, human resources, budgeting, purchasing, contracting, and information systems management. The North Carolina Partnership for Children, Inc., shall continue using a single statewide contract management system that incorporates features of the required standard fiscal accountability plan described in G.S. 143B-168.12(a)(4). All local partnerships are required to participate in the contract management system and, directed by the North Carolina Partnership for Children, Inc., to collaborate, to the fullest extent possible, with other local partnerships to increase efficiency and effectiveness.

SECTION 12B.7.(c) Salaries. – The salary schedule developed and implemented by the North Carolina Partnership for Children, Inc., shall set the maximum amount of State funds that may be used for the salary of the Executive Director of the North Carolina Partnership for Children, Inc., and the directors of the local partnerships. The North Carolina Partnership for Children, Inc., shall base the schedule on the following criteria:

(1) The population of the area serviced by a local partnership.
(2) The amount of State funds administered.
(3) The amount of total funds administered.
(4) The professional experience of the individual to be compensated.
(5) Any other relevant factors pertaining to salary, as determined by the North Carolina Partnership for Children, Inc.

The salary schedule shall be used only to determine the maximum amount of State funds that may be used for compensation. Nothing in this subsection shall be construed to prohibit a local partnership from using non-State funds to supplement an individual's salary in excess of the amount set by the salary schedule established under this subsection.

SECTION 12B.7.(d) Match Requirements. – The North Carolina Partnership for Children, Inc., and all local partnerships shall, in the aggregate, be required to match one hundred percent (100%) of the total amount budgeted for the program in each fiscal year of the 2015-2017 biennium. Of the funds the North Carolina Partnership for Children, Inc., and the local partnerships are required to match, contributions of cash

shall be equal to at least twelve percent (12%) and in-kind donated resources shall be equal to no more than five percent (5%) for a total match requirement of seventeen percent (17%) for the 2015-2016 fiscal year; and contributions of cash shall be equal to at least thirteen percent (13%) and in-kind donated resources shall be equal to no more than six percent (6%) for a total match requirement of nineteen percent (19%) for the 2016-2017 fiscal year. The North Carolina Partnership for Children, Inc., may carry forward any amount in excess of the required match for a fiscal year in order to meet the match requirement of the succeeding fiscal year. Only in-kind contributions that are quantifiable shall be applied to the in-kind match requirement. Volunteer services may be treated as an in-kind contribution for the purpose of the match requirement of this subsection. Volunteer services that qualify as professional services shall be valued at the fair market value of those services. All other volunteer service hours shall be valued at the statewide average wage rate as calculated from data compiled by the Division of Employment Security of the Department of Commerce in the Employment and Wages in North Carolina Annual Report for the most recent period for which data are available. Expenses, including both those paid by cash and in-kind contributions, incurred by other participating non-State entities contracting with the North Carolina Partnership for Children, Inc., or the local partnerships, also may be considered resources available to meet the required private match. In order to qualify to meet the required private match, the expenses shall:

(1) Be verifiable from the contractor's records.
(2) If in-kind, other than volunteer services, be quantifiable in accordance with generally accepted accounting principles for nonprofit organizations.
(3) Not include expenses funded by State funds.
(4) Be supplemental to and not supplant preexisting resources for related program activities.
(5) Be incurred as a direct result of the Early Childhood Initiatives Program and be necessary and reasonable for the proper and efficient accomplishment of the Program's objectives.
(6) Be otherwise allowable under federal or State law.
(7) Be required and described in the contractual agreements approved by the North Carolina Partnership for Children, Inc., or the local partnership.
(8) Be reported to the North Carolina Partnership for Children, Inc., or the local partnership by the contractor in the same manner as reimbursable expenses.

Failure to obtain a seventeen-percent (17%) match by June 30 of the 2015-2016 fiscal year and a nineteen-percent (19%) match by June 30 of the 2016-2017 fiscal year shall result in a dollar-for-dollar reduction in the appropriation for the Program for a subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report that is submitted to the Joint Legislative Oversight Committee on Health and Human Services in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

SECTION 12B.7.(e) Bidding. – The North Carolina Partnership for Children, Inc., and all local partnerships shall use competitive bidding practices in contracting for goods and services on contract amounts as follows:

(1) For amounts of five thousand dollars ($5,000) or less, the procedures specified by a written policy as developed by the Board of Directors of the North Carolina Partnership for Children, Inc.
(2) For amounts greater than five thousand dollars ($5,000), but less than fifteen thousand dollars ($15,000), three written quotes.
(3) For amounts of fifteen thousand dollars ($15,000) or more, but less than forty thousand dollars ($40,000), a request for proposal process.
(4) For amounts of forty thousand dollars ($40,000) or more, a request for proposal process and advertising in a major newspaper.

SECTION 12B.7.(f) Allocations. – The North Carolina Partnership for Children, Inc., shall not reduce the allocation for counties with less than 35,000 in population below the 2012-2013 funding level.

SECTION 12B.7.(g) Performance-Based Evaluation. – The Department of Health and Human Services shall continue to implement the performance-based evaluation system.

SECTION 12B.7.(h) Expenditure Restrictions. – The Department of Health and Human Services and the North Carolina Partnership for Children, Inc., shall ensure that the allocation of funds for Early Childhood Education and Development Initiatives for the 2015-2017 fiscal biennium shall be administered and distributed in the following manner:

(1) Capital expenditures are prohibited for the 2015-2017 fiscal biennium. For the purposes of this section, "capital expenditures" means expenditures for capital improvements as defined in G.S. 143C-1-1(d)(5).

(2) Expenditures of State funds for advertising and promotional activities are prohibited for the 2015-2017 fiscal biennium.

For the 2015-2017 fiscal biennium, local partnerships shall not spend any State funds on marketing campaigns, advertising, or any associated materials. Local partnerships may spend any private funds the local partnerships receive on those activities.

STATEWIDE EARLY EDUCATION AND FAMILY SUPPORT PROGRAMS

SECTION 12B.8.(a) The Joint Legislative Oversight Committee on Health and Human Services shall appoint a subcommittee to study early childhood and family support programs, including the Child Care Subsidy program, NC Prekindergarten program (NC Pre-K), and the Smart Start program. In conducting the study, the subcommittee shall consider the following:

(1) The purpose, outcomes, and effectiveness of each program.

(2) The flexibility needed to ensure the needs of young children in counties across the State are met.

(3) The potential for streamlined administration across the programs.

(4) Any other relevant issues the subcommittee deems appropriate.

SECTION 12B.8.(b) The subcommittee may seek input from other states, stakeholders, and national experts on early child and family support programs as it deems necessary.

SECTION 12B.8.(c) The subcommittee shall develop a proposal for a statewide plan that addresses how to meet county or regional needs of children by county or region. The subcommittee shall submit a report on the proposed statewide plan to the Joint Legislative Oversight Committee on Health and Human Services on or before April 1, 2016, at which time the subcommittee shall terminate.

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SUBPART XII-C. DIVISION OF SOCIAL SERVICES

TANF BENEFIT IMPLEMENTATION

SECTION 12C.1.(a) The General Assembly approves the plan titled "North Carolina Temporary Assistance for Needy Families State Plan FY 2013-2016," prepared by the Department of Health and Human Services and presented to the General Assembly. The North Carolina Temporary Assistance for Needy Families State Plan covers the period October 1, 2013, through September 30, 2016. The Department shall submit the State Plan, as revised in accordance with subsection (b) of this section, to the United States Department of Health and Human Services.

SECTION 12C.1.(b) The counties approved as Electing Counties in the North Carolina Temporary Assistance for Needy Families State Plan FY 2013-2016, as approved by this section, are Beaufort, Caldwell, Catawba, Lenoir, Lincoln, Macon, and Wilson.

SECTION 12C.1.(c) Counties that submitted the letter of intent to remain as an Electing County or to be redesignated as an Electing County and the accompanying county plan for years 2013 through 2016, pursuant to G.S. 108A-27(e), shall operate under the Electing County budget requirements effective July 1, 2015. For programmatic purposes, all counties referred to in this subsection shall remain under their current county designation through September 30, 2016.

SECTION 12C.1.(d) For each year of the 2015-2017 fiscal biennium, Electing Counties shall be held harmless to their Work First Family Assistance allocations for the 2014-2015 fiscal year, provided that remaining funds allocated for Work First Family Assistance and Work First Diversion Assistance are

sufficient for payments made by the Department on behalf of Standard Counties pursuant to G.S. 108A-27.11(b).

SECTION 12C.1.(e) In the event that departmental projections of Work First Family Assistance and Work First Diversion Assistance for the 2015-2016 fiscal year or the 2016-2017 fiscal year indicate that remaining funds are insufficient for Work First Family Assistance and Work First Diversion Assistance payments to be made on behalf of Standard Counties, the Department is authorized to deallocate funds, of those allocated to Electing Counties for Work First Family Assistance in excess of the sums set forth in G.S. 108A-27.11, up to the requisite amount for payments in Standard Counties. Prior to deallocation, the Department shall obtain approval by the Office of State Budget and Management. If the Department adjusts the allocation set forth in subsection (d) of this section, then a report shall be made to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

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CHILD PROTECTIVE SERVICES PILOT PROJECT

SECTION 12C.11.(a) The Department of Health and Human Services, Division of Social Services, shall continue implementing the Child Protective Services Pilot Project established by Section 12C.1(e) of S.L. 2014-100. The Division shall continue to collaborate with the Government Data Analytics Center (GDAC) to enhance the Pilot Project by doing the following:

(1) Developing a dashboard linking the family to the child.

(2) Integrating additional Department of Health and Human Services and other State department data sources to build a more comprehensive view of the child and family, including (i) matching the child to the caretaker; (ii) linking child, family, and address information; and (iii) integrating Criminal Justice Law Enforcement Automated Data Services (CJLEADS) data to determine if the caretaker or someone living in the house is a sex offender or has a criminal history.

(3) Developing a comprehensive profile of a child that includes demographic and caretaker information and indicators or flags of other services, including, but not limited to, prior assessments of the child, eligibility for food and nutrition programs, Medicaid, and subsidized child care.

SECTION 12C.11.(b) The Division of Social Services shall interface the work product from the Child Protective Services Pilot Project with the statewide child welfare case management system operated by the Department of Health and Human Services by utilizing resources and subject matter expertise available through existing public-private partnerships within the GDAC for the purposes of analyzing risk and improving outcomes for children. The Division of Social Services shall submit its findings and recommendations in a final report on the Child Protective Services Pilot Project to the Joint Legislative Oversight Committee on Health and Human Services no later than March 1, 2016.

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SUBPART XII-E. DIVISION OF PUBLIC HEALTH

FUNDS FOR SCHOOL NURSES

SECTION 12E.1.(a) Funds appropriated in this act for the School Nurse Funding Initiative shall be used to supplement and not supplant other State, local, or federal funds appropriated or allocated for this purpose. Communities shall maintain their current level of effort and funding for school nurses. These funds shall not be used to fund nurses for State agencies. These funds shall be distributed to local health departments according to a formula that includes all of the following:

(1) School nurse-to-student ratio.

(2) Percentage of students eligible for free or reduced-price meals.

(3) Percentage of children in poverty.

(4) Per capita income.

(5) Eligibility as a low-wealth county.
(6) Mortality rates for children between one and 19 years of age.
(7) Percentage of students with chronic illnesses.
(8) Percentage of county population consisting of minority persons.

SECTION 12E.1.(b) The Division of Public Health shall ensure that school nurses funded with State funds (i) do not assist in any instructional or administrative duties associated with a school's curriculum and (ii) perform all of the following with respect to school health programs:

(1) Serve as the coordinator of the health services program and provide nursing care.
(2) Provide health education to students, staff, and parents.
(3) Identify health and safety concerns in the school environment and promote a nurturing school environment.
(4) Support healthy food services programs.
(5) Promote healthy physical education, sports policies, and practices.
(6) Provide health counseling, assess mental health needs, provide interventions, and refer students to appropriate school staff or community agencies.
(7) Promote community involvement in assuring a healthy school and serve as school liaison to a health advisory committee.
(8) Provide health education and counseling and promote healthy activities and a healthy environment for school staff.
(9) Be available to assist the county health department during a public health emergency.

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SUBPART XII-I. DHHS BLOCK GRANTS

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MATERNAL AND CHILD HEALTH BLOCK GRANT

SECTION 12I.1.(x) 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 2015-2016 fiscal year or the 2016-2017 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 12I.1.(y) The Department of Health and Human Services shall ensure that there will be follow-up testing in the Newborn Screening Program.

SECTION 12I.1.(z) The sum of one million five hundred seventy-five thousand dollars ($1,575,000) appropriated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, for each year of the 2015-2017 fiscal biennium shall be used for evidence-based programs in counties with the highest infant mortality rates. The Division shall report on (i) the counties selected to receive the allocation, (ii) the specific evidenced-based services provided, (iii) the number of women served, and (iv) any impact on the counties' infant mortality rate. The Division shall report its findings to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than December 31, 2016.

SECTION 12I.1.(aa) The sum of one hundred thousand dollars ($100,000) allocated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, for each year of the 2015-2017 fiscal biennium for community-based sickle cell centers shall not be used to supplant existing State or federal funds.

SECTION 12I.1.(bb) No more than fifteen percent (15%) of the funds provided in this section in the Maternal and Child Health Block Grant to Carolina Pregnancy Care Fellowship shall be used for administrative purposes. The balance of those funds shall be used for direct services.

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PART XIV. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

PROSPERITY ZONE DENR LIASONS

SECTION 14.1. Section 4.1 of S.L. 2014-18 reads as rewritten:

"**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.~~Zones, and the Department of Environment and Natural Resources shall fulfill the departmental liaison requirements from existing and funded positions.

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."

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PART XV. DEPARTMENT OF COMMERCE

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WORKFORCE DEVELOPMENT BOARDS/CHANGES TO CONFORM WITH FEDERAL LAW

SECTION 15.11.(a) G.S. 143B-438.10 reads as rewritten:

"**§ 143B-438.10. ~~Commission on Workforce Development.~~NCWorks Commission.**

(a) Creation and Duties. – There is created within the Department of Commerce the ~~North Carolina Commission on Workforce Development.~~ NCWorks Commission (hereinafter "Commission"). The Commission shall have the following powers and duties:

...

(9) To serve as the State's Workforce Investment Board for purposes of the federal ~~Workforce Investment Act of 1998.~~Workforce Innovation and Opportunity Act.

...

(13) To develop performance accountability measures for local workforce development boards consistent with the requirements of section 116 of the Workforce Innovation and

Opportunity Act and to recommend to the Governor sanctions against local workforce development boards that fail to meet the performance accountability measures.

(14) To develop fiscal control and fund accounting procedures for local workforce development boards consistent with the requirements of section 184 of the Workforce Innovation and Opportunity Act and to recommend to the Governor sanctions against local workforce development boards that fail to meet the fiscal control and fund accounting procedures.

(b) ~~Membership; Terms. Effective January 1, 2013, the~~ Membership. – The Commission ~~on Workforce Development~~ shall consist of ~~25~~ 33 members appointed as follows:

(1) By virtue of their offices, the following ~~department and agency heads or their respective designees~~ persons, or their designees, shall serve on the Commission: ~~the~~

a. The Governor.

b. The Secretary of the Department of ~~Administration, the~~ Administration.

c. The Secretary of the Department of Commerce.

d. The Secretary of the Department of Health and Human ~~Services, the~~ Services.

e. The Superintendent of Public ~~Instruction, the~~ Instruction.

f. The President of the Community Colleges System ~~Office, the Commissioner of the Department of Labor, and the Secretary of the Department of Commerce.~~Office.

g. The President of The University of North Carolina system.

(2) ~~The~~ Pursuant to the provisions of section 101 of the Workforce Innovation and Opportunity Act, the Governor shall appoint ~~19~~ 26 members as follows:

a. ~~Two~~ Seventeen members representing ~~public, postsecondary, and vocational education.~~business and industry in the State.

b. ~~One member~~ Seven members representing ~~community-based organizations.~~the workforce in the State.

c. ~~Three members representing labor.~~One member representing local elected city officials in the State.

d. ~~Thirteen members representing business and industry.~~One member representing local elected county officials in the State.

~~(3) The terms of the members appointed by the Governor shall be for four years.~~

(b1) Terms. – The persons listed in subdivision (1) of subsection (b) of this section shall serve on the Commission while they hold their respective offices. The terms of the members appointed by the Governor pursuant to subdivision (2) of subsection (b) of this section shall be for four years, except as provided in this subsection. The terms shall be staggered and shall begin on November 1 and expire on October 31. Upon the expiration of the term of each member in subdivision (2) of subsection (b) of this section, the Governor shall fill the vacancy by reappointing the member or appointing another person of like qualification to serve a four-year term. If a vacancy occurs for any reason other than the expiration of the member's term, the Governor shall appoint a person of like qualification to serve for the remainder of the unexpired term.

In order to provide for staggered terms, six persons appointed to the positions designated in sub-subdivision a. of subdivision (2) of subsection (b) of this section and three persons appointed to the positions designated in sub-subdivision b. of subdivision (2) of subsection (b) of this section shall be appointed for initial terms ending on October 31, 2019. Five persons appointed to the positions designated in sub-subdivision a. of subdivision (2) of subsection (b) of this section, two persons appointed to the positions designated in sub-subdivision b. of subdivision (2) of subsection (b) of this section, and one person appointed to the position designated in sub-subdivision c. of subdivision (2) of subsection (b) of this section shall be appointed for initial terms ending on October 31, 2017. Six persons appointed to the positions designated in sub-subdivision a. of subdivision (2) of subsection (b) of this section, two persons appointed to the positions designated in sub-subdivision b. of subdivision (2) of subsection (b) of this section, and one person appointed to the position designated in sub-subdivision d. of subdivision (2) of subsection (b) of this section shall be appointed for initial terms ending on October 31, 2016.

...."

SECTION 15.11.(b) The terms of office of the Commissioner of the Department of Labor and the 19 public members appointed by the Governor and currently serving on the North Carolina Commission on Workforce Development shall expire on October 31, 2015.

SECTION 15.11.(c) G.S. 143B-438.11 reads as rewritten:

"**§ 143B-438.11. Local Workforce Development Boards.**

(a) Duties. – Local Workforce Development Boards shall have the following powers and duties:

...

(7) To serve as the Workforce Investment Board for the designated substate area for the purpose of the federal Workforce ~~Investment Act of 1998.~~Innovation and Opportunity Act.

(7a) To designate through a competitive selection process, by no later than July 1, 2014, the providers of adult and dislocated worker services authorized in the Workforce ~~Investment Act of 1998.~~Innovation and Opportunity Act.

(8) To provide the appropriate guidance and information to Workforce ~~Investment~~ Innovation and Opportunity Act consumers to ensure that they are prepared and positioned to make informed choices in selecting a training provider. Each local Workforce Development Board shall ensure that consumer choice is properly maintained in the one-stop centers and that consumers are provided the full array of public and private training provider information.

...

(10) To comply with the performance accountability measures established by the NCWorks Commission pursuant to section 116 of the Workforce Innovation and Opportunity Act.

(11) To comply with the fiscal control and fund accounting procedures established by the NCWorks Commission pursuant to section 184 of the Workforce Innovation and Opportunity Act.

(b) Members. – Members of local Workforce Development Boards shall be appointed by local elected officials in accordance with criteria established by the Governor and with provisions of the federal Workforce ~~Investment~~ Innovation and Opportunity Act. The local Workforce Development Boards shall have a majority of business members and shall also include representation of workforce and education providers, labor organizations, community-based organizations, and economic development boards as determined by local elected officials. The Chairs of the local Workforce Development Boards shall be selected from among the business members.

(c) Assistance. – The ~~North Carolina Commission on Workforce Development~~ NCWorks Commission and the Department of Commerce shall provide programmatic, technical, and other assistance to any local Workforce Development Board that realigns its service area with the boundaries of a local regional council of governments established pursuant to G.S. 160A-470."

SECTION 15.11.(d) G.S. 96-32 reads as rewritten:

"**§ 96-32. Common follow-up information management system created.**

...

(d) The LEAD shall do the following:

(1) Collaborate with the ~~Commission on Workforce Development~~ NCWorks Commission to develop common performance measures across workforce programs in the Department of Commerce, the Department of Health and Human Services, the Community Colleges System Office, the Department of Administration, and the Department of Public Instruction that can be tracked through the CFS in order to assess and report on workforce development program performance.

...."

****

LOTTERY PROCEEDS DISCLOSURE

SECTION 15.23. G.S. 18C-115 reads as rewritten:

"**§ 18C-115. Reports.**

(a) Reports on Operation of the Commission. – The Commission shall send quarterly and annual reports on the operations of the Commission to the Governor, State Treasurer, 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.

(b) Disclosure of Proceeds From Lottery Funding. – Each State department or agency receiving lottery funds shall use its established communications channels to inform the public about amounts received and activities supported by lottery proceeds."

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SUBPART XVI-A. GENERAL PROVISIONS

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SENSITIVE PUBLIC SECURITY INFORMATION IS NOT A PUBLIC RECORD

SECTION 16A.5. G.S. 132-1.7 reads as rewritten:

"**§ 132-1.7. Sensitive public security information.**

(a) Public records, as defined in G.S. 132-1, shall not include information containing specific details of public security plans and arrangements or the detailed plans and drawings of public buildings and infrastructure ~~facilities.~~facilities or plans, schedules, or other documents that include information regarding patterns or practices associated with executive protection and security.

(a1) Public records, as defined in G.S. 132-1, shall not include specific security information or detailed plans, patterns, or practices associated with prison operations.

(a2) Public records, as defined in G.S. 132-1, shall not include specific security information or detailed plans, patterns, or practices to prevent or respond to criminal, gang, or organized illegal activity.

(b) Public records as defined in G.S. 132-1 do not include plans to prevent or respond to terrorist activity, to the extent such records set forth vulnerability and risk assessments, potential targets, specific tactics, or specific security or emergency procedures, the disclosure of which would jeopardize the safety of governmental personnel or the general public or the security of any governmental facility, building, structure, or information storage system.

(c) Information relating to the general adoption of public security plans and arrangements, and budgetary information concerning the authorization or expenditure of public funds to implement public security plans and arrangements, or for the construction, renovation, or repair of public buildings and infrastructure facilities shall be public records."

****

PART XXIII. OFFICE OF STATE BUDGET AND MANAGEMENT

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OSBM/PUBLIC SCHOOL CONSTRUCTION NEEDS STUDY

SECTION 23.4. Of the funds appropriated in this act to the Office of State Budget and Management, the sum of one hundred thousand dollars ($100,000) for the 2015-2016 fiscal year shall be used to contract with an outside entity (i) to perform an independent assessment of school construction needs in local school administrative units in the 50 counties determined under the low-wealth school funding formula to have the lowest ability to pay for school facilities and (ii) to determine which of those units have the highest facility needs in relation to their capacity to raise revenue to meet those needs.

The Office of State Budget and Management shall report the results of this study to the Joint Legislative Commission on Governmental Operations prior to May 1, 2016.

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PART XXVII. DEPARTMENT OF ADMINISTRATION

****

STREAMLINE SEIZED VEHICLE DISPOSAL

SECTION 27.3.(a) G.S. 20-28.2(a1) is amended by adding a new subdivision to read:

"(a1) Definitions. – As used in this section and in G.S. 20-28.3, 20-28.4, 20-28.5, 20-28.7, 20-28.8, 20-28.9, 20-54.1, and 20-141.5, the following terms mean:

...

(9) State Surplus Property Agency. – The Department of Administration."

SECTION 27.3.(b) G.S. 20-28.3 reads as rewritten:

"§ 20-28.3. Seizure, impoundment, forfeiture of motor vehicles for offenses involving impaired driving while license revoked or without license and insurance, and for felony speeding to elude arrest.

...

(d) Custody of Motor Vehicle. – Unless the motor vehicle is towed pursuant to a statewide or regional contract, or a contract with the county board of education, the seized motor vehicle shall be towed by a commercial towing company designated by the law enforcement agency that seized the motor vehicle. Seized motor vehicles not towed pursuant to a statewide or regional contract or a contract with a county board of education shall be retrieved from the commercial towing company within a reasonable time, not to exceed 10 business days, by the county board of education or their agent who must pay towing and storage fees to the commercial towing company when the motor vehicle is retrieved. If either a statewide or regional contractor, or the county board of education, chooses to contract for local towing services, all towing companies on the towing list for each law enforcement agency with jurisdiction within the county shall be given written notice and an opportunity to submit proposals prior to a contract for local towing services being awarded. The seized motor vehicle is under the constructive possession of the county board of education for the county in which the operator of the vehicle is charged at the time the vehicle is delivered to a location designated by the county board of education or delivered to its agent pending release or sale, or in the event a statewide or regional contract is in place, under the constructive possession of the ~~Department of Public Instruction,~~ State Surplus Property Agency on behalf of the State at the time the vehicle is delivered to a location designated by the ~~Department of Public Instruction~~ State Surplus Property Agency or delivered to its agent pending release or sale. Absent a statewide or regional contract that provides otherwise, each county board of education may elect to have seized motor vehicles stored on property owned or leased by the county board of education and charge a reasonable fee for storage, not to exceed ten dollars ($10.00) per calendar day. In the alternative, the county board of education may contract with a commercial towing and storage facility or other private entity for the towing, storage, and disposal of seized motor vehicles, and a storage fee of not more than ten dollars ($10.00) per calendar day may be charged. Except for gross negligence or intentional misconduct, neither the State Surplus Property Agency, the county board of education, ~~or~~ nor any of ~~its~~ their employees, shall ~~not~~ be liable to the owner or lienholder for damage to or loss of the motor vehicle or its contents, or to the owner of personal property in a seized vehicle, during the time the motor vehicle is being towed or stored pursuant to this subsection.

...

(i) Expedited Sale of Seized Motor Vehicles in Certain Cases. – In order to avoid additional liability for towing and storage costs pending resolution of the criminal proceedings of the defendant, the State Surplus Property Agency or county board of education may, after expiration of 90 days from the date of seizure, sell any motor vehicle having a fair market value of one thousand five hundred dollars ($1,500) or less. The county board of education may also sell a motor vehicle, regardless of the fair market value, any time the outstanding towing and storage costs exceed eighty-five percent (85%) of the fair market value of the vehicle, or with the consent of all the motor vehicle owners. Any sale conducted pursuant to this subsection shall be conducted in accordance with the provisions of ~~G.S. 20-28.5(a),~~ G.S. 20-28.5(a) or G.S. 20-28.5(a1), as applicable, and the proceeds of the sale, after the payment of outstanding towing and storage costs or reimbursement of towing and storage costs paid by a person other than the defendant, shall be deposited with the clerk of superior court.

If an order of forfeiture is entered by the court, the court shall order the proceeds held by the clerk to be disbursed as provided in G.S. 20-28.5(b). If the court determines that the motor vehicle is not subject to forfeiture, the court shall order the proceeds held by the clerk to be disbursed first to pay the sale, towing, and storage costs, second to pay outstanding liens on the motor vehicle, and the balance to be paid to the motor vehicle owners.

...."

SECTION 27.3.(c) G.S. 20-28.5 reads as rewritten:

"§ 20-28.5. Forfeiture of impounded motor vehicle or funds.

(a) ~~Sale.~~Sale of Vehicle in Possession of County Board of Education. – A motor vehicle in the possession or constructive possession of a county board of education ordered forfeited and sold or a seized motor vehicle authorized to be sold pursuant to G.S. 20-28.3(i), shall be sold at a public sale conducted in accordance with the provisions of Article 12 of Chapter 160A of the General Statutes, applicable to sales authorized pursuant to G.S. 160A-266(a)(2), (3), or (4), subject to the notice requirements of this subsection, and shall be conducted by the county board of education or a person acting on its behalf. Notice of sale, including the date, time, location, and manner of sale, shall be given by first-class mail to all motor vehicle owners of the vehicle to be sold at the address shown by the records of the Division. Written notice of sale shall also be given to all lienholders on file with the Division. Notice of sale shall be given to the Division in accordance with the procedures established by the Division. Notices required to be given under this subsection shall be mailed at least 10 days prior to the date of sale. A lienholder shall be permitted to purchase the motor vehicle at any such sale by bidding in the amount of its lien, if that should be the highest bid, without being required to tender any additional funds, other than the towing and storage fees. The county board of education, or its agent, shall not sell, give, or otherwise transfer possession of the forfeited motor vehicle to the defendant, the motor vehicle owner who owned the motor vehicle immediately prior to forfeiture, or any person acting on the defendant's or motor vehicle owner's behalf.

(a1) Sale of Vehicle in Possession of the State Surplus Property Agency. – A motor vehicle in the possession or constructive possession of the State Surplus Property Agency ordered forfeited and sold or a seized motor vehicle authorized to be sold pursuant to G.S. 20-28.3(i) shall be sold at a public sale conducted in accordance with the provisions of Article 3A of Chapter 143 of the General Statutes, subject to the notice requirements of this subsection, and shall be conducted by the State Surplus Property Agency or a person acting on its behalf. Notice of sale, including the date, time, location, and manner of sale, shall be given by first-class mail to all motor vehicle owners of the vehicle to be sold at the address shown by the records of the Division. Written notice of sale shall also be given to all lienholders on file with the Division. Notice of sale shall be given to the Division in accordance with the procedures established by the State Surplus Property Agency. Notices required to be given under this subsection shall be mailed at least 10 days prior to the date of sale. A lienholder shall be permitted to purchase the motor vehicle at any such sale by bidding in the amount of its lien, if that should be the highest bid, without being required to tender any additional funds, other than the towing and storage fees. The State Surplus Property Agency, or its agent, shall not sell, give, or otherwise transfer possession of the forfeited motor vehicle to the defendant, the motor vehicle owner who owned the motor vehicle immediately prior to forfeiture, or any person acting on the defendant's or motor vehicle owner's behalf.

(b) Proceeds of Sale. – Proceeds of any sale conducted under this section, G.S. 20-28.2(f)(5), or G.S. 20-28.3(e3)(3), shall first be applied to ~~the cost of sale~~ all costs incurred by the State Surplus Property Agency or county board of education and then to satisfy towing and storage costs. The balance of the proceeds of sale, if any, shall be used to satisfy any other existing liens of record that were properly recorded prior to the date of initial seizure of the vehicle. Any remaining balance shall be paid to the county school fund in the county in which the motor vehicle was ordered forfeited. If there is more than one school board in the county, then the net proceeds of sale, after reimbursement to the county board of education of reasonable administrative costs incurred in connection with the forfeiture and sale of the motor vehicle, shall be distributed in the same manner as fines and other forfeitures. The sale of a motor vehicle pursuant to this section shall be deemed to extinguish all existing liens on the motor vehicle and the motor vehicle shall be transferred free and clear of any liens.

...."

SECTION 27.3.(d) G.S. 20-28.9 reads as rewritten:

"§ 20-28.9. Authority for the ~~Department of Public Instruction~~ State Surplus Property Agency to administer a statewide or regional towing, storage, and sales program for vehicles forfeited.

(a) The ~~Department of Public Instruction~~ State Surplus Property Agency is authorized to enter into a contract for a statewide service or contracts for regional services to tow, store, process, maintain, and sell motor vehicles seized pursuant to G.S. 20-28.3. All motor vehicles seized under G.S. 20-28.3 shall be subject to contracts entered into pursuant to this section. Contracts shall be let by the ~~Department of Public Instruction~~ State Surplus Property Agency in accordance with the provisions of Article 3 of Chapter 143 of the General Statutes. Nothing in this section shall be construed to prohibit the State Surplus Property Agency from entering into contracts pursuant to this section for some regions of the State while performing the work of towing, storing, processing, maintaining, and selling motor vehicles seized pursuant to G.S. 20-28.3 itself in other regions of the State. All contracts shall ensure the safety of the motor vehicles while held and any funds arising from the sale of any seized motor vehicle. The contract shall require the contractor to maintain and make available to the agency a computerized up-to-date inventory of all motor vehicles held under the contract, together with an accounting of all accrued charges, the status of the vehicle, and the county school fund to which the proceeds of sale are to be paid. The contract shall provide that the contractor shall pay the towing and storage charges owed on a seized vehicle to a commercial towing company at the time the seized vehicle is obtained from the commercial towing company, with the contractor being reimbursed this expense when the vehicle is released or sold. The ~~Department~~ State Surplus Property Agency shall not enter into any contract under this section under which the State will be obligated to pay a deficiency arising from the sale of any forfeited motor vehicle.

(b) The ~~Department,~~ State Surplus Property Agency, through its contractor or contractors designated in accordance with subsection (a) of this section, may charge a reasonable fee for storage not to exceed ten dollars ($10.00) per calendar day for the storage of seized vehicles pursuant to G.S. 20-28.3.

~~(c) In order to help defray the administrative costs associated with the administration of this section, the Department shall collect a ten dollar ($10.00) administrative fee from a person to whom a seized vehicle is released at the time the motor vehicle is released and shall collect a ten dollar ($10.00) administrative fee out of the proceeds of the sale of any forfeited motor vehicle. The funds collected under this subsection shall be paid to the General Fund.~~"

SECTION 27.3.(e) G.S. 143-64.02 is amended by adding two new subdivisions to read:

"§ 143-64.02. Definitions.

As used in Part 1 of this Article, except where the context clearly requires otherwise:

(1) "Agency" means an existing department, institution, commission, committee, board, division, or bureau of the State.

(2) "Nonprofit tax exempt organizations" means those nonprofit tax exempt medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, universities, schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, public libraries, and civil defense organizations, that have been certified by the Internal Revenue Service as tax-exempt nonprofit organizations under section 501(c)(3) of the United States Internal Revenue Code of 1954.

(3) "Recyclable material" means a recyclable material, as defined in G.S. 130A-290, that the Secretary of Administration determines, consistent with G.S. 130A-309.14, to be a recyclable material.

(4) "State owned" means supplies, materials, and equipment in the possession of the State of North Carolina and purchased with State funds, personal property donated to the State, or personal property purchased with other funds that give ownership to the State.

(5) "Surplus property" means personal property that is no longer needed by a State agency."

SECTION 27.3.(f) G.S. 143-64.03 reads as rewritten:

"§ 143-64.03. Powers and duties of the State agency for surplus property.

(a) The State Surplus Property Agency is authorized and directed to:

(1) Sell all State owned supplies, materials, and equipment that are surplus, obsolete, or ~~unused;~~unused and sell all seized vehicles and other conveyances that the State Surplus Property Agency is authorized to sell;

(2) Warehouse such property; and

(3) Distribute such property to tax-supported or nonprofit tax-exempt organizations.

(b) The State Surplus Property Agency is authorized and empowered to act as a clearinghouse of information for agencies and private nonprofit tax-exempt organizations, to locate property available for acquisition from State agencies, to ascertain the terms and conditions under which the property may be obtained, to receive requests from agencies and private nonprofit tax-exempt organizations, and transmit all available information about the property, and to aid and assist the agencies and private nonprofit tax-exempt organizations in transactions for the acquisition of State surplus property.

(c) The State agency for surplus property, in the administration of Part 1 of this Article, shall cooperate to the fullest extent consistent with the provisions of Part 1 of this Article, with the departments or agencies of the State.

(d) The State agency for surplus property may sell or otherwise dispose of surplus property, including motor vehicles, through an electronic auction service."

SECTION 27.3.(g) G.S. 143-64.05(a) reads as rewritten:

"**§ 143-64.05. Service charge; receipts.**

(a) The State agency for surplus property may assess and collect a service charge (i) for the acquisition, receipt, warehousing, distribution, or transfer of any State surplus ~~property and~~ property; (ii) for the transfer or sale of recyclable ~~material.~~ material; and (iii) for the towing, storing, processing, maintaining, and selling of motor vehicles seized pursuant to G.S. 20-28.3. The service charge authorized by this subsection does not apply to the transfer or sale of timber on land owned by the Wildlife Resources Commission or the Department of Agriculture and Consumer Services."

****

PART XXIX. DEPARTMENT OF TRANSPORTATION

****

INCREASE AND ADJUST DMV FEES

SECTION 29.30.(a) G.S. 20-7(i) reads as rewritten:

"(i) Fees. – The fee for a regular drivers license is the amount set in the following table multiplied by the number of years in the period for which the license is issued:

Class of Regular License	Fee for Each Year
Class A	$4.00
Class B	$4.00
Class C	$4.00

The fee for a motorcycle endorsement is one dollar and seventy-five cents ($1.75) for each year of the period for which the endorsement is issued. The appropriate fee shall be paid before a person receives a regular drivers license or an endorsement.

(i1) Restoration Fee. – Any person whose drivers license has been revoked pursuant to the provisions of this Chapter, other than G.S. 20-17(a)(2) shall pay a restoration fee of fifty dollars ($50.00). A person whose drivers license has been revoked under G.S. 20-17(a)(2) shall pay a restoration fee of one hundred dollars ($100.00). The fee shall be paid to the Division prior to the issuance to such person of a new drivers license or the restoration of the drivers license. The restoration fee shall be paid to the Division in addition to any and all fees which may be provided by law. This restoration fee shall not be required from any licensee whose license was revoked or voluntarily surrendered for medical or health reasons whether or not a medical evaluation was conducted pursuant to this Chapter. The fifty-dollar ($50.00) fee, and the first ~~fifty dollars ($50.00)~~seventy-five dollars ($75.00) of the one-hundred-dollar ($100.00) fee, shall be deposited in the Highway Fund. Twenty-five dollars ($25.00) of the one-hundred-dollar ($100.00) fee shall be used to fund a

statewide chemical alcohol testing program administered by the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services. ~~The remainder of the one-hundred-dollar ($100.00) fee shall be deposited in the General Fund.~~ The Office of State Budget and Management shall annually report to the General Assembly the amount of fees deposited in the General Fund and transferred to the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services under this subsection.

~~Effective with the 2011-2012 fiscal year, from the funds deposited in the General Fund under this subsection the sum of five hundred thirty-seven thousand four hundred fifty-five dollars ($537,455) shall be transferred annually to the Board of Governors of The University of North Carolina to be used for the operating expenses of the Bowles Center for Alcohol Studies at The University of North Carolina at Chapel Hill.~~"

SECTION 29.30.(a1) G.S. 20-7, as amended by subsection (a) of this section, reads as rewritten:

"**§ 20-7. Issuance and renewal of drivers licenses.**

...

(i) Fees. – The fee for a regular drivers license is the amount set in the following table multiplied by the number of years in the period for which the license is issued:

Class of Regular License	Fee for Each Year
Class A	~~$4.00~~$5.00
Class B	~~$4.00~~$5.00
Class C	~~$4.00~~$5.00

The fee for a motorcycle endorsement is ~~one dollar and seventy-five cents ($1.75)~~two dollars and thirty cents ($2.30) for each year of the period for which the endorsement is issued. The appropriate fee shall be paid before a person receives a regular drivers license or an endorsement.

(i1) Restoration Fee. – Any person whose drivers license has been revoked pursuant to the provisions of this Chapter, other than G.S. 20-17(a)(2) shall pay a restoration fee of ~~fifty dollars ($50.00).~~sixty-five dollars ($65.00). A person whose drivers license has been revoked under G.S. 20-17(a)(2) shall pay a restoration fee of ~~one hundred dollars ($100.00).~~one hundred thirty dollars ($130.00). The fee shall be paid to the Division prior to the issuance to such person of a new drivers license or the restoration of the drivers license. The restoration fee shall be paid to the Division in addition to any and all fees which may be provided by law. This restoration fee shall not be required from any licensee whose license was revoked or voluntarily surrendered for medical or health reasons whether or not a medical evaluation was conducted pursuant to this Chapter. The ~~fifty-dollar ($50.00) fee,~~sixty-five-dollar ($65.00) fee, and the first ~~seventy-five dollars ($75.00)~~one hundred five dollars ($105.00) of the ~~one-hundred-dollar ($100.00)~~one-hundred-thirty-dollar ($130.00) fee, shall be deposited in the Highway Fund. Twenty-five dollars ($25.00) of the ~~one-hundred-dollar ($100.00)~~one-hundred-thirty-dollar ($130.00) fee shall be used to fund a statewide chemical alcohol testing program administered by the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services. The Office of State Budget and Management shall annually report to the General Assembly the amount of fees deposited in the General Fund and transferred to the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services under this subsection.

...

(l) Learner's Permit. – A person who is at least 18 years old may obtain a learner's permit. A learner's permit authorizes the permit holder to drive a specified type or class of motor vehicle while in possession of the permit. A learner's permit is valid for a period of 18 months after it is issued. The fee for a learner's permit is ~~fifteen dollars ($15.00).~~twenty dollars ($20.00). A learner's permit may be renewed, or a second learner's permit may be issued, for an additional period of 18 months. The permit holder must, while operating a motor vehicle over the highways, be accompanied by a person who is licensed to operate the motor vehicle being driven and is seated beside the permit holder.

...."

SECTION 29.30.(b) G.S. 20-11(j) reads as rewritten:

"(j) Duration and Fee. — A limited learner's permit expires on the eighteenth birthday of the permit holder. A limited provisional license expires on the eighteenth birthday of the license holder. A limited

learner's permit or limited provisional license issued under this section that expires on a weekend or State holiday shall remain valid through the fifth regular State business day following the date of expiration. A full provisional license expires on the date set under G.S. 20-7(f). The fee for a limited learner's permit or a limited provisional license is ~~fifteen dollars ($15.00).~~twenty dollars ($20.00). The fee for a full provisional license is the amount set under G.S. 20-7(i)."

SECTION 29.30.(c) G.S. 20-14 reads as rewritten:

"**§ 20-14. Duplicate licenses.**

A person may obtain a duplicate of a license issued by the Division by paying a fee of ~~ten dollars ($10.00)~~thirteen dollars ($13.00) and giving the Division satisfactory proof that any of the following has occurred:

(1) The person's license has been lost or destroyed.

(2) It is necessary to change the name or address on the license.

(3) Because of age, the person is entitled to a license with a different color photographic background or a different color border.

(4) The Division revoked the person's license, the revocation period has expired, and the period for which the license was issued has not expired."

SECTION 29.30.(d) G.S. 20-16(e) reads as rewritten:

"(e) The Division may conduct driver improvement clinics for the benefit of those who have been convicted of one or more violations of this Chapter. Each driver attending a driver improvement clinic shall pay a fee of ~~fifty dollars ($50.00).~~sixty-five dollars ($65.00)."

SECTION 29.30.(e) G.S. 20-26(c) reads as rewritten:

"(c) The Division shall furnish copies of license records required to be kept by subsection (a) of this section in accordance with G.S. 20-43.1 to other persons for uses other than official upon prepayment of the following fees:

(1) Limited extract copy of license record,
for period up to three years..... ~~$8.00~~$10.00

(2) Complete extract copy of license record..... ~~8.00~~10.00

(3) Certified true copy of complete license record..... ~~11.00.~~14.00.

All fees received by the Division under this subsection shall be credited to the Highway Fund."

SECTION 29.30.(f) G.S. 20-37.15(a1) reads as rewritten:

"(a1) The application must be accompanied by a nonrefundable application fee of ~~thirty dollars ($30.00).~~forty dollars ($40.00). This fee does not apply in any of the following circumstances:

(1) When an individual surrenders a commercial driver learner's permit issued by the Division when submitting the application.

(2) When the application is to renew a commercial drivers license issued by the Division.

This fee shall entitle the applicant to three attempts to pass the written knowledge test without payment of a new fee. No application fee shall be charged to an applicant eligible for a waiver under G.S. 20-37.13(c)."

SECTION 29.30.(g) G.S. 20-37.16(d) reads as rewritten:

"(d) The fee for a Class A, B, or C commercial drivers license is ~~fifteen dollars ($15.00)~~twenty dollars ($20.00) for each year of the period for which the license is issued. The fee for each endorsement is ~~three dollars ($3.00)~~four dollars ($4.00) for each year of the period for which the endorsement is issued. The fees required under this section do not apply to employees of the Driver License Section of the Division who are designated by the Commissioner."

SECTION 29.30.(h) G.S. 20-42(b) reads as rewritten:

"(b) The Commissioner and officers of the Division designated by the Commissioner may prepare under the seal of the Division and deliver upon request a certified copy of any document of the Division for a fee. The fee for a document, other than an accident report under G.S. 20-166.1, is ~~ten dollars ($10.00).~~thirteen dollars ($13.00). The fee for an accident report is five dollars ($5.00). A certified copy shall be admissible in any proceeding in any court in like manner as the original thereof, without further certification. The certification fee does not apply to a document furnished for official use to a judicial official or to an official of the federal government, a state government, or a local government."

SECTION 29.30.(i) G.S. 20-73(c) reads as rewritten:

"(c) Penalties. – A person to whom a vehicle is transferred who fails to apply for a certificate of title within the required time is subject to a civil penalty of ~~fifteen dollars ($15.00)~~twenty dollars ($20.00) and is guilty of a Class 2 misdemeanor. A person who undertakes to apply for a certificate of title on behalf of another person and who fails to apply for a title within the required time is subject to a civil penalty of ~~fifteen dollars ($15.00).~~twenty dollars ($20.00). When a person to whom a vehicle is transferred fails to obtain a title within the required time because a person who undertook to apply for the certificate of title did not do so within the required time, the Division may impose a civil penalty only on the person who undertook to apply for the title. Civil penalties collected under this subsection shall be credited to the Highway Fund."

SECTION 29.30.(j) G.S. 20-85(a) reads as rewritten:

"(a) The following fees are imposed concerning a certificate of title, a registration card, or a registration plate for a motor vehicle. These fees are payable to the Division and are in addition to the tax imposed by Article 5A of Chapter 105 of the General Statutes.

(1) Each application for certificate of title..... ~~$40.00~~$52.00
(2) Each application for duplicate or corrected certificate of title..... ~~15.00~~20.00
(3) Each application of repossessor for certificate of title..... ~~15.00~~20.00
(4) Each transfer of registration..... ~~15.00~~20.00
(5) Each set of replacement registration plates..... ~~15.00~~20.00
(6) Each application for duplicate registration card..... ~~15.00~~20.00
(7) Each application for recording supplementary lien..... ~~15.00~~20.00
(8) Each application for removing a lien from a certificate of title..... ~~15.00~~20.00
(9) Each application for certificate of title for a motor vehicle transferred to a manufacturer, as defined in G.S. 20-286, or a motor vehicle retailer for the purpose of resale..... ~~15.00~~20.00
(10) Each application for a salvage certificate of title made by an insurer or by a used motor vehicle dealer pursuant to subdivision (b)(2) or subsection (e1) of G.S. 20-109.1... ~~15.00~~20.00
(11) Each set of replacement Stock Car Racing Theme plates issued under G.S. 20-79.4 25.00."

SECTION 29.30.(k) G.S. 20-85.1(b) reads as rewritten:

"(b) The Commissioner and the employees of the Division designated by the Commissioner may prepare and deliver upon request a certificate of title, charging a fee of ~~seventy-five dollars ($75.00)~~ninety-eight dollars ($98.00) for one-day title service, in lieu of the title fee required by G.S. 20-85(a). The fee for one-day title service must be paid by cash or by certified check. This fee shall be credited to the Highway Trust Fund."

SECTION 29.30.(l) G.S. 20-87 reads as rewritten:

"§ 20-87. Passenger vehicle registration fees.

These fees shall be paid to the Division annually for the registration and licensing of passenger vehicles, according to the following classifications and schedules:

(1) For-Hire Passenger Vehicles. – The fee for a passenger vehicle that is operated for compensation and has a capacity of 15 passengers or less is ~~seventy-eight dollars ($78.00).~~one hundred dollars ($100.00). The fee for a passenger vehicle that is operated for compensation and has a capacity of more than 15 passengers is ~~one dollar and forty cents ($1.40)~~one dollar and eighty cents ($1.80) per hundred pounds of empty weight of the vehicle.

(2) U-Drive-It Vehicles. – U-drive-it vehicles shall pay the following tax:

Motorcycles:	1-passenger capacity.....	~~$18.00~~$23.00
	2-passenger capacity.....	~~22.00~~30.00
	3-passenger capacity.....	~~26.00~~34.00
Automobiles:	15 or fewer passengers.....	~~$51.00~~$66.00
Buses:	16 or more passengers.....	~~$2.00~~$2.60 per hundred pounds of

empty weight

Trucks under 7,000 pounds that do not haul products for hire:

4,000 pounds..... ~~$41.50~~$54.00
5,000 pounds..... ~~$51.00~~$66.00
6,000 pounds..... ~~$61.00.~~$80.00.

...

(5) Private Passenger Vehicles. – There shall be paid to the Division annually, as of the first day of January, for the registration and licensing of private passenger vehicles, fees according to the following classifications and schedules:
Private passenger vehicles of not more than fifteen passengers..... ~~$28.00~~$36.00
Private passenger vehicles over fifteen passengers..... ~~31.00~~40.00
Provided, that a fee of only ~~one dollar ($1.00)~~one dollar and thirty cents ($1.30) shall be charged for any vehicle given by the federal government to any veteran on account of any disability suffered during war so long as such vehicle is owned by the original donee or other veteran entitled to receive such gift under Title 38, section 252, United States Code Annotated.

(6) Private Motorcycles. – The base fee on private passenger motorcycles shall be ~~fifteen dollars ($15.00);~~twenty dollars ($20.00); except that when a motorcycle is equipped with an additional form of device designed to transport persons or property, the base fee shall be ~~twenty-two dollars ($22.00).~~thirty dollars ($30.00). An additional fee of ~~three dollars ($3.00)~~four dollars ($4.00) is imposed on each private motorcycle registered under this subdivision in addition to the base fee. The revenue from the additional fee, in addition to any other funds appropriated for this purpose, shall be used to fund the Motorcycle Safety Instruction Program created in G.S. 115D-72.

...

(9) House Trailers. – In lieu of other registration and license fees levied on house trailers under this section or G.S. 20-88, the registration and license fee on house trailers shall be ~~eleven dollars ($11.00)~~fourteen dollars ($14.00) for the license year or any portion thereof.

...

(11) Any vehicle fee determined under this section according to the weight of the vehicle shall be increased by the sum of ~~three dollars ($3.00)~~four dollars ($4.00) to arrive at the total fee.

...

(13) Additional fee for certain electric vehicles. – At the time of an initial registration or registration renewal, the owner of a plug-in electric vehicle that is not a low-speed vehicle and that does not rely on a nonelectric source of power shall pay a fee in the amount of ~~one hundred dollars ($100.00)~~one hundred thirty dollars ($130.00) in addition to any other required registration fees."

SECTION 29.30.(m) Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-88.03. Late fee; motor vehicle registration.**

(a) Late Fee. – In addition to the applicable fees required under this Article for the registration of a motor vehicle and any interest assessed under G.S. 105-330.4, the Division shall charge a late fee according to the following schedule to a person who pays the applicable registration fee required under this Article after the registration expires:

(1) If the registration has been expired for less than one month, a late fee of fifteen dollars ($15.00).

(2) If the registration has been expired for one month or greater, but less than two months, a late fee of twenty dollars ($20.00).

(3) If the registration has been expired for two months or greater, a late fee of twenty-five dollars ($25.00).

(b) Proceeds. – The clear proceeds of any late fee charged under this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(c) Construction. – For purposes of this section, payment by mail of a registration fee required under this Article is considered to be made on the date shown on the postmark stamped by the United States Postal Service. If payment by mail is not postmarked or does not show the date of mailing, the payment is considered to be made on the date the Division receives the payment."

SECTION 29.30.(n) G.S. 105-330.10 reads as rewritten:

"**§ 105-330.10. Disposition of interest.**

The interest collected on unpaid registration fees pursuant to G.S. 105-330.4 shall be transferred on a monthly basis to the North Carolina Highway ~~Fund for technology improvements within the Division of Motor Vehicles.~~Fund."

SECTION 29.30.(o) G.S. 20-88 reads as rewritten:

"**§ 20-88. Property-hauling vehicles.**

...

(b) The following fees are imposed on the annual registration of self-propelled property-hauling vehicles; the fees are based on the type of vehicle and its weight:

SCHEDULE OF WEIGHTS AND RATES

Rates Per Hundred Pound Gross Weight

	Farmer Rate
Not over 4,000 pounds	~~$0.29~~$0.38
4,001 to 9,000 pounds inclusive	~~.40~~.52
9,001 to 13,000 pounds inclusive	~~.50~~.65
13,001 to 17,000 pounds inclusive	~~.68~~.88
Over 17,000 pounds	~~.77~~1.00

Rates Per Hundred Pound Gross Weight

	General Rate
Not over 4,000 pounds	~~$0.59~~$0.77
4,001 to 9,000 pounds inclusive	~~.81~~1.05
9,001 to 13,000 pounds inclusive	~~1.00~~1.30
13,001 to 17,000 pounds inclusive	~~1.36~~1.77
Over 17,000 pounds	~~1.54~~2.00

(1) The minimum fee for a vehicle licensed under this subsection is ~~twenty-four dollars ($24.00)~~thirty dollars ($30.00) at the farmer rate and ~~twenty-eight dollars ($28.00)~~thirty-six dollars ($36.00) at the general rate.

...

(6) There shall be paid to the Division annually the following fees for "wreckers" as defined under G.S. 20-4.01(50): a wrecker fully equipped weighing 7,000 pounds or less, ~~seventy-five dollars ($75.00);~~ninety-eight dollars ($98.00); wreckers weighing in excess of 7,000 pounds shall pay ~~one hundred forty-eight dollars ($148.00).~~one hundred ninety-two dollars ($192.00). Fees to be prorated monthly. Provided, further, that nothing herein shall prohibit a licensed dealer from using a dealer's license plate to tow a vehicle for a customer.

(c) The fee for a semitrailer or trailer is ~~nineteen dollars ($19.00)~~twenty-five dollars ($25.00) for each year or part of a year. The fee is payable each year. Upon the application of the owner of a semitrailer or trailer, the Division may issue a multiyear plate and registration card for the semitrailer or trailer for a fee of ~~seventy-five dollars ($75.00).~~ninety-eight dollars ($98.00). A multiyear plate and registration card for a semitrailer or trailer are valid until the owner transfers the semitrailer or trailer to another person or surrenders the plate and registration card to the Division. A multiyear plate may not be transferred to another vehicle.

The Division shall issue a multiyear semitrailer or trailer plate in a different color than an annual semitrailer or trailer plate and shall include the word "multiyear" on the plate. The Division may not issue a multiyear plate for a house trailer.

...

(i) Any vehicle fee determined under this section according to the weight of the vehicle shall be increased by the sum of ~~three dollars ($3.00)~~four dollars ($4.00) to arrive at the total fee.

...."

SECTION 29.30.(p) G.S. 20-289(a) reads as rewritten:

"(a) The license fee for each fiscal year, or part thereof, shall be as follows:

(1) For motor vehicle dealers, distributors, distributor branches, and wholesalers, ~~seventy dollars ($70.00)~~ninety dollars ($90.00) for each place of business.

(2) For manufacturers, ~~one hundred fifty dollars ($150.00)~~one hundred ninety-five dollars ($195.00) and for each factory branch in this State, ~~one hundred dollars ($100.00).~~one hundred thirty dollars ($130.00).

(3) For motor vehicle sales representatives, ~~fifteen dollars ($15.00).~~twenty dollars ($20.00).

(4) For factory representatives, or distributor representatives, ~~fifteen dollars ($15.00).~~twenty dollars ($20.00).

(5) Repealed by Session Laws 1991, c. 662, s. 4."

SECTION 29.30.(q) G.S. 20-385(a) reads as rewritten:

"(a) The fees listed in this section apply to a motor carrier. These fees are in addition to any fees required under the Unified Carrier Registration Agreement.

(1) Repealed by Session Laws 2007-492, s. 5, effective August 30, 2007.

(2) Application by an intrastate motor carrier for a certificate of exemption	~~45.00~~60.00
(3) Certification by an interstate motor carrier that it is not regulated by the United States Department of Transportation	~~45.00~~60.00
(4) Application by an interstate motor carrier for an emergency trip permit	~~18.00.~~23.00."

SECTION 29.30.(r) G.S. 44A-4(b)(1) reads as rewritten:

"(b) Notice and Hearings. –

(1) If the property upon which the lien is claimed is a motor vehicle that is required to be registered, the lienor following the expiration of the relevant time period provided by subsection (a) shall give notice to the Division of Motor Vehicles that a lien is asserted and sale is proposed and shall remit to the Division a fee of ~~ten dollars ($10.00).~~thirteen dollars ($13.00). The Division of Motor Vehicles shall issue notice by certified mail, return receipt requested, to the person having legal title to the property, if reasonably ascertainable, to the person with whom the lienor dealt if different, and to each secured party and other person claiming an interest in the property who is actually known to the Division or who can be reasonably ascertained. The notice shall state that a lien has been asserted against specific property and shall identify the lienor, the date that the lien arose, the general nature of the services performed and materials used or sold for which the lien is asserted, the amount of the lien, and that the lienor intends to sell the property in satisfaction of the lien. The notice shall inform the recipient that the recipient has the right to a judicial hearing at which time a determination will be made as to the validity of the lien prior to a sale taking place. The notice shall further state that the recipient has a period of 10 days from the date of receipt in which to notify the Division by certified mail, return receipt requested, that a hearing is desired and that if the recipient wishes to contest the sale of his property pursuant to such lien, the recipient should notify the Division that a hearing is desired. The notice shall state the required information in simplified terms and shall contain a form whereby the recipient may notify the Division that a hearing is desired by the return of such form to the Division. The Division shall notify the lienor whether such notice is timely received by the Division.

In lieu of the notice by the lienor to the Division and the notices issued by the Division described above, the lienor may issue notice on a form approved by the Division pursuant to the notice requirements above. If notice is issued by the lienor, the recipient shall return the form requesting a hearing to the lienor, and not the Division, within 10 days from the date the recipient receives the notice if a judicial hearing is requested. If the certified mail notice has been returned as undeliverable and the notice of a right to a judicial hearing has been given to the owner of the motor vehicle in accordance with G.S. 20-28.4, no further notice is required. Failure of the recipient to notify the Division or lienor, as specified in the notice, within 10 days of the receipt of such notice that a hearing is desired shall be deemed a waiver of the right to a hearing prior to the sale of the property against which the lien is asserted, and the lienor may proceed to enforce the lien by public or private sale as provided in this section and the Division shall transfer title to the property pursuant to such sale. If the Division or lienor, as specified in the notice, is notified within the 10-day period provided above that a hearing is desired prior to sale, the lien may be enforced by sale as provided in this section and the Division will transfer title only pursuant to the order of a court of competent jurisdiction.

If the certified mail notice has been returned as undeliverable, or if the name of the person having legal title to the vehicle cannot reasonably be ascertained and the fair market value of the vehicle is less than eight hundred dollars ($800.00), the lienor may institute a special proceeding in the county where the vehicle is being held, for authorization to sell that vehicle. Market value shall be determined by the schedule of values adopted by the Commissioner under G.S. 105-187.3.

In such a proceeding a lienor may include more than one vehicle, but the proceeds of the sale of each shall be subject only to valid claims against that vehicle, and any excess proceeds of the sale shall be paid immediately to the Treasurer for disposition pursuant to Chapter 116B of the General Statutes.

The application to the clerk in such a special proceeding shall contain the notice of sale information set out in subsection (f) hereof. If the application is in proper form the clerk shall enter an order authorizing the sale on a date not less than 14 days therefrom, and the lienor shall cause the application and order to be sent immediately by first-class mail pursuant to G.S. 1A-1, Rule 5, to each person to whom notice was mailed pursuant to this subsection. Following the authorized sale the lienor shall file with the clerk a report in the form of an affidavit, stating that the lienor has complied with the public or private sale provisions of G.S. 44A-4, the name, address, and bid of the high bidder or person buying at a private sale, and a statement of the disposition of the sale proceeds. The clerk then shall enter an order directing the Division to transfer title accordingly.

If prior to the sale the owner or legal possessor contests the sale or lien in a writing filed with the clerk, the proceeding shall be handled in accordance with G.S. 1-301.2."

SECTION 29.30.(s) Article 1 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-4.02. Quadrennial adjustment of certain fees.**

(a) Adjustment for Inflation. – Beginning July 1, 2020, and every four years thereafter, the Division shall adjust the fees charged pursuant to the statutes listed in this subsection for inflation in accordance with the Consumer Price Index computed by the Bureau of Labor Statistics, rounded to the nearest twenty-five cents (25¢):

(1) G.S. 20-7.
(2) G.S. 20-11.
(3) G.S. 20-14.
(4) G.S. 20-16.
(5) G.S. 20-26.
(6) G.S. 20-37.15.
(7) G.S. 20-37.16.

(8) G.S. 20-42(b).
(9) G.S. 20-85(a)(1) through (10).
(10) G.S. 20-85.1.
(11) G.S. 20-87, except for the additional fee set forth in G.S. 20-87(6) for private motorcycles.
(12) G.S. 20-88.
(13) G.S. 20-289.
(14) G.S. 20-385.
(15) G.S. 44A-4(b)(1).

(b) Computation. – In determining the rate of inflation to use when adjusting the fees pursuant to subsection (a) of this section, the Division shall base the rate on the percent change in the annual Consumer Price Index over the preceding four-year period.

(c) Rules. – The provisions of Chapter 150B of the General Statutes shall not apply to the adjustment of fees required by this section.

(d) Consultation and Publication. – At least 90 days prior to adjusting the fees pursuant to subsection (a) of this section, and notwithstanding any provision of G.S. 12-3.1 to the contrary, the Division shall (i) consult with the Joint Legislative Commission on Governmental Operations, (ii) provide a report to the chairs of the Senate Appropriations Committee on Department of Transportation and the House of Representatives Appropriations Committee on Transportation, and (iii) publish notice of the fees that will be in effect in the offices of the Division and on the Division's Web site."

SECTION 29.30.(t) G.S. 150B-1(d) is amended by adding a new subdivision to read:

"(27) The Division of Motor Vehicles with respect to fee adjustments under G.S. 20-4.02."

SECTION 29.30.(u) Subsections (a) and (u) of this section become effective October 1, 2015. Subsections (s) and (t) of this section become effective July 1, 2020. Subsection (m) of this section becomes effective July 1, 2016, and applies to renewal motor vehicle registrations on or after that date. Subsection (m) of this section expires December 31, 2017. The remainder of this section becomes effective January 1, 2016, and applies to issuances, renewals, restorations, and requests on or after that date.

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PART XXX. SALARIES AND BENEFITS

GOVERNOR AND COUNCIL OF STATE

SECTION 30.1.(a) The salary of the Governor as provided by G.S. 147-11(a) shall remain unchanged for the 2015-2017 fiscal biennium.

SECTION 30.1.(b) The annual salaries for members of the Council of State, payable monthly, shall remain unchanged for the 2015-2017 fiscal biennium, as follows:

Council of State	Annual Salary
Lieutenant Governor	$125,676
Attorney General	125,676
Secretary of State	125,676
State Treasurer	125,676
State Auditor	125,676
Superintendent of Public Instruction	125,676
Agriculture Commissioner	125,676
Insurance Commissioner	125,676
Labor Commissioner	125,676

SECTION 30.1.(c) The Office of State Human Resources shall study the compensation of the Council of State, as follows:

(1) Examine the salary, retirement and deferred compensation plans, health and other insurance coverages, per diem rates, travel reimbursement rates, use of State vehicles, and any other expense reimbursements or benefits other than salary.

(2) Review any comparative information from other states and current salary levels for similar statewide elected constitutional officers.
(3) Review market data for any comparable private sector executive positions.
(4) Consider whether Council of State salaries should be restructured and set in a different manner.
(5) Consider any other matters pertaining to the compensation of the Council of State.

SECTION 30.1.(d) By May 1, 2016, the Office of State Human Resources shall report to the chairs of the Senate Appropriations/Base Budget Committee and the House of Representatives Appropriations Committee on the review of Council of State compensation required by subsection (c) of this section.

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STATE AGENCY TEACHERS

SECTION 30.7. 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 any experience step increases authorized in Section 9.1 of this act.

ALL STATE-SUPPORTED PERSONNEL

SECTION 30.8.(a) For the 2015-2017 fiscal biennium:

(1) Except as provided by Part 9, Section 30.5, Section 30.7, and Section 30.15 of this act, the annual salaries of all employees subject to or exempt from the North Carolina Human Resources Act shall not be legislatively increased, but may be increased as otherwise provided by law.
(2) All eligible State-supported personnel shall receive a compensation bonus as authorized by this Part.

SECTION 30.8.(b) 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 30.8.(c) Except as otherwise provided, the salary increases provided in this act 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, 2015.

SECTION 30.8.(d) Employees shall receive the statutory increases provided by G.S. 20-187.3, 7A-102, and 7A-171.1. Notwithstanding G.S. 20-187.3, the increases authorized by that statute for members of the State Highway Patrol become effective January 1, 2016. Notwithstanding any provision of law to the contrary, the salary increases authorized on the employee anniversary date by G.S. 7A-171.1 for magistrates and G.S. 7A-102 for assistant and deputy clerks of superior court shall become effective January 1, 2016.

SECTION 30.8.(e) Payroll checks issued to employees after July 1, 2015, that represent payment of services provided prior to July 1, 2015, 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 30.8.(f) Nothing in this act authorizes the transfer of funds between the General Fund and the Highway Fund for salary increases.

MOST STATE EMPLOYEES

SECTION 30.9. For the 2015-2017 fiscal biennium, except as otherwise provided by this Part, the annual salaries in effect June 30, 2015, for the following employees shall not be legislatively increased, but may be increased as otherwise allowed by law:

(1) Permanent full-time State officials and persons whose salaries are set in accordance with the State Human Resources Act.
(2) Permanent full-time State officials and persons in positions exempt from the State Human Resources Act.
(3) Permanent part-time State employees.
(4) Temporary and permanent hourly State employees.

USE OF FUNDS APPROPRIATED FOR LEGISLATIVELY MANDATED SALARY INCREASES, COMPENSATION BONUSES, AND EMPLOYEE BENEFITS AND CLOSURE OF WORKERS' COMPENSATION CLAIMS

SECTION 30.10.(a) The appropriations set forth in Section 2.1 of this act include appropriations for legislatively mandated salary increases and compensation bonuses in amounts set forth in the committee report described in Section 33.2 of this act. The Office of State Budget and Management shall ensure that those funds are used only for the purposes of legislatively mandated salary increases, compensation bonuses, and employee benefits, except that any funds remaining shall be divided equally between the Parks and Recreation Trust Fund and the reserve for the closure of workers' compensation claims.

SECTION 30.10.(b) If the Director of the Budget determines that funds appropriated to a State agency for legislatively mandated salary increases, compensation bonuses, and employee benefits exceed the amount required by that agency for those purposes, the Director may reallocate those funds to other State agencies that received insufficient funds for legislatively mandated salary increases, compensation bonuses, and employee benefits.

SECTION 30.10.(c) No later than March 1, 2016, 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, compensation bonuses, and employee benefits. This report shall include at least the following information for each State agency for the 2015-2017 fiscal biennium:

(1) The total amount of funds that the agency received for legislatively mandated salary increases, compensation bonuses, and employee benefits.
(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, compensation bonuses, and employee benefits.
(4) The total amount of funds anticipated to be used for the Parks and Recreation Trust Fund and closure of workers' compensation claims.

MONITOR SALARY INCREASES

SECTION 30.11.(a) The Office of State Budget and Management and the Office of State Human Resources shall submit a semiannual report to the Joint Legislative Commission on Governmental Operations on nonlegislative salary increases in (i) State agencies, departments, and institutions, including authorities, boards, and commissions; (ii) the judicial branch; and (iii) The University of North Carolina and its constituent institutions. The reports required by this section shall include the following information:

(1) For agencies reporting through the BEACON HR/Payroll system, (i) a breakdown by action type (including, but not limited to, promotion, reallocation, career progression, salary adjustment, and any similar actions increasing employee pay) of the number and annual amount of those increases and (ii) a breakdown by action reason (including in-range higher level, acting pay, trainee adjustment, and other similar action reasons) of the number and annual amount of those action types coded as salary adjustment.
(2) For The University of North Carolina and its constituent institutions, a breakdown of the number and annual amount of those increases categorized by the University as promotions,

changes in job duties or responsibilities, Distinguished Professorships, retention pay, career progression, and any other similar actions increasing employee pay.

(3) A summary of actions taken by the Office of State Budget and Management and the Office of State Personnel with respect to unauthorized salary increases.

SECTION 30.11.(b) The Legislative Services Officer shall report semiannually to the President Pro Tempore of the Senate and the Speaker of the House of Representatives on nonlegislative salary increases.

SALARY ADJUSTMENT FUND

SECTION 30.12A.(a) Funds appropriated or otherwise transferred to the General Fund Salary Adjustment by this act or any other provision of law shall be used to fund agency requests for salary range revisions, special minimum rates, grade to band transfers, and geographic site differential adjustments to provide competitive salary rates for affected job classifications or groups in response to changes in labor market rates as documented through data collection and analysis according to accepted human resource professional practices and standards. Funds shall only be used for salary adjustments that are in compliance with State Human Resources Commission policies. Funding shall not be used for other purposes, including in-range adjustments, career progression adjustments, or other adjustments as these terms may be defined by State human resources policy.

SECTION 30.12A.(b) The following salary increases shall be awarded from funds available in the Salary Adjustment Fund for the 2015-2017 fiscal biennium, as follows:

(1) To increase the salary of the Secretary of Military and Veterans Affairs, the sum of thirty-three thousand seven hundred forty-nine dollars ($33,749).

(2) To increase the salary of the Transportation Museum Director, the sum of thirty thousand seven hundred fifteen dollars ($30,715).

SECTION 30.12A.(c) The Director of the Budget shall consult with the Joint Legislative Commission on Governmental Operations prior to transferring any salary adjustment funds for any State agency. No increases from the Salary Adjustment Fund shall be effective before January 1, 2016.

SECTION 30.12A.(d) The Director of the Budget may transfer to General Fund budget codes from the General Fund Salary Adjustment Fund amounts required to support salary adjustments authorized by this section.

SECTION 30.12A.(e) The Judicial Department is eligible for the funding authorized in subsection (a) of this section.

SECTION 30.12A.(f) Employees of the University of North Carolina System, the community colleges, and local school boards are ineligible for the funding authorized in this section.

SECTION 30.12A.(g) Funds may not be used to increase the compensation of job classes that receive other compensation increases provided by law.

EXTEND REORGANIZATION THROUGH REDUCTION AUTHORIZATION

SECTION 30.13.(a) Section 8.3 of S.L. 2013-382, as amended by Section 55.3(g) of S.L. 2014-115, reads as rewritten:

"**SECTION 8.3.** This Part is effective when it becomes law and expires ~~June 30, 2015.~~ June 30, 2017. The Office of State ~~Personnel~~ Human Resources and the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations ~~on January 31, 2014, April 30, 2014, September 1, 2014, January 31, 2015, April 30, 2015, and September 1, 2015.~~ annually on the RTR program."

SECTION 30.13.(b) Payments under the Reorganization Through Reduction program shall be made from funds available within the reorganizing State agency.

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STATE WORKERS' COMPENSATION REFORM

SECTION 30.18.(a) The Director of the Budget shall establish a statewide reserve in the amount of twenty-three million five hundred thousand five hundred forty-three dollars ($23,500,543) for State agency workers' compensation costs. For the 2015-2016 fiscal year, the sum of two million dollars ($2,000,000) shall

be used for the closure of existing workers' compensation claims. In addition, fifty percent (50%) of any funds remaining from the appropriations set forth in Section 2.1 of this act for legislatively mandated salary increases, compensation bonuses, and employee benefits shall be credited to the reserve for this purpose.

The Office of State Budget and Management shall distribute the remaining funds to State agencies to fund workers' compensation line items. The distribution shall be based on a historical average of each agency's workers' compensation expenditures. State agencies shall further adjust these line items using receipts.

SECTION 30.18.(b) Article 63 of Chapter 143 of the General Statutes reads as rewritten:

"Article 63.

"State Employees Workplace Requirements Program for ~~Safety and Health.~~Safety, Health, and Workers' Compensation.

"Part 1. Executive Branch Programs.

"§ 143-580. Definition.

As used in this Article, "State agency" means any department, commission, division, board, or institution of the State within the executive branch of ~~government~~ government, including The University of North Carolina system, and the Office of Administrative Hearings.

"§ 143-581. Program goals.

~~Each State agency~~ The Office of State Human Resources shall establish a written program for State employee workplace ~~safety and health.~~ safety, health, and workers' compensation. The program shall promote safe and healthful working conditions and shall be based on clearly stated goals and objectives for meeting the goals. The program shall provide managers, supervisors, and employees with a clear and firm understanding of the State's concern for protecting employees from job-related injuries and health impairment; preventing accidents and fires; planning for emergencies and emergency medical procedures; identifying and controlling physical, chemical, and biological hazards in the workplace; communicating potential hazards to employees; and assuring adequate housekeeping and sanitation.

"§ 143-582. Program requirements.

The written program required under this Article shall describe at a minimum:

(1) The methods to be used to identify, analyze, and control new or existing hazards, conditions, and operations.

(2) How managers, supervisors, and employees are responsible for implementing the program, controlling accident-related expenditures, and how continued participation of management and employees will be established, measured, and maintained.

(3) How the plan will be communicated to all affected employees so that they are informed of work-related physical, chemical, or biological hazards, and controls necessary to prevent injury or illness.

(4) How managers, supervisors, and employees will receive training in avoidance of job-related injuries and health impairment.

(5) How workplace accidents will be reported and investigated and how corrective actions will be implemented.

(6) How safe work practices and rules will be communicated and enforced.

(7) The safety and health training program that will be made available to employees.

(8) How employees can make complaints concerning safety and health problems without fear of retaliation.

(9) How employees will receive medical attention following a work-related injury or illness.

"§ 143-583. Model program; technical assistance; reports.

(a) The ~~State Human Resources Commission, through the~~ Office of State Human ~~Resources, shall:~~Resources shall:

(1) Maintain a model program of safety and health requirements to guide State agencies in the development of their individual programs and in complying with the provisions of G.S. 95-148 and this Article.

(2) Establish guidelines for the creation and operation of State agency safety and health committees.

(3) Adopt policies that shall govern the administration of the workers' compensation program and monitor compliance with Chapter 97 of the General Statutes.

(4) Establish guidelines for the delegation of certain administrative functions as necessary for the administration of the workers' compensation program to State agencies, as defined in this section.

~~(b) The Office of State Human Resources shall:~~

~~(1) Provide consultative and technical services to assist State agencies in establishing and administering their workplace safety and health programs and to address specific technical problems.~~

~~(2) Monitor compliance with this Article.~~

(c) The Office of State Human Resources ~~Commission~~ shall report by September 1, and annually thereafter, to the Joint Legislative Commission on Governmental Operations on the ~~safety and health~~ safety, health, and workers' compensation activities of State agencies, compliance with this Article, and the fines levied against State agencies pursuant to Article 16 of Chapter 95 of the General Statutes.

"§ 143-584. State agency safety and health committees.

~~Each State agency~~ The Office of State Human Resources shall create, pursuant to guidelines adopted under subsection (a) of G.S. 143-583, ~~safety and health~~ committees to perform workplace inspections, review injury and illness records, make advisory recommendations to the agency's managers, and perform other functions determined by the Office of State Human Resources ~~Commission~~ to be necessary for the effective implementation of the State Employees Workplace Requirements Program for Safety and ~~Health.~~ the workers' compensation program.

"§§ 143-585 through 143-588. Reserved for future codification purposes.

"Part 2. Legislative and Judicial Branch Programs.

"§ 143-589. Legislative and judicial branch safety and health programs.

The Legislative Services Commission and the Administrative Office of the Courts are authorized to separately establish safety and health programs for their employees."

SECTION 30.18.(c) G.S. 143-166.14 reads as rewritten:

"§ 143-166.14. Payment of salary notwithstanding incapacity; Workers' Compensation Act applicable after two years; duration of payment.

The salary of any eligible person shall be paid as long as the person's employment in that position continues, notwithstanding the person's total or partial incapacity to perform any duties to which the person may be lawfully assigned, if that incapacity is the result of an injury or injuries ~~proximately caused by the heightened risk and special hazards directly related to the violent nature of~~ resulting from or arising out of an episode of violence, resistance, or due to other special hazards that occur while the eligible ~~person's~~ person is performing 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. The time period for which an eligible person receives benefits pursuant to this section shall be deducted from the eligible person's total eligibility for benefits pursuant to G.S. 97-29 and G.S. 97-30. For purposes of this section, the term "salary" shall be defined as the total base pay of the person reflected on the person's salary statement and shall not include overtime pay, shift differential pay, holiday pay, or other additional earnings to which the person may have been entitled prior to such incapacity. Salary paid to an eligible person pursuant to this Article shall cease upon the resumption of the 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."

SECTION 30.18.(d) By February 1, 2016, the Office of State Human Resources shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the implementation of this section.

SECTION 30.18.(e) The Department of Administration shall reclassify three vacant positions within the Department and assign the positions to the Office of State Human Resources to staff the Office's Workers' Compensation program for implementation of the provisions of Article 63 of Chapter 143 of the General Statutes as amended by this act.

COMPENSATION BONUS AWARDED FOR FISCAL YEAR 2015-2016

SECTION 30.18A.(a) Any person (i) whose salary is set by this act in Part 9 or this Part, pursuant to the North Carolina Human Resources Act, or as otherwise authorized in this act and (ii) who is employed in a State-funded position on November 1, 2015, shall be awarded a one-time, lump-sum compensation bonus for the 2015-2016 fiscal year in the amount of seven hundred fifty dollars ($750.00), payable during the month of December 2015.

SECTION 30.18A.(b) Notwithstanding G.S. 135-1(7a), the compensation bonus awarded by this section is not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

SECTION 30.18A.(c) The compensation bonus awarded by this section is not part of annual salary and shall be paid out separately. The compensation bonus shall be awarded to eligible permanent employees without regard to an employee's placement within the salary range, including employees at the top of the salary range. The compensation bonus shall be adjusted pro rata for permanent part-time employees.

SALARY-RELATED CONTRIBUTIONS

SECTION 30.20.(a) Effective for the 2015-2017 fiscal biennium, required employer salary-related contributions for employees whose salaries are paid from department, office, institution, or agency receipts shall be paid from the same source as the source of the employee's salary. If an employee's salary is paid in part from the General Fund or Highway Fund and in part from department, office, institution, or agency receipts, required employer salary-related contributions may be paid from the General Fund or Highway Fund only to the extent of the proportionate part paid from the General Fund or Highway Fund in support of the salary of the employee, and the remainder of the employer's requirements shall be paid from the source that supplies the remainder of the employee's salary. The requirements of this section as to source of payment are also applicable to payments on behalf of the employee for hospital medical benefits, longevity pay, unemployment compensation, accumulated leave, workers' compensation, severance pay, separation allowances, and applicable disability income benefits.

SECTION 30.20.(b) Effective July 1, 2015, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2015-2017 fiscal biennium are (i) fifteen and thirty-two hundredths percent (15.32%) – Teachers and State Employees; (ii) twenty and thirty-two hundredths percent (20.32%) – State Law Enforcement Officers; (iii) twelve and eighty-five hundredths percent (12.85%) – University Employees' Optional Retirement Program; (iv) twelve and eighty-five hundredths percent (12.85%) – Community College Optional Retirement Program; (v) thirty-two and eighty-one hundredths percent (32.81%) – Consolidated Judicial Retirement System; and (vi) seven and forty hundredths percent (7.40%) – Legislative Retirement System. Each of the foregoing contribution rates includes five and sixty hundredths percent (5.60%) 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 hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement.

SECTION 30.20.(c) Effective July 1, 2015, the maximum annual employer contributions, payable monthly, by the State for each covered employee or retiree for the 2015-2016 fiscal year to the State Health Plan for Teachers and State Employees are (i) Medicare-eligible employees and retirees – four thousand two hundred fifty-one dollars ($4,251) and (ii) non-Medicare-eligible employees and retirees – five thousand four hundred seventy-one dollars ($5,471).

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ALLOW RETIREES WHO RETURN TO WORK FOR THE STATE IN NONPERMANENT POSITIONS TO RETAIN THEIR COVERAGE OPTIONS UNDER THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES RATHER THAN LIMITING SUCH RETIREES' COVERAGE OPTIONS TO THE "BRONZE LEVEL" HIGH-DEDUCTIBLE HEALTH PLAN NECESSITATED BY THE AFFORDABLE CARE ACT

SECTION 30.25.(a) G.S. 135-48.40 reads as rewritten:

"**§ 135-48.40. Categories of eligibility.**

...

(b) Partially Contributory Coverage. – The following persons are eligible for coverage under the Plan, on a partially contributory basis, subject to the provisions of G.S. 135-48.43:

(1) All permanent full-time employees of an employing unit who meet either of the following conditions:

a. Paid from general or special State funds.

b. Paid from non-State funds and in a group for which his or her employing unit has agreed to provide coverage.

Employees of State agencies, departments, institutions, boards, and commissions not otherwise covered by the Plan who are employed in permanent job positions on a recurring basis and who work 30 or more hours per week for nine or more months per calendar year are covered by the provisions of this subdivision.

(1a) All retirees who (i) are employed by an employing unit that elects to be covered by this subdivision, (ii) do not qualify for coverage under subdivision (1) of this subsection, and (iii) are determined to be "full-time" by their employing unit in accordance with section 4980H of the Internal Revenue Code and the applicable regulations, as amended. The employing unit shall pay the employer premiums for retirees who enroll under this subdivision.

...

(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), (1a), (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 30.25.(b) G.S. 135-48.41(j) reads as rewritten:

"(j) If a retiree has been hired by an employing unit and is eligible for coverage under subdivision (1), (1a), (5), (6), (7), (8), (9), or (10) of G.S. 135-48.40(b) or under G.S. 135-48.40(e), 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 30.25.(c) This section becomes effective January 1, 2016.

RESERVE FOR FUTURE BENEFITS NEEDS/STATE HEALTH PLAN CASH RESERVE

SECTION 30.26.(a) It is the intent of the General Assembly to make funds in the Reserve for Future Benefits Needs available for increasing employer contributions to the State Health Plan for Teachers and State Employees during the 2016-2017 fiscal year only if the General Assembly determines that the State

Treasurer and the Board of Trustees established under G.S. 135-48.20 have adopted sufficient measures to limit projected employer contribution increases during the 2017-2019 fiscal biennium, in accordance with their powers and duties enumerated in Article 3B of Chapter 135 of the General Statutes.

SECTION 30.26.(b) During the 2015-2017 fiscal biennium, the State Health Plan for Teachers and State Employees shall maintain a cash reserve of at least twenty percent (20%) of its annual costs. For purposes of this section, the term "cash reserve" means the total balance in the Public Employee Health Benefit Fund and the Health Benefit Reserve Fund established in G.S. 135-48.5 plus the Plan's administrative account, and the term "annual costs" means the total of all medical claims, pharmacy claims, administrative costs, fees, and premium payments for coverage outside of the Plan.

SECTION 30.26.(c) On and after January 1, 2016, if the State Health Plan for Teachers and State Employees projects a cash reserve of less than the minimum cash reserve required by this section at any time during the remainder of the 2015-2017 fiscal biennium, or the Fiscal Research Division of the General Assembly notifies the Plan that it projects such a deficiency, the Department of State Treasurer shall report to the Joint Legislative Commission on Governmental Operations within 60 days of that projection or notification on actions the Department plans to take in order to maintain that required minimum cash reserve.

CLARIFY AND AMEND THE LAW PROVIDING FOR PURCHASE OF SERVICE BY MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM FOR EDUCATIONAL LEAVE

SECTION 30.30. G.S. 135-8(b)(5) reads as rewritten:

"(5) The Board of Trustees may approve the purchase of creditable service by any member for leaves of absence or for interrupted service to an employer for the sole ~~purpose~~purposes of acquiring knowledge, talents, or abilities and ~~to increase~~increasing the efficiency of service to the ~~employer.~~ employer, subject to the provisions of this subdivision. A leave of absence or interrupted service may be approved for purchase under this subdivision for a period of employment as a teacher in a charter school. Any other leave of absence or interrupted service shall qualify for purchase under this subdivision only if (i) during the time of the leave or interrupted service the member is enrolled and participates in a full-time degree program at an accredited institution of higher education, (ii) the member is not paid for the activity in which he or she is acquiring knowledge, talents, or abilities, and (iii) the service is not purchased for any month in which the member performed any services for any of the organizations listed in G.S. 135-27(a) or G.S. 135-27(f), or a successor to any of those organizations. ~~This approval~~ Approval by the Board under this subdivision shall be made prior to the purchase of the creditable service, is limited to a career total of six years for each member, and may be obtained in the following manner:

a. Approved leave of absence. – Where the employer grants an approved leave of absence, a member may make monthly contributions to the annuity savings fund on the basis of compensation the member was earning immediately prior to such leave of absence. The employer shall make monthly contributions equal to the normal and accrued liability contribution on such compensation or, in lieu thereof, the member may pay into the annuity savings fund monthly an amount equal to the employer's normal and accrued liability contribution when the policy of the employer is not to make such payment.

b. No educational leave policy. – Where the employer has a policy of not granting educational leaves of absence or the member has unsuccessfully petitioned for leave of absence and the member has interrupted service for educational purposes, the member may make monthly contributions into the annuity savings fund in an amount equal to the employee contribution plus the employer normal and accrued liability contribution on the basis of the compensation the member was earning immediately prior to the interrupted service.

c. Educational program prior to July 1, 1981. – Creditable service for leaves of absence or interrupted service for educational purposes prior to July 1, 1981, may

be purchased by a member, before or after retirement, who returned as a contributing employee or teacher within 12 months after completing the educational program and completed 10 years of subsequent membership service, by making a lump sum payment into the annuity savings fund equal to the full cost of the service credits calculated on the basis of the assumptions used for purposes of the actuarial valuation of the system's liabilities and shall take into account the retirement allowance arising on account of the additional service credit commencing at the earliest age at which the member could retire on an unreduced retirement allowance as determined by the Board of Trustees upon the advice of the consulting actuary, plus a fee to be determined by the Board of Trustees.

d. Employment in a charter school. – Notwithstanding subparagraph a. of this subdivision, where the employer grants an approved leave of absence for the member to be employed in a charter school or where the member's service is interrupted by employment in a charter school, authorized under Part 6A of Article 16 of Chapter 115C of the General Statutes, the member may make monthly contributions into the annuity savings fund in an amount equal to the employee contribution plus the employer normal and accrued liability contribution on the basis of the compensation the member was earning immediately prior to the interrupted service.

Payments required to be made by the member, the employer, or both under subparagraphs a or b are due by the 15th of the month following the month for which the service credit is allowed and payments made after the due date shall be assessed a penalty, in lieu of interest, of one percent (1%) per month or fraction thereof the payment is made beyond the due date; provided, that these payments shall be made prior to retirement and provided further, that if the member did not become a contributing member within 12 months after completing the educational program and failed to complete three years of subsequent membership service, except in the event of death or disability, any payment made by the member including penalty shall be refunded with regular interest thereon and the service credits cancelled prior to or at retirement."

QUALIFIED EXCESS BENEFIT ARRANGEMENT

SECTION 30.30A.(a) G.S. 135-151(j) reads as rewritten:

"(j) Sunset of Eligibility to Participate in the QEBA. – No member of the Teachers' and State Employees' Retirement System retiring ~~on or after January 1, 2015,~~ on or after August 1, 2016, shall be eligible to participate in the QEBA, and the Retirement System shall not pay any new retiree more retirement benefits than allowed under the limitations of section 415(b) of the Internal Revenue Code."

SECTION 30.30A.(b) G.S. 128-38.10(k) reads as rewritten:

"(k) Sunset of Eligibility to Participate in the QEBA. – No member of the North Carolina Local Governmental Employees' Retirement System retiring ~~on or after January 1, 2015,~~ on or after August 1, 2016, shall be eligible to participate in the QEBA, and the Retirement System shall not pay any new retiree more retirement benefits than allowed under the limitations of section 415(b) of the Internal Revenue Code

PART XXXI. CAPITAL APPROPRIATIONS

****

REPORTING ON CAPITAL PROJECTS

SECTION 31.7.(a) Definitions. – The following definitions apply in this section:

(1) Capital project. – Any capital improvement, as that term is defined in G.S. 143C-1-1, that is not complete by the effective date of this section and that is funded in whole or in part with State funds, including receipts, non-General Fund sources, or statutorily or

constitutionally authorized indebtedness of any kind. This term includes only projects with a total cost of one hundred thousand dollars ($100,000) or more.

(2) Construction phase. – The status of a particular capital project as described using the terms customarily employed in the design and construction industries.

(3) New capital project. – A capital project that is authorized in this act or subsequent to the effective date of this act.

SECTION 31.7.(b) Reporting. – The following reports are required:

(1) By October 1, 2015, and every six months thereafter, each State agency shall report on the status of agency capital projects to the Joint Legislative Commission on Governmental Operations.

(2) By October 1, 2015, and quarterly thereafter, each State agency shall report on the status of agency capital projects to the Fiscal Research Division of the General Assembly and to the Office of State Budget and Management.

SECTION 31.7.(c) The reports required by subsection (b) of this section shall include at least the following information about every agency capital project:

(1) The current construction phase of the project.

(2) The anticipated time line from the current construction phase to project completion.

(3) Information about expenditures that have been made in connection with the project, regardless of source of the funds expended.

(4) Information about the adequacy of funding to complete the project, including estimates of how final expenditures will relate to initial estimates of expenditures, and whether or not scope reductions will be necessary in order to complete the project within its budget.

(5) For new capital projects only, an estimate of the operating costs for the project for the first five fiscal years of its operation.

SECTION 31.7.(d) In addition to the other reports required by this section, on October 1, 2015, and every six months thereafter, the Office of State Construction shall report on the status of the Facilities Condition Assessment Program (FCAP) to the Joint Legislative Commission on Governmental Operations. The report shall include (i) summary information about the average length of time that passes between FCAP assessments for an average State building; (ii) detailed information about when the last FCAP assessment was for each State building complex; and (iii) detailed information about the condition and repairs and renovations needs of each State building complex.

SECTION 31.7.(e) In addition to the other reports required by this section, on October 1, 2015, and quarterly thereafter, the State Construction Office shall report to the Joint Legislative Oversight Committee on Capital Improvements on the status of plan review, approval, and permitting for each State capital improvement project and community college capital improvement project over which the Office exercises plan review, approval, and permitting authority. Each report shall include (i) summary information about the workload of the Office during the previous quarter, including information about the average length of time spent by the State Construction Office on each major function it performs that is related to capital project approval, and (ii) detailed information about the amount of time spent engaged in those functions for each project that the State Construction Office worked on during the previous quarter.

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AUTHORIZE STATE AGENCIES TO UNDERTAKE SMALL REPAIRS AND RENOVATIONS PROJECTS WITH FUNDS AVAILABLE

SECTION 31.14.(a) Notwithstanding G.S. 143C-8-7, a State agency may undertake repairs and renovations projects so long as each project satisfies the following requirements:

(1) Total project costs do not exceed three hundred thousand dollars ($300,000).

(2) The project is one of the types set forth in G.S. 143C-4-3(b)(1) through (12), regardless of whether the relevant State facilities and related infrastructure are supported from the General Fund.

(3) The project is paid for with funds available to the agency.

SECTION 31.14.(b) Projects undertaken pursuant to this section shall be reported to the Fiscal Research Division on a quarterly basis. A report under this subsection shall include information about all of the following for each project:

(1) The facility at which the project is being undertaken.
(2) The nature and scope of the project.
(3) The source of funds for the project.
(4) The category of projects set forth in G.S. 143C-4-3(b) that the project falls within.

CREATE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CAPITAL IMPROVEMENTS

SECTION 31.16.(a) Article 29 of Chapter 120 of the General Statutes is amended by adding three new sections to read:

"**§ 120-261. Creation and membership of Joint Legislative Oversight Committee on Capital Improvements.**

The Joint Legislative Oversight Committee on Capital Improvements is established. The Committee consists of 16 members as follows:

(1) Eight members of the House of Representatives appointed by the Speaker of the House of Representatives, at least two of whom are members of the minority party.
(2) Eight members of the Senate appointed by the President Pro Tempore of the Senate, at least two of whom are members 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, except the terms of the initial members, which begin on appointment and end on the day of the convening of the 2017 General Assembly. 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 the member's successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

"**§ 120-262. Purpose and powers of the Committee.**

(a) The Joint Legislative Oversight Committee on Capital Improvements shall have the power to do all of the following:

(1) Examine, on a continuing basis, capital improvements requested by, authorized for, and undertaken by or on behalf of State agencies.
(2) Have oversight over implementation of the six-year capital improvements plan developed pursuant to G.S. 143C-8-5.
(3) Make recommendations to the General Assembly on ways to improve the planning, financing, design, construction, and maintenance of State capital improvements.
(4) Make reports and recommendations to the General Assembly regarding which capital improvements requested by State agencies should be authorized and how they should be funded.
(5) Examine any other topic the Committee believes to be related to its purpose.

(b) As used in this section, the term "capital improvement" shall have the same meaning as in G.S. 143C-1-1.

"**§ 120-263. 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 Capital Improvements. The Committee shall meet upon the call of the cochairs.

(b) A quorum of the Committee is nine 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 through G.S. 120-19.4.

(c) Members of the Committee 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 Supervisors

of Clerks 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 cochairs of the Committee may call upon other knowledgeable persons or experts to assist the Committee in its work."

SECTION 31.16.(b) G.S. 120-76(9) is repealed.

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PART XXXII. FINANCE PROVISIONS

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INDIVIDUAL INCOME TAX REDUCTIONS

SECTION 32.16.(a) G.S. 105-153.5(a)(1), as amended by S.L. 2015-6, reads as rewritten:

"(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. The deduction amounts are as follows:

(1) Standard deduction amount. – 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:

Filing Status	**Standard Deduction**
Married, filing jointly/surviving spouse	~~$15,000~~$15,500
Head of Household	~~12,000~~12,400
Single	~~7,500~~7,750
Married, filing separately	~~7,500.~~7,750.

SECTION 32.16.(b) G.S. 105-153.5(a)(2) reads as rewritten:

"(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. The deduction amounts are as follows:

...

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

b. Mortgage Expense and Property Tax. – 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~~allowed 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.

c. Medical and Dental Expense. – The amount allowed as a deduction for medical and dental expenses under section 213 of the Code for that taxable year."

SECTION 32.16.(c) G.S. 105-153.7(a) reads as rewritten:

"(a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income of every individual. The tax shall be levied, collected, and paid annually. The tax is five and ~~seventy-five hundredths percent (5.75%)~~four hundred ninety-nine thousandths percent (5.499%) of the taxpayer's North Carolina taxable income."

SECTION 32.16.(d) Subsection (a) of this section is effective for taxable years beginning on or after January 1, 2016. Subsection (b) of this section is effective for taxable years beginning on or after January 1, 2015. Subsection (c) of this section is effective for taxable years beginning on or after January 1, 2017.

SECTION 32.16A.(a) G.S. 105-163.2 reads as rewritten:

"§ 105-163.2. Employers must withhold taxes.

...

(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 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. 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 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 allowances provided by these tables and rules shall, as nearly as possible, approximate the amount of the employee's indicated income tax liability for that year based upon all of the following factors:

(1) An income tax rate equal to the rate set in G.S. 105-153.7 plus one-tenth of one percent (0.1%).

(2) ~~the~~ The additions the employee is required to make under Article 4 of this ~~Chapter and the deductions,~~ Chapter.

(3) The deductions and credits to which an employee 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 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.~~

...

(e) Alternatives to Tables. – If the Secretary determines that use of the withholding tables would be impractical, would impose an unreasonable burden on an employer, or would produce substantially incorrect results, the Secretary may authorize or require an employer to use some other method of determining the amounts to be withheld under this Article. The alternative method authorized by the Secretary must reasonably approximate the predicted income tax liability of the affected ~~employees.~~ employees based upon the factors provided in subsection (b) of this section. In addition, with the agreement of the employer and employee, the Secretary may authorize an employer to use an alternative method that results in withholding of a greater amount than otherwise required under this section.

The Secretary's authorization of an alternative method is discretionary and may be cancelled at any time without advance notice if the Secretary finds that the method is being abused or is not resulting in the withholding of an amount reasonably approximating the predicted income tax liability of the affected employees. The Secretary shall give an employer written notice of any cancellation and the findings upon which the cancellation is based. The cancellation becomes effective upon the employer's receipt of this notice or on the third day after the notice was mailed to the employer, whichever occurs first. If the employer requests a hearing on the cancellation within 30 days after the cancellation, the Secretary shall grant a hearing. After a hearing, the Secretary's findings are conclusive."

SECTION 32.16A.(b) This section is effective for taxable years beginning on or after January 1, 2016.

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ADDITIONAL LOCAL SALES TAX REVENUE FOR ECONOMIC DEVELOPMENT, PUBLIC EDUCATION, AND COMMUNITY COLLEGES

SECTION 32.19.(a) The heading to Article 44 of Chapter 105 of the General Statutes reads as rewritten:

"Article 44.
Local Government Hold Harmless and Allocation Provisions."

SECTION 32.19.(b) Article 44 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-524. Distribution of additional sales tax revenue for economic development, public education, and community colleges.**

(a) Purpose. – The purpose of this section is to address sales tax leakage that results from the different revenue-raising capacity of local option sales taxes in each taxing jurisdiction. The amount to be distributed is determined under subsection (b) of this section. The amount each county may receive is determined by the county's allocation percentage under subsection (c) of this section. The General Assembly must periodically review the allocation percentages.

(b) Distribution Amount. – The Secretary must calculate a distribution amount in conformity with this section. The Secretary must deduct this amount proportionately, in equal installments, from the collections to be allocated each month for distribution under G.S. 105-466, 105-483, and 105-498. For the fiscal year beginning July 1, 2016, the distribution amount is eighty-four million eight hundred thousand dollars ($84,800,000). For fiscal years beginning on or after July 1, 2017, the distribution amount is the amount for the preceding year, adjusted by the same percentage of this amount as the percentage change of the total collection of local sales and use taxes levied under Articles 39, 40, and 42 of this Chapter for the preceding fiscal year.

(c) County Allocation. – The Secretary must, on a monthly basis, allocate to each taxing county an amount equal to one-twelfth of the distribution amount calculated under subsection (b) of this section multiplied by the following appropriate allocation percentage:

County	Allocation Percentage
Alamance	0.00%
Alexander	1.69%
Alleghany	0.31%
Anson	0.96%
Ashe	0.62%
Avery	0.00%
Beaufort	0.17%
Bertie	0.94%
Bladen	1.03%
Brunswick	0.00%
Buncombe	0.00%

Burke	2.19%
Cabarrus	0.00%
Caldwell	1.72%
Camden	0.48%
Carteret	0.00%
Caswell	1.35%
Catawba	0.00%
Chatham	1.58%
Cherokee	0.24%
Chowan	0.26%
Clay	0.32%
Cleveland	1.43%
Columbus	2.63%
Craven	1.01%
Cumberland	0.06%
Currituck	0.00%
Dare	0.00%
Davidson	4.96%
Davie	1.14%
Duplin	1.97%
Durham	0.00%
Edgecombe	1.86%
Forsyth	0.00%
Franklin	2.44%
Gaston	1.96%
Gates	0.68%
Graham	0.31%
Granville	1.87%
Greene	1.20%
Guilford	0.00%
Halifax	0.76%
Harnett	5.17%
Haywood	0.05%
Henderson	0.68%
Hertford	0.47%
Hoke	2.58%
Hyde	0.03%
Iredell	0.00%
Jackson	0.00%
Johnston	3.26%
Jones	0.63%
Lee	0.37%
Lenoir	1.56%
Lincoln	1.74%
Macon	0.00%
Madison	1.03%
Martin	0.31%
McDowell	0.68%
Mecklenburg	0.00%
Mitchell	0.29%
Montgomery	1.05%
Moore	0.00%

Nash	1.16%
New Hanover	0.00%
Northampton	0.94%
Onslow	1.10%
Orange	0.33%
Pamlico	0.40%
Pasquotank	0.02%
Pender	1.69%
Perquimans	0.50%
Person	0.74%
Pitt	0.16%
Polk	0.74%
Randolph	4.27%
Richmond	0.54%
Robeson	3.00%
Rockingham	2.18%
Rowan	3.90%
Rutherford	1.63%
Sampson	2.10%
Scotland	0.83%
Stanly	1.04%
Stokes	1.99%
Surry	0.00%
Swain	0.32%
Transylvania	0.16%
Tyrrell	0.15%
Union	4.35%
Vance	0.36%
Wake	0.00%
Warren	1.01%
Washington	0.33%
Watauga	0.00%
Wayne	2.27%
Wilkes	1.55%
Wilson	0.39%
Yadkin	1.31%
Yancey	0.52%

(d) Use of Funds. – The amount allocated to a taxing county under this section must be divided among the county and its municipalities in accordance with the method by which the one percent (1%) sales and use taxes levied in that county pursuant to Article 39 of this Chapter or Chapter 1096 of the 1967 Session Laws are distributed. The county must use the revenue it receives under this section for economic development, public education, and community college purposes.

(e) State Contribution. – For fiscal years beginning on or after July 1, 2016, the Secretary must annually withhold, in equal monthly installments, seventeen million six hundred thousand dollars ($17,600,000) from sales and use tax collections under Article 5 of this Chapter. The Secretary must allocate the monthly amount withheld under this subsection to the taxing counties as follows:

(1) Fifty percent (50%) in the distribution made under Article 39 of this Chapter.

(2) Twenty-five percent (25%) in the distribution made under Article 40 of this Chapter.

(3) Twenty-five percent (25%) in the distribution made under Article 42 of this Chapter."

(f) Taxing County. – For purposes of this section, the term "taxing county" means a county that levies the first one-cent (1¢) sales and use tax under Article 39 of this Chapter or under Chapter 1096 of the 1967

Session Laws, the first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, and the second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter."

SECTION 32.19.(c) This section becomes effective July 1, 2016, and applies to local option sales taxes collected on or after that date and distributed to counties and cities on or after September 1, 2016.

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PART XXXIII. MISCELLANEOUS PROVISIONS

STATE BUDGET ACT APPLIES

SECTION 33.1. 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 33.2.(a) The Joint Conference Committee Report on the Base, Expansion and Capital Budgets for House Bill 97, dated September 14, 2015, which was distributed in the House of Representatives and the Senate 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 33.2.(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 2015-2017 biennial 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 a recommended base budget to the General Assembly on March 5, 2015, in the document "The Governor's Recommended Budget, the State of North Carolina 2015-2017" and in the Budget Support Document 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 33.2.(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

SECTION 33.3. The Fiscal Research Division shall issue a report on budget actions taken by the 2015 Regular Session of the General Assembly. The report shall be in the form of a revision of the Committee Report adopted for House Bill 97 pursuant to G.S. 143C-5-5. The Director of the Fiscal Research Division 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.

ADJUSTMENT OF ALLOCATIONS TO GIVE EFFECT TO THIS ACT FROM JULY 1, 2015

SECTION 33.3A.(a) The appropriations and authorizations to allocate and spend funds set out in S.L. 2015-133, S.L. 2015-184, and S.L. 2015-233 expire when this act becomes law. At such time, this act governs appropriations and expenditures.

When this act becomes law, the Director of the Budget shall adjust allocations to give effect to this act from July 1, 2015.

SECTION 33.3A.(b) Section 2.1 of S.L. 2015-214 is repealed.

MOST TEXT APPLIES TO THE 2015-2017 FISCAL BIENNIUM

SECTION 33.4. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 2015-2017 fiscal biennium, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 2015-2017 fiscal biennium.

EFFECT OF HEADINGS

SECTION 33.5. The headings to the Parts, subparts, 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 or subpart.

SEVERABILITY

SECTION 33.6. 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 33.7. Except as otherwise provided, this act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 18th day of September, 2015.

s/ Tom Apodaca
Presiding Officer of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 9:35 a.m. this 18th day of September, 2015

House Bill Summaries

SL 2015-222
HB 13 Amend School Health Assessment Requirement
Amends: G.S. 115C-390.2; G.S 130A-440, -441
Application/Effective Date: Effective August 18, 2015, applying beginning the 2016-2017 school year
Local action required: For students first enrolling in public school in the 2016-2017 school year, schools will ensure such students have submitted health assessment transmittal forms, and comply with the new law and required policies if a student's assessment is late.
SBE/DPI action required: DPI, with the Department of Health and Human Services (DHHS), shall develop a health assessment transmittal form for the 2016-2017 school year and report to the Joint Legislative Oversight Committee on Health and Human Services (JLOCHHS) and the Joint Legislative Education Oversight Committee (JLEOC) on the revised health assessment transmittal form on or before December 1, 2015.
Summary: Requires all students, regardless of grade, entering the public school system for the first time to provide proof of having received a health assessment via the statutorily required health transmittal form. Previously, health assessments were required only for entering kindergarteners. Parents or guardians of enrolling students must be notified that a health assessment is needed on or before the first day of attendance. If not submitted on the first day, the principal is required to issue a notice of deficiency including the following information: (1) notice that the form must be submitted within 30 calendar days or the child will not be permitted to attend school until submitted; and (2) an explanation for how the child may make up work missed in accordance with G.S. 115C-390.2(l). A child cannot be suspended for absences accrued from failure to present the form beyond the 30-day window, and must be allowed to make up work missed in accordance with G.S. 115C-390.2(l). The child's official school record shall only reflect whether or not the health assessment transmittal form has been received.

Local board of education policies shall state that absences under G.S. 130A-440 shall not be suspensions. A child must be given: (1) the opportunity take textbooks and school-furnished digital devices home for the duration of the absence; (2) upon request, the right to receive all missed assignments and associated materials, to the extent practicable; and (3) the opportunity to take any examinations missed during the absence period.

SL 2015-246
HB 44 Local Government Regulatory Reform 2015 (Conrad, Lambeth, Hanes, Terry)[1]
Amends: In relevant part, G.S. 115C-441
Application/Effective Date: October 1, 2015
Local action required: Ensure that school finance officers are in compliance with the newly revised state statute, G.S. 115C-441.
SBE/DPI action required: None.

[1] Primary bill sponsors are noted only if Session Law is substantially similar to originally-filed bill.

Summary: Section 6(b) of this law makes substantive changes to G.S. 115C-441, and applies to expenditures incurred on or after that date. Amends the pre-audit requirement for LEAs to ensure compliance with any rules adopted by the Local Government Commission (LGC), and sets forth new permissions for electronic payments or transfers.

SL 2015-111
HB 86 Utility Line Relocation/School Board (McNeill, Hurley, Shepard)
Amends: G.S. 136-27.1
Application/Effective Date: July 1, 2015
Local action required: Seek payment by NC Department of Transportation (DOT) for eligible nonbetterment costs.
SBE/DPI action required: None.
Summary: Requires DOT to pay the nonbetterment costs of moving water or sewer lines owned by local boards of education and located within the existing state transportation project right-of-way in the event of transportation improvement projects.

SL 2015-44
HB 113 Protect Our Students Act (Hastings, Presnell, R. Turner, Bishop)
Amends: G.S. 14-27.7(b), -202.4, -208.15
Application/Effective Date: December 1, 2015
Local action required: School administrators overseeing personnel and school safety should be made aware of this change to criminal law.
SBE/DPI action required: None.
Summary: Increases the criminal penalty from a Class A1 misdemeanor to a Class I felony for a defendant who is school personnel (other than a teacher, school administrator, student teacher, school safety officer, or coach) and is less than four years older than a student and engages in a criminal sex act or indecent liberties with a student. (Teachers, school administrators, student teachers, school safety officers, and coaches are covered under a different criminal law for sex offenses). Employees of non-public, charter, and regional schools are also covered by this statute. Creates a procedure for colleges, community colleges, and universities to obtain a list of students and employees of their respective institutions who are registered sex offenders.

SL 2015-183
HB 134 Soliciting Prostitution/Immunity for Minors (Glazier, Davis, T., Hamilton, McGrady)
Amends: G.S. 14-205.1
Application/Effective Date: August 5, 2015
Local action required: Ensure that school resource officers and administrators are aware of changes to criminal law/immunity.
SBE/DPI action required: None.
Summary: Revises G.S. 14-205.1 by adding a new subsection "(b)," providing that when a person suspected of or charged with a violation of soliciting as a prostitute is determined to be a minor, that minor is immune from prosecution and will be taken into temporary protective custody. It also requires that the law enforcement officer: (1) immediately report an allegation of a juvenile soliciting as a prostitute to the director of the department of social services in the county where the minor resides or is found; and (2) commence an initial investigation into child abuse or neglect within 24 hours.

SL 2015-112
HB 154 Local Governments in State Health Plan (Iler)
Amends: G.S. 135-48.47, -48.8
Application/Effective Date: June 24, 2015
Local action required: Pioneer Springs Community School is allowed to participate in the State Health Plan for teachers and state employees.
SBE/DPI action required: None.
Summary: Expands eligibility in the State Health Plan to qualified local government units under revisions to G.S. 135-48.47. Also permits eligibility for Pioneer Springs Community School (charter school in Charlotte) to participate in the State Health Plan for teachers and state employees.

SL 2015-247
HB 173 Omnibus Criminal Law Bill (Stam, Faircloth, Glazier, R.Turner)
Amends: In relevant part, G.S. 15A-150; G.S. 8C (Rule 803)
Application/Effective Date: September 23, 2015; however, Section 11 (see below) became effective October 1, 2015.
Local action required: Ensure that school resource officers and administrators are aware of these changes to criminal law.
SBE/DPI action required: None.
Summary: Sets forth a host of criminal law changes. In relevant part, Section 8 amends G.S. 15A-150 to permit the Director of the Administrative Office of the Courts (AOC) to enter into agreements with state and local agencies for electronic or facsimile transmission of information involving:

1. Persons granted an expunction under Chapter 15A of the General Statutes.
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. Persons granted a conditional discharge under G.S. 14-204.

Section 11 amends Rule 803(6) of the Rules of Evidence under Chapter 8C of the General Statutes ("Hearsay Exceptions; availability of declarant immaterial") so that a non-party custodian of a business record can certify in writing by affidavit that said record is authentic rather than needing to testify in person.

SL 2015-218
HB 184 Change DCR Process for Unclaimed Property (R. Brown, Cleveland, Floyd, Riddell)
Amends: In relevant part, G.S.132-11
Application/Effective Date: August 18, 2015
Local action required: Note change to Public Records retention law.
SBE/DPI action required: Same as above.
Summary: Section 3 amends Public Records law under G.S. 132-11 regarding time limitations on the confidentiality of records. Notwithstanding any other law, all restrictions on access to public records will expire 100 years after the creation of a record, including those in existence before the effective date of this section. This change, however, does not authorize or require the opening of any record that meets any of the following criteria:

1. Ordered to be sealed by any state or federal court.

2. Prohibited from being disclosed under federal law, rule, or regulation.
3. Contains Social Security numbers.
4. A juvenile, probationer, parolee, post-releasee, or prison inmate record.
5. Contains detailed plans and drawings of public buildings and infrastructure.

SL 2015-100
HB 190 State Health Plan Modifications (Pendleton)
Amends: G.S. 135-48.40, -48.41, -48.42, -48.44
Application/Effective Date: July 1, 2015
Local action required: Human Resources/Benefits specialists should review these changes to State Health Plan laws.
SBE/DPI action required: Same as above.
Summary: Allows retirees and surviving spouses to disenroll from the State Health Plan at any time within that Plan year without a qualifying event, and they may disenroll their dependents in the same way. Also modifies the time period around cancellation of coverage for State Health Plan participants.

SL 2015-46
HB 237 Repeal/Modify Personal Education Plans (Elmore, Holloway, Glazier)
Amends: G.S. 115C-105.41, -83.7, -83.9
Application/Effective Date: June 2, 2015, beginning with the 2015-2016 school year
Local action required: Note the deletion of "personal education plans" from state law and related revisions to G.S. 115C.
SBE/DPI action required: Report to JLEOC by November 15, 2016, on how at-risk students are identified and being served through interventions to prevent academic failures. *See* Section 3.5 of this Session Law.
Summary: Repeals the statutory requirement for personal education plans (PEPs), but keeps LEA requirement to identify and help at-risk students. Also requires school improvement teams to develop plans for at-risk students to assist them in making successful transitions between elementary, middle and high school years. Repeals other references to PEPs in G.S. 115C-83.7(c) and G.S. 115C-83.9(a).

SL 2015-161
HB 254 Protect National Guard Reemployment Rights (G. Martin, Whitmire, Pendleton, Salmon)
Amends: G.S. 127A-201, -202.1
Application/Effective Date: October 1, 2015
Local action required: Ensure that reemployment rights are extended to National Guard members of all states.
SBE/DPI action required: Same as above.
Summary: Extends reemployment rights guaranteed to National Guard members under G.S. 127A-202.1 to members of non-NC states (such rights already existed for in-state National Guard members). Protects against employment discrimination and retaliatory action on basis of the membership, application for membership, performance of service, application for service, or obligation.

SL 2015-145

HB 255 Building Code Regulatory Reform (Brody, Riddell, Cotham, Watford)

Amends: G.S. 143-136, -138, -138.1, -141, -151.8; G.S. 153-357; G.S. 153A-352, -354, -356, -357, -360; G.S. 160A-417, -412, -414, -416, -417, -420

Application/Effective Date: October 1, 2015

Local action required: Ensure that local school planning/construction experts are aware of changes to building code and enforcement.

SBE/DPI action required: Same as above.

Summary: This law conforms work in progress inspection authority on inspection limitations in G.S.153A-352(b) and G.S. 160A-412(b) enacted in 2013. It requires the NC Building Code Council to study alternative approval methods, and clarifies the definition of "official misconduct for code officials." *See* Section 3(a) of this Session Law. It requires that the Building Code Council decisions be posted on the North Carolina Department of Insurance website within three days of issuance. Inspection fees collected by cities and counties can only be used to support their respective inspection departments. Inspections must be performed in a timely manner and reports from inspections must include all items failing to meet code requirements. Section 10 of the law revises G.S. 83A-13(c) that had previously exempted from requiring architectural seals if the building had a total value not exceeding $900,000 or an area not exceeding 2,500 square feet; this changes the requirement so that both criteria must be met. This will impact construction of free-standing structures, such as weight rooms, Career and Technical Education shops, or other free-standing structures at a school.

SL 2015-268

HB 259 General Government Technical Corrections

Amends: G.S. 7A, 20, 58, 105, 106, 113, 115C, 116, 143B, 143C, 147, and various provisions of the 2015 Budget (HB 97/SL 2015-241), including Sections 8.41 and 9.4, among others

Application/Effective Date: Except as otherwise provided, July 1, 2015

Local action required: Note the permission to follow an LEA's local salary schedule for noncertified employees under Section 3.2 of this law.

SBE/DPI action required: Comply with the below technical corrections to the 2015 Budget and otherwise.

Summary: This legislation is one of the two technical corrections bills from this Session. *See also* SB 119/SL 2015-264. There are five public education corrections. Section 3.2 rewrites Section 9.4 of the 2015 Budget to read: "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 not be legislatively increased for the 2015-17 fiscal biennium, but may be increased as otherwise allowed by law." This allows LEAs to move noncertified staff up a step if that employee is paid on a locally-adopted salary schedule. Section 3.3 adds a new subsection to Section 9.5 of the 2015 Budget that reads: "(c) Subsection (a) of this section shall not be construed to modify the compensation of persons initially employed as assistant principals prior to July 1, 2009, for work performed prior to July 1, 2015." This means that there will be no retroactive pay for years before July 1, 2015. Section 3.6 expands the permitted use of appropriated funds by the pilot program for teacher recruitment and retention (to be established at Appalachian State University, College of Education) to personnel, marketing, programming, counseling and advising. Section 3.7 moves the submission date for the annual Educator Preparation Program Report Card from November 15 to December 15. Section 3.8 clarifies that

the appropriation for the Excellent Public Schools Act (in Section 8.49 of the 2015 Budget) shall not be used to increase funding for the NC Teacher Corps program.

SL 2015-254
HB 272 Appointments Bill
Amends: None.
Application/Effective Date: September 29, 2015, except as otherwise provided
Local action required: None.
SBE/DPI action required: None.
Summary: Education-related appointments are as follows:

1. Anthony Helton of Rutherford County is appointed by the Speaker of the House to the North Carolina Charter Schools Advisory Board for a term expiring on June 30, 2019;
2. Dr. Ellen C. Collett of Burke County and Paul Powell of Guilford County are appointed by the Speaker of the House to the Board of Trustees of the North Carolina School of Science and Mathematics for terms expiring on June 30, 2017;
3. Senator Dan Soucek of Watauga County is appointed by the President Pro Tempore of the Senate to the Education Commission of the States, effective December 1, 2016, for a term expiring on December 31, 2017; and
4. Sherry Reeves of Pamlico County is appointed by the President Pro Tempore of the Senate to the North Carolina Charter Schools Advisory Board for a term expiring on June 30, 2017.

SL 2015-67
HB 274 Retirement Technical Corrections Act (Gill, L. Bell, Elmore, Waddell)
Amends: G.S. 114-2.4A; G.S. 128-29.1 (repealed); G.S. 128-38.10; G.S. 135-1, -106, -151, -4
Application/Effective Date: July 1, 2015
Local action required: Note changes to retirement laws.
SBE/DPI action required: Same as above.
Summary: Revises the definition of "employee" under G.S. 135-1(10), such that employees in permanent job positions on a recurring basis must work at least 30 hours per week for nine or more months of the calendar year in order to be eligible to qualify for the State Retirement System. Repeals G.S. 128-29.1, which provided the Local Governmental Employees' Retirement System (LGERS) Board of Trustees the authority to invest in certain common and preferred stocks. Provides that any reduction of long-term disability benefits within the first 36 months, equal to the primary Social Security retirement benefit, goes into effect the first of the month following the month of initial entitlement. Clarifies that credit eligibility for teachers and state employees who served in the uniformed services includes all those who were not dishonorably discharged. Directs employers to remit employer and employee contributions for the full period of a member's uniformed service so long as the member returns to work in compliance with the conditions of G.S. 135-4(g).

SL 2015-168
HB 276 Agency Participation Procedures Act of 2015 (Ross, S., Gill, Goodman, McNeill)
Amends: G.S. 115C-218.100; G.S. 120-114; G.S. 128-21, -26, -30; G.S. 135-4, -5.3, -8
Application/Effective Date: January 1, 2016, except as otherwise provided

Local action required: Charter schools should review these new state retirement laws affecting their participation in the state retirement system.
SBE/DPI action required: Review changes to state retirement laws.
Summary: This act revises the procedures for entry to and exit from the Teachers' and State Employees' Retirement System (TSERS) and the Local Governmental Employees' Retirement System (LGERS) by public agencies in order to protect the fiscal integrity of the systems. It removes the 30-day time limit restriction for charter schools to elect to participate in TSERS and requires the board of directors of an entering charter school to adopt a written resolution acknowledging acceptance of the terms and conditions of membership, including the exit procedures in Section 3 of this law. Section 3 also provides that the Board of Trustees will approve entry for a charter school based on the results of an actuarial, financial, and legal review. It also requires any agency exiting the Retirement Systems (that has participated in TSERS or LGERS for more than one year) to pay a withdrawal liability before exiting. This withdrawal liability is determined by the Boards of Trustees on advice of the consulting actuary to reflect the exiting agency's share of the System's unfunded accrued actuarial liability plus a risk premium that covers the increased investment, mortality and other actuarial risk for the exiting agency's participants until all benefit obligations for these participants have been paid.

SL 2015-164
HB 277 Retirement Administrative Changes Act of 2015 (Ross, S., Gill, Goodman, McNeill)
Amends: G.S. 111-47.3; G.S. 115C-438; G.S. 120-4.31; G.S. 126-5; G.S. 128-21, -24, -27, -30; G.S. 135-1, -3, -5, -74, -8, -91, -96; G.S. 147-69.2, -77; G.S. 150B-21.3A
Application/Effective Date: October 1, 2015
Local action required: Review relevant changes to state retirement laws.
SBE/DPI action required: Adhere to the new statutory provision under Section 6(c), adding language to 115C-438.
Summary: Requires SBE to withhold certain state appropriations from a LEA if the LEA is in default on payments to TSERS under G.S. 115C-438. SBE shall withhold an amount equal to the sum of all delinquent contributions and payments due to the Retirement Systems Division and transmit that amount to said Division. There is also comparable new language for other non-LEA employers participating in the Retirement Systems Division. Furthermore, this legislation contains several other changes to state retirement laws generally.

SL 2015-294
HB 318 Protect North Carolina Workers Act (Cleveland, Millis, Whitmire, Conrad)
Amends: G.S. 108A-51.1, -55.3; G.S. 143-133.3; G.S. 153A-145.5, G.S. 153A-449(b) (repealed); G.S. 159-28; G.S. 15A-306; G.S. 160A-20.1(b) (repealed), G.S. 160A-499.4; G.S. 20-7; G.S. 58-2-164; G.S. 64-27 through -33.1
Application/Effective Date: October 1, 2015, except as otherwise provided
Local action required: Compliance with E-Verify system with government contracts and other changes to state employment laws.
SBE/DPI action required: Same as above.
Summary: Changes state employment law statutes. Section 1(a) prohibits any institution or subdivision of the state (including LEAs) from entering into a contract unless the contractor and any subcontractors comply with the federal E-verify system to check employee immigration status. State and local government entities can satisfy this provision by including a term in the

contract that the contractor/subcontractors comply with the state's E-verify requirements (limited exemptions for travel, etc.). Section 10 directs the NC Commissioner of Labor to notify any governmental entity found in violation. A list of violators will be compiled and published on the Department of Labor's website.

Section 12 prohibits any identifying document issued by another country (e.g., matricula consular), other than a valid passport or state-authorized identity document, from being an acceptable form of identification. Any contradicting local government policy or ordinance is automatically repealed under this new state law, G.S. 15A-306. Section 15 prohibits cities and counties from having any policy, ordinance, or procedure that limits or restricts the enforcement of federal immigration laws. They are furthermore prohibited from limiting the gathering of citizenship or immigration status information from any individual to federal law enforcement. This Section also adds the prohibition on "sanctuary ordinances" under municipal law.

SL 2015-248
HB 334 Charter School and Other Education Laws Changes
Amends: G.S. 115C-218, -218.1, -218.2, -218.5, -218.15, -218.45, -218.47, -218.50, -218.100
Application/Effective Date: Generally, September 23, 2015, except as otherwise provided.
Local action required: Charter schools and applicants should analyze these new charter school laws carefully. Local boards of education shall adopt anti-nepotism policies, as described in Section 6(b), and shall review reevaluation requirements for the Special Education Scholarships in Section 10.
SBE/DPI action required: Compliance with laws as described below.
Summary: This law was the comprehensive charter school bill of the Session. Also, unrelated to charter school law, it adds a new re-eligibility option for nonpublic school students receiving the Special Education Scholarships.

Section 1: (1) Establishes the SBE member on the Charter School Advisory Board (CSAB) as a non-voting member, (2) Requires SBE to appoint a member of CSAB that is a charter school advocate (appointee cannot be a current member of SBE), and (3) States that the CSAB chair, or designee thereof, will be responsible for advocating for the recommendations of CSAB to SBE. Establishes the Office of Charter Schools (OCS) in statute (new subsection G.S. 115C-218(c)). Requires that OCS be administratively located in DPI "subject to the supervision, direction, and control of SBE" such that OCS: (1) must have an executive director appointed by and reporting to SBE; (2) serves as staff to CSAB; (3) provides technical assistance and guidance to charter schools and applicants; (4) provides or arranges training for charter schools that have received preliminary approval from SBE; (5) assists approved charter schools and charter school applicants in coordinating services with DPI; and (6) performs other duties assigned by SBE. Effective date: September 23, 2015.

Section 2: Raises the minimum number of students that a charter school must enroll from 65 to 80, unless there is a compelling reason for fewer students (i.e., the school would serve a geographically remote and small student population). Effective date: September 23, 2015, and applies to 2015-2016 school year.

Section 3: Statutorily permits a charter school to use a weighted lottery for student selection, but requires a school wishing to use a weighted lottery to state so in its application for SBE approval. Further states that a charter school shall not limit admission to students on the basis of race, creed, national origin, religion, or ancestry. Effective date: September 23, 2015, and applies to 2015-2016 school year.

Section 4: Requires timely notification to a charter applicant of any "format issues or incomplete information" in the initial charter application and provides the applicant with at least five business days to correct those issues. Also, before taking action on a charter application, renewal, nonrenewal, or revocation, CSAB (or a committee thereof) must provide an opportunity for the applicant to address CSAB or its committee. Effective date: September 23, 2015 and applies to 2015-2016 school year.

Section 5: Changes the law on charter renewals as follows: "The State Board of Education ~~may~~ shall renew a charter upon request of the chartering entity for subsequent periods of 10 ~~years each. The renewal may be for less than 10 years if any~~ years, unless 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 academic outcomes for the past three years have not been comparable to the academic outcomes of students in the local school administrative unit where the charter school is located[; or] 3) the school is ~~not~~ not, at the time of the request for renewal of the charter, substantially in compliance with State law, federal law, the school's own bylaws, or the provisions set forth in its charter…." G.S. 115C-218.5.

Section 5 also expands the scope of what is not a material revision to a charter under G.S. 115C-218.5(f) as follows: "Expand to offer one grade higher or lower than the charter school currently offers if the charter school has (i) operated for at least three ~~years and~~ years, (ii) has not been identified as having inadequate performance as provided in ~~G.S. 115C-218.95(b)~~.G.S.115C-218.95(b), and (iii) has been in financial compliance as required by the State Board of Education." Furthermore, the revised law contains the same new "substantially in compliance" with-the-law standard for purposes of SBE approval for twenty percent (20%) enrollment growth. *See* G.S. 115C-218.5(e)(5). Effective date for Section 5: September 23, 2015, and applies to 2015-2016 school year.

Section 6: Requires charter schools to adopt a conflict of interest and anti-nepotism policy that includes the requirements of Chapter 55A of the General Statutes related to conflicts of interest. The policy requires that, before an immediate family member of any board member or supervising employee is hired or contracted with, the proposed employment/contract be disclosed and approved by the charter's board in an open meeting. Local boards of education are also required to adopt a conflict of interest and anti-nepotism policy pursuant to new subsection "(17a)" under G.S. 115C-47. The policy requires that before an immediate family member of any board of education member or central office staff administrator (including directors, supervisors, specialists, staff officers, assistant superintendents, area superintendents, superintendents, or principals) is hired or contracted with, the proposed employment/contract be disclosed and approved by the local board in a duly called open session meeting. The burden of disclosure is on the applicable board member or central office staff administrator.

Section 6(a) also adds new language to G.S. 115C-218.15 as follows: "(e) The board of directors of the private nonprofit corporation operating the charter school may have members who reside outside of the State. However, the State Board of Education may require by policy that a majority of the board of directors and all officers of the board of directors reside within the state." Effective date for Section 6: March 1, 2016.

Section 7: Current statute G.S. 115C-218.50 is expanded to allow charters to establish fees for extracurricular activities not to exceed those for the same activities charged by an LEA in which at least 40% of the charter school's students reside. Effective date: September 23, 2015 and applies to 2015-2016 school year.

Section 8: The existing statutory requirement under G.S. 115C-218.100(a) requiring that every charter school maintain $50,000 in reserve funds for potential closure proceedings is amended to require the reserve only for charter schools that participate in the State Retirement System. *See also,* SL 2015-168, Section 4, adding a new subsection "(a1)" to G.S. 115C-218.100. This applies to charters that submitted applications for an initial charter or renewal to SBE on or after August 2, 2014. It requires SBE to study and develop a proposed policy regarding circumstances when a charter school must maintain the $50,000 closure reserve and report to JLEOC by February 15, 2016.

Section 9 sets forth a host of studies and new SBE reports:
Section 9(a): "By January 15, 2016, upon written recommendations made by the Charter Schools Advisory Board (Advisory Board), the State Board of Education shall amend the process and rules for replication of high-quality charter schools established in North Carolina State Board of Education Policy TCS-U-016 (Fast Track Replication of High Quality Charter Schools) to authorize consideration for fast track replication of a charter application from a board of directors of a North Carolina nonprofit corporation who agrees to contract with an education management organization or charter management organization currently operating a charter school or schools in the State for at least a year, regardless of whether the board of directors has previously operated a charter school within the State. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the amendment to the process and rules for charter school replication as required by this section."

Section 9(b): "By January 15, 2016, the Advisory Board shall study and make recommendations on a process for allocating allotments made pursuant to G.S. 115C-218.105 for schools which increase enrollment pursuant to G.S. 115C-218.5(f), as amended by this act, to the State Board of Education. The State Board of Education shall review the Advisory Board's recommendations and shall report to the Joint Legislative Education Oversight Committee by February 15, 2016, on recommendations for policy or legislation needed for that process."

Section 9(c): "By January 15, 2016, upon written recommendations made by the Advisory Board, the State Board of Education shall adopt a policy on the process for determining whether a school is in substantial compliance as required under G.S. 115C-218.5(d)(3), (e), and (f) as amended by this act. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the adoption of the policies required by this section."

Section 9(d): "By January 15, 2016, upon written recommendations made by the Advisory Board, the State Board of Education shall adopt a policy on the submission of certain proposed rules and other guidance related to charter schools for review by the Advisory Board and a requirement for the Advisory Board to provide recommendations to the State Board of Education on covered matters. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the adoption of the policies required by this section."

Section 10: Unrelated to charter laws, this Section modifies the "reevaluation" process for those students eligible for the Special Education Scholarships. This provision sets up a new option, outside the three-year formal reevaluation process provided by LEAs, for parents to have their child assessed only for purposes of scholarship re-eligibility by a "licensed psychologist with a school psychology focus" (not to be confused with an official school psychologist) to determine, among other things, whether the student would "continue to benefit from placement in a nonpublic school setting." Effective date: September 23, 2015, but applies to students required to be assessed on or after January 1, 2015.

SL 2015-17
HB 358 School Performance Grade Scale (L. Johnson, Horn, Holloway, Elmore)
Amends: G.S. 115C-83.15 for the 2014-15 and 2015-16 school years only.
Application/Effective Date: May 14, 2015
Local action required: Note that the temporary 15-point scale is only in effect until the end of the 2015-16 school year.
SBE/DPI action required: Same as above.
Summary: Maintains the current temporary 15-point scale for the A-F School Performance Grades under G.S. 115C-83.15(d) as follows:

1. A: 85-100
2. B: 70-84
3. C: 55-69
4. D: 40-54
5. F: 39-0

SL 2015-9
HB 364 Clarify Laws on Executive Orders and Appointments (Lewis)
Amends: G.S. 113A-104; G.S. 116E-3; G.S. 120-123; G.S. 130A-309.202; G.S. 143B-283, -394.15, -1100
Application/Effective Date: April 27, 2015
Local action required: None.
SBE/DPI action required: Note the new composition of the North Carolina Longitudinal Data System Board, and other appointments.
Summary: In relevant part, requires that non-legislative members of the public serve on the North Carolina Longitudinal Data System Board (NCLDS) of which the Superintendent of Public Instruction (or her designee) is a member. Three such non-legislative members will be appointed upon recommendation of the president Pro Tempore of the Senate. Three such members are appointed upon the recommendation of the Speaker of the House of Representatives. One such

member will be appointed by the Governor. These changes bring the NCLDS Board into compliance with *Wallace v. Bone,* 304 N.C. 591 (1982).

SL 2015-258
HB 373 Elections
Amends: Series of statutes under Chapter 163, Article 22A "Regulating Contributions and Expenditures in Political Campaigns."
Application/Effective Date: Sections 1 and 2 are effective September 30, 2015, and apply to the 2016 primary cycle. Remainder is effective when it becomes law and applies to expenditures and contributions made on or after September 30, 2015.
Local action required: Note the new election dates and filing period.
SBE/DPI action required: Same as above.
Summary: In relevant part, moves the statewide primary elections in 2016 to March 15, 2016. Any school board that holds its election with the statewide primary (including the presidential primary) will have to hold its election on March 15, 2016. *See also,* Sections 2(a) and (b) of this Session Law. The filing period for March election candidates opens at noon, December 1, 2015, and closes at noon, December 21, 2015.

SL 2015-18
HB 383 Clarify Statutory Scheme/Sex Offenses (Glazier, Stam, Jordan, Faircloth)
Amends: G.S. 4-208.40A; G.S. 7B-101, -401.1, -1103, -1104, -1602, -2509, -2513, -2514, -2516, -2600; G.S. 8-53.12; G.S. 14-27.1, -27.10, -27.20, -27.21, -27.22, -27.23, -27.24, -27.25, -27.26, -27.27, -27.28, -27.29, -27.2A, -27.3, -27.4, -27.4A, -27.5, -27.5A, -27.7A, -27.8, -27.30, -27.31, -27.32, -27.33, -27.34, -27.36, -202.4, -203, -205.2, -208.6, -208.26, -208.40, -208.40A, -208.40B, -401.16; G.S. 15A-136, -145.4, -145.5, -290; G.S. 48-3-603; G.S. 50-13.1, 50-16.1A; G.S. 50B-1; G.S. 90-171.38, -210.25B; G.S. 143B-1200
Application/Effective Date: December 1, 2015
Local action required: None.
SBE/DPI action required: None.
Summary: This law amends the crime of statutory rape of a person who is 15 years of age or younger (G.S. 14-27.25), such that the defendant would have to be at least 12 years old *and at least six years older* than the victim. Under these circumstances the defendant would be guilty of a Class B1 felony. The defendant would be guilty of a Class C felony if the defendant is at least 12 years old and more than four *but less than six years older* than the victim. Previously, this crime had no minimum age requirement for the defendant; this law sets it now at age 12. It also amends statutory sex offenses with a minor who is 15 years of age or younger (G.S. 14-27.30) to be consistent with statutory rape of a person who is 15 years of age or younger. Additionally, this law reorganizes various statutes on sex offenses to make them more distinguishable from each other.

SL 2015-260
HB 495 OSHR Modernization/Technical Changes (Collins, Hurley, Floyd)
Amends: G.S. 126-1.1, -14.2, -24, -4, -6.2, -7.1, -8.1
Application/Effective Date: Generally, September 30, 2015; however, Parts I and V became effective October 1, 2015.
Local action required: Comply with new personnel statutes.
SBE/DPI action required: Same as above.
Summary: Makes various changes to state personnel statutes formerly known as the "State Personnel Act," now codified as the "NC Human Resources Act" (NCHRA). The legislation redefines a "career state employee" as an eligible employee who is in a "permanent position with a permanent appointment" and who has been continuously employed in such a position for "the immediate 12 preceding months" (previous law requires 24 preceding months). Carves out an exception for certain sworn law enforcement positions, and requires such employees to be employed for 24 continuous months to be a "career state employee." The legislation makes further changes under Chapter 126.

SL 2015-72
HB 552 Graffiti Vandalism (McGrady, Glazier, B. Brown, J. Bell)
Amends: G.S. 14-127.1, -132
Application/Effective Date: December 1, 2015
Local action required: Note the new criminal sanctions for defacing public school buildings and other public properties.
SBE/DPI action required: Same as above.
Summary: The legislation defines "graffiti vandalism" to mean to "unlawfully write or scribble on, mark, paint, deface, or besmear the walls of" property, public buildings or facilities under G.S. 14-132, or any statute or monuments in public places. It makes the punishment a Class 1 misdemeanor and a $500 fine, requires 24 hours of public community service, and increases the punishment for each of three successive offenses.

SL 2015-195
HB 562 An Act to Amend Various Firearm Laws (Schaffer, Burr, Cleveland, Faircloth)
Amends: G.S. 14-269.2, -269.4, and a series of other firearms statutes
Application/Effective Date: July 1, 2015, in relevant part
Local action required: Note relevant expansion of firearms law for concealed handgun permit holders on school properties.
SBE/DPI action required: Same as above.
Summary: In relevant part, expands allowances for firearms on school (and other public) properties under criminal law G.S. 14-269.2(k) and (l). Allows concealed handgun permit holders to enter or exit their vehicle if the handgun remains in a closed compartment or container within the locked vehicle or in a locked container securely fixed to the vehicle. It allows the permit holder to have a handgun on his or her person if remaining in the locked vehicle, unlocking the vehicle only to allow another person to enter or exit. The handgun may be removed from the vehicle as long as it is reasonably necessary to move the handgun to another secure compartment within the vehicle or for the permit holder to conceal the handgun on his/her person. Further, the law now allows such a permit holder to assert as an affirmative defense that

he or she removed the handgun from a locked vehicle or compartment "...only in response to a threatening situation in which deadly force was justified pursuant to G.S. 14-51.3."

SL 2015-274
HB 647 Epi Pens In All Child-Serving Businesses (McGrady, Avila, Stevens, Glazier)
Amends: G.S. 90-21.15A
Application/Effective Date: December 31, 2015
Local action required: Note new obligations for "child-serving entities."
SBE/DPI action required: Same as above.
Summary: Allows healthcare providers to prescribe epinephrine auto-injectors (Epi pens) to authorized child-serving entities (other than schools) at which allergens capable of causing anaphylaxis may be present (i.e., recreational camps, colleges, universities, day care facilities, youth sports leagues, amusement parks, restaurants, places of employment, and sports arenas). Schools are expressly exempted from this definition of "authorized entity." *See* G.S. 90-21.15A(a)(2). Participating entities must designate employees to receive training and be responsible for the storage, maintenance, control, and general oversight of auto-injectors and potential administration of the medicine under certain circumstances. The law also includes an immunity clause for authorized individuals administering or dispensing Epi pens.

SL 2015-136
HB 669 Juvenile Law Changes/Abuse/Neglect/Dependency (Stevens, S.)
Amends: G.S. 7B-1001, -101, -401.1, -502, -505, -505.1, -506, -507, -800.1, -901, -903, -903.1, -905, -906.1, -906.2, -912
Application/Effective Date: October 1, 2015, except as otherwise provided
Local action required: School guidance counselors and other school officials should review these changes under Chapter 7B Juvenile Code.
SBE/DPI action required: Same as above.
Summary: This law contains fourteen pages of substantive changes to the state's Juvenile Code, including, but not limited to: (1) statutory definitions; (2) foster parents' rights; (3) nonsecure custody procedures; (4) initial dispositional hearings; (5) juveniles placed in custody of the local department of social services; (6) permanency planning hearings; and (7) appeal rights.

SL 2015-250
HB 792 Privacy/Protection from Revenge Postings (Bryan, Bishop, Faircloth)
Amends: G.S. 14-190.5A, -190.9; G.S. 1-54
Application/Effective Date: December 1, 2015
Local action required: Ensure that school resource officers and school administrators are aware of these new criminal laws.
SBE/DPI action required: Same as above.
Summary: Class H felony to distribute nude or sexual photos obtained "within the context of a personal relationship" and without the consent of the depicted person. For those under 18, it would result in a Class 1 misdemeanor for a minor's first offense. If someone under 18 commits a subsequent or second offense, it will be a Class H felony. The law applies to people who are in a "personal relationship" under G.S. 50B-1(6), which includes those in opposite sex relationships, including dating. The law applies only to images where the depicted person (alleged victim): (1) shares the pictures with another with whom they have said "personal

relationship" and (2) must have a reasonable expectation that the disclosure will not go beyond that "relationship." *See* G.S. 14-190.5A. The statute of limitations on bringing an action under this new law is one year after the initial discovery, and the statute of repose is seven years ("in no event may the action be commenced more than seven years from the most recent disclosure of the private image.") *See* G.S. 1-54(11). Additionally, this law makes indecent exposure that occurs on private premises a new criminal offense under G.S. 14-190.9.

SL 2015-90
HB 795 SEPA Reform (Torbett, Hager, Millis)
Amends: G.S. 113A-10, -11, -12, -4, -9; G.S. 143-215.22L; G.S. 159G-38
Application/Effective Date: June 19, 2015
Local action required: None.
SBE/DPI action required: Note changes to state agencies' Environmental Impact Statements.
Summary: Amends the State Environmental Policy Act and changes the legal requirements for state agencies that must submit Environmental Impact Statements for any state action that involves a significant expenditure of public moneys. G.S. 113A-4(2). Such a "significant expenditure" is newly defined as "expenditures of public funds greater than ten million dollars for a single project or action or related group of projects or actions." G.S. 113A-9(7a). However, the following action is generally excluded from the required environmental document under the revised G.S. 113A-12(3)(d): a lease or easement granted by a State agency for "...d) a facility for the use or benefit of The University of North Carolina system, the North Carolina community college system, the North Carolina public schools systems, or one or more constituent institutions of any of those systems...."

SL 2015-114
HB 812 Grant Recipients Posted on Grantor Website (Riddell, Saine, Bradford, Bishop)
Amends: G.S. 143C-2-5
Application/Effective Date: June 24, 2015, and fully implemented by December 31, 2015
Local action required: None.
SBE/DPI action required: Comply with new requirements under G.S. 143C-2-5.
Summary: Requires state agencies, institutions, departments, bureaus, and commissions to conduct a quarterly review of state contracts and grants administered by each said entity. All such entities that maintain a website shall include a link to N.C. OpenBook (a single searchable website on state spending) and must make the contract and grant information readily available on their websites. *See* http://www.ncopenbook.gov

SL 2015-58
HB 879 Juvenile Code Reform (Jordan, Glazier, McGrady, Avila)
Amends: G.S. 7B-1701, -1903, -2101, -2202, -2203, -2404, -2408.5, -2506, -2507, -2510, -2512
Application/Effective Date: Effective December 1, 2015, and applies to all offenses committed on or after that date.
Local action required: Ensure that school resource officers and administrators are aware of these changes to the Juvenile Code.
SBE/DPI action required: None.
Summary: Under a Juvenile Code provision, G.S. 7B-2101(b), in-custody admissions or confessions by a juvenile are excluded from evidence, unless said admission/confession is made

in the presence of the juvenile's parent, guardian, custodian, or attorney. This legislation increases the age limit of the juvenile from "less than 14" to now "less than 16" for the purposes of this evidentiary exclusion rule. Adds a new subsection to G.S. 7B-2408.5 specifying procedures for motions to suppress evidence before adjudication hearings and makes other court procedure changes under Chapter 7B.

SL 2015-280
HB 943 Connect NC Bond Act of 2015
Amends: None.
Application/Effective Date: October 21, 2015
Local action required: None.
SBE/DPI action required: None.
Summary: This law authorizes a $2 billion referendum bond package that will go before North Carolina voters on the March 2016 primary ballot for approval. If approved, funds will be used for construction, repair, renovation, and furnishing of state-owned facilities to: "(i) enhance other economic development efforts of the State and (ii) attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry." It would provide $980 million for various UNC System projects and $350 million for NC Community Colleges. A previous version of the House bill had included $500 million for K-12 school construction, repairs, and renovations, and $400 million for road construction projects.

House Bills

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-222
HOUSE BILL 13

AN ACT TO REQUIRE EACH CHILD PRESENTED FOR ADMISSION INTO THE PUBLIC SCHOOLS FOR THE FIRST TIME TO SUBMIT PROOF OF A HEALTH ASSESSMENT; TO REQUIRE THAT ABSENCES DUE TO THE FAILURE TO PRESENT THE HEALTH ASSESSMENT TRANSMITTAL FORM NOT RESULT IN SUSPENSIONS AND TO ALLOW STUDENTS TO MAKE UP THE WORK MISSED; TO SPECIFY WHAT INFORMATION SHALL BE INCLUDED ON THE HEALTH ASSESSMENT TRANSMITTAL FORM AND WHO IS AUTHORIZED TO HAVE ACCESS TO THE FORM; AND TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DEPARTMENT OF PUBLIC INSTRUCTION TO AMEND THE HEALTH ASSESSMENT TRANSMITTAL FORM AND TO REPORT TO THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH AND HUMAN SERVICES AND TO THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. The title of Article 18 of Chapter 130A of the General Statutes reads as rewritten:

"Article 18.

"Health Assessments for ~~Kindergarten~~ Children in the Public Schools."

SECTION 2. G.S. 130A-440 reads as rewritten:

"**§ 130A-440. Health assessment required.**

(a) Every parent, guardian, or person standing in loco parentis shall submit proof of a health assessment for each child in this State ~~entering kindergarten in~~ who is presented for admission into kindergarten or a higher grade in the public schools ~~shall receive a health assessment.~~for the first time. The health assessment shall be made no more than 12 months prior to the date ~~of school entry.~~the child would have first been eligible for initial entry into the public schools. ~~No child shall attend kindergarten~~ Within 30 calendar days of a child's first day of attendance in the public schools, ~~unless~~ a health assessment transmittal form, developed pursuant to G.S. 130A-441, indicating that the child has received the health assessment required by this section, ~~is~~ shall be presented to the school principal. The only health assessment transmittal form utilized by public schools shall be the form developed pursuant to G.S. 130A-441. ~~The medical provider, or the parent, guardian, or person in loco parentis, must present a~~ A completed health assessment transmittal form shall be presented to the principal of the school ~~on or before the child's first day of attendance.~~ by either (i) the parent, guardian, or person standing in loco parentis or (ii) the health care provider specified in G.S. 130A-440(c), if authorized in writing by the parent, guardian, or person standing in loco parentis. At the time of enrollment, the parent, guardian, or person standing in loco parentis shall be advised that a health assessment transmittal form is needed on or before the child's first day of attendance. If a health assessment transmittal form is not presented on or before the child's first ~~day,~~day of attendance, the principal shall present a notice of deficiency to the parent, guardian, or ~~responsible person.~~ person standing in loco parentis. The notice of deficiency shall include at least the following information: (i) the health assessment transmittal form must be submitted to the principal within 30 calendar days of the child's first day of attendance or the child will not be permitted to attend school until the form is submitted and (ii) an explanation for how the child may make up work missed in accordance

with G.S. 115C-390.2(l). The parent, guardian, or ~~responsible person~~ person standing in loco parentis shall have 30 calendar days from the first day of attendance to present the required health assessment transmittal form for the child. Upon termination of 30 calendar days, the principal shall not permit the child to attend the school until the required health assessment transmittal form has been presented. A child shall not be suspended for absences accrued for failure to present the required health assessment transmittal form upon the termination of 30 calendar days, and the child shall be allowed to make up work missed in accordance with G.S. 115C-390.2(l). It shall be noted in the child's official school record when the health assessment transmittal form has been received.

(b) A health assessment shall include a medical history and physical examination with screening for vision and hearing and, if appropriate, testing for anemia and tuberculosis. Vision screening shall be conducted in accordance with G.S. 130A-440.1. The health assessment may also include dental screening and developmental screening for cognition, language, and motor function. The developmental screening of cognition and language abilities may be conducted in accordance with G.S. 115C-83.5(a).

(c) The health assessment shall be conducted by a physician licensed to practice medicine, a physician's assistant as defined in G.S. 90-18.1(a), a certified nurse practitioner, or a public health nurse meeting the Department's Standards for Early Periodic Screening, Diagnosis, and Treatment Screening.

(d) This Article shall not apply to children entering ~~kindergarten in~~ private church schools, schools of religious charter, or qualified nonpublic schools, regulated by Article 39 of Chapter 115C of the General Statutes.

(e) As used in this section, "parent, guardian, or person standing in loco parentis" means parent, legal guardian, legal custodian, and caregiver adult, as those terms are used in G.S. 115C-366."

SECTION 3. G.S. 130A-441 reads as rewritten:

"**§ 130A-441. Reporting.**

(a) Health assessment results shall be submitted ~~to the school principal by the medical provider~~ on the statewide standardized health assessment transmittal ~~forms~~ form developed by the Department and the Department of Public ~~Instruction.~~Instruction and submitted to the school principal by either (i) the parent, guardian, or person standing in loco parentis for the student or (ii) the health care provider specified in G.S. 130A-440(c), if authorized in writing by the parent, guardian, or person standing in loco parentis. The health assessment transmittal form shall include only the items listed below:

(1) A statement that the form and information on the form will be maintained on file in the school once it has been completed.

(2) The name of the school the student is attending or will attend.

(3) A student information section to be completed by the parent, guardian, or person standing in loco parentis for the student that requires the following about the student: first, middle, and last name; date of birth; sex; race; ethnicity; county of residence; and home address.

(4) A parent information section that includes the following: name of the parent, guardian, or person standing in loco parentis for the student; a telephone number; and space allowing the parent to share any concerns about the student's health with those individuals authorized to have access to the form in subsection (b) of this section.

(5) A section that includes the following information, if applicable, supplied by a health care provider specified in G.S. 130A-440(c):

a. A list of medications prescribed for the student.

b. A list of the student's allergies, the type of allergic reaction, and the response required.

c. Guidance regarding a special diet for the student.

d. Health-related recommendations to enhance the student's school performance.

e. Information on whether the student passed a vision screening and any concerns related to the student's vision.

f. Information on whether the student passed a hearing screening and any concerns related to the student's hearing.

g. An opportunity to indicate whether there are recommendations, concerns, or needs related to the student's health and whether school follow-up is needed.

h. An opportunity to provide comments.

(6) Instructions to the health care provider specified in G.S. 130A-440(c) to provide the student's current immunization record and any of the following applicable school health forms:

a. School medication authorization form.

b. Diabetes care plan.

c. Asthma action plan.

d. Health care plans for any other condition for which the school needs to be aware.

(7) A certification from a health care provider specified in G.S. 130A-440(c) stating: "I certify that I performed, on the student named above, a health assessment in accordance with G.S. 130A-440(b) that included a medical history and physical examination with screening for vision and hearing and, if appropriate, testing for anemia and tuberculosis. I certify that the information on this form is accurate and complete to the best of my knowledge."

(8) The date the health assessment was conducted.

(9) The health care provider's name, signature, telephone and fax number, and the name and address for the health care provider's practice.

(10) A section for the health care provider's stamp.

(b) ~~Each school having a kindergarten shall maintain on file the health assessment results.~~The form will be maintained on file in the school once it has been submitted. A student's official school record shall only reflect whether or not a health assessment transmittal form has been received. The ~~files~~health assessment transmittal form shall be open to inspection only by ~~the Department, the Department of Public Instruction, or their authorized representatives and persons inspecting the files~~authorized North Carolina public school administrators, teachers, and other school personnel who require such access to perform their assigned duties. These personnel shall maintain the confidentiality of the ~~files. Upon transfer of a child to another kindergarten, a copy of the health assessment results shall be provided upon request and without charge to the new kindergarten.~~form. Information contained on the health assessment transmittal form is confidential and is not a public record within the meaning of G.S. 132-1. The local board of education shall provide, upon request, de-identified health assessment information from the forms to authorized employees of the Department of Health and Human Services who require such information to perform their assigned duties.

(c) Within 60 calendar days after the commencement of a new school year, the principal shall file a health assessment status report with the Department on ~~forms~~ a form developed by the Department and the Department of Public Instruction. The report shall document the number of newly enrolled children in compliance and not in compliance with G.S. 130A-440(a)."

SECTION 4.5. G.S. 115C-390.2 is amended by adding a new subsection to read:

"(l) Board policies shall state that absences under G.S. 130A-440 shall not be suspensions. A student subject to an absence under G.S. 130A-440 shall be provided the following:

(1) The opportunity to take textbooks and school-furnished digital devices home for the duration of the absence.

(2) Upon request, the right to receive all missed assignments and, to the extent practicable, the materials distributed to students in connection with the assignment.

(3) The opportunity to take any quarterly, semester, or grading period examinations missed during the absence period."

SECTION 5. The Department of Health and Human Services and the Department of Public Instruction, pursuant to G.S. 130A-441, as amended by this act, shall develop a health assessment transmittal form for the 2016-2017 school year and shall report to the Joint Legislative Oversight Committee on Health and Human Services and to the Joint Legislative Education Oversight Committee on the revised health assessment transmittal form on or before December 1, 2015.

SECTION 6. Sections 1 through 4.5 of this act are effective when this act becomes law and apply to children enrolling in the public schools for the first time beginning with the 2016-2017 school year. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 13th day of August, 2015.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 2:20 p.m. this 18th day of August, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-246
HOUSE BILL 44

AN ACT TO REFORM VARIOUS PROVISIONS OF THE LAW RELATED TO LOCAL GOVERNMENT.

The General Assembly of North Carolina enacts:

NOTICE TO CHRONIC VIOLATORS

SECTION 1.(a) G.S. 160A-200 is repealed.

SECTION 1.(b) G.S. 160A-200.1 reads as rewritten:

"**§ 160A-200.1. Annual notice to chronic violators of public nuisance or overgrown vegetation ordinance.**

(a) A city may notify a chronic violator of the city's public nuisance ordinance that, if the violator's property is found to be in violation of the ordinance, the city shall, without further notice in the calendar year in which notice is given, take action to remedy the violation, and the expense of the action shall become a lien upon the property and shall be collected as unpaid taxes.

(b) The notice shall be sent by registered or certified mail. When service is attempted by registered or certified mail, a copy of the notice may also be sent by regular mail. Service shall be deemed sufficient if the registered or certified mail is unclaimed or refused, but the regular mail is not returned by the post office within 10 days after the mailing. If service by regular mail is used, a copy of the notice shall be posted in a conspicuous place on the premises affected. ~~A chronic violator is a person who owns property whereupon, in the previous calendar year, the city gave notice of violation at least three times under any provision of the public nuisance ordinance.~~

(c) A city may also give notice to a chronic violator of the city's overgrown vegetation ordinance in accordance with this section.

(d) For purposes of this section, a chronic violator is a person who owns property whereupon, in the previous calendar year, the city gave notice of violation at least three times under any provision of the public nuisance ordinance."

AUTHORIZE CITIES TO REGULATE CERTAIN STRUCTURES THAT UNREASONABLY RESTRICT THE PUBLIC'S RIGHT TO USE THE STATE'S OCEAN BEACHES

SECTION 1.5. G.S. 160A-205 reads as rewritten:

"**§ 160A-205. Cities enforce ordinances within public trust areas.**

(a) Notwithstanding the provisions of G.S. 113-131 or any other provision of law, a city may, by ordinance, define, prohibit, regulate, or abate acts, omissions, or conditions upon the State's ocean beaches and prevent or abate any unreasonable restriction of the public's rights to use the State's ocean beaches. In addition, a city may, in the interest of promoting the health, safety, and welfare of the public, regulate, restrict, or prohibit the placement, maintenance, location, or use of structures that are uninhabitable and without water and sewer services for more than 120 days, as determined by the city with notice provided to the owner of record of the determination by certified mail at the time of the determination, equipment, personal property, or debris upon the State's ocean beaches. A city may enforce any ordinance adopted pursuant to this section or any other provision of law upon the State's ocean beaches located within or adjacent to the city's jurisdictional boundaries to the same extent that a city may enforce ordinances within the city's jurisdictional boundaries. A city may enforce an ordinance adopted pursuant to this section by any remedy provided for in G.S. 160A-175. For purposes of this section, the term "ocean beaches" has the same meaning as in G.S. 77-20(e).

(b) Nothing in this section shall be construed to (i) limit the authority of the State or any State agency to regulate the State's ocean beaches as authorized by G.S. 113-131, or common law as interpreted and applied by the courts of this State; (ii) limit any other authority granted to cities by the State to regulate the State's ocean beaches; (iii) deny the existence of the authority recognized in this section prior to the date this section becomes effective; (iv) impair the right of the people of this State to the customary free use and enjoyment of the State's ocean beaches, which rights remain reserved to the people of this State as provided in G.S. 77-20(d); (v) change or modify the riparian, littoral, or other ownership rights of owners of property bounded by the Atlantic Ocean; or (vi) apply to the removal of permanent residential or commercial structures and appurtenances thereto from the State's ocean ~~beaches.~~beaches, except as provided in subsection (a) of this section."

PROHIBIT CITIES AND COUNTIES FROM REQUIRING COMPLIANCE WITH VOLUNTARY REGULATIONS AND RULES ADOPTED BY STATE DEPARTMENTS OR AGENCIES

SECTION 2.(a) Article 6 of Chapter 153A of the General Statutes is amended by adding a new section to read as follows:

"**§ 153A-145.6. Requiring compliance with voluntary State regulations and rules prohibited.**

(a) If a State department or agency declares a regulation or rule to be voluntary or the General Assembly delays the effective date of a regulation or rule proposed or adopted by the Environmental Management Commission, or any other board or commission, a county shall not require or enforce compliance with the applicable regulation or rule, including any regulation or rule previously or hereafter incorporated as a condition or contractual obligation imposed by, agreed upon, or accepted by the county in any zoning, land use, subdivision, or other developmental approval, including, without limitation, a development permit issuance, development agreement, site-specific development plan, or phased development plan.

(b) This section shall apply to the following regulations and rules:

(1) Those currently in effect.

(2) Those repealed or otherwise expired.

(3) Those temporarily or permanently held in abeyance.

(4) Those adopted but not yet effective.

(c) This section shall not apply to any water usage restrictions during either extreme or exceptional drought conditions as determined by the Drought Management Advisory Council pursuant to G.S. 143-355.1."

SECTION 2.(b) Article 8 of Chapter 160A of the General Statutes is amended by adding a new section to read as follows:

"**§ 160A-205.1. Requiring compliance with voluntary State regulations and rules prohibited.**

(a) If a State department or agency declares a regulation or rule to be voluntary or the General Assembly delays the effective date of a regulation or rule proposed or adopted by the Environmental Management Commission, or any other board or commission, a city shall not require or enforce compliance with the applicable regulation or rule, including any regulation or rule previously or hereafter incorporated as a condition or contractual obligation imposed by, agreed upon, or accepted by the city in any zoning, land use, subdivision, or other developmental approval, including, without limitation, a development permit issuance, development agreement, site-specific development plan, or phased development plan.

(b) This section shall apply to the following regulations and rules:

(1) Those currently in effect.

(2) Those repealed or otherwise expired.

(3) Those temporarily or permanently held in abeyance.

(4) Those adopted but not yet effective.

(c) This section shall not apply to any water usage restrictions during either extreme or exceptional drought conditions as determined by the Drought Management Advisory Council pursuant to G.S. 143-355.1."

LOCAL PUBLIC HEALTH MAINTENANCE OF EFFORT MONIES

SECTION 2.5.(a) G.S. 130A-34.4(a)(2) is repealed.

SECTION 2.5.(b) This section becomes effective July 1, 2016.

DEVELOPMENTS LOCATED IN THE CITY AND THE COUNTY

SECTION 3. G.S. 160A-365 reads as rewritten:

"**§ 160A-365. Enforcement of ordinances.**

(a) Subject to the provisions of the ordinance, any ordinance adopted pursuant to authority conferred by this Article may be enforced by any remedy provided by G.S. 160A-175.

(b) When any ordinance adopted pursuant to authority conferred by this Article is to be applied or enforced in any area outside the territorial jurisdiction of the city as described in G.S. 160A-360(a), the city and the property owner shall certify that the application or enforcement of the city ordinance is not under coercion or otherwise based upon any representation by the city that the city's approval of any land use planning would be withheld from the property owner without the application or enforcement of the city ordinance outside the territorial jurisdiction of the city. The certification may be evidenced by a signed statement of the parties on any approved plat recorded in accordance with this Article."

WELL DRILLING CHANGES

SECTION 3.5.(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.~~forms.

(b) Permit Required. – Except for those wells required to be permitted by the Environmental Management Commission pursuant to G.S. 87-88, no person shall:

(1) Construct or assist in the construction of a private drinking water well unless a construction permit has been obtained from the local health department.

(2) Repair or assist in the repair of a private drinking water well unless a repair permit has been obtained from the local health department, except that a permit shall not be required for the repair or replacement of a pump or tank.

(b1) Permit to Include Authorization for Electrical. – When a permit is issued under this section, that permit shall also be deemed to include authorization for 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. The local health department shall be responsible for notifying the appropriate building inspector of the issuance of the well permit.

(c) Permit Not Required for Maintenance or Pump Repair or Replacement. – A repair permit shall not be required for any private drinking water well maintenance work that does not involve breaking or opening the well seal. A repair permit shall not be required for any private drinking water well repair work that involves only the repair or replacement of a pump or tank.

(d) Well Site Evaluation. – The local health department shall conduct a field investigation to evaluate the site on which a private drinking water well is proposed to be located before issuing a permit pursuant to this section. The field investigation shall determine whether there is any abandoned well located on the site, and if so, the construction permit shall be conditioned upon the proper closure of all abandoned wells located on the site in accordance with the requirements of this Article and rules adopted pursuant to this Article. If a private drinking water well is proposed to be located on a site on which a wastewater system subject to the requirements of Article 11 of Chapter 130A of the General Statutes is located or proposed to be located, the application for a construction permit shall be accompanied by a plat or site plan, as defined in G.S. 130A-334.

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.

(e) Issuance of Permit. – ~~Within~~ In accordance with G.S. 87-97.1 and G.S. 87-97.2, within 30 days of receipt of an application to construct or repair a well, a local health department shall make a determination whether the proposed private drinking water well can be constructed or repaired and operated in compliance with this Article and rules adopted pursuant to this Article and shall issue a permit or denial accordingly. If a local health department fails to act within 30 days, the permit shall automatically be issued, and the local health department may challenge issuance of the permit as provided in Chapter 150B of the General Statutes. The local health department may impose any conditions on the issuance of a construction permit or repair permit that it determines to be necessary to ensure compliance with this Article and rules adopted pursuant to this Article. Notwithstanding any other provision of law, no permit for a well that is in compliance with this Article and the rules adopted pursuant to this Article shall be denied on the basis of a local government policy that discourages or prohibits the drilling of new wells.

(e1) Notice for Wells at Contamination Sites. – The Commission shall adopt rules governing permits issued for private drinking water wells for circumstances in which the local health department has determined that the proposed site for a private drinking water well is located within 1,000 feet of a known source of release of contamination. Rules adopted pursuant to this subsection shall provide for notice and information of the known source of release of contamination and any known risk of issuing a permit for the construction and use of a private drinking water well on such a site.

(f) Expiration and Revocation. – A construction permit or repair permit shall be valid for a period of five years except that the local health department may revoke a permit at any time if it determines that there has been a material change in any fact or circumstance upon which the permit is issued. The foregoing shall be prominently stated on the face of the permit. The validity of a construction permit or a repair permit shall not be affected by a change in ownership of the site on which a private drinking water well is proposed to be located or is located if the location of the well is unchanged and the well and the facility served by the well remain under common ownership.

(f1) Chlorination of the Well. – Upon completion of construction of a private drinking water well, the well shall be sterilized in accordance with the standards of drinking water wells established by the United States Public Health Service.

(g) Certificate of Completion. – Upon completion of construction of a private drinking water well or repair of a private drinking water well for which a permit is required under this section, the local health department shall inspect the well to determine whether it was constructed or repaired in compliance with the construction permit or repair permit. If the local health department determines that the private drinking water well has been constructed or repaired in accordance with the requirements of the construction permit or repair permit, the construction and repair requirements of this Article, and rules adopted pursuant to this Article, the local health department shall issue a certificate of completion. No person shall place a private drinking water well into service without first having obtained a certificate of completion. No person shall return a private drinking water well that has undergone repair to service without first having obtained a certificate of completion.

(h) Drinking Water Testing. – Within 30 days after it issues a certificate of completion for a newly constructed private drinking water well, the local health department shall test the water obtained from the well or ensure that the water obtained from the well has been sampled and tested by a certified laboratory in accordance with rules adopted by the Commission for Public Health. The water shall be tested for the following parameters: arsenic, barium, cadmium, chromium, copper, fluoride, lead, iron, magnesium, manganese, mercury, nitrates, nitrites, selenium, silver, sodium, zinc, pH, and bacterial indicators.

(i) Commission for Public Health to Adopt Drinking Water Testing Rules. – The Commission for Public Health shall adopt rules governing the sampling and testing of well water and the reporting of test results. The rules shall allow local health departments to designate third parties to collect and test samples and report test results. The rules shall also provide for corrective action and retesting where appropriate. The Commission for Public Health may by rule require testing for additional parameters, including volatile organic

compounds, if the Commission makes a specific finding that testing for the additional parameters is necessary to protect public health. If the Commission finds that testing for certain volatile organic compounds is necessary to protect public health and initiates rule making to require testing for certain volatile organic compounds, the Commission shall consider all of the following factors in the development of the rule: (i) known current and historic land uses around well sites and associated contaminants; (ii) known contaminated sites within a given radius of a well and any known data regarding dates of contamination, geology, and other relevant factors; (iii) any GIS-based information on known contamination sources from databases available to the Department of Environment and Natural Resources; and (iv) visual on-site inspections of well sites. In addition, the rules shall require local health departments to educate citizens for whom new private drinking water wells are constructed and for citizens who contact local health departments regarding testing an existing well on all of the following:

(1) The scope of the testing required pursuant to this Article.
(2) Optional testing available pursuant to this Article.
(3) The limitations of both the required and optional testing.
(4) Minimum drinking water standards.

(j) Test Results. – The local health department shall provide test results to the owner of the newly constructed private drinking water well and, to the extent practicable, to any leaseholder of a dwelling unit or other facility served by the well at the time the water is sampled. The local health department shall include with any test results provided to an owner of a private drinking water well, information regarding the scope of the required and optional testing as established by rules adopted pursuant to subsection (i) of this section.

(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.

(l) Authority Not Limited. – This section shall not be construed to limit any authority of local boards of health, local health departments, the Department of Health and Human Services, or the Commission for Public Health to protect public health."

SECTION 3.5.(b) Article 7A of Chapter 87 of the General Statutes is amended by adding a new section to read:

"**§ 87-98.14. Reciprocity.**

To the extent that other states provide for the licensing or certification of well contractors, the Commission shall permit those individuals who present valid proof of licensure or certification in good standing in one or more of those states to sit for examination for a license of the same or equivalent classification in North Carolina without delay, upon satisfactory proof furnished to the Commission that the qualifications of the applicant are equal to the qualifications of holders of similar licenses in North Carolina and upon payment of the required fee."

SECTION 3.5.(c) Article 7 of Chapter 87 of the General Statutes is amended by adding a new section to read:

"**§ 87-97.1. Issuance of permit for irrigation water well.**

(a) A property owner may apply for, and be issued, a permit for an irrigation water well, whether the property is connected to, or served by, a public water system. The application shall be in accordance with G.S. 87-97 and shall specifically state that the irrigation water well will not be interconnected to plumbing required that is connected to any public water system and will be used for irrigation or other nonpotable purposes only.

(b) This section shall not apply if the property is connected to, or may be served by, a public water system that the public authority or unit of government operating the public water system is being assisted by the Local Government Commission.

(c) For purposes of this section, "irrigation water well" shall mean any water well that is not interconnected to any plumbing required to be connected to any public water system and that produces water that is used for irrigation or other nonpotable purposes only."

SECTION 3.5.(d) Article 7 of Chapter 87 of the General Statutes is amended by adding a new section to read:

"**§ 87-97.2. Issuance of permit for property within service area of a public water system.**

(a) Notwithstanding G.S. 130A-55(16), 153A-284, 160A-317, 162A-6(a)(14d), and 162A-14(2), a property owner may apply for, and be issued, a permit for a private drinking water well to serve any undeveloped or unimproved property located so as to be served by a public water system.

(b) Notwithstanding G.S. 130A-55(16), 153A-284, 160A-317, 162A-6(a)(14d), and 162A-14(2), a property owner of developed or improved property located so as to be served by a public water system may apply for, and be issued, a permit for a private drinking water well if the public water system has not yet installed water lines directly available to the property or otherwise cannot provide water service to the property at the time the property owner desires water service.

(c) Upon compliance with this Article, the property owner receiving a permit pursuant to subsection (a) or (b) of this section shall not be required to connect to the public water system for so long as the permitted private drinking water well remains compliant and in use. A property owner may opt to connect to the public water system if the property owner so desires. If the property owner opts to connect, the property owner may continue to operate the private drinking water well if that well is not interconnected to any plumbing connected to the public water system and that produces water that is used for irrigation or other nonpotable purposes only.

(d) Nothing in this section shall require a property owner to install a private drinking water well if the property is located so as to be served by a public water system and the public water system is willing to provide service to the property.

(e) This section shall not apply, and a public water system may mandate connection to that public water system, in any of the following situations:

(1) The private drinking water well serving the property has failed and cannot be repaired.

(2) The property is located in an area where the drinking water removed by the private drinking water well is contaminated or likely to become contaminated due to nearby contamination.

(3) The public authority or unit of government operating the public water system is being assisted by the Local Government Commission.

(4) The public authority or unit of government operating the public water system is in the process of expanding or repairing the public water system and is actively making progress to having water lines installed directly available to provide water service to that property within the 24 months of the time the property owner applies for the private drinking water well permit."

SECTION 3.5.(e) G.S. 153A-284 reads as rewritten:

"**§ 153A-284. Power to require connections.**

(a) A county may require the owner of developed property on which there are situated one or more residential dwelling units or commercial establishments located so as to be served by a water line or sewer collection line owned, leased as lessee, or operated by the county or on behalf of the county to connect the owner's premises with the water or sewer line and may fix charges for these connections.

(b) In the case of improved property that would qualify for the issuance of a building permit for the construction of one or more residential dwelling units or commercial establishments and where the county has installed water or sewer lines or a combination thereof directly available to the property, the county may require payment of a periodic availability charge, not to exceed the minimum periodic service charge for properties that are connected.

(c) In accordance with G.S. 87-97.1, when developed property is located so as to be served by a county water line and the property owner has connected to that water line, the property owner may continue to use any private water well located on the property for nonpotable purposes as long as the water well is not interconnected to the county water line and the county shall not require the owner of any such water well to abandon, cap, or otherwise compromise the integrity of the water well."

SECTION 3.5.(f) G.S. 160A-317 is amended by adding a new subsection to read:

"(d) In accordance with G.S. 87-97.1, when developed property is located so as to be served by a city water line and the property owner has connected to that water line, the property owner may continue to use any private water well located on the property for nonpotable purposes as long as the water well is not interconnected to the city water line and the city shall

not require the owner of any such water well to abandon, cap, or otherwise compromise the integrity of the water well."

SECTION 3.5.(g) G.S. 130A-55(16)a. reads as rewritten:

"a. To require the owners of developed property on which there are situated one or more residential dwelling units or commercial establishments located within the jurisdiction of the district and within a reasonable distance of any waterline or sewer collection line owned, leased as lessee, or operated by the district to connect the property with the waterline, sewer connection line, or both and fix charges for the connections. The power granted by this subdivision may be exercised by a district only to the extent that the service, whether water, sewer, or a combination thereof, to be provided by the district is not then being provided to the improved property by any other political subdivision or by a public utility regulated by the North Carolina Utilities Commission pursuant to Chapter 62 of the General Statutes. In the case of improved property that would qualify for the issuance of a building permit for the construction of one or more residential dwelling units or commercial establishments and where the district has installed water or sewer lines or a combination thereof directly available to the property, the district may require payment of a periodic availability charge, not to exceed the minimum periodic service charge for properties that are connected. In accordance with G.S. 87-97.1, when developed property is located so as to be served by a sanitary district water line and the property owner has connected to that water line, the property owner may continue to use any private water well located on the property for nonpotable purposes as long as the water well is not interconnected to the sanitary district water line and the sanitary district shall not require the owner of any such water well to abandon, cap, or otherwise compromise the integrity of the water well."

SECTION 3.5.(h) G.S. 162A-6(a)(14d) reads as rewritten:

"(14d) To require the owners of developed property on which there are situated one or more residential dwelling units or commercial establishments located within the jurisdiction of the authority and within a reasonable distance of any waterline or sewer collection line owned, leased as lessee, or operated by the authority to connect the property with the waterline, sewer connection line, or both and fix charges for the connections. The power granted by this subdivision may be exercised by an authority only to the extent that the service, whether water, sewer, or a combination thereof, to be provided by the authority is not then being provided to the improved property by any other political subdivision or by a public utility regulated by the North Carolina Utilities Commission pursuant to Chapter 62 of the General Statutes. In the case of improved property that would qualify for the issuance of a building permit for the construction of one or more residential dwelling units or commercial establishments and where the authority has installed water or sewer lines or a combination thereof directly available to the property, the authority may require payment of a periodic availability charge, not to exceed the minimum periodic service charge for properties that are connected. In accordance with G.S. 87-97.1, when developed property is located so as to be served by an authority water line and the property owner has connected to that water line, the property owner may continue to use any private water well located on the property for nonpotable purposes as long as the water well is not interconnected to the sanitary district water line and the sanitary district shall not require the owner of any such water well to abandon, cap, or otherwise compromise the integrity of the water well. This subdivision applies only to a water and sewer authority whose membership includes part or all of a county that has a population of at least 40,000 according to the most recent annual population estimates certified by the State Budget Officer."

SECTION 3.5.(i) G.S. 162A-14(2)d. reads as rewritten:

"d. For requiring the owners of developed property on which there are situated one or more residential dwelling units or commercial establishments located within the corporate limits of the political subdivision and located within a reasonable distance of any waterline or sewer connection line owned, leased as lessee, or operated by the authority to connect to the line and collecting, on behalf of the authority, charges for the connections and requiring, as a condition to the issuance of any development permit or building permit by the political subdivision, evidence that any impact fee by the authority has been paid by or on behalf of the applicant for the permit. In accordance with G.S. 87-97.1, when developed property is located so as to be served by the authority's water line and the property owner has connected to that water line, the property owner may continue to use any private water well located on the property for nonpotable purposes as long as the water well is not interconnected to the authority's water line and the authority shall not require the owner of any such water well to abandon, cap, or otherwise compromise the integrity of the water well."

SECTION 3.5.(j) Subsections (c) through (i) of this section become effective August 1, 2016. The remainder of this section becomes effective December 1, 2015, and applies to permits and licenses issued on or after that date. G.S. 87-97.2(e)(4), as enacted by subsection (d) of this section, expires on July 1, 2017.

REGULATION OF SIGNAGE

SECTION 4.(a) G.S. 153A-340 is amended by adding a new subsection to read:

"(n) Fence wraps displaying signage when affixed to perimeter fencing at a construction site are exempt from zoning regulation pertaining to signage under this Article until the certificate of occupancy is issued for the final portion of any construction at that site or 24 months from the time the fence wrap was installed, whichever is shorter. If construction is not completed at the end of 24 months from the time the fence wrap was installed, the county may regulate the signage but shall continue to allow fence wrapping materials to be affixed to the perimeter fencing. No fence wrap affixed pursuant to this subsection may display any advertising other than advertising sponsored by a person directly involved in the construction project and for which monetary compensation for the advertisement is not paid or required."

SECTION 4.(b) G.S. 160A-381 is amended by adding a new subsection to read:

"(j) Fence wraps displaying signage when affixed to perimeter fencing at a construction site are exempt from zoning regulation pertaining to signage under this Article until the certificate of occupancy is issued for the final portion of any construction at that site or 24 months from the time the fence wrap was installed, whichever is shorter. If construction is not completed at the end of 24 months from the time the fence wrap was installed, the city may regulate the signage but shall continue to allow fence wrapping materials to be affixed to the perimeter fencing. No fence wrap affixed pursuant to this subsection may display any advertising other than advertising sponsored by a person directly involved in the construction project and for which monetary compensation for the advertisement is not paid or required."

PERMIT CHOICE

SECTION 5.(a) G.S. 143-755 reads as rewritten:

"**§ 143-755. Permit choice.**

(a) If a permit applicant submits a permit application 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 5.(b) This section is effective when this act becomes law and applies to permits for which a permit decision has not been made by that date.

PREAUDIT CERTIFICATIONS

SECTION 6.(a) G.S. 159-28 reads as rewritten:

"§ 159-28. Budgetary accounting for appropriations.

(a) Incurring Obligations. – No obligation may be incurred in a program, function, or activity accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year. No obligation may be incurred for a capital project or a grant project authorized by a project ordinance unless that project ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay the sums obligated by the transaction. Nothing in this section shall require a contract to be reduced to writing.

(a1) Preaudit Requirement. – If an obligation is ~~evidenced by~~reduced to a written contract or written agreement requiring the payment of ~~money~~ money, or is evidenced by a written purchase order for supplies and materials, the written contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been preaudited to assure compliance with ~~this~~ subsection ~~unless the obligation or a document related to the obligation has been approved by the Local Government Commission, in which case no certificate shall be required.~~ (a) of this section. The certificate, which shall be signed by the finance ~~officer~~ officer, or any deputy finance officer approved for this purpose by the governing board, shall take substantially the following form:

"This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

_____

(Signature of finance officer)."

~~Certificates in the form prescribed by G.S. 153-130 or 160-411 as those sections read on June 30, 1973, or by G.S. 159-28(b) as that section read on June 30, 1975, are sufficient until supplies of forms in existence on June 30, 1975, are exhausted.~~

(a2) Failure to Preaudit. – An obligation incurred in violation of ~~this subsection~~subsection (a) or (a1) of this section is invalid and may not be enforced. The finance officer shall establish procedures to assure compliance with this ~~subsection.~~section, in accordance with any rules adopted by the Local Government Commission.

(b) Disbursements. – When a bill, invoice, or other claim against a local government or public authority is presented, the finance officer shall either approve or disapprove the necessary disbursement. If the claim involves a program, function, or activity accounted for in a fund included in the budget ordinance or a capital project or a grant project authorized by a project ordinance, the finance officer may approve the claim only if both of the following apply:

(1) ~~He~~ The finance officer determines the amount to be ~~payable and~~payable.

(2) The budget ordinance or a project ordinance includes an appropriation authorizing the expenditure and either (i) an encumbrance has been previously created for the transaction or (ii) an unencumbered balance remains in the appropriation sufficient to pay the amount to be disbursed.

The finance officer may approve a bill, invoice, or other claim requiring disbursement from an intragovernmental service fund or trust or agency fund not included in the budget ordinance, only if the amount claimed is determined to be payable. A bill, invoice, or other claim may not be paid unless it has been approved by the finance officer or, under subsection (c) of this section, by the governing board. The finance officer shall establish procedures to assure compliance with this ~~subsection.~~subsection, in accordance with any rules adopted by the Local Government Commission.

(c) Governing Board Approval of Bills, Invoices, or Claims. – The governing board may, as permitted by this subsection, approve a bill, invoice, or other claim against the local government or public authority that has been disapproved by the finance officer. ~~It~~ The governing board may not approve a claim for which no appropriation appears in the budget ordinance or in a project ordinance, or for which the appropriation contains no encumbrance and the unencumbered balance is less than the amount to be paid. The governing board shall approve payment by formal resolution stating the board's reasons for allowing the bill, invoice, or other claim. The resolution shall be entered in the minutes together with the names of those voting in the affirmative. The chairman of the ~~board~~ board, or some other member designated

for this ~~purpose~~ purpose, shall sign the certificate on the check or draft given in payment of the bill, invoice, or other claim. If payment results in a violation of law, each member of the board voting to allow payment is jointly and severally liable for the full amount of the check or draft given in payment.

(d) Payment. – A local government or public authority may not pay a bill, invoice, salary, or other claim except by any of the following methods:

(1) ~~a check~~Check or draft on an official ~~depository,~~depository.

(2) ~~a bank~~Bank wire transfer from an official ~~depository,~~depository.

(3) ~~or an electronic~~Electronic payment or an electronic funds transfer originated by the local government or public authority through an official depository.

(4) Cash, if the local government has adopted an ordinance authorizing the use of cash, and specifying the limits of the use of cash.

(d1) Except as provided in this ~~subsection~~ section, each check or draft on an official depository shall bear on its face a certificate signed by the finance officer or a deputy finance officer approved for this purpose by the governing board (or signed by the chairman or some other member of the board pursuant to subsection (c) of this section). The certificate shall take substantially the following form:

"This disbursement has been approved as required by the Local Government Budget and Fiscal Control Act.

_____

(Signature of finance officer)."

(d2) An electronic payment or electronic funds transfer ~~must~~ shall be ~~subjected~~subject to the ~~pre-audit process. Execution~~preaudit process in accordance with this section and any rules adopted by the Local Government Commission. The rules so adopted shall address execution of ~~the~~ electronic payment or electronic funds transfer ~~shall~~and how to indicate that the finance officer or duly appointed deputy finance officer has performed the ~~pre-audit~~ preaudit process ~~as required by G.S. 159-28(a).~~in accordance with this section. A finance officer or duly appointed deputy finance officer shall be presumed in compliance with this section if the finance officer or duly appointed deputy finance officer complies with the rules adopted by the Local Government Commission.

~~Certificates in the form prescribed by G.S. 153-131 or 160-411.1 as those sections read on June 30, 1973, or by G.S. 159-28(a) as that section read on June 30, 1975, are sufficient until supplies in existence on June 30, 1975, are exhausted.~~

~~No certificate is required on payroll checks or drafts on an imprest account in an official depository, if the check or draft depositing the funds in the imprest account carried a signed certificate.~~

~~As used in this subsection, the term "electronic payment" means payment by charge card, credit card, debit card, or by electronic funds transfer, and the term "electronic funds transfer" means a transfer of funds initiated by using an electronic terminal, a telephone, a computer, or magnetic tape to instruct or authorize a financial institution or its agent to credit or debit an account.~~

(e) Penalties. – If an officer or employee of a local government or public authority incurs an obligation or pays out or causes to be paid out any funds in violation of this section, ~~he~~ that officer or employee, and the sureties on ~~his~~ any official bond for that officer or employee, are liable for any sums so committed or disbursed. If the finance officer or any ~~properly designated~~duly appointed deputy finance officer gives a false certificate to any contract, agreement, purchase order, check, draft, or other document, ~~he~~ the finance officer or duly appointed deputy finance officer, and the sureties on ~~his~~ any official ~~bond~~ bond, are liable for any sums illegally committed or disbursed thereby. The governing board shall determine, by resolution, if payment from the official bond shall be sought and if the governing body will seek a judgment from the finance officer or duly appointed deputy finance officer for any deficiencies in the amount.

(f) The certifications required by subsections (a1) and (d1) of this section shall not apply to any of the following:

(1) An obligation or a document related to the obligation has been approved by the Local Government Commission.

(2) Payroll expenditures, including all benefits for employees of the local government.

(3) Electronic payments, as specified in rules adopted by the Local Government Commission.

(g) As used in this section, the following terms shall have the following meanings:

(1) Electronic funds transfer. – A transfer of funds initiated by using an electronic terminal, a telephone, a computer, or magnetic tape to instruct or authorize a financial institution or its agent to credit or debit an account.

(2) Electronic payment. – Payment by charge card, credit card, debit card, gas card, procurement card, or electronic funds transfer."

SECTION 6.(b) G.S. 115C-441 reads as rewritten:

"**§ 115C-441. Budgetary accounting for appropriations.**

(a) Incurring Obligations. – Except as set forth below, no obligation may be incurred by a local school administrative unit unless the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year. Nothing in this section shall require a contract to be reduced to writing.

(a1) Preaudit Requirement. – If an obligation is ~~evidenced by~~reduced to a written contract or written agreement requiring the payment of ~~money or by~~money, or is evidenced by a purchase order for supplies and materials, the written contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been preaudited to assure compliance with subsection (a) of this section. The certificate, which shall be signed by the finance officer, shall take substantially the following form:

"This instrument has been preaudited in the manner required by the School Budget and Fiscal Control Act.

_____

(Date)

_____

(Signature of finance officer)"

(a2) Failure to Preaudit. – An obligation incurred in violation of subsection (a) or (a1) of this section is invalid and may not be enforced. The finance officer shall establish procedures to assure compliance with this ~~section.~~section, in accordance with any rules adopted by the Local Government Commission.

(b) Disbursements. – When a bill, invoice, or other claim against a local school administrative unit is presented, the finance officer shall either approve or disapprove the necessary disbursement. The finance officer may approve the claim only ~~if he determines the amount~~if all of the following apply:

(1) The amount claimed is determined to be ~~payable,~~payable.

(2) ~~the~~ The budget resolution includes an appropriation authorizing the ~~expenditure and either~~expenditure.

(3) Either (i) an encumbrance has been previously created for the transaction or (ii) an unencumbered balance remains in the appropriation sufficient to pay the amount to be disbursed.

A bill, invoice, or other claim may not be paid unless it has been approved by the finance officer or, under subsection (c) of this section, by the board of education. The finance officer shall establish procedures to assure compliance with this subsection, in accordance with any rules adopted by the Local Government Commission.

(c) Board of Education Approval of Bills, Invoices, or Claims. – The board of education may, as permitted by this subsection, approve a bill, invoice, or other claim against the local school administrative unit that has been disapproved by the finance officer. ~~It~~ The board of education may not approve a claim for which no appropriation appears in the budget resolution, or for which the appropriation contains no encumbrance and the unencumbered balance is less than the amount to be paid. The board of education shall approve payment by formal resolution stating the board's reasons for allowing the bill, invoice, or other claim. The resolution shall be entered in the minutes together with the names of those voting in the affirmative. The chairman of the ~~board~~ board, or some other member designated for this ~~purpose~~ purpose, shall sign the certificate on the check or draft given in payment of the bill, invoice, or other claim. If payment results in a violation of law, each member of the board voting to allow payment is jointly and severally liable for the full amount of the check or draft given in payment.

(c1) Continuing Contracts for Capital Outlay. – ~~An~~ A local school administrative unit may enter into a contract for capital outlay expenditures, some portion or all of which is to be performed ~~and/or~~or paid in ensuing fiscal years, without the budget resolution including an appropriation for the entire obligation, ~~provided:~~provided all of the following apply:

a. The budget resolution includes an appropriation authorizing the current fiscal year's portion of the ~~obligation;~~obligation.

b. An unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal ~~year; and~~year.

c. Contracts for capital outlay expenditures are approved by a resolution adopted by the board of county commissioners, which resolution when adopted shall bind the board of county commissioners to appropriate sufficient funds in ensuing fiscal years to meet the amounts to be paid under the contract in those years.

(d) Payment. – A local school administrative unit may not pay a bill, invoice, salary, or other claim except by any of the following methods:

(1) ~~a check~~Check or draft on an official ~~depository,~~depository.

(2) ~~by a bank~~Bank wire transfer from an official ~~depository, or by a warrant~~depository.

(3) Electronic payment or an electronic funds transfer originated by the local school administrative unit through an official depository.

(4) Cash, if the local school administrative unit has adopted a policy authorizing the use of cash, and specifying the limits of the use of cash.

(5) Warrant on the State Treasurer.

(d1) Except as provided in ~~this subsection~~subsection (d) of this section, each check or draft on an official depository shall bear on its face a certificate signed by the finance officer or signed by the chairman or some other member of the board pursuant to subsection (c) of this section. The certificate shall take substantially the following form:

"This disbursement has been approved as required by the School Budget and Fiscal Control Act.

_____

(Signature of finance officer)"

No certificate is required on payroll checks or drafts or on State warrants.

(d2) An electronic payment or electronic funds transfer shall be subject to the preaudit process in accordance with this section and any rules adopted by the Local Government Commission. The rules so adopted shall address execution of electronic payment or electronic funds transfer and how to indicate that the finance officer has performed the preaudit process in accordance with this section. A finance officer shall be presumed in compliance with this section if the finance officer complies with the rules adopted by the Local Government Commission.

(e) Penalties. – If an officer or employee of a local school administrative unit incurs an obligation or pays out or causes to be paid out any funds in violation of this section, ~~he~~ that officer or employee, and the sureties on ~~his~~ any official bond for that officer or employee, are liable for any sums so committed or disbursed. If the finance officer gives a false certificate to any contract, agreement, purchase order, check, draft, or other document, ~~he~~ the finance officer and the sureties on ~~his~~ any official bond are liable for any sums illegally committed or disbursed thereby.

(f) The certifications required by subsections (a1) and (d1) of this section shall not apply to any of the following:

(1) An obligation or a document related to the obligation has been approved by the Local Government Commission.

(2) Payroll expenditures, including all benefits for employees of the local government.

(3) Electronic payments, as specified in rules adopted by the Local Government Commission.

(g) As used in this section, the following terms shall have the following meanings:

(1) Electronic funds transfer. – A transfer of funds initiated by using an electronic terminal, a telephone, a computer, or magnetic tape to instruct or authorize a financial institution or its agent to credit or debit an account.

(2) Electronic payment. – Payment by charge card, credit card, debit card, gas card, procurement card, or electronic funds transfer."

SECTION 6.(c) This section becomes effective October 1, 2015, and applies to expenditures incurred on or after that date.

VERIFICATION OF ESCHEATS REPORTS

SECTION 7.(a) G.S. 116B-72 is amended by adding a new subsection to read:

"(g) Any examination under this section may include the Treasurer utilizing any and all reliable external data, including electronic databases deemed relevant by the Treasurer."

SECTION 7.(b) This section is effective when this act becomes law and applies to any examination pending on or after that date.

LOCAL REGULATION OF BEEHIVES

SECTION 8. Article 55 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"**§ 106-645. Limitations on local government regulation of hives.**

(a) Notwithstanding Article 6 of Chapter 153A of the General Statutes, no county shall adopt or continue in effect any ordinance or resolution that prohibits any person or entity from owning or possessing five or fewer hives.

(b) Notwithstanding Article 8 of Chapter 160A of the General Statutes, a city may adopt an ordinance to regulate hives in accordance with this subsection. The city shall comply with all of the following:

(1) Any ordinance shall permit up to five hives on a single parcel within the land use planning jurisdiction of the city.

(2) Any ordinance shall require that the hive be placed at ground level or securely attached to an anchor or stand. If the hive is securely attached to an anchor or stand, the city may permit the anchor or stand to be permanently attached to a roof surface.

(3) Any ordinance may include regulation of the placement of the hive on the parcel, including setbacks from the property line and from other hives.

(4) Any ordinance may require removal of the hive if the owner no longer maintains the hive or if removal is necessary to protect the health, safety, and welfare of the public.

(c) For purposes of this section, the term "hive" has the same definition as in G.S. 106-635(15)."

LEASES OF PROPERTY BY LOCAL GOVERNMENTS FOR COMMUNICATION TOWERS

SECTION 9. G.S. 160A-272 reads as rewritten:

"**§ 160A-272. Lease or rental of property.**

(a) Any property owned by a city may be leased or rented for such terms and upon such conditions as the council may determine, but not for longer than 10 years (except as otherwise provided ~~herein)~~ in subsection (b1) of this section) and only if the council determines that the property will not be needed by the city for the term of the lease. In determining the term of a proposed lease, periods that may be added to the original term by options to renew or extend shall be included.

(a1) Property may be rented or leased only pursuant to a resolution of the council authorizing the execution of the lease or rental agreement adopted at a regular council meeting upon ~~10~~ 30 days' public notice. Notice shall be given by publication describing the property to be leased or rented, stating the annual rental or lease payments, and announcing the council's intent to authorize the lease or rental at its next regular meeting.

(b) No public notice as required by subsection (a1) of this section need be given for resolutions authorizing leases or rentals for terms of one year or less, and the council may delegate to the city manager or some other city administrative officer authority to lease or rent city property for terms of one year or less.

(b1) Leases for terms of more than 10 years shall be treated as a sale of property and may be executed by following any of the procedures authorized for sale of real property.

(c) ~~The~~Notwithstanding subsection (b1) of this section, the council may approve a lease without treating that lease as a sale of property for any of the following reasons:

(1) ~~for~~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 25 ~~years without treating the lease as a sale of property and without giving notice by publication of the intended lease.~~years.

(2) For the siting and operation of a tower, as that term is defined in G.S. 146-29.2(a)(7), for communication purposes for a term up to 25 years."

LOCAL REVIEW OF PROTOTYPE FRANCHISE FOOD ESTABLISHMENTS

SECTION 10. G.S. 130A-248 is amended by adding a new subsection to read:

"(e1) Plans for a franchised or chain food establishment that have been reviewed and approved by the Department shall not require further review and approval under this section by any local health department. The local health department may suggest revisions to a reviewed and approved plan to the Department. The local health department shall not impose any of the suggestion revisions on the owner or operator without written approval from the Department."

NOTICE TO PROPERTY OWNERS PRIOR TO CONSTRUCTION

SECTION 12.(a) Article 23 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-457. Notice prior to construction.**

(a) A county shall notify the property owners and adjacent property owners prior to commencement of any construction project by the county.

(b) Notice under this section shall be in writing at least 15 days prior to the commencement of construction, except in any of the following instances:

(1) If the construction is a repair of an emergency nature, the notice may be given by any means, including verbally, that the county has for contacting the property owner within a reasonable time prior to, or after, commencement of the repair.

(2) The property owner requests action of the county that requires construction activity.

(3) The property owner consents to less than 15 days' notice.

(4) Notice of the construction project is given in any open meeting of the county prior to the commencement of the construction project."

SECTION 12.(b) Article 21 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"**§ 160A-499.4. Notice prior to construction.**

(a) A city shall notify the property owners and adjacent property owners prior to commencement of any construction project by the city.

(b) Notice under this section shall be in writing at least 15 days prior to the commencement of construction, except in any of the following instances:

(1) If the construction is a repair of an emergency nature, the notice may be given by any means, including verbally, that the city has for contacting the property owner within a reasonable time prior to, or after, commencement of the repair.

(2) The property owner requests action of the city that requires construction activity.

(3) The property owner consents to less than 15 days' notice.

(4) Notice of the construction project is given in any open meeting of the city prior to the commencement of the construction project."

SECTION 12.(c) This section becomes effective October 1, 2015, and applies to construction commenced on or after that date.

RIPARIAN BUFFER REFORM

SECTION 13.1.(a) Subsection (e1) of G.S. 143-214.23 is repealed.

SECTION 13.1.(b) Part 1 of Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-214.23A. **Limitations on local government riparian buffer requirements.**

(a) As used in this section:

(1) "Local government ordinance" means any action by a local government carrying the effect of law approved before or after October 1, 2015, whether by ordinance, comprehensive plan, policy, resolution, or other measure.

(2) "Protection of water quality" means nutrient removal, pollutant removal, stream bank protection, or protection of an endangered species as required by federal law.

(3) "Riparian buffer area" means an area subject to a riparian buffer requirement.

(4) "Riparian buffer requirement" means a landward setback from surface waters.

(b) Except as provided in this section, a local government may not enact, implement, or enforce a local government ordinance that establishes a riparian buffer requirement that exceeds riparian buffer requirements necessary to comply with or implement federal or State law or a condition of a permit, certificate, or other approval issued by a federal or State agency.

(c) Subsection (b) of this section shall not apply to any local government ordinance that establishes a riparian buffer requirement enacted prior to August 1, 1997, if (i) the ordinance included findings that the requirement was imposed for purposes that include the protection of aesthetics, fish and wildlife habitat, and recreational use by maintaining water temperature, healthy tree canopy and understory, and the protection of the natural shoreline through minimization of erosion and potential chemical pollution in addition to the protection of water quality and the prevention of excess nutrient runoff, and (ii) the ordinance would permit small or temporary structures within 50 feet of the water body and docks and piers within and along the edge of the water body under certain circumstances.

(d) A local government may request from the Commission the authority to enact, implement, and enforce a local government ordinance that establishes a riparian buffer requirement for the protection of water quality that exceeds riparian buffer requirements for the protection of water quality necessary to comply with or implement federal or State law or a condition of a permit, certificate, or other approval issued by a federal or State agency. To do so, a local government shall submit to the Commission an application requesting this authority that includes the local government ordinance, including the riparian buffer requirement for the protection of water quality, scientific studies of the local environmental and physical conditions that support the necessity of the riparian buffer requirement for the protection of water quality, and any other information requested by the Commission. Within 90 days after the Commission receives a complete application, the Commission shall review the application and notify the local government whether the application has been approved, approved with modifications, or disapproved. The Commission shall not approve a local government ordinance that establishes a riparian buffer requirement for the protection of water quality unless the Commission finds that the scientific evidence presented by the local government supports the necessity of the riparian buffer requirement for the protection of water quality.

(e) Cities and counties shall not treat the land within a riparian buffer area as if the land is the property of the State or any of its subdivisions unless the land or an interest therein has been acquired by the State or its subdivisions by a conveyance or by eminent domain. Land within a riparian buffer area in which neither the State nor its subdivisions holds any property interest may be used by the property owner to satisfy any other development-related regulatory requirements based on property size, including, but not limited to, residential density and nonresidential intensity calculations and yields, tree conservation purposes, open space or conservation area requirements, setbacks, perimeter buffers, and lot area requirements.

(f) When riparian buffer requirements are included within a lot, cities and counties shall require that the riparian buffer area be shown on the recorded plat. Nothing in this subsection shall be construed to require that the riparian buffer area be surveyed. When riparian buffer requirements are placed outside of lots in portions of a subdivision that are designated as common areas or open space and neither the State nor its subdivisions holds any property interest in that riparian buffer area, the local government shall attribute to each lot abutting the riparian buffer area a proportionate share based on the area of all lots abutting the riparian buffer area for purposes of development-related regulatory requirements based on property size, including, but not limited to, residential density and nonresidential intensity calculations

and yields, tree conservation purposes, open space or conservation area requirements, setbacks, perimeter buffers, and lot area requirements.

(g) The Commission may adopt rules to implement this section."

SECTION 13.1.(c) The definitions set out in G.S. 143-214.23A(a), as enacted by Section 13.1(b) of this act, shall apply to this section. Notwithstanding G.S. 143-214.23A(b), as enacted by Section 13.1(b) of this act, a local government ordinance that establishes a riparian buffer requirement for the protection of water quality that exceeds riparian buffer requirements necessary to comply with or implement federal or State law or a condition of a permit, certificate, or other approval issued by a federal or State agency that is in effect on October 1, 2015, may remain in effect and enforceable until January 1, 2017. If the local government ordinance is authorized by the Environmental Management Commission pursuant to G.S. 143-214.23A(d), as enacted by Section 13.1(b) of this act, on or before January 1, 2017, the ordinance may continue to be in effect and enforceable. If the local government ordinance is not authorized by the Environmental Management Commission pursuant to G.S. 143-214.23A(d), as enacted by Section 13.1(b) of this act, on or before January 1, 2017, the ordinance shall no longer be in effect or enforceable.

SECTION 13.1.(d) This section becomes effective October 1, 2015.

SECTION 13.2.(a) The Environmental Management Commission, with the assistance of the Department of Environment and Natural Resources, shall examine ways to provide regulatory relief from the impacts of riparian buffer rules adopted to implement the State's Riparian Buffer Protection Program for parcels of land that were platted on or before the effective date of the applicable riparian buffer rule. The Commission shall specifically examine ways to fairly provide properties with relief where a change in use has occurred that would otherwise trigger the requirements of the riparian buffer rules. Such relief would be determined on a case-by-case basis and provide relief to successor owners. For purposes of this study, a change in use that would otherwise trigger the requirements of the riparian buffer rules shall not include either of the following circumstances:

(1) Developing from a vacant condition to a use allowed by the current local regulations, unless the local regulations have been changed at the request of the property owner since the date the buffer rule was applied; the parcel was recorded prior to the effective date of the applicable buffer rule; and the allowable use is for any nonfarming or nonagricultural purpose.

(2) The property configuration has not been altered except as a result of either an eminent domain action or a recombination involving not more than three parcels, all of which were recorded before the effective date of the applicable buffer rule.

The Commission may also consider and recommend other circumstances that should not constitute a change in use that would otherwise trigger the requirements of the riparian buffer rules. No later than April 1, 2016, the Commission shall report the results of its study, including any recommendations, to the Environmental Review Commission.

SECTION 13.2.(b) This section becomes effective October 1, 2015.

SECTION 13.3.(a) As used in this section, "coastal wetlands" means any salt marsh or other marsh subject to regular or occasional flooding by tides, including wind tides, whether or not the tidewaters reach the marshland areas through natural or artificial watercourses, provided this shall not include hurricane or tropical storm tides.

SECTION 13.3.(b) For purposes of implementing 15A NCAC 02B .0233 (Neuse River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Existing Riparian Buffers) and 15A NCAC 02B .0259 (Tar-Pamlico River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Existing Riparian Buffers), Zone 1 of a protective riparian buffer for coastal wetlands shall begin at the most landward limit of the normal high water level or the normal water level, as appropriate.

SECTION 13.3.(c) The Environmental Management Commission shall adopt temporary rules to amend its rules consistent with this section.

SECTION 13.3.(d) This section becomes effective October 1, 2015.

SECTION 13.4.(a) The Environmental Management Commission shall amend its rules for the protection of existing riparian buffers to provide for the case-by-case modification of the requirement for maintaining woody vegetation in the riparian buffer area upon a showing by a landowner that alternative measures will provide equal or greater water quality protection.

SECTION 13.4.(b) The Environmental Management Commission shall adopt temporary rules to amend its rules consistent with this section.

SECTION 13.4.(c) This section becomes effective October 1, 2015.

ZONING DENSITY CREDITS

SECTION 16. G.S. 160A-381(a) reads as rewritten:

"(a) For the purpose of promoting health, safety, morals, or the general welfare of the community, any city may adopt zoning and development regulation ordinances. These ordinances may be adopted as part of a unified development ordinance or as a separate ordinance. A zoning ordinance may regulate and restrict the height, number of stories and size of buildings and other structures, the percentage of lots that may be occupied, the size of yards, courts and other open spaces, the density of population, the location and use of buildings, structures and land. The ordinance ~~may~~ shall provide density credits or severable development rights for dedicated rights-of-way pursuant to G.S. 136-66.10 or G.S. 136-66.11."

CLARIFY AUTHORITY OF COUNTIES AND CITIES TO EXPAND ON DEFINITION OF BEDROOM

SECTION 18.(a) G.S. 153A-346 reads as rewritten:

"§ 153A-346. Conflict with other laws.

(a) When regulations made under authority of this Part require a greater width or size of yards or courts, or require a lower height of a building or fewer number of stories, or require a greater percentage of a lot to be left unoccupied, or impose other higher standards than are required in any other statute or local ordinance or regulation, the regulations made under authority of this Part govern. When the provisions of any other statute or local ordinance or regulation require a greater width or size of yards or courts, or require a lower height of a building or a fewer number of stories, or require a greater percentage of a lot to be left unoccupied, or impose other higher standards than are required by regulations made under authority of this Part, the provisions of the other statute or local ordinance or regulation govern.

(b) When adopting regulations under this Part, a county may not use a definition of dwelling unit, bedroom, or sleeping unit that is more expansive than any definition of the same in another statute or in a rule adopted by a State agency."

SECTION 18.(b) G.S. 160A-390 reads as rewritten:

"§ 160A-390. Conflict with other laws.

(a) When regulations made under authority of this Part require a greater width or size of yards or courts, or require a lower height of a building or fewer number of stories, or require a greater percentage of a lot to be left unoccupied, or impose other higher standards than are required in any other statute or local ordinance or regulation, regulations made under authority of this Part shall govern. When the provisions of any other statute or local ordinance or regulation require a greater width or size of yards or courts, or require a lower height of a building or a fewer number of stories, or require a greater percentage of a lot to be left unoccupied, or impose other higher standards than are required by the regulations made under authority of this Part, the provisions of that statute or local ordinance or regulation shall govern.

(b) When adopting regulations under this Part, a city may not use a definition of dwelling unit, bedroom, or sleeping unit that is more expansive than any definition of the same in another statute or in a rule adopted by a State agency."

DEVELOPMENT AGREEMENTS

SECTION 19.(a) G.S. 153A-349.4 reads as rewritten:

"§ 153A-349.4. Developed property ~~must contain certain number of acres;~~ criteria; permissible durations of agreements.

(a) A local government may enter into a development agreement with a developer for the development of property as provided in this ~~Part, provided the property contains 25 acres or more of developable property (exclusive of wetlands, mandatory buffers, unbuildable slopes, and other portions of the property which may be precluded from development at the time of application).~~ Part for developable property of any size, including property that is subject to an executed brownfields agreement pursuant to Part 5 of Article 9 of Chapter 130A of the General Statutes. Development agreements shall be of a reasonable term specified in the ~~agreement, provided they may not be for a term exceeding 20 years.~~agreement.

~~(b) Notwithstanding the acreage requirements of subsection (a) of this section, a local government may enter into a development agreement with a developer for the development of property as provided in this Part for developable property of any size (exclusive of wetlands, mandatory buffers, unbuildable slopes, and other portions of the property which may be precluded from development at the time of application), if the developable property that would be subject to the development agreement is subject to an executed brownfields agreement pursuant to Part 5 of Article 9 of Chapter 130A of the General Statutes. Development agreements shall be of a term specified in the agreement, provided they may not be for a term exceeding 20 years.~~"

SECTION 19.(b) G.S. 160A-400.23 reads as rewritten:

"**§ 160A-400.23. Developed property ~~must contain certain number of acres;~~ criteria; permissible durations of agreements.**

(a) A local government may enter into a development agreement with a developer for the development of property as provided in this ~~Part, provided the property contains 25 acres or more of developable property (exclusive of wetlands, mandatory buffers, unbuildable slopes, and other portions of the property which may be precluded from development at the time of application).~~ Part for developable property of any size, including property that is subject to an executed brownfields agreement pursuant to Part 5 of Article 9 of Chapter 130A of the General Statutes. Development agreements shall be of a reasonable term specified in the ~~agreement, provided they may not be for a term exceeding 20 years.~~agreement.

~~(b) Notwithstanding the acreage requirements of subsection (a) of this section, a local government may enter into a development agreement with a developer for the development of property as provided in this Part for developable property of any size (exclusive of wetlands, mandatory buffers, unbuildable slopes, and other portions of the property which may be precluded from development at the time of application), if the developable property that would be subject to the development agreement is subject to an executed brownfields agreement pursuant to Part 5 of Article 9 of Chapter 130A of the General Statutes. Development agreements shall be of a term specified in the agreement, provided they may not be for a term exceeding 20 years.~~"

SECTION 19.(c) G.S. 153A-349.3 reads as rewritten:

"**§ 153A-349.3. Local governments authorized to enter into development agreements; approval of governing body required.**

(a) A local government may establish procedures and requirements, as provided in this Part, to consider and enter into development agreements with developers. A development agreement must be approved by the governing body of a local government by ordinance.

(b) The development agreement may, by ordinance, be incorporated, in whole or in part, into any planning, zoning, or subdivision ordinance adopted by the local government."

SECTION 19.(d) G.S. 160A-400.22 reads as rewritten:

"**§ 160A-400.22. Local governments authorized to enter into development agreements; approval of governing body required.**

(a) A local government may establish procedures and requirements, as provided in this Part, to consider and enter into development agreements with developers. A development agreement must be approved by the governing body of a local government by ordinance.

(b) The development agreement may, by ordinance, be incorporated, in whole or in part, into any planning, zoning, or subdivision ordinance adopted by the local government."

SECTION 19.(e) This section becomes effective October 1, 2015, and applies to development agreements entered into on or after that date.

SECTION 20. 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 21. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of September, 2015.

s/ Tom Apodaca
Presiding Officer of the Senate

s/ Paul Stam
Presiding Officer of the House of Representatives

s/ Pat McCrory
Governor

Approved 4:30 p.m. this 23rd day of September, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-111
HOUSE BILL 86

AN ACT TO REQUIRE THE DEPARTMENT OF TRANSPORTATION TO PAY THE NONBETTERMENT COST OF RELOCATING WATER AND SEWER LINES OWNED BY LOCAL BOARDS OF EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-27.1 reads as rewritten:

"**§ 136-27.1. Relocation of water and sewer lines of ~~municipalities and~~municipalities, nonprofit water or sewer corporations or ~~associations.~~associations, and local boards of education.**

The Department of Transportation shall pay the nonbetterment cost for the relocation of water and sewer lines, located within the existing State transportation project right-of-way, that are necessary to be relocated for a State transportation improvement project and that are owned by: (i) a municipality with a population of 5,500 or less according to the latest decennial census; (ii) a nonprofit water or sewer association or corporation; (iii) any water or sewer system organized pursuant to Chapter 162A of the General Statutes; (iv) a rural water system operated by a County as an enterprise system; (v) any sanitary district organized pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes; ~~or~~ (vi) constructed by a water or sewer system organized pursuant to Chapter 162A of the General Statutes and then sold or transferred to a municipality with a population of greater than 5,500 according to the latest decennial ~~census.~~census; or (vii) a local board of education."

SECTION 2. This act becomes effective July 1, 2015, and applies to relocations of water and sewer lines on or after that date.

In the General Assembly read three times and ratified this the 15th day of June, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:15 a.m. this 24th day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-44
HOUSE BILL 113

AN ACT TO PROTECT NORTH CAROLINA'S STUDENTS BY INCREASING THE CRIMINAL PENALTY FOR THE COMMISSION OF CERTAIN SEX OFFENSES COMMITTED AGAINST A STUDENT BY A PERSON WHO IS SCHOOL PERSONNEL AND TO ESTABLISH A PROCEDURE FOR INSTITUTIONS OF HIGHER EDUCATION TO OBTAIN A LIST OF STUDENTS AND EMPLOYEES AT THE INSTITUTION WHO ARE REGISTERED AS SEX OFFENDERS.

The General Assembly of North Carolina enacts:

SECTION 1. This act may be cited as the "Protect Our Students Act".

SECTION 2. G.S. 14-27.7(b) reads as rewritten:

"(b) If a defendant, who is a teacher, school administrator, student teacher, school safety officer, or coach, at any age, or who is other school personnel, and who is at least four years older than the victim engages in vaginal intercourse or a sexual act with a victim who is a student, at any time during or after the time the defendant and victim were present together in the same school, but before the victim ceases to be a student, the defendant is guilty of a Class G felony, except when the defendant is lawfully married to the student. The term "same school" means a school at which the student is enrolled and the defendant is employed, assigned, or volunteers. A defendant who is school personnel, other than a teacher, school administrator, student teacher, school safety officer, or coach, and is less than four years older than the victim and engages in vaginal intercourse or a sexual act with a victim who is a student, is guilty of a ~~Class A1 misdemeanor.~~ Class I felony. This subsection shall apply unless the conduct is covered under some other provision of law providing for greater punishment. Consent is not a defense to a charge under this section. For purposes of this subsection, the terms "school", "school personnel", and "student" shall have the same meaning as in G.S. 14-202.4(d). For purposes of this subsection, the term "school safety officer" shall include a school resource officer or any other person who is regularly present in a school for the purpose of promoting and maintaining safe and orderly schools."

SECTION 3. G.S. 14-202.4 reads as rewritten:

"**§ 14-202.4. Taking indecent liberties with a student.**

...

(b) If a defendant, who is school personnel, other than a teacher, school administrator, student teacher, school safety officer, or coach, and who is less than four years older than the victim, takes indecent liberties with a student as provided in subsection (a) of this section, the defendant is guilty of a ~~Class A1 misdemeanor.~~ Class I felony.

...

(d) For purposes of this section, the following definitions apply:

...

(3) "School personnel" means any person included in the definition contained in G.S. 115C-332(a)(2), including those employed by a nonpublic, charter, or regional school, and any person who volunteers at a school or a school-sponsored activity.

...."

SECTION 4. G.S. 14-208.15 is amended by adding a new subsection to read:

"(c) Upon request of an institution of higher education, the Sheriff of the county in which the educational institution is located shall provide a report containing the registry

information for any registrant who has stated that the registrant is a student or employee, or expects to become a student or employee, of that institution of higher education. The Department of Public Safety shall provide each sheriff with the ability to generate the report from the statewide registry. The report shall be provided electronically without charge. The institution of higher education may receive a written report upon payment of reasonable duplicating costs and mailing costs."

SECTION 5. This act becomes effective December 1, 2015. Sections 2 and 3 of this act apply to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:30 a.m. this 2nd day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-183
HOUSE BILL 134

AN ACT TO PROVIDE THAT A MINOR WHO IS SOLICITING AS A PROSTITUTE IS IMMUNE FROM PROSECUTION FOR THE OFFENSE OF SOLICITATION OF PROSTITUTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-205.1 reads as rewritten:

"§ 14-205.1. Solicitation of prostitution.

(a) Except as otherwise provided in this section, any person who solicits another for the purpose of prostitution is guilty of a Class 1 misdemeanor for a first offense and a Class H felony for a second or subsequent offense. Any person 18 years of age or older who willfully solicits a minor for the purpose of prostitution is guilty of a Class G felony. Any person who willfully solicits a person who is severely or profoundly mentally disabled for the purpose of prostitution is guilty of a Class E felony. Punishment under this section may include participation in a program devised for the education and prevention of sexual exploitation (i.e. "John School"), where available. A person who violates this subsection shall not be eligible for a disposition of prayer for judgment continued under any circumstances.

(b) Immunity From Prosecution for Minors. – Notwithstanding any other provision of this section, if it is determined, after a reasonable detention for investigative purposes, that a person suspected of or charged with a violation of this section is a minor who is soliciting as a prostitute, that person shall be immune from prosecution under this section and instead shall be taken into temporary protective custody as an undisciplined juvenile pursuant to Article 19 of Chapter 7B of the General Statutes. Pursuant to the provisions of G.S. 7B-301, a law enforcement officer who takes a minor into custody under this section shall immediately report an allegation of a violation of G.S. 14-43.11 and G.S. 14-43.13 to the director of the department of social services in the county where the minor resides or is found, as appropriate, which shall commence an initial investigation into child abuse or child neglect within 24 hours pursuant to G.S. 7B-301 and G.S. 7B-302."

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

In the General Assembly read three times and ratified this the 29th day of July, 2015.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Paul Stam
Speaker Pro Tempore of the House of Representatives

s/ Pat McCrory
Governor

Approved 3:06 p.m. this 5th day of August, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-112
HOUSE BILL 154

AN ACT TO AUTHORIZE UNITS OF LOCAL GOVERNMENT TO ENROLL THEIR EMPLOYEES AND DEPENDENTS IN THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES, AND TO AUTHORIZE PIONEER SPRINGS COMMUNITY SCHOOL TO ELECT TO PARTICIPATE IN THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-48.8(b) reads as rewritten:

"(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 2. G.S. 135-48.47 reads as rewritten:

"**§ 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:~~Plan, as provided in this section.

~~(1) Montgomery County.~~

~~(2) Towns of Elizabethtown and 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 (i) electing to participate in the Plan and (ii) 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~~A local government unit may elect to participate in the State Health Plan. Participation shall be governed by the following:

(1) In order to participate, a local government unit ~~must, at least 60 days prior to joining the Plan, enter~~ must do the following:

a. Pass a valid resolution expressing the local government's desire to participate in the Plan.

b. Enter into a memorandum of understanding with the Plan that acknowledges the conditions of this section and this Article.

c. Provide at least 90 days' notice to the Plan prior to entry and complete the requirements of this subdivision at least 60 days prior to entry.

(2) ~~The~~ In order to participate, a 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.

(2a) The Plan shall admit any local government unit that meets the administrative and legal requirements of this section, regardless of the claims experience of the local government unit group or the financial impact on the Plan.

(3) ~~The~~ A 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.

(c) Enrollment Limitation. – Local governments may elect to participate until the number of employees and dependents of employees of local governments enrolled in the Plan reaches 10,000, after which time no additional local governments may join the Plan. Any local government electing to participate must have less than 1,000 employees and dependents enrolled in health coverage at the time the local government provides notice to the Plan of its desire to participate."

SECTION 3. Notwithstanding any prior session law, any action taken by a Board of Trustees of the State Health Plan for Teachers and State Employees or of the predecessor plan to the current State Health Plan, or any other law, any local government unit that participates in the State Health Plan as of the effective date of this act may elect to be subject to the new requirements in G.S. 135-48.47, as enacted by this act. Local government units electing to participate in the Plan under G.S. 135-48.47 shall cease monthly contributions to the Retiree Health Benefit Fund in the month in which coverage begins under G.S. 135-48.47. Local government units shall not be entitled to a refund of any prior contributions to the Retiree Health Benefit Fund. Nothing in this section, nor an election to participate in the State Health Plan under G.S. 135-48.47, shall impact any existing debt to the Retiree Health Benefit Fund owed by any local government unit.

SECTION 4. Notwithstanding the time limitation contained in G.S. 135-48.54, the Board of Directors of Pioneer Springs Community School, a charter school located in Charlotte, may elect to become a participating employing unit in the State Health Plan for Teachers and State Employees in accordance with Article 3B of Chapter 135 of the General Statutes. The election authorized by this act shall be made no later than 30 days after the effective date of this act and shall be made in accordance with all other requirements of G.S. 135-48.54.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of June, 2015.

s/ Chad Barefoot
Presiding Officer of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:15 a.m. this 24th day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-247
HOUSE BILL 173

AN ACT TO AMEND VARIOUS CRIMINAL LAWS FOR THE PURPOSE OF IMPROVING TRIAL COURT EFFICIENCY.

The General Assembly of North Carolina enacts:

PART I. EXTEND THE PERIOD OF TIME TO AVOID THE COURT COSTS FOR FAILURE TO PAY

SECTION 1.(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), (12), or (13) of this section.

...

(6) For support of the General Court of Justice, the sum of two hundred dollars ($200.00) is payable by a defendant who fails to appear to answer the charge as scheduled, unless within 20 days after the scheduled appearance, the person either appears in court to answer the charge or disposes of the charge pursuant to G.S. 7A-146, and the sum of fifty dollars ($50.00) is payable by a defendant who fails to pay a fine, penalty, or costs within ~~20 days~~ 40 days of the date specified in the court's judgment. Upon a showing to the court that the defendant failed to appear because of an error or omission of a judicial official, a prosecutor, or a law-enforcement officer, the court shall waive the fee for failure to appear. These fees shall be remitted to the State Treasurer.

...."

SECTION 1.(b) G.S. 20-24.2(a) reads as rewritten:

"(a) The court must report to the Division the name of any person charged with a motor vehicle offense under this Chapter who:

(1) Fails to appear to answer the charge as scheduled, unless within 20 days after the scheduled appearance, he either appears in court to answer the charge or disposes of the charge pursuant to G.S. 7A-146; or

(2) Fails to pay a fine, penalty, or costs within ~~20 days~~ 40 days of the date specified in the court's judgment."

SECTION 1.(c) This section becomes effective December 1, 2015, except that a failure to pay after 20 days occurring before the effective date of this act is not abated or affected by this act and the statutes that would be applicable but for this act remain applicable to that failure to pay.

PART II. DIRECT THE ADMINISTRATIVE OFFICE OF THE COURTS TO REPORT ON CERTAIN ORDERS OF REMAND FROM SUPERIOR COURT

SECTION 2. The Administrative Office of the Courts, in consultation with the Conference of Clerks of Superior Court, shall make any necessary modifications to its information systems to maintain records of all cases in which the defendant in a criminal case withdraws an appeal for trial de novo in superior court and the superior court judge has signed

an order remanding the case to the district court and shall report on those remanded cases to the chairs of the Senate Appropriations Committee on Justice and Public Safety, the chairs of the House Appropriations Committee on Justice and Public Safety, and the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by February 1 of each year. The report shall (i) include the total number of remanded cases and also the total number of those cases for which the court has remitted costs and (ii) aggregate those totals by the district in which they were granted and by the name of each judge ordering remand. The Administrative Office of the Courts may obtain any information that may be needed from individual clerks of superior court in order to make the modifications necessary to maintain the records required under this section.

PART III. REVISE THE LAW AUTHORIZING A CHIEF DISTRICT COURT JUDGE TO DESIGNATE CERTAIN MAGISTRATES TO APPOINT COUNSEL/AUTHORIZE MAGISTRATES TO ACCEPT GUILTY PLEAS AND ENTER JUDGMENT FOR OFFENSE OF INTOXICATED AND DISRUPTIVE IN PUBLIC

SECTION 3.(a) G.S. 7A-146 reads as rewritten:

"**§ 7A-146. Administrative authority and duties of chief district judge.**

The chief district judge, subject to the general supervision of the Chief Justice of the Supreme Court, has administrative supervision and authority over the operation of the district courts and magistrates in his district. These powers and duties include, but are not limited to, the following:

...

(11) Designating certain magistrates to appoint counsel and accept waivers of counsel pursuant to Article 36 of this Chapter. This designation ~~may only be given to magistrates who are duly licensed attorneys and~~ does not give any magistrate the authority ~~to: (i)~~ to appoint counsel or accept waivers of counsel for potentially capital offenses, as defined by rules adopted by the Office of Indigent Defense ~~Services; or (ii) accept a waiver of counsel.~~Services.

...."

SECTION 3.(b) G.S. 7A-292 reads as rewritten:

"**§ 7A-292. Additional powers of magistrates.**

In addition to the jurisdiction and powers assigned in this Chapter to the magistrate in civil and criminal actions, each magistrate has the following additional powers:

...

(15) When authorized by the chief district judge, as permitted in G.S. 7A-146(11), to provide for appointment of counsel and acceptance of waivers of counsel pursuant to Article 36 of this Chapter.

...."

SECTION 3.(c) G.S. 14-444 reads as rewritten:

"**§ 14-444. Intoxicated and disruptive in public.**

(a) It shall be unlawful for any person in a public place to be intoxicated and disruptive in any of the following ways:

(1) Blocking or otherwise interfering with traffic on a highway or public vehicular area, or

(2) Blocking or lying across or otherwise preventing or interfering with access to or passage across a sidewalk or entrance to a building, or

(3) Grabbing, shoving, pushing or fighting others or challenging others to fight, or

(4) Cursing or shouting at or otherwise rudely insulting others, or

(5) Begging for money or other property.

(b) Any person who violates this section shall be guilty of a Class 3 misdemeanor. ~~Notwithstanding the provisions of G.S. 7A-273(1), a magistrate is not empowered to accept a guilty plea and enter judgment for this offense.~~"

PART IV. AMENDMENT TO ADDRESS AND CLARIFY PROBATION REVOCATION APPEALS

SECTION 4. G.S. 15A-1347 is amended by adding a new subsection to read:

"(c) If a defendant appeals an activation of a sentence as a result of a finding of a violation of probation by the district or superior court, probation supervision will continue under the same conditions until the termination date of the supervision period or disposition of the appeal, whichever comes first."

PART V. CONFORM STATE LAW WITH THE UNITED STATES SUPREME COURT DECISIONS IN HALL V. FLORIDA AND BRUMFIELD V. CAIN

SECTION 5. G.S. 15A-2005 reads as rewritten:

"§ 15A-2005. ~~Mentally retarded defendants;~~ Intellectual disability; death sentence prohibited.

(a) (1) The following definitions apply in this section:

a. ~~Mentally retarded. – Significantly~~ Intellectual disability. – A condition marked by significantly subaverage general intellectual functioning, existing concurrently with significant limitations in adaptive functioning, both of which were manifested before the age of 18.

b. Significant limitations in adaptive functioning. – Significant limitations in two or more of the following adaptive skill areas: communication, self-care, home living, social skills, community use, self-direction, health and safety, functional academics, leisure skills and work skills.

c. Significantly subaverage general intellectual functioning. – An intelligence quotient of 70 or below.

(2) The defendant has the burden of proving significantly subaverage general intellectual functioning, significant limitations in adaptive functioning, and that ~~mental retardation~~ intellectual disability was manifested before the age of 18. An intelligence quotient of 70 or below on an individually administered, scientifically recognized standardized intelligence quotient test administered by a licensed psychiatrist or psychologist is evidence of significantly subaverage general intellectual functioning; however, it is not sufficient, without evidence of significant limitations in adaptive functioning and without evidence of manifestation before the age of 18, to establish that the defendant ~~is mentally retarded.~~ has an intellectual disability. An intelligence quotient of 70, as described in this subdivision, is approximate and a higher score resulting from the application of the standard error of measurement to an intelligence quotient of 70 shall not preclude the defendant from being able to present additional evidence of intellectual disability, including testimony regarding adaptive deficits. Accepted clinical standards for diagnosing significant limitations in intellectual functioning and adaptive behavior shall be applied in the determination of intellectual disability.

(b) Notwithstanding any provision of law to the contrary, no defendant ~~who is mentally retarded~~ with an intellectual disability shall be sentenced to death.

(c) Upon motion of the defendant, supported by appropriate affidavits, the court may order a pretrial hearing to determine if the defendant ~~is mentally retarded.~~ has an intellectual disability. The court shall order such a hearing with the consent of the State. The defendant has the burden of production and persuasion to demonstrate ~~mental retardation~~ intellectual disability by clear and convincing evidence. If the court determines that the defendant ~~to be mentally retarded,~~ has an intellectual disability, the court shall declare the case noncapital, and the State may not seek the death penalty against the defendant.

(d) The pretrial determination of the court shall not preclude the defendant from raising any legal defense during the trial.

(e) If the court does not find that the defendant ~~to be mentally retarded~~ has an intellectual disability in the pretrial proceeding, upon the introduction of evidence ~~of the defendant's mental retardation~~ raising the issue of intellectual disability during the sentencing hearing, the court shall submit a special issue to the jury as to whether the defendant ~~is mentally retarded~~ has an intellectual disability as defined in this section. This special issue shall be considered and answered by the jury prior to the consideration of aggravating or mitigating factors and the determination of sentence. If the jury determines that the defendant ~~to be~~

~~mentally retarded,~~ has an intellectual disability, the court shall declare the case noncapital and the defendant shall be sentenced to life imprisonment.

(f) The defendant has the burden of production and persuasion to demonstrate ~~mental retardation~~ intellectual disability to the jury by a preponderance of the evidence.

(g) If the jury determines that the defendant ~~is not mentally retarded~~ does not have an intellectual disability as defined by this section, the jury may consider any evidence of ~~mental retardation~~ intellectual disability presented during the sentencing hearing when determining aggravating or mitigating factors and the defendant's sentence.

(h) The provisions of this section do not preclude the sentencing of ~~a mentally retarded~~ an offender with an intellectual disability to any other sentence authorized by G.S. 14-17 for the crime of murder in the first degree."

PART VII. MAKE CONFORMING CHANGE TO PETITION FOR JUDICIAL REVIEW

SECTION 7. G.S. 7B-323(f) reads as rewritten:

"(f) A party may appeal the district court's decision under ~~G.S. 7A-27(c).~~ G.S. 7A-27(b)(2)."

PART VIII. EXPUNCTION INFORMATION MAY BE TRANSMITTED ELECTRONICALLY OR BY FACSIMILE

SECTION 8. 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~~ Unless otherwise instructed by the Administrative Office of the Courts pursuant to an agreement entered into under subsection (e) of this section for the electronic or facsimile transmission of information, 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 FBI. – The Department of Public Safety 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 database to delete the record in question from its database.

(e) The Director of the Administrative Office of the Courts may enter into an agreement with any of the State agencies listed in subsection (b) of this section for electronic or facsimile transmission of any information that must be provided under this section."

PART IX. DOUBLING OF BOND IS PERMISSIVE RATHER THAN MANDATORY FOR CERTAIN DEFENDANTS

SECTION 9.(a) G.S. 15A-534(d3) reads as rewritten:

"(d3) When conditions of pretrial release are being determined for a defendant who is charged with an offense and the defendant is currently on pretrial release for a prior offense, the judicial official ~~shall~~ may require the execution of a secured appearance bond in an amount at least double the amount of the most recent previous secured or unsecured bond for the charges or, if no bond has yet been required for the charges, in the amount of at least one thousand dollars ($1,000)."

SECTION 9.(b) This section becomes effective October 1, 2015, and applies to conditions of pretrial release imposed on or after that date.

PART X. DISPOSITION OF CERTAIN PHYSICAL EVIDENCE THAT MAY CONTAIN BIOLOGICAL EVIDENCE

SECTION 10.(a) G.S. 15A-268(a5) reads as rewritten:

"(a5) The duty to preserve may not be waived knowingly and voluntarily by a defendant, without a court ~~proceeding.~~hearing, which may include any other hearing associated with the disposition of the case."

SECTION 10.(b) G.S. 15A-268(a6) reads as rewritten:

"(a6) The evidence described by subsection (a1) of this section shall be preserved for the following period:

(1) For conviction resulting in a sentence of death, until execution.

(2) For conviction resulting in a sentence of life without parole, until the death of the convicted person.

(3) For conviction of any homicide, sex offense, assault, kidnapping, burglary, robbery, arson or burning, for which a Class B1-E felony punishment is imposed, the evidence shall be preserved during the period of incarceration and mandatory supervised release, including sex offender registration pursuant to Article 27A of Chapter 14 of the General Statutes, except in cases where the person convicted entered and was convicted on a plea of guilty, in which case the evidence shall be preserved for the earlier of three years from the date of conviction or until released.

(4) Biological evidence collected as part of a criminal investigation of any homicide or rape, in which no charges are filed, shall be preserved for the period of time that the crime remains unsolved.

(5) A custodial agency in custody of biological evidence unrelated to a criminal investigation or prosecution referenced by subdivision (1), (2), (3), or (4) of this subsection may dispose of the evidence in accordance with the rules of the agency.

(6) Notwithstanding the retention requirements in subdivisions (1) through (5) of this subsection, at any time after collection and prior to or at the time of disposition of the case at the trial court level, if the evidence collected as part of the criminal investigation is of a size, bulk, or physical character as to render retention impracticable or should be returned to its rightful owner, the State may petition the court for retention of samples of the biological evidence in lieu of the actual physical evidence. After giving any defendant charged in connection with the case an opportunity to be heard, the court may order that the collecting agency take reasonable measures to remove or preserve for retention portions of evidence likely to contain biological evidence related to the offense through cuttings, swabs, or other means consistent with Crime Laboratory minimum guidelines in a quantity sufficient to permit DNA testing before returning or disposing of the evidence."

SECTION 10.(c) This section becomes effective October 1, 2015.

PART XI. AMEND THE RULES OF EVIDENCE TO ALLOW A CERTIFICATION BY THE CUSTODIAN OF A BUSINESS RECORD TO SHOW THE AUTHENTICITY OF THE RECORD IN LIEU OF OFFERING THE CUSTODIAN'S IN-PERSON TESTIMONY

SECTION 11.(a) Rule 803(6) of the Rules of Evidence, Chapter 8C of the General Statutes, reads as rewritten:

"Rule 803. Hearsay exceptions; availability of declarant immaterial.

The following are not excluded by the hearsay rule, even though the declarant is available as a witness:

...

(6) Records of Regularly Conducted Activity. – A memorandum, report, record, or data compilation, in any form, of acts, events, conditions, opinions, or diagnoses, made at or near the time by, or from information transmitted by, a person with knowledge, if (i) kept in the course of a regularly conducted business ~~activity,~~ activity and ~~if~~ (ii) it was the regular practice of that business activity to make the memorandum, report, record, or data compilation, all as shown by the testimony of the custodian or other qualified witness, or by affidavit or by document under seal under Rule 902 of the Rules of Evidence made by the custodian or witness, unless the source of information or the method or circumstances of preparation indicate lack of trustworthiness. Authentication of evidence by affidavit shall be confined to the records of nonparties, and the proponent of that evidence shall give advance notice to all other parties of intent to offer the evidence with authentication by affidavit. The term "business" as used in this paragraph includes business, institution, association, profession, occupation, and calling of every kind, whether or not conducted for profit."

SECTION 11.(b) This section becomes effective October 1, 2015.

PART XIII. BAIL BOND CONTINUING EDUCATION

SECTION 13.(a) G.S. 58-71-1 reads as rewritten:

"**§ 58-71-1. Definitions.**

The following definitions apply in this Article:

...

(1a) Approved provider. – A person or entity whose certificate of authority issued by the Commissioner to provide either bail bond continuing education or prelicensing courses in this state in accordance with G.S. 58-71-72 was in effect on May 15, 2015, and remains in effect. The certificate of authority issued by the Commissioner to any such person or entity is not transferable or assignable to any other person or entity nor are the benefits or any part thereof transferable or assignable to any other person or entity.

...."

SECTION 13.(b) G.S. 58-71-71 reads as rewritten:

"**§ 58-71-71. Examination; educational requirements; penalties.**

(a) In order to be eligible to take the examination required to be licensed as a runner or bail bondsman under G.S. 58-71-70, each person shall complete at least 12 hours of education as provided by ~~the North Carolina Bail Agents Association~~ an approved provider in subjects pertinent to the duties and responsibilities of a runner or bail bondsman, including all laws and regulations related to being a runner or bail bondsman.

(b) Each year every licensee shall complete at least three hours of continuing education as provided by ~~the North Carolina Bail Agents Association~~ an approved provider in subjects related to the duties and responsibilities of a runner or bail bondsman before renewal of the license. This continuing education shall not include a written or oral examination. A person who receives his first license on or after January 1 of any year does not have to comply with this subsection until the period between his first and second license renewals.

...

(d) Educational courses offered by ~~the North Carolina Bail Agents Association~~ an approved provider under this section must be approved by the Commissioner before they may be offered. Before approving a course, the Commissioner must be satisfied that the course will enhance the professional competence and professional responsibility of bail bondsmen and runners. ~~The North Carolina Bail Agents Association~~ Approved providers shall not offer, sponsor, or conduct any course under this section unless the Commissioner has given authorization to do so. The Commissioner shall not authorize educational courses to be offered solely online.

...."

SECTION 13.(c) This section becomes effective October 1, 2015.

PART XIV. EFFECTIVE DATE

SECTION 14. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of September, 2015.

s/ Tom Apodaca
Presiding Officer of the Senate

s/ Paul Stam
Presiding Officer of the House of Representatives

s/ Pat McCrory
Governor

Approved 4:30 p.m. this 23rd day of September, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-218
HOUSE BILL 184

AN ACT TO ALLOW THE DEPARTMENT OF CULTURAL RESOURCES, OFFICE OF ARCHIVES AND HISTORY, TO USE THE NET PROCEEDS OF THE SALE OF ARTIFACTS FOR MAINTENANCE OR CONSERVATION OF OTHER ARTIFACTS; TO CLARIFY THE PROCESS FOR TRANSFERRING TITLE OF UNCLAIMED OR UNDOCUMENTED PROPERTY LOANED TO MUSEUMS AND HISTORICAL REPOSITORIES TO THOSE MUSEUMS AND HISTORICAL REPOSITORIES; TO SET A TIME LIMITATION ON CONFIDENTIALITY OF RECORDS; TO CLARIFY THAT PHOTOGRAPHS AND VIDEO RECORDINGS OF DERELICT VESSELS OR SHIPWRECKS ARE PUBLIC RECORDS WHEN IN THE CUSTODY OF NORTH CAROLINA AGENCIES; AND TO PROVIDE THAT CERTAIN MERCHANDISE CREDITS ARE NOT DEEMED ABANDONED PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 121-7 reads as rewritten:

"**§ 121-7. Historical museums.**

(a) The Department of Cultural Resources shall maintain and administer State historic ~~attractions~~ sites and museums under the management of the Office of Archives and History for the collection, preservation, study, and exhibition of authentic artifacts and other historical materials relating to the history and heritage of North Carolina. The Department, with the approval of the Historical Commission, may acquire, either by purchase, gift, or loan such artifacts and materials, and, having acquired them, shall according to accepted museum practices classify, accession, preserve, and where feasible exhibit such materials and make them available for study. Within available funds, one or more branch museums of history or specialized regional history museums may be established and administered by the Department. The Department of Cultural Resources, subject to the availability of staff and funds, may give financial, technical, and professional assistance to nonstate historical museums sponsored by governmental agencies and nonprofit organizations according to regulations adopted by the North Carolina Historical Commission.

The Department of Cultural Resources may, with the explicit approval of the North Carolina Historical Commission sell, trade, or place on ~~permanent~~ loan any artifact owned by the State of North Carolina and in the custody of and curated by the Office of Archives and History, unless the sale, trade, or loan would be contrary to the terms of acquisition. The net proceeds of any sale, after deduction of the expenses attributable to that sale, shall be deposited ~~to the State treasury to the credit of~~ in the Office of Archives and History Artifact Fund to the credit of the museum or archives that had custody of the artifact sold and shall be used only for the ~~purchase~~ expenses associated with the purchase, maintenance, or conservation of other artifacts. No artifact curated by any agency of the Department of Cultural Resources may be pledged or mortgaged.

...

~~(c) Title to an artifact whose ownership is unknown or whose owner cannot be located passes to the Department of Cultural Resources if:~~

~~(1) The artifact was placed on loan with the Office of Archives and History for a period of time exceeding five years or for an indefinite period of time or the artifact's status with the Office of Archives and History as a loan, gift, purchase, or other arrangement is unknown; and~~

~~(2) The artifact has been a part of the inventory of the Office of Archives and History for more than five years; and~~

~~(3) The Department of Cultural Resources makes a reasonable effort, including a diligent search of its own records, to locate and inform the owner, his heirs or successors, that the Office of Archives and History is holding the artifact and to clarify the artifact's status with that Office.~~

~~To initiate the procedure to clarify title to an artifact, the Department of Cultural Resources shall mail, first class postage prepaid, a notice to the last known address of the owner of the artifact or the last known address of the owner's heirs or successors. The Department need not mail a notice, if after exercising due diligence to find a record within the Department of Cultural Resources indicating the owner of the artifact and his latest address, that information is not available. If no claim is made within 90 days from the date that notice is mailed, the Department of Cultural Resources shall publish a notice in three papers of general circulation once a week for four consecutive weeks. If, at the end of 30 days, no claim of ownership is submitted to the Department of Cultural Resources, the Department may determine that legal title to the artifact is vested in the Office of Archives and History.~~

~~(d) Any person claiming legal title to an artifact to which the North Carolina Office of Archives and History also claims title as provided by subsection (c) may file a claim with the Department of Cultural Resources on a form prescribed by the Department. If the claimant is not the owner from whom the Department originally obtained the artifact, the claimant shall state in addition to any other information required by the Department, the facts surrounding the unavailability of the person who originally loaned or bestowed the property to the Office of Archives and History and the basis for the claim to title of the artifact. If the Department of Cultural Resources is satisfied that the claim is valid and that the claimant is the legal owner of the artifact, the Department shall return the artifact to the owner. If the Department determines that the claim is not valid and rejects the claim to the artifact, the claimant may appeal the determination as provided by Chapter 150B.~~"

SECTION 2. Chapter 121 of the General Statutes is amended by adding a new Article to read:

"Article 5.
"Museum and Archives Repository Property.

"**§ 121-50. Legislative findings and declaration.**

The General Assembly finds and declares that the growth and maintenance of collections in museums and archives repositories, both public and private, is a matter of general public interest to the citizens of North Carolina. Museums and archives repositories of all kinds depend upon loans of various articles of property to promote and encourage the teaching of North Carolina and local history and to preserve and care for historical manuscripts, materials, and artifacts. The uncertainty regarding title to and responsibility for loaned property is a hindrance to museums and archives repositories in their efforts to maintain, repair, and dispose of property in their possession. The purpose of this Article is to terminate stale claims and to fairly and reasonably allocate responsibilities for the determination of title and financial responsibilities in certain cases.

"**§ 121-51. Definitions.**

The following definitions apply in this Article:

(1) Address. – A description of the location of the lender as shown on a museum or archives repository's records that is sufficient for delivery by mail.

(2) Archives repository. – An archives repository shall have the same meaning as the term "North Carolina State Archives" as defined in G.S. 121-2(7).

(3) Loan. – The placement of property with a museum or archives repository that is not accompanied by a transfer of title of the property to the museum or archives repository and for which there is some record that the owner intended to retain title to the property. The term "loan" does not include transfers between museums, between archives repositories, or between museums and archives repositories unless the transferring institution specifically provides in writing that the transfer is a loan under this Article.

(4) Museum. – A museum shall include any museum or historic site administered by the Department of Cultural Resources, including the term "North Carolina Museum of History" as defined in G.S. 121-2(6).

(5) Property. – A tangible object under the care of a museum or archives repository that has intrinsic historic, artistic, scientific, educational, or cultural value.

(6) Valid claim. – A written notice of intent to preserve an interest in property on loan to a museum or archives repository, including all of the following:

a. A description of the property adequate to enable the museum or archives repository to identify the property.

b. Documentation sufficient to establish the claimant as owner of the property.

c. A statement attesting to the truth, to the best of the signer's knowledge, of all information included in or with the notice.

d. The signature, under penalty of perjury, of the claimant or a person authorized to act on behalf of the claimant.

"**§ 121-52. Acquisition of title to loaned property.**

(a) A museum or archives repository may acquire the title to documented property loaned to the museum or archives repository if (i) the term of the loan has expired and at least seven years have passed without written or other contact between the lender and the museum or archives repository or (ii) the term of the loan does not have an expiration date but at least seven years have passed without written or other contact between the lender and the museum or archives repository since the loan was made.

(b) To acquire title to property under this section, the museum or archives repository shall first send a notice by certified mail to the lender's last known address. The notice must include all of the following:

(1) The lender's name and last known address.

(2) A brief and general description of the property.

(3) A statement that the term of the loan has been terminated.

(4) The date or approximate date, if known, when the owner loaned the property to the museum or archives repository.

(5) The name, address, and telephone number of the museum or archives repository representative to contact for more information or to claim ownership.

(6) A statement that outlines the schedule and requirements for the museum or archives repository to acquire title under this section.

(c) If a valid claim to the property is not received by the museum or archives repository within 30 days from the date the notice was mailed, or if the museum or archives repository does not have an address for the lender, the museum or archives repository shall comply with the following:

(1) If the property has an estimated value in excess of $10,000, the museum or archives repository shall make a reasonable effort to locate and inform the owner, the owner's heirs or successors and publish a notice for no less than 365 consecutive days on an official Internet Web site created by the Department of Cultural Resources for such purpose.

(2) If the property has an estimated value that is less than or equal to $10,000, the museum or archives repository shall make a reasonable effort to locate and inform the owner, the owner's heirs or successors and publish a notice for no less than 180 consecutive days on an official Internet Web site created by the Department of Cultural Resources for such purpose.

(3) The notices required by subdivisions (1) and (2) of this subsection shall include all of the following:

a. The information described in subdivisions (1) through (5) of subsection (b) of this section.

b. A digital image of the property and any documentation executed by the parties.

c. The date that the notice was posted.

d. The date that the notice will be removed from the museum or archives repository's official Internet Web site and a statement that the museum or archives repository will acquire title to the loaned property if a valid claim to the property is not received by the museum or archives repository within 45 days of that date.

(d) If the requirements of this section are satisfied and if a valid claim to the loaned property is received by the museum or archives repository within 45 days after the date of the last publication of the notice required by subsection (c) of this section, the Department of

Cultural Resources shall have 45 days to determine whether the claim is valid and that the claimant is the legal owner of the artifact. If the Department determines that the claim is valid and that the claimant is the legal owner of the artifact, the Department shall return the artifact to the owner at the owner's expense.

(e) If the requirements of this section are satisfied and if a valid claim to the loaned property is not received by the museum or archives repository within 45 days after the date of the last publication of the notice required by subsection (c) of this section, the museum or archives repository acquires the title to the property on the forty-sixth day after the date of the last publication of the notice under subsection (c) of this section. Upon acquiring title, the museum or archives repository shall own the property free and clear from all claims of ownership.

"**§ 121-53. Disputed ownership.**

(a) If the Department determines that the claim of ownership is not valid and rejects the claim to the artifact, the claimant may appeal the determination as provided by Chapter 150B of the General Statutes. The burden shall be on the claimant to prove that the claimant is the legal owner of the property.

(b) Nothing in this Article shall be construed to convert a loan into a bailment. All equitable and legal defenses shall be available to museums and archives repositories in the event of a dispute over ownership.

(c) In cases of disputed ownership of loaned property, a museum or archives repository may maintain possession of loaned property during the dispute and shall not be held liable for its refusal to surrender loaned property in its possession except in reliance upon a court order or judgment.

"**§ 121-54. Responsibilities of owners of loaned property; representation of ownership.**

(a) Lender's Responsibilities. – In all cases, it shall be the responsibility of the owner of loaned property to notify the museum or archives repository in writing of the owner's identity and current address. It shall be the responsibility of any new owner acquiring loaned property to notify the museum or archives repository within 60 days of his or her name and address. Any owner of loaned property shall, upon request from a museum or archives repository holding loaned property, promptly provide evidence of ownership satisfactory to the museum or archives repository. This section shall apply to all changes in ownership, whether by sale, gift, devise, operation of law, or any other means. So long as a museum or archives repository deals honestly and in good faith, no museum or archives repository shall be prejudiced by reason of any failure to deal with the true owner of any loaned property if the owner has failed to comply with the requirements of this section.

(b) Representation of Ownership. – A museum or archives repository shall not be liable for actions taken in reasonable reliance upon the representations of the person who first transfers an item of property to the museum or archives repository that the transferee is the true owner of the loaned property.

"**§ 121-55. Museum or archives repository's lien for expenses.**

(a) When the lender of loaned property is known, a museum or archives repository may charge the lender expenses for the reasonable care of loaned property unclaimed after the expiration date of the loan.

(b) When the lender of loaned property is unknown, a museum or archives repository may place a lien against the value of specific loaned property for expenses reasonably necessary to protect the loaned property from ordinary decay and deterioration due to natural causes, theft, or vandalism.

"**§ 121-56. Acquisition of undocumented property.**

(a) Property in the possession of a museum or archives repository that the museum or archives repository has reason to believe may be on loan and for which the museum or archives repository does not know the owner or have any reasonable means of determining the owner becomes the property of the museum or archives repository as provided in this section. If no person has claimed the property within seven years after the museum or archives repository or a predecessor or assignor of the museum or archives repository took possession of the property, then the museum or archives repository shall follow the notification process set out in G.S. 121-52(c). Pursuant to G.S. 121-52(d), if the Department receives a claim and determines that the claim is valid and that the claimant is the legal owner of the artifact, the Department shall return the artifact to the owner at the owner's expense. Otherwise, after following the notification process and consistent with G.S. 121-52(e), the museum or archives repository

shall become the owner of the property, shall acquire title to the property and shall own the property free and clear from all claims of ownership.

(b) The requirements of G.S. 121-52 and G.S. 121-53 shall apply to valid and disputed claims of ownership to undocumented property.

"**§ 121-57. Exclusivity of provisions.**

The provisions of this Article shall control the procedure and disposition of any property to which it applies in lieu of any other procedure prescribed by law."

SECTION 3. Chapter 132 of the General Statutes is amended by adding a new section to read:

"**§ 132-11. Time limitation on confidentiality of records.**

(a) Notwithstanding any other provision of law, all restrictions on access to public records shall expire 100 years after the creation of the record.

(b) Subsection (a) of this section shall apply to any public record in existence at the time of, or created after, the effective date of this section.

(c) No provision of this section shall be construed to authorize or require the opening of any record that meets any of the following criteria:

(1) Is ordered to be sealed by any state or federal court, except as provided by that court.

(2) Is prohibited from being disclosed under federal law, rule, or regulation.

(3) Contains federal Social Security numbers.

(4) Is a juvenile, probationer, parolee, post-releasee, or prison inmate record, including medical and mental health records.

(5) Contains detailed plans and drawings of public buildings and infrastructure facilities.

(d) For purposes of this section, the custodian of the record shall be the Department of Cultural Resources or other agency in actual possession of the record."

SECTION 4.(a) G.S. 121-25 reads as rewritten:

"**§ 121-25. License to conduct exploration, recovery or salvage operations.**

(a) Any qualified person, firm or corporation desiring to conduct any type of exploration, recovery or salvage operations, in the course of which any part of a derelict vessel or its contents or other archaeological site may be removed, displaced or destroyed, shall first make application to the Department of Cultural Resources and obtain a permit or license to conduct such operations. If the Department of Cultural Resources shall find that the granting of such permit or license is in the best interest of the State, it may grant such applicant a permit or license for such a period of time and under such conditions as the Department may deem to be in the best interest of the State. ~~Such~~ Except as otherwise provided in subsection (b) of this section, such permit or license may include but need not be limited to any of the following:

(1) Payment of monetary fee to be set by the ~~Department;~~Department.

(2) That a portion or all of the historic material or artifacts be delivered to custody and possession of the ~~Department;~~Department.

(3) That a portion of all of such relics or artifacts may be sold or retained by the ~~licensee;~~licensee.

(4) That a portion or all of such relics or artifacts may be sold or traded by the Department.

Permits or licenses may be renewed upon or prior to expiration upon such terms as the applicant and the Department may mutually agree. Holders of permits or licenses shall be responsible for obtaining permission of any federal agencies having jurisdiction, including the United States Coast Guard, the United States Department of the Navy and the United States Army Corps of Engineers prior to conducting any salvaging operations.

(b) All photographs, video recordings, or other documentary materials of a derelict vessel or shipwreck or its contents, relics, artifacts, or historic materials in the custody of any agency of North Carolina government or its subdivisions shall be a public record pursuant to G.S. 132-1. There shall be no limitation on the use of or no requirement to alter any such photograph, video recordings, or other documentary material, and any such provision in any agreement, permit, or license shall be void and unenforceable as a matter of public policy."

SECTION 4.(b) This section is effective when this act becomes law and applies to any agreement entered into, or any permit or license issued or renewed, on or after that date.

SECTION 4.5.(a) G.S. 116B-54 reads as rewritten:

"§ 116B-54. **Exclusion for forfeited reservation deposits, certain gift certificates or electronic gift cards, prepaid calling cards, certain manufactured home buyer deposits, ~~and certain credit balances.~~certain credit balances, unclaimed lottery prizes, and certain merchandise credits.**

(a) A forfeited reservation deposit is not abandoned property. For the purposes of this section, the term "reservation deposit" means an amount of money paid to a business association to guarantee that the business association holds a specific service, such as a room accommodation at a hotel, seating at a restaurant, or an appointment with a doctor, for a specified date and place. The term "reservation deposit" does not include an application fee, a utility deposit, or a deposit made toward the purchase of real property.

(b) A gift certificate or electronic gift card is not abandoned property when the gift certificate or electronic gift card:

(1) Conspicuously states that the gift certificate or electronic gift card does not expire;

(2) Bears no expiration date; or

(3) States that a date of expiration printed on the gift certificate or electronic gift card is not applicable in North Carolina.

(c) A prepaid calling card issued by a public utility as defined in G.S. 62-3(23)a.6. is not abandoned property.

(d) A buyer deposit that a dealer is authorized to retain under either G.S. 143-143.21A or G.S. 143-143.21B is not abandoned property and is not subject to this Article.

(e) Credit balances as shown on the records of a business association to or for the benefit of another business association, shall not constitute abandoned property. For purposes of this section, the term "credit balances" means items such as overpayments or underpayments on the sale of goods or services.

(f) A lottery prize that remains unclaimed after the period set by the North Carolina State Lottery Commission for claiming those prizes shall not constitute abandoned property.

(g) A card or certificate, whether paper, electronic, or other format, issued for a merchandise credit that meets the requirements of subsection (b) of this section is not abandoned property under G.S. 116B-53(c)(7)."

SECTION 4.5.(b) This section becomes effective July 1, 2012, and applies to merchandise credits issued on or after July 1, 2012. This section shall not be construed to affect the interpretation of any statute that is the subject of pending litigation or future litigation based on merchandise credits issued prior to the effective date of this section.

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 11th day of August, 2015.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 2:16 p.m. this 18th day of August, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-100
HOUSE BILL 190

AN ACT TO MAKE MODIFICATIONS TO THE STATE HEALTH PLAN FOR PUBLIC EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-48.42(e) reads as rewritten:

"(e) Eligible employees and retirees may only change their elections, including adding or removing dependents, during the Plan year due to a qualifying event as defined under federal law. Notwithstanding the preceding sentence, retirees and surviving spouses may disenroll from the Plan during the Plan year without a qualifying event. Retirees and surviving spouses may also disenroll their dependents from the Plan during the Plan year without a qualifying event."

SECTION 2. G.S. 135-48.44(a) reads as rewritten:

"(a) Coverage under this Plan of an employee and his or her surviving spouse or eligible dependent children or of a retired employee and his or her surviving spouse or eligible dependent children shall cease on the earliest of the following dates:

...

(4) The last day of the ~~month~~month, or as soon thereafter as administratively feasible, in which the Plan approves cancellation of coverage for an employee or retired ~~employee requests cancellation of coverage.~~employee.

...

(9) The last day of the month for which a premium is paid in full."

SECTION 3. G.S. 135-48.40(b) reads as rewritten:

"(b) Partially Contributory Coverage. – The following persons are eligible for coverage under the Plan, on a partially contributory basis, subject to the provisions of G.S. 135-48.43:

...

(8) Notwithstanding the provisions of G.S. 135-48.44, employees formerly covered by the provisions of this section, other than retired ~~employees,~~employees eligible for coverage on a noncontributory basis, who have been employed for 12 or more months by an employing unit, or who have completed a contract term of employment of 10 or 11 months and whose employing unit is a local school administrative unit, and whose jobs are eliminated because of a reduction, in total or in part, in the funds used to support the job or its responsibilities, provided the employees were covered by the Plan at the time of separation from service resulting from a job elimination. Employees covered by this subsection shall be covered for a period of up to 12 months following a separation from service because of a job elimination. An employee formerly covered by the provisions of this section shall not be eligible for coverage under this subdivision if the employee is provided health benefit coverage on a non-contributory basis by a subsequent employer.

...."

SECTION 4.(a) G.S. 135-48.40(d) reads as rewritten:

"(d) Fully Contributory Coverage. – The following persons shall be eligible for coverage under the Plan, on a fully contributory basis, subject to the provisions of G.S. 135-48.43:

...

(9) Surviving spouses of deceased retirees and surviving spouses of deceased teachers, State employees, Disability Income Plan beneficiaries, and

members of the General Assembly provided the death of the former Plan member occurred after September 30, 1986, and the surviving spouse was covered under the Plan at the time of death.

...."

SECTION 4.(b) G.S. 135-48.41(g) reads as rewritten:

"(g) An eligible surviving spouse and any eligible surviving dependent child of a deceased retiree, teacher, State employee, member of the General Assembly, former member of the General Assembly, or Disability Income Plan beneficiary shall be eligible for group benefits under this section ~~without waiting periods for preexisting conditions~~ provided coverage is elected within 90 days after the death of the former plan member. Coverage may be elected at a later ~~time,~~time during an annual enrollment ~~period, but members 19 years of age and older may be subject to the 12-month waiting period for preexisting conditions and will be effective the first day of the month following receipt of the application.~~period."

SECTION 5. G.S. 135-48.42(a) reads as rewritten:

"(a) Except as otherwise required by applicable federal law, new employees must be given the opportunity to enroll or decline enrollment for themselves and their dependents within 30 days from the date of employment or from first becoming eligible on a partially contributory or other contributory basis. Coverage may become effective on the first day of the month following date of entry on payroll or on the first day of the following month. New employees age 19 and older not enrolling themselves and their dependents age 19 and older within 30 days, or not adding dependents when first eligible as provided herein may enroll during annual enrollment, but may be subject to a 12-month waiting period for preexisting health conditions, except for employees who elect to change their coverage in accordance with rules established by the State Treasurer for optional or alternative plans available under the Plan. Children born to covered employees having coverage type (2) or (3), as outlined in G.S. 135-48.43(d) shall be automatically covered at the time of birth without any waiting period for preexisting health conditions. Children born to covered employees having coverage type (1) shall be automatically covered at birth without any waiting period for preexisting health conditions so long as the claims processor receives notification within 30 days of the date of birth that the employee desires to change from coverage (1) to coverage type (2) or (3), provided that the employee pays any additional premium required by the coverage type selected retroactive to the first day of the month in which the child was born."

SECTION 6. This act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 8th day of June, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:06 a.m. this 19th day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-46
HOUSE BILL 237

AN ACT TO REPEAL PERSONAL EDUCATION PLANS AND MODIFY TRANSITION PLANS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-105.41 reads as rewritten:

"**§ 115C-105.41. Students who have been placed at risk of academic ~~failure; personal education plans; transition teams~~ failure and transition plans.**

(a) In order to implement Part 1A of Article 8 of this Chapter, local school administrative units shall identify students who are at risk for academic failure and who are not successfully progressing toward grade promotion and graduation, beginning in kindergarten. Identification shall occur as early as can reasonably be done and can be based on grades, observations, diagnostic and formative assessments, State assessments, and other factors, including reading on grade level, that impact student performance that teachers and administrators consider appropriate, without having to await the results of end-of-grade or end-of-course tests. ~~No later than the end of the first quarter, or after a teacher has had up to nine weeks of instructional time with a student, a personal education plan for academic improvement with focused intervention and performance benchmarks shall be developed or updated for any student at risk of academic failure who is not performing at least at grade level, as identified by the State end-of-grade test and other factors noted above. Focused instructional supports and services, reading interventions, and accelerated activities should include evidence-based practices that meet the needs of students and may include coaching, mentoring, tutoring, summer school, Saturday school, and extended days. Local school administrative units shall provide these activities free of charge to students. Local school administrative units shall also provide transportation free of charge to all students for whom transportation is necessary for participation in these activities.~~

~~Local school administrative units shall give notice of the personal education plan and a copy of the personal education plan to the student's parent or guardian. Parents should be included in the implementation and ongoing review of personal education plans. If a student's school report card provides all the information required in a personal education plan, then no further personal education plan is mandated for the student.~~

~~No cause of action for monetary damages shall arise from the failure to provide or implement a personal education plan under this section.~~

(b) Local boards of education shall adopt ~~and implement~~ policies that direct school improvement teams to develop plans to include successful transition between elementary and middle school years and between the middle school and high school years~~for the creation of transition teams and transition plans~~ for students at risk, as defined by the State Board of ~~Education,~~ Education.~~to assist them in making a successful transition between the elementary school and middle school years and between the middle school and high school years.~~"

SECTION 2. G.S. 115C-83.7(c) reads as rewritten:

"(c) The superintendent shall determine whether a student may be exempt from mandatory retention on the basis of a good cause exemption. The following steps shall be taken in making the determination:

(1) The teacher of a student eligible for a good cause exemption shall submit documentation of the relevant exemption and evidence that promotion of the student is appropriate based on the student's academic record to the principal. Such evidence shall be limited to the student's ~~personal education~~

~~plan,~~ individual education program, if applicable, alternative assessment, or student reading portfolio.

(2) The principal shall review the documentation and make an initial determination whether the student should be promoted. If the principal determines the student should be promoted, the principal shall make a written recommendation of promotion to the superintendent for final determination. The superintendent's acceptance or rejection of the recommendation shall be in writing."

SECTION 3. G.S. 115C-83.9(a) reads as rewritten:

"(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; or (ii) is not reading at grade ~~level; or (iii) has a personal education plan under G.S. 115C-105.41.~~level."

SECTION 3.5. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by November 15, 2016, on how at risk students are identified and being served through interventions to prevent academic failure.

SECTION 4. This act is effective when it becomes law and applies beginning with the 2015-2016 school year.

In the General Assembly read three times and ratified this the 26th day of May, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:30 a.m. this 2nd day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-161
HOUSE BILL 254

AN ACT TO EXTEND NATIONAL GUARD REEMPLOYMENT RIGHTS TO MEMBERS OF THE NATIONAL GUARDS OF OTHER STATES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 127A-201 reads as rewritten:

"**§ 127A-201. Entitlement.**

Any member of the North Carolina National Guard or the National Guard of another state who, at the direction of ~~the Governor,~~a state's Governor, enters State duty, is entitled, upon honorable release from State duty, to all the reemployment rights provided for in this Article."

SECTION 2. G.S. 127A-202.1 reads as rewritten:

"**§ 127A-202.1. Discrimination against persons who serve in the ~~North Carolina~~ National Guard and acts of reprisal prohibited.**

(a) It is the policy of this State that all individuals shall be afforded the right to perform, apply to perform, or have an obligation to perform service in the North Carolina National Guard or the National Guard of another state without fear of discrimination or retaliatory action from their employer or prospective employer on the basis of that membership, application for membership, performance of service, application for service, or obligation.

(b) An individual who is a member of the North Carolina National Guard or the National Guard of another state who performs, has performed, applies to perform, or has an obligation to perform service in the North Carolina National Guard or the National Guard of another state shall not be denied initial employment, reemployment, retention in employment, promotion, or any benefit of employment by an employer on the basis of that membership, application for membership, performance of service, application for service, or obligation.

(c) A person shall be considered to have denied a member of the North Carolina National Guard or the National Guard of another state initial employment, reemployment, retention in employment, promotion, or a benefit of employment in violation of this section if the member's membership, application for membership, performance of service, application for service, or obligation for service in the North Carolina National Guard or the National Guard of another state is a motivating factor in that person's action, unless the person can prove by the greater weight of the evidence that the same unfavorable action would have taken place in the absence of the member's membership, application for membership, performance of service, application for service, or obligation.

(d) Nothing in this section shall be construed to require a person to pay salary or wages to a member of the North Carolina National Guard or of the National Guard of another state during the member's period of active service.

(e) The Commissioner of Labor shall enforce the provisions of this section according to Article 21 of Chapter 95 of the General Statutes, including the rules and regulations issued pursuant to that Article.

(f) This section shall also apply when a member of the North Carolina National Guard or the National Guard of another state is called into active duty at the direction of the President, the Governor, or by any other competent authority."

SECTION 3. This act becomes effective October 1, 2015, and applies to denials of initial employment, reemployment, retention in employment, promotion, or any benefit of employment by an employer on or after that date.

In the General Assembly read three times and ratified this the 16th day of July, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:30 a.m. this 17th day of July, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-145
HOUSE BILL 255

AN ACT TO REFORM BUILDING CODE ENFORCEMENT TO PROMOTE ECONOMIC GROWTH BY CONFORMING WORK IN PROGRESS INSPECTION AUTHORITY TO RECENTLY ENACTED INSPECTION LIMITATIONS, BY REQUIRING THE BUILDING CODE COUNCIL TO STUDY THE ALTERNATE METHODS APPROVAL PROCESS, BY CLARIFYING THE DEFINITION OF OFFICIAL MISCONDUCT FOR CODE OFFICIALS, BY RAISING THE THRESHOLD FOR REQUIREMENT OF A BUILDING PERMIT, BY CREATING THE BUILDING CODE COUNCIL RESIDENTIAL CODE COMMITTEE AND THE BUILDING CODE COMMITTEE, BY REQUIRING INTERNET POSTING OF CERTAIN COUNCIL DECISIONS AND INTERPRETATIONS, BY CLARIFYING THAT INSPECTION FEES COLLECTED BY CITIES AND COUNTIES MAY ONLY BE USED TO SUPPORT THE INSPECTION DEPARTMENT, BY REQUIRING THAT INSPECTIONS BE PERFORMED IN FULL AND IN A TIMELY MANNER AND INSPECTION REPORTS INCLUDE ALL ITEMS FAILING TO MEET CODE REQUIREMENTS, BY AUTHORIZING INSPECTIONS OF COMPONENTS OR ELEMENTS OF BUILDINGS CERTIFIED BY LICENSED ARCHITECTS OR LICENSED ENGINEERS, AND BY EXEMPTING CERTAIN COMMERCIAL BUILDING PROJECTS FROM THE REQUIREMENT OF A PROFESSIONAL SEAL.

The General Assembly of North Carolina enacts:

PART I. COMPLIANCE WITH BUILDING CODE INSPECTION REQUIREMENTS

SECTION 1.(a) G.S. 153A-360 reads as rewritten:

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

~~As~~ Subject to the limitation imposed by G.S. 153A-352(b), as the work pursuant to a permit progresses, local inspectors shall make as many inspections of the work as may be necessary to satisfy them that it is being done according to the provisions of the applicable State and local laws and local ordinances and regulations and of the terms of the permit. In exercising this power, each member of the inspection department has a right, upon presentation of proper credentials, to enter on any premises within the territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or other enforcement action. If a permit has been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally present, unless the plans for the building were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes."

SECTION 1.(b) G.S. 160A-420 reads as rewritten:

"§ 160A-420. Inspections of work in progress.

~~As~~ Subject to the limitation imposed by G.S. 160A-412(b), as the work pursuant to a permit progresses, local inspectors shall make as many inspections thereof as may be necessary to satisfy them that the work is being done according to the provisions of any applicable State and local laws and of the terms of the permit. In exercising this power, members of the inspection department shall have a right to enter on any premises within the jurisdiction of the department at all reasonable hours for the purposes of inspection or other enforcement action, upon presentation of proper credentials. If a permit has been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally present, unless the plans for the building were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes."

PART II. STUDY ALTERNATIVE APPROVAL METHODS

SECTION 2. The North Carolina Building Code Council shall study procedures and policies for the approval of alternative materials, designs, or methods. The study shall include review of the following elements:

(1) The alternate methods application process, including requirements for initial application submittal, supporting information, and site-specific or project-specific application submittals.

(2) Time lines for the application process, including application submittal, Council review, and final approval or denial of applications, including the feasibility of a requirement that final determinations be rendered on a completed application within 30 days of the date an application is determined to be complete.

(3) Procedures for appeal of applications denied by the Council.

In conducting the study, the Council may utilize support services provided by staff from the Engineering Division of the Department of Insurance. The Council shall report its findings and recommendations, including any proposed legislative changes, to the 2016 Regular Session of the 2015 General Assembly when it convenes.

PART III. CLARIFY OFFICIAL MISCONDUCT FOR CODE OFFICIALS

SECTION 3.(a) G.S. 143-151.8 is amended by adding a new subsection to read:

"(c) For purposes of this Article, "willful misconduct, gross negligence, or gross incompetence" in addition to the meaning of those terms under other provisions of the General Statutes or at common law, shall include any of the following:

(1) The enforcement of a Code requirement applicable to a certain area or set of circumstances in other areas or circumstances not specified in the requirement.

(2) For an alternative design or construction method that has been appealed under G.S. 143-140.1 and found by the Department of Insurance to comply with the Code, to refuse to accept the decision by the Department to allow that alternative design or construction method under the conditions or circumstances set forth in the Department's decision for that appeal.

(3) For an alternative construction method currently included in the Building Code, to refuse to allow the alternative method under the conditions or circumstances set forth in the Code for that alternative method.

(4) The enforcement of a requirement that is more stringent than or otherwise exceeds the Code requirement.

(5) To refuse to implement or adhere to an interpretation of the Building Code issued by the Building Code Council or the Department of Insurance.

(6) The habitual failure to provide requested inspections in a timely manner."

SECTION 3.(b) The North Carolina Code Officials Qualification Board shall, no later than October 1, 2015, notify all Code enforcement officials in the State of the clarification to the grounds for disciplinary action enacted by this act.

PART IV. RAISE THRESHOLD FOR BUILDING PERMIT REQUIREMENT

SECTION 4.1. G.S. 143-138(b5) reads as rewritten:

"(b5) Exclusion for Certain Minor Activities in Residential and Farm Structures. – No building permit shall be required under the Code or any local variance thereof approved under subsection (e) for any construction, installation, repair, replacement, or alteration costing ~~five thousand dollars ($5,000)~~ fifteen thousand dollars ($15,000) or less in any single family residence or farm building unless the work involves: the addition, repair, or replacement of load bearing structures; the addition (excluding replacement of same capacity) or change in the design of plumbing; the addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, fixtures (excluding repair or replacement of electrical lighting devices and fixtures of the same type), appliances (excluding replacement of water heaters, provided that the energy use rate or thermal input is not greater than that of the water heater which is being replaced, and there is no change in fuel, energy source, location, capacity, or routing or sizing of venting and piping), or equipment, the use of materials not permitted by the North Carolina Uniform Residential Building Code; or the addition (excluding replacement of like grade of fire resistance) of roofing. The exclusions from building permit

requirements set forth in this paragraph for electrical lighting devices and fixtures and water heaters shall apply only to work performed on a one- or two-family dwelling. In addition, exclusions for electrical lighting devices and fixtures and electric water heaters shall apply only to work performed by a person licensed under G.S. 87-43 and exclusions for water heaters, generally, to work performed by a person licensed under G.S. 87-21."

SECTION 4.2.(a) G.S. 153A-357(a2) is recodified as G.S. 153A-357(a3).

SECTION 4.2.(b) G.S. 153A-357, as amended by subsection (a) of this section, reads as rewritten:

"§ 153A-357. Permits.

...

(a1) A permit shall be in writing and shall contain a provision that the work done shall comply with the State Building Code and all other applicable State and local laws and local ordinances and regulations. Nothing in this section shall require a county to review and approve residential building plans submitted to the county pursuant to Section R-110 of Volume VII of the North Carolina State Building Code; provided that the county may review and approve such residential building plans as it deems necessary. No permit may be issued unless the plans and specifications are identified by the name and address of the author thereof; and if the General Statutes of North Carolina require that plans for certain types of work be prepared only by a ~~registered~~ licensed architect or ~~registered~~ licensed engineer, no permit may be issued unless the plans and specifications bear the North Carolina seal of a ~~registered~~ licensed architect or of a ~~registered~~ licensed engineer. If a provision of the General Statutes of North Carolina or of any ordinance requires that work be done by a licensed specialty contractor of any kind, no permit for the work may be issued unless the work is to be performed by such a duly licensed contractor.

(a2) No permit issued under Articles 9 or 9C of G.S. Chapter 143 shall be required for any construction, installation, repair, replacement, or alteration costing ~~five thousand dollars ($5,000)~~ fifteen thousand dollars ($15,000) or less in any single-family residence or farm building unless the work involves: the addition, repair or replacement of load bearing structures; the addition (excluding replacement of same size and capacity) or change in the design of plumbing; the addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, appliances, or equipment; the use of materials not permitted by the North Carolina Uniform Residential Building Code; or the addition (excluding replacement of like grade of fire resistance) of roofing. Violation of this section constitutes a Class 1 misdemeanor.

...."

SECTION 4.3.(a) G.S. 160A-417(a2) is recodified as G.S. 160A-417(a3).

SECTION 4.3.(b) G.S. 160A-417, as amended by subsection (a) of this section, reads as rewritten:

"§ 160A-417. Permits.

...

(a1) A permit shall be in writing and shall contain a provision that the work done shall comply with the State Building Code and all other applicable State and local laws. Nothing in this section shall require a city to review and approve residential building plans submitted to the city pursuant to Section R-110 of Volume VII of the North Carolina State Building Code; provided that the city may review and approve such residential building plans as it deems necessary. No permits shall be issued unless the plans and specifications are identified by the name and address of the author thereof, and if the General Statutes of North Carolina require that plans for certain types of work be prepared only by a ~~registered~~ licensed architect or ~~registered~~ licensed engineer, no permit shall be issued unless the plans and specifications bear the North Carolina seal of a ~~registered~~ licensed architect or of a ~~registered~~ licensed engineer. When any provision of the General Statutes of North Carolina or of any ordinance requires that work be done by a licensed specialty contractor of any kind, no permit for the work shall be issued unless the work is to be performed by such a duly licensed contractor.

(a2) No permit issued under Articles 9 or 9C of Chapter 143 shall be required for any construction, installation, repair, replacement, or alteration costing ~~five thousand dollars ($5,000)~~ fifteen thousand dollars ($15,000) or less in any single family residence or farm building unless the work involves: the addition, repair or replacement of load bearing structures; the addition (excluding replacement of same size and capacity) or change in the design of plumbing; the addition, replacement or change in the design of heating, air

conditioning, or electrical wiring, devices, appliances, or equipment; the use of materials not permitted by the North Carolina Uniform Residential Building Code; or the addition (excluding replacement of like grade of fire resistance) of roofing. Violation of this section shall constitute a Class 1 misdemeanor.

...."

PART V. CREATE BUILDING CODE COUNCIL RESIDENTIAL CODE COMMITTEE AND BUILDING CODE COMMITTEE

SECTION 5.1. G.S. 143-136 reads as rewritten:

"**§ 143-136. Building Code Council created; ~~membership.~~membership, committees.**

(a) Creation; Membership; Terms. – There is hereby created a Building Code Council, which shall be composed of 17 members appointed by the Governor, consisting of the following:

(1) ~~two registered architects,~~Two licensed architects.
(2) ~~one~~ One licensed general ~~contractor,~~contractor.
(3) ~~one~~One licensed general contractor specializing in residential ~~construction,~~construction.
(4) ~~one~~One licensed general contractor specializing in coastal residential ~~construction,~~construction.
(5) ~~one registered~~One licensed engineer practicing structural ~~engineering,~~engineering.
(6) ~~one registered~~One licensed engineer practicing mechanical ~~engineering,~~engineering.
(7) ~~one registered~~ One licensed engineer practicing electrical ~~engineering,~~engineering.
(8) ~~one~~ One licensed plumbing and heating ~~contractor,~~contractor.
(9) ~~one~~ One municipal or county building ~~inspector,~~inspector.
(10) ~~one~~ One licensed liquid petroleum gas dealer/contractor involved in the design of natural and liquid petroleum gas systems who has expertise and experience in natural and liquid petroleum gas piping, venting and ~~appliances,~~appliances.
(11) ~~a~~ One representative of the public who is not a member of the building construction ~~industry,~~industry.
(12) ~~a~~ One licensed electrical ~~contractor,~~contractor.
(13) ~~a registered~~ One licensed engineer on the engineering staff of a State agency charged with approval of plans of State-owned ~~buildings,~~buildings.
(14) ~~a~~ One municipal elected official or city ~~manager,~~manager.
(15) ~~a~~ One county commissioner or county ~~manager,~~manager.
(16) ~~and an~~One active member of the North Carolina fire service with expertise in fire ~~safety.~~safety, as recommended by the North Carolina State Firemen's Association.

In selecting the municipal and county members, preference should be given to members who qualify as either a ~~registered~~ licensed architect, ~~registered~~ licensed engineer, or licensed general contractor. Of the members initially appointed by the Governor, three shall serve for terms of two years each, three shall serve for terms of four years each, and three shall serve for terms of six years each. Thereafter, all appointments shall be for terms of six years. The Governor may remove appointive members at any time. Neither the architect nor any of the above named engineers shall be engaged in the manufacture, promotion or sale of any building material, and any member who shall, during his term, cease to meet the qualifications for original appointment (through ceasing to be a practicing member of the profession indicated or otherwise) shall thereby forfeit his membership on the Council. In making new appointments or filling vacancies, the Governor shall ensure that minorities and women are represented on the Council.

The Governor may make appointments to fill the unexpired portions of any terms vacated by reason of death, resignation, or removal from office. In making such appointment, he shall preserve the composition of the Council required above.

(b) Compensation. – Members of the Building Code Council other than any who are employees of the State shall receive seven dollars ($7.00) per day, including necessary time spent in traveling to and from their place of residence within the State to any place of meeting

or while traveling on official business of the Council. In addition, all members shall receive mileage and subsistence according to State practice while going to and from any place of meeting, or when on official business of the Council.

(c) Residential Code Committee Created; Duties. – Within the Building Code Council, there is hereby created a Residential Code for One- and Two-Family Dwellings Committee composed of seven members of the Building Code Council, specifically the licensed general contractor specializing in residential construction who shall serve as chairman of this committee; the licensed general contractor specializing in coastal residential construction; the licensed engineer practicing structural engineering; the licensed plumbing and heating contractor; the fire service representative; the municipal or county building inspector; and the licensed electrical contractor. This committee shall meet upon the call of its chairman to review any proposal for revision or amendment to the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings, including provisions applicable to One- and Two-Family Dwellings from the NC Energy Code, NC Electrical Code, NC Fuel Gas Code, NC Plumbing Code, the NC Mechanical Code, and the NC Existing Building Code, and no revision or amendment to any of these codes applicable to residential construction may be considered by the Building Code Council unless recommended by this committee. This committee shall also oversee the process by which the Council conducts its revision pursuant to G.S. 143-138(d). This committee shall also consider any appeal or interpretation arising under G.S. 143-141 pertaining to North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings and make a recommendation to the Building Code Council for disposition of the appeal or interpretation. In considering the recommendations of the committee related to revisions and amendments of the Building Code, nothing in this subsection shall prevent the Building Code Council from accepting, rejecting, or amending the recommendation, provided that any amendment to the recommendation must be germane.

(d) Building Code Committee Created; Duties. – Within the Building Code Council, there is hereby created a Building Code Committee for all structures except those subject to the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings. The committee shall be composed of the following nine members of the Building Code Council:

(1) One of the licensed architects appointed by the chairman of the Building Code Council.
(2) The licensed engineer practicing mechanical engineering.
(3) The licensed engineer practicing electrical engineering.
(4) The licensed engineer practicing structural engineering.
(5) The municipal elected official.
(6) The fire service representative.
(7) The municipal or county building inspector.
(8) The State agency engineer.
(9) The licensed general contractor.

The chairman of the Building Code Council shall call the first meeting of the Committee, at which meeting the Committee shall elect a chairman from among the members of the Committee as the first order of business. Thereafter, the Committee shall meet upon the call of the chairman to review any proposal for revision or amendment to the North Carolina State Building Code, including provisions applicable to the North Carolina Energy Code, the North Carolina Electrical Code, the North Carolina Fuel Gas Code, the North Carolina Plumbing Code, the North Carolina Mechanical Code, and the North Carolina Existing Building Code, and no revision or amendment to any of these codes applicable to commercial or multi-family construction may be considered by the Building Code Council unless recommended by this committee. This committee shall also oversee the process by which the Council conducts its revision of the codes applicable to commercial or multi-family construction pursuant to G.S. 143-138(d). This committee shall also consider any appeal or interpretation arising under G.S. 143-141 pertaining to codes applicable to commercial or multi-family construction and make a recommendation to the Building Code Council for disposition of the appeal or interpretation. In considering the recommendations of the committee related to revisions and amendments of the Building Code, nothing in this subsection shall prevent the Building Code Council from accepting, rejecting, or amending the recommendation, provided that any amendment to the recommendation must be germane."

SECTION 5.2. G.S. 143-138(d) reads as rewritten:

"(d) Amendments of the Code. – ~~The~~ Subject to the procedures set forth in G.S. 143-136(c) and (d), the Building Code Council may periodically revise and amend the North Carolina State Building Code, either on its own motion or upon application from any citizen, State agency, or political subdivision of the State. In addition to the periodic revisions or amendments made by the Council, the Council ~~shall~~ shall, following the procedure set forth in G.S. 143-136(c), revise the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings, including provisions applicable to One- and Two-Family Dwellings from the NC Energy Code, NC Electrical Code, NC Fuel Gas Code, NC Plumbing Code, and NC Mechanical Code only every six years, to become effective the first day of January of the following year, with at least six months between adoption and effective date. The first six-year revision under this subsection shall be adopted to become effective January 1, 2019, and every six years thereafter. In adopting any amendment, the Council shall comply with the same procedural requirements and the same standards set forth above for adoption of the Code. The Council, through the Department of Insurance, shall publish in the North Carolina Register ~~and shall post on the Council's Web site~~ all appeal decisions made by the Council and all formal opinions at least semiannually. The Council, through the Department of Insurance, shall also publish at least semiannually in the North Carolina Register a statement providing the accurate Web site address and information on how to find additional commentary and interpretation of the Code."

PART VI. BUILDING CODE COUNCIL REQUIRED WEB SITE POSTINGS

SECTION 6.1. G.S. 143-141 is amended by adding a new subsection to read:

"(c1) Posting on Department Web Site. – The Department of Insurance shall post and maintain on that portion of its Web site devoted to the Building Code Council all appeal decisions, interpretations, and variations of the Code issued by the Council within 10 business days of issuance."

SECTION 6.2. G.S. 143-138.1(b) reads as rewritten:

"(b) The Department of Insurance shall post and maintain on ~~its Web site~~ that portion of its Web site devoted to the Building Code Council written commentaries and written interpretations made and given by staff to the ~~North Carolina Building Code~~ Council and the Department for each section of the North Carolina Building ~~Code.~~ Code within 10 business days of issuance."

PART VII. INSPECTION FEES TO BE SPENT ONLY FOR ACTIVITIES OF INSPECTION DEPARTMENT

SECTION 7.1. G.S. 153A-354 reads as rewritten:

"**§ 153A-354. Financial support.**

A county may appropriate any available funds for the support of its inspection department. It may provide for paying inspectors fixed salaries, or it may reimburse them for their services by paying over part or all of any fees collected. It may fix reasonable fees for issuing permits, for inspections, and for other services of the inspection department. All fees collected under the authority set forth in this section shall be used for support of the administration and activities of the inspection department and for no other purpose."

SECTION 7.2. G.S. 160A-414 reads as rewritten:

"**§ 160A-414. Financial support.**

The city council may appropriate for the support of the inspection department any funds that it deems necessary. It may provide for paying inspectors fixed salaries or it may reimburse them for their services by paying over part or all of any fees collected. It shall have power to fix reasonable fees for issuance of permits, inspections, and other services of the inspection department. All fees collected under the authority set forth in this section shall be used for support of the administration and activities of the inspection department and for no other purpose."

PART VIII. INSPECTIONS TO BE PERFORMED IN FULL AND IN A TIMELY MANNER AND INSPECTION REPORTS TO INCLUDE ALL ITEMS FAILING TO MEET CODE REQUIREMENTS

SECTION 8.1. G.S. 153A-352 reads as rewritten:

"**§ 153A-352. Duties and responsibilities.**

(a) The duties and responsibilities of an inspection department and of the inspectors in it are to enforce within the county's territorial jurisdiction State and local laws and local ordinances and regulations relating to:

(1) The construction of buildings;
(2) The installation of such facilities as plumbing systems, electrical systems, heating systems, refrigeration systems, and air-conditioning systems;
(3) The maintenance of buildings in a safe, sanitary, and healthful condition;
(4) Other matters that may be specified by the board of commissioners.

These duties and responsibilities include receiving applications for permits and issuing or denying permits, making necessary ~~inspections,~~ inspections in a timely manner, issuing or denying certificates of compliance, issuing orders to correct violations, bringing judicial actions against actual or threatened violations, keeping adequate records, and taking any other actions that may be required to adequately enforce the laws and ordinances and regulations. The board of commissioners may enact reasonable and appropriate provisions governing the enforcement of the laws and ordinances and regulations.

(b) Except as provided in G.S. 153A-364, a county may not adopt a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code without first obtaining approval from the North Carolina Building Code Council. The North Carolina Building Code Council shall review all applications for additional inspections requested by a county and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the county to require inspections upon unforeseen or unique circumstances that require immediate action. In performing the specific inspections required by the North Carolina Building Code, the inspector shall conduct all inspections requested by the permit holder for each scheduled inspection visit. For each requested inspection, the inspector shall inform the permit holder of instances in which the work inspected is incomplete or otherwise fails to meet the requirements of the North Carolina Residential Code for One- and Two-Family Dwellings."

SECTION 8.2. G.S. 160A-412 reads as rewritten:

"**§ 160A-412. Duties and responsibilities.**

(a) The duties and responsibilities of an inspection department and of the inspectors therein shall be to enforce within their territorial jurisdiction State and local laws relating to

(1) The construction of buildings and other structures;
(2) The installation of such facilities as plumbing systems, electrical systems, heating systems, refrigeration systems, and air-conditioning systems;
(3) The maintenance of buildings and other structures in a safe, sanitary, and healthful condition;
(4) Other matters that may be specified by the city council.

These duties shall include the receipt of applications for permits and the issuance or denial of permits, the making of any necessary ~~inspections,~~ inspections in a timely manner, the issuance or denial of certificates of compliance, the issuance of orders to correct violations, the bringing of judicial actions against actual or threatened violations, the keeping of adequate records, and any other actions that may be required in order adequately to enforce those laws. The city council shall have the authority to enact reasonable and appropriate provisions governing the enforcement of those laws.

(b) Except as provided in G.S. 160A-424, a city may not adopt a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code without first obtaining approval from the North Carolina Building Code Council. The North Carolina Building Code Council shall review all applications for additional inspections requested by a city and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the city to require inspections upon unforeseen or unique circumstances that require immediate action. In performing the specific inspections required by the North Carolina Building Code, the inspector shall conduct all inspections requested by the permit holder for each scheduled inspection visit. For each requested inspection, the inspector shall inform the permit holder of

instances in which the work inspected is incomplete or otherwise fails to meet the requirements of the North Carolina Residential Code for One- and Two-Family Dwellings."

PART IX. INSPECTIONS OF COMPONENTS OR ELEMENTS OF BUILDINGS CERTIFIED BY LICENSED ARCHITECTS OR LICENSED ENGINEERS

SECTION 9.(a) G.S. 153A-352 reads as rewritten:

"§ 153A-352. Duties and responsibilities.

(a) The duties and responsibilities of an inspection department and of the inspectors in it are to enforce within the county's territorial jurisdiction State and local laws and local ordinances and regulations relating to:

(1) The construction of buildings;
(2) The installation of such facilities as plumbing systems, electrical systems, heating systems, refrigeration systems, and air-conditioning systems;
(3) The maintenance of buildings in a safe, sanitary, and healthful condition;
(4) Other matters that may be specified by the board of commissioners.

(a1) ~~These~~ The duties and responsibilities set forth in subsection (a) of this section include receiving applications for permits and issuing or denying permits, making necessary inspections, issuing or denying certificates of compliance, issuing orders to correct violations, bringing judicial actions against actual or threatened violations, keeping adequate records, and taking any other actions that may be required to adequately enforce the laws and ordinances and regulations. The board of commissioners may enact reasonable and appropriate provisions governing the enforcement of the laws and ordinances and regulations.

(b) Except as provided in G.S. 153A-364, a county may not adopt a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code without first obtaining approval from the North Carolina Building Code Council. The North Carolina Building Code Council shall review all applications for additional inspections requested by a county and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the county to require inspections upon unforeseen or unique circumstances that require immediate action.

(c) Notwithstanding the requirements of this Article, a county shall accept and approve, without further responsibility to inspect, a design or other proposal for a component or element in the construction of buildings from a licensed architect or licensed engineer provided all of the following apply:

(1) The submission is completed under valid seal of the licensed architect or licensed engineer.
(2) Field inspection of the installation or completion of construction component or element of the building is performed by that licensed architect or licensed engineer.
(3) That licensed architect or licensed engineer provides the county with a signed written document stating the component or element of the building so inspected is in compliance with the North Carolina State Building Code or the North Carolina Residential Code for One- and Two-Family Dwellings.

(d) Upon the acceptance and approval of a signed written document by the county as required under subsection (c) of this section, the county, its inspection department, and the inspectors shall be discharged and released from any duties and responsibilities imposed by this Article with respect to the component or element in the construction of the building for which the signed written document was submitted."

SECTION 9.(b) G.S. 153A-356 reads as rewritten:

"§ 153A-356. Failure to perform duties.

(a) If a member of an inspection department willfully fails to perform the duties required of him by law, or willfully improperly issues a permit, or gives a certificate of compliance without first making the inspections required by law, or willfully improperly gives a certificate of compliance, he is guilty of a Class 1 misdemeanor.

(b) A member of the inspection department shall not be in violation of this section when the county, its inspection department, or one of the inspectors accepted a signed written document of compliance with the North Carolina State Building Code or the North Carolina

Residential Code for One- and Two-Family Dwellings from a licensed architect or licensed engineer in accordance with G.S. 153A-352(c)."

SECTION 9.(c) G.S. 160A-412 reads as rewritten:

"**§ 160A-412. Duties and responsibilities.**

(a) The duties and responsibilities of an inspection department and of the inspectors therein shall be to enforce within their territorial jurisdiction State and local laws relating to

(1) The construction of buildings and other structures;

(2) The installation of such facilities as plumbing systems, electrical systems, heating systems, refrigeration systems, and air-conditioning systems;

(3) The maintenance of buildings and other structures in a safe, sanitary, and healthful condition;

(4) Other matters that may be specified by the city council.

(a1) ~~These~~ The duties and responsibilities set forth in subsection (a) of this section shall include the receipt of applications for permits and the issuance or denial of permits, the making of any necessary inspections, the issuance or denial of certificates of compliance, the issuance of orders to correct violations, the bringing of judicial actions against actual or threatened violations, the keeping of adequate records, and any other actions that may be required in order adequately to enforce those laws. The city council shall have the authority to enact reasonable and appropriate provisions governing the enforcement of those laws.

(b) Except as provided in G.S. 160A-424, a city may not adopt a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code without first obtaining approval from the North Carolina Building Code Council. The North Carolina Building Code Council shall review all applications for additional inspections requested by a city and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the city to require inspections upon unforeseen or unique circumstances that require immediate action.

(c) Notwithstanding the requirements of this Article, a city shall accept and approve, without further responsibility to inspect, a design or other proposal for a component or element in the construction of buildings from a licensed architect or licensed engineer provided all of the following apply:

(1) The submission is completed under valid seal of the licensed architect or licensed engineer.

(2) Field inspection of the installation or completion of construction component or element of the building is performed by that licensed architect or licensed engineer.

(3) That licensed architect or licensed engineer provides the city with a signed written document stating the component or element of the building so inspected is in compliance with the North Carolina State Building Code or the North Carolina Residential Code for One- and Two-Family Dwellings.

(d) Upon the acceptance and approval of a signed written document by the city as required under subsection (c) of this section, the city, its inspection department, and the inspectors shall be discharged and released from any duties and responsibilities imposed by this Article with respect to the component or element in the construction of the building for which the signed written document was submitted."

SECTION 9.(d) G.S. 160A-416 reads as rewritten:

"**§ 160A-416. Failure to perform duties.**

(a) If any member of an inspection department shall willfully fail to perform the duties required of him by law, or willfully shall improperly issue a permit, or shall give a certificate of compliance without first making the inspections required by law, or willfully shall improperly give a certificate of compliance, he shall be guilty of a Class 1 misdemeanor.

(b) A member of the inspection department shall not be in violation of this section when the city, its inspection department, or one of the inspectors accepted a signed written document of compliance with the North Carolina State Building Code or the North Carolina Residential Code for One- and Two-Family Dwellings from a licensed architect or licensed engineer in accordance with G.S. 160A-412(c)."

PART X. EXEMPT CERTAIN COMMERCIAL BUILDING PROJECTS FROM THE REQUIREMENT OF A PROFESSIONAL SEAL

SECTION 10. Notwithstanding G.S. 83A-13(c)(3) and (4), a commercial building project with a total value of less than ninety thousand dollars ($90,000) and a total project area of less than 2,500 square feet shall be exempt from the requirement for a professional architectural seal.

PART XI. EFFECTIVE DATE

SECTION 11. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 2nd day of July, 2015.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 5:15 p.m. this 13th day of July, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-268
HOUSE BILL 259

AN ACT MAKING TECHNICAL, CONFORMING, AND OTHER MODIFICATIONS TO THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 2015.

The General Assembly of North Carolina enacts:

PART I. GENERAL AND SALARY PROVISIONS

SECTION 1.1. Section 2.2(f) of S.L. 2015-241 reads as rewritten:

"**SECTION 2.2.(f)** Notwithstanding any other provision of law to the contrary, effective ~~June 30, 2015,~~ July 1, 2015, 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 2015-2016 fiscal year and the 2016-2017 fiscal year.

...."

SECTION 1.2. G.S. 143C-9-3(a), as amended by Section 6.24 of S.L. 2015-241, reads as rewritten:

"(a) The "Settlement Reserve Fund" is established as a special fund ~~in the Office of State Budget and Management~~ to receive proceeds from tobacco litigation settlement agreements or final orders or judgments of a court in litigation between tobacco companies and the states."

SECTION 1.3. Section 6.20(b)(1)a. of S.L. 2015-241 reads as rewritten:

"a. Department of Environment and Natural Resources –
1. Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund.
2. Division of Air Quality Inspection and Maintenance Fees.
3. Division of Air Quality Water and Air Quality Account.
~~4. Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund.~~
~~5.~~4. Mercury Pollution Prevention Account."

PART II. INFORMATION TECHNOLOGY

SECTION 2.1. Section 7.3(a) of S.L. 2015-241 reads as rewritten:

"**SECTION 7.3.(a)** The appropriations for the Information Technology Reserve Fund for the 2015-2017 fiscal biennium are as follows:

	FY 2015-2016	**FY 2016-2017**
Government Data Analytics Center	$8,100,000	$8,100,000
Improve Efficiency and Customer Service through IT Modernization	$8,127,991	$8,061,512
IT Restructuring	$2,775,184	$2,978,812
	~~$3,537,299~~	~~$3,740,927~~
Economic Modeling Initiative	$500,000	$500,000
Maintenance Management System Replacement	$173,180	$129,901
NC Connect	$593,899	$788,503
E-Forms/Digital Signatures	$762,115	$762,115
Law Enforcement Information Exchange	$288,474	0"

SECTION 2.2. G.S. 143B-1302(d), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(d) State Ethics Act. – All employees of the Department shall be subject to the applicable provisions of the State Government Ethics Act under Chapter 138A of the General Statutes."

SECTION 2.4. Notwithstanding any provision of S.L. 2015-241 to the contrary, the following positions in that act shall be transferred from the Information Technology Internal Service Fund to the Information Technology Reserve Fund:

(1) Position Number 60087223, State Chief Information Officer.
(2) Position Number 60087293, Executive Assistant.
(3) Position Number 60087581, Legislative Affairs/Program Coordinator.
(4) Position Number 60093454, Director of Public Affairs.
(5) Position Number 60087551, Information & Communications Specialist II.
(6) Position Number 60087645, Agency General Counsel II.
(7) Position Number 60093450, Communications Specialist.
(8) Position Number 60087267, Information and Communications Specialist.

SECTION 2.5. Notwithstanding any provision of S.L. 2015-241 to the contrary, of the funds appropriated in that act to the Information Technology Reserve Fund, the sum of seven hundred sixty-two thousand one hundred fifteen dollars ($762,115) for each year of the biennium shall be used to support the continued development of an enterprise electronic forms and digital signatures capability.

SECTION 2.6. Notwithstanding any provision of S.L. 2015-241 to the contrary, the requirement for "Process Management" in that act shall be moved from the Information Technology Reserve Fund to the Information Technology Fund (Fund Code 24667).

SECTION 2.8. G.S. 143B-1305(c), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(c) Participating Agencies. – The State CIO shall prepare detailed plans to transition each of the participating agencies. As the transition plans are completed, the following participating agencies shall transfer information technology personnel, operations, projects, assets, and appropriate funding to the Department of Information Technology:

...

(12) Department of Military and Veterans Affairs."

SECTION 2.9. Section 7.9(d) of S.L. 2015-241 reads as rewritten:

"**SECTION 7.9.(d)** This section does not apply to any agency exempt under ~~G.S. 147-33.80.~~G.S. 143B-1300(b)."

SECTION 2.11. G.S. 143B-1306(c), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(c) Each participating agency shall actively participate in preparing, testing, and implementing an information technology plan required under subsection (b) of this section. Separate agencies shall prepare biennial information technology plans, including the requirements listed in subsection (b) of this section, and transmit these plans to the Department by a date determined by the State CIO in each even-numbered year. Agencies shall provide all financial information to the State CIO necessary to determine full costs and expenditures for information technology assets and resources provided by the agencies or through contracts or grants. The Department shall consult with and assist State agencies in the preparation of these plans; shall provide appropriate personnel or other resources to the participating agencies and to separate agencies upon ~~request pursuant to Part 3, Shared Information Technology Services, of this Article.~~request. Plans shall be submitted to the Department by a date determined by the State CIO in each even-numbered year."

SECTION 2.12. G.S. 143B-1312(c), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(c) Participating agency information technology personnel performing information technology functions shall be moved to the Department. The State CIO shall consolidate participating agency information technology personnel following the time ~~line~~ lines established in the plans required by ~~this Article~~G.S. 143B-1305(b) once a detailed plan has been developed for transitioning the personnel to the new agency."

SECTION 2.13. G.S. 143B-1312(e), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(e) Any new positions established by the Department shall be exempt from the North Carolina Human Resources ~~Act.~~Act; provided, however, that nonexempt employees transferred

from participating agencies to a newly established position in the Department shall not become exempt solely by virtue of that transfer."

SECTION 2.14. G.S. 143B-1323(d), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(d) Each State ~~agency, separate agency, and participating agency~~ agency shall furnish to the State CIO when requested, and on forms as prescribed, estimates of and budgets for all information technology goods and services needed and required by such department, institution, or agency for such periods in advance as may be designated by the State CIO. When requested, all State agencies shall provide to the State CIO on forms as prescribed, actual expenditures for all goods and services needed and required by the department, institution, or agency for such periods after the expenditures have been made as may be designated by the State CIO."

SECTION 2.16. G.S. 143B-1338(a), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(a) The Department shall plan, develop, implement, and operate a statewide electronic web presence, to include mobile, in order to (i) increase the convenience of members of the public in conducting online transactions with, and obtaining information from, State government and (ii) facilitate the public's interactions and communications with government agencies. The State CIO shall have approval authority over all agency Web site ~~funding and content,~~funding, to include any agency contract decisions. Participating agency Web site and content development staff shall be transferred to the Department in accordance with the schedule for their agency."

SECTION 2.18. Notwithstanding any provision of S.L. 2015-241 to the contrary, of the funds appropriated in that act to the Information Technology Reserve Fund and allocated for IT Restructuring, a portion of those funds shall be used to fund a Business and Technology Applications Specialist position (Position Number 65000718).

SECTION 2.20. G.S. 143B-1323, as enacted by Section 7A.2(b) of S.L. 2015-241, is amended by adding a new subsection to read:

"(k) No contract subject to the provisions of this Part may be entered into unless the contractor and the contractor's subcontractors comply with the requirements of Article 2 of Chapter 64 of the General Statutes."

PART III. EDUCATION

SECTION 3.1. Section 8.27(c) of S.L. 2015-241 reads as rewritten:

"**SECTION 8.27.(c)** Grant funds shall be used to pay for all costs incurred by the local school administrative units and the community college partners to implement the grant, including community college FTE. Community colleges shall not earn budget FTE for student course enrollments ~~supported with this grant.~~under this grant, unless the student course enrollment is otherwise authorized as provided in G.S. 115D-20(4)a., as amended by this act."

SECTION 3.2. Section 9.4 of S.L. 2015-241 reads as rewritten:

"**SECTION 9.4.** 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~~ not be legislatively increased for the 2015-2017 fiscal ~~biennium.~~biennium, but may be increased as otherwise allowed by law."

SECTION 3.3. Section 9.5 of S.L. 2015-241 is amended to add a new subsection to read:

"(c) Subsection (a) of this section shall not be construed to modify the compensation of persons initially employed as assistant principals prior to July 1, 2009, for work performed prior to July 1, 2015."

SECTION 3.4. Section 10.11(b) of S.L. 2015-241 reads as rewritten:

"**SECTION 10.11.(b)** South Piedmont Community College shall not earn budget FTE for student course enrollments ~~supported with this grant.~~under this grant, unless the student course enrollment is otherwise authorized as provided in G.S. 115D-20(4)a., as amended by this act."

SECTION 3.5. S.L. 2015-241 is amended by adding the following new section to read:

"**ACADEMIC SUMMER BRIDGE PROGRAM/TECHNICAL CORRECTION**

"**SECTION 11.24.(a)** Notwithstanding any provision of S.L. 2015-241 to the contrary, of the funds appropriated herein, the reduction of funds for the Academic Summer Bridge Program shall be decreased by one hundred nineteen thousand three hundred dollars ($119,300)

in recurring funds for each fiscal year of the 2015-2017 fiscal biennium so that the total reduction in funds for the Academic Summer Bridge Program for the 2015-2016 fiscal year shall be one million seventy-three thousand seven hundred dollars ($1,073,700) in recurring funds and the total reduction in funds for the Academic Summer Bridge Program for the 2016-2017 fiscal year shall be one million seventy-three thousand seven hundred dollars ($1,073,700) in recurring funds.

"**SECTION 11.24.(b)** Notwithstanding any provision of S.L. 2015-241 to the contrary, of the funds appropriated herein, the management flexibility reduction for the operating budget of The University of North Carolina shall be increased by one hundred nineteen thousand three hundred dollars ($119,300) in recurring funds for each fiscal year of the 2015-2017 fiscal biennium so that the total management flexibility reduction for the 2015-2016 fiscal year shall be eighteen million thirty-three thousand one hundred twelve dollars ($18,033,112) in recurring funds and the total management flexibility reduction for the 2016-2017 fiscal year shall be forty-three million five hundred ninety-three thousand five hundred sixty-seven dollars ($43,593,567) in recurring funds and three million dollars ($3,000,000) in nonrecurring funds.

The sum of one hundred nineteen thousand three hundred dollars ($119,300) in recurring funds for the 2015-2016 fiscal year and the sum of one hundred nineteen thousand three hundred dollars ($119,300) in recurring funds for the 2016-2017 fiscal year resulting from the increased management flexibility reduction implemented pursuant to this subsection shall be used to decrease the reduction of funds for the Academic Summer Bridge Program as provided in subsection (a) of this section."

SECTION 3.6. S.L. 2015-241 is amended by adding the following new section to read:

"APPALACHIAN STATE UNIVERSITY/RECRUIT COMMUNITY COLLEGE STUDENTS PILOT

"**SECTION 11.25.** Notwithstanding any provision of S.L. 2015-241 to the contrary, funds appropriated to Appalachian State University for the 2015-2017 fiscal biennium for its College of Education to establish a pilot program to recruit and retain students as teachers for high need licensure areas may be used to recruit and retain both undergraduate students and community college students for this pilot program. Funds may be used for personnel, marketing, programming, counseling and advising."

SECTION 3.7. G.S. 115C-296.13(e), as enacted by Section 8.41(a) of S.L. 2015-241, reads as rewritten:

"(e) Annual State Board of Education Report. – The educator preparation program report cards shall be submitted to the Joint Legislative Education Oversight Committee on an annual basis by ~~November 15.~~December 15."

SECTION 3.8. S.L. 2015-241 is amended by adding a new section to read:

"EXCELLENT PUBLIC SCHOOLS ACT FUNDS/TECHNICAL CORRECTION

"**SECTION 8.49.** Notwithstanding any other provision of law, the Department of Public Instruction shall not use any of the funds appropriated in this act to the Department to carry out elements of the Excellent Public Schools Act in the amount of three million eight hundred twelve thousand one hundred forty-one dollars ($3,812,141) in recurring funds for the 2015-2016 fiscal year and the amount of eight million five hundred twenty thousand seven hundred forty-eight dollars ($8,520,748) in recurring funds for the 2016-2017 fiscal year to increase funding for the North Carolina Teacher Corps program established under G.S. 115C-296.7."

SECTION 3.9. G.S. 116-143.3A(a)(3), as enacted by S.L. 2015-116, reads as rewritten:

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

...

(3) Veteran. – A person who served active duty for not less than 90 days in the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration and who was discharged or released from such ~~service under conditions other than dishonorable.~~service."

SECTION 3.10. S.L. 2015-241 is amended by adding the following new section to read:

"MOUNTAIN AREA HEALTH EDUCATION CENTER FUNDS

"**SECTION 11.26.** Notwithstanding any provision of this act to the contrary, the funds appropriated to the Mountain Area Health Education Center (MAHEC) in this act for the 2015-2017 fiscal biennium may be used for psychiatry residencies in the MAHEC service area."

PART IV. HEALTH AND HUMAN SERVICES

SECTION 4.1. S.L. 2015-241 is amended by adding the following new section to read:

"**REDUCTION OF FUNDS FOR MISCELLANEOUS CONTRACTUAL SERVICES**

"**SECTION 12A.18.** Notwithstanding any provision of S.L. 2015-241 to the contrary, the Department of Health and Human Services, Division of Central Management and Support, is directed to achieve a reduction in its contractual services by reducing Fund Code 1910, instead of Fund Code 1120, by the sum of three million two hundred thousand dollars ($3,200,000) in nonrecurring funds for the 2015-2016 fiscal year. In making the reduction required by this section, the Department may implement department-wide reductions in contractual services, but shall not reduce any funds appropriated to the Department to develop and implement housing, support, and other services for people with mental illness pursuant to the settlement agreement entered into between the United States Department of Justice and the State of North Carolina."

SECTION 4.2. Section 12C.10(c) of S.L. 2015-241 reads as rewritten:

"**SECTION 12C.10.(c)** Of the funds appropriated in this act from the General Fund to the Department of Health and Human Services, Division of ~~Social Services,~~Central Management and Support, the sum of three hundred sixty thousand dollars ($360,000) in recurring funds for fiscal year 2015-2016 and the sum of three million two hundred thousand dollars ($3,200,000) in nonrecurring funds for fiscal year 2015-2016 shall be deposited in the Department's information technology budget code within 30 days of the effective date of this act to be used for ongoing operation and maintenance pursuant to implementing the provisions of this section."

SECTION 4.4. Section 12F.16(l) of S.L. 2015-241 reads as rewritten:

"**SECTION 12F.16.(l)** The Division of Medical Assistance of the Department of Health and Human Services (DMA) shall take the following steps to improve the effectiveness and efficiency of the Medicaid lock-in program:

(1) Establish written procedures for the operation of the lock-in program, including specifying the responsibilities of DMA and the program contractor.

(2) Establish procedures for the sharing of bulk data with the Controlled Substances Regulatory Branch.

(3) In consultation with the Physicians Advisory Group, extend lock-in duration to two years and revise program eligibility criteria to align the program with the statewide strategic goals for preventing prescription drug abuse. DMA shall report an estimate of the cost-savings from the revisions to the eligibility criteria to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services within one year of the lock-in program again becoming operational.

(4) Develop a Web site and communication materials to inform lock-in enrollees, prescribers, pharmacists, and emergency room health care providers about the program.

(5) Increase program capacity to ensure that all individuals who meet program criteria are locked in.

(6) Conduct an audit of the lock-in program within six months after the effective date of this act in order to evaluate the effectiveness of program restrictions in preventing overutilization of controlled substances, identify any program vulnerabilities, and address whether there is evidence of any fraud or abuse within the program.

DMA shall report to the Joint Legislative Program Evaluation Oversight Committee by ~~September 30, 2015,~~September 30, 2016, on its progress toward implementing all items included in this section."

SECTION 4.5. Section 12F.16(m)(4) of S.L. 2015-241 reads as rewritten:

"(4) The Office of Rural ~~Health Section of the Division of Public~~ Health, DHHS."

SECTION 4.6. Section 12I.1(w) of S.L. 2015-241 reads as rewritten:

"**SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT**

"**SECTION 12I.1.(w)** 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 each year of the 2015-2017 fiscal biennium shall be allocated to the Department of ~~Administration, Division of Veterans Affairs,~~Military and Veterans Affairs, as created in Section 24.1 of this act, 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~~Department of Military and Veterans Affairs and trained by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services."

SECTION 4.7. Section 12H.17.(a) of S.L. 2015-241 reads as rewritten:

"**SECTION 12H.17.(a)** Effective ~~July 1,~~October 1, 2015, the cost settlement for outpatient Medicaid services performed by Vidant Medical Center, which was previously known as Pitt County Memorial Hospital, shall be at one hundred percent (100%) of allowable costs."

SECTION 4.8. Section 12F.2(b) of S.L. 2015-241 reads as rewritten:

"**SECTION 12F.2.(b)** The DMH/DD/SAS is directed to reduce its allocation for single stream funding by one hundred ten million eight hundred eight thousand seven hundred fifty-two dollars ($110,808,752) in nonrecurring funds for the 2015-2016 fiscal year and by one hundred fifty-two million eight hundred fifty thousand one hundred thirty-three dollars ($152,850,133) in nonrecurring funds for the 2016-2017 fiscal year. The DMH/DD/SAS is directed to allocate this reduction among the LME/MCOs based on the individual LME/MCO's percentage of the total cash on hand of all of the LME/MCOs in the State. Cash on hand means the sum of the "Total Cash and Investments" plus the "Short-Term Investments" reported on Schedule "A" of the financial reporting package submitted by the LME/MCOs to the Division of Medical Assistance (DMA) on June 30, 2015. The individual LME/MCO's percentage of the total cash on hand equals the individual LME/MCO's cash on hand divided by the aggregate amount of cash on hand of all of the LME/MCOs in the State. During each year of the 2015-2017 fiscal biennium, each LME/MCO shall provide at least the same level of services paid for by single stream funding during the 2014-2015 fiscal ~~year.~~year across the LME/MCO's catchment area. This requirement shall not be construed to require LME/MCOs to authorize or maintain the same level of services for any specific individual whose services were paid for with single-stream funding. Further, this requirement shall not be construed to create a private right of action for any person or entity against the State of North Carolina or the Department of Health and Human Services or any of its divisions, agents, or contractors, and shall not be used as authority in any contested case brought pursuant to Chapters 108C or 108D of the General Statutes."

PART V. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

SECTION 5.1. Section 13.4 of S.L. 2015-241 is amended by adding a new subsection to read:

"**SECTION 13.4.(c)** This section becomes effective October 1, 2015."

SECTION 5.2.(a) the lead-in language for Section 13.5 of S.L. 2015-241 reads as rewritten:

"**SECTION ~~13.5.~~13.5.(a)** G.S. 106-254 reads as rewritten:"

SECTION 5.2.(b) Section 13.5 of S.L. 2015-241 is amended by adding a new subsection to read:

"**SECTION 13.5.(b)** This section becomes effective October 1, 2015."

SECTION 5.2A. The title of Section 14.1 of S.L. 2015-241 reads as rewritten:

"**PROSPERITY ZONE DENR ~~LIASONS~~LIAISONS**"

SECTION 5.2B. Subsection 14.10A(d) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.10A.(d)** The ~~Environmental Management~~Marine Fisheries Commission shall adopt rules to amend 15A NCAC 03O .0503(g) and any other cross-referenced rules consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this subsection shall be substantively identical to the provisions of subsection (c) of this section. 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 5.2C. Section 14.24 of S.L. 2015-241 reads as rewritten:

"PETITION FOR ~~WETLANDS~~ MITIGATION FLEXIBILITY

"SECTION 14.24.(a) No later than January 1, 2016, the Department of Environment and Natural Resources shall petition the Wilmington District, the South Atlantic Division, and the Headquarters of the United States Army Corps of Engineers (the Corps Offices) to allow for greater flexibility and opportunity to perform ~~wetlands~~ mitigation outside of the eight-digit Hydrologic Unit Code (HUC) where development will occur. The Department shall seek this greater flexibility and opportunity for mitigation for both public and private development. The Department shall request that the Corps Offices review the flexibility and opportunities for mitigation allowed by other Districts of the United States Army Corps of Engineers, both within the South Atlantic District and nationwide.

...."

SECTION 5.4.(a) Section14.30(a)(5) of S.L. 2015-241 reads as rewritten:

"(5) The North Carolina Museum of Natural Sciences."

SECTION 5.4.(b) Section 14.30(d) of S.L. 2015-241 reads as rewritten:

"SECTION 14.30.(d) The following apply to any recodification pursuant to subsections (e) through ~~(k)~~(k2) of this section:

(1) The recodifications are of the affected statutes as rewritten by subsections (l) through ~~(r)~~(r2) of this section, as applicable.

(2) Prior session laws that required the Revisor of Statutes to set out certain provisions as notes to the former statutes shall be set out as notes to the recodified statutes."

SECTION 5.4.(c) G.S. 143B-135.186, as recodified and amended by Subsection 14.30(n) of S.L. 2015-241, reads as rewritten:

"§ 143B-135.186. Local advisory committees; duties; membership.

Local advisory committees created pursuant to G.S. 143B-135.182(a)(2) shall assist each North Carolina Aquarium in its efforts to establish projects and programs and to assure adequate citizen-consumer input into those efforts. Members of these committees shall be appointed by the Secretary of Natural and Cultural Resources for three-year terms from nominations made by the Director of the ~~Office of Marine Affairs.~~Division of North Carolina Aquariums. Each committee shall select one of its members to serve as chairperson. Members of the committees shall serve without compensation for services or expenses."

SECTION 5.4.(d) G.S. 143B-135.188, as recodified and amended by Subsection 14.30(n) of S.L. 2015-241, reads as rewritten:

"§ 143B-135.188. North Carolina Aquariums; fees; fund.

(a) Fees. – The Secretary of Natural and Cultural 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 fund. The North Carolina Aquariums Fund shall be used for the ~~following:~~following purposes with respect to the aquariums and the pier operated by the Division of North Carolina Aquariums:

(1) Repair, renovation, expansion, maintenance, and educational exhibit ~~construction at existing aquariums.~~construction.

(2) Payment of the debt service and lease payments related to the financing of ~~expansions of aquariums.~~facility expansions, subject to G.S. 143B-135.190.

(3) Matching of private funds that are raised for these purposes.

(c) Disposition of Fees. – All ~~entrance~~ fee receipts shall be credited to the aquariums' General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina aquariums' General Fund operating budget to the North Carolina Aquariums Fund an amount not to exceed the sum of the following:

(1) One million dollars ($1,000,000).

(2) The amount needed to cover the expenses described by subdivision (2) of subsection (b) this section.

...."

SECTION 5.4.(e) G.S. 143B-135.225, as enacted by Subsection 14.30(r) of S.L. 2015-241, reads as rewritten:

"**§ 143B-135.225. Museum of Natural Sciences; fees; fund.**

(a) Fund. – The North Carolina Museum of Natural Sciences Fund is created as a special fund. The North Carolina Museum of Natural Sciences Fund shall be used for repair, renovation, expansion, maintenance, and educational exhibit construction at the North Carolina Museum of Natural Sciences and to match private funds raised for these projects.

(b) Certain Admission Fees Permitted; Disposition of Receipts. – The Museum may collect a charge for special exhibitions, special events, and other temporary attractions. All Museum receipts shall be credited to the North Carolina Museum of Natural Sciences' General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina Museum of Natural Sciences' General Fund operating budget to the North Carolina Museum of Natural Sciences Fund an amount not to exceed one million dollars ($1,000,000).

(c) Approval. – The Secretary may approve the use of the North Carolina Museum of Natural Sciences Fund for repair and renovation projects at the North Carolina Museum of Natural Sciences recommended by the Advisory ~~Council~~ Commission that comply with the following:

(1) The total project cost is less than three hundred thousand dollars ($300,000).

(2) The project meets the requirements of G.S. 143C-4-3(b).

(d) Report. – The Department shall submit to the House and Senate appropriations committees with jurisdiction over natural and economic resources and the Fiscal Research Division by September 30 of each year a report on the North Carolina Museum of Natural Sciences Fund that shall include the source and amounts of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year."

SECTION 5.4.(f) Subsection 14.30(aa) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.30.(aa)** The following statutes are amended by deleting the language "G.S. 113-44.14" wherever it appears and substituting "G.S. 143B-135.54": G.S. 143-260.10, ~~143B-260.10C, 143B-260.10D, and 143B-260.10G.~~143-260.10C, 143-260.10D, and 143-260.10G."

SECTION 5.4.(g) Subsection 14.30(nnn1) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.30.(nnn1)** In order to ensure that the Department of Natural and Cultural Resources has sufficient staff to manage the additional workload as a result of the transfer of the North Carolina Zoo, North Carolina Aquariums, North Carolina Museum of Natural Sciences, Clean Water Management Trust Fund, Natural Heritage Program, and the North Carolina State Parks from the Department of Environmental Quality, the Department may use up to two million one hundred thirty-eight thousand forty-five dollars ($2,138,045) generated from the vacant positions transferred or eliminated in subsection (nnn3) of this section to reclassify or reestablish administrative positions for that purpose."

SECTION 5.4.(h) Subsection 14.30(nnn3) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.30.(nnn3)** The following 24.94 vacant positions shall be transferred or eliminated from the Department of Environmental Quality:

60036186	Chief Deputy II	(1.0)
60032766	Accountant	(1.0)
60036006	Accounting Technician	(1.0)
60035955	Administrative Operations Director	(1.0)
60034828	Agency Legal Specialist II	(1.0)
60036023	Auditor	(1.0)
60036029	Budget Manager	(1.0)
60036031	Budget Analyst	(1.0)
60036034	Budget Analyst	(1.0)
60036060	Business and Technology Applic Specl	(1.0)
60036063	Business and Technology Applic Specl	(1.0)
60035958	Environmental Program Supervisor II	(1.0)
60035318	IT Security Specialist	(1.0)
60035984	Personnel Analyst	(1.0)
60035996	Personnel Assistant IV	(1.0)
60035952	Policy Development Analyst	(1.0)
60035976	Policy Development Analyst	(1.0)

60036039	Purchaser	(1.0)
60036041	Purchaser	(1.0)
60035986	W/A Recruitment Analyst	(1.0)
60035829	Staff Development Coordinator	(1.0)
60034553	Staff Development Specialist	(1.0)
60034575	Technology Support Analyst	(1.0)
60035501	Technology Support Analyst	(1.0)
60035496	Office Assistant III	(0.40)
60035953	Ombudsman	(0.54)

Prior to transfer or elimination, the Department of Environmental Quality shall convert any positions listed in this subsection supported in whole or in part by receipts to support from General Fund appropriations."

SECTION 5.4.(i) Section 14.30 of S.L. 2015-241 is amended by adding a new subsection to read:

"CONFORMING RULES CHANGES

"SECTION 14.30.(qqq1) The Codifier of Rules shall make any conforming rule changes necessary to reflect the transfers, name changes, recodifications, and associated conforming statutory changes made by this section."

SECTION 5.5. Section 14.11(g) of S.L. 2015-241 reads as rewritten:

"SECTION 14.11.(g) The Department of Environment and Natural Resources, or any other department given responsibilities for the North Carolina Zoological Park, State parks, and the North Carolina Aquariums may not impose fees on school groups visiting those attractions. For purposes of this section, "fees" refers to the regular admission charge, and does not include a separate admission charge for a special temporary ~~exhibition.~~exhibition or a special program."

SECTION 5.6. G.S. 113-202.1, as amended by Subsection 14.10C(c) of S.L. 2015-241, reads as rewritten:

"§ 113-202.1. Water column leases for aquaculture.

...

(d) Amendments of shellfish cultivation leases to authorize use of the water column are issued for a period of ~~five years~~10 years or the remainder of the term of the lease, whichever is shorter. The annual rental for a new or renewal water column amendment is one hundred dollars ($100.00) an acre. If a water column amendment is issued for less than a 12-month period, the rental shall be prorated based on the number of months remaining in the year. The annual rental for an amendment is payable at the beginning of the year. The rental is in addition to that required in G.S. 113-202.

...."

SECTION 5.7. Part 14 of S.L. 2015-241 is amended by adding a new section to read:

"DENR/CORRECT VARIOUS FUND CODE REFERENCES/NO FUNDS REDUCTION FOR SOLID WASTE PERMITTING FEES

"SECTION 14.35.(a) Notwithstanding any provision of S.L. 2015-241 to the contrary, the five hundred thousand dollars ($500,000) in nonrecurring funding for Shale Gas shall be provided to Fund Code 1735, instead of Fund Code 1749.

"SECTION 14.35.(b) Notwithstanding any provision of S.L. 2015-241 to the contrary, the nonrecurring funding and recurring cuts to the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund shall be made in Fund Code 1910, instead of Fund Code 1990.

"SECTION 14.35.(c) Notwithstanding any provision of S.L. 2015-241 to the contrary, the Petroleum Violation Escrow Cash Balance transfer shall be from Fund Code 64327, instead of Fund Code 64347.

"SECTION 14.35.(d) Notwithstanding any provision of S.L. 2015-241 to the contrary, there shall be no reduction of two hundred sixty thousand three hundred fifty-nine dollars ($260,359) in fiscal year 2015-2016 to the Solid Waste Permitting Fees operating fees budget due to the delayed effective date in the implementation of the new fee schedule."

SECTION 5.8. S.L. 2015-241 is amended by adding a new section to read:

"COMMERCE/DEPUTY GENERAL COUNSEL POSITION FUNDING

"SECTION 15.3A. Notwithstanding any provision of S.L. 2015-241 to the contrary, one-fourth of the funding for the position of Deputy General Counsel (60080998) shall be offset with receipts, and the FTE reduction shall be -0.26."

PART VI. JUSTICE AND PUBLIC SAFETY

SECTION 6.2. Part XVI-A of S.L. 2015-241 is amended by adding a new section to read:

"CLARIFICATION REGARDING RELOCATION OF STATE CAPITOL POLICE

"**SECTION 16A.11.** The relocation of the State Capitol Police as a Section within the Highway Patrol pursuant to Section 16A.7 of this act shall not affect the subject matter or territorial jurisdiction of such officers and shall not entitle such officers to the statutory increases provided by G.S. 20-187.3 or Section 30.15 of this act."

SECTION 6.3. G.S. 7A-498.5(f), as rewritten by Section 18A.17(c) of S.L. 2015-241, reads as rewritten:

"(f) Subject to ~~G.S. 498.2(e)~~G.S. 7A-498.2(e), the Commission shall establish policies and procedures with respect to the distribution of funds appropriated under this Article, including rates of compensation for appointed counsel, schedules of allowable expenses, appointment and compensation of expert witnesses, and procedures for applying for and receiving compensation. The rate of compensation set for expert witnesses may be no greater than the rate set by the Administrative Office of the Courts under G.S. 7A-314(d)."

PART VII. GENERAL GOVERNMENT

SECTION 7.1. Part 20 of S.L. 2015-241 is amended by adding a new section to read:

"**SECTION 20.3.(a)** G.S. 58-36-75(a) reads as rewritten:

"(a) The subclassification plan promulgated pursuant to G.S. 58-36-65(b) may provide for separate surcharges for major, intermediate, and minor accidents. A "major accident" is an at-fault accident that results in either (i) bodily injury or death or (ii) only property damage of ~~three thousand dollars ($3,000)~~ three thousand eighty-five dollars ($3,085) or more. An "intermediate accident" is an at-fault accident that results in only property damage of more than ~~one thousand eight hundred dollars ($1,800)~~one thousand eight hundred fifty dollars ($1,850) but less than ~~three thousand dollars ($3,000).~~ three thousand eighty-five dollars ($3,085). A "minor accident" is an at-fault accident that results in only property damage of ~~one thousand eight hundred dollars ($1,800)~~ one thousand eight hundred fifty dollars ($1,850) or less. The subclassification plan may also exempt certain minor accidents from the Facility recoupment surcharge. The Bureau shall assign varying Safe Driver Incentive Plan point values and surcharges for bodily injury in at-fault accidents that are commensurate with the severity of the injury, provided that the point value and surcharge assigned for the most severe bodily injury shall not exceed the point value and surcharge assigned to a major accident involving only property damage."

"**SECTION 20.3.(b)** This section is effective March 1, 2016, and applies to accidents occurring on or after that date."

SECTION 7.2. Part 24 of S.L. 2015-241 is amended by adding a new section to read:

"**SECTION 24.4.** Notwithstanding any provision of this act to the contrary, the position transferred from the Department of Administration to the Department of Military and Veterans Affairs shall be Position 60014506 (Program Assistant IV), not Position 60014065 (Administrative Officer II)."

SECTION 7.3.(a) Section 24.1(ww) of S.L. 2015-241 reads as rewritten:

"**SECTION 24.1.(ww)** This section becomes effective on ~~January 1, 2016.~~July 1, 2015."

SECTION 7.3.(b) G.S. 143B-1293, as rewritten by Section 24.1(pp) of S.L. 2015-241, reads as rewritten:

"**§ 143B-1293. North Carolina Veterans Home Trust Fund.**

(a) Establishment. – A trust fund shall be established in the State treasury, for the Department of Military and Veterans Affairs, to be known as the North Carolina Veterans Home Trust Fund.

(b) Composition. – The trust fund shall consist of all funds and monies received by the Veterans' Affairs Commission or the Department of Military and Veterans Affairs from the United States, any federal agency or institution, and any other source, whether as a grant, appropriation, gift, contribution, devise, or individual reimbursement, for the care and support of veterans who have been admitted to a State veterans home.

(c) Use of Fund. – The trust fund created in subsection (a) of this section shall be used by the Department of Military and Veterans Affairs to do the following:

(1) To pay for the care of veterans in said State veterans homes;

(2) To pay the general operating expenses of the State veterans homes, including the payment of salaries and wages of officials and employees of said homes; and

(3) To remodel, repair, construct, modernize, or add improvements to buildings and facilities at the homes.

(d) Miscellaneous. – The following provisions apply to the trust fund created in subsection (a) of this section:

(1) All funds deposited and all income earned on the investment or reinvestment of such funds shall be credited to the trust fund.

(2) Any monies remaining in the trust fund at the end of each fiscal year shall remain on deposit in the State treasury to the credit of the North Carolina Veterans Home Trust Fund.

(3) Nothing contained herein shall prohibit the establishment and utilization of special agency accounts by the Department of Military and Veterans Affairs or by the Veterans' Affairs Commission, for the receipt and disbursement of personal funds of the State veterans homes' residents or for receipt and disbursement of charitable contributions for use by and for residents."

SECTION 7.4. Subsection (c) of Section 25.1 of S.L. 2015-241 reads as rewritten:

"**SECTION 25.1.(c)** This section becomes effective October 1, 2015, and the requirement to submit a report applies to audits conducted or undertaken on or after that date. Nothing in this subsection shall be construed as prohibiting the State Auditor or an internal auditor from submitting a report detailing fraud, misrepresentation, or other deceptive acts or practices found during an audit conducted prior to the effective date of this section."

SECTION 7.5. Part 21 of S.L. 2015-241 is amended by adding a new section to read:

"**SECURITIES CHANGES**

"**SECTION 21.2.(a)** G.S. 147-86.42(8) reads as rewritten:

"**§ 147-86.42. Definitions.**

As used in this article, the following definitions apply:

...

(8) "Indirect Holdings" in a Company means all securities of that Company held in an account or fund, such as a mutual fund, managed by one or more persons not employed by the Public Fund, in which the Public Fund owns shares or interests together with other investors not subject to the provisions of this ~~article.~~Article and securities held through index funds, commingled funds, limited partnerships, derivative instruments, or any other similar investment instrument."

"**SECTION 21.2.(b)** G.S. 147-86.44(f) reads as rewritten:

"(f) Excluded Securities. – Notwithstanding anything herein to the contrary, subsections (c) and (d) of this section shall not apply to Indirect ~~Holdings in actively managed investment funds.~~Holdings. The Public Fund shall, however, submit letters to the managers of such investment funds containing Companies with Scrutinized Active Business Operations requesting that they consider removing such Companies from the fund or create a similar actively managed fund with Indirect Holdings devoid of such Companies. If the manager creates a similar fund, the Public Fund shall replace all applicable investments with investments in the similar fund in an expedited time frame consistent with prudent investing standards. For the purposes of this section, "private equity" funds shall be deemed to be actively managed investment funds."

"**SECTION 21.2.(c)** G.S. 147-69.1(c)(3) reads as rewritten:

"(c) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (b) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

...

(3) Repurchase Agreements with respect to one or more of the following:

a. ~~securities~~ Securities issued or guaranteed by the United States government or its ~~agencies or other securities~~agencies.

b. Securities eligible for investment by this section executed by a bank or trust company or by primary or other reporting dealers to the Federal Reserve Bank of New York.

c. Securities eligible for investment by this section executed by a registered broker-dealer that is subject to the rules and regulations of the U.S. Securities and Exchange Commission and is a member in good standing of the Financial Industry Regulatory Authority."

"**SECTION 21.2.(d)** This section is effective when it becomes law.

SECTION 7.6. Part 21 of S.L. 2015-241 is amended by adding a new section to read:

"INTERVENTION TASK FORCE POSITIONS RECEIPT SUPPORTED

"**SECTION 21.4.** Notwithstanding any provision of this act to the contrary, the two positions in the Intervention Task Force of the Local Government Commission to assist local government entities as being at risk of financial failure shall be funded with receipts instead of funds from the General Fund."

SECTION 7.7. Part XXVI of S.L. 2015-241 is amended by adding a new section to read:

"REPEAL PROVISION ON USE OF AUTOMATIC SCORING/SCREENING OF STATE GOVERNMENT EMPLOYMENT APPLICATIONS

"**SECTION 26.1A.(a)** Section 22A.1 of S.L. 2014-100 is repealed."

PART VIII. TRANSPORTATION

SECTION 8.1. Subsection (c) of Section 29.1 of S.L. 2015-241 reads as rewritten:

"**SECTION 29.1.(c)** The Department of Transportation, in collaboration with the Office of State Budget and Management, shall develop a four-year revenue forecast. The first fiscal year in the four-year forecast shall be the 2021-2022 fiscal year. The four-year revenue forecast developed under this subsection shall be used (i) to develop the four-year cash flow estimates included in the biennial budgets, (ii) to develop the ~~Strategic~~State Transportation Improvement Program, and (iii) by the Department of the State Treasurer to compute transportation debt capacity."

SECTION 8.2.(a) G.S. 20-88.03, as enacted by subsection (m) of Section 29.30 of S.L. 2015-241, is amended by adding two new subsections to read:

"(d) Grace Period Inapplicable. – The 15-day grace period provided in G.S. 20-66(g) shall not apply to any late fee assessed under this section.

(e) Surrender of Registration Plate. – Nothing in this section shall be construed as requiring the Division to assess a late fee under this section if, on or prior to the date the registration expires, the owner surrenders to the Division the registration plate issued for the vehicle."

SECTION 8.2.(b) This section becomes effective July 1, 2016.

PART IX. CAPITAL

SECTION 9.1. Section 31.4(a) of S.L. 2015-241 reads as rewritten:

"**SECTION 31.4.(a)** 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:

		Amount of Non-General Fund
...		
Department of Environment and Natural Resources		
Fort Fisher ~~Aquarium Seawall~~ Aquarium Salt Water Well	590,000	590,000
...."		

SECTION 9.2. Section 31.8(c) of S.L. 2015-241 reads as rewritten:

"**SECTION 31.8.(c)** Notwithstanding subsection (a) of this section, the sum of two hundred fifty thousand dollars ($250,000) of the funds appropriated in Section ~~31.2(a)~~31.2 of this act for armory and facility development projects in the 2015-2016 fiscal year shall be used to provide ~~a State match to federal~~ funds for planning and construction of a North Carolina National Guard facility to be located within 10 miles of the 420 acres surrounding the latitude and longitude point 35°11.0994'N – 082°37.1166'W. The Department shall consult with the North Carolina National Guard in the design and site selection of the facility. Funds allocated pursuant to this subsection shall not revert at the end of the 2015-2016 fiscal year but shall be

retained by the Department until the facility is completed or June 30, 2020, whichever first occurs."

SECTION 9.3. G.S. 143C-3-3, as amended by Section 31.9 of S.L. 2015-241, reads as rewritten:

"§ 143C-3-3. Budget requests from State agencies in the executive branch.

...

(b) University of North Carolina System Request. – Notwithstanding the requirement in G.S. 116-11 that the Board of Governors prepare a unified budget request for all of the constituent institutions of The University of North Carolina, budget requests of the University shall be subject to all of the following:

...

(2) The University of North Carolina shall not make a capital funds request proposing to construct a new facility, expand the building area (square feet) of an existing facility, or rehabilitate an existing facility to accommodate new or expanded uses unless the University has completed advanced planning through schematic design of the project with funds other than General Fund appropriations. For purposes of this subdivision, "funds other than General Fund appropriations" includes funds carried forward from one fiscal year to another pursuant to G.S. 116-30.3 and G.S. 116-30.3B.

...."

PART X. FINANCE PROVISIONS

SECTION 10.1.(a) G.S. 105-122(b)(1), as amended by S.L. 2015-241, reads as rewritten:

"(b) Determination of Net Worth. – A corporation taxed under this section shall determine the total amount of its net worth. The net worth of a corporation is its total assets without regard to the deduction for accumulated depreciation, depletion, or amortization less its total liabilities, computed in accordance with generally accepted accounting principles as of the end of the corporation's taxable year. If the corporation does not maintain its books and records in accordance with generally accepted accounting principles, then its net worth is computed in accordance with the accounting method used by the entity for federal tax purposes so long as the method fairly reflects the corporation's net worth for purposes of the tax levied by this section. A corporation's net worth is subject to the following adjustments:

(1) A deduction for accumulated depreciation, depletion, and amortization ~~is~~ as determined in accordance with the method used for federal tax purposes."

SECTION 10.1.(b) G.S. 105-129.103(h), as enacted by S.L. 2015-241, reads as rewritten:

"(h) Substantiation. – To claim a credit allowed by this Article, the taxpayer must provide any information required by the Secretary of Revenue, including a copy of the certification obtained from the State Historic Preservation Office verifying that the historic structure has been rehabilitated in accordance with the requirements set out in this Article, and a copy of the eligibility certification if the historic structure is located in an eligible targeted investment site and the ~~target~~ targeted investment bonus is claimed. Every taxpayer claiming a credit under this Article must maintain and make available for inspection by the Secretary of Revenue any records the Secretary considers necessary to determine and verify the amount of the credit to which the taxpayer is entitled. The burden of proving eligibility for the credit and the amount of the credit rests upon the taxpayer, and no credit may be allowed to a taxpayer that fails to maintain adequate records or to make them available for inspection."

SECTION 10.1.(c) Section 32.14(d) of S.L. 2015-241 reads as rewritten:

"**SECTION 32.14.(d)** Effective for taxable years beginning on or after January 1, 2018, G.S. 105-130.4(a)(6), ~~(a)(9),~~ (a)(4), (j), (k), (r), and (s1) are repealed."

SECTION 10.1.(d) Section 29.34A(c) of S.L. 2015-241 reads as rewritten:

"**SECTION 29.34A.(c)** This section becomes effective January 1, 2016, and applies to sales made on or after that ~~date.~~date, or, for purposes of G.S. 105-187.5, a lease or rental agreement entered into on or after that date."

SECTION 10.1.(e1) G.S. 105-524, as enacted by Section 32.19(b) of S.L. 2015-241, reads as rewritten:

"§ 105-524. Distribution of additional sales tax revenue for economic development, public education, and community colleges.

...

(b) Distribution Amount. – The Secretary must calculate a distribution amount in conformity with this section. The Secretary must deduct this ~~amount proportionately,~~amount, in equal installments, proportionately from the collections to be allocated each month for distribution under ~~G.S. 105-466, 105-483, and 105-498. For~~ Article 39 and Chapter 1096 of the 1967 Session Laws and Articles 40 and 42 of this Chapter, excluding the revenue allocated under G.S. 105-469. ~~The deduction made under this section from Articles 39, 40, and 42 of this Chapter shall not be included in the calculations made under G.S. 105-469, 105-522, and 105-523.~~

For the fiscal year beginning July 1, 2016, the distribution amount is eighty-four million eight hundred thousand dollars ($84,800,000). For fiscal years beginning on or after July 1, 2017, the distribution amount is the amount for the preceding year, adjusted by the same percentage of this amount as the percentage change of the total collection of local sales and use taxes levied under ~~Articles 39, 40, and 42 of this Chapter~~ Article 39 of this Chapter and Chapter 1096 of the 1967 Session Laws and Articles 40 and 42 of this Chapter for the preceding fiscal year.

(c) County Allocation. – The Secretary must, on a monthly basis, allocate to each taxing county an amount equal to one-twelfth of the distribution amount calculated under subsection (b) of this section multiplied by the ~~following~~ appropriate allocation ~~percentage:~~percentage. If, after applying the allocation percentages in this section, the resulting total of the amounts allocated is greater or lesser than the net proceeds to be distributed, the amount allocated to each county shall be proportionally adjusted to eliminate the excess or shortage. The allocation percentages are as follows:

...

(e) State Contribution. – For fiscal years beginning on or after July 1, 2016, the Secretary must annually withhold, in equal monthly installments, seventeen million six hundred thousand dollars ($17,600,000) from sales and use tax collections under Article 5 of this Chapter. The Secretary must allocate the monthly amount withheld under this subsection to the taxing counties as follows:

(1) Fifty percent (50%) in the distribution made under Article 39 of this ~~Chapter.~~Chapter and Chapter 1096 of the 1967 Session Laws, not including the revenue allocated under G.S. 105-469.

(2) Twenty-five percent (25%) in the distribution made under Article 40 of this ~~Chapter.~~Chapter, not including the calculation of the adjustment pursuant to G.S. 105-486(b).

(3) Twenty-five percent (25%) in the distribution made under Article 42 of this Chapter.

...

(g) Adjustments. – The adjustments made under this section to Article 39 of this Chapter and Chapter 1096 of the 1967 Session Laws and Articles 40 and 42 of this Chapter shall not be included in the calculations made under G.S. 105-469, 105-522, and 105-523."

SECTION 10.1.(e2) G.S. 105-469(a) reads as rewritten:

"(a) The Secretary shall collect and administer a tax levied by a county pursuant to this Article. As directed by G.S. 105-164.13B, taxes levied by a county on food are administered as if they were levied by the State under Article 5 of this Chapter. The references in this section to Article 39 of this Chapter and Chapter 1096 of the 1967 Session Laws and Articles 40 and 42 of this Chapter do not include the adjustments made pursuant to G.S. 105-524. The Secretary must, on a monthly basis, distribute local taxes levied on food to the taxing counties as follows:

...."

SECTION 10.1.(e3) G.S. 105-522(a)(2) reads as rewritten:

"(2) Hold harmless amount. – The sum of the following amounts allocated for distribution to a municipality for a ~~month:~~month. The references in this subdivision to Article 39 of this Chapter and Chapter 1096 of the 1967 Session Laws and Articles 40 and 42 of this Chapter do not include the adjustment made pursuant to G.S. 105-524. The amounts are as follows:

...."

SECTION 10.1.(e4) G.S. 105-523(b)(3) reads as rewritten:

"(3) Repealed sales tax amount. – The sum of the following amounts allocated for distribution to a county for a ~~month:~~month. The references in this

subdivision to Article 39 of this Chapter and Chapter 1096 of the 1967 Session Laws and Articles 40 and 42 of this Chapter do not include the adjustment made pursuant to G.S. 105-524. The amounts are as follows:

...."

SECTION 10.1.(f) G.S. 105-130.3C(a), as rewritten by Section 32.13(b) of S.L. 2015-241, reads as rewritten:

"(a) Trigger. –When the amount of net General Fund tax collected in a fiscal year exceeds twenty billion nine hundred seventy-five million dollars ~~($20,975,000),~~($20,975,000,000), the rate of tax set in G.S. 105-130.3 must be decreased to three percent (3%) effective for the taxable year that begins on the following January 1. The Secretary must notify taxpayers if the rate decreases under this section."

SECTION 10.1.(g) G.S. 105-164.3(38b), as rewritten by Section 32.18(a) of S.L. 2015-241, reads as rewritten:

"(38b) Service contract. – A contract where the obligor under the contract agrees to maintain or repair tangible personal property, regardless of whether the property ~~is~~ becomes a part of or is affixed to real property, or a motor vehicle. Examples of a service contract include a warranty 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."

SECTION 10.1.(h) Section 32.13(h) of S.L. 2015-241 reads as rewritten:

"**SECTION 32.13.(h)** Subsection (g) of this section becomes effective ~~July 1,~~June 30, 2016. The remainder of this section becomes effective for taxable years beginning on or after January 1, 2016."

SECTION 10.1.(i) Subsections (b) and (f) of this section becomes effective for taxable years beginning on or after January 1, 2016. Subsection (g) of this section becomes effective March 1, 2016, and applies to sales occurring on or after that date. Subsections (e1) to (e4) of this section become effective July 1, 2016, and apply to local option sales taxes collected on or after that date and distributed to counties and cities on or after September 1, 2016. Subsection (a) of this section becomes effective January 1, 2017, for taxes due on or after that date. The remainder of this section is effective when it becomes law.

SECTION 10.2. Section 32.14A of S.L. 2015-241 is amended by rewriting subsections (a) through (f) to read:

"**SECTION 32.14A.(a)** The Revenue Laws Study Committee is directed to study the calculation of the sales factor under G.S. 105-130.4(l) using market-based sourcing. To help the Committee determine the effect of market-based sourcing on State revenues and corporate taxpayers, each corporate taxpayer that satisfies the following requirements with respect to the taxable year beginning in 2014 is required to file an informational report with the Department of Revenue as provided in this section:

(1) The taxpayer had apportionable income greater than ten million dollars ($10,000,000).
(2) The taxpayer had a North Carolina apportionment percentage less than one hundred percent (100%).
(3) The taxpayer was subject to apportionment of income based in whole or in part on the sales factor as determined under G.S. 105-130.4(l).

"**SECTION 32.14A.(b)** On or before February 1, 2016, the Department of Revenue must publish guidelines for computing the sales factor based on market-based sourcing. The guidelines required by this subsection are not subject to the provisions of Chapter 150B of the General Statutes with respect to rule-making. The guidelines published by the Department of Revenue must be based on the following:

(1) Market-based sourcing of receipts based on the following principles:
  a. In the case of sale, rental, lease, or license of real property, if and to the extent the property is located in this State.
  b. In the case of rental, lease, or license of tangible personal property, if and to the extent the property is located in this State.
  c. In the case of sale of a service, if and to the extent the service is delivered to a location in this State.
  d. In the case of intangible property that is rented, leased, or licensed, if and to the extent the property is used in this State. Intangible

property utilized in marketing a good or service to a consumer is "used in this State" if that good or service is purchased by a consumer who is in this State.

e. In the case of intangible property that is sold, if and to the extent the property is used in this State. A contract right, government license, or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area is "used in this State" if the geographic area includes all or part of this State. Receipts from intangible property sales that are contingent on the productivity, use, or disposition of the intangible property shall be treated as receipts from the rental, lease, or licensing of the intangible property as provided under sub-subdivision d. of this subdivision. All other receipts from a sale of intangible property shall be excluded from the numerator and denominator of the sales factor.

(2) The most recent model regulations with respect to market-based sourcing drafted by the UDITPA Section 17 Work Group convened by the Multistate Tax Commission.

(3) Any other model apportionment regulations and model statutes with respect to the allocation and apportionment of income consistent with those adopted by the Multistate Tax Commission and that are not inconsistent with the principles outlined in subdivision (1) of this subsection.

"**SECTION 32.14A.(c)** The guidelines required by subsection (b) of this section apply to the informational report required by this section only. These guidelines may not be used by the Department of Revenue for any other purpose without further legislative authorization and compliance with the provisions of Chapter 150B of the General Statutes with respect to rule-making.

"**SECTION 32.14A.(d)** The informational report must be in a form required by the Secretary of Revenue and contain the following information:

(1) The apportionment percentage and sales factor used with respect to the corporation's 2014 North Carolina corporate tax return.

(2) The apportionment percentage and sales factor as calculated under subsection (b) of this section with respect to the corporation's 2014 taxable year.

(3) The primary economic sector under NAICS in which the corporation has business activities. The term "NAICS" has the same meaning as defined in G.S. 105-228.90.

(4) Any other information prescribed by the Secretary.

"**SECTION 32.14A.(e)** The informational report is due by April 15, 2016. A taxpayer may not request an extension of time to file the informational report. The Secretary shall assess a civil penalty of five thousand dollars ($5,000) for failure to timely file an informational report required under this section. The Secretary may reduce or waive the penalty as provided in G.S. 105-237.

"**SECTION 32.14A.(f)** This section is effective when it becomes law."

PART XI. EFFECTIVE DATE

SECTION 11.1. Except as otherwise provided, this act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 11:10 a.m. this 1st day of October, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-254
HOUSE BILL 272

AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT PRO TEMPORE OF THE SENATE, AND THE MINORITY LEADER OF THE SENATE.

Whereas, G.S. 120-121 authorizes the General Assembly to make certain appointments to public offices upon the recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate; and

Whereas, the Speaker of the House of Representatives and the President Pro Tempore of the Senate 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 Minority Leader of the Senate; and

Whereas, the Minority Leader of the Senate has made a recommendation; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. SPEAKER'S APPOINTMENTS

SECTION 1.1. Effective October 1, 2015, Lavonda Daniels of Durham County is appointed to the African-American Heritage Commission for a term expiring on September 30, 2018.

SECTION 1.2. Harold T. Owen of Alamance County is appointed to the North Carolina Arboretum Board of Directors for a term expiring on June 30, 2016, to fill the unexpired term of Lucas S. Jack.

SECTION 1.3. Thomas C. Hege of Davidson County is appointed to the Agricultural Finance Authority for a term expiring on June 30, 2018.

SECTION 1.4. John Thompson of Robeson County and John Walsh of Iredell County are appointed to the Alarm Systems Licensing Board for terms expiring on June 30, 2018.

SECTION 1.5. Effective October 1, 2015, Dr. Karen McCulloch of Orange County and Dr. Erwin Manalo of Pitt County are appointed to the North Carolina Brain Injury Advisory Council for terms expiring on September 30, 2019.

SECTION 1.6. Kent Jackson of Wake County is appointed to the State Building Commission for a term expiring on June 30, 2018.

SECTION 1.7. Heather L. Bosher of Cumberland County is appointed to the North Carolina Cemetery Commission for a term expiring on June 30, 2017, to fill the unexpired term of Richard Lagatore.

SECTION 1.8. Kieran Shanahan of Wake County and R. Doyle Parrish of Wake County are appointed to the Centennial Authority for terms expiring on June 30, 2019.

SECTION 1.9. Anthony Helton of Rutherford County is appointed to the North Carolina Charter Schools Advisory Board for a term expiring on June 30, 2019.

SECTION 1.10.(a) Vickie H. Koch of Wake County is appointed to the Childcare Commission for a term expiring June 30, 2016, to fill the unexpired term of Susan Creech.

SECTION 1.10.(b) Glenda Weinert of Buncombe County and Lisa Humphreys of Wake County are appointed to the Childcare Commission for terms expiring on June 30, 2017.

SECTION 1.11. Dr. Richard K. Davis, Jr., of Catawba County is appointed to the State Board of Chiropractic Examiners for a term expiring on June 30, 2017.

SECTION 1.12. Effective August 1, 2015, J. Frank Bragg of Mecklenburg County is appointed to the Clean Water Management Trust Fund Board of Trustees for a term expiring on July 31, 2017.

SECTION 1.13. Lawrence F. Baldwin of Carteret County is appointed to the Coastal Resources Commission for a term expiring on June 30, 2018.

SECTION 1.14. Mark A. Smith of Guilford County and Nathan A. Matthews of Catawba County are appointed to the North Carolina Code Officials Qualifications Board for terms expiring on June 30, 2019.

SECTION 1.15. Baldwin R. Mitchell, Jr., of Wilson County is appointed to the North Carolina State Board of Cosmetic Art Examiners for a term expiring on June 20, 2018.

SECTION 1.16. Tammy Huffman West of Catawba County is appointed to the Crime Victims Compensation Commission for a term expiring on June 30, 2019.

SECTION 1.17. R. Steven Johnson of Wake County, Richard W. Parks of Nash County, Angela L. Williams of Guilford County, and David L. Dail of Caswell County are appointed to the North Carolina Criminal Justice Education and Training Standards Commission for terms expiring on June 30, 2017.

SECTION 1.18. Ronnie D. Edwards of Henderson County and Norlan Graves of Halifax County are appointed to the Criminal Justice Information Network Governing Board for terms expiring on June 30, 2019.

SECTION 1.19. Helene Edwards of Cumberland County is appointed to the North Carolina Board of Dietetics/Nutrition for a term expiring on June 30, 2018.

SECTION 1.20. Tyler B. Morris of Wake County and Bradley Lail of Catawba County are appointed to the Disciplinary Hearing Commission of the North Carolina State Bar for terms expiring on June 30, 2018.

SECTION 1.21. Effective October 1, 2015, Lorrie Dollar of Wake County is appointed to the Dispute Resolution Commission for a term expiring on September 30, 2018.

SECTION 1.22. Effective September 1, 2015, Mary Lopez Carter of Orange County, Erica S. Gallion of Harnett County, and the Honorable Robert M. Wilkins of Randolph County are appointed to the Domestic Violence Commission for terms expiring on August 31, 2017.

SECTION 1.23. Effective January 1, 2016, Kevin T. Stanley of Mecklenburg County is appointed to the North Carolina Emergency Medical Services Advisory Council for a term expiring on December 31, 2019.

SECTION 1.24. Clyde E. "Butch" Smith of Polk County is appointed to the Environmental Management Commission for a term expiring on June 30, 2019.

SECTION 1.25. Robert "Scott" Clontz of Iredell County is appointed to the Board of Directors of the North Carolina Global TransPark Authority for a term expiring on June 30, 2019.

SECTION 1.26. Joseph B. Ramsey, Jr., of Wake County is appointed to the Home Inspector Licensure Board for a term expiring on July 1, 2019.

SECTION 1.27. Tom Smith of Wake County, James E. Nance of Stanly County, Paul S. Jaber of Nash County, and James W. Oglesby of Buncombe County are appointed to the North Carolina Housing Finance Agency Board of Directors for terms expiring on June 30, 2017.

SECTION 1.28. Effective September 1, 2015, Daniel W. Kornelis of Forsyth County, Roger L. Earnhardt of Wake County, Scott Dedman of Buncombe County, Brian Coyle of Wake County, and Melody Smith of Wake County are appointed to the North Carolina Housing Partnership for terms expiring on August 31, 2018.

SECTION 1.29. Lisa P. Shock of Orange County is appointed to the Board of Directors of the North Carolina Institute of Medicine for a term expiring on January 1, 2018, to fill the unexpired term of Ronald Maddox.

SECTION 1.30. Effective October 1, 2015, Jeffrey M. Edwards of Granville County is appointed to the North Carolina Irrigation Contractors' Licensing Board for a term expiring on September 30, 2018.

SECTION 1.31. Matthew A. Grindstaff of Mitchell County, Ashley M. Honeycutt of Wake County, Wanda Moore of New Hanover County, Karen A. McCall of Durham County, Ryan S. Swanson of Wake County, Representative Becky Carney of Mecklenburg County, Representative Dan Bishop of Mecklenburg County, and Representative Larry

Yarborough of Granville County are appointed to the Justus-Warren Heart Disease and Stroke Prevention Task Force for terms expiring on June 30, 2017.

SECTION 1.32. Effective January 1, 2016, Rafe Rountree of Martin County is appointed to the North Carolina Locksmith Licensing Board for a term expiring on December 31, 2018.

SECTION 1.33. Dean J. Jordan of Wake County is appointed to the Judicial Standards Commission for a term expiring December 31, 2020, to fill the unexpired term of James Testa.

SECTION 1.34. Ashley "Luke" Foster of Wake County, Nina S. Walker of Moore County, and Douglas S. Ramsey of Alexander County are appointed to the North Carolina Manufactured Housing Board for a term expiring on June 30, 2018.

SECTION 1.35. Melissa Ann Smith of Guilford County and Renee D. Hays of Wake County are appointed to the North Carolina Board of Massage and Bodywork Therapy for terms expiring on June 30, 2018.

SECTION 1.36.(a) Charles "Wayne" Dixon of Yadkin County is appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for a term expiring on June 30, 2017, to fill the unexpired term of Justin Brackett.

SECTION 1.36.(b) Dr. Peggy S. Terhune of Randolph County, Ann Shaw of Randolph County, and Roger L. Dillard, Jr., of Forsyth County are appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for terms expiring on June 30, 2018.

SECTION 1.37. R. Gene Davis of Wake County and Mary Jo Cresimore of Wake County are appointed to the Board of Trustees of the North Carolina Museum of Art for a term expiring on June 30, 2017.

SECTION 1.38. Gregory F. Hauser of Mecklenburg County is appointed to the 911 Board for a term expiring on December 31, 2018, to fill the unexpired term of Johnny T. Cole.

SECTION 1.39. Effective January 1, 2016, Patricia T. Campbell of Iredell County is appointed to the North Carolina Board of Nursing for a term expiring on December 31, 2019.

SECTION 1.40. Diana Rashash of Onslow County is appointed to the North Carolina Onsite Wastewater Contractors and Inspectors Certification Board for a term expiring on June 30, 2018.

SECTION 1.41.(a) Effective October 1, 2015, William "Larry" Stone of Cleveland County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2016.

SECTION 1.41.(b) Effective October 1, 2015, Harry M. Shaw of New Hanover County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2017.

SECTION 1.41.(c) Effective October 1, 2015, Cameron V. Boltes of Beaufort County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2018.

SECTION 1.42. Dr. Vinod K. Goel of Wake County is appointed to the North Carolina Parks and Recreation Authority for a term expiring on July 1, 2018.

SECTION 1.43. The Honorable Joy A. Jones of Johnston County is appointed to the Permanency Innovation Initiative Oversight Committee for a term expiring on June 30, 2018.

SECTION 1.44. Thomas W. Adams of Brunswick County is appointed to the North Carolina State Ports Authority for a term expiring on June 30, 2017.

SECTION 1.45. Jeremy Johnson of Pamlico County is appointed to the North Carolina Principal Fellows Commission for a term expiring on June 30, 2019.

SECTION 1.46. Marcus Benson of New Hanover County, William J. Fletcher, Jr., of Wilkes County, David C. Arndt of Surry County, and Clyde R. Cook, Jr., of Wake County are appointed to the Private Protective Services Board for terms expiring on June 30, 2018.

SECTION 1.47. Terry Wheeler of Dare County is appointed to the State Property Tax Commission for a term expiring on June 30, 2019.

SECTION 1.48. John Michael Causey of Guilford County is appointed to the Public Officers and Employees Liability Insurance Committee for a term expiring on June 30, 2019.

SECTION 1.49. The Honorable George Rountree III of New Hanover and Gervais A. Oxendine of Robeson County are appointed to the North Carolina Railroad Company Board of Directors for terms expiring on June 30, 2019.

SECTION 1.50. Tracy J. Warren of Beaufort County is appointed to the North Carolina Recreational Therapy Licensure Board for a term expiring on June 30, 2016, to fill the unexpired term of Dianne Layden.

SECTION 1.51. Effective September 1, 2015, Dr. Eric L. Olson of Durham County and Larry Bruce Simpson of Alamance County are appointed to the North Carolina Respiratory Care Board for terms expiring on August 31, 2018.

SECTION 1.52. Gayle S. Drummond of Dare County, William F. Small of Dare County, and Earl W. Willis, Jr., of Chowan County are appointed to the Roanoke Island Commission for terms expiring on June 30, 2017.

SECTION 1.53. Danny E. Britt, Jr., of Robeson County, Garth K. Dunklin of Mecklenburg County, and Stephanie M. Simpson of Wake County are appointed to the Rules Review Commission for terms expiring on June 30, 2017.

SECTION 1.54.(a) G.S. 143B-472.128(c) requires the terms of members of the Rural Infrastructure Authority to be staggered. To stagger the terms of the members appointed on November 21, 2013, to the Rural Infrastructure Authority pursuant to G.S. 143B-472.128(b)(3), the terms of those members shall be amended as follows:

(1) Lee Grantham's term expired on June 30, 2014.
(2) Darrell McCormick's term expired on June 30, 2015.
(3) Brady Dickson's term expired on June 30, 2015.
(4) Elizabeth Foster's term shall expire on June 30, 2016.
(5) Lige Daughtridge's term shall expire on June 30, 2016.

SECTION 1.54.(b) Frank A. Stewart of Gaston County is appointed to the Rural Infrastructure Authority for a term expiring on June 30, 2016, to fill the unexpired term of Elizabeth Foster.

SECTION 1.54.(c) Lee Grantham of Robeson County is appointed to the Rural Infrastructure Authority for a term expiring on June 30, 2017.

SECTION 1.54.(d) Effective July 1, 2015, the Honorable Darrell McCormick of Yadkin County and Brady Dickson of Montgomery County are appointed to the Rural Infrastructure Authority for terms expiring on June 30, 2018.

SECTION 1.55. Bradley W. Langston of Forsyth County is appointed to the North Carolina Marine Industrial Park Authority for a term expiring on June 30, 2017.

SECTION 1.56. Dr. Ellen C. Collett of Burke County and Paul Powell of Guilford County are appointed to the Board of Trustees of the North Carolina School of Science and Mathematics for terms expiring on June 30, 2017.

SECTION 1.57. Enoch Moeller of Caldwell County is appointed to the North Carolina Board of Science and Technology for a term expiring on June 30, 2017.

SECTION 1.58. Sheriff James "Alan" Norman of Cleveland County is appointed to the North Carolina Sheriffs' Education and Training Standards Commission for a term expiring on June 30, 2017.

SECTION 1.59. Dr. Warren Newton of Orange County is appointed to the Board of Trustees of the State Health Plan for Teachers and State Employees for a term expiring on June 30, 2017.

SECTION 1.60.(a) G.S. 159G-70(b) requires the terms of State Water Infrastructure Authority members to be staggered. To stagger the terms, the term of the Honorable Calvin H. Stiles of Cherokee County to the State Water Infrastructure Authority expires on July 1, 2016.

SECTION 1.60.(b) Maria S. Hunnicutt of Rutherford County is appointed to the State Water Infrastructure Authority for a term expiring on July 1, 2017.

SECTION 1.61. Michael "Greg" Patterson of Wake County is appointed to the Board of Trustees of the Teachers' and State Employees' Retirement System for a term expiring on June 30, 2017.

SECTION 1.62. Culley C. Carson IV of Wake County is appointed to the University of North Carolina Center for Public Television Board of Trustees for a term expiring on June 30, 2017.

SECTION 1.63. Roger W. Knight of Wake County is appointed to the Umstead Review Panel for a term expiring on June 30, 2017, to fill the unexpired term of Robert T. "Bob" Numbers II.

SECTION 1.64. Douglas C. McVey of Madison County is appointed to the Well Contractors Certification Commission for a term expiring on June 30, 2018.

SECTION 1.65. The Honorable Timothy L. Spear of Washington County, John A. Stone of Moore County, Dean D. Proctor of Catawba County, and Tommy Fonville of Wake County are appointed to the North Carolina Wildlife Resources Commission for terms expiring on June 30, 2017.

SECTION 1.66.(a) Raymond P. Covington of Guilford County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2016.

SECTION 1.66.(b) Dr. Karen Sullivan Glaser of Lee County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2017.

SECTION 1.66.(c) Charles Taylor of Lee County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2018.

SECTION 1.67.(a) Johnny Hutchins of Cleveland County is appointed to the North Carolina Mining Commission for a term expiring on June 30, 2019.

SECTION 1.67.(b) Samuel T. Bratton of Wake County is appointed to the North Carolina Mining Commission for a term expiring on June 30, 2020.

PART II. PRESIDENT PRO TEMPORE'S RECOMMENDATIONS

SECTION 2.1.(a) Toni Rittenburg of Craven County is appointed to the Acupuncture Licensing Board for a term expiring on June 30, 2016, to fill the unexpired term of Nancy Fuller.

SECTION 2.1.(b) Shandy Cline of Caldwell County is appointed to the Acupuncture Licensing Board for a term expiring on June 30, 2018.

SECTION 2.2. Effective October 1, 2015, Charles E. Evans of Cumberland County is appointed to the African-American Heritage Commission for a term expiring on September 30, 2018.

SECTION 2.3. R. Gerald Warren of Sampson County is appointed to the North Carolina Agricultural Finance Authority for a term expiring on July 1, 2018.

SECTION 2.4.(a) Margaret Sandrock of Harnett County is appointed to the North Carolina Appraisal Board for a term expiring on June 30, 2017, to fill the unexpired term of David Goldberg.

SECTION 2.4.(b) The Honorable Fern Haywood Shubert of Guilford County is appointed to the North Carolina Appraisal Board for a term expiring on June 30, 2018.

SECTION 2.5. Janah Fletcher of Guilford County and Kevin D. Allran of Mecklenburg County are appointed to the North Carolina Board of Athletic Trainer Examiners for terms expiring on June 30, 2018.

SECTION 2.6. Effective October 1, 2015, Ryan Harshman of Onslow County, Donna White of Wake County, and Carol S. Gouge of Davidson County are appointed to the North Carolina Brain Injury Advisory Council for terms expiring on September 30, 2019.

SECTION 2.7. Sherry Reeves of Pamlico County is appointed to the North Carolina Charter Schools Advisory Board for a term expiring on June 30, 2017.

SECTION 2.8. April Duvall of Macon County, Melanie C. Gayle of Moore County, and William C. Walton III of Pitt County are appointed to the North Carolina Child Care Commission for terms expiring on June 30, 2017.

SECTION 2.9. Philip Isley of Wake County, Patricia A. Long of Wake County, Wendell Holmes Murphy of Duplin County, Randall C. Ramsey of Carteret County, and Cassius Williams of Wake County are appointed to the Centennial Authority for terms expiring on June 30, 2019.

SECTION 2.10. Orson Scott Card of Guilford County is appointed to the University of North Carolina Center for Public Television Board of Trustees for a term expiring on June 30, 2017.

SECTION 2.11.(a) G.S. 13A-255(b) requires the terms of the members of the North Carolina Clean Water Management Trust Fund Board of Trustees to be staggered. To stagger the terms, William Toole of Gaston County is appointed to the North Carolina Clean Water Management Trust Fund Board of Trustees for a term expiring on July 1, 2016.

SECTION 2.11.(b) Johnny Martin of Wake County is appointed to the North Carolina Clean Water Management Trust Fund Board of Trustees for a term expiring on July 1, 2018.

SECTION 2.12. Phil Norris of Brunswick County is appointed to the North Carolina Coastal Resources Commission for a term expiring on June 30, 2019.

SECTION 2.13.(a) G.S. 143-151.9(b) requires the terms of the members of the North Carolina Code Qualification Board to be staggered. To stagger the terms, Kenneth D. Stafford of Alamance County is appointed to the North Carolina Code Officials Qualification Board for a term expiring on July 1, 2017.

SECTION 2.13.(b) Ray Rice of Alamance County is appointed to the North Carolina Code Officials Qualification Board for a term expiring on July 1, 2019.

SECTION 2.14. Ron Parrish of Alamance County, Richard Epley of Burke County, Teresa Jardon of Caldwell County, and Michael Slagle of Mitchell County are appointed to the North Carolina Criminal Justice Education and Training Standards Commission for terms expiring on June 30, 2017.

SECTION 2.15. Shaynee Roper of Durham County is appointed to the North Carolina Board of Dietetics/Nutrition for a term expiring on June 30, 2018.

SECTION 2.16. Randy A. Moreau of New Hanover County is appointed to the Disciplinary Hearing Commission of the North Carolina State Bar for a term expiring on June 30, 2018.

SECTION 2.17. Effective September 1, 2015, Cathy Cloninger of Gaston County, Nathaniel C. Parker of Wake County, Pamela T. Thompson of Alamance County, and Rekha J. Parikh of Wake County are appointed to the Domestic Violence Commission for terms expiring on August 31, 2017.

SECTION 2.18. Effective December 1, 2015, D. Anthony Blackman of Wake County is appointed to the Economic Investment Committee for a term expiring on November 30, 2017.

SECTION 2.19. Effective January 1, 2016, Senator Dan Soucek of Watauga County is appointed to the Education Commission of the States for a term expiring on December 31, 2017.

SECTION 2.20. Effective January 1, 2016, James R. Gusler of Caswell County is appointed to the North Carolina Emergency Medical Services Advisory Council for a term expiring on December 31, 2019.

SECTION 2.21. Effective August 1, 2015, David W. Anderson of Johnston County and Charles M. Elam of Pender County are appointed to the North Carolina Environmental Management Commission for terms expiring on July 31, 2019.

SECTION 2.22. Craig Olive of Johnston County is appointed to the North Carolina Board of Funeral Service for a term expiring on December 31, 2017.

SECTION 2.23. George Andrew of Brunswick County and Joseph W. Koletar of Brunswick County are appointed to the Board of Directors of the North Carolina Global TransPark Authority for terms expiring on June 30, 2019.

SECTION 2.24. Fred J. Herndon of Durham County is appointed to the North Carolina Home Inspector Licensure Board for a term expiring on June 30, 2019.

SECTION 2.25. Alton Stancil Barnes of Edgecombe County and Dean Carpenter of Gaston County are appointed to the North Carolina Housing Finance Agency Board of Directors for terms expiring June 30, 2017.

SECTION 2.26. Effective July 1, 2014, Ross Beamon of Wake County is appointed to the North Carolina Human Resources Commission for a term expiring on June 30, 2018.

SECTION 2.27.(a) Effective January 1, 2016, David Sousa of Wake County, Sarah R. Jordan of Watauga County, and Paul R. Cunningham of Pitt County are appointed to the North Carolina Institute of Medicine Board of Directors for terms expiring on December 31, 2019.

SECTION 2.27.(b) Leonard A. Ellis of Mitchell County is appointed to the North Carolina Institute of Medicine Board of Directors for a term expiring on December 31, 2017, to fill the unexpired term of Matthew T. Johnson.

SECTION 2.28. Effective October 1, 2015, Charles A. Allen of Cumberland County is appointed to the North Carolina Irrigation Contractors' Licensing Board for a term expiring on September 30, 2018.

SECTION 2.29.(a) Lauren Pruett of Davidson County is appointed to the North Carolina Interpreter and Transliterator Licensing Board for a term expiring on June 30, 2017.

SECTION 2.29.(b) Jeffrey Trader of Johnston County and Kim Calabretta of Wake County are appointed to the North Carolina Interpreter and Transliterator Licensing Board for a term expiring on June 30, 2018.

SECTION 2.30. Senator Ronald J. Rabin of Harnett County, Senator Chad Barefoot of Wake County, Senator Kathy Harrington of Gaston County, Helen Brann of Person County, Shonda Corbett of Wake County, David Huang of Orange County, Chris Dobbins of Gaston County, and Mike Patil of Orange County are appointed to the Justus-Warren Heart Disease and Stroke Prevention Task Force for terms expiring on June 30, 2017.

SECTION 2.31. Effective January 1, 2016, Rebecca Anderson of Forsyth County, Lloyd H. Jordan of Pitt County, and Lisa B. McCanna of Cabarrus County are appointed to the License to Give Trust Fund Commission for terms expiring on December 31, 2017.

SECTION 2.32. Effective January 1, 2016, K. Reid Barbee of Onslow County and Phillip Lanier of Forsyth County are appointed to the North Carolina Locksmith Licensing Board for terms expiring on December 31, 2018.

SECTION 2.33. Effective October 1, 2015, the Honorable Hugh Webster of Alamance County is appointed to the North Carolina Manufactured Housing Board expiring on September 30, 2018.

SECTION 2.34. Johnnie Robbins of Dare County is appointed to the North Carolina Marine Industrial Park Authority for a term expiring on June 30, 2017.

SECTION 2.35. Kimberly L. Turk of Durham County is appointed to the North Carolina Board of Massage and Bodywork Therapy for a term expiring on June 30, 2017, to fill the unexpired term of Darinda Davis.

SECTION 2.36. Melissa Gott of New Hanover County is appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for a term expiring on June 30, 2018.

SECTION 2.37. Shreita Powers of Forsyth County and Cindy Marrelli of Wake County are appointed to the Board of Trustees of the North Carolina Museum of Art for terms expiring on June 30, 2017.

SECTION 2.38. Glenn Hines of Currituck County is appointed to the North Carolina On-Site Wastewater Contractors and Inspectors Certification Board for a term expiring on June 30, 2018.

SECTION 2.39.(a) Effective October 1, 2015, Owen D. Andrews of Craven County is appointed to the North Carolina Outdoor Heritage Advisory Council for a term expiring on September 30, 2016.

SECTION 2.39.(b) Effective October 1, 2015, Kevin Howell of Henderson County is appointed to the North Carolina Outdoor Heritage Advisory Council for a term expiring on September 30, 2017.

SECTION 2.39.(c) Effective October 1, 2015, Arthur Dick of Guilford County is appointed to the North Carolina Outdoor Heritage Advisory Council for a term expiring on September 30, 2018.

SECTION 2.40.(a) Chad R. Brown of Gaston County is appointed to the North Carolina Parks and Recreation Authority for a term expiring on June 30, 2017, to fill the unexpired term of Westin Boardeaux.

SECTION 2.40.(b) Lisa Wolff of Alamance County is appointed to the North Carolina Parks and Recreation Authority for a term expiring on June 30, 2018.

SECTION 2.41. Kristin C. O'Connor of Wake County is appointed to the Permanency Innovation Initiative Oversight Committee for a term expiring on June 30, 2018.

SECTION 2.42. Mary English Comer of Wake County is appointed to the North Carolina Principal Fellows Commission for a term expiring on June 30, 2019.

SECTION 2.43. Richard Epley of Burke County, William Macrae of Wake County, and Eric Weaver of Wake County are appointed to the Private Protective Services Board for terms expiring on June 30, 2018.

SECTION 2.44. Graham H. Atkinson of Surry County is appointed to the Public Officers and Employees Liability Insurance Commission for a term expiring on June 30, 2019.

SECTION 2.45. Michael Walters of Robeson County and Franklin Rouse of Brunswick County are appointed to the North Carolina Railroad Company Board of Directors for terms expiring on June 30, 2019.

SECTION 2.46. Effective November 1, 2015, Edward C. Bratzke of Wake County is appointed to the North Carolina Respiratory Care Board for a term expiring on October 31, 2018.

SECTION 2.47. Robert H. Quinn of Chowan County, John Robbins of Dare County, and Peregrine White of Dare County are appointed to the Roanoke Island Commission for terms expiring on June 30, 2017.

SECTION 2.48. Margaret Currin of Wake County, John Randolph Hemphill of Wake County, Jeffrey T. Hyde of Guilford County, Robert Bryan of Wake County, and Jeffrey Poley of Wake County are appointed to the Rules Review Commission for terms expiring on June 30, 2017.

SECTION 2.49. Charles M. DeVane of Bladen County is appointed to the Rural Infrastructure Authority for a term expiring on June 30, 2018.

SECTION 2.50. Samuel H. Houston of Wake County is appointed to the North Carolina Board of Science and Technology for a term expiring on June 30, 2017.

SECTION 2.51. W.M. Nichols of Wake County is appointed to the North Carolina Sheriffs' Education and Training Standards Commission for a term expiring on June 30, 2017.

SECTION 2.52. Aaron K. Thomas of Robeson County is appointed to the North Carolina State Building Commission for a term expiring on June 30, 2018.

SECTION 2.53. Dr. Aaron McKethan of Orange County is appointed to the Board of Trustees of the State Health Plan for Teachers and State Employees for a term expiring on June 30, 2017.

SECTION 2.54. Daniel Locklear of Robeson County is appointed to the North Carolina State Commission of Indian Affairs for a term expiring on June 30, 2017.

SECTION 2.55. Erica S. Gallion of Harnett County is appointed to the State Judicial Council for a term expiring on December 31, 2018.

SECTION 2.56. William Peaslee of Wake County is appointed to the State Property Tax Commission for a term expiring on June 30, 2019.

SECTION 2.57. Pat Joyce of Carteret County is appointed to the North Carolina State Ports Authority for a term expiring on June 30, 2017.

SECTION 2.58. Warren "Lentz" Brewer of New Hanover County is appointed to the Board of Trustees of the Teachers' and State Employees' Retirement System for a term expiring on June 30, 2017.

SECTION 2.59. Jim Walker of Gaston County is appointed to the North Carolina Turnpike Authority Board for a term expiring on January 14, 2019.

SECTION 2.60. Daniel Ortiz of Sampson County is appointed to the Well Contractors Certification Commission for a term expiring on June 30, 2018.

SECTION 2.61. Mark Craig of Guilford County, Landon Zimmer of New Hanover County, Garry Spence of Mecklenburg County, and Thomas Berry of Guilford County are appointed to the North Carolina Wildlife Resources Commission for terms expiring on June 30, 2017.

SECTION 2.62.(a) Brian K. North of Guilford County is appointed to the North Carolina Mining Commission for a term expiring on June 30, 2017.

SECTION 2.62.(b) Douglas Boyette II of Wake County is appointed to the North Carolina Mining Commission for a term expiring on June 30, 2021.

SECTION 2.63.(a) Kirk D. Smith of Lee County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2016.

SECTION 2.63.(b) John T. Lucey Jr. of New Hanover County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2017.

SECTION 2.63.(c) James K. Womack of Lee County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2018.

PART III. SENATE MINORITY LEADER'S RECOMMENDATIONS

SECTION 3. Effective January 1, 2015, Monika Hostler of Wake County is appointed to the North Carolina Partnership for Children, Inc., Board of Directors for a term expiring on December 31, 2017.

PART IV. EFFECTIVE DATE

SECTION 4.1. Unless otherwise specified, all appointments made by this act are for terms to begin upon ratification of this act.

SECTION 4.2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of September, 2015.

s/ Brent Jackson
Presiding Officer of the Senate

s/ David R. Lewis
Presiding Officer of the House of Representatives

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-67
HOUSE BILL 274

AN ACT TO ENACT THE RETIREMENT TECHNICAL CORRECTIONS ACT OF 2015.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-1(10) reads as rewritten:

"(10) "Employee" shall mean all full-time employees, agents or officers of the State of North Carolina or any of its departments, bureaus and institutions other than educational, whether such employees are elected, appointed or employed: Provided that the term "employee" shall not include any person who is a member of the Consolidated Judicial Retirement System, any member of the General Assembly or any part-time or temporary employee. Notwithstanding any other provision of law, "employee" shall include all employees of the General Assembly except participants in the Legislative Intern Program, pages, and beneficiaries in receipt of a monthly retirement allowance under this Chapter who are reemployed on a temporary basis. "Employee" also includes any participant whose 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, if that participant was an employee at the time of the interruption; 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. In all cases of doubt, the Board of Trustees shall determine whether any person is an employee as defined in this Chapter. "Employee" shall also mean every full-time civilian employee of the North Carolina National Guard who is employed pursuant to section 709 of Title 32 of the United States Code and paid from federal appropriated funds, but held by the federal authorities not to be a federal employee: Provided, however, that the authority or agency paying the salaries of such employees shall deduct or cause to be deducted from each employee's salary the employee's contribution in accordance with applicable provisions of G.S. 135-8 and remit the same, either directly or indirectly, to the Retirement System; coverage of employees described in this sentence shall commence upon the first day of the calendar year or fiscal year, whichever is earlier, next following the date of execution of an agreement between the Secretary of Defense of the United States and the Adjutant General of the State acting for the Governor in behalf of the State, but no credit shall be allowed pursuant to this sentence for any service previously rendered in the above-described capacity as a civilian employee of the North Carolina National Guard: Provided, further, that the Adjutant General, in the Adjutant General's discretion, may terminate the Retirement System coverage of the above-described North Carolina National Guard employees if a federal retirement system is established for such employees and the Adjutant General elects to secure coverage of such employees under such federal retirement system. Any full-time civilian employee of the North Carolina National Guard described above who is now or hereafter may become a member of the Retirement System may secure Retirement System credit for

such service as a North Carolina National Guard civilian employee for the period preceding the time when such employees became eligible for Retirement System coverage by paying to the Retirement System an amount equal to that which would have constituted employee contributions if the employee had been a member during the years of ineligibility, plus interest. Employees of State agencies, departments, institutions, boards, and commissions who are employed in permanent job positions on a recurring basis ~~and who~~must work at least 30 ~~or more~~ hours per week for nine or more months per calendar year ~~are~~in order to be covered by the provisions of this subdivision. On and after August 1, 2001, a person who is a nonimmigrant alien and who otherwise meets the requirements of this subdivision shall not be excluded from the definition of "employee" solely because the person holds a temporary or time-limited visa."

SECTION 2. G.S. 135-106(b) reads as rewritten:

"(b) After the commencement of benefits under this section, the benefits payable under the terms of this section during the first 36 months of the long-term disability period 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 any 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, any other federal agency or 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. 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.~~entitled, effective as of the first of the month following the month of initial entitlement.

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, 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 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 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."

SECTION 3.(a) G.S. 135-151(e) reads as rewritten:

"(e) Treatment of Unused Assets. – Any assets of the QEBA plan not used to pay benefits in the current ~~fiscal~~calendar year shall be used for payment of the administrative expenses of the QEBA for the current or future ~~fiscal~~calendar years or shall be paid to the Retirement System as an additional employer contribution."

SECTION 3.(b) G.S. 128-38.10(f) reads as rewritten:

"(f) Treatment of Unused Assets. – Any assets of the QEBA plan not used to pay benefits in the current ~~fiscal~~calendar year shall be used for payment of the administrative expenses of the QEBA for the current or future ~~fiscal~~calendar years or shall be paid to the Retirement System as an additional employer contribution."

SECTION 4. G.S. 128-29.1 is repealed.

SECTION 5. G.S. 114-2.4A(c) reads as rewritten:

"(c) Exception. – Subsections (b) and (e) of this section shall not apply ~~to funds~~ to:

(1) Funds received by the Department of Health and Human Services to the extent those funds represent the recovery of previously expended Medicaid funds.

(2) Funds received by the Escheat Fund and benefit plans administered by the Department of State Treasurer."

SECTION 6. G.S. 135-4(g) reads as rewritten:

"(g) Teachers and other State employees who served in the uniformed services as defined in the Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. § 4303, who were not dishonorably discharged, and ~~who, after being honorably discharged,~~who returned to the service of the State within a period of two years from date of discharge shall be credited with prior service for such period of service in the uniformed services for the maximum period that they are entitled to reemployment under the Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. § 4301, et seq., or other federal law, and the salary or compensation of such a teacher or State employee during that period of service is deemed to be that salary or compensation the employee would have received but for the period of service had the employee remained continuously employed, if the determination of that salary or compensation is reasonably certain. If the determination of the salary or compensation is not reasonably certain, then it is deemed to be that employee's average rate of compensation during the 12-month period immediately preceding the period of service. When a member who has served in the uniformed services returns to work in compliance with the conditions of this subsection, that member's employer shall remit to the System all employer and employee contributions for the full period of that member's military service."

SECTION 7. This act becomes effective July 1, 2015.
In the General Assembly read three times and ratified this the 1st day of June, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:00 a.m. this 11th day of June, 2015

SESSION LAW 2015-168
HOUSE BILL 276

AN ACT TO ENACT THE AGENCY PARTICIPATION PROCEDURES ACT OF 2015.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-5.3 reads as rewritten:

"§ 135-5.3. Optional participation for charter schools operated by private nonprofit corporations.

~~(a) The board of directors of each charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Retirement System in accordance with this Article. This election shall be in writing, shall be made no later than 30 days after this section becomes law, and shall be filed with the Retirement System and with the State Board of Education. For each charter school employee who is employed on or before the date the board makes the election to participate, membership in the System is effective as of the date the board makes the election to participate. For each charter school employee who is employed after the date the board makes the election, membership in the System is effective as of the date of that employee's entry into eligible service. This subsection applies only to charter schools that received State Board of Education approval under [former] G.S. 115C-238.29D in 1997 or 1998.~~

~~(b) No later than 30 days after both parties have signed the written charter under G.S. 115C-218.15, the board of directors of a charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Retirement System in accordance with this Article. This election shall be in writing and filed with the Retirement System and with the State Board of Education and is effective for each charter school employee as of the date of that employee's entry into eligible service. This subsection applies to charter schools that receive State Board of Education approval under [former] G.S. 115C-238.29D [or G.S. 115C-218.5] after 1998.~~

(b1) The board of directors of a charter school operated by a private nonprofit corporation and that has received State Board of Education approval under G.S. 115C-218.5 may elect to become a participating employer in the Retirement System in accordance with this Article.

(b2) A charter school desiring to participate in the Retirement System shall file with the Board of Trustees an application for participation on a form approved by the Board of Trustees. In the application, the charter school shall agree to make the contributions required of participating employers, to deduct from the salaries of employees who may become members the contributions required of members under this Chapter, and to transmit the contributions to the Board of Trustees. The charter school shall also agree to make the employer's contributions for the participation in the Retirement System of all employees entering the service of the employer, after the charter school's participation begins, who shall become members.

(b3) A charter school seeking to become a participating employer in the Retirement System prior to the end of the initial year of operation shall be granted provisional entry into the Retirement System for one year. In the event the employee or employer contributions required under G.S. 135-8(f) are not received by the date set by the Board of Trustees, the Board of Trustees may revoke the charter school's provisional entry into the Retirement System. The Board must notify a charter school in writing not less than 90 days prior to revoking a charter school's provisional entry into the Retirement System. One year after the charter school was granted provisional entry into the Retirement System, the charter school shall undergo an actuarial and financial review as required by the Board of Trustees.

(b4) A charter school seeking to become a participating employer in the Retirement System after the end of the initial year of operation shall undergo an actuarial and financial review as required by the Board of Trustees prior to entry into the Retirement System.

(b5) The actuarial review will result in an estimate of the amount of the withdrawal liability that would be required under G.S. 135-8(i) to cease participation in the Retirement System after five years and the amount that would be required to cease participation after 10 years. The cost of this actuarial review shall be paid by the charter school and shall not exceed two thousand five hundred dollars ($2,500). A charter school that was granted provisional entry into the Retirement System shall not be required to pay the cost of this actuarial review, and this cost may be classified as costs of administering investment programs under G.S. 147-69.3.

(b6) The financial review will be based on financial statements and independent audit reports held by the Local Government Commission or functionally equivalent financial statements and independent audit reports submitted to the Board of Trustees by the charter school.

(b7) The Board of Trustees may grant final approval of the application if it finds the following:

(1) The application meets the requirements set out in this Article.

(2) All members of the board of directors of the charter school have signed a written statement acknowledging and accepting the estimate provided under subsection (b5) of this section and the provisions of G.S. 135-8(i).

(3) The charter school has not been identified as inadequate by the State Board of Education as provided in G.S. 115C-218.95(b).

(4) The charter school's most recent audited financial statements and independent audit report demonstrate that it is financially sound and can meet the financial obligations of participation in the Retirement System.

(b8) Upon acceptance by the Board of Trustees of the application to become a participating employer, the charter school shall be a fully participating employer in the Retirement System. The Board may make the final decision for acceptance of the application contingent upon the receipt of a financially sound independent audit report for the fiscal year ending prior to acceptance of the application.

(b9) For each charter school employee who is employed on or before the date the charter school is granted entry into the Retirement System, membership in the Retirement System is effective as of the date of entry. For each charter school employee who is employed after the date the charter school is granted entry into the Retirement System, membership in the Retirement System is effective as of the date of that employee's entry into eligible service. Provisional entry is considered entry into the Retirement System for the purpose of this subsection.

(c) A charter school board's election to become a participating employer in the Retirement System under this section ~~is irrevocable and~~ shall require all eligible employees of the charter school to participate.

(d) No retirement benefit, death benefit, or other benefit payable under the Retirement System shall be paid by the State of North Carolina or the Board of Trustees of the Teachers' and State Employees' Retirement System on account of employment with a charter school with respect to any employee, or with respect to any beneficiary of an employee, of a charter school ~~whose board of directors does not elect to become~~that is not a participating employer in the Retirement ~~System under this section.~~System.

(e) The board of directors of each charter school shall notify each of its employees as to whether the board elected to become a participating employer in the Retirement System under this section. This notification shall be in writing and shall be provided within 30 days of the board's election or at the time an initial offer for employment is made, whichever occurs last. If the board did not elect to join the Retirement System, the notice shall include a statement that the employee shall have no legal recourse against the board or the State for any possible credit or reimbursement under the Retirement System. The employee shall provide written acknowledgment of the employee's receipt of the notification under this subsection.

(f) The board of directors of a charter school may elect to cease participation in the Retirement System for all of its employees by following the procedure in G.S. 135-8(i)."

SECTION 2.(a) The catch line of G.S. 120-114 reads as rewritten:

"**§ 120-114. Actuarial ~~notes.~~notes; Retirement System cost estimates.**"

SECTION 2.(b) G.S. 120-114 is amended by adding a new subsection to read:

"(f) In addition to the other requirements of this section, if a bill or resolution contemplates removing a public agency as a participating employer from the Teachers' and State Employees' Retirement System or the Local Governmental Employees' Retirement System, the Fiscal Research Division shall obtain an estimate of cost of the withdrawal liability the agency would owe under procedures established by the Boards of Trustees of the Retirement Systems."

SECTION 3.(a) G.S. 135-8 is amended by adding a new subsection to read:

"(i) Procedure and Payment to Cease Participation. – Any employing unit that is allowed to cease participation in the Retirement System by the General Assembly or as otherwise provided in this Chapter, through its governing body, may declare its intent to withdraw completely from the Retirement System as follows:

(1) The employer shall notify its employees and the Board of Trustees, in writing, of its action. An employer shall automatically be considered to have requested a complete withdrawal from the Retirement System the date the employer permanently ceases to employ active members. A withdrawing employer shall be required to make a lump-sum withdrawal liability payment to the Board of Trustees as provided by this section.

(2) Complete withdrawal by an employer shall be the first day of the month following the date the employer ceases to employ active members or the first day of the month following 60 days from the date the Board of Trustees receives the employer's written request to withdraw. However, the complete withdrawal date shall not occur before the withdrawal liability is determined, as provided in subdivision (5) of this subsection.

(3) After complete withdrawal, all employees of the withdrawing employer shall be ineligible to accrue future benefits with the Retirement System due to employment with the withdrawing employer. The withdrawing employer shall be ineligible to elect to become a participating employer in the Retirement System, as provided in G.S. 135-5.3, for five years after its complete withdrawal date.

(4) All active or inactive members of the employer shall be eligible for benefits accrued with the Retirement System up to the complete withdrawal date. However, no retirement allowance or return of accumulated contributions shall be paid until the member actually terminates employment and completely separates from active service with the withdrawing employer, and there is no intent or agreement, express or implied, to return to service with the withdrawing employer.

(5) On the date of complete withdrawal, the withdrawal liability of an employer is the greater of one thousand dollars ($1,000) or the amount determined by a. multiplied by the ratio of b. to c., as follows:

a. The excess of the actuarial present value of the vested accrued benefits of the Retirement System's members over the market value of its assets, both as of the date of the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date based on the plan provisions and actuarial assumptions used in the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date, except the interest rate assumption shall be reduced by an amount determined by the consulting actuary to reflect the increased investment, mortality, and other actuarial risk for the exiting agency's participants.

b. The total present value of accrued benefits of all active members of the withdrawing employer as of the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date.

c. The total present value of accrued benefits of all active members of the Retirement System as of the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date.

(6) The actuarial costs to determine the amount described in subdivision (5) of this subsection shall be paid by the withdrawing employer. An employer that does not pay the lump-sum withdrawal liability payment described in subdivision (5) of this subsection and the actuarial costs to determine this

withdrawal liability within 90 days of the complete withdrawal date will continue to be a participating employer. No withdrawal liability payment shall be required if an employer exits before the end of the first year following the date of participation or if the Board of Trustees revokes entry as provided in G.S. 135-5.3(b8).

(7) Upon the complete withdrawal of the employer, the Retirement System shall have no further legal obligation to the employer or its employees, nor shall the Retirement System be held accountable for the continued future accrual of any retirement benefit rights to which the employees may be entitled beyond the complete withdrawal date. Any litigation regarding the forfeiture of any benefits because of the employer's complete withdrawal from the Retirement System shall be the sole legal responsibility of the withdrawing employer, and the withdrawing employer shall indemnify and hold harmless the Retirement System, its Board of Trustees, its employees, and the State of North Carolina from any claims, losses, costs, damages, expenses, and liabilities, including, without limitation, court costs, and reasonable attorneys' fees asserted by any person or entity as a result of the employer's withdrawal from the Retirement System."

SECTION 3.(b) G.S. 128-30 is amended by adding a new subsection to read:

"(i) Procedure and Payment to Cease Participation. – Any employing unit that is allowed to cease participation in the Retirement System by the General Assembly shall do the following:

(1) The employer shall notify its employees and the Board of Trustees, in writing, of its action. A withdrawing employer shall be required to make a lump-sum withdrawal liability payment to the Board of Trustees as provided by this section.

(2) Complete withdrawal by an employer shall be the first day of the month following the date the Board of Trustees receives the employer's written notification. However, the complete withdrawal date shall not occur before the withdrawal liability is determined, as provided in subdivision (5) of this subsection.

(3) After complete withdrawal, all employees of the withdrawing employer shall be ineligible to accrue future benefits with the Retirement System due to employment with the withdrawing employer.

(4) All active or inactive members of the employer shall be eligible for benefits accrued with the Retirement System up to the complete withdrawal date. However, no retirement allowance or return of accumulated contributions shall be paid until the member actually terminates employment and completely separates from active service with the withdrawing employer, and there is no intent or agreement, express or implied, to return to service with the withdrawing employer.

(5) On the date of complete withdrawal, the withdrawal liability of an employer is the greater of one thousand dollars ($1,000) or the amount determined by a. multiplied by the ratio of b. to c., as follows:

a. The excess of the actuarial present value of the vested accrued benefits of the Retirement System's members over the market value of its assets, both as of the date of the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date based on the plan provisions and actuarial assumptions used in the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date, except the interest rate assumption shall be reduced by an amount determined by the consulting actuary to reflect the increased investment, mortality, and other actuarial risk for the exiting agency's participants.

b. The total present value of accrued benefits of all active members of the withdrawing employer as of the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date.

c. The total present value of accrued benefits of all active members of the Retirement System as of the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date.

(6) The actuarial costs to determine the amount described in subdivision (5) of this subsection shall be paid by the withdrawing employer. An employer that does not pay the lump-sum withdrawal liability payment described in subdivision (5) of this subsection and the actuarial costs to determine this withdrawal liability within 90 days of the complete withdrawal date will continue to be a participating employer.

(7) Upon the complete withdrawal of the employer, the Retirement System shall have no further legal obligation to the employer or its employees, nor shall the Retirement System be held accountable for the continued future accrual of any retirement benefit rights to which the employees may be entitled beyond the complete withdrawal date. Any litigation regarding the forfeiture of any benefits because of the employer's complete withdrawal from the Retirement System shall be the sole legal responsibility of the withdrawing employer, and the withdrawing employer shall indemnify and hold harmless the Retirement System, its Board of Trustees, its employees, and the State of North Carolina from any claims, losses, costs, damages, expenses, and liabilities, including, without limitation, court costs, and reasonable attorneys' fees asserted by any person or entity as a result of the employer's withdrawal from the Retirement System."

SECTION 4. G.S. 115C-218.100 is amended by adding a new subsection to read:

"(a1) In the event of a voluntary or involuntary dissolution of the charter school, the funds reserved for closure proceedings in subsection (a) of this section shall be used to pay wages owed to charter school employees, funds owed to the North Carolina Retirement System pursuant to G.S. 135-8, and funds owed to the State Health Plan, in that order. Other expenses shall be paid from the remaining balance in the funds reserved for closure proceedings in subsection (a) of this section."

SECTION 5. G.S. 128-21 reads as rewritten:

"§ 128-21. Definitions.

The following words and phrases as used in this Article, unless a different meaning is plainly required by the context, shall have the following meanings:

...

(17) "Prior service" shall mean the service of a member rendered before the date he becomes a member of the System, certified on his prior service certificate and allowable as provided by G.S. 128-26. No prior service shall be allowed at any employer for which participation is adopted and approved by the Board of Trustees in this Retirement System on or after August 1, 2015.

...."

SECTION 6. G.S. 128-26(a) reads as rewritten:

"(a) Each person who becomes a member during the first year of his or her employer's participation, if and only if that participation begins prior to November 1, 2015, and who was an employee of the same employer at any time during the year immediately preceding the date of participation, shall file a detailed statement of all service rendered by him or her to that employer prior to the date of participation for which he or she claims credit."

SECTION 7.(a) G.S. 135-4(jj) reads as rewritten:

"(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~~ Except as otherwise provided in this subsection, 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. Notwithstanding the requirement that the payment be made as a lump sum, the retirement system may allow an employer 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, to pay the lump-sum amount required in this subsection on an installment payment plan beginning no less than 90 days after the retirement of the member and ending no less than one year after the retirement of the member. Payment under such an installment plan must be completed regardless of whether the member continues to receive a recurring monthly retirement benefit through the end of the installment period."

SECTION 7.(b) G.S. 128-26(y) reads as rewritten:

"(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~~ Except as otherwise provided in this subsection, 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. Notwithstanding the requirement that the payment be made as a lump sum, the retirement system may allow an employer 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, to pay the lump-sum amount required in this subsection on an installment payment plan beginning no less than 90 days after the retirement of the member and ending no less than one year after the retirement of the member. Payment under such an installment plan must be completed regardless of whether the member continues to receive a recurring monthly retirement benefit through the end of the installment period."

SECTION 8. Sections 5, 6, and 7 of this act become effective when this act becomes law. The remainder of the act becomes effective January 1, 2016.

In the General Assembly read three times and ratified this the 22nd day of July, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 1:33 p.m. this 23rd day of July, 2015

SESSION LAW 2015-164
HOUSE BILL 277

AN ACT TO ENACT THE RETIREMENT ADMINISTRATIVE CHANGES ACT OF 2015.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The terms of office of the present members of the Supplemental Retirement Board of Trustees shall expire on June 30, 2016. Effective for terms to begin on July 1, 2016, the members of the Board shall be appointed as provided in G.S. 135-96, as amended by this act.

SECTION 1.(b) G.S. 135-96 reads as rewritten:

"§ 135-96. Supplemental Retirement Board of Trustees.

(a) The Supplemental Retirement Board of Trustees is established to administer the Supplemental Retirement Income Plan established under the provisions of this Article and the North Carolina Public Employee Deferred Compensation Plan established under G.S. 143B-426.24, and the North Carolina Public School Teachers' and Professional Educators' Investment Plan established under G.S. 115C-341.2.

(b) The Board consists of nine voting members, as follows:

(1) Six persons appointed by the Governor who have experience in finance and investments, one of whom shall be a State employee, and one of whom shall be a retired State or local governmental employee;

(2) One person appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives;

(3) One person appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate; and

(4) The State Treasurer, ex officio, who shall be the Chair.

(c) ~~The initial appointments by the General Assembly and two of the Governor's initial appointments shall be for one-year terms. The remainder of the initial appointments shall be for two-year terms. At the expiration of these initial terms, appointments shall be for two years and shall be made by the appointing authorities designated in subsection (b) of this section.~~ Effective July 1, 2016:

(1) The appointments made by the General Assembly pursuant to subdivisions (2) and (3) of subsection (b) of this section shall be for initial terms of three years, to expire June 30, 2019.

(2) Three of the appointments made by the Governor pursuant to subdivision (1) of subsection (b) of this section shall be for initial terms of one year, to expire June 30, 2017.

(3) Three of the appointments made by the Governor pursuant to subdivision (1) of subsection (b) of this section shall be for initial terms of two years, to expire June 30, 2018.

Upon the expiration of these initial terms, appointments for all members shall be for terms of three years beginning on the day following the expiration date of the previous member's term.

(c1) A member shall continue to serve until the member's successor is duly appointed, but a holdover under this provision does not affect the expiration date of the succeeding term. No member of the Board may serve ~~more than three~~longer than any of the following:

(1) Two consecutive ~~two-year~~three-year terms.

(2) Three consecutive terms of any length, in the event that one or more of the terms is for fewer than three years in duration or the member serves a partial term as result of filling a vacancy.

(3) Eight consecutive years, regardless of term lengths.

(d) Other than ex officio members, members appointed by the Governor shall serve at the Governor's pleasure. An ex officio member may designate in writing, filed with the Board, any employee of the member's department to act at any meeting of the Board from which the member is absent, to the same extent that the member could act if present in person at such meeting.

(e) The Board may retain the services of independent appraisers, auditors, actuaries, attorneys, investment counseling firms, statisticians, custodians, or other persons or firms possessing specialized skills or knowledge necessary for the proper administration of investment programs that the Board administers pursuant to this section."

SECTION 2. Article 3 of Chapter 111 of the General Statutes is amended by adding a new section to read:

"**§ 111-47.3 Food service at Department of State Treasurer.**

Notwithstanding any other provision of this Article, the Department of State Treasurer may operate or contract for the operation of food or vending services at Department of State Treasurer offices. The net proceeds of revenue generated by food and vending services that are provided at the Department of State Treasurer by the agency or a vendor with whom the agency has contracted shall be credited to the Division of Services for the Blind of the Department of Health and Human Services for the purposes specified in G.S. 111-43."

SECTION 3.(a) G.S. 147-69.2(b) reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds. The State Treasurer may invest the funds as provided in this subsection. If an investment was authorized by this subsection at the time the investment was made or contractually committed to be made, then that investment shall continue to be authorized by this subsection, and none of the percentage or other limitation on investments set forth in this subsection shall be construed to require the State Treasurer to subsequently dispose of the investment or fail to honor any contractual commitments as a result of changes in market values, ratings, or other investment qualifications. For purposes of computing market values on which percentage limitations on investments in this subsection are based, all investments shall be valued as of the last date of the most recent fiscal quarter.

(1) Investments authorized by G.S. 147-69.1(c)(1)-(7).

(2) General obligations of other states of the United States.

(3) General obligations of cities, counties and special districts in North Carolina.

(4) Obligations of any company, other organization or legal entity incorporated or otherwise created or located within or outside the United States, including obligations that are convertible into equity securities, if the obligations bear one of the four highest ratings of at least one nationally recognized rating service when acquired.

(5) Repealed by Session Laws 2001-444, s. 2, effective October 1, 2001.

(6) Asset-backed securities (whether considered debt or equity) provided they bear ratings by nationally recognized rating services as provided in G.S. 147-69.2(b)(4).

(6a) In addition to the limitations and requirements with respect to the investments of the Retirement Systems set forth in this subsection, the State Treasurer shall select investments of the assets of the Retirement Systems such that investments made pursuant to subdivisions (b)(1) through (6) of this section shall at all times equal or exceed twenty percent (20%) of the market value of all invested assets of the Retirement Systems.

(6b) Investments pursuant to subdivisions (b)(1) through (6) of this section may be made directly by the State ~~Treasurer~~Treasurer, through investment companies registered under the Investment Company Act of 1940, individual, common, or collective trust funds of banks and trust companies, group trusts and limited partnerships, limited liability companies or other limited liability investment vehicles that invest primarily in investments authorized by subdivisions (1) through (6) of this subsection, or through contractual arrangements in which the investment manager has full and complete discretion and authority to invest assets specified in such arrangements in investments authorized by subdivisions (b)(1) through (6) of

this section, provided for each indirect investment, the investment manager has assets under management of at least one hundred million dollars ($100,000,000).

...."

SECTION 3.(b) G.S. 147-77 reads as rewritten:

"**§ 147-77. Daily deposit of funds to credit of Treasurer.**

All funds belonging to the State of North Carolina, in the hands of any head of any department of the State which collects revenue for the State in any form whatsoever, and every institution, agency, officer, employee, or representative of the State or any agency, department, division or commission thereof, except officers and the clerks of the Supreme Court and Court of Appeals, collecting or receiving any funds or money belonging to the State of North Carolina, shall daily deposit the same in some bank, or trust company, selected or designated by the State Treasurer, in the name of the State Treasurer, at noon, or as near thereto as may be, and shall report the same daily to ~~said Treasurer: Provided that~~ the Treasurer. The State Treasurer may authorize exemptions from the provisions of this section so long as funds are deposited and reported pursuant to the provisions of this section at least once a week and, in addition, so long as funds are deposited and reported pursuant to the provisions of this section whenever as much as ~~two hundred fifty dollars ($250.00)~~five thousand dollars ($5,000) has been collected and ~~received: Provided, that the~~ received. Each State agency that has custody of funds less than five thousand dollars ($5,000) shall provide adequate safekeeping of such funds. The Treasurer may refund the amount of any bad checks which have been returned to the department by the Treasurer when the same have not been collected after 30 days' trial."

SECTION 4. G.S. 135-1(20) reads as rewritten:

"(20) "Retirement" under this ~~Chapter~~Chapter, except as otherwise provided, means the commencement of monthly retirement benefits along with termination of employment and the complete separation from active service with no intent or agreement, express 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 for an employer, including part-time, temporary, substitute, or contractor work, at any time during the six months immediately following the effective date of retirement. For purposes of this subdivision, working as a member of a school board, board of trustees of a community college, board of trustees of any constituent institution of The University of North Carolina, as an unpaid bona fide volunteer in a local school administrative unit, or as an unpaid bona fide volunteer guardian ad litem in the guardian ad litem program shall not be considered ~~service.~~service or work, and volunteering in positions normally designated as unpaid bona fide volunteer positions during the six months immediately following the effective date of retirement shall not be considered service. A member who is a full-time faculty member of The University of North Carolina may effect a retirement allowance under this Chapter, notwithstanding the six-month requirement above, provided the member immediately enters the University's Phased Retirement Program for Tenured Faculty as that program existed on May 25, 2011."

SECTION 5.(a) G.S. 135-8(f) is amended by adding a new subdivision to read:

"(4) In conjunction with the employee and employer contributions required under this section, the Board of Trustees shall direct employers to submit such information on a monthly basis as is necessary for proper administration of the Retirement System, actuarial valuation, and reporting under accounting standards set forth by the Governmental Accounting Standards Board of the Financial Accounting Foundation. Submission of such information by an employer to the Retirement System constitutes a certification of its accuracy."

SECTION 5.(b) G.S. 128-30(g) is amended by adding a new subdivision to read:

"(4) In conjunction with the employee and employer contributions required under this section, the Board of Trustees shall direct employers to submit such information on a monthly basis as is necessary for proper administration of the Retirement System, actuarial valuation, and reporting under accounting

standards set forth by the Governmental Accounting Standards Board of the Financial Accounting Foundation. Submission of such information by an employer to the Retirement System constitutes a certification of its accuracy."

SECTION 6.(a) G.S. 135-8(f)(3) reads as rewritten:

"(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.

In the event that an employer fails to submit payment of any required contributions or payments to the Retirement Systems Division, other than the one percent (1%) payment provided for in the first paragraph of this subdivision, within 90 days after the date set by the Board of Trustees, the Board shall notify the State Treasurer of its intent to collect the delinquent contributions and other payments due to the Retirement Systems Division and request an interception of State appropriations due to the participating employer. Upon such notification by the Board of Trustees to the State Treasurer and the Office of State Budget and Management as to the default of the employer, the Office of State Budget and Management shall withhold from any State appropriation due to that employer an amount equal to the sum of all delinquent contributions and other debts due to the Retirement Systems Division and shall transmit that amount to the Retirement Systems Division."

SECTION 6.(b) G.S. 128-30(g)(3) reads as rewritten:

"(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 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, 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.

In the event that an employer fails to submit payment of any required contributions or payments to the Retirement Systems Division, other than the one percent (1%) payment provided for in the first paragraph of this subdivision, within 90 days after the date set by the Board of Trustees, the Board shall notify the State Treasurer of its intent to collect the delinquent contributions and other payments due to the Retirement Systems Division and request an interception of State appropriations due to the participating employer. Upon such notification by the Board of Trustees to the State Treasurer and the Office of State Budget and Management as to the default of the employer, the Office of State Budget and Management shall withhold from any State appropriation due to that employer an amount equal to the sum of all delinquent contributions and other debts due to the Retirement Systems Division and shall transmit that amount to the Retirement Systems Division."

SECTION 6.(c) G.S. 115C-438 reads as rewritten:

"**§ 115C-438. Provision for disbursement of State money.**

The deposit of money in the State treasury to the credit of local school administrative units shall be made in monthly installments, and additionally as necessary, at such time and in such a manner as may be most convenient for the operation of the public school system. Before an installment is credited, the school finance officer shall certify to the State Board of Education the expenditures to be made by the local school administrative unit from the State Public School Fund during the month. This certification shall be filed on or before the fifth day following the end of the month preceding the period in which the expenditures will be made. The State Board of Education shall determine whether the moneys requisitioned are due the local school administrative unit, and upon determining the amount due, shall cause the requisite amount to be credited to the local school administrative unit. Upon receiving notice from the State Treasurer of the amount placed to the credit of the local school administrative unit, the finance officer may issue State warrants up to the amount so certified.

Upon notification by the Board of Trustees of the Teachers' and State Employees' Retirement System to the State Treasurer and the Office of State Budget and Management as to the default of the local school administrative unit, the State Board of Education shall withhold from any State appropriation due to the local school administrative unit an amount equal to the sum of all delinquent contributions and payments due to the Retirement Systems Division and shall transmit that amount to the Retirement Systems Division.

The State Board of Education may withhold money for payment of salaries for administrative officers of local school administrative units if any report required to be filed with State school authorities is more than 30 days overdue. The State Board of Education shall withhold money for payment of salaries for the superintendent, finance officer, and all other administrative officers charged with providing payroll information pursuant to G.S. 115C-12(18), if the local school administrative unit fails to provide the payroll information to the State Board in a timely fashion and substantially in accordance with the standards set by the State Board. The State Board of Education shall also withhold money used for payment of salaries for the superintendent, transportation director, and all other administrative officers or employees charged by the local board of education or the local superintendent with implementing the Transportation Information Management System, pursuant to G.S. 115C-240(d), if the State Board finds that a local school administrative unit is not progressing in good faith and is not using its best efforts to implement the Transportation Information Management System.

Money in the State Public School Fund and State bond moneys shall be released only on warrants drawn on the State Treasurer, signed by such local official as may be required by the State Board of Education."

SECTION 7. G.S. 150B-21.3A is amended by adding a new subsection to read:

"(e1) Rules to Protect Inchoate or Accrued Rights of Retirement Systems Members. – Rules deemed by the Boards of Trustees established under G.S. 128-28 and G.S. 135-6 to protect inchoate or accrued rights of members of the Retirement Systems administered by the State Treasurer shall not expire as provided by this section. The Commission shall report annually to the Committee on any rules that do not expire pursuant to this subsection."

SECTION 8. G.S. 128-21 is amended by adding three new subdivisions to read:

"(10a) "Regularly employed" shall mean employment in a position for which the duties require not less than 1,000 hours of work in a calendar year, provided that the term shall not include any individuals whose employment is considered "temporary employment" as defined in subdivision (10b) of this section or "statutorily-required interim employment" as defined in subdivision (10c) of this section.

(10b) "Temporary employment" shall mean employment for a limited term, in no case to exceed 12 consecutive months on a nonrecurring basis, for an employer as defined in subdivision (11) of this section.

(10c) "Statutorily-required interim employment" shall mean individuals whose employment for an employer as defined in subdivision (11) of this section occurs as a result of the individual's designation by the city council as an interim city manager, as provided in G.S. 160A-150 for a period not to exceed 12 months on a nonrecurring basis, or as a result of the individual's designation by the board of commissioners as an interim county manager, as provided in G.S. 153A-84 for a period not to exceed 12 months on a nonrecurring basis."

SECTION 9.(a) G.S. 135-91(c) reads as rewritten:

"(c) The Department of State Treasurer and the Board of Trustees shall have full power and authority to adopt rules and regulations for the administration of the Plan, provided they are not inconsistent with the provisions of this Article. The Department of State Treasurer and Board of Trustees may appoint those agents, contractors, employees and committees as they deem advisable to carry out the terms and conditions of the Plan. In order to promote achievement of long-term investment objectives and to retain key public employees with investment functions, the Board of Trustees shall authorize the State Treasurer to establish market-oriented compensation plans, including salaries and performance-related bonuses, for employees possessing specialized skills or knowledge necessary for the proper administration of the Plan, who shall be exempt from the classification and compensation rules established by the Office of State Human Resources. The 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. The compensation and other associated employee benefits shall be apportioned directly from the Plan."

SECTION 9.(b) G.S. 126-5 is amended by adding a new subsection to read:

"(c13) 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 the Supplemental Retirement Plans and compensated pursuant to G.S. 135-91(c)."

SECTION 10.(a) G.S. 135-5 is amended by adding a new subsection to read:

"(m4) A member who has contributions in this System and is not eligible for a retirement benefit as set forth in G.S. 135-5(a) shall be paid his contributions in a lump sum as provided in G.S. 135-5(f) by April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be a teacher or State employee except by death. If such member fails, following reasonable notification, to complete a refund application by such required date, the requirement that a refund application be completed shall be waived and the refund shall be paid without a refund application as a single lump-sum payment with applicable required North Carolina and federal income taxes withheld. For purposes of this subsection, a member shall not be considered to have ceased to be a teacher or State employee if the member is actively contributing to the Consolidated Judicial Retirement System, Local Governmental Employees' Retirement System, or Legislative Retirement System. A lump-sum refund shall not be paid under this subsection if the member is actively contributing to the Consolidated Judicial Retirement System, Local Governmental Employees' Retirement System, or Legislative Retirement System.

A member who has contributions in this System and is eligible for a retirement benefit as set forth in G.S. 135-5(a) shall begin to receive a monthly benefit no later than April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be a teacher or State employee except by death. If such member fails, following reasonable notification, to complete the retirement process as set forth under Chapter 135 of the General Statutes by such required beginning date, the

requirement that a retirement application and an election of payment plan form be completed shall be waived and the retirement allowance shall be paid as a single life annuity. The single life annuity shall be calculated and processed in accordance with G.S. 135-5. For purposes of this subsection, a member shall not be considered to have ceased to be a teacher or State employee if the member is actively contributing to the Consolidated Judicial Retirement System, Local Governmental Employees' Retirement System, or Legislative Retirement System. A retirement benefit shall not be paid under this subsection if the member is actively contributing to the Consolidated Judicial Retirement System, Local Governmental Employees' Retirement System, or Legislative Retirement System."

SECTION 10.(b) G.S. 128-27 is amended by adding a new subsection to read:

"(m3) A member who has contributions in this System and is not eligible for a retirement benefit as set forth in G.S. 128-27(b21) shall be paid his contributions in a lump sum as provided in G.S. 128-27(f) by April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be an employee except by death. If such member fails, following reasonable notification, to complete a refund application by such required date, the requirement that a refund application be completed shall be waived and the refund shall be paid without a refund application as a single lump-sum payment with applicable required North Carolina and federal income taxes withheld. For purposes of this subsection, a member shall not be considered to have ceased to be an employee if the member is actively contributing to the Teachers' and State Employees' Retirement System, Consolidated Judicial Retirement System, or Legislative Retirement System. A lump-sum refund shall not be paid under this subsection if the member is actively contributing to the Teachers' and State Employees' Retirement System, Consolidated Judicial Retirement System, or Legislative Retirement System.

A member who has contributions in this System and is eligible for a retirement benefit as set forth in G.S. 128-27(21) shall begin to receive a monthly benefit no later than April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be an employee except by death. If such member fails, following reasonable notification, to complete the retirement process as set forth under Chapter 128 of the General Statutes by such required beginning date, the requirement that a retirement application and an election of payment plan form be completed shall be waived and the retirement allowance shall be paid as a single life annuity. The single life annuity shall be calculated and processed in accordance with G.S. 128-27(b21). For purposes of this subsection, a member shall not be considered to have ceased to be an employee if the member is actively contributing to the Teachers' and State Employees' Retirement System, Consolidated Judicial Retirement System, or Legislative Retirement System. A retirement benefit shall not be paid under this subsection if the member is actively contributing to the Teachers' and State Employees' Retirement System, Consolidated Judicial Retirement System, or Legislative Retirement System."

SECTION 10.(c) G.S. 135-74 is amended by adding a new subsection to read:

"(c1) A member who has contributions in this System and is not eligible for a retirement benefit as set forth in G.S. 135-58(a6) shall be paid his contributions in a lump sum as provided in G.S. 135-62 by April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be a judge, district attorney, public defender, the Director of Indigent Defense Services, or clerk of superior court as provided in G.S. 135-53, except by death. If such member fails, following reasonable notification, to complete a refund application by such required date, the requirement that a refund application be completed shall be waived and the refund shall be paid without a refund application as a single lump-sum payment with applicable required North Carolina and federal income taxes withheld. For purposes of this subsection, a member shall not be considered to have ceased to be a judge, district attorney, public defender, the Director of Indigent Defense Services, or clerk of superior court as provided in G.S. 135-53 if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System. A lump-sum refund shall not be paid under this subsection if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System.

A member who has contributions in this System and is eligible for a retirement benefit as set forth in G.S. 120-4.21 shall begin to receive a monthly benefit no later than April 1 of the

calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be a judge, district attorney, public defender, the Director of Indigent Defense Services, or clerk of superior court as provided in G.S. 135-53, except by death. If such member fails, following reasonable notification, to complete the retirement process as set forth under Chapter 120 of the General Statutes by such required beginning date, the requirement that a retirement application and an election of payment plan form be completed shall be waived and the retirement allowance shall be paid as a single life annuity. The single life annuity shall be calculated and processed in accordance with G.S. 120-4.21. For purposes of this subsection, a member shall not be considered to have ceased to be a judge, district attorney, public defender, the Director of Indigent Defense Services, or clerk of superior court as provided in G.S. 135-53 if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System. A retirement benefit shall not be paid under this subsection if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System."

SECTION 10.(d) G.S. 120-4.31 is amended by adding a new subsection to read:

"(c1) A member who has contributions in this System and is not eligible for a retirement benefit as set forth in G.S. 120-4.21 shall be paid his contributions in a lump sum as provided in G.S. 120-4.25 by April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be a member of the General Assembly, except by death. If such member fails, following reasonable notification, to complete a refund application by such required date, the requirement that a refund application be completed shall be waived and the refund shall be paid without a refund application as a single lump-sum payment with applicable required North Carolina and federal income taxes withheld. For purposes of this subsection, a member shall not be considered to have ceased to be a member of the General Assembly if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System. A lump-sum refund shall not be paid under this subsection if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System.

A member who has contributions in this System and is eligible for a retirement benefit as set forth in G.S. 120-4.21 shall begin to receive a monthly benefit no later than April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be a member of the General Assembly, except by death. If such member fails, following reasonable notification, to complete the retirement process as set forth under Chapter 120 of the General Statutes by such required beginning date, the requirement that a retirement application and an election of payment plan form be completed shall be waived and the retirement allowance shall be paid as a single life annuity. The single life annuity shall be calculated and processed in accordance with G.S. 120-4.21. For purposes of this subsection, a member shall not be considered to have ceased to be a member of the General Assembly if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System. A retirement benefit shall not be paid under this subsection if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System."

SECTION 11.(a) G.S. 135-3(8) is amended by adding a new sub-subdivision to read:

"f. 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 at any time during the six months immediately following the effective date of retirement, then the option of the two listed below that has the lesser financial impact on the member, as determined by the Retirement System, shall be applied:

1. The member's retirement shall be deemed effective the month after the last month the member performed services for a participating employer, and the member shall repay all retirement benefits paid up to the deemed effective date, provided the member thereafter has satisfied the six-month separation required by G.S. 135-1(20).
2. The member shall make a lump-sum payment to the Retirement System equal to three times the amount of compensation earned during the six months immediately following the effective date of retirement."

SECTION 11.(b) G.S. 128-24(5) is amended by adding a new sub-subdivision to read:

"e. 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 at any time during the month immediately following the effective date of retirement, then the option of the two listed below that has the lesser financial impact on the member, as determined by the Retirement System, shall be applied:
1. The member's retirement shall be deemed effective the month after the last month the member performed services for a participating employer, and the member shall repay all retirement benefits paid up to the deemed effective date, provided the member thereafter has satisfied the one-month separation required by G.S. 128-21(19).
2. The member shall make a lump-sum payment to the Retirement System equal to three times the amount of compensation earned during the month immediately following the effective date of retirement."

SECTION 12. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 20th day of July, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 1:30 p.m. this 23rd day of July, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-294
HOUSE BILL 318

AN ACT TO REQUIRE E-VERIFY COMPLIANCE IN CERTAIN GOVERNMENTAL CONTRACTS, TO PROVIDE THAT CERTAIN CONSULATE OR EMBASSY DOCUMENTS MAY NOT BE USED TO DETERMINE A PERSON'S IDENTIFICATION OR RESIDENCE FOR GOVERNMENTAL AND LAW ENFORCEMENT PURPOSES, TO PROHIBIT ADOPTION OF SANCTUARY CITY ORDINANCES, AND TO PROHIBIT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FROM SEEKING CERTAIN WAIVERS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Article 8 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-133.3. E-verify compliance.**

(a) No board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, may enter into a contract unless the contractor, and the contractor's subcontractors under the contract, comply with the requirements of Article 2 of Chapter 64 of the General Statutes.

(b) A board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, shall be deemed in compliance with this section if the contract includes a term requiring the contractor, and the contractor's subcontractors, to comply with the requirements of Article 2 of Chapter 64 of the General Statutes.

(c) This section shall not apply to any of the following:

(1) Expenses related to travel, including transportation and lodging, for employees, officers, agents, or members of State or local boards, commissions, committees, or councils.

(2) Contracts solely for the purchase of goods, apparatus, supplies, materials, or equipment.

(3) Contracts let under G.S. 143-129(e)(1), (9), or (9a).

(4) Contracts let under G.S. 143-129(g)."

SECTION 1.(b) G.S. 160A-20.1(b) is repealed.

SECTION 1.(c) G.S. 153A-449(b) is repealed.

SECTION 2. G.S. 159-28(e) reads as rewritten:

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

SECTION 3. G.S. 64-27 reads as rewritten:

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

(a) Preparation of Form. – The Commissioner shall prescribe a complaint form for a person to allege a violation of ~~G.S. 64-26.~~ G.S. 64-26 or G.S. 143-133.3. The form shall clearly state that completed forms may be sent to the Commissioner.

(b) Certain Information Not Required. – The complainant shall not be required to list the complainant's social security number on the complaint form or to have the complaint notarized."

SECTION 4. G.S. 64-28 reads as rewritten:

"**§ 64-28. Reporting of complaints.**

(a) Filing of Complaint. – Any person with a good faith belief that ~~an employer is violating or has violated~~ a violation of G.S. 64-26 or G.S. 143-133.3 has occurred may file a complaint with the Commissioner setting forth the basis for that belief. The complaint may be on a form prescribed by the Commissioner pursuant to G.S. 64-27 or may be made in any other form that gives the Commissioner information that is sufficient to proceed with an investigation pursuant to G.S. 64-29. Nothing in this section shall be construed to prohibit the filing of anonymous complaints that are not submitted on a prescribed complaint form.

(b) False Statements a Misdemeanor. – A person who knowingly files a false ~~and~~ or frivolous complaint under this section is guilty of a Class 2 misdemeanor."

SECTION 5. G.S. 64-29 reads as rewritten:

"**§ 64-29. Investigation of complaints.**

(a) Investigation. – Upon receipt of a complaint ~~pursuant to G.S. 64-28 that an employer is allegedly violating or has allegedly violated G.S. 64-26,~~ filed in accordance with G.S. 64-28, the Commissioner shall investigate whether ~~the employer has in fact violated G.S. 64-26.~~ a violation of G.S. 64-26 or G.S. 143-133.3 has in fact occurred.

(b) Certain Complaints Shall Not Be Investigated. – The Commissioner shall not investigate complaints that are based solely on race, religion, gender, ethnicity, or national origin.

(c) Assistance by Law Enforcement. – The Commissioner may request that the State Bureau of Investigation assist in investigating a complaint under this section.

(d) Subpoena for Production of Documents. – The Commissioner may issue a subpoena for production of employment records that relate to the recruitment, hiring, employment, or termination policies, practices, or acts of employment as part of the investigation of a valid complaint under this section."

SECTION 6. G.S. 64-30 reads as rewritten:

"**§ 64-30. Actions to be taken; hearing.**

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

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

~~(1)~~a. The Commissioner shall hold a hearing to determine if a violation of G.S. 64-26 has occurred and, if appropriate, impose civil penalties in accordance with the provisions of this Article.

~~(2)~~b. If, during the course of the hearing required by ~~subdivision (1)~~ sub-subdivision a. of this subdivision of this section, the Commissioner concludes that there is a reasonable likelihood that an employee is an unauthorized alien, the Commissioner shall notify the following entities of the possible presence of an unauthorized alien:

~~a.~~1. United States Immigration and Customs Enforcement.

~~b.~~2. Local law enforcement agencies.

(2) If the alleged violation is of G.S. 143-133.3, the Commissioner shall hold a hearing to determine if a violation of the applicable statute has occurred and, if appropriate, shall take action under G.S. 64-33.1."

SECTION 7. The catch line for G.S. 64-31 reads as rewritten:

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

SECTION 8. The catch line for G.S. 64-32 reads as rewritten:

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

SECTION 9. The catch line for G.S. 64-33 reads as rewritten:

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

SECTION 10. Article 2 of Chapter 64 of the General Statutes is amended by adding a new section to read:

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

For violation of G.S. 143-133.3, the Commissioner shall notify the board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, found to have committed the violation that the board or governing body of the State, or

of any institution of the State government, or of any political subdivision of the State, is in violation of the applicable statute. The Department of Labor shall maintain a list of any boards or governing bodies of the State, or of any institutions of the State government, or of any political subdivisions of the State, issued notices pursuant to this section and shall make that list available on its Web site."

SECTION 11. Chapter 15A of the General Statutes is amended by adding a new Article to read:

"Article 18.

"Identification Documents.

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

(a) The following documents are not acceptable for use in determining a person's actual identity or residency by a justice, judge, clerk, magistrate, law enforcement officer, or other government official:

(1) A matricula consular or other similar document, other than a valid passport, issued by a consulate or embassy of another country.

(2) An identity document issued or created by any person, organization, county, city, or other local authority, except where expressly authorized to be used for this purpose by the General Assembly.

(b) No local government or law enforcement agency may establish, by policy or ordinance, the acceptability of any of the documents described in subsection (a) of this section as a form of identification to be used to determine the identity or residency of any person. Any local government policy or ordinance that contradicts this section is hereby repealed."

SECTION 11A. G.S. 15A-306, as enacted by Section 11 of this act, shall not apply to verification of the information provided by an applicant pursuant to G.S. 58-2-164 until Section 13 of this act becomes effective, at which point it shall apply only with respect to insurance policies entered into on or after that date.

SECTION 12. G.S. 20-7(b4) reads as rewritten:

"(b4) Examples of documents that are reasonably reliable indicators of residency include, but are not limited to, any of the following:

(1) A pay stub with the payee's address.

(2) A utility bill showing the address of the applicant-payor.

(3) A contract for an apartment, house, modular unit, or manufactured home with a North Carolina address signed by the applicant.

(4) A receipt for personal property taxes paid.

(5) A receipt for real property taxes paid to a North Carolina locality.

(6) A current automobile insurance policy issued to the applicant and showing the applicant's address.

(7) A monthly or quarterly financial statement from a North Carolina regulated financial institution.

~~(8) A matricula consular or substantially similar document issued by the Mexican Consulate for North Carolina.~~

~~(9) A document similar to that described in subsection (8) of this section, issued by the consulate or embassy of another country. This subdivision only applies if the Division has consulted with the United State Department of State and is satisfied with the reliability of such document.~~"

SECTION 13. G.S. 58-2-164(c) reads as rewritten:

"(c) The insurer and its agent shall also take reasonable steps to verify that the information provided by an applicant regarding the applicant's address and the place the motor vehicle is garaged is correct. The insurer may take its own reasonable steps to verify residency or eligible risk status or may rely upon the agent verification of residency or eligible risk status to meet the insurer's verification obligations under this section. The agent shall retain copies of any items obtained under this section as required under the record retention rules adopted by the Commissioner and in accordance with G.S. 58-2-185. The agent may satisfy the requirements of this section by obtaining reliable proof of North Carolina residency from the applicant or the applicant's status as an eligible risk. Reliable proof of residency or eligible risk includes but is not limited to:

(1) A pay stub with the payee's address.

(2) A utility bill showing the address of the applicant-payor.

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

SECTION 14. G.S. 108A-55.3(b) reads as rewritten:

"(b) An applicant may meet the requirements of subsection (a) of this section by providing at least two of the following documents:

(1) A valid North Carolina drivers license or other identification card issued by the North Carolina Division of Motor Vehicles.
(2) A current North Carolina rent or mortgage payment receipt, or current utility bill in the name of the applicant or the applicant's legal spouse showing a North Carolina address.
(3) A valid North Carolina motor vehicle registration in the applicant's name and showing the applicant's current address.
(4) A document showing that the applicant is employed in this State.
(5) One or more documents proving that the applicant's domicile in the applicant's prior state of domicile has ended, such as closing of a bank account, termination of employment, or sale of a home.
(6) The tax records of the applicant or the applicant's legal spouse, showing a current North Carolina address.
(7) A document showing that the applicant has registered with a public or private employment service in this State.
(8) A document showing that the applicant has enrolled the applicant's children in a public or private school or child care facility located in this State.
(9) A document showing that the applicant is receiving public assistance or other services requiring proof of domicile, other than medical assistance, in this State.
(10) Records from a health department or other health care provider located in this State showing the applicant's current North Carolina address.
(11) A written declaration made under penalty of perjury from a person who has a social, family, or economic relationship with the applicant and who has personal knowledge of the applicant's intent to live in North Carolina permanently or for an indefinite period of time or that the applicant is residing in North Carolina to seek employment or with a job commitment.
(12) Current North Carolina voter registration card.
(13) A document from the U.S. Department of Veterans Affairs, U.S. Department of Defense, or the U.S. Department of Homeland Security verifying the applicant's intent to live in North Carolina permanently or for an indefinite period of time or that the applicant is residing in North Carolina to seek employment or with a job commitment.
(14) Official North Carolina school records, signed by school officials, or diplomas issued by North Carolina schools, including secondary schools, community colleges, colleges, and universities verifying the applicant's intent to live in North Carolina permanently or for an indefinite period of time or that the applicant is residing in North Carolina to seek employment or with a job commitment.

~~(15) A document issued by the Mexican consular or other foreign consulate verifying the applicant's intent to live in North Carolina permanently or for an indefinite period of time or that the applicant is residing in North Carolina to seek employment or with a job commitment.~~"

SECTION 15.(a) Article 6 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-145.5. Adoption of sanctuary ordinance prohibited.**

(a) No county may have in effect any policy, ordinance, or procedure that limits or restricts the enforcement of federal immigration laws to less than the full extent permitted by federal law.

(b) No county shall do any of the following related to information regarding the citizenship or immigration status, lawful or unlawful, of any individual:

(1) Prohibit law enforcement officials or agencies from gathering such information.

(2) Direct law enforcement officials or agencies not to gather such information.

(3) Prohibit the communication of such information to federal law enforcement agencies."

SECTION 15.(b) Article 8 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"**§ 160A-499.4. Adoption of sanctuary ordinances prohibited.**

(a) No city may have in effect any policy, ordinance, or procedure that limits or restricts the enforcement of federal immigration laws to less than the full extent permitted by federal law.

(b) No city shall do any of the following related to information regarding the citizenship or immigration status, lawful or unlawful, of any individual:

(1) Prohibit law enforcement officials or agencies from gathering such information.

(2) Direct law enforcement officials or agencies not to gather such information.

(3) Prohibit the communication of such information to federal law enforcement agencies."

SECTION 16.(a) Article 2 of Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-51.1. Prohibition on certain waivers.**

Except for waivers for the Disaster Supplemental Nutrition Assistance Program sought for an area that has received a Presidential disaster declaration of Individual Assistance from the Federal Emergency Management Agency, the Department shall not seek waivers to time limits established by federal law for food and nutrition benefits for able-bodied adults without dependents required to fulfill work requirements to qualify for those benefits."

SECTION 16.(b) The Department of Health and Human Services shall withdraw any pending request for waivers to time limits established by federal law for food and nutrition benefits for able-bodied adults without dependents required to fulfill work requirements to qualify for those benefits submitted but not granted prior to the effective date of this section unless the request can be amended so that the period covered by the waiver will not extend beyond March 1, 2016. If a pending waiver request is granted prior to the effective date of this section, the Department shall discontinue the waiver as of that effective date unless the waiver can be amended so that the period covered by the waiver will not extend beyond March 1, 2016. The Department shall not submit a new request for a waiver unless the period covered by the waiver will not extend beyond March 1, 2016. Nothing in this section shall be construed to require termination of a waiver in place as of September 1, 2015.

SECTION 17. Sections 1 through 12 and Section 14 of this act become effective October 1, 2015, and apply to contracts entered into on or after that date. Section 13 of this act becomes effective January 1, 2016, and applies to insurance policies entered into on or after that date. Section 16 of this act becomes effective October 1, 2015. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of September, 2015.

s/ Daniel J. Forest
President of the Senate

s/ D. Craig Horn
Presiding Officer of the House of Representatives

s/ Pat McCrory
Governor

Approved 2:35 p.m. this 29th day of October, 2015

SESSION LAW 2015-248
HOUSE BILL 334

AN ACT TO MAKE CHANGES TO VARIOUS CHARTER SCHOOL STATUTES AND OTHER EDUCATION STATUTES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 115C-218 reads as rewritten:

"§ 115C-218. Purpose of charter ~~schools and~~ schools; establishment of North Carolina Charter Schools Advisory ~~Board.~~Board and North Carolina Office of Charter Schools.

(a) Purpose of Charter Schools. – The purpose of this Article is to authorize a system of charter schools to provide opportunities for teachers, parents, pupils, and community members to establish and maintain schools that operate independently of existing schools, as a method to accomplish all of the following:

(1) Improve student learning;
(2) Increase learning opportunities for all students, with special emphasis on expanded learning experiences for students who are identified as at risk of academic failure or academically gifted;
(3) Encourage the use of different and innovative teaching methods;
(4) Create new professional opportunities for teachers, including the opportunities to be responsible for the learning program at the school site;
(5) Provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system; and
(6) Hold the schools established under this Article accountable for meeting measurable student achievement results, and provide the schools with a method to change from rule-based to performance-based accountability systems.

(b) North Carolina Charter Schools Advisory Board. –

(1) Advisory Board. – There is created the North Carolina Charter Schools Advisory Board, hereinafter referred to in this Article as the Advisory Board. The Advisory Board shall be located administratively within the Department of Public Instruction and shall report to the State Board of Education.
(2) Membership. – The State Superintendent of Public Instruction, or the Superintendent's designee, shall be the secretary of the Advisory Board and a nonvoting member. The Chair of the State Board of Education shall appoint a member of the State Board to serve as a nonvoting member of the Advisory Board. The Advisory Board shall consist of the following 11 voting members:
   a. Three members appointed by the Governor, including the chair of the Advisory Board.
   b. Three members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, in accordance with G.S. 120-121.
   c. Three members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, in accordance with G.S. 120-121.

d. One member appointed by the State Board of ~~Education.~~Education who is not a current member of the State Board of Education and who is a charter school advocate in North Carolina.

e. The Lieutenant Governor or the Lieutenant Governor's designee.

(3) Covered board. – The Advisory Board shall be treated as a board for purposes of Chapter 138A of the General Statutes.

(4) Qualifications of members. – Members appointed to the Advisory Board shall collectively possess strong experience and expertise in public and nonprofit governance, management and finance, assessment, curriculum and instruction, public charter schools, and public education law. All appointed members of the Advisory Board shall have demonstrated an understanding of and a commitment to charter schools as a strategy for strengthening public education.

(5) Terms of office and vacancy appointments. – Appointed members shall serve four-year terms of office beginning on July 1. No appointed member shall serve more than eight consecutive years. Vacancy appointments shall be made by the appointing authority for the remainder of the term of office.

(6) Presiding officers and quorum. – The Advisory Board shall annually elect a vice-chair from among its membership. The chair shall preside over the Advisory Board's meetings. In the absence of the chair, the vice-chair shall preside over the Advisory Board's meetings. A majority of the Advisory Board constitutes a quorum.

(7) Meetings. – Meetings of the Advisory Board shall be held upon the call of the chair or the vice-chair with the approval of the chair.

(8) Expenses. – Members of the Advisory Board shall be reimbursed for travel and subsistence expenses at the rates allowed to State officers and employees by G.S. 138-6(a).

(9) Removal. – Any appointed member of the Advisory Board may be removed by a vote of at least two-thirds of the members of the Advisory Board at any duly held meeting for any cause that renders the member incapable or unfit to discharge the duties of the office.

(10) Powers and duties. – The Advisory Board shall have the following duties:

a. To make recommendations to the State Board of Education on the adoption of rules regarding all aspects of charter school operation, including time lines, standards, and criteria for acceptance and approval of applications, monitoring of charter schools, and grounds for revocation of charters.

b. To review applications and make recommendations to the State Board for final approval of charter applications.

c. To make recommendations to the State Board on actions regarding a charter school, including renewals of charters, nonrenewals of charters, and revocations of charters.

d. To undertake any other duties and responsibilities as assigned by the State Board.

(11) Duties of the chair of the Advisory Board. – In addition to any other duties prescribed in this Article, the chair of the Advisory Board, or the chair's designee, shall advocate for the recommendations of the Advisory Board at meetings of the State Board upon the request of the State Board.

(c) North Carolina Office of Charter Schools. –

(1) Establishment of the North Carolina Office of Charter Schools. – There is established the North Carolina Office of Charter Schools, hereinafter referred to in this Article as the Office of Charter Schools. The Office of Charter Schools shall be administratively located in the Department of Public Instruction, subject to the supervision, direction, and control of the State Board of Education. The Office of Charter Schools shall consist of an executive director appointed by the State Board of Education and such other professional, administrative, technical, and clerical personnel as may be necessary to assist the Office of Charter Schools in carrying out its powers and duties.

(2) Executive Director. – The Executive Director shall report to and serve at the pleasure of the State Board of Education at a salary established by the State Board within the funds appropriated for this purpose. The duties of the Executive Director shall include presenting the recommendations of the Advisory Board at meetings of the State Board upon the request of the State Board.

(3) Powers and duties. – The Office of Charter Schools shall have the following powers and duties:

a. Serve as staff to the Advisory Board and fulfill any task and duties assigned to it by the Advisory Board.

b. Provide technical assistance and guidance to charter schools operating within the State.

c. Provide technical assistance and guidance to nonprofit corporations seeking to operate charter schools within the State.

d. Provide or arrange for training for charter schools that have received preliminary approval from the State Board.

e. Assist approved charter schools and charter schools seeking approval from the State Board in coordinating services with the Department of Public Instruction.

f. Other duties as assigned by the State Board.

(4) Agency cooperation. – All State agencies and departments shall cooperate with the Office of Charter Schools in carrying out its powers and duties as necessary in accordance with this Article."

SECTION 1.(b) Within 90 days of the date this act becomes law, the State Board of Education shall appoint an executive director of the Office of Charter Schools. The initial appointment of the Executive Director shall be upon the recommendation to the State Board of Education by a search committee comprised of the Lieutenant Governor, who will serve as chair of the committee, the vice-chair of the State Board of Education, and one other member of the State Board of Education appointed by the State Board of Education.

SECTION 1.(c) This section is effective when it becomes law. The Chair of the State Board of Education shall make the appointment to the North Carolina Charter Schools Advisory Board of the nonvoting member as required by G.S. 115C-218(b)(2), as amended by this act, within 45 days of the date this act becomes law. The State Board of Education shall make the appointment to the North Carolina Charter Schools Advisory Board of a member meeting the qualifications of G.S. 115C-218(b)(2), as amended by this act, within 45 days of the date this act becomes law.

SECTION 2. G.S. 115C-218.1(b)(13) reads as rewritten:

"(13) The number of students to be served, which number shall be at least ~~65,~~80, and the minimum number of teachers to be employed at the school, which number shall be at least three. However, the charter school may serve fewer than ~~65~~ 80 students or employ fewer than three teachers if the application contains a compelling reason, such as the school would serve a geographically remote and small student population."

SECTION 3.(a) G.S. 115C-218.1(b) reads as rewritten:

"(b) The application shall contain at least the following information:

...

(15) The process for conducting a weighted lottery that reflects the mission of the school if the school desires to use a weighted lottery."

SECTION 3.(b) G.S. 115C-218.45(e) reads as rewritten:

"(e) 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, national origin, religion, or ancestry.~~ or disability. A charter school shall not limit admission to students on the basis of race, creed, 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 3.(c) G.S. 115C-218.45 is amended by adding a new subsection to read:

"(g1) If a procedure for a weighted lottery reflecting the mission of the school has been approved by the State Board as part of the charter, and a lottery is needed under subsection (h) of this section, the lottery shall be conducted according to the procedure in the charter."

SECTION 4.(a) Article 14A of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-218.2. Opportunity to correct applications; opportunity to address Advisory Board.**

(a) The State Board of Education and the Advisory Board shall provide timely notification to an applicant of any format issues or incomplete information in the initial application and provide the applicant at least five business days to correct those issues in the initial application. If the applicant submits the corrections within the five business days, equal consideration shall be given to that application.

(b) Before taking action regarding a charter school or charter school applicant, including recommendations on preliminary or final approval of charter applications, renewals of charters, nonrenewals of charters, and revocations of charters, the Advisory Board or a committee of the Advisory Board shall provide an opportunity for the applicant or charter board member to address the Advisory Board or its committee, if present, at a meeting."

SECTION 4.(b) The Advisory Board shall make recommendations on guidance for implementation of this section to the State Board. The State Board shall develop guidance for implementation of this section no later than October 15, 2015.

SECTION 5. G.S. 115C-218.5 reads as rewritten:

"**§ 115C-218.5. Final approval of applications for charter schools.**

(a) The State Board may grant final approval of an application if it finds the following:

(1) The application meets the requirements set out in this Article and such other requirements as may be adopted by the State Board of Education.

(2) The applicant has the ability to operate the school and would be likely to operate the school in an educationally and economically sound manner.

(3) Granting the application would achieve one or more of the purposes set out in ~~G.S. 115C-269.1.~~G.S. 115C-218.

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.

(b) 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.

(c) The State Board of Education may authorize a school before the applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the authority is necessary for it to raise working capital. The State Board shall not allocate any funds to the school until the school has obtained space.

(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~~ shall renew the charter upon the request of the chartering entity for subsequent periods of 10 ~~years each. The renewal may be for less than 10 years if any~~ years, unless 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~~ not, at the time of the request for renewal of the charter, substantially 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.

(e) A material revision of the provisions of a charter application shall be made only upon the approval of the State Board of Education.

Except as provided in subsection (f) of this section, enrollment growth shall be considered a material revision of the charter application, and the State Board may approve such additional enrollment growth of greater than twenty percent (20%) only if the State Board finds all of the following:

(1) The actual enrollment of the charter school is within ten percent (10%) of its maximum authorized enrollment.

(2) The charter school has commitments for ninety percent (90%) of the requested maximum growth.

(3) The charter school is not currently identified as low-performing.

(4) The charter school meets generally accepted standards of fiscal management.

(5) ~~It is otherwise appropriate to approve the enrollment growth.~~The charter school is, at the time of the request for the enrollment increase, substantially in compliance with State law, federal law, the charter school's own bylaws, and the provisions set forth in its charter granted by the State Board.

(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 or lower than the charter school currently offers if the charter school has (i) operated for at least three ~~years and~~ years, (ii) has not been identified as having inadequate performance as provided in ~~G.S. 115C-218.95(b).~~G.S.115C-218.95(b), and (iii) has been in financial compliance as required by the State Board of Education.

(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 6.(a) G.S. 115C-218.15 reads as rewritten:

"**§ 115C-218.15. Charter school operation.**

(a) A charter school that is approved by the State shall be a public school within the local school administrative unit in which it is located. All charter schools shall be accountable to the State Board for ensuring compliance with applicable laws and the provisions of their charters.

(b) A charter school shall be operated by a private nonprofit corporation that shall have received federal tax-exempt status no later than 24 months following final approval of the

application. The board of directors of the charter schools shall adopt a conflict of interest and anti-nepotism policy that includes, at a minimum, the following:

(1) The requirements of Chapter 55A of the General Statutes related to conflicts of interest.

(2) A requirement that before any immediate family, as defined in G.S. 115C-12.2, of any member of the board of directors or a charter school employee with supervisory authority shall be employed or engaged as an employee, independent contractor, or otherwise by the board of directors in any capacity, such proposed employment or engagement shall be (i) disclosed to the board of directors and (ii) approved by the board of directors in a duly called open-session meeting. The burden of disclosure of such a conflict of interest shall be on the applicable board member or employee with supervisory authority. If the requirements of this subsection are complied with, the charter school may employ immediate family of any member of the board of directors or a charter school employee with supervisory authority.

(3) A requirement that a person shall not be disqualified from serving as a member of a charter school's board of directors because of the existence of a conflict of interest, so long as the person's actions comply with the school's conflict of interest policy established as provided in this subsection and applicable law.

(c) A charter school shall operate under the written charter signed by the State Board and the applicant. A charter school is not required to enter into any other contract. The charter shall incorporate the information provided in the application, as modified during the charter approval process, and any terms and conditions imposed on the charter school by the State Board of Education. No other terms may be imposed on the charter school as a condition for receipt of local funds.

(d) The board of directors of the charter school shall decide matters related to the operation of the school, including budgeting, curriculum, and operating procedures.

(e) The board of directors of the private nonprofit corporation operating the charter school may have members who reside outside of the State. However, the State Board of Education may require by policy that a majority of the board of directors and all officers of the board of directors reside within the State."

SECTION 6.(b) G.S. 115C-47 is amended by adding a new subdivision to read:

"(17a) To adopt anti-nepotism policies. – Local boards of education shall adopt policies requiring that before any immediate family, as defined in G.S. 115C-12.2, of any board of education member or central office staff administrator, including directors, supervisors, specialists, staff officers, assistant superintendents, area superintendents, superintendents, or principals, shall be employed or engaged as an employee, independent contractor, or otherwise by the board of education in any capacity, such proposed employment or engagement shall be (i) disclosed to the board of education and (ii) approved by the board of education in a duly called open-session meeting. The burden of disclosure of such a conflict of interest shall be on the applicable board member or central office staff administrator."

SECTION 6.(c) This section becomes effective March 1, 2016.

SECTION 7. G.S. 115C-218.50 reads as rewritten:

"**§ 115C-218.50. Charter school nonsectarian.**

(a) A charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other ~~operations and shall not charge tuition or fees, except that a charter school may charge any fees that are charged by the local school administrative unit in which the charter school is located.~~ operations. A charter school shall not be affiliated with a nonpublic sectarian school or a religious institution.

(b) A charter school shall not charge tuition or fees except as follows:

(1) A charter school may charge any fees that are charged by the local school administrative unit in which the charter school is located.

(2) A charter school, upon approval by the board of directors of the charter school, may establish fees for extracurricular activities, except those fees

shall not exceed the fees for the same extracurricular activities charged by a local school administrative unit in which forty percent (40%) or more of the students enrolled in the charter school reside."

SECTION 8.(a) G.S. 115C-218.100(a) reads as rewritten:

"(a) Funds Reserved for Closure Proceedings. – A charter school ~~shall maintain,~~ that has elected to participate in the North Carolina Retirement System pursuant to G.S. 135-5.3 shall, for as long as the charter school continues to participate in the North Carolina Retirement System, 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-218.105 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."

SECTION 8.(b) The State Board of Education shall study and develop a proposed policy regarding circumstances in which a charter school, approved by the State Board pursuant to G.S. 115C-218.5, should be subject to a minimum value requirement of fifty thousand dollars ($50,000) for the purposes of ensuring payment of expenses related to closure proceedings. The State Board shall also consider whether certain charter schools should be provided with a total or partial waiver of such a requirement and shall examine criteria for potentially eligible charter schools, such as the years of operation of the charter school, proven compliance with finance, governance, academic requirements of its charter, State law, and State Board policy requirements, as well as appropriate documentation to show the charter school's financial health and sustainability.

SECTION 8.(c) By February 15, 2016, the State Board of Education shall report to the Joint Legislative Education Oversight Committee on the results of the study and a proposed policy as required by subsection (b) of this section, including any legislative recommendations.

SECTION 8.(d) If House Bill 97, 2015 Regular Session, becomes law, Section 8.28 of that bill is repealed.

SECTION 8.(e) This section is effective when it becomes law. Subsection (a) of this section applies to charter schools that submitted applications for an initial charter or the renewal of a charter to the State Board of Education on or after August 2, 2014.

SECTION 9.(a) By January 15, 2016, upon written recommendations made by the Charter Schools Advisory Board (Advisory Board), the State Board of Education shall amend the process and rules for replication of high-quality charter schools established in North Carolina State Board of Education Policy TCS-U-016 (Fast Track Replication of High Quality Charter Schools) to authorize consideration for fast-track replication of a charter application from a board of directors of a North Carolina nonprofit corporation who agrees to contract with an education management organization or charter management organization currently operating a charter school or schools in the State for at least a year, regardless of whether the board of directors has previously operated a charter school within the State. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the amendment to the process and rules for charter school replication as required by this section.

SECTION 9.(b) By January 15, 2016, the Advisory Board shall study and make recommendations on a process for allocating allotments made pursuant to G.S. 115C-218.105 for schools which increase enrollment pursuant to G.S. 115C-218.5(f), as amended by this act, to the State Board of Education. The State Board of Education shall review the Advisory Board's recommendations and shall report to the Joint Legislative Education Oversight Committee by February 15, 2016, on recommendations for policy or legislation needed for that process.

SECTION 9.(c) By January 15, 2016, upon written recommendations made by the Advisory Board, the State Board of Education shall adopt a policy on the process for determining whether a school is in substantial compliance as required under

G.S. 115C-218.5(d)(3), (e), and (f) as amended by this act. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the adoption of the policies required by this section.

SECTION 9.(d) By January 15, 2016, upon written recommendations made by the Advisory Board, the State Board of Education shall adopt a policy on the submission of certain proposed rules and other guidance related to charter schools for review by the Advisory Board and a requirement for the Advisory Board to provide recommendations to the State Board of Education on covered matters. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the adoption of the policies required by this section.

SECTION 10.(a) G.S. 115C-112.6(c) reads as rewritten:

"(c) Student ~~Reevaluation.~~ Continuing Eligibility. – After an eligible student's initial receipt of a scholarship, the Authority shall ensure that the ~~student is reevaluated~~student's continuing eligibility is assessed 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.~~one of the following:

(1) The local educational agency. – The local school educational agency shall assess if the child continues to be a child with a disability and verify the outcome on a form to be provided to the Authority.

(2) A licensed psychologist with a school psychology focus. – The psychologist shall assess, after review of appropriate medical and educational records, if the education and related services received by the student in the nonpublic school setting have improved the child's educational performance and if the student would continue to benefit from placement in the nonpublic school setting. The psychologist shall verify the outcome of the assessment on a form to be provided to the Authority."

SECTION 10.(b) G.S. 115C-112.9(2) reads as rewritten:

"(2) Provide ~~reevaluations~~ assessments for continuing eligibility 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 10.(c) This section is effective when it becomes law and applies to students required to be assessed on or after January 1, 2015.

SECTION 11. Sections 2, 3, 4, 5, and 7 of this act apply beginning with the 2015-2016 school year. Except as otherwise provided, the remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16th day of September, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 4:30 p.m. this 23rd day of September, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-17
HOUSE BILL 358

AN ACT TO EXTEND THE USE OF THE FIFTEEN-POINT SCALE FOR ASSIGNMENT OF SCHOOL PERFORMANCE GRADES FOR THE 2014-2015 AND 2015-2016 SCHOOL YEARS ONLY.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 115C-83.15(d), for the 2014-2015 school year and the 2015-2016 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 is equivalent to an overall school performance grade of F.

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

In the General Assembly read three times and ratified this the 11th day of May, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Paul Stam
Presiding Officer of the House of Representatives

s/ Pat McCrory
Governor

Approved 3:30 p.m. this 14th day of May, 2015

SESSION LAW 2015-9
HOUSE BILL 364

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The General Assembly of North Carolina enacts:

PART I. CLARIFY CONFLICT OF INTEREST PROVISIONS

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

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

...

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

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

...."

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

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

...

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

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

...."

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

"§ 113A-104. Coastal Resources Commission.

...

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

(c2) All members of the Commission are covered persons for the purposes of Chapter 138A of the General Statutes, the State Government Ethics Act. As covered persons, members of the Commission shall comply with the applicable requirements of the State Government Ethics Act, including mandatory training, the public disclosure of economic interests, and

ethical standards for covered persons. Members of the Commission shall comply with the provisions of the State Government Ethics Act to avoid conflicts of interest. The Governor may require additional disclosure of potential conflicts of interest by the members described in subsection (c1) of this section. The Governor may promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons described in subsection (c1) of this section.

...."

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

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

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

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

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

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

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

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

victims' service program eligible for funding by the Governor's Crime Commission or the North Carolina Council for Women; and ~~one~~ two of whom ~~is a member~~are members of the public at large.

(3) Nine persons appointed by the General Assembly, upon recommendation of the Speaker of the House of Representatives, ~~one of whom is a member of the House of Representatives;~~ one of whom is a magistrate; one of whom is a member of the business community; one of whom is a district court judge; one of whom is a representative of a victims' service program eligible for funding by the Governor's Crime Commission or the North Carolina Council for Women; one of whom is a representative of the law enforcement community with specialized knowledge of domestic violence issues; one of whom provides offender treatment and is approved by the North Carolina Council for Women; one of whom is a representative of the linguistic and cultural minority communities; and ~~one~~ two of whom ~~is a public member.~~are members of the public at large.

...."

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

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

(1) The voting members shall be:

...

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

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

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

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

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

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

...

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

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

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

PART III. EFFECTIVE DATE

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

In the General Assembly read three times and ratified this the 16th day of April, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

This bill having been presented to the Governor for signature on the 16th day of April, 2015 and the Governor having failed to approve it within the time prescribed by law, the same is hereby declared to have become a law. This 27th day of April, 2015.

s/ Karen Jenkins
Enrolling Clerk

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-258
HOUSE BILL 373

AN ACT TO ESTABLISH PROCEDURES FOR THE CONDUCT OF THE 2016 PRIMARIES, INCLUDING THE PRESIDENTIAL PREFERENCE PRIMARY, AND TO MAKE CHANGES TO THE CAMPAIGN FINANCE LAWS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Conduct of 2016 Presidential Preference Primary Election. – Notwithstanding Article 18A of Chapter 163 of the General Statutes, the 2016 presidential preference primary election shall be conducted as provided in this act.

SECTION 1.(b) Primary Date. – On March 15, 2016, the voters of this State shall be given an opportunity to express the voters' preference for the person to be the presidential candidate of the voters' political party.

SECTION 1.(c) Qualifications and Registration of Voters. – Any person otherwise qualified who will become qualified by age to vote in the general election held in 2016 shall be entitled to register and vote in the 2016 presidential preference primary. Such persons may register not earlier than 60 days nor later than the last day for making application to register under G.S. 163-82.6 prior to the said primary. In addition, persons who will become qualified by age to register and vote in the 2016 general election who do not register during the special period may register to vote after such period as if the person was qualified on the basis of age, but until the person is qualified by age to vote, the person may vote only in primary elections.

SECTION 1.(d) Conduct of Election. – The 2016 presidential preference primary election shall be conducted and canvassed by the same authority and in the manner provided by law for the conduct and canvassing of the primary election for the office of Governor and all other offices enumerated in G.S. 163-182.4(b) and under the same provisions stipulated in G.S. 163-182.5(c). The State Board of Elections shall have authority to adopt rules and regulations, not inconsistent with provisions contained herein, pursuant to the administration of this act.

SECTION 1.(e) Nomination of Presidential Candidates by State Board of Elections. – No later than December 16, 2015, the chair of each political party shall submit to the State Board of Elections a list of its presidential candidates to be placed on the 2016 presidential preference primary ballot. The list must be comprised of candidates whose candidacy is generally advocated and recognized in the news media throughout the United States or in North Carolina, unless any such candidate executes and files with the chair of the political party an affidavit stating without qualification that the candidate is not and does not intend to become a candidate for nomination in the 2016 North Carolina presidential preference primary election. The State Board of Elections shall prepare and publish a list of the names of the presidential candidates submitted. The State Board of Elections shall convene in Raleigh on January 5, 2016. At the meeting required by this section, the State Board of Elections shall nominate as presidential primary candidates all candidates affiliated with a political party, recognized pursuant to the provisions of Article 9 of Chapter 163 of the General Statutes, who have been submitted to the State Board of Elections. Additionally, the State Board of Elections, by vote of at least three of its members in the affirmative, may nominate as a presidential primary candidate any other person affiliated with a political party that it finds is generally advocated and recognized in the news media throughout the United States or in North Carolina as candidates for the nomination by that party. Immediately upon completion of these requirements, the Board shall release to the news media all such nominees selected. Provided, however, nothing shall prohibit the partial selection of nominees prior to the meeting required by this section, if all provisions herein have been complied with.

SECTION 1.(f) Nomination of Presidential Candidates by Petition. – Any person seeking the endorsement by the national political party for the office of President of the United States in 2016, or any group organized in this State on behalf of, and with the consent of, such person, may file with the State Board of Elections petitions signed by 10,000 persons who, at the time of the signing, are registered and qualified voters in this State and are affiliated, by such registration, with the same political party as the candidate for whom the petitions are filed. Such petitions shall be presented to the county board of elections 10 days before the filing deadline and shall be certified promptly by the chair of the board of elections of the county in which the signatures were obtained and shall be filed by the petitioners with the State Board of Elections no later than 5:00 P.M. on January 4, 2016.

The petitions must state the name of the candidate for nomination, along with a letter of approval signed by such candidate. Said petitions must also state the name and address of the chair of any such group organized to circulate petitions authorized under this section. The requirements of G.S. 163-221 prohibiting signing the name of another to a petition shall apply to any submitted petition. The requirement of the respective chair of county boards of elections shall be the same as now required under the provisions of G.S. 163-96 as those requirements relate to the chair of the county board of elections.

The State Board of Elections shall forthwith determine the sufficiency of petitions filed with it and shall immediately communicate its determination to the chair of such group organized to circulate petitions. The form and style of petition shall be as prescribed by the State Board of Elections.

SECTION 1.(g) Notification to Candidates. – The State Board of Elections shall forthwith contact each person who has been nominated by the Board or by petition and notify the candidate in writing that the candidate's name will be printed as a candidate of a specified political party on the 2016 North Carolina presidential preference primary ballot. A candidate who participates in the 2016 North Carolina presidential preference primary of a particular party shall have the candidate's name placed on the general election ballot only as a nominee of that political party. The State Board of Elections shall send a copy of this act to each candidate with the notice specified above.

SECTION 1.(h) Voting in Presidential Preference Primary. – The names of all candidates in the 2016 presidential preference primary shall appear at an appropriate place on the ballot or voting machine. In addition, the State Board of Elections shall provide a category on the ballot or voting machine allowing voters in each political party to vote an "uncommitted" or "no preference" status. The voter shall be able to cast the voter's ballot for one of the presidential candidates of a political party or for an "uncommitted" or "no preference" status but shall not be permitted to vote for candidates or "uncommitted" status of a political party different from the voter's registration. Persons registered as "Unaffiliated" shall not participate in the presidential primary except as provided in G.S. 163-119.

SECTION 1.(i) Allocation of Delegate Positions. – Upon completion and certification of the primary results by the State Board of Elections, the Secretary of State shall certify the results of the 2016 presidential preference primary to the State chair of each political party. The candidate receiving the highest number of votes in the presidential preference primary of each party shall be nominated. Each political party shall require the delegate positions appointed by that party to support the candidate certified as receiving the highest number of votes until one convention nominating ballot has been taken at the 2016 national party convention, unless that candidate has withdrawn from the race and has ceased to actively seek election to the office of President of the United States in more than one state at the time the first convention nominating ballot is taken at the 2016 national party convention.

SECTION 1.(j) Conflict With National Rules. – In case of conflict between the requirements of subsection (i) of this section and the national rules of a political party, the State executive committee of that party has the authority to resolve the conflict by adopting for that party the national rules, which shall then supersede any provision in subsection (i) of this section with which it conflicts, provided that the executive committee shall take only such action under this section necessary to resolve the conflict.

SECTION 1.(k) Notification of National Committee. – It shall be the responsibility of the State chair of each political party, qualified under the laws of this State, to notify his or her party's national committee no later than December 10, 2015, of the provisions contained under this act.

SECTION 2.(a) General Primary Date. – Notwithstanding G.S. 163-1(b), the primary election in 2016 shall be conducted on the same date as the 2016 presidential preference primary, as established by subsection (b) of Section 1 of this act.

SECTION 2.(b) Filing Period. – Notwithstanding G.S. 163-106, the filing period for the 2016 primary shall open at 12:00 noon on Tuesday, December 1, 2015, and close at 12:00 noon on Monday, December 21, 2015.

SECTION 2.(c) Eligibility to File. – Notwithstanding G.S. 163-106, no person shall be permitted to file as a candidate in a party primary unless that person has been affiliated with that party for at least 75 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 2.(d) Second Primaries. – Notwithstanding G.S. 163-111(e), if a second primary is required under G.S. 163-111, the appropriate board of elections, State or county, shall order that it be held May 24, 2016, if any of the offices for which a second primary is required are for a candidate for the office of United States Senate or member of the United States House of Representatives. Otherwise, the second primary shall be held May 3, 2016.

There shall be no registration of voters between the dates of the first and second primaries. Persons whose qualifications to register and vote mature after the day of the first primary and before the day of the second primary may register on the day of the second primary and, when thus registered, shall be entitled to vote in the second primary. The second primary is a continuation of the first primary and any voter who files a proper and timely written affirmation of change of address within the county under the provisions of G.S. 163-82.15, in the first primary may vote in the second primary without having to refile that written affirmation if the voter is otherwise qualified to vote in the second primary. Subject to this provision for registration, the second primary shall be held under the laws, rules, and regulations provided for the first primary.

SECTION 2.(e) Special Elections. – Any special election authorized by statute or local act that is set for May 2016 shall be placed on the ballot at the time of the presidential preference primary, as established by subsection (b) of Section 1 of this act, unless the unit of government calling the special election affirmatively changes the date for the special election to another date in accordance with G.S. 163-287.

SECTION 2.(f) Statement of Economic Interest. – Notwithstanding G.S. 138A-22, the statement of economic interest required of any candidate for elective office subject to Article 2 of Chapter 138A of the General Statutes shall be filed with the State Ethics Commission on or before February 1, 2016.

SECTION 2.(g) Campaign Finance Reports. – Notwithstanding Article 22A of Chapter 163 of the General Statutes, the following changes shall be made to the required campaign finance reports:

(1) The report for the first quarter shall be due Monday, March 7, 2016, and shall cover the period through February 29, 2016.

(2) The report for the second quarter shall also cover March 2016.

SECTION 2.(h) Temporary Orders. – In order to accommodate the scheduling of the 2016 primary before the Tuesday after the first Monday in May, the State Board of Elections may issue temporary orders that may change, modify, delete, amend, or add to any statute contained in Chapter 163 of the General Statutes, any rules contained in Title 8 of the North Carolina Administrative Code, or any other election regulation or guideline that may affect the 2016 primary elections. These temporary orders shall only be effective for the 2016 primary elections.

SECTION 2.(i) Orders, Not Rules. – Orders issued under this section are not rules subject to the provisions of Chapter 150B of the General Statutes. Orders issued under this section shall be published in the North Carolina Register upon issuance.

SECTION 2.(j) Expiration of Orders. – Any orders issued under this section become void 10 days after the final certification of all 2016 primary elections. This section expires 10 days after the final certification of all 2016 primary elections.

SECTION 2.(k) Definition. – As used in this section, "order" also includes guidelines and directives.

SECTION 3.(a) Article 22A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"**§ 163-278.8B. Affiliated party committees.**

(a) The leader of each political party caucus of the North Carolina House of Representatives and the Senate may establish a separate, affiliated party committee to support the election of candidates of that leader's political party. The affiliated party committee is deemed a political party for purposes of this Article.

(b) Each affiliated party committee shall:

(1) Adopt bylaws to include, at a minimum, the designation of a treasurer.

(2) Conduct campaigns for candidates who are members of the leader's political party or manage daily operations of the affiliated party committee.

(3) Establish a bank account.

(4) Raise and expend funds. Such funds may not be expended or committed to be expended except when authorized by the leader of the affiliated party committee.

(c) Notwithstanding any other provision of law to the contrary, an affiliated party committee shall be entitled to use the name, abbreviation, and symbol of the political party of its leader.

(d) For purposes of this section, the term "leader" shall mean the currently elected President Pro Tempore of the Senate, the currently elected Speaker of the House of Representatives, or the currently elected minority leader of either house of the General Assembly, until another person is designated by a political party caucus of members of either house to succeed to one of the aforesaid positions, at which time the newly designated designee becomes the leader for purposes of this section."

SECTION 3.(b) G.S. 163-278.6 reads as rewritten:

"**§ 163-278.6. Definitions.**

When used in this Article:

...

(6) The terms "contribute" or "contribution" mean any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever, made to, or in coordination with, a candidate to support or oppose the nomination or election of one or more clearly identified candidates, to a political committee, to a political party, to an affiliated party committee, or to a referendum committee, whether or not made in an election year, and any contract, agreement, or other obligation to make a contribution. An expenditure forgiven by a person or entity to whom it is owed shall be reported as a contribution from that person or entity. These terms include, without limitation, such contributions as labor or personal services, postage, publication of campaign literature or materials, in-kind transfers, loans or use of any supplies, office machinery, vehicles, aircraft, office space, or similar or related services, goods, or personal or real property. These terms also include, without limitation, the proceeds of sale of services, campaign literature and materials, wearing apparel, tickets or admission prices to campaign events such as rallies or dinners, and the proceeds of sale of any campaign-related services or goods. Notwithstanding the foregoing meanings of "contribution," the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate, political committee, or referendum committee. The term "contribution" does not include an "independent expenditure." If:

a. Any individual, person, committee, association, or any other organization or group of individuals, including but not limited to, a political organization (as defined in section 527(e)(1) of the Internal Revenue Code of 1986) makes, or contracts to make, any disbursement for any electioneering communication, as defined in this section; and

b. That disbursement is coordinated with a candidate, an authorized political committee of that candidate, a State or local political party or committee of that party, an affiliated party committee, or an agent or official of any such candidate, party, or committee

that disbursement or contracting shall be treated as a contribution to the candidate supported by the electioneering communication or that candidate's party and as an expenditure by that candidate or that candidate's party.

...

(8k) The term "electioneering communication" does not include any of the following:

a. A communication appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, unless those facilities are owned or controlled by any political party, affiliated party committee, political committee, or candidate.

b. A communication that constitutes an expenditure or independent expenditure under this Article.

c. A communication that constitutes a candidate debate or forum conducted pursuant to rules adopted by the Board or that solely promotes that debate or forum and is made by or on behalf of the person sponsoring the debate or forum.

d. A communication made while the General Assembly is in session which, incidental to advocacy for or against a specific piece of legislation pending before the General Assembly, urges the audience to communicate with a member or members of the General Assembly concerning that piece of legislation or a solicitation of others as defined in G.S. 120C-100(a)(13) properly reported under Chapter 120C of the General Statutes.

e. A communication that meets all of the following criteria:

1. Does not mention any election, candidacy, political party, opposing candidate, or voting by the general public.

2. Does not take a position on the candidate's character or qualifications and fitness for office.

3. Proposes a commercial transaction.

f. A public opinion poll conducted by a news medium, as defined in G.S. 8-53.11(a)(3), conducted by an organization whose primary purpose is to conduct or publish public opinion polls, or contracted for by a person to be conducted by an organization whose primary purpose is to conduct or publish public opinion polls. This sub-subdivision shall not apply to a push poll. For the purpose of this sub-subdivision, "push poll" shall mean the political campaign technique in which an individual or organization attempts to influence or alter the view of respondents under the guise of conducting a public opinion poll.

g. A communication made by a news medium, as defined in G.S. 8-53.11(a)(3), if the communication is in print.

...

(14) The term "political committee" means a combination of two or more individuals, such as any person, committee, association, organization, or other entity that makes, or accepts anything of value to make, contributions or expenditures and has one or more of the following characteristics:

a. Is controlled by a candidate;

b. Is a political party or executive committee of a political party or is controlled by a political party or executive committee of a political party;

c. Is created by a corporation, business entity, insurance company, labor union, or professional association pursuant to G.S. 163-278.19(b); or

d. Has the major purpose to support or oppose the nomination or election of one or more clearly identified candidates.

e. Is an affiliated party committee.

Supporting or opposing the election of clearly identified candidates includes supporting or opposing the candidates of a clearly identified political party.

If the entity qualifies as a "political committee" under sub-subdivision a., b., c., or d. of this subdivision, it continues to be a political committee if it

receives contributions or makes expenditures or maintains assets or liabilities. A political committee ceases to exist when it winds up its operations, disposes of its assets, and files its final report.

The term "political committee" includes the campaign of a candidate who serves as his or her own treasurer.

Special definitions of "political action committee" and "candidate campaign committee" that apply only in Part 1A of this Article are set forth in G.S. 163-278.38Z.

(15) The term "political party" means any political party organized or operating in this State, whether or not that party is recognized under the provisions of G.S. 163-96. A special definition of "political party organization" that applies only in Part 1A of this Article is set forth in G.S. 163-278.38Z. An affiliated party committee is deemed a political party for this Article as set forth in G.S. 163-278.8B.

...."

SECTION 3.(c) G.S. 163-278.7(b) reads as rewritten:

"(b) Each appointed treasurer shall file with the Board at the time required by G.S. 163-278.9(a)(1) a statement of organization that includes:

(1) The Name, Address and Purpose of the Candidate, Political Committee, or Referendum Committee. – When the political committee or referendum committee is created pursuant to G.S. 163-278.19(b), the name shall be or include the name of the corporation, insurance company, business entity, labor union or professional association whose officials, employees, or members established the committee. When the political committee or referendum committee is not created pursuant to G.S. 163-278.19(b), the name shall be or include the economic interest, if identifiable, principally represented by the committee's organizers or intended to be advanced by use of the committee's receipts.

(2) The names, addresses, and relationships of affiliated or connected candidates, political committees, referendum committees, political parties, affiliated party committees, or similar organizations;

(3) The territorial area, scope, or jurisdiction of the candidate, political committee, or referendum committee;

(4) The name, address, and position with the candidate or political committee of the custodian of books and accounts;

(5) The name and party affiliation of the candidate(s) whom the committee is supporting or opposing, and the office(s) involved;

(5a) The name of the referendum(s) which the referendum committee is supporting or opposing, and whether the committee is supporting or opposing the referendum;

(6) The name of the political ~~committee or~~committee, political party or affiliated party committee being supported or opposed if the committee is supporting the ticket of a particular ~~political~~ candidate or political party;

(7) A listing of all banks, safety deposit boxes, or other depositories used, including the names and numbers of all accounts maintained and the numbers of all such safety deposit boxes used, provided that the Board shall keep any account number included in any report filed after March 1, 2003, and required by this Article confidential except as necessary to conduct an audit or investigation, except as required by a court of competent jurisdiction, or unless confidentiality is waived by the treasurer. Disclosure of an account number in violation of this subdivision shall not give rise to a civil cause of action. This limitation of liability does not apply to the disclosure of account numbers in violation of this subdivision as a result of gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable.

(8) The name or names and address or addresses of any assistant treasurers appointed by the treasurer. Such assistant treasurers shall be authorized to act in the name of the candidate, political committee, or referendum committee and shall be fully responsible for any act or acts committed by the

assistant treasurer. The treasurer shall be fully liable for any violation of this Article committed by any assistant treasurer; and

(9) Any other information which might be requested by the Board that deals with the campaign organization of the candidate or referendum committee."

SECTION 3.(d) G.S. 163-278.8A reads as rewritten:

"**§ 163-278.8A. (For effective date and applicability, see Editor's note) Campaign sales by political party executive committees.**

(a) Exempt Purchase Price Not Treated as "Contribution." – Notwithstanding the provisions of G.S. 163-278.6(6), the purchase price of goods or services sold by a political party executive committee or affiliated party committee as provided in subsection (b) of this section shall not be treated as a "contribution" for purposes of account-keeping under G.S. 163-278.8, for purposes of the reporting of contributions under G.S. 163-278.11, or for the purpose of the limit on contributions under G.S. 163-278.13. The treasurer is not required to obtain, maintain, or report the name or other identifying information of the purchaser of the goods or services, as long as the requirements of subsection (b) of this section are satisfied. However, the proceeds from the sales of those goods and services shall be treated as contributions for other purposes, and expenditures of those proceeds shall be reported as expenditures under this Article.

(b) Exempt Purchase Price. – A purchase price for goods or services sold by a political party executive committee or affiliated party committee qualifies for the exemption provided in subsection (a) of this section as long as the sale of the goods or services adheres to a plan that the treasurer has submitted to and that has been approved in writing by the Executive Director of the State Board of Elections. The Executive Director shall approve the treasurer's plan upon and only upon finding that all the following requirements are satisfied:

(1) That the price to be charged for the goods or services is reasonably close to the market price for the goods or services.

(2) That the total amount to be raised from sales under all plans by the committee does not exceed ten thousand dollars ($10,000) per election cycle.

(3) That no purchaser makes total purchases under the plan that exceed fifty dollars ($50.00).

(4) That the treasurer include in the report under G.S. 163-278.11, covering the relevant time period, all of the following:

a. A description of the plan.

b. The amount raised from sales under the plan.

c. The number of purchases made.

(5) That the treasurer shall include in the appropriate report under G.S. 163-278.11 any in-kind contribution made to the political party ~~executive committee~~ in providing the goods or services sold under the plan and that no in-kind contribution accepted as part of the plan violates any provision of this Article.

The Executive Director may require a format for submission of a plan, but that format shall not place undue paperwork burdens upon the treasurer. As used in this subdivision, the term "election cycle" has the same meaning as in G.S. 163-278.6(7c)."

SECTION 3.(e) G.S. 163-278.9 reads as rewritten:

"**§ 163-278.9. Statements filed with Board.**

(a) Except as provided in G.S. 163-278.10A, the treasurer of each candidate and of each political committee shall file with the Board under certification of the treasurer as true and correct to the best of the knowledge of that officer the following reports:

(1) Organizational Report. – The appointment of the treasurer as required by G.S. 163-278.7(a), the statement of organization required by G.S. 163-278.7(b), and a report of all contributions and expenditures not previously reported shall be filed with the Board no later than the tenth day following the day the candidate files notice of candidacy or the tenth day following the organization of the political committee, whichever occurs first. Any candidate whose campaign is being conducted by a political committee which is handling all contributions and expenditures for his campaign shall file a statement with the Board stating such fact at the time required herein for the organizational report. Thereafter, the candidate's political committee shall be responsible for filing all reports required by law.

(2) Repealed by Session Laws 1999-31, s. 7(a), effective January 1, 2000.

(3) (4) Repealed by Session Laws 1997-515, s. 1.

(4a) 48-Hour Report. – A political ~~committee or~~ committee, political party or affiliated party committee that receives a contribution or transfer of funds shall disclose within 48 hours of receipt a contribution or transfer of one thousand dollars ($1,000) or more received before an election but after the period covered by the last report due before that election. The disclosure shall be by report to the State Board of Elections identifying the source and amount of the funds. The State Board of Elections shall specify the form and manner of making the report, including the reporting of in-kind contributions.

(5) Repealed by Session Laws 1985, c. 164, s. 1.

(5a) Quarterly Reports. – During even-numbered years during which there is an election for that candidate or in which the campaign committee is supporting or opposing a candidate, the treasurer shall file a report by mailing or otherwise delivering it to the Board no later than seven working days after the end of each calendar quarter covering the prior calendar quarter, except that:

a. The report for the first quarter shall also cover the period in April through the seventeenth day before the primary, the first quarter report shall be due seven days after that date, and the second quarter report shall not include that period if a first quarter report was required to be filed; and

b. The report for the third quarter shall also cover the period in October through the seventeenth day before the election, the third quarter report shall be due seven days after that date, and the fourth quarter report shall not include that period if a third quarter report was required to be filed.

(6) Semiannual Reports. – If contributions are received or expenditures made for which no reports are otherwise required by this Article, any and all such contributions and expenditures shall be reported by the last Friday in July, covering the period through the last day of June, and shall be reported by the last Friday in January, covering the period through the last day of December.

(b) Except as otherwise provided in this Article, each report shall be current within seven days prior to the date the report is due and shall list all contributions received and expenditures made which have not been previously reported.

(c) Repealed by Session Laws 1985, c. 164, s. 6.1.

(d) Candidates and committees for municipal offices are not subject to subsections (a), (b) and (c) of this section, unless they make contributions or expenditures concerning elections covered by this Part. Reports for those candidates and committees are covered by Part 2 of this Article.

(e) Notwithstanding subsections (a) through (c) of this section, any political party (including a State, district, county, or precinct committee thereof) which is required to file reports under those subsections and under the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 434), shall instead of filing the reports required by those subsections, file with the State Board of Elections:

(1) The organizational report required by subsection (a)(1) of this section, and

(2) A copy of each report required to be filed under 2 U.S.C. 434, such copy to be filed on the same day as the federal report is required to be filed.

(f) Any report filed under subsection (e) of this section may include matter required by the federal law but not required by this Article.

(g) Any report filed under subsection (e) of this section must contain all the information required by G.S. 163-278.11, notwithstanding that the federal law may set a higher reporting threshold.

(h) Any report filed under subsection (e) of this section may reflect the cumulative totals required by G.S. 163-278.11 in an attachment, if the federal law does not permit such information in the body of the report.

(i) Any report or attachment filed under subsection (e) of this section must be certified.

(j) **(Effective until January 1, 2017)** Treasurers for 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;

(2) A State, district, county, or precinct executive committee of a political party, or an affiliated party committee, 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.

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.

(j) **(Effective January 1, 2017)** 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 the stated amount 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, or an affiliated party committee, 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.

(k) All reports under this section must be filed by a treasurer or assistant treasurer who has completed all training as to the duties of the office required by G.S. 163-278.7(f)."

SECTION 3.(f) G.S. 163-278.10A(b) reads as rewritten:

"(b) The exemption from reporting in subsection (a) of this section applies to political party committees and affiliated party committees under the same terms as for candidates, except that the term "to further the candidate's campaign" does not relate to a political party committee's or an affiliated party committee's exemption, and all contributions, expenditures, and loans during an election shall be counted against the threshold amount for a political party ~~committee's threshold amount.~~committee or an affiliated committee."

SECTION 3.(g) G.S. 163-278.11(b) reads as rewritten:

"(b) Statements shall reflect anything of value paid for or contributed by any person or individual, both as a contribution and expenditure. A political party executive committee or affiliated party committee that makes an expenditure that benefits a candidate or group of candidates shall report the expenditure, including the date, amount, and purpose of the expenditure and the name of and office sought by the candidate or candidates on whose behalf the expenditure was made. A candidate who benefits from the expenditure shall report the expenditure or the proportionate share of the expenditure from which the candidate benefitted as an in-kind contribution if the candidate or the candidate's committee has coordinated with the political party executive committee or affiliated party committee concerning the expenditure."

SECTION 3.(h) G.S. 163-278.13(e) reads as rewritten:

"(e) This section shall not apply to any national, State, district or county executive committee of any political ~~party.~~party or an affiliated party committee. For the purposes of this section only, the term "political party" means only those political parties officially recognized under G.S. 163-96."

SECTION 3.(i) G.S. 163-278.13B(c)(5) reads as rewritten:

"(5) No limited contributor shall solicit a contribution from any individual or political committee on behalf of a limited contributee. This subdivision does

not apply to a limited contributor soliciting a contribution on behalf of a political party executive committee or an affiliated party committee if the solicitation is solely for a separate segregated fund kept by the political party or affiliated party committee limited to use for activities that are not candidate-specific, including generic voter registration and get-out-the-vote efforts, pollings, mailings, and other general activities and advertising that do not refer to a specific individual candidate."

SECTION 3.(j) G.S. 163-278.14(a) reads as rewritten:

"(a) No individual, political committee, or other entity shall make any contribution anonymously or in the name of another. No candidate, political committee, referendum committee, political party, affiliated party committee, or treasurer shall knowingly accept any contribution made by any individual or person in the name of another individual or person or made anonymously. If a candidate, political committee, referendum committee, political party, affiliated party committee, or treasurer receives anonymous contributions or contributions determined to have been made in the name of another, he shall pay the money over to the Board, by check, and all such moneys received by the Board shall be deposited in the Civil Penalty and Forfeiture Fund of the State of North Carolina. This subsection shall not apply to any contribution by an individual with the lawful authority to act on behalf of another individual, whether through power of attorney, trustee, or other lawful authority."

SECTION 3.(k) G.S. 163-278.14A(b)(1) reads as rewritten:

"(1) Appears in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, or magazine, unless those facilities are owned or controlled by any political party, affiliated party committee, or political committee;"

SECTION 3.(l) G.S. 163-278.15(a) reads as rewritten:

"(a) No candidate, political committee, political party, affiliated party committee, or treasurer shall accept any contribution made by any corporation, foreign or domestic, regardless of whether such corporation does business in the State of North Carolina, or made by any business entity, labor union, professional association, or insurance company. This section does not apply with regard to entities permitted to make contributions by G.S. 163-278.19(f)."

SECTION 3.(m) G.S. 163-278.16B(a)(4) reads as rewritten:

"(4) Contributions to a national, State, or district or county committee of a political party or a caucus of the political ~~party.~~party or an affiliated party committee."

SECTION 3.(n) G.S. 163-278.18(a) reads as rewritten:

"(a) No media and no supplier of materials or services shall charge or require a candidate, treasurer, political party, affiliated party committee, or individual to pay a charge for advertising, materials, space, or services purchased for or in support of or in opposition to any candidate, political committee, or political party that is higher than the normal charge it requires other customers to pay for comparable advertising, materials, space, or services purchased for other purposes."

SECTION 3.(o) G.S. 163-278.19(a1) reads as rewritten:

"(a1) A transfer of funds shall be deemed to have been a contribution made indirectly if it is made to any ~~committee~~ committee, affiliated party committee, or political party account, whether inside or outside this State, with the intent or purpose of being exchanged in whole or in part for any other funds to be contributed or expended in an election for North Carolina office or to offset any other funds contributed or expended in an election for North Carolina office."

SECTION 3.(p) G.S. 163-278.19B reads as rewritten:

"§ 163-278.19B. Political party headquarters building funds.

Notwithstanding the provisions of G.S. 163-278.19, a person prohibited by that section from making a contribution may donate to political parties and affiliated party committees and political parties and affiliated party committees may accept from such a person money and other things of value donated to a political party headquarters building fund. Donations to the political party headquarters building fund shall be subject to all the following rules:

(1) The donations solicited and accepted are designated to the political party headquarters building fund.

(2) Potential donors to that fund are advised that all donations will be exclusively for the political party headquarters building fund.

(3) The political party or affiliated party committee establishes a separate segregated bank account into which shall be deposited only donations for the political party headquarters building fund from persons prohibited by G.S. 163-278.19 from making contributions.

(4) The donations deposited in the separate segregated bank account for the political party headquarters building fund will be spent only to purchase a principal headquarters building, to construct a principal headquarters building, to renovate a principal headquarters building, to pay a mortgage on a principal headquarters building, to repay donors if a principal headquarters building is not purchased, constructed, or renovated, or to pay building rent or monthly or bimonthly utility expenses incurred to operate the principal headquarters building. Donations deposited into that account shall be used solely for the purposes set forth in the preceding sentence, and specifically shall not be used for headquarters equipment other than fixtures, personnel compensation, or travel or fundraising expenses or requirements of any kind. Notwithstanding the above, personnel compensation and in-kind benefits may be paid to no more than three personnel whose functions are primarily administrative in nature, such as providing accounting, payroll, or campaign finance reporting services, for the party and whose job functions require no more than ten percent (10%) of work time to be spent on political advocacy each calendar year

(5) The political party executive committee or affiliated party committee shall report donations to and spending by a political party headquarters building fund on every report required to be made by G.S. 163-278.9. If a committee is excused from making general campaign finance reports under G.S. 163-278.10A, that committee shall nonetheless report donations in any amount to and spending in any amount by the political party headquarters building fund at the times required for reports in G.S. 163-278.9.

If all the criteria set forth in subdivisions (1) through (5) of this section are complied with, then donations to and spending by a political party headquarters building fund do not constitute contributions or expenditures as defined in G.S. 163-278.6. If those criteria are complied with, then donations may be made to a political party headquarters building fund."

SECTION 3.(q) G.S. 163-278.38Z reads as rewritten:

"**§ 163-278.38Z. Definitions.**

As used in this Part:

...

(5) "Political action committee" has the same meaning as "political committee" in G.S. 163-278.6(14), except that "political action committee" does not include any political ~~party or~~party, political party ~~organization.~~organization, or affiliated party committee.

(6) "Political party organization" means any political party executive committee or any political committee that operates under the direction of a political party executive committee or political party ~~chair.~~chair, or any affiliated party committee.

...."

SECTION 4. Sections 1 and 2 of this act are effective when this act becomes law and apply only to the 2016 primary cycle. The remainder of this act is effective when it becomes law and applies to contributions and expenditures made on or after that date.

In the General Assembly read three times and ratified this the 24th day of September, 2015.

s/ David L. Curtis
Presiding Officer of the Senate

s/ David R. Lewis
Presiding Officer of the House of Representatives

s/ Pat McCrory
Governor

Approved 4:25 a.m. this 30th day of September, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-181
HOUSE BILL 383

AN ACT TO REORGANIZE, RENAME, AND RENUMBER VARIOUS SEXUAL OFFENSES TO MAKE THEM MORE EASILY DISTINGUISHABLE FROM ONE ANOTHER AS RECOMMENDED BY THE NORTH CAROLINA COURT OF APPEALS IN "STATE OF NORTH CAROLINA V. SLADE WESTON HICKS, JR.," AND TO MAKE OTHER TECHNICAL CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 14 of the General Statutes is amended by adding a new Article to read:

"Article 7B.
"Rape and Other Sex Offenses.

SECTION 2. G.S. 14-27.1 is recodified as G.S. 14-27.20 under Article 7B of the General Statutes as created by Section 1 of this act.

SECTION 3.(a) G.S. 14-27.2 is recodified as G.S. 14-27.21 under Article 7B of the General Statutes as created by Section 1 of this act.

SECTION 3.(b) G.S. 14-27.2, recodified as G.S. 14-27.21 by subsection (a) of this section, reads as rewritten:

"**§ 14-27.21. First-degree forcible rape.**

(a) A person is guilty of ~~rape in the~~ first-degree forcible rape if the person engages in vaginal ~~intercourse:~~

~~(1) With a victim who is a child under the age of 13 years and the defendant is at least 12 years old and is at least four years older than the victim; or~~

~~(2) With~~ intercourse with another person by force and against the will of the other person, ~~and:~~and does any of the following:

~~a.~~(1) Employs or displays a dangerous or deadly weapon or an article which the other person reasonably believes to be a dangerous or deadly ~~weapon; or~~weapon.

~~b.~~(2) Inflicts serious personal injury upon the victim or another ~~person; or~~ person.

~~c.~~(3) The person commits the offense aided and abetted by one or more other persons.

(b) Any person who commits an offense defined in this section is guilty of a Class B1 felony.

(c) Upon conviction, a person convicted under this section has no rights to custody of or rights of inheritance from any child born as a result of the commission of the rape, nor shall the person have any rights related to the child under Chapter 48 or Subchapter 1 of Chapter 7B of the General Statutes."

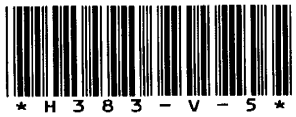
SECTION 4.(a) G.S. 14-27.3 is recodified as G.S. 14-27.22 under Article 7B of the General Statutes.

SECTION 4.(b) G.S. 14-27.3, recodified as G.S. 14-27.22 by subsection (a) of this section, reads as rewritten:

"**§ 14-27.22. Second-degree forcible rape.**

(a) A person is guilty of ~~rape in the second degree~~ second-degree forcible rape if the person engages in vaginal intercourse with another person:

(1) By force and against the will of the other person; or



(2) Who is mentally disabled, mentally incapacitated, or physically helpless, and the person performing the act knows or should reasonably know the other person is mentally disabled, mentally incapacitated, or physically helpless.

(b) Any person who commits the offense defined in this section is guilty of a Class C felony.

(c) Upon conviction, a person convicted under this section has no rights to custody of or rights of inheritance from any child conceived during the commission of the rape, nor shall the person have any rights related to the child under Chapter 48 or Subchapter 1 of Chapter 7B of the General Statutes."

SECTION 5.(a) G.S. 14-27.2A is recodified as G.S. 14-27.23 under Article 7B of the General Statutes.

SECTION 5.(b) G.S. 14-27.2A, recodified as G.S. 14-27.23 by subsection (a) of this section, reads as rewritten:

"**§ 14-27.23. ~~Rape of a child; adult offender.~~Statutory rape of a child by an adult.**

(a) A person is guilty of ~~rape of a child~~ statutory rape of a child by an adult if the person is at least 18 years of age and engages in vaginal intercourse with a victim who is a child under the age of 13 years.

...

(e) The offense under ~~G.S. 14-27.2(a)(1)~~ G.S. 14-27.24 is a lesser included offense of the offense in this section."

SECTION 6. Article 7B of Chapter 14 of the General Statutes, as created by Section 1 of this act, is amended by adding a new section to read:

"**§ 14-27.24. First-degree statutory rape.**

(a) A person is guilty of first-degree statutory rape if the person engages in vaginal intercourse with a victim who is a child under the age of 13 years and the defendant is at least 12 years old and is at least four years older than the victim.

(b) Any person who commits an offense defined in this section is guilty of a Class B1 felony.

(c) Upon conviction, a person convicted under this section has no rights to custody of or rights of inheritance from any child born as a result of the commission of the rape, nor shall the person have any rights related to the child under Chapter 48 or Subchapter 1 of Chapter 7B of the General Statutes."

SECTION 7.(a) G.S. 14-27.7A is recodified as G.S. 14-27.25 under Article 7B of Chapter 14 of the General Statutes.

SECTION 7.(b) G.S. 14-27.7A, as amended by S.L. 2015-62 and recodified as G.S. 14-27.25 by subsection (a) of this section, reads as rewritten:

"**§ 14-27.25. Statutory rape ~~or sexual offense~~ of person who is 15 years of age or younger.**

(a) A defendant is guilty of a Class B1 felony if the defendant engages in vaginal intercourse ~~or a sexual act~~ with another person who is 15 years of age or younger and the defendant is at least 12 years old and at least six years older than the person, except when the defendant is lawfully married to the person.

(b) Unless the conduct is covered under some other provision of law providing greater punishment, a defendant is guilty of a Class C felony if the defendant engages in vaginal intercourse ~~or a sexual act~~ with another person who is 15 years of age or younger and the defendant is at least 12 years old and more than four but less than six years older than the person, except when the defendant is lawfully married to the person."

SECTION 8.(a) G.S. 14-27.4 is recodified as G.S. 14-27.26 under Article 7B of Chapter 14 of the General Statutes.

SECTION 8.(b) G.S. 14-27.4, recodified as G.S. 14-27.26 by subsection (a) of this section, reads as rewritten:

"**§ 14-27.26. First-degree forcible sexual offense.**

(a) A person is guilty of a ~~sexual offense in the~~ first degree forcible sexual offense if the person engages in a sexual ~~act:~~

~~(1) With a victim who is a child under the age of 13 years and the defendant is at least 12 years old and is at least four years older than the victim; or~~

~~(2) With~~ act with another person by force and against the will of the other person, ~~and:~~and does any of the following:

~~a.~~(1) Employs or displays a dangerous or deadly weapon or an article which the other person reasonably believes to be a dangerous or deadly ~~weapon; or~~ weapon.

~~b.~~(2) Inflicts serious personal injury upon the victim or another ~~person; or~~person.

~~c.~~(3) The person commits the offense aided and abetted by one or more other persons.

(b) Any person who commits an offense defined in this section is guilty of a Class B1 felony."

SECTION 9.(a) G.S. 14-27.5 is recodified as G.S. 14-27.27 under Article 7B of Chapter 14 of the General Statutes.

SECTION 9.(b) G.S. 14-27.5, recodified as G.S. 14-27.27 by subsection (a) of this section, reads as rewritten:

"**§ 14-27.27. Second-degree forcible sexual offense.**

(a) A person is guilty of ~~a sexual offense in the~~ second degree forcible sexual offense if the person engages in a sexual act with another person:

(1) By force and against the will of the other person; or

(2) Who is mentally disabled, mentally incapacitated, or physically helpless, and the person performing the act knows or should reasonably know that the other person is mentally disabled, mentally incapacitated, or physically helpless.

(b) Any person who commits the offense defined in this section is guilty of a Class C felony."

SECTION 10.(a) G.S. 14-27.4A is recodified as G.S. 14-27.28 under Article 7B of Chapter 14 of the General Statutes as created by Section 1 of this act.

SECTION 10.(b) G.S. 14-27.4A, recodified as G.S. 14-27.28 by subsection (a) of this section, reads as rewritten:

"**§ 14-27.28. ~~Sexual offense with a child; adult offender.~~Statutory sexual offense with a child by an adult.**

(a) A person is guilty of ~~sexual offense with a child~~ statutory sexual offense with a child by an adult if the person is at least 18 years of age and engages in a sexual act with a victim who is a child under the age of 13 years.

...

(d) The offense under ~~G.S. 14-27.4(a)(1)~~G.S. 14-27.29 is a lesser included offense of the offense in this section."

SECTION 11. Article 7B of Chapter 14 of the General Statutes, as created by Section 1 of this act, is amended by adding a new section to read:

"**§ 14-27.29. First-degree statutory sexual offense.**

(a) A person is guilty of first-degree statutory sexual offense if the person engages in a sexual act with a victim who is a child under the age of 13 years and the defendant is at least 12 years old and is at least four years older than the victim.

(b) Any person who commits an offense defined in this section is guilty of a Class B1 felony."

SECTION 12. Article 7B of Chapter 14 of the General Statutes, as created by Section 1 of this act, is amended by adding the following new section:

"**§ 14-27.30. Statutory sexual offense with a person who is 15 years of age or younger.**

(a) A defendant is guilty of a Class B1 felony if the defendant engages in a sexual act with another person who is 15 years of age or younger and the defendant is at least 12 years old and at least six years older than the person, except when the defendant is lawfully married to the person.

(b) Unless the conduct is covered under some other provision of law providing greater punishment, a defendant is guilty of a Class C felony if the defendant engages in a sexual act with another person who is 15 years of age or younger and the defendant is at least 12 years old and more than four but less than six years older than the person, except when the defendant is lawfully married to the person."

SECTION 13.(a) G.S. 14-27.7(a) is recodified as G.S. 14-27.31 under Article 7B of Chapter 14 of the General Statutes as created by Section 1 of this act.

SECTION 13.(b) G.S. 14-27.7(a), recodified as G.S. 14-27.31 by subsection (a) of this section, reads as rewritten:

"§ 14-27.31. ~~Intercourse and sexual offenses with certain victims; consent no defense.~~**Sexual activity by a substitute parent or custodian.**

(a) If a defendant who has assumed the position of a parent in the home of a minor victim engages in vaginal intercourse or a sexual act with a victim who is a minor residing in the ~~home, or if a person having custody of a victim of any age or a person who is an agent or employee of any person, or institution, whether such institution is private, charitable, or governmental, having custody of a victim of any age engages in vaginal intercourse or a sexual act with such victim,~~ home, the defendant is guilty of a Class E felony.

(b) If a person having custody of a victim of any age or a person who is an agent or employee of any person, or institution, whether such institution is private, charitable, or governmental, having custody of a victim of any age engages in vaginal intercourse or a sexual act with such victim, the defendant is guilty of a Class E felony.

(c) Consent is not a defense to a charge under this section."

SECTION 14.(a) G.S. 14-27.7(b) is recodified as G.S. 14-27.32 under Article 7B of Chapter 14 of the General Statutes as created by Section 1 of this act.

SECTION 14.(b) G.S. 14-27.7(b), recodified as G.S. 14-27.32 by subsection (a) of this section, reads as rewritten:

"**§ 14-27.32. Sexual activity with a student.**

~~(b)~~(a) If a defendant, who is a teacher, school administrator, student teacher, school safety officer, or coach, at any age, or who is other school personnel, and who is at least four years older than the victim engages in vaginal intercourse or a sexual act with a victim who is a student, at any time during or after the time the defendant and victim were present together in the same school, but before the victim ceases to be a student, the defendant is guilty of a Class G felony, except when the defendant is lawfully married to the student. The term "same school" means a school at which the student is enrolled and the defendant is employed, assigned, or volunteers.

(b) A defendant who is school personnel, other than a teacher, school administrator, student teacher, school safety officer, or coach, and is less than four years older than the victim and engages in vaginal intercourse or a sexual act with a victim who is a student, is guilty of a Class A1 misdemeanor.

(c) This ~~subsection~~ section shall apply unless the conduct is covered under some other provision of law providing for greater punishment.

(d) Consent is not a defense to a charge under this section.

(e) For purposes of this ~~subsection,~~ section, the terms "school", "school personnel", and "student" shall have the same meaning as in G.S. 14-202.4(d). For purposes of this ~~subsection,~~ section, the term "school safety officer" shall include a school resource officer or any other person who is regularly present in a school for the purpose of promoting and maintaining safe and orderly schools."

SECTION 15. G.S. 14-27.5A is recodified as G.S. 14-27.33 under Article 7B of Chapter 14 of the General Statutes as created by Section 1 of this act. G.S. 14-27.8 through G.S. 14-27.10 are recodified as G.S. 14-27.34 through G.S. 14-27.36 under Article 7B of Chapter 14 of the General Statutes as created by Section 1 of this act.

SECTION 16. G.S. 14-202.4(d)(1) reads as rewritten:

"(d) For purposes of this section, the following definitions apply:

(1) "Indecent liberties" means:

a. Willfully taking or attempting to take any immoral, improper, or indecent liberties with a student for the purpose of arousing or gratifying sexual desire; or

b. Willfully committing or attempting to commit any lewd or lascivious act upon or with the body or any part or member of the body of a student.

For purposes of this section, the term indecent liberties does not include vaginal intercourse or a sexual act as defined by ~~G.S. 14-27.1.~~G.S. 14-27.20."

SECTION 17. G.S. 14-203(5) reads as rewritten:

"(5) Prostitution. – The performance of, offer of, or agreement to perform vaginal intercourse, any sexual act as defined in ~~G.S. 14-27.1,~~ G.S. 14-27.20, or any sexual contact as defined in ~~G.S. 14-27.1,~~ G.S. 14-27.20, for the purpose of sexual arousal or gratification for any money or other consideration."

SECTION 18. G.S. 14-205.2(a) reads as rewritten:

"(a) Any person who willfully performs any of the following acts with a person not his or her spouse commits the offense of patronizing a prostitute:

(1) Engages in vaginal intercourse, any sexual act as defined in ~~G.S. 14-27.1,~~G.S. 14-27.20, or any sexual contact as defined in ~~G.S. 14-27.1,~~ G.S. 14-27.20, for the purpose of sexual arousal or gratification with a prostitute.

(2) Enters or remains in a place of prostitution with intent to engage in vaginal intercourse, any sexual act as defined in ~~G.S. 14-27.1,~~ G.S. 14-27.20, or any sexual contact as defined in ~~G.S. 14-27.1,~~ G.S. 14-27.20, for the purpose of sexual arousal or gratification."

SECTION 19. G.S. 15A-136 reads as rewritten:

"**§ 15A-136. Venue for sexual offenses.**

If a person is transported by any means, with the intent to violate any of the provisions of Article 7A of Chapter 14 (~~§ 14-27.1~~§ 14-27.20 et seq.) of the General Statutes and the intent is followed by actual violation thereof, the defendant may be tried in the county where transportation was offered, solicited, begun, continued or ended."

SECTION 20. G.S. 50-16.1A(3) reads as rewritten:

"(3) "Marital misconduct" means any of the following acts that occur during the marriage and prior to or on the date of separation:

a. Illicit sexual behavior. For the purpose of this section, illicit sexual behavior means acts of sexual or deviate sexual intercourse, deviate sexual acts, or sexual acts defined in ~~G.S. 14-27.1(4),~~G.S. 14-27.20(4), voluntarily engaged in by a spouse with someone other than the other spouse;

b. Involuntary separation of the spouses in consequence of a criminal act committed prior to the proceeding in which alimony is sought;

c. Abandonment of the other spouse;

d. Malicious turning out-of-doors of the other spouse;

e. Cruel or barbarous treatment endangering the life of the other spouse;

f. Indignities rendering the condition of the other spouse intolerable and life burdensome;

g. Reckless spending of the income of either party, or the destruction, waste, diversion, or concealment of assets;

h. Excessive use of alcohol or drugs so as to render the condition of the other spouse intolerable and life burdensome;

i. Willful failure to provide necessary subsistence according to one's means and condition so as to render the condition of the other spouse intolerable and life burdensome."

SECTION 21. G.S. 7B-101(1) reads as rewritten:

"(1) Abused juveniles. – Any juvenile less than 18 years of age whose parent, guardian, custodian, or caretaker:

a. Inflicts or allows to be inflicted upon the juvenile a serious physical injury by other than accidental means;

b. Creates or allows to be created a substantial risk of serious physical injury to the juvenile by other than accidental means;

c. Uses or allows to be used upon the juvenile cruel or grossly inappropriate procedures or cruel or grossly inappropriate devices to modify behavior;

d. Commits, permits, or encourages the commission of a violation of the following laws by, with, or upon the juvenile: ~~first-degree rape, as provided in G.S. 14-27.2; rape of a child by an adult offender, as provided in G.S. 14-27.2A; second degree rape as provided in G.S. 14-27.3; first-degree sexual offense, as provided in G.S. 14-27.4; sexual offense with a child by an adult offender, as provided in G.S. 14-27.4A; second degree sexual offense, as provided in G.S. 14-27.5; sexual act by a custodian, as provided in G.S. 14-27.7;~~ first-degree forcible rape, as provided in G.S. 14-27.21; second-degree forcible rape as provided in G.S. 14-27.22; statutory

rape of a child by an adult as provided in G.S. 14-27.23; first-degree statutory rape as provided in G.S. 14-27.24; first-degree forcible sex offense as provided in G.S. 14-27.26; second-degree forcible sex offense as provided in G.S. 14-27.27; statutory sexual offense with a child by an adult as provided in G.S. 14-27.28; first-degree statutory sexual offense as provided in G.S. 14-27.29; sexual activity by a substitute parent or custodian as provided in G.S. 14-27.31; sexual activity with a student as provided in G.S. 14-27.32; unlawful sale, surrender, or purchase of a minor, as provided in G.S. 14-43.14; crime against nature, as provided in G.S. 14-177; incest, as provided in G.S. 14-178; preparation of obscene photographs, slides, or motion pictures of the juvenile, as provided in G.S. 14-190.5; employing or permitting the juvenile to assist in a violation of the obscenity laws as provided in G.S. 14-190.6; dissemination of obscene material to the juvenile as provided in G.S. 14-190.7 and G.S. 14-190.8; displaying or disseminating material harmful to the juvenile as provided in G.S. 14-190.14 and G.S. 14-190.15; first and second degree sexual exploitation of the juvenile as provided in G.S. 14-190.16 and G.S. 14-190.17; promoting the prostitution of the juvenile as provided in G.S. 14-205.3(b); and taking indecent liberties with the juvenile, as provided in G.S. 14-202.1;

e. Creates or allows to be created serious emotional damage to the juvenile; serious emotional damage is evidenced by a juvenile's severe anxiety, depression, withdrawal, or aggressive behavior toward himself or others;

f. Encourages, directs, or approves of delinquent acts involving moral turpitude committed by the juvenile; or

g. Commits or allows to be committed an offense under G.S. 14-43.11 (human trafficking), G.S. 14-43.12 (involuntary servitude), or G.S. 14-43.13 (sexual servitude) against the child."

SECTION 22. G.S. 7B-401.1(b) reads as rewritten:

"(b) Parents. – The juvenile's parent shall be a party unless one of the following applies:

(1) The parent's rights have been terminated.

(2) The parent has relinquished the juvenile for adoption, unless the court orders that the parent be made a party.

(3) The parent has been convicted under ~~G.S. 14-27.2 or G.S. 14-27.3~~ G.S. 14-27.21, G.S. 14-27.22, or G.S. 14-27.24 for an offense that resulted in the conception of the juvenile."

SECTION 23. G.S. 7B-1103(c) reads as rewritten:

"(c) No person whose actions resulted in a conviction under ~~G.S. 14-27.2 or G.S. 14-27.3~~ G.S. 14-27.21, G.S. 14-27.22, or G.S. 14-27.24 and the conception of the juvenile may file a petition to terminate the parental rights of another with respect to that juvenile."

SECTION 24. G.S. 7B-1104(3) reads as rewritten:

"(3) The name and address of the parents of the juvenile. If the name or address of one or both parents is unknown to the petitioner or movant, the petitioner or movant shall set forth with particularity the petitioner's or movant's efforts to ascertain the identity or whereabouts of the parent or parents. The information may be contained in an affidavit attached to the petition or motion and incorporated therein by reference. A person whose actions resulted in a conviction under ~~G.S. 14-27.2 or G.S. 14-27.3~~ G.S. 14-27.21, G.S. 14-27.22, or G.S. 14-27.24 and the conception of the juvenile need not be named in the petition."

SECTION 25. G.S. 7B-1602(a) reads as rewritten:

"(a) When a juvenile is committed to the Division for placement in a youth development center for an offense that would be first degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to ~~G.S. 14-27.2,~~G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24,~~or~~ first-degree forcible sexual offense pursuant to ~~G.S. 14-27.4~~G.S. 14-27.26, or first-degree statutory sexual offense pursuant to G.S. 14-27.29 if committed by an adult,

jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 21 years, whichever occurs first."

SECTION 26. G.S. 7B-2509 reads as rewritten:

"**§ 7B-2509. Registration of certain delinquent juveniles.**

In any case in which a juvenile, who was at least 11 years of age at the time of the offense, is adjudicated delinquent for committing a violation of ~~G.S. 14-27.2 (first-degree rape), G.S. 14-27.3 (second-degree rape), G.S. 14-27.4 (first-degree sexual offense), G.S. 14-27.5 (second-degree sexual offense), or~~ G.S. 14-27.6 (attempted rape or sexual offense), G.S. 14-27.21 (first-degree forcible rape), G.S. 14-27.22 (second-degree forcible rape), G.S. 14-27.24 (first-degree statutory rape), G.S. 14-27.26 (first-degree forcible sexual offense), G.S. 14-27.27 (second-degree forcible sexual offense), or G.S. 14-27.29 (first-degree statutory sexual offense), the judge, upon a finding that the juvenile is a danger to the community, may order that the juvenile register in accordance with Part 4 of Article 27A of Chapter 14 of the General Statutes."

SECTION 27. G.S. 7B-2513(a)(1) reads as rewritten:

"(1) The twenty-first birthday of the juvenile if the juvenile has been committed to the Division for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to ~~G.S. 14-27.2,~~G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24, ~~or~~ first-degree forcible sexual offense pursuant to ~~G.S. 14-27.4~~G.S. 14-27.26, or first-degree statutory sexual offense pursuant to G.S. 14-27.29 if committed by an adult;"

SECTION 28. G.S. 7B-2514(c)(2) reads as rewritten:

"(2) The juvenile's twenty-first birthday if the juvenile has been committed to the Division for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to ~~G.S. 14-27.2,~~G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24, ~~or~~ first-degree forcible sexual offense pursuant to ~~G.S. 14-27.4~~G.S. 14-27.26, or first-degree statutory sexual offense pursuant to G.S. 14-27.29 if committed by an adult."

SECTION 29. G.S. 7B-2516(c)(1) reads as rewritten:

"(1) The juvenile's twenty-first birthday if the juvenile has been committed to the Division for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to ~~G.S. 14-27.2,~~G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24, ~~or~~ first-degree forcible sexual offense pursuant to ~~G.S. 14-27.4~~G.S. 14-27.26, or first-degree statutory sexual offense pursuant to G.S. 14-27.29 if committed by an adult."

SECTION 30. G.S. 7B-2600(c) reads as rewritten:

"(c) In any case where the court finds the juvenile to be delinquent or undisciplined, the jurisdiction of the court to modify any order or disposition made in the case shall continue (i) during the minority of the juvenile, (ii) until the juvenile reaches the age of 19 years if the juvenile has been adjudicated delinquent and committed to the Division for an offense that would be a Class B1, B2, C, D, or E felony if committed by an adult, other than an offense set forth in G.S. 7B-1602(a), (iii) until the juvenile reaches the age of 21 years if the juvenile has been adjudicated delinquent and committed for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to ~~G.S. 14-27.2,~~G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24, ~~or~~ first-degree forcible sexual offense pursuant to ~~G.S. 14-27.4~~G.S. 14-27.26, or first-degree statutory sexual offense pursuant to G.S. 14-27.29 if committed by an adult, or (iv) until terminated by order of the court."

SECTION 31. G.S. 8-53.12(a)(7) reads as rewritten:

"(7) Sexual assault. – Any alleged violation of ~~G.S. 14-27.2, 14-27.3, 14-27.4, 14-27.5, 14-27.7, 14-27.7A,~~ G.S. 14-27.21, 14-27.22, 14-27.24, 14-27.25, 14-27.26, 14-27.27, 14-27.29, 14-27.30, 14-27.31, 14-27.32, or 14-202.1, whether or not a civil or criminal action arises as a result of the alleged violation."

SECTION 32. G.S. 14-208.6(5) reads as rewritten:

"(5) "Sexually violent offense" means a violation of ~~G.S. 14-27.2 (first-degree rape), G.S. 14-27.2A (rape of a child; adult offender), G.S. 14-27.3 (second~~

~~degree rape), G.S. 14-27.4 (first degree sexual offense), G.S. 14-27.4A (sex offense with a child; adult offender), G.S. 14-27.5 (second degree sexual offense), G.S. 14-27.5A (sexual battery),~~ former G.S. 14-27.6 (attempted rape or sexual offense), ~~G.S. 14-27.7 (intercourse and sexual offense with certain victims), G.S. 14-27.7A(a) (statutory rape or sexual offense of person who is 13-, 14-, or 15 years old where the defendant is at least six years older),~~ G.S. 14-27.21 (first-degree forcible rape), G.S. 14-27.22 (second-degree forcible rape), G.S. 14-27.23 (statutory rape of a child by an adult), G.S. 14-27.25(a) (statutory rape of a person who is 15 years of age or younger where the defendant is at least six years older), G.S. 14-27.26 (first-degree forcible sexual offense), G.S. 14-27.27 (second-degree forcible sexual offense), G.S. 14-27.28 (statutory sexual offense with a child by an adult), G.S. 14-27.29 (first-degree statutory sexual offense), G.S. 14-27.30(a) (statutory sexual offense with a person who is 15 years of age or younger where the defendant is at least six years older), G.S. 14-27.31 (sexual activity by a substitute parent or custodian), G.S. 14-27.32 (sexual activity with a student), G.S. 14-27.33 (sexual battery), G.S. 14-43.11 (human trafficking) if (i) the offense is committed against a minor who is less than 18 years of age or (ii) the offense is committed against any person with the intent that they be held in sexual servitude, G.S. 14-43.13 (subjecting or maintaining a person for sexual servitude), G.S. 14-178 (incest between near relatives), G.S. 14-190.6 (employing or permitting minor to assist in offenses against public morality and decency), G.S. 14-190.9(a1) (felonious indecent exposure), G.S. 14-190.16 (first degree sexual exploitation of a minor), G.S. 14-190.17 (second degree sexual exploitation of a minor), G.S. 14-190.17A (third degree sexual exploitation of a minor), G.S. 14-202.1 (taking indecent liberties with children), G.S. 14-202.3 (Solicitation of child by computer or certain other electronic devices to commit an unlawful sex act), G.S. 14-202.4(a) (taking indecent liberties with a student), G.S. 14-205.2(c) or (d) (patronizing a prostitute who is a minor or a mentally disabled person), G.S. 14-205.3(b) (promoting prostitution of a minor or a mentally disabled person), G.S. 14-318.4(a1) (parent or caretaker commit or permit act of prostitution with or by a juvenile), or G.S. 14-318.4(a2) (commission or allowing of sexual act upon a juvenile by parent or guardian). The term also includes the following: a solicitation or conspiracy to commit any of these offenses; aiding and abetting any of these offenses."

SECTION 33. G.S. 14-208.26(a) reads as rewritten:

"Part 4. Registration of Certain Juveniles Adjudicated for Committing Certain Offenses.

"§ 14-208.26. Registration of certain juveniles adjudicated delinquent for committing certain offenses.

"(a) When a juvenile is adjudicated delinquent for a violation of ~~G.S. 14-27.2 (first degree rape), G.S. 14-27.3 (second degree rape), G.S. 14-27.4 (first degree sexual offense), G.S. 14-27.5 (second degree sexual offense), or~~ former G.S. 14-27.6 (attempted rape or sexual offense), G.S. 14-27.21 (first-degree forcible rape), G.S. 14-27.22 (second-degree forcible rape), G.S. 14-27.24 (first-degree statutory rape), G.S. 14-27.26 (first-degree forcible sexual offense), G.S. 14-27.27 (second-degree forcible sexual offense), or G.S. 14-27.29 (first-degree statutory sexual offense), and the juvenile was at least eleven years of age at the time of the commission of the offense, the court shall consider whether the juvenile is a danger to the community. If the court finds that the juvenile is a danger to the community, then the court shall consider whether the juvenile should be required to register with the county sheriff in accordance with this Part. The determination as to whether the juvenile is a danger to the community and whether the juvenile shall be ordered to register shall be made by the presiding judge at the dispositional hearing. If the judge rules that the juvenile is a danger to the community and that the juvenile shall register, then an order shall be entered requiring the juvenile to register. The court's findings regarding whether the juvenile is a danger to the community and whether the juvenile shall register shall be entered into the court record. No juvenile may be required to register under this Part unless the court first finds that the juvenile is a danger to the community.

A juvenile ordered to register under this Part shall register and maintain that registration as provided by this Part."

SECTION 34. G.S. 48-3-603(a)(9) reads as rewritten:

"(9) An individual whose actions resulted in a conviction under ~~G.S. 14-27.2, G.S. 14-27.2A, or G.S. 14-27.3~~ G.S. 14-27.21, G.S. 14-27.22, G.S. 14-27.23, or G.S. 14-27.24 and the conception of the minor to be adopted."

SECTION 35. G.S. 50-13.1(a) reads as rewritten:

"(a) Any parent, relative, or other person, agency, organization or institution claiming the right to custody of a minor child may institute an action or proceeding for the custody of such child, as hereinafter provided. Any person whose actions resulted in a conviction under ~~G.S. 14-27.2, G.S. 14-27.2A, or G.S. 14-27.3~~ G.S. 14-27.21, G.S. 14-27.22, G.S. 14-27.23, or G.S. 14-27.24 and the conception of the minor child may not claim the right to custody of that minor child. Unless a contrary intent is clear, the word "custody" shall be deemed to include custody or visitation or both."

SECTION 36. G.S. 50B-1(a)(3) reads as rewritten:

"(3) Committing any act defined in ~~G.S. 14-27.2~~G.S. 14-27.21 through ~~G.S. 14-27.7.~~G.S. 14-27.33."

SECTION 37. G.S. 90-171.38(b) reads as rewritten:

"(b) Any individual, organization, association, corporation, or institution may establish a program for the purpose of training or educating any registered nurse licensed under G.S. 90-171.30, 90-171.32, or 90-171.33 in the skills, procedures, and techniques necessary to conduct examinations for the purpose of collecting evidence from the victims of ~~first-degree rape as defined in G.S. 14-27.2, second-degree rape as defined in G.S. 14-27.3, statutory rape as defined in G.S. 14-27.7A, first-degree sexual offense as defined in G.S. 14-27.4, second-degree sexual offense as defined in G.S. 14-27.5 or attempted first-degree or second-degree rape or attempted first-degree or second-degree sexual offense.~~ first-degree forcible rape as defined in G.S. 14-27.21, second-degree forcible rape as defined in G.S. 14-27.22, statutory rape of a child by an adult as defined in G.S. 14-27.23, first-degree statutory rape as defined in G.S. 14-27.24, statutory rape of a person who is 15 years of age or younger as defined in G.S. 14-27.25, first-degree forcible sexual offense as defined in G.S. 14-27.26, second-degree forcible sexual offense as defined in G.S. 14-27.27, statutory sexual offense with a child by an adult as defined in G.S. 14-27.28, first-degree statutory sexual offense as defined in G.S. 14-27.29, statutory sexual offense with a person who is 15 years of age or younger as defined in G.S. 14-27.30, attempted first-degree or second-degree forcible rape, attempted first-degree statutory rape, attempted first-degree or second-degree forcible sexual offense, or attempted first-degree statutory sexual offense. The Board, pursuant to G.S. 90-171.23(b)(14), shall establish, revise, or repeal standards for any such program. Any individual, organization, association, corporation, or institution which desires to establish a program under this subsection shall apply to the Board and submit satisfactory evidence that it will meet the standards prescribed by the Board."

SECTION 38. G.S. 143B-1200(i)(3) reads as rewritten:

"(3) Sexual assault. – Any of the following crimes:

~~a. First-degree rape as defined in G.S. 14-27.2.~~
~~b. Second-degree rape as defined in G.S. 14-27.3.~~
~~c. First-degree sexual offense as defined in G.S. 14-27.4.~~
~~d. Second-degree sexual offense as defined in G.S. 14-27.5.~~
~~e. Statutory rape as defined in G.S. 14-27.7A.~~
a. First-degree forcible rape as defined in G.S. 14-27.21.
b. Second-degree forcible rape as defined in G.S. 14-27.22.
c. First-degree statutory rape as defined in G.S. 14-27.24.
d. Statutory rape of a person who is 15 years of age or younger as defined in G.S. 14-27.25.
e. First-degree forcible sexual offense as defined in G.S. 14-27.26.
f. Second-degree forcible sexual offense as defined in G.S. 14-27.27.
g. First-degree statutory sexual offense as defined in G.S. 14-27.29.
h. Statutory sexual offense with a person who is 15 years of age or younger as defined in G.S. 14-27.30."

SECTION 39. G.S. 14-401.16(c) reads as rewritten:

"(c) A violation of this section is a Class H felony. However, if a person violates this section with the intent of committing an offense under ~~G.S. 14-27.3~~G.S. 14-27.22 or ~~G.S. 14-27.5,~~G.S. 14-27.27, the violation is a Class G felony."

SECTION 40. G.S. 14-208.40(a)(3) reads as rewritten:

"(3) Any offender who is convicted of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A,~~G.S. 14-27.28, who shall be enrolled in the satellite-based monitoring program for the offender's natural life upon termination of the offender's active punishment."

SECTION 41. G.S. 14-208.40A reads as rewritten:

"§ 14-208.40A. Determination of satellite-based monitoring requirement by court.

(a) When an offender is convicted of a reportable conviction as defined by G.S. 14-208.6(4), during the sentencing phase, the district attorney shall present to the court any evidence that (i) the offender has been classified as a sexually violent predator pursuant to G.S. 14-208.20, (ii) the offender is a recidivist, (iii) the conviction offense was an aggravated offense, (iv) the conviction offense was a violation of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A,~~G.S. 14-27.28, or (v) the offense involved the physical, mental, or sexual abuse of a minor. The district attorney shall have no discretion to withhold any evidence required to be submitted to the court pursuant to this subsection.

The offender shall be allowed to present to the court any evidence that the district attorney's evidence is not correct.

(b) After receipt of the evidence from the parties, the court shall determine whether the offender's conviction places the offender in one of the categories described in G.S. 14-208.40(a), and if so, shall make a finding of fact of that determination, specifying whether (i) the offender has been classified as a sexually violent predator pursuant to G.S. 14-208.20, (ii) the offender is a recidivist, (iii) the conviction offense was an aggravated offense, (iv) the conviction offense was a violation of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A,~~G.S. 14-27.28, or (v) the offense involved the physical, mental, or sexual abuse of a minor.

(c) If the court finds that the offender has been classified as a sexually violent predator, is a recidivist, has committed an aggravated offense, or was convicted of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A,~~G.S. 14-27.28, the court shall order the offender to enroll in a satellite-based monitoring program for life.

(d) If the court finds that the offender committed an offense that involved the physical, mental, or sexual abuse of a minor, that the offense is not an aggravated offense or a violation of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A~~G.S. 14-27.28 and the offender is not a recidivist, the court shall order that the Division of Adult Correction do a risk assessment of the offender. The Division of Adult Correction shall have a minimum of 30 days, but not more than 60 days, to complete the risk assessment of the offender and report the results to the court.

(e) Upon receipt of a risk assessment from the Division of Adult Correction pursuant to subsection (d) of this section, the court shall determine whether, based on the Division of Adult Correction's risk assessment, the offender requires the highest possible level of supervision and monitoring. If the court determines that the offender does require the highest possible level of supervision and monitoring, the court shall order the offender to enroll in a satellite-based monitoring program for a period of time to be specified by the court."

SECTION 42. G.S. 14-208.40B(c) reads as rewritten:

"(c) At the hearing, the court shall determine if the offender falls into one of the categories described in G.S. 14-208.40(a). The court shall hold the hearing and make findings of fact pursuant to G.S. 14-208.40A.

If the court finds that (i) the offender has been classified as a sexually violent predator pursuant to G.S. 14-208.20, (ii) the offender is a recidivist, (iii) the conviction offense was an aggravated offense, or (iv) the conviction offense was a violation of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A,~~G.S. 14-27.4A, the court shall order the offender to enroll in satellite-based monitoring for life.

If the court finds that the offender committed an offense that involved the physical, mental, or sexual abuse of a minor, that the offense is not an aggravated offense or a violation of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A,~~G.S. 14-27.28, and the offender is not a recidivist, the court shall order that the Division of Adult Correction do a risk assessment of the offender. The Division of Adult Correction shall have a minimum of 30 days, but not more than 60 days, to complete the risk assessment of the offender and report the results to the court. The

Division of Adult Correction may use a risk assessment of the offender done within six months of the date of the hearing.

Upon receipt of a risk assessment from the Division of Adult Correction, the court shall determine whether, based on the Division of Adult Correction's risk assessment, the offender requires the highest possible level of supervision and monitoring. If the court determines that the offender does require the highest possible level of supervision and monitoring, the court shall order the offender to enroll in a satellite-based monitoring program for a period of time to be specified by the court."

SECTION 43. G.S. 15A-145.5(a)(4) reads as rewritten:

"(4) Any of the following sex-related or stalking offenses: ~~G.S. 14-27.7A(b),~~G.S. 14-27.25(b), 14-27.30(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."

SECTION 44. G.S. 15A-145.4(5) reads as rewritten:

"(5) Any felony offense under the following sex-related or stalking offenses: ~~G.S. 14-27.7A(b),~~G.S. 14-27.25(b), 14-27.30(b), 14-190.7, 14-190.8, 14-202, 14-208.11A, 14-208.18, 14-277.3, 14-277.3A, 14-321.1."

SECTION 45. G.S. 90-210.25B(b) reads as rewritten:

"(b) For purposes of this Article, the term "sexual offense against a minor" means a conviction of any of the following offenses: ~~G.S. 14-27.4A(a) (sex offense with a child; adult offender), G.S. 14-27.7A (statutory rape or sexual offense of person who is 13, 14, or 15 years old where the defendant is at least six years older),~~G.S. 14-27.23 (statutory rape of a child by an adult), G.S. 14-27.25(a) (statutory rape of a person who is 15 years of age or younger where the defendant is at least six years older), G.S. 14-27.28 (statutory sexual offense with a child by an adult), G.S. 14-27.30 (statutory sexual offense with a person who is 15 years of age or younger where the defendant is at least six years older), G.S. 14-190.16 (first-degree sexual exploitation of a minor), G.S. 14-190.17 (second degree sexual exploitation of a minor), G.S. 14-190.17A (third degree sexual exploitation of a minor), G.S. 14-190.18 (promoting prostitution of a minor), G.S. 14-190.19 (participating in prostitution of a minor), G.S. 14-202.1 (taking indecent liberties with children), G.S. 14-202.3 (solicitation of child by computer or certain other electronic devices to commit an unlawful sex act), G.S. 14-202.4(a) (taking indecent liberties with a student), G.S. 14-318.4(a1) (parent or caretaker commit or permit act of prostitution with or by a juvenile), or G.S. 14-318.4(a2) (commission or allowing of sexual act upon a juvenile by parent or guardian). The term shall also include a conviction of the following: any attempt, solicitation, or conspiracy to commit any of these offenses or any aiding and abetting any of these offenses. The term shall also include a conviction in another jurisdiction for an offense which if committed in this State has the same or substantially similar elements to an offense against a minor as defined by this section."

SECTION 46. G.S. 15A-290(c)(1) reads as rewritten:

"(1) Any felony offense against a minor, including any violation of ~~G.S. 14-27.7 (Intercourse and sexual offenses with certain victims; consent no defense),~~ G.S. 14-27.31 (Sexual activity by a substitute parent or custodian), G.S. 14-27.32 (Sexual activity with a student), G.S. 14-41 (Abduction of children), G.S. 14-43.11 (Human trafficking), G.S. 14-43.12 (Involuntary servitude), G.S. 14-43.13 (Sexual servitude), G.S. 14-190.16 (First degree sexual exploitation of a minor), G.S. 14-190.17 (Second degree sexual exploitation of a minor), G.S. 14-202.1 (Taking indecent liberties with children), G.S. 14-205.2(c) or (d) (Patronizing a prostitute who is a minor or a mentally disabled person), or G.S. 14-205.3(b) (Promoting prostitution of a minor or a mentally disabled person)."

SECTION 47. The Revisor of Statutes may correct statutory references, as required by this act, throughout the General Statutes. In making the changes authorized by this act, the Revisor may also adjust the order of lists of multiple statutes to maintain statutory order, correct terms, make conforming changes to catch lines and references to catch lines, and adjust subject and verb agreement and the placement of conjunctions.

SECTION 48. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Paul Stam
Speaker Pro Tempore of the House of Representatives

s/ Pat McCrory
Governor

Approved 3:05 p.m. this 5th day of August, 2015

SESSION LAW 2015-260
HOUSE BILL 495

AN ACT ENHANCING THE EFFECTIVENESS AND EFFICIENCY OF STATE GOVERNMENT BY MODERNIZING THE STATE'S SYSTEM OF HUMAN RESOURCES MANAGEMENT.

The General Assembly of North Carolina enacts:

PART I. CAREER STATE EMPLOYEES

SECTION 1. G.S. 126-1.1 reads as rewritten:

"**§ 126-1.1. Career State employee defined.**

(a) For the purposes of this Chapter, unless the context clearly indicates otherwise, "career State employee" means a State employee or an employee of a local entity who is covered by this Chapter pursuant to G.S. 126-5(a)(2) who:

(1) Is in a permanent ~~position,~~position with a permanent appointment, and

(2) Has been continuously employed by the State of North Carolina or a local entity as provided in G.S. 126-5(a)(2) in a position subject to the North Carolina Human Resources Act for the immediate ~~24~~ 12 preceding months.

(b) As used in this Chapter, "probationary State employee" means a State employee who is in a probationary appointment and is exempt from the provisions of the North Carolina Human Resources Act only because the employee has not been continuously employed by the State for the time period required by subsection (a) or (c) of this section.

(c) Notwithstanding the provisions of subsection (a) above, employees who are hired by a State agency, department or university in a sworn law enforcement position and who are required to complete a formal training program prior to assuming law enforcement duties with the hiring agency, department or university shall become career State employees only after being employed by the agency, department or university for 24 continuous months."

PART II. STATE HUMAN RESOURCES COMMISSION CHANGES

SECTION 2. G.S. 126-4 reads as rewritten:

"**§ 126-4. Powers and duties of State Human Resources Commission.**

Subject to the approval of the Governor, the State Human Resources Commission shall establish policies and rules governing each of the following:

...

(10) Programs of employee assistance, productivity incentives, equal opportunity, safety and health as required by Part 1 of Article 63 of Chapter 143 of the General Statutes, and such other programs and procedures as may be necessary to promote efficiency of administration and provide for a fair and modern system of personnel administration. ~~This subdivision may not be construed to authorize the establishment of an incentive pay program.~~

...."

PART IV. OTHER MODERNIZING AND CONFORMING CHANGES

SECTION 4. G.S. 126-6.2(a) reads as rewritten:

"(a) Beginning January 1, 1998, and ~~quarterly~~ annually thereafter, the head of each State agency, department, or institution employing State employees subject to the North Carolina Human Resources Act shall report to the Office of State Human Resources on the following:

(1) The costs associated with the defense or settlement of administrative grievances and lawsuits filed by current or former State employees and applicants for State employment, including the costs of settlements,

attorneys' fees, litigation expenses, damages, or awards incurred by the respective State agencies, departments, and institutions. The report shall include an explanation of the fiscal impact of these costs upon the operations of the State agency, department, or institution.

(2) Any other human resources functions or actions as may be requested by the Director of the Office of State Human Resources in order for the Office to evaluate the efficiency, productivity, and compliance of a State agency, department, or institution with policies, including, but not limited to, the compensation of State employees, voluntary shared-leave programs, equal employment opportunity plans and programs, and work options programs."

PART V. ORGANIZATIONAL AND EMPLOYEE POLICY CHANGES

SECTION 5.1. G.S. 126-7.1 reads as rewritten:

"**§ 126-7.1. Posting requirement; State employees receive priority consideration; reduction-in-force; Work First ~~hiring.~~<u>hiring; reorganization through reduction.</u>**

(a) All vacancies for which any State agency, department, or institution openly recruit shall be posted in a place readily accessible to employees within at least the following:

(1) The personnel office of the agency, department, or institution having the vacancy; and

(2) The particular work unit of the agency, department, or institution having the vacancy.

If the decision is made, initially or at any time while the vacancy remains open, to receive applicants from outside the recruiting agency, department, or institution, the vacancy shall also be listed on a website maintained by the Office of State Human Resources for the purpose of informing current State employees and the public of such vacancy. The State agency, department, or institution may not receive approval from the Office of State Human Resources to fill a job vacancy if the agency, department, or institution cannot prove to the satisfaction of the Office of State Human Resources that it complied with these posting requirements. The agency, department, or institution which hires any person in violation of these posting requirements shall pay such person when employment is discontinued as a result of such violation for the work performed during the period of time between his initial employment and separation.

(b) State employees to be affected by a reduction in force shall be notified of the reduction in force as soon as practicable, and in any event, no less than 30 days prior to the effective date of the reduction in force.

(c) The State Human Resources Commission shall adopt rules ~~to provide that~~<u>governing the priority and salary rights of</u> State employees separated from State employment as the result of reductions in force who accept a position in State government <u>to provide that the employee</u> shall be paid a salary no higher than the maximum of the salary grade of the position accepted.

(d) Subsection (a) of this section does not apply to vacancies which must be filled immediately to prevent work stoppage or the protection of the public health, safety, or security.

(e) If a State employee subject to this section:

(1) Applies for another position of State employment that would constitute a promotion; and

(2) Has substantially equal qualifications as an applicant who is not a State employee;

then the State employee shall receive priority consideration over the applicant who is not a State employee. This priority consideration shall not apply when the only applicants considered for the vacancy are current State employees.

(f) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force:

(1) Applies for another position of State employment equal to or lower in salary grade than the position held by the employee at the time of notification or separation; and

(2) Has substantially equal qualifications as any other applicant;

then within all State agencies, the State employee who has been notified of or separated due to a reduction in force shall receive priority consideration over all other applicants. This priority shall remain in effect for a period of 12 months from the date the employee receives

notification of separation by reduction in force. State employees separated due to reduction in force shall receive higher priority than other applicants with employment or reemployment priorities, except that the reemployment priority created by G.S. 126-5(e)(1) shall be considered as equal.

(f1) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force accepts or rejects an offer for a position of State employment that is equal to or higher than the position held or equal to or higher than the salary earned by the employee at the time of separation or notification, then the employee's acceptance or rejection of that offer shall satisfy and terminate the one-time, 12-month priority granted by subsection (f) of this section.

(f2) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force and who applies for a position equal to or higher than the position held by the employee at the time of separation or notification, but declines an interview for the position for which the employee applied, then the employee's rejection of an offer of the interview for the position shall satisfy and terminate the one-time, 12-month priority granted by subsection (f) of this section. The State Human Resources Commission shall adopt a policy to carry out this subsection.

(g) "Qualifications" within the meaning of subsection (e) of this section shall consist of:

(1) Training or education;

(2) Years of experience; and

(3) Other skills, knowledge, and abilities that bear a reasonable functional relationship to the abilities and skills required in the job vacancy applied for.

(h) Each State agency, department, and institution is encouraged to hire into State government employment qualified applicants who are current or former Work First Program participants.

(i) Each State agency, department, institution, university, community college, and local education agency shall verify, in accordance with the Basic Pilot Program administered by the United States Department of Homeland Security pursuant to 8 U.S.C. § 1101, et seq, each individual's legal status or authorization to work in the United States after hiring the individual as an employee to work in the United States.

(j) A department or office listed in G.S. 126-5(d)(1) or (2) may reorganize and restructure its positions through a voluntary separation process, in accordance with a policy approved by the State Human Resources Commission and subject to funding and approval by the Office of State Budget and Management."

SECTION 5.2. G.S. 126-8.1(c) reads as rewritten:

"(c) The ~~Department of Administration~~ Office of State Human Resources may adopt such rules and regulations as are reasonable and necessary to carry out the provisions of this section, with the approval of the Governor."

SECTION 5.3. G.S. 126-14.2 reads as rewritten:

"§ 126-14.2. Political hirings limited.

(a) It is the policy of this State that State departments, agencies, and institutions select ~~from the pool of~~ the most qualified persons for State government employment based upon job-related qualifications of applicants for employment using fair and valid selection criteria.

(b) All State departments, agencies, and institutions shall select the most qualified person from the pool of ~~the most~~ qualified persons for State government employment without regard to political affiliation or political influence. For the purposes of this section, ~~the "most qualified~~ "qualified persons" shall mean each of the State employees or applicants for initial State employment who:

(1) Have timely applied for a position in State government;

(2) Have the essential qualifications for that position; and

(3) Are determined to be substantially more qualified as compared to other applicants for the position, after applying fair and valid job selection criteria, in accordance with G.S. 126-5(e), G.S. 126-7.1, Articles 6 and 13 of this Chapter, and State personnel policies approved by the State Human Resources Commission.

(c) It is a violation of this section if:

(1) The complaining State employee or applicant for initial State employment timely applied for the State government position in question;

(2) The complaining State employee or applicant for initial State employment was not hired into the position;

(3) The complaining State employee or applicant for initial State employment was among ~~the most~~ qualified persons applying for the position as defined in this Chapter;

(4) The successful applicant for the position was not among ~~the most~~ qualified persons applying for the position; and

(5) The hiring decision was based upon political affiliation or political influence.

(d) The provisions of this section shall not apply to positions exempt from this Chapter, except that this section does apply to exempt managerial positions as defined by G.S. 126-5(b)(2)."

SECTION 5.5. G.S. 126-24 reads as rewritten:

"**§ 126-24. Confidential information in personnel files; access to such information.**

All other information contained in a personnel file is confidential and shall not be open for inspection and examination except to the following persons:

(1) The employee, applicant for employment, former employee, or his properly authorized agent, who may examine his own personnel file in its entirety except for (i) letters of reference solicited prior to employment, or (ii) information concerning a medical disability, mental or physical, that a prudent physician would not divulge to a patient. An employee's medical record may be disclosed to a licensed physician designated in writing by the employee;

(2) The supervisor of the employee;

(2a) A potential State or local government supervisor, during the interview process, only with regard to performance management documents;

(3) Members of the General Assembly who may inspect and examine personnel records under the authority of G.S. 120-19;

(4) A party by authority of a proper court order may inspect and examine a particular confidential portion of a State employee's personnel file; and

(5) An official of an agency of the federal government, State government or any political subdivision thereof. Such an official may inspect any personnel records when such inspection is deemed by the department head of the employee whose record is to be inspected or, in the case of an applicant for employment or a former employee, by the department head of the agency in which the record is maintained as necessary and essential to the pursuance of a proper function of said agency; provided, however, that such information shall not be divulged for purposes of assisting in a criminal prosecution, nor for purposes of assisting in a tax investigation.

Notwithstanding any other provision of this Chapter, any department head may, in his discretion, inform any person or corporation of any promotion, demotion, suspension, reinstatement, transfer, separation, dismissal, employment or nonemployment of any applicant, employee or former employee employed by or assigned to his department or whose personnel file is maintained in his department and the reasons therefor and may allow the personnel file of such person or any portion thereof to be inspected and examined by any person or corporation when such department head shall determine that the release of such information or the inspection and examination of such file or portion thereof is essential to maintaining the integrity of such department or to maintaining the level or quality of services provided by such department; provided that prior to releasing such information or making such file or portion thereof available as provided herein, such department head shall prepare a memorandum setting forth the circumstances which the department head deems to require such disclosure and the information to be disclosed. The memorandum shall be retained in the files of said department head and shall be a public record."

PART VI. EFFECTIVE DATE

SECTION 6. Part I of this act becomes effective October 1, 2015, and applies to employees hired before, on or after that date. Part V of this act becomes effective October 1, 2015, and applies to employees separated on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of September, 2015.

s/ Brent Jackson
Presiding Officer of the Senate

s/ David R. Lewis
Presiding Officer of the House of Representatives

s/ Pat McCrory
Governor

Approved 4:00 p.m. this 30th day of September, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-72
HOUSE BILL 552

AN ACT TO CREATE THE CRIMINAL OFFENSE OF GRAFFITI VANDALISM.

The General Assembly of North Carolina enacts:

SECTION 1. Article 22 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-127.1. Graffiti vandalism.**

(a) As used in this section, "graffiti vandalism" means to unlawfully write or scribble on, mark, paint, deface, or besmear the walls of (i) any real property, whether public or private, including cemetery tombstones and monuments, (ii) any public building or facility as defined in G.S. 14-132, or (iii) any statue or monument situated in any public place, by any type of pen, paint, or marker regardless of whether the pen or marker contains permanent ink, paint, or spray paint.

(b) Except as otherwise provided in this section, any person who engages in graffiti vandalism is guilty of a Class 1 misdemeanor. A person convicted of a Class 1 misdemeanor under this subsection shall be fined a minimum of five hundred dollars ($500.00) and, if community or intermediate punishment is imposed, shall be required to perform 24 hours of community service.

(c) Any person who violates subsection (a) of this section shall be guilty of a Class H felony if all of the following apply:

(1) The person has two or more prior convictions for violation of this section.

(2) The current violation was committed after the second conviction for violation of this section.

(3) The violation resulting in the second conviction was committed after the first conviction for violation of this section."

SECTION 2. G.S. 14-132(d) reads as rewritten:

"(d) ~~Any~~ Unless the conduct is covered under some other provision of law providing greater punishment, any person who violates any provision of this section is guilty of a Class 2 misdemeanor."

SECTION 3. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 2nd day of June, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:00 a.m. this 11th day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-195
HOUSE BILL 562

AN ACT TO AMEND VARIOUS FIREARM LAWS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 14-269(b) reads as rewritten:

"(b) This prohibition shall not apply to the following persons:

...

(4a) Any person who is a district attorney, an assistant district attorney, or an investigator employed by the office of a district attorney and who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24; provided that the person shall not carry a concealed weapon at any time while in a courtroom or while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body. The district attorney, assistant district attorney, or investigator shall secure the weapon in a locked compartment when the weapon is not on the person of the district attorney, assistant district attorney, or ~~investigator;~~investigator. Notwithstanding the provisions of this subsection, a district attorney may carry a concealed weapon while in a courtroom;

...

(7) A person employed by the Department of Public Safety who has been designated in writing by the Secretary of the Department, who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, and has in the person's possession written proof of the designation by the Secretary of the Department, provided that the person shall not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body.

(8) Any person who is an administrative law judge described in Article 60 of Chapter 7A of the General Statutes and who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, provided that the person shall not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body."

SECTION 1.(b) G.S. 14-269.4 reads as rewritten:

"**§ 14-269.4. Weapons on certain State property and in courthouses.**

It shall be unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes in the State Capitol Building, the Executive Mansion, the Western Residence of the Governor, or on the grounds of any of these buildings, and in any building housing any court of the General Court of Justice. If a court is housed in a building containing nonpublic uses in addition to the court, then this prohibition shall apply only to that portion of the building used for court purposes while the building is being used for court purposes.

This section shall not apply to any of the following:

...

(7) Any person who carries or possesses an ordinary pocket knife, as defined in G.S. 14-269(d), carried in a closed position into the State Capitol Building or on the grounds of the State Capitol Building.

Any person violating the provisions of this section shall be guilty of a Class 1 misdemeanor."

SECTION 1.(c) G.S. 14-415.27 reads as rewritten:

"**§ 14-415.27. Expanded permit scope for certain persons.**

Notwithstanding G.S. 14-415.11(c), any of the following persons who has a concealed handgun permit issued pursuant to this Article or that is considered valid under G.S. 14-415.24 is not subject to the area prohibitions set out in G.S. 14-415.11(c) and may carry a concealed handgun in the areas listed in G.S. 14-415.11(c) unless otherwise prohibited by federal law:

(1) A district attorney.
(2) An assistant district attorney.
(3) An investigator employed by the office of a district attorney.
(4) A North Carolina district or superior court judge.
(5) A magistrate.
(6) A person who is elected and serving as a clerk of court.
(7) A person who is elected and serving as a register of deeds.
(8) A person employed by the Department of Public Safety who has been designated in writing by the Secretary of the Department and who has in the person's possession written proof of the designation.
(9) A North Carolina administrative law judge."

SECTION 2. G.S. 14-269.2(k) reads as rewritten:

"(k) The provisions of this section shall not apply to a person who has a concealed handgun permit that is valid under Article 54B of this Chapter, or who is exempt from obtaining a permit pursuant to that Article, ~~who~~ if any of the following conditions are met:

(1) The person has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's ~~vehicle. A person may unlock~~ vehicle and only unlocks the vehicle to enter or exit the vehicle ~~provided~~ while the firearm remains in the closed compartment at all times and immediately locks the vehicle ~~is locked immediately~~ following the entrance or exit.
(2) The person has a handgun concealed on the person and the person remains in the locked vehicle and only unlocks the vehicle to allow the entrance or exit of another person.
(3) The person is within a locked vehicle and removes the handgun from concealment only for the amount of time reasonably necessary to do either of the following:
  a. Move the handgun from concealment on the person to a closed compartment or container within the vehicle.
  b. Move the handgun from within a closed compartment or container within the vehicle to concealment on the person."

SECTION 3. G.S. 14-269.2 is amended by adding a new subsection to read:

"(l) It is an affirmative defense to a prosecution under subsection (b) or (f) of this section that the person was authorized to have a concealed handgun in a locked vehicle pursuant to subsection (k) of this section and removed the handgun from the vehicle only in response to a threatening situation in which deadly force was justified pursuant to G.S. 14-51.3."

SECTION 4.(a) Article 45 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"**§ 106-503.2. Regulation of firearms at State Fair.**

(a) Except as otherwise provided in this section, the Commissioner of Agriculture is authorized to prohibit the carrying of firearms in any manner on the State Fairgrounds during the period of time each year that the State Fair is conducted.

(b) Notwithstanding subsection (a) of this section, any prohibition under this section shall not apply to the following persons:

(1) Any person exempted by G.S. 14-269(b)(1), (2), (3), (4), or (5).
(2) Any person who has a concealed handgun permit that is valid under Article 54B of this Chapter, or who is exempt from obtaining a permit pursuant to

that Article, who has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's vehicle. A person may unlock the vehicle to enter or exit the vehicle provided the firearm remains in the closed compartment at all times and the vehicle is locked immediately following the entrance or exit."

SECTION 4.(b) The Department of Agriculture, in consultation with the Department of Public Safety and the North Carolina Sheriffs' Association, shall study the best method to allow persons with concealed handgun permits to carry a concealed handgun on their person from a parking lot to the entrance of the State Fairgrounds, and a secure method of storage for and retrieval of those handguns at or near the entrance. The Department of Agriculture shall report to the Joint Legislative Oversight Committee on Justice and Public Safety by April 1, 2016, with recommendations, including any necessary legislation.

SECTION 5.(a) G.S. 14-409.46 reads as rewritten:

"§ 14-409.46. Sport shooting range protection.

(a) Notwithstanding any other provision of law, a person who owns, operates, or uses a sport shooting range in this State shall not be subject to civil liability or criminal prosecution in any matter relating to noise or noise pollution resulting from the operation or use of the range if the range ~~was in existence at least three years prior to the effective date of this Article and the range was~~ is in compliance with any noise control laws or ordinances that applied to the range and its operation at the time the range began operation.

(b) A person who owns, operates, or uses a sport shooting range is not subject to an action for nuisance on the basis of noise or noise pollution, and a State court shall not enjoin the use or operation of a range on the basis of noise or noise pollution, if the range ~~was in existence at least three years prior to the effective date of this Article and the range was~~ is in compliance with any noise control laws or ordinances that applied to the range and its operation at the time the range began operation.

(c) Rules adopted by any State department or agency for limiting levels of noise in terms of decibel level that may occur in the outdoor atmosphere shall not apply to a sport shooting range ~~exempted from liability under this Article.~~that was in operation prior to the adoption of the rule.

(d) A person who acquires title to real property adversely affected by the use of property with a permanently located and improved sport shooting range constructed and initially operated prior to the time the person acquires title shall not maintain a nuisance action on the basis of noise or noise pollution against the person who owns the range to restrain, enjoin, or impede the use of the range. If there is a substantial change in use of the range after the person acquires title, the person may maintain a nuisance action if the action is brought within one year of the date of a substantial change in use. This section does not prohibit actions for negligence or recklessness in the operation of the range or by a person using the range.

(e) A sport shooting range that is operated and is not in violation of existing law at the time of the enactment of an ordinance ~~and was in existence at least three years prior to the effective date of this Article,~~ shall be permitted to continue in operation even if the operation of the sport shooting range at a later date does not conform to the new ordinance or an amendment to an existing ordinance, provided there has been no substantial change in use."

SECTION 5.(b) G.S. 14-409.47 reads as rewritten:

"§ 14-409.47. Application of Article.

Except as otherwise provided in this Article, this Article does not prohibit a local government from regulating the location and construction of a sport shooting range after ~~the effective date of this Article.~~September 1, 1997."

SECTION 6. G.S. 14-415.4(a) reads as rewritten:

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

(1) Firearms rights. – The legal right in this State of a person to purchase, own, possess, or have in the person's custody, care, or control any firearm or any weapon of mass death and destruction as those terms are defined in G.S. 14-415.1 and G.S. 14-288.8(c). ~~The term does not include any weapon defined in G.S. 14-409(a).~~

(2) Nonviolent felony. – The term nonviolent felony does not include any felony that is a Class A, Class B1, or Class B2 felony. Also, the term nonviolent felony does not include any Class C through Class I felony that is one of the following:

a. An offense that includes assault as an essential element of the offense.

b. An offense that includes the possession or use of a firearm or other deadly weapon as an essential or nonessential element of the offense, or the offender was in possession of a firearm or other deadly weapon at the time of the commission of the offense.

c. An offense for which the offender was armed with or used a firearm or other deadly weapon.

d. An offense for which the offender must register under Article 27A of Chapter 14 of the General Statutes."

SECTION 7. G.S. 14-415.12(b) reads as rewritten:

"(b) The sheriff shall deny a permit to an applicant who:

(1) Is ineligible to own, possess, or receive a firearm under the provisions of State or federal law.

(2) Is under indictment or against whom a finding of probable cause exists for a felony.

(3) Has been adjudicated guilty in any court of a felony, unless: (i) the felony is an offense that pertains to antitrust violations, unfair trade practices, or restraints of trade, or (ii) the person's firearms rights have been restored pursuant to G.S. 14-415.4.

(4) Is a fugitive from justice.

(5) Is an unlawful user of, or addicted to marijuana, alcohol, or any depressant, stimulant, or narcotic drug, or any other controlled substance as defined in 21 U.S.C. § 802.

(6) Is currently, or has been previously adjudicated by a court or administratively determined by a governmental agency whose decisions are subject to judicial review to be, lacking mental capacity or mentally ill. Receipt of previous consultative services or outpatient treatment alone shall not disqualify an applicant under this subdivision.

(7) Is or has been discharged from the Armed Forces of the United States under conditions other than honorable.

(8) ~~Is~~ Except as provided in subdivision (8a), (8b), or (8c) of this section, is or has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes of violence constituting a misdemeanor, including but not limited to, a violation of a misdemeanor under Article 8 of Chapter 14 of the General ~~Statutes,~~Statutes except for a violation of G.S. 14-33(a), or a violation of a misdemeanor under ~~G.S. 14-225.2, 14-226.1,~~ G.S. 14-226.1, 4-258.1, 14-269.2, 14-269.3, 14-269.4, 14-269.6, ~~14-276.1,~~ 14-277, 14-277.1, 14-277.2, ~~14-277.3A, 14-281.1, 14-283,~~ 14-283 except for a violation involving fireworks exempted under G.S. 14-414, 14-288.2, ~~14-288.4(a)(1) or (2),~~ 14-288.4(a)(1), 14-288.6, 14-288.9, former 14-288.12, former 14-288.13, former 14-288.14, ~~14-288.20A, 14-318.2,~~ 14-415.21(b), ~~14-415.26(d), or former G.S. 14-277.3.~~ or 14-415.26(d) within three years prior to the date on which the application is submitted.

(8a) Is or has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes of violence constituting a misdemeanor under G.S. 14-33(c)(1), 14-33(c)(2), 14-33(c)(3), 14-33(d), 14-277.3A, 14-318.2, 14-134.3, 50B-4.1, or former G.S. 14-277.3.

(8b) Is prohibited from possessing a firearm pursuant to 18 U.S.C. § 922(g) as a result of a conviction of a misdemeanor crime of domestic violence.

(8c) Has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes involving an assault or a threat to assault a law enforcement officer, probation or parole officer, person employed at a State or local detention facility, firefighter, emergency medical technician, medical responder, or emergency department personnel.

(9) Has had entry of a prayer for judgment continued for a criminal offense which would disqualify the person from obtaining a concealed handgun permit.

(10) Is free on bond or personal recognizance pending trial, appeal, or sentencing for a crime which would disqualify him from obtaining a concealed handgun permit.

(11) Has been convicted of an impaired driving offense under G.S. 20-138.1, 20-138.2, or 20-138.3 within three years prior to the date on which the application is submitted."

SECTION 8. G.S. 113-291.1(c) reads as rewritten:

"(c) It is a Class 1 misdemeanor for any person taking wildlife to have in his possession any:

(1) Repealed by Session Laws 2013-369, s. 23, effective October 1, 2013.

(2) Weapon of mass death and destruction as defined in G.S. 14-288.8, other than a suppressor or other device designed to muffle or minimize the report of a firearm <u>or short-barreled rifle</u> that is lawfully possessed by a person in compliance with 26 U.S.C. Chapter 53 §§ 5801-5871.

The Wildlife Resources Commission may prohibit individuals training dogs or taking particular species from carrying axes, saws, tree-climbing equipment, and other implements that may facilitate the unlawful taking of wildlife, except tree-climbing equipment may be carried and used by persons lawfully taking raccoons and opossums during open season."

SECTION 9. G.S. 14-415.21 reads as rewritten:

"**§ 14-415.21. Violations of this Article punishable as an infraction.**

(a) A person who has been issued a valid permit who is found to be carrying a concealed handgun without the permit in the person's possession or who fails to disclose to any law enforcement officer that the person holds a valid permit and is carrying a concealed handgun, as required by G.S. 14-415.11, shall be guilty of an infraction and shall be punished in accordance with G.S. 14-3.1. <u>Any person who has been issued a valid permit who is found to be carrying a concealed handgun in violation of G.S. 14-415.11(c)(8) shall be guilty of an infraction and may be required to pay a fine of up to five hundred dollars ($500.00).</u> In lieu of paying a fine the person may surrender the permit.

(a1) A person who has been issued a valid permit who is found to be carrying a concealed handgun in violation of ~~subdivision (c)(8) or~~ subsection (c2) of G.S. 14-415.11 shall be guilty of a Class 1 misdemeanor.

(b) A person who violates the provisions of this Article other than as set forth in subsection (a) or (a1) of this section is guilty of a Class 2 misdemeanor."

SECTION 10.(a) G.S. 14-403 reads as rewritten:

"**§ 14-403. Permit issued by sheriff; form of permit; expiration of permit.**

The sheriffs of any and all counties of this State shall issue to any person, firm, or corporation in any county a permit to purchase or receive any weapon mentioned in this Article from any person, firm, or corporation offering to sell or dispose of the weapon. The permit shall expire five years from the date of issuance. The permit shall ~~be in the following form:~~<u>be a standard form created by the State Bureau of Investigation in consultation with the North Carolina Sheriffs' Association, shall be of a uniform size and material, and shall be designed with security features intended to minimize the ability to counterfeit or replicate the permit and shall be set forth as follows:</u>

North Carolina,

_____ County.

I, _____, Sheriff of said County, do hereby certify that I have conducted a criminal background check of the applicant, _____ whose place of residence is_____ in _____ (or) in _____ Township, _____ County, North Carolina, and have received no information to indicate that it would be a violation of State or federal law for the applicant to purchase, transfer, receive, or possess a handgun. The applicant has further satisfied me as to his, her (or) their good moral character. Therefore, a permit is issued to _____ to purchase one pistol from any person, firm or corporation authorized to dispose of the same.

This permit expires five years from its date of issuance.

This __ day of _____, ____.

_____

Sheriff.

The standard permit created by this section shall be used statewide by the sheriffs of any and all counties and, when issued by a sheriff, shall also contain an embossed seal unique to the office of the issuing sheriff."

SECTION 10.(b) Permits issued pursuant to Article 52A of Chapter 14 of the General Statutes prior to the effective date of subsection (a) of this section shall remain valid until expiration. Any person possessing a valid permit issued prior to the effective date of subsection (a) of this section may exchange that permit for an updated permit from the sheriff that issued the original permit with no further application required. Any permit issued in exchange shall expire on the same date as the original permit for which it was exchanged.

SECTION 10.(c) The State Bureau of Investigation shall make reasonable efforts to notify federally licensed firearm dealers in this State of the new permit appearance and requirements implemented by subsection (a) of this section.

SECTION 10.(d) G.S. 14-404 reads as rewritten:

"§ 14-404. Issuance or refusal of permit; appeal from refusal; grounds for refusal; sheriff's fee.

(a) Upon application, the sheriff shall issue the permit to a resident of that county, unless the purpose of the permit is for collecting, in which case a sheriff can issue a permit to a nonresident, when the sheriff has done all of the following:

(1) Verified, before the issuance of a permit, by a criminal history background investigation that it is not a violation of State or federal law for the applicant to purchase, transfer, receive, or possess a handgun. The sheriff shall determine the criminal and background history of any applicant by accessing computerized criminal history records as maintained by the State Bureau of Investigation and the Federal Bureau of Investigation, by conducting a national criminal history records check, by conducting a check through the National Instant Criminal Background Check System (NICS), and by conducting a criminal history check through the Administrative Office of the Courts.

(2) Fully satisfied himself or herself by affidavits, oral evidence, or otherwise, as to the good moral character of the applicant. For purposes of determining an applicant's good moral character to receive a permit, the sheriff shall only consider an applicant's conduct and criminal history for the five-year period immediately preceding the date of the application.

(3) Fully satisfied himself or herself that the applicant desires the possession of the weapon mentioned for (i) the protection of the home, business, person, family or property, (ii) target shooting, (iii) collecting, or (iv) hunting.

(b) If the sheriff is not fully satisfied, the sheriff may, for good cause shown, decline to issue the permit and shall provide to the applicant within seven days of the refusal a written statement of the reason(s) for the refusal. The statement shall cite the specific facts upon which the sheriff concluded that the applicant was not qualified for the issuance of a permit and list, by statute number, the applicable law upon which the denial is based. An appeal from the refusal shall lie by way of petition to the ~~chief judge of the district court for~~superior court in the district in which the application was filed. The determination by the court, on appeal, shall be upon the facts, the law, and the reasonableness of the sheriff's refusal, and shall be final.

...

(e) The sheriff shall charge for the sheriff's services upon receipt of an application a fee of five dollars ($5.00) for each permit requested. There shall be no limit as to the number or frequency of permit applications and no other costs or fees other than provided in this subsection shall be charged for the permit, including, but not limited to, any costs for investigation, processing, or medical background checks by the sheriff or others providing records to the sheriff.

(e1) The application for a permit shall be on a form created by the State Bureau of Investigation in consultation with the North Carolina Sheriffs' Association. This application shall be used by all sheriffs and must be provided by the sheriff both electronically and in paper form. Only the following shall be required to be submitted by an applicant for a permit:

(1) The permit application developed pursuant to this subsection.

(2) Five dollars for each permit requested pursuant to subsection (e) of this section.

(3) A government issued identification confirming the identity of the applicant.

(4) Proof of residency.

(5) A signed release, in a form to be prescribed by the Administrative Office of the Court, that authorizes and requires disclosure to the sheriff of any court orders concerning the mental health or capacity of the applicant to be used for the sole purpose of determining whether the applicant is disqualified to receive a permit pursuant to this section.

No additional document or evidence shall be required from any applicant.

...

(i) A person or entity shall promptly disclose to the sheriff, upon presentation by the applicant or sheriff of an original or photocopied release form described in subdivision (5) of subsection (e1) of this section, any court orders concerning the mental health or capacity of the applicant who signed the release form."

SECTION 10.5. The Department of Public Safety, in consultation with the Office of Information Technology Services and the Federal Bureau of Investigation, shall study the development of a system to allow a background check to be conducted in private transfers of firearms. The study shall consider methods that would allow the seller or transferor to access the Criminal Justice Law Enforcement Automated Data Services (CJLEADS), the National Instant Criminal Background Check System (NICS), or another similar system that would provide information to the seller or transferor regarding the purchaser or transferee's eligibility to purchase a pistol.

The Department shall report its findings and any recommended legislation to the Joint Legislative Oversight Committee on Justice and Public Safety on or before January 1, 2019.

SECTION 11.(a) G.S. 122C-54(d1) is repealed.

SECTION 11.(b) G.S. 122C-54.1 is recodified as G.S. 14-409.42.

SECTION 11.(c) G.S. 14-404(c1) is repealed.

SECTION 11.(d) Article 53B of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-409.43. Reporting of certain disqualifiers to the National Instant Criminal Background Check System (NICS).**

(a) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after receiving notice of any of the following judicial determinations or findings, the clerk of superior court in the county where the determination or finding was made shall work through the Administrative Office of the Courts to cause a record of the determination or finding to be transmitted to the National Instant Criminal Background Check System (NICS):

(1) A determination that an individual shall be involuntarily committed to a facility for inpatient mental health treatment upon a finding that the individual is mentally ill and a danger to self or others.

(2) A determination that an individual shall be involuntarily committed to a facility for outpatient mental health treatment upon a finding that the individual is mentally ill and, based on the individual's treatment history, in need of treatment in order to prevent further disability or deterioration that would predictably result in a danger to self or others.

(3) A determination that an individual shall be involuntarily committed to a facility for substance abuse treatment upon a finding that the individual is a substance abuser and a danger to self or others.

(4) A finding that an individual is not guilty by reason of insanity.

(5) A finding that an individual is mentally incompetent to proceed to criminal trial.

(6) A finding that an individual lacks the capacity to manage the individual's own affairs due to marked subnormal intelligence or mental illness, incompetency, condition, or disease.

(7) A determination to grant a petition to an individual for the removal of disabilities pursuant to G.S. 14-409.42 or any applicable federal law.

The 48-hour period for transmitting a record of a judicial determination or finding to the NICS under subsection (a) of this section begins upon receipt by the clerk of a copy of the judicial determination or finding. The Administrative Office of the Courts shall adopt rules to require clerks of court to transmit information to the NICS in a uniform manner.

(b) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after receiving notice of the issuance of a felony warrant, indictment, criminal summons, or order for arrest, the Administrative Office of the Courts shall transmit any unserved felony warrants, indictments, criminal summons, or order for arrests to the NCIC (or National Instant Criminal Background Check System (NICS)).

(c) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after service by the sheriff of an order issued by a judge pursuant to Chapter 50B of the General Statutes and pursuant to G.S. 50B-3(d) the sheriff shall cause a record of the order to be transmitted to the National Instant Criminal Information System."

SECTION 11.(e) G.S. 122C-54(d2) reads as rewritten:

"(d2) The record of involuntary commitment for inpatient or outpatient mental health treatment or for substance abuse treatment required ~~by subsection (d1) of this section~~ to be reported to the National Instant Criminal Background Check System (NICS) by G.S. 14-409.43 shall be accessible only by ~~an entity having proper access to NICS~~ the sheriff or the sheriff's designee for the purposes of conducting background checks under G.S. 14-404 and shall remain otherwise confidential as provided by this Article. ~~The Administrative Office of the Courts shall adopt rules to require clerks of court to transmit information to the NICS as required by subsection (d1) of this section in a uniform manner.~~"

SECTION 11.(f) G.S. 14-404(a) reads as rewritten:

"(a) Upon application, and such application must be provided by the sheriff electronically, the sheriff shall issue the permit to a resident of that county, unless the purpose of the permit is for collecting, in which case a sheriff can issue a permit to a nonresident, when the sheriff has done all of the following:

...."

SECTION 11.(g) G.S. 14-415.13(a) reads as rewritten:

"(a) A person shall apply to the sheriff of the county in which the person resides to obtain a concealed handgun permit. The applicant shall submit to the sheriff all of the following:

(1) An application, completed under oath, on a form provided by the ~~sheriff.~~sheriff, and such application form must be provided by the sheriff electronically. The sheriff shall not request employment information, character affidavits, additional background checks, photographs, or other information unless specifically permitted by this Article.

...."

SECTION 11.(h) G.S. 15A-502 reads as rewritten:

"**§ 15A-502. Photographs and fingerprints.**

(a) A person charged with the commission of a felony or a misdemeanor may be photographed and his fingerprints may be taken for law-enforcement records only when he has been:

(1) Arrested or committed to a detention facility, or
(2) Committed to imprisonment upon conviction of a crime, or
(3) Convicted of a felony.

(a1) It shall be the duty of the arresting law-enforcement agency to cause a person charged with the commission of a felony to be fingerprinted and to forward those fingerprints to the State Bureau of Investigation.

(a2) It shall be the duty of the arresting law enforcement agency to cause a person charged with the commission of any of the following misdemeanors to be fingerprinted, for the purposes of reporting these offenses to the National Criminal Instant Background Check System (NICS), and to forward those fingerprints to the State Bureau of Investigation:

(1) G.S. 14-134.3 (Domestic criminal trespass), G.S. 15A-1382.1 (Offense that involved domestic violence), or G.S. 50B-4.1 (Violation of a valid protective order).
(2) G.S. 20-138.1 (Impaired driving), G.S. 20-138.2 (Impaired driving in commercial vehicle), G.S. 20-138.2A (Operating a commercial vehicle after consuming alcohol), and G.S. 20-138.2B (Operating various school, child care, EMS, firefighting, or law enforcement vehicles after consuming alcohol).
(3) G.S. 90-95(a)(3) (Possession of a controlled substance).

(a3) It shall be the duty of the arresting law enforcement agency to cause a person charged with a crime to provide to the magistrate as much of the following information as possible for the person arrested:

(1) Name including first, last, middle, maiden, and nickname or alias.
(2) Address including street, city, and state.
(3) Drivers license number and state of issuance.
(4) Date of birth.
(5) Sex.
(6) Race.
(7) Social Security number.
(8) Relationship to the alleged victim and whether it is a "personal relationship" as defined by G.S. 50B-1(b).

(a4) It shall be the duty of the arresting law enforcement agency to cause a person who has been charged with a misdemeanor offense of assault, stalking, or communicating a threat and held under G.S. 15A-534.1 to be fingerprinted for the purposes of reporting these offenses to the National Criminal Instant Background Check System (NICS) and to forward those fingerprints to the State Bureau of Investigation.

(a5) It shall be the duty of the magistrate to enter into the court information system all information provided by the arresting law enforcement agency on the person arrested.

~~(a2)~~(a6) If the person cannot be identified by a valid form of identification, it shall be the duty of the arresting law-enforcement agency to cause a person charged with the commission of:

(1) Any offense involving impaired driving, as defined in G.S. 20-4.01(24a), or
(2) Driving while license revoked if the revocation is for an Impaired Driving License Revocation as defined in G.S. 20-28.2

to be fingerprinted and photographed.

(b) This section does not authorize the taking of photographs or fingerprints when the offense charged is a Class 2 or 3 misdemeanor under Chapter 20 of the General Statutes, "Motor Vehicles." Notwithstanding the prohibition in this subsection, a photograph may be taken of a person who operates a motor vehicle on a street or highway if:

(1) The person is cited by a law enforcement officer for a motor vehicle moving violation, and
(2) The person does not produce a valid drivers license upon the request of a law enforcement officer, and
(3) The law enforcement officer has a reasonable suspicion concerning the true identity of the person.

As used in this subsection, the phrase "motor vehicle moving violation" does not include the offenses listed in the third paragraph of G.S. 20-16(c) for which no points are assessed, nor does it include equipment violations specified in Part 9 of Article 3 of Chapter 20 of the General Statutes.

(b1) Any photograph authorized by subsection (b) of this section and taken by a law enforcement officer or agency:

(1) Shall only be taken of the operator of the motor vehicle, and only from the neck up.
(2) Shall be taken at either the location where the citation is issued, or at the jail if an arrest is made.
(3) Shall be retained by the law enforcement officer or agency until the final disposition of the case.
(4) Shall not be used for any purpose other than to confirm the identity of the alleged offender.
(5) Shall be destroyed by the law enforcement officer or agency upon a final disposition of the charge.

(c) This section does not authorize the taking of photographs or fingerprints of a juvenile alleged to be delinquent except under Article 21 of Chapter 7B of the General Statutes.

(d) This section does not prevent the taking of photographs, moving pictures, video or sound recordings, fingerprints, or the like to show a condition of intoxication or for other evidentiary use.

(e) Fingerprints or photographs taken pursuant to subsection (a), (a1), or (a2) of this section may be forwarded to the State Bureau of Investigation, the Federal Bureau of Investigation, or other law-enforcement agencies."

SECTION 11.(i) The Administrative Office of the Courts shall use the sum of up to twenty thousand dollars ($20,000) available to it for the 2014-2015 fiscal year from the Court Information Technology Fund to comply with the portions of subsection (d) of this section applicable to the Administrative Office of the Courts and to provide all of the following historical records to the National Instant Criminal Background Check System (NICS) by May 31, 2019:

(1) Involuntary commitments for inpatient and outpatient mental health and substance abuse treatment from all counties.
(2) Findings of not guilty by reason of insanity or mentally incompetent to stand trial from all counties.
(3) Findings that an individual lacks the capacity to manage the individual's own affairs due to marked subnormal intelligence or mental illness, incompetency, condition, or disease from all counties.
(4) Convictions for misdemeanor possession of controlled substances under G.S. 90-95(a)(3) from all counties from January 1, 2009.
(5) Convictions for all misdemeanors as identified in G.S. 14-134.3, 15A-1382.1, or 50B-4.1 from all counties.
(6) Convictions for all misdemeanors as identified in G.S. 20-138.1, 20-138.2, 20-138.2A, and 20-138.2B or convicted and sentenced under G.S. 20-179(f3) for more than two years from all counties.
(7) Active and unserved felony warrants, indictments, criminal summons, and orders for arrest from all counties.

No later than January 1, 2018, the Administrative Office of the Courts shall report to the Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Information Technology on the progress made towards providing the information required by subsection (d) of this section and providing the historical records to NICS.

SECTION 11.(j) G.S. 14-404(g) reads as rewritten:

"(g) An applicant shall not be ineligible to receive a permit under subdivision (c)(4) of this section because of involuntary commitment to mental health services if the individual's rights have been restored under ~~G.S. 122C-54.1.~~G.S. 14-409.42."

SECTION 11.(k) G.S. 14-415.3(c) reads as rewritten:

"(c) The provisions of this section shall not apply to a person whose rights have been restored pursuant to ~~G.S. 122C-54.1.~~G.S. 14-409.42."

SECTION 11.(l) G.S. 14-415.12(c) reads as rewritten:

"(c) An applicant shall not be ineligible to receive a concealed carry permit under subdivision (6) of subsection (b) of this section because of an adjudication of mental incapacity or illness or an involuntary commitment to mental health services if the individual's rights have been restored under ~~G.S. 122C-54.1.~~G.S. 14-409.42."

SECTION 11.(m) G.S. 122C-54.1(a), recodified as G.S. 14-409.42(a) by subsection (b) of this section, reads as rewritten:

"(a) Any individual over the age of 18 may petition for the removal of the disabilities pursuant to 18 U.S.C. § 922(d)(4) and (g)(4), G.S. 14-415.3, and G.S. 14-415.12 arising out of a determination or finding required to be transmitted to the National Instant Criminal Background Check System by subdivisions (1) through (6) ~~of subsection (d1) of G.S. 122C-54.~~ of subsection (a) of G.S. 14-409.43. The individual may file the petition with a district court judge upon the expiration of any current inpatient or outpatient commitment."

SECTION 11.(n) G.S. 15A-534(a) reads as rewritten:

"(a) In determining conditions of pretrial release a judicial official must impose at least one of the following conditions:

(1) Release the defendant on his written promise to appear.
(2) Release the defendant upon his execution of an unsecured appearance bond in an amount specified by the judicial official.
(3) Place the defendant in the custody of a designated person or organization agreeing to supervise him.

(4) Require the execution of an appearance bond in a specified amount secured by a cash deposit of the full amount of the bond, by a mortgage pursuant to G.S. 58-74-5, or by at least one solvent surety.

(5) House arrest with electronic monitoring.

If condition (5) is imposed, the defendant must execute a secured appearance bond under subdivision (4) of this subsection. If condition (3) is imposed, however, the defendant may elect to execute an appearance bond under subdivision (4). If the defendant is required to provide fingerprints pursuant to ~~G.S. 15A-502(a1) or (a2),~~ G.S. 15A-502(a1), (a2), (a4), or (a6), or a DNA sample pursuant to G.S. 15A-266.3A or G.S. 15A-266.4, and (i) the fingerprints or DNA sample have not yet been taken or (ii) the defendant has refused to provide the fingerprints or DNA sample, the judicial official shall make the collection of the fingerprints or DNA sample a condition of pretrial release. The judicial official may also place restrictions on the travel, associations, conduct, or place of abode of the defendant as conditions of pretrial release. The judicial official may include as a condition of pretrial release that the defendant abstain from alcohol consumption, as verified by the use of a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction of the Department of Public Safety, and that any violation of this condition be reported by the monitoring provider to the district attorney."

SECTION 11.(o) Subsections (f) and (g) of this section become effective October 1, 2015, and apply to applications submitted on or after that date. Subsections (h) and (n) of this section become effective on October 1, 2015. Subsections (a), (d), and (m) of this section become effective on January 1, 2016. The remaining subsections of this section are effective when this act becomes law.

SECTION 12. G.S. 14-409.40 reads as rewritten:

"§ 14-409.40. Statewide uniformity of local regulation.

(a) It is declared by the General Assembly that the regulation of firearms is properly an issue of general, statewide concern, and that the entire field of regulation of firearms is preempted from regulation by local governments except as provided by this section.

(a1) The General Assembly further declares that the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is not an unreasonably dangerous activity and does not constitute a nuisance per se and furthermore, that it is the unlawful use of firearms and ammunition, rather than their lawful design, marketing, manufacture, distribution, sale, or transfer that is the proximate cause of injuries arising from their unlawful use. This subsection applies only to causes of action brought under subsection (g) of this section.

(b) Unless otherwise permitted by statute, no county or municipality, by ordinance, resolution, or other enactment, shall regulate in any manner the possession, ownership, storage, transfer, sale, purchase, licensing, taxation, manufacture, transportation, or registration of firearms, firearms ammunition, components of firearms, dealers in firearms, or dealers in handgun components or parts.

(c) Notwithstanding subsection (b) of this section, a county or municipality, by zoning or other ordinance, may regulate or prohibit the sale of firearms at a location only if there is a lawful, general, similar regulation or prohibition of commercial activities at that location. Nothing in this subsection shall restrict the right of a county or municipality to adopt a general zoning plan that prohibits any commercial activity within a fixed distance of a school or other educational institution except with a special use permit issued for a commercial activity found not to pose a danger to the health, safety, or general welfare of persons attending the school or educational institution within the fixed distance.

(d) No county or municipality, by zoning or other ordinance, shall regulate in any manner firearms shows with regulations more stringent than those applying to shows of other types of items.

(e) A county or municipality may regulate the transport, carrying, or possession of firearms by employees of the local unit of government in the course of their employment with that local unit of government.

(f) Nothing contained in this section prohibits municipalities or counties from application of their authority under G.S. 153A-129, 160A-189, 14-269, 14-269.2, 14-269.3, 14-269.4, 14-277.2, 14-415.11, 14-415.23, including prohibiting the possession of firearms in public-owned buildings, on the grounds or parking areas of those buildings, or in public parks or recreation areas, except nothing in this subsection shall prohibit a person from storing a

firearm within a motor vehicle while the vehicle is on these grounds or areas. Nothing contained in this section prohibits municipalities or counties from exercising powers provided by law in states of emergency declared under Article 1A of Chapter 166A of the General Statutes.

(g) The authority to bring suit and the right to recover against any firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association by or on behalf of any governmental unit, created by or pursuant to an act of the General Assembly or the Constitution, or any department, agency, or authority thereof, for damages, abatement, injunctive relief, or any other remedy resulting from or relating to the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is reserved exclusively to the State. Any action brought by the State pursuant to this section shall be brought by the Attorney General on behalf of the State. This section shall not prohibit a political subdivision or local governmental unit from bringing an action against a firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association for breach of contract or warranty for defect of materials or workmanship as to firearms or ammunition purchased by the political subdivision or local governmental unit.

(h) A person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any county or municipality in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation. The court shall award the prevailing party in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law."

SECTION 13. Article 53B of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-409.41. Chief law enforcement officer certification; certain firearms.**

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

(1) Certification. – The participation and assent of the chief law enforcement officer necessary under federal law for the approval of the application to transfer or make a firearm.

(2) Chief law enforcement officer. – Any official that the United States Bureau of Alcohol, Tobacco, Firearms, and Explosives, or any successor agency, has identified by regulation or otherwise as eligible to provide any required certification for the transfer or making of a firearm.

(3) Firearm. – Any firearm that meets the definition of firearm in 26 U.S.C. § 5845.

(b) When a chief law enforcement officer's certification is required by federal law or regulation for the transfer or making of a firearm, the chief law enforcement officer shall, within 15 days of receipt of a request for certification, provide the certification if the applicant is not prohibited by State or federal law from receiving or possessing the firearm and is not the subject of a proceeding that could result in the applicant being prohibited by State or federal law from receiving or possessing the firearm. If the chief law enforcement officer is unable to make a certification as required by this section, the chief law enforcement officer shall provide the applicant with a written notification of the denial and the reason for the denial.

Nothing in this section shall require a chief law enforcement officer to make a certification the chief law enforcement officer knows to be untrue, but the chief law enforcement officer may not refuse to provide certification based on a generalized objection to private persons or entities making, possessing, or receiving firearms or any certain type of firearm the possession of which is not prohibited by law.

(c) An applicant whose request for certification is denied may appeal the decision of the chief law enforcement officer to the district court of the district in which the request for certification was made. The court shall make a de novo review of the chief law enforcement officer's decision to deny the certification. If the court finds that the applicant is not prohibited by State or federal law from receiving or possessing the firearm, is not the subject of a proceeding that could result in the applicant being prohibited by State or federal law from receiving or possessing the firearm, and that no substantial evidence supports the chief law enforcement officer's determination that the chief law enforcement officer cannot truthfully make the certification, the court shall order the chief law enforcement officer to issue the certification and award court costs and reasonable attorneys' fees to the applicant.

(d) Chief law enforcement officers and their employees who act in good faith are immune from liability arising from any act or omission in making a certification as required by this section."

SECTION 14. G.S. 14-415.15(a) reads as rewritten:

"(a) Except as permitted under subsection (b) of this section, within 45 days after receipt of the items listed in G.S. 14-415.13 from an applicant, and receipt of the required records concerning the mental health or capacity of the applicant, the sheriff shall either issue or deny the permit. The sheriff may conduct any investigation necessary to determine the qualification or competency of the person applying for the permit, including record checks. The sheriff shall make the request for any records concerning the mental health or capacity of the applicant within 10 days of receipt of the items listed in G.S. 14-415.13. No person, company, mental health provider, or governmental entity may charge additional fees to the applicant for background checks conducted under this subsection. A permit shall not be denied unless the applicant is determined to be ineligible pursuant to G.S. 14-415.12."

SECTION 15. G.S. 14-415.23 is amended by adding a new subsection to read:

"(e) A person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any unit of local government in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation. The court shall award the prevailing party in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law."

SECTION 17. G.S. 14-415.12(a) reads as rewritten:

"(a) The sheriff shall issue a permit to an applicant if the applicant qualifies under the following criteria:

(1) The applicant is a citizen of the United States or has been lawfully admitted for permanent residence as defined in 8 U.S.C. § 1101(a)(20), and has been a resident of the State 30 days or longer immediately preceding the filing of the application.

(2) The applicant is 21 years of age or older.

(3) The applicant does not suffer from a physical or mental infirmity that prevents the safe handling of a handgun.

(4) The applicant has successfully completed an approved firearms safety and training course which involves the actual firing of handguns and instruction in the laws of this State governing the carrying of a concealed handgun and the use of deadly force. The North Carolina Criminal Justice Education and Training Standards Commission shall prepare and publish general guidelines for courses and qualifications of instructors which would satisfy the requirements of this subdivision. An approved course shall be any course which satisfies the requirements of this subdivision and is certified or sponsored by:

a. The North Carolina Criminal Justice Education and Training Standards Commission,

b. The National Rifle Association, or

c. A law enforcement agency, college, private or public institution or organization, or firearms training school, taught by instructors certified by the North Carolina Criminal Justice Education and Training Standards Commission or the National Rifle Association.

Every instructor of an approved course shall file a copy of the firearms course description, outline, and proof of certification annually, or upon modification of the course if more frequently, with the North Carolina Criminal Justice Education and Training Standards Commission.

(5) The applicant is not disqualified under subsection (b) of this section."

SECTION 18. Subsections (a), (b), and (c) of Section 1, and Sections 2, 3, and 8 of this act become effective July 1, 2015, and apply to offenses committed on or after that date. Section 5 of this act becomes effective July 1, 2015, but shall not apply to pending litigation. Section 6 of this act is effective when it becomes law and applies to restorations granted before, on, or after that date. Section 7 of this act becomes effective July 1, 2015, and applies to permit applications submitted on or after that date. Section 9 of this act becomes effective December 1, 2015, and applies to offenses committed on or after that date. Section 10 of this act becomes effective December 1, 2015, and applies to permits issued on or after that date. Sections 12 and 15 of this act become effective December 1, 2015, and apply to violations occurring on or after that date. Section 13 of this act becomes effective July 1, 2015. Section 14 becomes effective October 1, 2015, and applies to applications submitted on or after that date. The remainder of this act is effective when it becomes law. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

In the General Assembly read three times and ratified this the 28th day of July, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 3:23 p.m. this 5th day of August, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-274
HOUSE BILL 647

AN ACT AUTHORIZING HEALTH CARE PROVIDERS TO PRESCRIBE, AND PHARMACISTS TO DISPENSE, EPINEPHRINE AUTO-INJECTORS TO AUTHORIZED CHILD-SERVING ENTITIES OTHER THAN SCHOOLS FOR THE EMERGENCY TREATMENT OF ANAPHYLAXIS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1B of Chapter 90 of the General Statutes is amended by adding a new section to read:

"**§ 90-21.15A. Emergency treatment using epinephrine auto-injector; immunity.**

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

(1) Administer. – The direct application of an epinephrine auto-injector to the body of an individual.

(2) Authorized entity. – Any entity or organization, other than a school described in G.S. 115C-375.2A, at which allergens capable of causing anaphylaxis may be present, including, but not limited to, recreation camps, colleges, universities, day care facilities, youth sports leagues, amusement parks, restaurants, places of employment, and sports arenas. An authorized entity shall also include any person, corporation, or other entity that owns or operates any entity or organization listed.

(3) Epinephrine auto-injector. – A single-use device used for the automatic injection of a premeasured dose of epinephrine into the human body.

(4) Health care provider. – A health care provider licensed to prescribe drugs under the laws of this State.

(5) Provide. – To supply one or more epinephrine auto-injectors to an individual.

(b) Prescribing to Authorized Entities Permitted. – A health care provider may prescribe epinephrine auto-injectors in the name of an authorized entity for use in accordance with this section, and pharmacists and health care providers may dispense epinephrine auto-injectors pursuant to a prescription issued in the name of an authorized entity. A prescription issued pursuant to this section shall be valid for no more than two years.

(c) Authorized Entities Permitted to Maintain Supply. – An authorized entity may acquire and stock a supply of epinephrine auto-injectors pursuant to a prescription issued in accordance with this section. An authorized entity that acquires and stocks epinephrine auto-injectors shall make a good-faith effort to store the supply of epinephrine auto-injectors in accordance with the epinephrine auto-injector manufacturer's instructions for use and any additional requirements that may be established by the Department of Health and Human Services. An authorized entity that acquires and stocks a supply of epinephrine auto-injectors pursuant to a prescription issued in accordance with this section shall designate employees or agents to be responsible for the storage, maintenance, control, and general oversight of epinephrine auto-injectors acquired by the authorized entity.

(d) Use of Epinephrine Auto-Injectors by Authorized Entities. – An employee or agent of an authorized entity or other individual who has completed the training required by subsection (e) of this section may use epinephrine auto-injectors prescribed pursuant to G.S. 90-726.1 to do any of the following:

(1) Provide an epinephrine auto-injector to any individual who the employee, agent, or other individual believes in good faith is experiencing anaphylaxis, or a person believed in good faith to be the parent, guardian, or caregiver of

such individual, for immediate administration, regardless of whether the individual has a prescription for an epinephrine auto-injector or has previously been diagnosed with an allergy.

(2) Administer an epinephrine auto-injector to any individual who the employee, agent, or other individual believes in good faith is experiencing anaphylaxis, regardless of whether the individual has a prescription for an epinephrine auto-injector or has previously been diagnosed with an allergy.

(e) Mandatory Training Program. – An authorized entity that elects to acquire and stock a supply of epinephrine auto-injectors as described in subsection (c) of this section shall designate employees or agents to complete an anaphylaxis training program. The training may be conducted online or in person and shall, at a minimum, include all of the following components:

(1) How to recognize signs and symptoms of severe allergic reactions, including anaphylaxis.

(2) Standards and procedures for the storage and administration of an epinephrine auto-injector.

(3) Emergency follow-up procedures.

In-person training shall cover the three components listed in this subsection and be conducted by (i) a physician, physician assistant, or registered nurse licensed to practice in this State; (ii) a nationally recognized organization experienced in training laypersons in emergency health treatment; or (iii) an entity or individual approved by the Department of Health and Human Services.

Online training shall cover the three components listed in this subsection and be offered (i) by a nationally recognized organization experienced in training laypersons in emergency health treatment; (ii) by an entity or individual approved by the Department of Health and Human Services; or (iii) by means of an online training course that has been approved by another state.

(f) Immunity. –

(1) The following persons are immune from criminal liability and from suit in any civil action brought by any person for injuries or related damages that result from any act or omission taken pursuant to this section:

a. Any authorized entity that voluntarily and without expectation of payment possesses and makes available epinephrine auto-injectors.

b. Any employee or agent of an authorized entity, or any other individual, who provides or administers an epinephrine auto-injector to an individual whom the employee, agent, or other individual believes in good faith is experiencing symptoms of anaphylaxis and has completed the required training set forth in subsection (e) of this section.

c. A health care provider that prescribes epinephrine auto-injectors to an authorized entity.

d. A pharmacist or health care provider that dispenses epinephrine auto-injectors to an authorized entity.

e. Any individual or entity that conducts the training mandated by subsection (e) of this section.

(2) The immunity conferred by this section does not apply to acts or omissions constituting willful or wanton conduct as defined in G.S. 1D-5(7) or intentional wrongdoing.

(3) Nothing in this section creates or imposes any duty, obligation, or basis for liability on any authorized entity, any employee or agent of an authorized entity, or any other individual to acquire, possess, store, make available, or administer an epinephrine auto-injector.

(4) This section does not eliminate, limit, or reduce any other immunity or defense that may be available under State law, including the protections set forth in G.S. 90-21.14.

(g) Liability for Acts Outside of This State. – An authorized entity located in this State shall not be liable under the laws of this State for any injuries or related damages resulting from the provision or administration of an epinephrine auto-injector outside of this State under either of the following circumstances:

(1) If the authorized entity would not have been liable for such injuries or related damages if the epinephrine auto-injector had been provided or administered within this State.

(2) If the authorized entity is not liable for such injuries or related damages under the laws of the state in which the epinephrine auto-injector was provided or administered.

(h) Does Not Constitute Practice of Medicine. – The administration of an epinephrine auto-injector in accordance with this section is not the practice of medicine or any other profession that otherwise requires licensure."

SECTION 2. The North Carolina Board of Pharmacy may adopt temporary and permanent rules addressing the authorization for authorized entities under Section 1 of this act to obtain a prescription for epinephrine for emergency health circumstances.

SECTION 3. This act becomes effective December 31, 2015.

In the General Assembly read three times and ratified this the 29th day of September, 2015.

s/ Philip E. Berger
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:31 a.m. this 20th day of October, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-136
HOUSE BILL 669

AN ACT TO MAKE VARIOUS CHANGES TO THE JUVENILE LAWS PERTAINING TO ABUSE, NEGLECT, AND DEPENDENCY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7B-101 is amended by adding the following new subdivisions to read:

"§ 7B-101. Definitions.

As used in this Subchapter, unless the context clearly requires otherwise, the following words have the listed meanings:

...

~~(2) Aggravated circumstances. – Any circumstance attending to the commission of an act of abuse or neglect which increases its enormity or adds to its injurious consequences, including, but not limited to, abandonment, torture, chronic abuse, or sexual abuse.~~

...

(8a) Department. – Each county's child welfare agency. Unless the context clearly implies otherwise, when used in this Subchapter, "department" or "department of social services" shall refer to the county agency providing child welfare services, regardless of the name of the agency or whether the county has consolidated human services, pursuant to G.S. 153A-77.

...

(15a) Nonrelative kin. – An individual having a substantial relationship with the juvenile. In the case of a juvenile member of a State-recognized tribe as set forth in G.S. 143B-407(a), nonrelative kin also includes any member of a State-recognized tribe or a member of a federally recognized tribe, whether or not there is a substantial relationship with the juvenile.

...."

SECTION 2. G.S. 7B-401.1 reads as rewritten:

"§ 7B-401.1. Parties.

(a) Petitioner. – Only a county director of social services or the director's authorized representative may file a petition alleging that a juvenile is abused, neglected, or dependent. The petitioner shall remain a party until the court terminates its jurisdiction in the case.

(b) Parents. – The juvenile's parent shall be a party unless one of the following applies:

(1) The parent's rights have been terminated.

(2) The parent has relinquished the juvenile for adoption, unless the court orders that the parent be made a party.

(3) The parent has been convicted under G.S. 14-27.2 or G.S. 14-27.3 for an offense that resulted in the conception of the juvenile.

(c) Guardian. – A person who is the child's court-appointed guardian of the person or general guardian when the petition is filed shall be a party. A person appointed as the child's guardian pursuant to G.S. 7B-600 shall automatically become a party but only if the court has found that the guardianship is the permanent plan for the juvenile.

(d) Custodian. – A person who is the juvenile's custodian, as defined in G.S. 7B-101(8), when the petition is filed shall be a party. A person to whom custody of the juvenile is awarded in the juvenile proceeding shall automatically become a party but only if the court has found that the custody arrangement is the permanent plan for the juvenile.

(e) Caretaker. – A caretaker shall be a party only if (i) the petition includes allegations relating to the caretaker, (ii) the caretaker has assumed the status and obligation of a parent, or (iii) the court orders that the caretaker be made a party.

(e1) Foster Parent. – A foster parent as defined in G.S. 131D-10.2(9a) providing foster care for the juvenile is not a party to the case and may be allowed to intervene only if the foster parent has authority to file a petition to terminate the parental rights of the juvenile's parents pursuant to G.S. 7B-1103.

(f) The Juvenile. – The juvenile shall be a party.

(g) Removal of a Party. – If a guardian, custodian, or caretaker is a party, the court may discharge that person from the proceeding, making the person no longer a party, if the court finds that the person does not have legal rights that may be affected by the action and that the person's continuation as a party is not necessary to meet the juvenile's needs.

(h) Intervention. – Except as provided in ~~G.S. 7B-1103(b),~~ G.S. 7B-1103(b) and subsection (e1) of this section, the court shall not allow intervention by a person who is not the juvenile's parent, guardian, custodian, or caretaker but may allow intervention by another county department of social services that has an interest in the proceeding. This section shall not prohibit the court from consolidating a juvenile proceeding with a civil action or claim for custody pursuant to G.S. 7B-200."

SECTION 3. G.S. 7B-502 reads as rewritten:

"**§ 7B-502. Authority to issue custody orders; delegation.**

(a) In the case of any juvenile alleged to be within the jurisdiction of the court, the court may order that the juvenile be placed in nonsecure custody pursuant to criteria set out in G.S. 7B-503 when custody of the juvenile is necessary. The order for nonsecure custody may be entered ex parte. Unless the petition is being filed pursuant to G.S. 7B-404, telephonic communication that the department will be seeking nonsecure custody shall be given to counsel, or if unavailable, to a partner or employee at the attorney's office when any of the following occur:

(1) The department has received written notification that a respondent has counsel for the juvenile matter.

(2) The respondent is represented by counsel in a juvenile proceeding within the same county involving another juvenile of the respondent.

Notice is not required to provisional counsel appointed pursuant to G.S. 7B-602.

(b) Any district court judge shall have the authority to issue nonsecure custody orders pursuant to G.S. 7B-503. The chief district court judge may delegate the court's authority to persons other than district court judges by administrative order which shall be filed in the office of the clerk of superior court. The administrative order shall specify which persons shall be contacted for approval of a nonsecure custody order pursuant to G.S. 7B-503."

SECTION 4. G.S. 7B-505 reads as rewritten:

"**§ 7B-505. Placement while in nonsecure custody.**

(a) A juvenile meeting the criteria set out in G.S. 7B-503 may be placed in nonsecure custody with the department of social services or a person designated in the order for temporary residential placement in:

(1) A licensed foster home or a home otherwise authorized by law to provide such care; or

(2) A facility operated by the department of social services; or

(3) Any other home or facility, including a relative's home approved by the court and designated in the order.

(b) The court shall order the department to make diligent efforts to notify relatives and other persons with legal custody of a sibling of the juvenile that the juvenile is in nonsecure custody and of any hearings scheduled to occur pursuant to G.S. 7B-506, unless the court finds the notification would be contrary to the best interests of the juvenile. In placing a juvenile in nonsecure custody under this section, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative unless the court finds that placement with the relative would be contrary to the best interests of the juvenile.

(c) If the court does not place the juvenile with a relative, the court may consider whether nonrelative kin or other persons with legal custody of a sibling of the juvenile ~~is~~ are

willing and able to provide proper care and supervision of the juvenile in a safe home. ~~Nonrelative kin is an individual having a substantial relationship with the juvenile. In the case of a juvenile member of a State-recognized tribe as set forth in G.S. 143B-407(a), nonrelative kin also includes any member of a State-recognized tribe or a member of a federally recognized tribe, whether or not there is a substantial relationship with the juvenile.~~ The court may order the ~~Department~~ department to notify the juvenile's State-recognized tribe of the need for nonsecure custody for the purpose of locating relatives or nonrelative kin for placement. The court may order placement of the juvenile with nonrelative kin if the court finds the placement is in the juvenile's best interests.

(d) In placing a juvenile in nonsecure custody under this section, the court shall also consider whether it is in the juvenile's best interest to remain in the juvenile's community of residence. In placing a juvenile in nonsecure custody under this section, the court shall consider the Indian Child Welfare Act, Pub. L. No. 95-608, 25 U.S.C. §§ 1901, et seq., as amended, and the Howard M. Metzenbaum Multiethnic Placement Act of 1994, Pub. L. No. 103-382, 108 Stat. 4056, as amended, as they may apply. Placement of a juvenile with a relative outside of this State must be in accordance with the Interstate Compact on the Placement of Children, Article 38 of this Chapter."

SECTION 5. Article 5 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-505.1. Juvenile placed in nonsecure custody of a department of social services.**

(a) Unless the court orders otherwise, when a juvenile is placed in the nonsecure custody of a county department of social services, the director may arrange for, provide, or consent to any of the following:

(1) Routine medical and dental care or treatment.

(2) Emergency medical, surgical, psychiatric, psychological, or mental health care or treatment.

(3) Testing and evaluation in exigent circumstances.

(b) When placing a juvenile in nonsecure custody of a county department of social services pursuant to G.S. 7B-502, the court may authorize the director to consent to a Child Medical Evaluation upon written findings that demonstrate the director's compelling interest in having the juvenile evaluated prior to the hearing required by G.S. 7B-506.

(c) The director shall obtain consent from the juvenile's parent, guardian, or custodian for all care or treatment not covered by subsection (a) or (b) of this section, except that the court may authorize the director to provide consent after a hearing at which the court finds by clear and convincing evidence that the care, treatment, or evaluation requested is in the juvenile's best interest. Care and treatment covered by this subsection includes:

(1) Prescriptions for psychotropic medications.

(2) Participation in clinical trials.

(3) Immunizations when it is known that the parent has a bona fide religious objection to the standard schedule of immunizations.

(4) Child Medical Evaluations not governed by subsection (b) of this section, comprehensive clinical assessments, or other mental health evaluations.

(5) Surgical, medical, or dental procedures or tests that require informed consent.

(6) Psychiatric, psychological, or mental health care or treatment that requires informed consent.

(d) For any care or treatment provided, the director shall make reasonable efforts to promptly notify the parent, guardian, or custodian that care or treatment will be or has been provided and give the parent or guardian frequent status reports on the juvenile's treatment and the care provided. Upon request of the juvenile's parent, guardian, or custodian, the director shall make available to the parent, guardian, or custodian any results or records of the aforementioned evaluations, except when prohibited by G.S. 122C-53(d). The results of a Child Medical Evaluation shall only be disclosed according to the provisions of G.S. 7B-700.

(e) Except as prohibited by federal law, the department may disclose confidential information deemed necessary for the juvenile's assessment and treatment to a health care provider serving the juvenile.

(f) Unless the court has ordered otherwise, except as prohibited by federal law, a health care provider shall disclose confidential information about a juvenile to a director of a county department of social services with custody of the juvenile and a parent, guardian, or custodian."

SECTION 6. G.S. 7B-506(h)(2a) reads as rewritten:

"(h) At each hearing to determine the need for continued custody, the court shall determine the following:

...

(2a) If the court does not place the juvenile with a relative, the court may consider whether nonrelative kin or other persons with legal custody of a sibling of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. ~~Nonrelative kin is an individual having a substantial relationship with the juvenile. In the case of a juvenile member of a State-recognized tribe as set forth in G.S. 143B-407(a), nonrelative kin also includes any member of a State-recognized tribe or a member of a federally recognized tribe, whether or not there is a substantial relationship with the juvenile.~~ The court may order the ~~Department~~ department to notify the juvenile's State-recognized tribe of the need for nonsecure custody for the purpose of locating relatives or nonrelative kin for placement. The court may order placement of the juvenile with nonrelative kin or other persons with legal custody of a sibling of the juvenile if the court finds the placement is in the juvenile's best interests."

SECTION 7. G.S. 7B-507 reads as rewritten:

"**§ 7B-507. ~~Reasonable efforts.~~Juvenile placed in nonsecure custody of a department of social services.**

(a) An order placing or continuing the placement of a juvenile in the nonsecure custody ~~or placement responsibility~~ of a county department of social ~~services, whether an order for continued nonsecure custody, a dispositional order, or a review order:~~services:

(1) Shall contain a finding that the juvenile's continuation in or return to the juvenile's own home would be contrary to the juvenile's ~~best interest;~~health and safety.

(2) Shall contain specific findings as to whether a county department of social services has made reasonable efforts to ~~either~~ prevent the need for placement ~~or eliminate the need for placement of the juvenile, unless the court has previously determined under subsection (b) of this section that such efforts are not required or shall cease;~~of the juvenile. In determining whether efforts to prevent the placement of the juvenile were reasonable, the juvenile's health and safety shall be the paramount concern. The court may find that efforts to prevent the need for the juvenile's placement were precluded by an immediate threat of harm to the juvenile. A finding that reasonable efforts were not made by a county department of social services shall not preclude the entry of an order authorizing the juvenile's placement when the court finds that placement is necessary for the protection of the juvenile.

~~(3) Shall contain findings as to whether a county department of social services should continue to make reasonable efforts to prevent or eliminate the need for placement of the juvenile, unless the court has previously determined or determines under subsection (b) of this section that such efforts are not required or shall cease;~~

(4) Shall specify that the juvenile's placement and care are the responsibility of the county department of social services and that the department is to provide or arrange for the foster care or other placement of the ~~juvenile. After~~ juvenile, unless after considering the department's recommendations, the court ~~may order~~ orders a specific placement the court finds to be in the juvenile's best ~~interest; and~~interests.

(5) May ~~provide for~~ order services or other efforts aimed at returning the juvenile to a safe ~~home or at achieving another permanent plan for the juvenile.~~home.

~~A finding that reasonable efforts have not been made by a county department of social services shall not preclude the entry of an order authorizing the juvenile's placement when the court finds that placement is necessary for the protection of the juvenile. Where efforts to prevent the need for the juvenile's placement were precluded by an immediate threat of harm to the juvenile, the court may find that the placement of the juvenile in the absence of such efforts was reasonable.~~

~~(b) In any order placing a juvenile in the custody or placement responsibility of a county department of social services, whether an order for continued nonsecure custody, a dispositional order, or a review order, the court may direct that reasonable efforts to eliminate the need for placement of the juvenile shall not be required or shall cease if the court makes written findings of fact that:~~

~~(1) Such efforts clearly would be futile or would be inconsistent with the juvenile's health, safety, and need for a safe, permanent home within a reasonable period of time;~~

~~(2) A court of competent jurisdiction has determined that the parent has subjected the child to aggravated circumstances as defined in G.S. 7B-101;~~

~~(3) A court of competent jurisdiction has terminated involuntarily the parental rights of the parent to another child of the parent; or~~

~~(4) A court of competent jurisdiction has determined that: the parent has committed murder or voluntary manslaughter of another child of the parent; has aided, abetted, attempted, conspired, or solicited to commit murder or voluntary manslaughter of the child or another child of the parent; has committed a felony assault resulting in serious bodily injury to the child or another child of the parent; has committed sexual abuse against the child or another child of the parent; or has been required to register as a sex offender on any government-administered registry.~~

~~(c) When the court determines that reunification efforts are not required or shall cease, the court shall order a plan for permanence as soon as possible, after providing each party with a reasonable opportunity to prepare and present evidence. If the court's determination to cease reunification efforts is made in a hearing that was duly and timely noticed as a permanency planning hearing, then the court may immediately proceed to consider all of the criteria contained in G.S. 7B-906.1(e), make findings of fact, and set forth the best plan of care to achieve a safe, permanent home within a reasonable period of time. If the court's decision to cease reunification efforts arises in any other hearing, the court shall schedule a subsequent hearing within 30 days to address the permanent plan in accordance with G.S. 7B-906.1. At any hearing at which the court orders that reunification efforts shall cease, the affected parent, guardian, or custodian may give notice to preserve the right to appeal that order in accordance with G.S. 7B-1001. The party giving notice shall be permitted to make a detailed offer of proof as to any evidence that party sought to offer in opposition to cessation of reunification that the court refused to admit.~~

~~(d) In determining reasonable efforts to be made with respect to a juvenile and in making such reasonable efforts, the juvenile's health and safety shall be the paramount concern. Reasonable efforts to preserve or reunify families may be made concurrently with efforts to plan for the juvenile's adoption, to place the juvenile with a legal guardian, or to place the juvenile in another permanent arrangement.~~"

SECTION 8. G.S. 7B-800.1(a)(4) reads as rewritten:

"(a) Prior to the adjudicatory hearing, the court shall consider the following:

...

(4) Whether ~~relatives~~relatives, parents, or other persons with legal custody of a sibling of the juvenile have been identified and notified as potential resources for placement or support."

SECTION 9. G.S. 7B-901 reads as rewritten:

"**§ 7B-901. ~~Dispositional~~ Initial dispositional hearing.**

(a) The dispositional hearing shall take place immediately following the adjudicatory hearing and shall be concluded within 30 days of the conclusion of the adjudicatory hearing. The dispositional hearing may be informal and the court may consider written reports or other evidence concerning the needs of the juvenile. The juvenile and the juvenile's parent, guardian, or custodian shall have the right to present evidence, and they may advise the court concerning the disposition they believe to be in the best interests of the juvenile. The court may consider any evidence, including hearsay evidence as defined in G.S. 8C-1, Rule 801, including testimony or evidence from any person who is not a party, that the court finds to be relevant, reliable, and necessary to determine the needs of the juvenile and the most appropriate disposition. ~~The court may exclude the public from the hearing unless the juvenile moves that the hearing be open, which motion shall be granted.~~

(b) At the dispositional hearing, the court shall inquire as to the identity and location of any missing parent and whether paternity is at issue. The court shall include findings of the efforts undertaken to locate the missing parent and to serve that parent and efforts undertaken to establish paternity when paternity is an issue. The order may provide for specific efforts in determining the identity and location of any missing parent and specific efforts in establishing paternity. The court shall also inquire about efforts made to identify and notify ~~relatives~~ relatives, parents, or other persons with legal custody of a sibling of the juvenile, as potential resources for placement or support.

(c) If the disposition order places a juvenile in the custody of a county department of social services, the court shall direct that reasonable efforts for reunification as defined in G.S. 7B-101 shall not be required if the court makes written findings of fact pertaining to any of the following:

(1) A court of competent jurisdiction has determined that the parent has committed or encouraged the commission of, or allowed the continuation of, any of the following upon the juvenile:

a. Sexual abuse.

b. Chronic physical or emotional abuse.

c. Torture.

d. Abandonment.

e. Chronic or toxic exposure to alcohol or controlled substances that causes impairment of or addiction in the juvenile.

f. Any other act, practice, or conduct that increased the enormity or added to the injurious consequences of the abuse or neglect.

(2) A court of competent jurisdiction has terminated involuntarily the parental rights of the parent to another child of the parent.

(3) A court of competent jurisdiction has determined that (i) the parent has committed murder or voluntary manslaughter of another child of the parent; (ii) has aided, abetted, attempted, conspired, or solicited to commit murder or voluntary manslaughter of the child or another child of the parent; (iii) has committed a felony assault resulting in serious bodily injury to the child or another child of the parent; (iv) has committed sexual abuse against the child or another child of the parent; or (v) has been required to register as a sex offender on any government-administered registry.

(d) When the court determines that reunification efforts are not required, the court shall order a permanent plan as soon as possible, after providing each party with a reasonable opportunity to prepare and present evidence. The court shall schedule a subsequent hearing within 30 days to address the permanent plans in accordance with G.S. 7B-906.1 and G.S. 7B-906.2."

SECTION 10. G.S. 7B-903 reads as rewritten:

"§ 7B-903. Dispositional alternatives for abused, neglected, or dependent juvenile.

(a) The following alternatives for disposition shall be available to any court exercising jurisdiction, and the court may combine any of the applicable alternatives when the court finds the disposition to be in the best interests of the juvenile:

(1) ~~The court may dismiss~~ Dismiss the case or continue the case in order to allow the parent, guardian, custodian, caretaker or others to take appropriate action.

(2) ~~In the case of any juvenile who needs more adequate care or supervision or who needs placement, the court may:~~Require that the juvenile be supervised in the juvenile's own home by the department of social services in the juvenile's county or by another individual as may be available to the court, subject to conditions applicable to the parent, guardian, custodian, or caretaker as the court may specify.

~~a. Require that the juvenile be supervised in the juvenile's own home by the department of social services in the juvenile's county, or by other personnel as may be available to the court, subject to conditions applicable to the parent, guardian, custodian, or caretaker as the court may specify; or~~

~~b. Place the juvenile in the custody of a parent, relative, private agency offering placement services, or some other suitable person; or~~

~~c.~~ ~~Place the juvenile in the custody of the department of social services in the county of the juvenile's residence, or in the case of a juvenile who has legal residence outside the State, in the physical custody of the department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state. The director may, unless otherwise ordered by the court, arrange for, provide, or consent to, needed routine or emergency medical or surgical care or treatment. In the case where the parent is unknown, unavailable, or unable to act on behalf of the juvenile, the director may, unless otherwise ordered by the court, arrange for, provide, or consent to any psychiatric, psychological, educational, or other remedial evaluations or treatment for the juvenile placed by a court or the court's designee in the custody or physical custody of a county department of social services under the authority of this or any other Chapter of the General Statutes. Prior to exercising this authority, the director shall make reasonable efforts to obtain consent from a parent or guardian of the affected juvenile. If the director cannot obtain such consent, the director shall promptly notify the parent or guardian that care or treatment has been provided and shall give the parent frequent status reports on the circumstances of the juvenile. Upon request of a parent or guardian of the affected juvenile, the results or records of the aforementioned evaluations, findings, or treatment shall be made available to such parent or guardian by the director unless prohibited by G.S. 122C-53(d). If a juvenile is removed from the home and placed in custody or placement responsibility of a county department of social services, the director shall not allow unsupervised visitation with, or return physical custody of the juvenile to, the parent, guardian, custodian, or caretaker without a hearing at which the court finds that the juvenile will receive proper care and supervision in a safe home.~~

~~In placing a juvenile in out-of-home care under this section, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative unless the court finds that the placement is contrary to the best interests of the juvenile. In placing a juvenile in out-of-home care under this section, the court shall also consider whether it is in the juvenile's best interest to remain in the juvenile's community of residence. Placement of a juvenile with a relative outside of this State must be in accordance with the Interstate Compact on the Placement of Children.~~

~~(3)~~ ~~In any case, the court may order that the juvenile be examined by a physician, psychiatrist, psychologist, or other qualified expert as may be needed for the court to determine the needs of the juvenile:~~

~~a.~~ ~~Upon completion of the examination, the court shall conduct a hearing to determine whether the juvenile is in need of medical, surgical, psychiatric, psychological, or other treatment and who should pay the cost of the treatment. The county manager, or such person who shall be designated by the chairman of the county commissioners, of the juvenile's residence shall be notified of the hearing, and allowed to be heard. If the court finds the juvenile to be in need of medical, surgical, psychiatric, psychological, or other treatment, the court shall permit the parent or other responsible persons to arrange for treatment. If the parent declines or is unable to make necessary arrangements, the court may order the needed treatment, surgery, or care, and the court may order the parent to pay~~

~~the cost of the care pursuant to G.S. 7B-904. If the court finds the parent is unable to pay the cost of treatment, the court shall order the county to arrange for treatment of the juvenile and to pay for the cost of the treatment. The county department of social services shall recommend the facility that will provide the juvenile with treatment.~~

~~b. If the court believes, or if there is evidence presented to the effect that the juvenile is mentally ill or is developmentally disabled, the court shall refer the juvenile to the area mental health, developmental disabilities, and substance abuse services director for appropriate action. A juvenile shall not be committed directly to a State hospital or mental retardation center; and orders purporting to commit a juvenile directly to a State hospital or mental retardation center except for an examination to determine capacity to proceed shall be void and of no effect. The area mental health, developmental disabilities, and substance abuse director shall be responsible for arranging an interdisciplinary evaluation of the juvenile and mobilizing resources to meet the juvenile's needs. If institutionalization is determined to be the best service for the juvenile, admission shall be with the voluntary consent of the parent or guardian. If the parent, guardian, custodian, or caretaker refuses to consent to a mental hospital or retardation center admission after such institutionalization is recommended by the area mental health, developmental disabilities, and substance abuse director, the signature and consent of the court may be substituted for that purpose. In all cases in which a regional mental hospital refuses admission to a juvenile referred for admission by a court and an area mental health, developmental disabilities, and substance abuse director or discharges a juvenile previously admitted on court referral prior to completion of treatment, the hospital shall submit to the court a written report setting out the reasons for denial of admission or discharge and setting out the juvenile's diagnosis, indications of mental illness, indications of need for treatment, and a statement as to the location of any facility known to have a treatment program for the juvenile in question.~~

(4) Place the juvenile in the custody of a parent, relative, private agency offering placement services, or some other suitable person. If the court determines that the juvenile should be placed in the custody of an individual other than a parent, the court shall verify that the person receiving custody of the juvenile understands the legal significance of the placement and will have adequate resources to care appropriately for the juvenile.

(5) Appoint a guardian of the person for the juvenile as provided in G.S. 7B-600.

(6) Place the juvenile in the custody of the department of social services in the county of the juvenile's residence. In the case of a juvenile who has legal residence outside the State, the court may place the juvenile in the physical custody of the department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state.

(a1) In placing a juvenile in out-of-home care under this section, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative unless the court finds that the placement is contrary to the best interests of the juvenile. In placing a juvenile in out-of-home care under this section, the court shall also consider whether it is in the juvenile's best interest to remain in the juvenile's community of residence. Placement of a juvenile with a relative outside of this State must be in accordance with the Interstate Compact on the Placement of Children.

(a2) An order under this section placing or continuing the placement of the juvenile in out-of-home care shall contain a finding that the juvenile's continuation in or return to the juvenile's own home would be contrary to the juvenile's health and safety.

(a3) An order under this section placing the juvenile in out-of-home care shall contain specific findings as to whether the department has made reasonable efforts to prevent the need for placement of the juvenile. In determining whether efforts to prevent the placement of the juvenile were reasonable, the juvenile's health and safety shall be the paramount concern.

The court may find that efforts to prevent the need for the juvenile's placement were precluded by an immediate threat of harm to the juvenile. A finding that reasonable efforts were not made by a county department of social services shall not preclude the entry of an order authorizing the juvenile's placement when the court finds that placement is necessary for the protection of the juvenile.

(b) When the court has found that a juvenile has suffered physical abuse and that the individual responsible for the abuse has a history of violent behavior against people, the court shall consider the opinion of the mental health professional who performed an evaluation under G.S. 7B-503(b) before returning the juvenile to the custody of that individual.

~~(c) If the court determines that the juvenile shall be placed in the custody of an individual other than the parents, the court shall verify that the person receiving custody of the juvenile understands the legal significance of the placement and will have adequate resources to care appropriately for the juvenile.~~

(d) The court may order that the juvenile be examined by a physician, psychiatrist, psychologist, or other qualified expert as may be needed for the court to determine the needs of the juvenile. Upon completion of the examination, the court shall conduct a hearing to determine whether the juvenile is in need of medical, surgical, psychiatric, psychological, or other treatment and who should pay the cost of the treatment. The county manager, or such person who shall be designated by the chairman of the county commissioners, of the juvenile's residence shall be notified of the hearing and allowed to be heard. Subject to G.S. 7B-903.1, if the court finds the juvenile to be in need of medical, surgical, psychiatric, psychological, or other treatment, the court shall permit the parent or other responsible persons to arrange for treatment. If the parent declines or is unable to make necessary arrangements, the court may order the needed treatment, surgery, or care and the court may order the parent to pay the cost of the care pursuant to G.S. 7B-904. If the court finds the parent is unable to pay the cost of treatment, the court shall order the county to arrange for treatment of the juvenile and to pay for the cost of the treatment. The county department of social services shall recommend the facility that will provide the juvenile with treatment.

(e) If the court determines that the juvenile may be mentally ill or developmentally disabled, the court may order the county department of social services to coordinate with the appropriate representative of the area mental health, developmental disabilities, and substance abuse services authority or other managed care organization responsible for managing public funds for mental health and developmental disabilities to develop a treatment plan for the juvenile. The court shall not commit a juvenile directly to a State hospital or developmental center for persons with intellectual and developmental disabilities and orders purporting to commit a juvenile directly to a State hospital or developmental center for persons with intellectual and developmental disabilities shall be void and of no effect. If the court determines that institutionalization is the best service for the juvenile, admission shall be with the voluntary consent of the parent, guardian, or custodian. If the parent, guardian, or custodian refuses to consent to admission to a mental hospital or developmental center for persons with intellectual and developmental disabilities, the signature and consent of the court may be substituted for that purpose. A State hospital or developmental center for persons with intellectual and developmental disabilities that refuses admission to a juvenile referred for admission by a court, or discharges a juvenile previously admitted on court referral prior to completion of treatment, shall submit to the court a written report setting out the reasons for denial of admission or discharge and setting out the juvenile's diagnosis, indications of mental illness or intellectual and developmental disabilities, indications of need for treatment, and a statement as to the location of any facility known to have a treatment program for the juvenile in question."

SECTION 11. Article 9 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-903.1. Juvenile placed in custody of a department of social services.**

(a) Except as prohibited by federal law, the director of a county department of social services with custody of a juvenile shall be authorized to make decisions about matters not addressed herein that are generally made by a juvenile's custodian, including, but not limited to, educational decisions and consenting to the sharing of the juvenile's information. The court may delegate any part of this authority to the juvenile's parent, foster parent, or another individual.

(b) When a juvenile is in the custody or placement responsibility of a county department of social services, the placement provider may, in accordance with G.S. 131D-10.2A, provide or withhold permission, without prior approval of the court or county department of social services, to allow a juvenile to participate in normal childhood activities. If such authorization is not in the juvenile's best interest, the court shall set out alternative parameters for approving normal childhood activities.

(c) If a juvenile is removed from the home and placed in the custody or placement responsibility of a county department of social services, the director shall not allow unsupervised visitation with or return physical custody of the juvenile to the parent, guardian, custodian, or caretaker without a hearing at which the court finds that the juvenile will receive proper care and supervision in a safe home.

(d) When a county department of social services having custody or placement responsibility of a juvenile intends to change the juvenile's placement, the department shall give the guardian ad litem for the juvenile notice of its intention unless precluded by emergency circumstances from doing so. Where emergency circumstances exist, the department of social services shall notify the guardian ad litem or the attorney advocate within 72 hours of the placement change, unless local rules require notification within a shorter time period.

(e) When a juvenile is placed in the custody of a county department of social services, the provisions of G.S. 7B-505.1 apply."

SECTION 12. G.S. 7B-905 reads as rewritten:

"**§ 7B-905. Dispositional order.**

(a) The dispositional order shall be in writing, signed, and entered no later than 30 days from the completion of the hearing, and shall contain appropriate findings of fact and conclusions of law. The court shall state with particularity, both orally and in the written order of disposition, the precise terms of the disposition including the kind, duration, and the person who is responsible for carrying out the disposition and the person or agency in whom custody is vested. If the order is not entered within 30 days following completion of the hearing, the clerk of court for juvenile matters shall schedule a subsequent hearing at the first session of court scheduled for the hearing of juvenile matters following the 30-day period to determine and explain the reason for the delay and to obtain any needed clarification as to the contents of the order. The order shall be entered within 10 days of the subsequent hearing required by this subsection.

(b) A dispositional order under which a juvenile is removed from the custody of a parent, guardian, custodian, or caretaker shall direct that the review hearing required by G.S. 7B-906.1 be held within 90 days from of the date of the dispositional hearing and, if practicable, shall set the date and time for the review hearing.

~~(c) Any dispositional order shall comply with the requirements of G.S. 7B-507.~~

~~(d) When a county department of social services having custody or placement responsibility of a juvenile intends to change the juvenile's placement, the department shall give the guardian ad litem for the juvenile notice of its intention unless precluded by emergency circumstances from doing so. Where emergency circumstances exist, the department of social services shall notify the guardian ad litem or the attorney advocate within 72 hours of the placement change, unless local rules require notification within a shorter time period.~~"

SECTION 13. G.S. 7B-906.1(g) reads as rewritten:

"(g) At the conclusion of each permanency planning hearing, the judge shall make specific findings as to the best plan of care to achieve a safe, permanent home for the juvenile within a reasonable period of time. The judge shall inform the parent, guardian, or custodian that failure or refusal to cooperate with the plan may result in an order of the court in a subsequent permanency planning hearing that reunification efforts may cease."

SECTION 14. Article 9 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-906.2. Permanent plans; concurrent planning.**

(a) At any permanency planning hearing pursuant to G.S. 7B-906.1, the court shall adopt one or more of the following permanent plans the court finds is in the juvenile's best interest:

(1) Reunification as defined by G.S. 7B-101.
(2) Adoption under Article 3 of Chapter 48 of the General Statutes.
(3) Guardianship pursuant to G.S. 7B-600(b).
(4) Custody to a relative or other suitable person.
(5) Another Planned Permanent Living Arrangement (APPLA) pursuant to G.S. 7B-912.
(6) Reinstatement of parental rights pursuant to G.S. 7B-1114.

(b) At any permanency planning hearing, the court shall adopt concurrent permanent plans and shall identify the primary plan and secondary plan. Reunification shall remain a primary or secondary plan unless the court made findings under G.S. 7B-901(c) or makes written findings that reunification efforts clearly would be unsuccessful or would be inconsistent with the juvenile's health or safety. The court shall order the county department of social services to make efforts toward finalizing the primary and secondary permanent plans and may specify efforts that are reasonable to timely achieve permanence for the juvenile.

(c) At the first permanency planning hearing held pursuant to G.S. 7B-906.1, the court shall make a finding about whether the efforts of the county department of social services toward reunification were reasonable, unless reunification efforts were ceased in accordance with G.S. 7B-901(c) or this section. In every subsequent permanency planning hearing held pursuant to G.S. 7B-906.1, the court shall make written findings about the efforts the county department of social services has made toward the primary permanent plan and any secondary permanent plans in effect prior to the hearing. The court shall make a conclusion about whether efforts to finalize the permanent plan were reasonable to timely achieve permanence for the juvenile.

(d) At any permanency planning hearing under subsections (b) and (c) of this section, the court shall make written findings as to each of the following, which shall demonstrate lack of success:

(1) Whether the parent is making adequate progress within a reasonable period of time under the plan.
(2) Whether the parent is actively participating in or cooperating with the plan, the department, and the guardian ad litem for the juvenile.
(3) Whether the parent remains available to the court, the department, and the guardian ad litem for the juvenile.
(4) Whether the parent is acting in a manner inconsistent with the health or safety of the juvenile.

(e) If the juvenile is 14 years of age or older, the court shall make written findings in accordance with G.S. 7B-912(a), regardless of the juvenile's permanent plan."

SECTION 15. Article 9 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-912. Juveniles 14 years of age and older; Another Planned Permanent Living Arrangement.**

(a) In addition to the permanency planning requirements under G.S. 7B-906.1, at every permanency planning hearing for a juvenile in the custody of a county department of social services who has attained the age of 14 years, the court shall inquire and make written findings regarding each of the following:

(1) The services provided to assist the juvenile in making a transition to adulthood.
(2) The steps the county department of social services is taking to ensure that the foster family or other licensed placement provider follows the reasonable and prudent parent standard as provided in G.S. 131D-10.2A.
(3) Whether the juvenile has regular opportunities to engage in age-appropriate or developmentally appropriate activities.

(b) At or before the last scheduled permanency planning hearing, but at least 90 days before a juvenile attains 18 years of age, the court shall (i) inquire as to whether the juvenile has a copy of the juvenile's birth certificate, Social Security card, health insurance information, drivers license or other identification card, and any educational or medical records the juvenile

requests and (ii) determine the person or entity that should assist the juvenile in obtaining these documents before the juvenile attains the age of 18 years.

(c) If the court finds each of the following conditions applies, the court shall approve Another Planned Permanent Living Arrangement (APPLA) as defined by P.L. 113-183, as the juvenile's primary permanent plan:

(1) The juvenile is 16 or 17 years old.

(2) The county department of social services has made diligent efforts to place the juvenile permanently with a parent or relative or in a guardianship or adoptive placement.

(3) Compelling reasons exist that it is not in the best interest of the juvenile to be placed permanently with a parent or relative or in a guardianship or adoptive placement.

(4) APPLA is the best permanency plan for the juvenile.

(d) If the court approves APPLA as the juvenile's permanent plan, the court shall, after questioning the juvenile, make written findings addressing the juvenile's desired permanency outcome."

SECTION 16. G.S. 7B-1001 reads as rewritten:

"**§ 7B-1001. Right to appeal.**

(a) In a juvenile matter under this Subchapter, appeal of a final order of the court in a juvenile matter shall be made directly to the Court of Appeals. Only the following juvenile matters may be appealed:

(1) Any order finding absence of jurisdiction.

(2) Any order, including the involuntary dismissal of a petition, which in effect determines the action and prevents a judgment from which appeal might be taken.

(3) Any initial order of disposition and the adjudication order upon which it is based.

(4) Any order, other than a nonsecure custody order, that changes legal custody of a juvenile.

(5) An order entered under ~~G.S. 7B-507(c)~~ G.S. 7B-906.2(b) with rights to appeal properly preserved, as follows:

a. The Court of Appeals shall review the order ~~to cease reunification~~ eliminating reunification as a permanent plan together with an appeal of the termination of parental rights order if all of the following apply:

1. A motion or petition to terminate the parent's rights is heard and granted.

2. The order terminating parental rights is appealed in a proper and timely manner.

3. The order ~~to cease reunification~~ eliminating reunification as a permanent plan is identified as an issue in the record on appeal of the termination of parental rights.

b. A party who is a parent shall have the right to appeal the order if no termination of parental rights petition or motion is filed within 180 days of the order.

c. A party who is a custodian or guardian shall have the right to immediately appeal the order.

(6) Any order that terminates parental rights or denies a petition or motion to terminate parental rights.

(b) Notice of appeal and notice to preserve the right to appeal shall be given in writing by a proper party as defined in G.S. 7B-1002 and shall be made within 30 days after entry and service of the order in accordance with G.S. 1A-1, Rule 58.

(c) Notice of appeal shall be signed by both the appealing party and counsel for the appealing party, if any. In the case of an appeal by a juvenile, notice of appeal shall be signed by the guardian ad litem attorney advocate."

SECTION 17. G.S. 7B-906.1 reads as rewritten:

"**§ 7B-906.1. Review and permanency planning hearings.**

...

(f) In the case of a juvenile who is in the custody or placement responsibility of a county department of social services and has been in placement outside the home for 12 of the most recent 22 months, or a court of competent jurisdiction has determined that the parent (i) has abandoned the child, (ii) has committed murder or voluntary manslaughter of another child of the parent, or (iii) has aided, abetted, attempted, conspired, or solicited to commit murder or voluntary manslaughter of the child or another child of the parent, the director of the department of social services shall initiate a proceeding to terminate the parental rights of the parent unless the court finds any of the following:

(1) The primary permanent plan for the juvenile is guardianship or custody with a relative or some other suitable person.

(2) The court makes specific findings as to why the filing of a petition for termination of parental rights is not in the best interests of the child.

(3) The department of social services has not provided the juvenile's family with services the department deems necessary when reasonable efforts are still required to enable the juvenile's return to a safe home.

(g) At the conclusion of each permanency planning hearing, the judge shall make specific findings as to the best ~~plan of care~~ permanent plans to achieve a safe, permanent home for the juvenile within a reasonable period of time.

...

(l) If the court continues the juvenile's placement in the custody or placement responsibility of a county department of social services, the provisions of ~~G.S. 7B-507~~ G.S. 7B-903.1 shall apply to any order entered under this section.

(m) If the court finds that a proceeding to terminate the parental rights of the juvenile's parents is necessary in order to perfect the primary permanent plan for the juvenile, the director of the department of social services shall file a petition to terminate parental rights within 60 calendar days from the date of the entry of the order unless the court makes written findings regarding why the petition cannot be filed within 60 days. If the court makes findings to the contrary, the court shall specify the time frame in which any needed petition to terminate parental rights shall be filed.

(n) Notwithstanding other provisions of this Article, the court may waive the holding of hearings required by this section, may require written reports to the court by the agency or person holding custody in lieu of review hearings, or order that review hearings be held less often than every six months if the court finds by clear, cogent, and convincing evidence each of the following:

(1) The juvenile has resided in the placement for a period of at least one year.

(2) The placement is stable and continuation of the placement is in the juvenile's best interests.

(3) Neither the juvenile's best interests nor the rights of any party require that review hearings be held every six months.

(4) All parties are aware that the matter may be brought before the court for review at any time by the filing of a motion for review or on the court's own motion.

(5) The court order has designated the relative or other suitable person as the juvenile's permanent custodian or guardian of the person.

The court may not waive or refuse to conduct a review hearing if a party files a motion seeking the review. However, if a guardian of the person has been appointed for the juvenile and the court has also made findings in accordance with subsection (n) of this section that guardianship is the permanent plan for the juvenile, the court shall proceed in accordance with G.S. 7B-600(b)."

SECTION 18. Section 3 of this act is effective when it becomes law. The remainder of this act becomes effective October 1, 2015, and applies to actions filed or pending on or after that date.

In the General Assembly read three times and ratified this the 1st day of July, 2015.

s/ Daniel J. Forest
President of the Senate

s/ David R. Lewis
Presiding Officer of the House of Representatives

s/ Pat McCrory
Governor

Approved 9:00 a.m. this 2nd day of July, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-250
HOUSE BILL 792

AN ACT TO PROTECT THE PUBLIC FROM REVENGE POSTING ONLINE BY MAKING IT A CRIMINAL OFFENSE TO DISCLOSE CERTAIN IMAGES IN WHICH THERE IS A REASONABLE EXPECTATION OF PRIVACY AND TO MAKE INDECENT EXPOSURE THAT OCCURS ON PRIVATE PREMISES A CRIMINAL OFFENSE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 26 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-190.5A. Disclosure of private images.**

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

(1) Disclose. – Transfer, publish, distribute, or reproduce.

(2) Image. – A photograph, film, videotape, recording, digital, or other reproduction.

(3) Intimate parts. – Any of the following naked human parts: (i) male or female genitals, (ii) male or female pubic area, (iii) male or female anus, or (iv) the nipple of a female over the age of 12.

(4) Personal relationship. – As defined in G.S. 50B-1(b).

(5) Reasonable expectation of privacy. – When a depicted person has consented to the disclosure of an image within the context of a personal relationship and the depicted person reasonably believes that the disclosure will not go beyond that relationship.

(6) Sexual conduct. – Includes any of the following:

a. Vaginal, anal, or oral intercourse, whether actual or simulated, normal or perverted.

b. Masturbation, excretory functions, or lewd exhibition of uncovered genitals.

c. An act or condition that depicts torture, physical restraint by being fettered or bound, or flagellation of or by a nude person or a person clad in undergarments or in revealing or bizarre costume.

(b) Offense. – A person is guilty of disclosure of private images if all of the following apply:

(1) The person knowingly discloses an image of another person with the intent to do either of the following:

a. Coerce, harass, intimidate, demean, humiliate, or cause financial loss to the depicted person.

b. Cause others to coerce, harass, intimidate, demean, humiliate, or cause financial loss to the depicted person.

(2) The depicted person is identifiable from the disclosed image itself or information offered in connection with the image.

(3) The depicted person's intimate parts are exposed or the depicted person is engaged in sexual conduct in the disclosed image.

(4) The person discloses the image without the affirmative consent of the depicted person.

(5) The person discloses the image under circumstances such that the person knew or should have known that the depicted person had a reasonable expectation of privacy.

(c) Penalty. – A violation of this section shall be punishable as follows:

(1) For an offense by a person who is 18 years of age or older at the time of the offense, the violation is a Class H felony.

(2) For a first offense by a person who is under 18 years of age at the time of the offense, the violation is a Class 1 misdemeanor.

(3) For a second or subsequent offense by a person who is under the age of 18 at the time of the offense, the violation is a Class H felony.

(d) Exceptions. – This section does not apply to any of the following:

(1) Images involving voluntary exposure in public or commercial settings.

(2) Disclosures made in the public interest, including, but not limited to, the reporting of unlawful conduct or the lawful and common practices of law enforcement, criminal reporting, legal proceedings, medical treatment, or scientific or educational activities.

(3) Providers of an interactive computer service, as defined in 47 U.S.C. § 230(f), for images provided by another person.

(e) Destruction of Image. – In addition to any penalty or other damages, the court may award the destruction of any image made in violation of this section.

(f) Other Sanctions or Remedies Not Precluded. – A violation of this section is an offense additional to other civil and criminal provisions and is not intended to repeal or preclude any other sanctions or remedies.

(g) Civil Action. – In addition to any other remedies at law or in equity, including an order by the court to destroy any image disclosed in violation of this section, any person whose image is disclosed, or used, as described in subsection (b) of this section, has a civil cause of action against any person who discloses or uses the image and is entitled to recover from the other person any of the following:

(1) Actual damages, but not less than liquidated damages, to be computed at the rate of one thousand dollars ($1,000) per day for each day of the violation or in the amount of ten thousand dollars ($10,000), whichever is higher.

(2) Punitive damages.

(3) A reasonable attorneys' fee and other litigation costs reasonably incurred.

The civil cause of action may be brought no more than one year after the initial discovery of the disclosure, but in no event may the action be commenced more than seven years from the most recent disclosure of the private image."

SECTION 1.1. G.S. 1-54 is amended by adding a new subsection to read:

"(11) No suit, action, or proceeding under G.S. 14-190.5A(g) shall be brought or maintained against any person unless such suit, action, or proceeding is commenced within one year after the initial discovery of the disclosure, but in no event may the action be commenced more than seven years from the most recent disclosure of the private image."

SECTION 1.5. The Joint Legislative Oversight Committee on Justice and Public Safety shall study the issue of improper disclosure of images of people superimposed onto other images exposing intimate parts or depicting sexual conduct. The study shall include whether any existing crimes or civil actions currently apply and whether G.S. 14-190.5A, as enacted by this act, should be amended to include superimposed images. The Joint Legislative Oversight Committee on Justice and Public Safety shall report its findings and any recommendations to the General Assembly by April 1, 2016.

SECTION 2. G.S. 14-190.9 is amended by adding a new subsection to read:

"(a2) Unless the conduct is prohibited by another law providing greater punishment, any person who shall willfully expose the private parts of his or her person in the presence of anyone other than a consenting adult on the private premises of another or so near thereto as to be seen from such private premises for the purpose of arousing or gratifying sexual desire is guilty of a Class 2 misdemeanor."

SECTION 2.1. G.S. 14-190.9 is amended by adding a new subsection to read:

"(a5) Unless the conduct is prohibited by another law providing greater punishment, any person located in a private place who shall willfully expose the private parts of his or her person with the knowing intent to be seen by a person in a public place shall be guilty of a Class 2 misdemeanor."

SECTION 2.3. G.S. 14-190.9 is amended by adding a new subsection to read:

"(a4) Unless the conduct is punishable by another law providing greater punishment, any person at least 18 years of age who shall willfully expose the private parts of his or her person in a private residence of which they are not a resident and in the presence of any other person less than 16 years of age who is a resident of that private residence shall be guilty of a Class 2 misdemeanor."

SECTION 3. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date and to actions initiated on or after that date.

In the General Assembly read three times and ratified this the 17th day of September, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 11:00 a.m. this 25th day of September, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-90
HOUSE BILL 795

AN ACT TO REFORM AND AMEND THE STATE ENVIRONMENTAL POLICY ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 113A-4 reads as rewritten:

"**§ 113A-4. Cooperation of agencies; reports; availability of information.**

The General Assembly authorizes and directs that, to the fullest extent possible:

...

(2) Every State agency shall include in every recommendation or report on any action involving significant expenditure of public moneys or use of public land for projects and programs significantly affecting the quality of the environment of this State, a detailed statement by the responsible official setting forth the following:

a. The direct environmental impact of the proposed action;

b. Any significant adverse environmental effects which cannot be avoided should the proposal be implemented;

c. Mitigation measures proposed to minimize the impact;

d. Alternatives to the proposed action;

e. The relationship between the short-term uses of the environment involved in the proposed action and the maintenance and enhancement of long-term productivity; and

f. Any irreversible and irretrievable environmental changes which would be involved in the proposed action should it be implemented.

(2a) Prior to making any detailed statement, the responsible official shall consult with and obtain the comments of any agency which has either jurisdiction by law or special expertise with respect to any environmental impact involved. The failure of an agency to provide comments within the comment period established under this subdivision or to request an extension for a specific period of time set forth in the request shall be treated by the responsible official as a conclusion by that agency that there is no significant environmental impact. Any unit of local government or other interested party that may be adversely affected by the proposed action may submit written comment. The responsible official shall consider written comment from units of local government and interested parties that is received within the established comment period. Copies of such detailed statement and such comments shall be made available to the Governor, to such agency or agencies as he may designate, and to the appropriate multi-county regional agency as certified by the Secretary of Administration, shall be placed in the public file of the agency and shall accompany the proposal through the existing agency review processes. A copy of such detailed statement shall be made available to the public and to counties, municipalities, institutions and individuals, upon request.

...."

SECTION 2. G.S. 113A-9 reads as rewritten:

"**§ 113A-9. Definitions.**

As used in this Article, unless the context indicates otherwise, the term:

...

(5) "Major development project" shall include but is not limited to shopping centers, subdivisions and other housing developments, and industrial and commercial projects, but shall not include any projects of less than ~~two~~ ten contiguous acres in extent.

...

(7) "Public land" means all land and interests therein, title of which is vested in the State of North Carolina, in any State agency, or in the State for the use of any State agency or political subdivision of the State, and includes all vacant and unappropriated land, swampland, submerged land, land acquired by the State by virtue of being sold for ~~taxes, escheated land, and acquired land.~~taxes or by any other manner of acquisition, or escheated land.

(7a) "Significant expenditure of public moneys" means expenditures of public funds greater than ten million dollars ($10,000,000) for a single project or action or related group of projects or actions. For purposes of this subdivision, contributions of funds or in-kind contributions by municipalities, counties, regional or special-purpose government agencies, and other similar entities created by an act of the General Assembly and in-kind contributions by a non-State entity shall not be considered an expenditure of public funds for purposes of calculating whether such an expenditure is significant.

...

(11) "Use of public land" means land-disturbing activity of greater than 10 acres that results in substantial, permanent changes in the natural cover or topography of those lands that includes:

a. The grant of a lease, easement, or permit authorizing private use of public land; or

b. The use of privately owned land for any project or program if (i) the State or any agency of the State has agreed to purchase the property or to exchange the property for public ~~land.~~land and (ii) the use meets the other requirements of this subdivision."

SECTION 3. G.S. 113A-10 reads as rewritten:

"**§ 113A-10. Provisions supplemental.**

The policies, obligations and provisions of this Article are supplementary to those set forth in existing authorizations of and statutory provisions applicable to State agencies and local governments. In those instances where a State agency is required to prepare an environmental document or to comment on an environmental document under provisions of federal law, no separate environmental document shall be required to be prepared or published under this Article so long as the environmental document or comment ~~shall meet~~ meets the provisions of this Article."

SECTION 4. G.S. 113A-11 reads as rewritten:

"**§ 113A-11. Adoption of rules.**

(a) The Department of Administration shall adopt rules to implement this Article.

(b) Each State agency ~~may~~ shall adopt rules that establish minimum criteria. An agency may include a particular action or class of actions in its minimum criteria only if the agency makes a specific finding that the action or class of actions has no significant long-term impact on the environment. Rules establishing minimum criteria shall be consistent with rules adopted by the Department of Administration. ~~In addition to all other rule-making requirements, rules establishing minimum criteria are subject to approval by the Secretary of Administration.~~"

SECTION 5. G.S. 113A-12 reads as rewritten:

"**§ 113A-12. Environmental document not required in certain cases.**

~~No~~ Notwithstanding any other provision in this Article, no environmental document shall be required in connection with:

(1) The construction, maintenance, or removal of an electric power line, water line, sewage line, stormwater drainage line, telephone line, telegraph line, cable television line, data transmission line, ~~or~~ natural gas ~~line~~ line, or similar infrastructure project within or across the right-of-way of any street or highway.

(2) An action approved ~~under a~~ under:

a. A general permit issued under G.S. 113A-118.1, 143-215.1(b)(3), or 143-215.108(c)(8).
b. A Coastal Habitat Protection Plan under G.S. 143B-279.8.
c. A special order pursuant to G.S. 143-215.2 or G.S. 143-215.110.
d. An action taken to address an emergency under G.S. 143-215.3 or other similar emergency conditions.
e. A remedial or similar action to address contamination under Chapter 130A or 143 of the General Statutes, including a brownfield agreement entered into under G.S. 130A-310.32.
f. A certificate of convenience and necessity under G.S. 62-110.
g. An industrial or pollution control project approval by the Secretary of Commerce under Chapter 159C of the General Statutes.
h. A project approved as a water infrastructure project under Chapter 159G of the General Statutes.
i. A certification issued by the Division of Water Resources of the Department of Environment and Natural Resources under the authority granted to the Environmental Management Commission by G.S. 143B-282(a)(1)u.

(3) A lease or easement granted by a State agency for:
a. The use of an existing building or facility.
b. Placement of a wastewater line or other structures or uses on or under submerged lands pursuant to a permit granted under G.S. 143-215.1.
c. A shellfish cultivation lease granted under G.S. 113-202.
d. A facility for the use or benefit of The University of North Carolina System, the North Carolina community college system, the North Carolina public school systems, or one or more constituent institutions of any of those systems.
e. A health care facility financed pursuant to Chapter 131A of the General Statutes or receiving a certificate of need under Article 9 of Chapter 131E of the General Statutes.

(4) The construction of a driveway connection to a public roadway.

(5) ~~A~~ Any State action in connection with a project for which public lands are used and/or public monies are expended if the land or expenditure is ~~solely for the payment of incentives~~ provided as an incentive for the project pursuant to an agreement that makes the ~~incentive payments~~ incentives contingent on prior completion of the project or activity, or completion on a specified timetable, and a specified level of job creation or new capital investment.

(6) A major development as defined in G.S. 113A-118 that receives a permit issued under Article 7 of Chapter 113A of the General Statutes.

...

(9) Facilities created in the course of facilitating closure activities under Part 2I of Article 9 of Chapter 130A of the General Statutes.

(10) Any project or facility specifically required or authorized by an act of the General Assembly.

(11) Any project undertaken as mitigation for the impacts of an approved project or to mitigate or avoid harm from natural environmental change, including wetlands and buffer mitigation projects and banks, coastal protections and mitigation projects, and noise mitigation projects."

SECTION 6. G.S. 159G-38 reads as rewritten:

"**§ 159G-38. Environmental assessment and public hearing.**

(a) Establish Environmental Assessment Process; Required Information. – ~~An application submitted under this Article for a loan or grant for a project must state whether the project requires an environmental assessment. If the application indicates that an environmental assessment is not required, it must identify the exclusion in the North Carolina Environmental Policy Act, Article 1 of Chapter 113A of the General Statutes, that applies to the project. If the application does not identify an exclusion in the North Carolina Environmental Policy Act, it must include an environmental assessment of the project's probable impacts on the environment.~~The Division shall establish an environmental assessment process for projects

funded from the CWSRF and DWSRF programs that is sufficient to meet federal environmental assessment requirements for such projects. Projects funded by the CWSRF or DWSRF shall meet the requirements of the environmental assessment process established pursuant to this subsection.

~~(b) Division Review. – If, after reviewing an application, the Division of Water Infrastructure determines that a project requires an environmental assessment, the assessment must be submitted before the Division continues its review of the application. If, after reviewing an environmental assessment, the Division concludes that an environmental impact statement is required, the Division may not continue its review of the application until a final environmental impact statement has been completed and approved as provided in the North Carolina Environmental Policy Act.~~

(c) Hearing. – The Division ~~of Water Infrastructure~~ may hold a public hearing on an application for a loan or grant under this Article if it determines that holding a hearing will serve the public interest. An individual who is a resident of any county in which a proposed project is located may submit a written request for a public hearing. The request must set forth each objection to the proposed project or other reason for requesting a hearing and must include the name and address of the individual making the request. The Division may consider all written objections to the proposed project, any statement submitted with the hearing request, and any significant adverse effects the proposed project may have on the environment. The Division's decision on whether to hold a hearing is conclusive. The Division must keep all written requests for a hearing on an application as part of the records pertaining to the application."

SECTION 7. G.S. 143-215.22L(d) reads as rewritten:

"(d) Environmental Documents. – ~~The~~ Except as provided in this subsection, the definitions set out in G.S. 113A-9 apply to this section. ~~The~~ Notwithstanding the thresholds for significant expenditure of public monies or use of public land set forth in G.S. 113A-9, the Department shall conduct a study of the environmental impacts of any proposed transfer of water for which a certificate is required under this section. The study shall meet all of the requirements set forth in G.S. 113A-4 and rules adopted pursuant to G.S. 113A-4. Notwithstanding G.S. 113A-4(2), the study shall include secondary and cumulative impacts. An environmental assessment shall be prepared for any petition for a certificate under this section. The determination of whether an environmental impact statement shall also be required shall be made in accordance with the provisions of Article 1 of Chapter 113A of the General Statutes; except that an environmental impact statement shall be prepared for every proposed transfer of water from one major river basin to another for which a certificate is required under this section. The applicant who petitions the Commission for a certificate under this section shall pay the cost of special studies necessary to comply with Article 1 of Chapter 113A of the General Statutes. An environmental impact statement prepared pursuant to this subsection shall include all of the following:

(1) A comprehensive analysis of the impacts that would occur in the source river basin and the receiving river basin if the petition for a certificate is granted.

(2) An evaluation of alternatives to the proposed interbasin transfer, including water supply sources that do not require an interbasin transfer and use of water conservation measures.

(3) A description of measures to mitigate any adverse impacts that may arise from the proposed interbasin transfer."

SECTION 8. This act is effective when it becomes law and applies to State agency action occurring on or after that date.

In the General Assembly read three times and ratified this the 8th day of June, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:00 a.m. this 19th day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-114
HOUSE BILL 812

AN ACT TO ENSURE THAT INFORMATION ON GRANT FUNDS AWARDED BY STATE AGENCIES IS READILY AVAILABLE ON STATE AGENCY WEB SITES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143C-2-5 reads as rewritten:

"§ 143C-2-5. Grants and contracts database.

(a) The Director of the Budget shall require the Office of State Budget and Management, with the support of the Office of Information Technology Services, to build and maintain a database and Web site for providing a single, searchable Web site on State spending for grants and contracts to be known as NC OpenBook.

(b) ~~Each head of a principal department listed in G.S. 143B-6~~ The head of each State institution, department, bureau, agency, or commission, or a designee, shall conduct a quarterly review ~~monthly~~ of all State contracts and grants administered by that ~~principal department.~~agency.

(c) All State institutions, departments, bureaus, agencies, or commissions ~~subject to the authority of the Director of the Budget~~ that maintain a Web site shall be required to include an access link to the NC OpenBook Web site on the home page of the agency Web site. Each agency shall also prominently display a search engine on the agency Web site home page to allow for ease of searching for information, including contracts and grants, on the agency's Web site."

SECTION 2. The State Chief Information Officer, through the Digital Commons Project, shall ensure that the data on grants or awards of public funds to non-State entities that is available on the NC OpenBook Web site is displayed in a consistent and easily accessible manner on the Web sites of all State institutions, departments, bureaus, agencies, and commissions.

The State Chief Information Officer shall fully implement this act by December 31, 2015.

The State Chief Information Officer shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division prior to August 1, 2015, on a time line for implementing this act.

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

In the General Assembly read three times and ratified this the 15th day of June, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:15 a.m. this 24th day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-58
HOUSE BILL 879

AN ACT TO MAKE VARIOUS CHANGES TO THE JUVENILE CODE IN REGARD TO DUE PROCESS PROTECTIONS, REENTRY OF JUVENILES IN THE DELINQUENCY SYSTEM, AND CONFINEMENT OF JUVENILES.

The General Assembly of North Carolina enacts:

PART I. DUE PROCESS CHANGES

SECTION 1.1. G.S. 7B-2101(b) reads as rewritten:

"(b) When the juvenile is less than ~~14~~ 16 years of age, no in-custody admission or confession resulting from interrogation may be admitted into evidence unless the confession or admission was made in the presence of the juvenile's parent, guardian, custodian, or attorney. If an attorney is not present, the parent, guardian, or custodian as well as the juvenile must be advised of the juvenile's rights as set out in subsection (a) of this section; however, a parent, guardian, or custodian may not waive any right on behalf of the juvenile."

SECTION 1.2. G.S. 7B-2202(f) reads as rewritten:

"(f) If the court does not find probable cause for a felony offense, the court shall:

(1) Dismiss the proceeding, or

(2) If the court finds probable cause to believe that the juvenile committed a lesser included offense that would constitute a misdemeanor if committed by an adult, either proceed to an adjudicatory hearing or set a date for that hearing. The adjudicatory hearing shall be a separate hearing. The court may continue the adjudicatory hearing for good cause."

SECTION 1.3. G.S. 7B-2203(d) reads as rewritten:

"(d) If the court does not transfer the case to superior court, the court shall either proceed to an adjudicatory hearing or set a date for that hearing. The adjudicatory hearing shall be a separate hearing. The court may continue the adjudicatory hearing for good cause."

SECTION 1.4. Article 24 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-2408.5. Motion to suppress evidence in adjudicatory hearings; procedure; appeal.**

(a) A motion to suppress evidence in court made before the adjudicatory hearing must be in writing and a copy of the motion must be served upon the State. The motion must state the grounds upon which it is made. The motion must be accompanied by an affidavit containing facts supporting the motion. The affidavit may be based upon personal knowledge, or upon information and belief, if the source of the information and the basis for the belief are stated. The State may file an answer denying or admitting any of the allegations. A copy of the answer must be served on the juvenile's counsel or the juvenile's parent, guardian, or custodian, if the juvenile has no counsel.

(b) The judge must summarily grant the motion to suppress evidence if:

(1) The motion complies with the requirements of subsection (a) of this section, it states grounds which require exclusion of the evidence, and the State concedes the truth of allegations of fact which support the motion; or

(2) The State stipulates that the evidence sought to be suppressed will not be offered in evidence in any juvenile proceeding.

(c) The judge may summarily deny the motion to suppress evidence if:

(1) The motion does not allege a legal basis for the motion; or

(2) The affidavit does not as a matter of law support the ground alleged.

(d) If the motion is not determined summarily, the judge must make the determination after a hearing and finding of facts. Testimony at the hearing must be under oath.

(e) A motion to suppress made during the adjudicatory hearing may be made in writing or orally and may be determined in the same manner as when made before the adjudicatory hearing.

(f) The judge must set forth in the record his or her findings of facts and conclusions of law.

(g) An order finally denying a motion to suppress evidence may be reviewed upon an appeal of a final order of the court in a juvenile matter.

(h) The provisions of G.S. 15A-974 shall apply to this section."

PART II. REDUCE FURTHER ENTRY OF JUVENILES

SECTION 2.1. G.S. 7B-1701 reads as rewritten:

"**§ 7B-1701. Preliminary inquiry.**

When a complaint is received, the juvenile court counselor shall make a preliminary determination as to whether the juvenile is within the jurisdiction of the court as a delinquent or undisciplined juvenile. If the juvenile court counselor finds that the facts contained in the complaint do not state a case within the jurisdiction of the court, that legal sufficiency has not been established, or that the matters alleged are frivolous, the juvenile court counselor, without further inquiry, shall refuse authorization to file the complaint as a petition.

If a complaint against the juvenile has not been previously received, as determined by the juvenile court counselor, the juvenile court counselor shall make reasonable efforts to meet with the juvenile and the juvenile's parent, guardian, or custodian if the offense is divertable.

When requested by the juvenile court counselor, the prosecutor shall assist in determining the sufficiency of evidence as it affects the quantum of proof and the elements of offenses.

The juvenile court counselor, without further inquiry, shall authorize the complaint to be filed as a petition if the juvenile court counselor finds reasonable grounds to believe that the juvenile has committed one of the following nondivertible offenses:

(1) Murder;
(2) First-degree rape or second degree rape;
(3) First-degree sexual offense or second degree sexual offense;
(4) Arson;
(5) Any violation of Article 5, Chapter 90 of the General Statutes that would constitute a felony if committed by an adult;
(6) First degree burglary;
(7) Crime against nature; or
(8) Any felony which involves the willful infliction of serious bodily injury upon another or which was committed by use of a deadly weapon."

SECTION 2.2. G.S. 7B-2404 reads as rewritten:

"**§ 7B-2404. Participation of the ~~prosecutor.~~prosecutor; voluntary dismissal.**

(a) A prosecutor shall represent the State in contested delinquency hearings including first appearance, detention, probable cause, transfer, adjudicatory, dispositional, probation revocation, post-release supervision, and extended jurisdiction hearings.

(b) A prosecutor may dismiss any allegations stated in a juvenile petition with or without leave by entering an oral dismissal in open court at any time or by filing a written dismissal with the clerk. The juvenile, the juvenile's parent, guardian, or custodian, and the juvenile's counsel shall be notified of the dismissal by the prosecutor either in open court or by being served with the written dismissal. In addition, the written dismissal shall be served on (i) the chief court counselor or his or her designee and (ii) if the juvenile is being held in a detention center, the director of the detention center. If the prosecutor dismisses the petition with leave because of the failure of the juvenile to appear in court, the prosecutor may refile the petition if the juvenile is apprehended or apprehension is imminent."

SECTION 2.3. G.S. 7B-2507(a) reads as rewritten:

"(a) Generally. – The delinquency history level for a delinquent juvenile is determined by calculating the sum of the points assigned to each of the juvenile's prior adjudications and to the juvenile's probation status, if any, that the court finds to have been proved in accordance with this section. For the purposes of this section, a prior adjudication is an adjudication of an offense that occurs before the adjudication of the offense before the court."

SECTION 2.4. G.S. 7B-2510 reads as rewritten:

"**§ 7B-2510. Conditions of probation; violation of probation.**

...

(c) An order of probation shall remain in force for a period not to exceed one year from the date entered. Prior to expiration of an order of probation, the court may extend it for an additional period of one year after notice and a hearing, if the court finds that the extension is necessary to protect the community or to safeguard the welfare of the juvenile. At the discretion of the court, the hearing to determine to extend probation may occur after the expiration of an order of probation at the next regularly scheduled court date or if the juvenile fails to appear in court.

(d) On motion of the juvenile court counselor or the juvenile, or on the court's own motion, the court may review the progress of any juvenile on probation at any time during the period of probation or at the end of probation. The conditions or duration of probation may be modified only as provided in this Subchapter and only after notice and a hearing.

(e) If the court, after notice and a hearing, finds by the greater weight of the evidence that the juvenile has violated the conditions of probation set by the court, the court may continue the original conditions of probation, modify the conditions of probation, or, except as provided in subsection (f) of this section, order a new ~~disposition at the next higher level on the disposition chart in G.S. 7B-2508.~~ disposition. In the court's discretion, ~~part of the new disposition may include an~~ the court may order a new disposition at the next higher level on the disposition chart or order a term of confinement in a secure juvenile detention facility for up to twice the term authorized by ~~G.S. 7B-2508.~~G.S. 7B-2508, in addition to any other Level 2 dispositional option.

(f) A court shall not order a Level 3 disposition for violation of the conditions of probation by a juvenile adjudicated delinquent for an offense classified as minor under G.S. 7B-2508."

SECTION 2.5. G.S. 7B-2512 reads as rewritten:

"**§ 7B-2512. Dispositional order.**

(a) The dispositional order shall be in writing and shall contain appropriate findings of fact and conclusions of law. The court shall state with particularity, both orally and in the written order of disposition, the precise terms of the disposition including the kind, duration, and the person who is responsible for carrying out the disposition and the person or agency in whom custody is vested.

(b) The court shall include information at the time of issuing the dispositional order, either orally in court or in writing, on the expunction of juvenile records as provided for in G.S. 7B-3200 that are applicable to the dispositional order."

PART III. JUVENILE CONFINEMENT

SECTION 3.1. G.S. 7B-1903 reads as rewritten:

"**§ 7B-1903. Criteria for secure or nonsecure custody.**

(a) When a request is made for nonsecure custody, the court shall first consider release of the juvenile to the juvenile's parent, guardian, custodian, or other responsible adult. An order for nonsecure custody shall be made only when there is a reasonable factual basis to believe the matters alleged in the petition are true, and that:

(1) The juvenile is a runaway and consents to nonsecure custody; or

(2) The juvenile meets one or more of the criteria for secure custody, but the court finds it in the best interests of the juvenile that the juvenile be placed in a nonsecure placement.

(b) When a request is made for secure custody, the court may order secure custody only where the court finds there is a reasonable factual basis to believe that the juvenile committed the offense as alleged in the petition, and that one of the following circumstances exists:

(1) The juvenile is charged with a felony and has demonstrated that the juvenile is a danger to property or persons.

(2) The juvenile has demonstrated that the juvenile is a danger to persons and is charged with either (i) a misdemeanor at least one element of which is assault on a person or (ii) a misdemeanor in which the juvenile used, threatened to use, or displayed a firearm or other deadly weapon.

(2a) The juvenile has demonstrated that the juvenile is a danger to persons and is charged with a violation of G.S. 20-138.1 or G.S. 20-138.3.

(3) The juvenile has willfully failed to appear on a pending delinquency charge or on charges of violation of probation or post-release supervision, providing the juvenile was properly notified.

(4) A delinquency charge is pending against the juvenile, and there is reasonable cause to believe the juvenile will not appear in court.

(5) The juvenile is an absconder from (i) any residential facility operated by the Division or any detention facility in this State or (ii) any comparable facility in another state.

(6) There is reasonable cause to believe the juvenile should be detained for the juvenile's own protection because the juvenile has recently suffered or attempted self-inflicted physical injury. In such case, the juvenile must have been refused admission by one appropriate hospital, and the period of secure custody is limited to 24 hours to determine the need for inpatient hospitalization. If the juvenile is placed in secure custody, the juvenile shall receive continuous supervision and a physician shall be notified immediately.

(7) The juvenile is alleged to be undisciplined by virtue of the juvenile's being a runaway and is inappropriate for nonsecure custody placement or refuses nonsecure custody, and the court finds that the juvenile needs secure custody for up to 24 hours, excluding Saturdays, Sundays, and State holidays, to evaluate the juvenile's need for medical or psychiatric treatment or to facilitate reunion with the juvenile's parents, guardian, or custodian.

(8) The juvenile is alleged to be undisciplined and has willfully failed to appear in court after proper notice; the juvenile shall be brought to court as soon as possible and in no event should be held more than 24 hours, excluding Saturdays, Sundays, and State holidays.

(c) When a juvenile has been adjudicated delinquent, the court may order secure custody pending the dispositional hearing or pending placement of the juvenile pursuant to G.S. 7B-2506. As long as the juvenile remains in secure custody, further hearings to determine the need for continued secure custody shall be held at intervals of no more than 10 calendar days but may be waived for no more than 30 calendar days only with the consent of the juvenile, through counsel for the juvenile, either orally in open court or in writing. The order for continued secure custody shall be in writing with appropriate findings of fact.

(d) The court may order secure custody for a juvenile who is alleged to have violated the conditions of the juvenile's probation or post-release supervision, but only if the juvenile is alleged to have committed acts that damage property or injure persons.

(e) If the criteria for secure custody as set out in subsection (b), (c), or (d) of this section are met, the court may enter an order directing an officer or other authorized person to assume custody of the juvenile and to take the juvenile to the place designated in the order.

(f) If the court finds that there is a need for an evaluation of a juvenile for medical or psychiatric treatment pursuant to subsection (b) of this section and that juvenile is under 10 years of age and does not have a pending delinquency charge, the law enforcement officer or other authorized person assuming custody of the juvenile shall not use physical restraints during the transport of the juvenile to the place designated in the order, unless in the discretion of the officer or other authorized person, the restraints are reasonably necessary for the safety of the officer, authorized person, or the juvenile."

SECTION 3.2. G.S. 7B-2506 reads as rewritten:

"**§ 7B-2506. Dispositional alternatives for delinquent juveniles.**

The court exercising jurisdiction over a juvenile who has been adjudicated delinquent may use the following alternatives in accordance with the dispositional structure set forth in G.S. 7B-2508:

...

(12) Impose confinement on an intermittent basis in an approved detention facility. Confinement shall be limited to not more than five 24-hour periods, the timing and imposition of which is determined by the court in its discretion.

...

(20) Order that the juvenile be confined in an approved juvenile detention facility for a term of up to 14 24-hour periods, which confinement shall not be imposed consecutively with intermittent confinement pursuant to subdivision (12) of this section at the same dispositional hearing. The timing

and imposition of this confinement shall be determined by the court in its discretion.

...."

PART IV. EFFECTIVE DATE

SECTION 4. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 26th day of May, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 8:30 a.m. this 4th day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-280
HOUSE BILL 943

AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE PURPOSE OF ACCOMPLISHING CERTAIN INTERRELATED AND UNITED PROJECTS TO FURTHER ECONOMIC DEVELOPMENT IN THE STATE CONSISTENT WITH THE CONNECT NC PLAN.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Short Title. – This section shall be known as the "Connect NC Bond Act of 2015."

SECTION 1.(b) Purpose. – It is the intent of the General Assembly by this act to provide, subject to a vote of the qualified voters of the State, for the issuance of two billion dollars ($2,000,000,000) general obligation bonds of the State for the purpose of providing funds, with any other available funds, to update the State's public facilities for the 21st century, including, without limitation, construction, repair, renovation, and furnishing of new facilities in order to (i) enhance other economic development efforts of the State and (ii) attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

SECTION 1.(c) Findings. – The General Assembly finds the following:

(1) The University of North Carolina is in need of new and renovated facilities to educate and prepare students; especially in the areas of science, technology, engineering, and math; to conduct research; and to recruit, retain, and prepare researchers and faculty for the 21st century for the purpose of enhancing the economic attractiveness of the State.

(2) The North Carolina Community College System is in need of new and renovated facilities to educate and prepare students and workers for the 21st century for the purpose of enhancing the economic attractiveness of the State.

(3) Parks and public facilities that are accessible to children with disabilities and veterans with disabilities are essential for the 21st century to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

(4) Clean water and sewer systems are essential for the 21st century to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

(5) Modern National Guard facilities attract new defense industry companies and suppliers.

(6) New facilities for agriculture will assist current agricultural endeavors in the State and will attract bioscience and other related industries, thereby benefitting the State's economic development.

(7) New and renovated State parks and attractions are vital components of tourism in the State, thereby benefitting the State's economic development.

(8) Adequate public safety is essential for the public welfare, for orderly economic development, and to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

(9) State facilities need routine repair and renovations in order for the facilities to be up-to-date for the 21st century to attract new and assist existing

industry, business, technology, and tourism for the benefit of the State and its citizenry.

(10) The components set forth above are all interrelated and united and comprise a single plan for updating the State's infrastructure for the 21st century and for providing the State with necessary economic development tools to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

SECTION 1.(d) Definitions. – Unless the context otherwise requires, the following definitions apply in this section:

(1) Bonds. – Bonds issued under this section.

(2) Cost. – Without intending thereby to limit or restrict any proper definition of this term in financing the cost of facilities or purposes authorized by this section, any of the following:

a. The cost of constructing, reconstructing, enlarging, acquiring, and improving facilities and acquiring equipment and land therefor.

b. The cost of engineering, architectural, and other consulting services as may be required.

c. Administrative expenses and charges. Nothing in this section shall permit use of bond funds to pay salaries or fees for bond administration; such salaries and fees shall come from funds appropriated by the General Assembly.

d. Finance charges and interest prior to and during construction and, if deemed advisable by the State Treasurer, for a period not exceeding three years after the estimated date of completion of construction.

e. The cost of bond insurance, investment contracts, credit enhancement and liquidity facilities, interest-rate swap agreements or other derivative products, financial and legal consultants, and related costs of bond and note issuance, to the extent and as determined by the State Treasurer.

f. The cost of reimbursing the State for any payments made for any cost described in this subdivision.

g. Any other costs and expenses necessary or incidental to the purposes of this section.

Allocations in this section of proceeds of bonds to the costs of a project or undertaking in each case may include allocations to pay the costs set forth in sub-subdivisions c. through g. of this subdivision in connection with the issuance of bonds for the project or undertaking.

(3) Credit facility agreement. – An agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association, or other banking institution; an insurance company, reinsurance company, surety company, or other insurance institution; a corporation, investment banking firm, or other investment institution; or any financial institution or other similar provider of a credit facility agreement, which provider may be located within or without the United States of America, such agreement providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption, or acceleration), redemption premium, if any, and interest on any bonds or notes payable on demand or tender by the owner, in consideration of the State agreeing to repay the provider of the credit facility agreement in accordance with the terms and provisions of such agreement.

(4) Notes. – Notes issued under this section.

(5) Par formula. – Any provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne by any bonds or notes, including the following:

a. A provision providing for such adjustment so that the purchase price of such bonds or notes in the open market would be as close to par as possible;

b. A provision providing for such adjustment based upon a percentage or percentages of a LIBOR rate, a prime rate, or base rate, which

percentage or percentages may vary or be applied for different periods of time; or

c. Such other provision as the State Treasurer may determine to be consistent with this section and will not materially and adversely affect the financial position of the State and the marketing of bonds or notes at a reasonable interest cost to the State.

(6) State. – The State of North Carolina.

SECTION 1.(e) Authorization of Bonds and Notes. – Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing public improvement bonds in the election called and held as provided in this section, the State Treasurer is hereby authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Public Improvement Bonds," with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State as provided in this section, in an aggregate principal amount not exceeding two billion dollars ($2,000,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this section.

SECTION 1.(f) Use of Public Improvement Bond and Note Proceeds. –

(1) Subject to the provisions of subdivision (2) of this subsection, the proceeds of public improvement bonds and notes, including premium thereon, if any, shall be used for the projects in the following general amounts set forth below:

University of North Carolina

Appalachian State University	Watauga	New Health Sciences Building	$70,000,000
East Carolina University	Pitt	Life Sciences & Biotech. Building	$90,000,000
Fayetteville State University	Cumberland	Lyons Science Bldg. Renovation	$10,000,000
NC Central University	Durham	New Business School	$30,000,000
NC State University	Wake	Engineering Building	$75,000,000
North Carolina A & T State University	Guilford	Engineering Building	$90,000,000
North Carolina School of Science and Math	Burke	North Carolina School of Technology and Engineering	$58,000,000
UNC – Chapel Hill	Orange	Medical Education Bldg. Replacement	$68,000,000
UNC – Charlotte	Mecklenburg	New Sciences Building	$90,000,000
UNC – Greensboro	Guilford	Nursing School Building	$105,000,000
UNC – Pembroke	Robeson	New Business School	$23,000,000
UNC – Wilmington	New Hanover	Allied Health and Human Services/ Nursing Building	$66,000,000
Western Carolina	Jackson	Science/STEM Building	$110,000,000

University			
Winston-Salem State University	Forsyth	Sciences Building	$50,000,000
Various	Statewide	Capital Repairs and Renovations	$45,000,000
Total for University of North Carolina			**$980,000,000**

NC Community Colleges

Alamance Comm. College	New Construction, Repairs, Renovations	$6,100,339
Asheville-Buncombe Technical Comm. College	New Construction, Repairs, Renovations	$5,487,535
Beaufort Co. Comm. College	New Construction, Repairs, Renovations	$6,557,819
Bladen Comm. College	New Construction, Repairs, Renovations	$6,533,125
Blue Ridge Comm. College	New Construction, Repairs, Renovations	$2,966,077
Brunswick Comm. College	New Construction, Repairs, Renovations	$2,857,328
Caldwell Comm. College and Technical Institute	New Construction, Repairs, Renovations	$5,629,337
Cape Fear Comm. College	New Construction, Repairs, Renovations	$5,908,685
Carteret Comm. College	New Construction, Repairs, Renovations	$2,674,685
Catawba Valley Comm. College	New Construction, Repairs, Renovations	$6,180,268
Central Carolina Comm. College	New Construction, Repairs, Renovations	$6,307,085
Central Piedmont Comm. College	New Construction, Repairs, Renovations	$9,636,457
Cleveland Comm. College	New Construction, Repairs, Renovations	$5,467,357
College of the Albermarle	New Construction, Repairs, Renovations	$6,590,687
Coastal Carolina Comm. College	New Construction, Repairs, Renovations	$6,973,103
Craven Comm. College	New Construction, Repairs, Renovations	$5,376,640
Davidson County Comm. College	New Construction, Repairs, Renovations	$5,820,720
Durham Tech. Comm. College	New Construction, Repairs, Renovations	$4,362,997
Edgecombe Comm. College	New Construction, Repairs, Renovations	$7,277,875
Fayetteville Tech. Comm. College	New Construction, Repairs, Renovations	$10,668,066
Forsyth Tech. Comm. College	New Construction, Repairs, Renovations	$5,809,410
Gaston College	New Construction, Repairs, Renovations	$5,949,907
Guilford Tech. Comm. College	New Construction, Repairs, Renovations	$9,519,543

Halifax Comm. College	New Construction, Repairs, Renovations	$6,519,080
Haywood Comm. College	New Construction, Repairs, Renovations	$2,831,380
Isothermal Comm. College	New Construction, Repairs, Renovations	$6,803,668
James Sprunt Comm. College	New Construction, Repairs, Renovations	$4,502,677
Johnston Comm. College	New Construction, Repairs, Renovations	$3,701,470
Lenoir Comm. College	New Construction, Repairs, Renovations	$8,001,502
Martin Comm. College	New Construction, Repairs, Renovations	$6,566,722
Mayland Comm. College	New Construction, Repairs, Renovations	$4,668,043
McDowell Tech. Comm. College	New Construction, Repairs, Renovations	$4,598,981
Mitchell Comm. College	New Construction, Repairs, Renovations	$3,218,011
Montgomery Comm. College	New Construction, Repairs, Renovations	$6,334,537
Nash Comm. College	New Construction, Repairs, Renovations	$7,773,798
Pamlico Comm. College	New Construction, Repairs, Renovations	$4,193,233
Piedmont Comm. College	New Construction, Repairs, Renovations	$4,850,325
Pitt Comm. College	New Construction, Repairs, Renovations	$8,376,397
Randolph Comm. College	New Construction, Repairs, Renovations	$5,086,842
Richmond Comm. College	New Construction, Repairs, Renovations	$7,229,431
Roanoke-Chowan Comm. College	New Construction, Repairs, Renovations	$6,326,517
Robeson Comm. College	New Construction, Repairs, Renovations	$7,296,568
Rockingham Comm. College	New Construction, Repairs, Renovations	$6,848,392
Rowan-Cabarrus Comm. College	New Construction, Repairs, Renovations	$7,211,552
Sampson Comm. College	New Construction, Repairs, Renovations	$4,774,533
Sandhills Comm. College	New Construction, Repairs, Renovations	$3,816,267
South Piedmont Comm. College	New Construction, Repairs, Renovations	$3,189,221
Southeastern Comm. College	New Construction, Repairs, Renovations	$6,861,620
Southwestern Comm. College	New Construction, Repairs, Renovations	$7,170,597
Stanly Comm. College	New Construction, Repairs, Renovations	$5,510,980
Surry Comm. College	New Construction, Repairs, Renovations	$7,222,184
Tri-County Comm. College	New Construction, Repairs, Renovations	$4,515,728

Vance-Granville Comm. College		New Construction, Repairs, Renovations	$7,611,910
Wake Tech. Comm. College		New Construction, Repairs, Renovations	$12,595,127
Wayne Comm. College		New Construction, Repairs, Renovations	$5,855,913
Western Piedmont Comm. College		New Construction, Repairs, Renovations	$5,099,649
Wilkes Comm. College		New Construction, Repairs, Renovations	$5,243,674
Wilson Comm. College		New Construction, Repairs, Renovations	$6,938,426
Total for NC Community Colleges			**$350,000,000**

Local Parks and Infrastructure

DENR	Statewide	Children With Disabilities and Veterans With Disabilities Local Parks (Matching Grants)	$3,000,000
Department of Environmental Quality	Statewide	Water/Sewer Loans and Grants	$309,500,000
Total for Local Parks and Infrastructure			**$312,500,000**

National Guard

National Guard	Guilford/ Burke/ Wilkes	Readiness Centers	$70,000,000
Total for National Guard			**$70,000,000**

Agriculture

NC State University	Wake	Plant Sciences Building Ag/NCSU Partnership	$85,000,000
Agriculture and Consumer Services	Wake	Veterinary/Food/Drug/Motor Fuels Lab	$94,000,000
Total for Agriculture			**$179,000,000**

State Parks and Attractions

State Parks	Cumberland	Carvers Creek	$5,700,750
State Parks	Durham/ Orange	Eno River	$2,830,500
State Parks	Washington/ Beaufort	Goose Creek	$1,477,500
State Parks	Onslow	Hammocks Beach	$1,125,000

State Parks	Dare	Jockeys Ridge	$751,500
State Parks	Vance/ Warren	Kerr Lake State Recreation Area	$3,750,000
State Parks	Burke/ McDowell	Lake James	$3,021,000
State Parks	Iredell	Lake Norman	$2,307,000
State Parks	Yancey	Mount Mitchell	$600,000
State Parks	Various	Mountain-To-Sea/Other State Trails	$4,500,000
State Parks	Surry/ Yadkin	Pilot Mountain	$4,481,850
State Parks	Camden	Dismal Swamp	$990,750
State Parks	Watauga	Elk Knob	$900,000
State Parks	Durham/ Wake	Falls Lake State Recreation Area	$789,750
State Parks	New Hanover	Fort Fisher State Recreation Area	$1,125,000
State Parks	Transylvania	Gorges	$2,505,750
State Parks	Stokes	Hanging Rock	$2,100,000
State Parks	Guilford/ Rockingham	Haw River	$1,500,000
State Parks	Chatham/ Wake	Jordan Lake State Recreation Area	$3,000,000
State Parks	Columbus	Lake Waccamaw	$1,506,000
State Parks	Scotland/ Hoke/ Robeson/ Columbus	Lumber River	$2,628,750
State Parks	Rockingham	Mayo River	$750,000
State Parks	Tyrell/ Washington	Pettigrew	$2,830,500
State Parks	Burke	South Mountain	$2,250,000
State Parks	Alleghany/ Wilkes	Stone Mountain	$1,338,000
State Parks	Wake	William B. Umstead	$1,725,000
State Parks	Avery	Yellow Mountain State Natural Area	$2,250,000
State Parks	Watauga	Beech Creek Bog State Natural Area	$600,000

State Parks	New Hanover	Carolina Beach	$855,000
State Parks	Rutherford	Chimney Rock	$1,500,000
State Parks	Wayne	Cliffs of the Neuse	$692,400
State Parks	Gaston	Crowders Mountain	$750,000
State Parks	Chatham	Deep River State Trail	$1,281,000
State Parks	Carteret	Fort Macon	$135,000
State Parks	Watauga	Grandfather Mountain	$1,501,500
State Parks	Bladen	Jones Lake	$651,750
State Parks	Chatham	Lower Haw River State Natural Area	$203,250
State Parks	Halifax	Medoc Mountain	$1,383,750
State Parks	Gates	Merchants Millpond	$870,750
State Parks	Stanly	Morrow Mountain	$1,537,500
State Parks	Ashe	Mount Jefferson State Natural Area	$1,500,000
State Parks	Ashe	New River	$675,000
State Parks	Harnett	Raven Rock	$1,125,000
State Parks	Bladen	Singletary Lake	$575,250
State Parks	Moore	Weymouth Woods State Natural Area	$428,250
Zoo	Randolph	Australasia Exhibit Complex/ Replace Africa Pavilion and Related Projects	$25,000,000
Total for State Parks and Attractions			**$100,000,000**
<u>Public Safety</u>			
DPS	Moore	Samarcand Training Academy	$8,500,000
Total for Public Safety			**$8,500,000**
Grand Total			**$2,000,000,000**

(2) Special Allocation Provisions. – In determining the use of the proceeds of public improvement bonds and notes, including premium thereon, if any, set forth in subdivision (1) of this subsection, the following special allocation provisions apply:

a. The proceeds of public improvement bonds and notes, including premium thereon, if any, for Statewide capital repairs and renovations for The University of North Carolina, as provided in subdivision (1) of this subsection, shall be used for projects that are

eligible to receive funds from the Repairs and Renovations Reserve under G.S. 143C-4-3(b). Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated. Such proceeds (i) shall be prioritized to constituent institutions not otherwise specified as receiving proceeds under subdivision (1) of this subsection and (ii) shall not be used to increase any amount to a constituent institution otherwise specified as receiving proceeds under subdivision (1) of this subsection.

b. The proceeds of public improvement bonds and notes, including premium thereon, if any, for NC Community Colleges, as provided in subdivision (1) of this subsection, shall be used for new construction or rehabilitation of existing facilities and repairs and renovations. Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated. In order to receive the proceeds under this sub-subdivision for projects for new construction, the community college receiving the proceeds shall provide local matching funds from county funds, other non-State funds, or a combination of these sources for such proceeds. The amount of matching funds shall be (i) one dollar ($1.00) of local matching funds for every three dollars ($3.00) of such proceeds for a community college with a main campus located in a development tier one area, as defined in G.S. 143B-437.08, (ii) one dollar ($1.00) of local matching funds for every two dollars ($2.00) of such proceeds for a community college with a main campus located in a development tier two area, as defined in G.S. 143B-437.08, and (iii) one dollar ($1.00) of local matching funds for every one dollar ($1.00) of such proceeds for a community college with a main campus located in a development tier three area, as defined in G.S. 143B-437.08. Community colleges are not required to match bond proceeds allocated in this section for rehabilitation of existing facilities and repairs and renovations.

c. The proceeds of public improvement bonds and notes, including premium thereon, if any, for the Department of Environment and Natural Resources for Statewide Children With Disabilities and Veterans With Disabilities Local Parks (Matching Grants), as provided in subdivision (1) of this subsection, shall be allocated to the Parks and Recreation Trust Fund established in G.S. 113-44.15 and shall be used exclusively for grants to local government units or public authorities, as defined in G.S. 159-7, for construction of special facilities or adaptation of existing facilities that meet the unique needs of children with physical and developmental disabilities and veterans with physical and developmental disabilities and enable them to participate in recreational and sporting activities, regardless of their abilities. In order to receive such proceeds under this sub-subdivision, a local government unit or public authority shall provide matching funds in the amount of one dollar ($1.00) of local funds for every four dollars ($4.00) of such proceeds. Grants made using such proceeds under this sub-subdivision shall not exceed five hundred thousand dollars ($500,000) per project.

d. The proceeds of public improvement bonds and notes, including premium thereon, if any, for the Department of Environmental Quality for Statewide Water/Sewer Loans and Grants, as provided in subdivision (1) of this subsection, shall be allocated to the Water Infrastructure Fund established in G.S. 159G-22. One hundred million dollars ($100,000,000) shall be used for grants, and the

remainder shall be used for low-interest loans. The proceeds for loans and the proceeds for grants shall be allocated in equal proportion to the Drinking Water Reserve and the Wastewater Reserve and shall be subject to the following:

1. If the availability of loan funds exceeds project demand, the limits contained in G.S. 159G-36 applicable to a loan may be exceeded for the purpose of ensuring that all available loan funds are utilized for projects prioritized pursuant to G.S. 159G-23.
2. Loan and grant applications for projects shall be funded first if both of the following criteria are met: (i) the project is required to be completed due to an EPA administrative order or consent decree and (ii) the application for the project is deemed complete by the Division and meets the minimum requirements for the program from which it is seeking funding.
3. A grant application to be funded from the Wastewater Reserve and required to be prioritized under sub-sub-subdivision 2. of this sub-subdivision shall be awarded a grant equal to fifty percent (50%) of the project costs that are reasonably necessary to comply with the EPA administrative order or consent decree, notwithstanding limits otherwise applicable pursuant to G.S. 159G-36; provided that, the cumulative amount of all grants received by an applicant under this sub-subdivision does not exceed one-third of the amount of bond proceeds for grants allocated to the Wastewater Reserve.
4. A loan application to be funded from the Wastewater Reserve and required to be prioritized under sub-sub-subdivision 2. of this sub-subdivision shall receive a loan equal to the amount sufficient to cover all project costs that are reasonably necessary to comply with the EPA administrative order or consent decree minus the amount of any grant awarded under sub-sub-subdivision 3. of this sub-subdivision; provided that, the cumulative amount of all loans received by an applicant under this sub-subdivision does not exceed fifteen million dollars ($15,000,000).

e. The proceeds of public improvement bonds and notes, including premium thereon, if any, for National Guard, as provided in subdivision (1) of this subsection, shall be used by the Adjutant General of the North Carolina National Guard for capital improvements, as defined in G.S. 143C-1-1(d)(5), for readiness centers located in Guilford, Burke, and Wilkes Counties.

f. The proceeds of public improvement bonds and notes, including premium thereon, if any, for the North Carolina Zoological Park, as provided in subdivision (1) of this subsection, shall be used for capital improvements, as defined in G.S. 143C-1-1(d)(5). Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated.

(3) Reallocation. – For public improvement bonds authorized by this section, the General Assembly may at this session or at any subsequent session increase or decrease the allocations of the proceeds of public improvement bonds and notes, including premium thereon, if any, for projects set forth in subdivision (1) of this subsection or reallocate any amounts among agencies or projects not listed in this subsection but listed in the six-year capital improvement plan developed pursuant to G.S. 143C-8-5, so long as the aggregate amount of the allocations does not exceed two billion dollars ($2,000,000,000).

SECTION 1.(g) Allocation and Tracking of Proceeds. –

(1) Public improvement bonds. – The proceeds of public improvement bonds and notes, including premium thereon, if any, except the proceeds of bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a special fund to be designated "Public Improvement Bonds Fund," which may include such appropriate special accounts therein as may be determined by the State Treasurer and shall be disbursed as provided in this section. Monies in the Public Improvement Bonds Fund shall be allocated and expended as provided in this section.

Any additional monies that may be received by means of a grant or grants from the United States of America or any agency or department thereof or from any other source for deposit to the Public Improvement Bonds Fund may be placed in the Public Improvement Bonds Fund or in a separate account or fund and shall be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this section.

Monies in the Public Improvement Bonds Fund or any separate account established under this section may be invested from time to time by the State Treasurer in the same manner permitted for investment of monies belonging to the State or held in the State treasury, except with respect to grant money to the extent otherwise directed by the terms of the grant. Investment earnings, except investment earnings with respect to grant monies to the extent otherwise directed or restricted by the terms of the grant, may be (i) credited to the Public Improvement Bonds Fund, (ii) used to pay debt service on the bonds authorized by this section, (iii) used to satisfy compliance with applicable requirements of the federal tax law, or (iv) transferred to the General Fund of the State.

The proceeds of public improvement bonds and notes, including premium thereon, if any, may be used with any other monies made available by the General Assembly for funding the projects authorized by this section, including the proceeds of any other State bond issues, whether heretofore made available or that may be made available at the session of the General Assembly at which this section is ratified or any subsequent sessions. The proceeds of public improvement bonds and notes, including premium thereon, if any, shall be expended and disbursed under the direction and supervision of the Director of the Budget. The funds provided by this section shall be disbursed for the purposes provided in this section upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until requisition has been approved by the Director of the Budget and which requisition shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes.

(2) Tracking of bond proceeds. – The State Treasurer or the State Treasurer's designee is hereby authorized and directed to set up a comprehensive system of tracking the proceeds of the public improvement bonds and notes, including premium thereon, if any, to the extent necessary to enable the State Treasurer or the State Treasurer's designee to properly account for the use of such proceeds for compliance with applicable requirements of the federal tax law or otherwise. All recipients of such proceeds shall comply with any tracking system implemented by the State Treasurer or the State Treasurer's designee for this purpose. The State Treasurer may withhold such proceeds from any State agency or department not complying with this subdivision.

(3) Costs. – Allocations to the costs of a capital improvement or undertaking in each case may include allocations to pay the costs set forth in sub-subdivisions c. through g. of subdivision (2) of subsection (d) of this section in connection with the issuance of bonds for that capital improvement or undertaking.

SECTION 1.(i) Election. – The question of the issuance of the bonds authorized by this section shall be submitted to the qualified voters of the State at the time of the election in

2016 when voters of this State are given an opportunity to express their preference for the person to be the presidential candidate of their political party. Any other primary, election, or referendum validly called or scheduled by law at the time the election on the bond question provided for in this subsection is held may be held as called or scheduled. Notice of the election shall be given in the manner and at the times required by G.S. 163-33(8). The election and the registration of voters therefor shall be held under and in accordance with the general laws of the State. Absentee ballots shall be authorized in the election and shall be available 50 days prior to the date on which the election is to be held.

Ballots, voting systems authorized by Article 14A of Chapter 163 of the General Statutes, or both may be used in accordance with rules prescribed by the State Board of Elections. The bond question to be used in the ballots or voting systems shall be in substantially the following form:

"[ ] FOR [ ] AGAINST

The issuance of two billion dollars ($2,000,000,000) State of North Carolina Public Improvement Bonds constituting general obligation bonds of the State secured by a pledge of the faith and credit and taxing power of the State for the purpose of providing funds, with any other available funds, to fund capital improvements and new facilities for the State, including, without limitation, the construction and furnishing of new facilities and the renovation and rehabilitation of existing facilities for, without limitation, the University of North Carolina System, the North Carolina Community College System, water and sewer systems, the State's National Guard, the Department of Agriculture and Consumer Services, attractions and parks, and the Department of Public Safety."

If a majority of those voting on the bond question in the election vote in favor of the issuance of the bonds described in the question, those bonds may be issued as provided in this section. If a majority of those voting on a bond question in the election do not vote in favor of the issuance of the bonds described in the question, those bonds shall not be issued.

The results of the election shall be canvassed and declared as provided by law for elections for State officers; the results of the election shall be certified by the State Board of Elections to the Secretary of State in the manner and at the time provided by the general election laws of the State.

SECTION 1.(j) Issuance of Bonds and Notes. –

(1) Terms and conditions. – Bonds or notes may bear such date or dates, may be serial or term bonds or notes, or any combination thereof, may mature in such amounts and at such time or times, not exceeding 40 years from their date or dates, may be payable at such place or places, either within or without the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, may bear interest at such rate or rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at such price or prices, including a price less than the face amount of the bonds or notes, and under such terms and conditions, all as may be determined by the State Treasurer by and with the consent of the Council of State.

(2) Signatures; form and denomination; registration. – Bonds or notes may be issued as certificated or uncertificated obligations. If issued as certificated obligations, bonds or notes shall be signed on behalf of the State by the Governor or shall bear the Governor's facsimile signature, shall be signed by the State Treasurer or shall bear the State Treasurer's facsimile signature, and shall bear the Great Seal of the State of North Carolina or a facsimile thereof shall be impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature, which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. Should any officer whose signature or facsimile signature appears on bonds or notes cease to be such officer before the delivery of the bonds or notes, the signature or facsimile signature shall nevertheless have the same validity for all purposes as if the officer had remained in office until delivery, and bonds or notes may bear the facsimile signatures of persons who at the actual time of the execution of the bonds or notes shall be the proper officers to sign any

bond or note, although at the date of the bond or note such persons may not have been such officers. The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as the State Treasurer may determine in conformity with this section; provided, however, that nothing in this section shall prohibit the State Treasurer from proceeding, with respect to the issuance and form of the bonds or notes, under the provisions of Chapter 159E of the General Statutes, the Registered Public Obligations Act, as well as under this section.

(3) Manner of sale; expenses. – Subject to the consent of the Council of State, the State Treasurer shall determine the manner in which bonds or notes shall be offered for sale, whether at public or private sale, whether within or without the United States of America, and whether by publishing notices in certain newspapers and financial journals, mailing notices, inviting bids by correspondence, negotiating contracts of purchase, or otherwise, and the State Treasurer is authorized to sell bonds or notes at one time or from time to time at such rate or rates of interest, which may vary from time to time, and at such price or prices, including a price less than the face amount of the bonds or the notes, as the State Treasurer may determine. All expenses incurred in preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes or other available monies.

(4) Notes; repayment. –

a. Subject to the consent of the Council of State, the State Treasurer is hereby authorized to borrow money and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:

1. For anticipating the sale of bonds to the issuance of which the Council of State shall have given consent, if the State Treasurer shall deem it advisable to postpone the issuance of the bonds.
2. For the payment of interest on or any installment of principal of any bonds then outstanding, if there shall not be sufficient funds in the State treasury with which to pay the interest or installment of principal as they respectively become due.
3. For the renewal of any loan evidenced by notes herein authorized.
4. For the purposes authorized in this section.
5. For refunding bonds or notes as herein authorized.

b. Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this section. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which shall have been used in paying interest on or principal of the bonds.

(5) Refunding bonds and notes. – By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding bonds or notes issued pursuant to this section. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured.

(6) Tax exemption. – Bonds and notes shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding inheritance and gift taxes, income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes shall not be subject to taxation as to income.

(7) Investment eligibility. – Bonds and notes are hereby made securities in which all public officers, agencies, and public bodies of the State and its political subdivisions; all insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, and other financial institutions engaged in business in the State; and executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Bonds and notes are hereby made securities that may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision of the State is now or may hereafter be authorized by law.

(8) Faith and credit. – The faith and credit and taxing power of the State are hereby pledged for the payment of the principal of and the interest on bonds and notes. In addition to the State's right to amend any provision of this section to the extent it does not impair any contractual right of a bond owner, the State expressly reserves the right to amend any provision of this section with respect to the making and repayment of loans, the disposition of any repayments of loans, and any intercept provisions relating to the failure of a local government unit to repay a loan, the bonds not being secured in any respect by loans, any repayments thereof, or any intercept provisions with respect thereto.

SECTION 1.(k) Variable Interest Rates. – In fixing the details of bonds and notes, the State Treasurer may provide that any of the bonds or notes may:

(1) Be made payable from time to time on demand or tender for purchase by the owner thereof, provided a credit facility agreement supports the bonds or notes, unless the State Treasurer specifically determines that a credit facility agreement is not required, upon a finding and determination by the State Treasurer, that the absence of a credit facility agreement will not materially or adversely affect the financial position of the State and the marketing of the bonds or notes at a reasonable interest cost to the State;

(2) Be additionally supported by a credit facility agreement;

(3) Be made subject to redemption or a mandatory tender for purchase prior to maturity;

(4) Bear interest at a rate or rates that may vary for such period or periods of time, all as may be provided in the proceedings providing for the issuance of the bonds or notes, including, without limitation, such variations as may be permitted pursuant to a par formula; and

(5) Be made the subject of a remarketing agreement whereby an attempt is made to remarket bonds or notes to new purchasers prior to their presentment for payment to the provider of the credit facility agreement or to the State.

If the aggregate principal amount repayable by the State under a credit facility agreement is in excess of the aggregate principal amount of bonds or notes secured by the credit facility agreement, whether as a result of the inclusion in the credit facility agreement of a provision for the payment of interest for a limited period of time or the payment of a redemption premium or for any other reason, then the amount of authorized but unissued bonds or notes during the term of such credit facility agreement shall not be less than the amount of such excess, unless the payment of such excess is otherwise provided for by agreement of the State executed by the State Treasurer.

SECTION 1.(l) Interpretation of Section. –

(1) Additional method. – The foregoing subsections of this section shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing.

(2) Statutory references. – References in this section to specific sections or Chapters of the General Statutes or to specific acts are intended to be

references to these sections, Chapters, or acts as they may be amended from time to time by the General Assembly.

(3) Broad construction. – The General Assembly specifically has chosen to combine what otherwise might be considered differing projects to be financed into one bond bill and bond question because the General Assembly finds that such differing projects, when taken together, constitute an interrelated, united, and single plan for the State's infrastructure as stated aforesaid. Accordingly, this section, being necessary for the health, welfare, and advancement of the people of the State, shall be broadly construed to affect the purposes thereof.

(4) Inconsistent provisions. – Insofar as the provisions of this section are inconsistent with the provisions of any general laws, or parts thereof, the provisions of this section shall be controlling.

(5) Severability. – If any provision of this section or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the section that can be given effect without the invalid provision or application, and to this end, the provisions of this section are declared to be severable.

SECTION 2. Other than community colleges, each entity receiving the proceeds of public improvement bonds and notes, including premium thereon, if any, issued pursuant to and for projects listed in Section 1 of this act shall report by January 1, 2017, and quarterly thereafter, to the Joint Legislative Oversight Committee on Capital Improvements, the House of Representatives Appropriations Committee, and the Senate Committee on Appropriations/Base Budget on the projects funded from public improvement general obligation bonds authorized by Section 1 of this act. Community colleges receiving the proceeds of public improvement bonds and notes, including premium thereon, if any, issued pursuant to and for projects listed in Section 1 of this act shall report by January 1, 2017, and quarterly thereafter, to the North Carolina Community Colleges System Office on the projects funded from public improvement general obligation bonds authorized by Section 1 of this act, and the System Office shall combine the reports and submit them to the Joint Legislative Oversight Committee on Capital Improvements, the House of Representatives Appropriations Committee, and the Senate Committee on Appropriations/Base Budget. Each report shall include the total project costs, the amount to be funded from the bonds, the expenditures to date from the bonds and other sources, and the percentage of each project completed.

SECTION 3. The State Treasurer shall not issue bonds or notes otherwise authorized by Section 1 of this act in an amount or year where the issuance of the bonds or notes would violate the Debt Affordability Advisory Committee's recommendations on debt capacities required under G.S. 142-101.

SECTION 4.(a) The portion of funds estimated to be needed for escalation of costs for projects, other than for NC Community Colleges, for DEQ Statewide Water/Sewer Loans and Grants, and for State parks, funded in whole or in part with the proceeds of public improvement bonds and notes, including premium thereon, if any, issued pursuant to Section 1 of this act, shall remain with the Office of State Budget and Management and shall be disbursed only for the following purposes:

(1) To address unforeseen contingencies related to the specific project for which the funds were made available.

(2) To address inflation costs related to that specific project.

SECTION 4.(b) Any funds retained by the Office of State Budget and Management pursuant to subsection (a) of this section at the time a project is completed shall be retained by the Office of State Budget and Management until reallocated for other purposes by the General Assembly. The Office of State Budget and Management shall report to the Joint Legislative Oversight Committee on Capital Improvements on any funds retained pursuant to this subsection within 90 days of a project's completion.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:30 a.m. this 21st day of October, 2015

Senate Bill Summaries

SL 2015-7
SB 14 Academic Standards and Rules Review Commission Changes (Brown, Harrington, Jackson)[1]
Amends: In relevant part, clarifies S.L. 2014-78 ("Replace CCSS in NC/Higher Academic Standards").
Application/Effective Date: April 13, 2015, unless otherwise provided
Local action required: None.
SBE/DPI action required: Required DPI to transfer a total of $325,000 out of its operating budget to the Rules Review Commission and the Academic Standards Review Commission (ASRC).
Summary: DPI transfers $50,000 to the Office of Administrative Hearings for the Rules Review Commission to pay for the latter's defense in *North Carolina State Board of Education v. The Rules Review Commission*. Requires SBE to reduce DPI's operating budget by $275,000, to provide funds to ASRC. Funds for ASRC are to be used exclusively for: (1) administrative assistance costs, (2) technical assistance, and (3) per diem travel expenses until ASRC terminates on or before December 31, 2015. ASRC may not use any funds to conduct a survey related to the adoption of new state academic standards. In providing $275,000 to ASRC, prohibits SBE from reducing funds for NCCAT, ENC School for the Deaf, NC School for the Deaf, the Governor Morehead School, Communities in Schools of NC, Teach for America, or Beginnings for Parents of Children Who Are Deaf or Hard of Hearing.

SL 2015-238
SB 15 Unemployment Insurance Law Changes (Rucho)
Amends: G.S. 1-359; G.S. 20-7; G.S. 96-10, -11.2, -14.12, -14.3, -14.4, -14.9, -15, -15.3, -16, -3, -36, -4, -9.15, -9.2, -9.7
Application/Effective Date: September 10, 2015, except as otherwise provided. Several sections have different effective dates.
Local action required: Human Resources Directors should review these changes to state unemployment laws.
SBE/DPI action required: Same as above.
Summary: This law enacts various changes, both substantive and technical, to the state's unemployment insurance laws. Recipients of unemployment compensation will be required to make at least five (previously two) job contacts with potential employers each week when receiving this benefit. Section 2.2 of the law becomes effective January 1, 2016, and applies to claims for benefits filed on or after that date. The law also sets forth new statutes regarding the "Board of Review" which regulates appeals policies and hears appeals of decisions from the Division of Employment Security. In an effort to build up state reserves for future benefits, the law accelerates the elimination of a tax surcharge on in-state businesses.

[1] Primary bill sponsors are noted only if Session Law is substantially similar to originally-filed bill.

SL 2015-2
SB 20 IRC Update/Motor Fuel Changes (Rabon, Rucho, Tillman)
Amends: In relevant part, G.S. 105-228.90(b)(1b)
Application/Effective Date: March 31, 2015, except as otherwise provided.
Local action required: Note the teachers' tax-deductible expense.
SBE/DPI action required: None.
Summary: With regard to K-12 public education, Section 1.1 of this law continues teachers' ability to deduct qualified expenses up to $250 paid out-of-pocket during the year in an "above the line" deduction.

SL 2015-170
SB 22 Historic Artifact Management and Patriotism Act (Soucek, Tucker, Davis)
Amends: G.S. 100-2, -2.1; G.S. 144-5, -9; G.S. 147-36; G.S. 160A-400.13
Application/Effective Date: July 23, 2015 (except for Sections 4(a) and (b), which became effective December 1, 2015).
Local action required: Comply with new legal requirements for handling and retirement of state and federal flags.
SBE/DPI action required: Same as above.
Summary: Requires state institutions, and political subdivisions thereof, to handle, display, and store North Carolina and United States flags in accordance with the United States Flag Code, 4 U.S.C. §§1-10. It directs said entities to arrange for respectful disposal when a flag is no longer "a fitting emblem for display" because it is worn, etc. It further requires the newly established Division of Veterans Affairs to have a flag retirement program. The law also protects certain monuments that are on public property from being removed and limits when/how they can be relocated. Section 4 requires the Secretary of State to transfer certain historical documents (including the State Constitution and its amendments) to the Department of Cultural Resources (DCR), which shall arrange programs and displays for such documents.

SL 2015-295
SB 97 State Advisory Council on Indian Education (Davis, J.)
Amends: G.S. 115C-210.1
Application/Effective Date: October 29, 2015
Local action required: Note the changes in future appointments to the Council.
SBE/DPI action required: Appoint members as directed.
Summary: Changes the composition of the State Advisory Council on Indian Education (SACIE). Directs the UNC System Board of Governors and the State Board of Community Colleges to each appoint an American Indian from higher education, preferably a faculty member. It also reduces the number of parent appointees from eight to five. Requires that these parent members have students enrolled in K-12 public schools, including charter schools. Increases the number of American Indian K-12 public school educators from two to five, and requires that one member be a Title VII director or coordinator. Further requires SACIE members to be broadly representative of North Carolina Indian tribes and organizations, North Carolina State-recognized tribes and organizations, and tribes (current and future) recognized by the United States Bureau of Indian Affairs. Current SACIE members will serve the remainder of their terms, and as vacancies occur, new members will be appointed accordingly.

SL 2015-264
SB 119 GSC Technical Corrections 2015 (Hartsell)
Amends: In relevant part, G.S. 115C-174.26, -47, -513; G.S. 143-48.6; G.S. 20-28.9
Application/Effective Date: October 1, 2015, except as otherwise provided
Local action required: Note the new January 31st deadline to submit information on military-connected students in the 2016-17 school year.
SBE/DPI action required: Note change to "personal services contract" definition, and all other changes below.
Summary: This 41-page bill contains a host of technical changes, several of which relate to public education/state agency work, as follows:

Section 16.(b) makes a conforming change to G.S. 115C-513 by deleting the phrase "inheritance and gift taxes."
Section 30 makes a spelling correction to SL 2015-35, which requires partisan elections for the Iredell-Statesville Schools Board of Education.
Section 38.3(a) further amends G.S. 20-28.9(a) (after it had previously been amended in Section 27.3(d) of the Budget) as follows: "~~Nothing in this section shall be construed to prohibit the State Surplus Property Agency from entering into contracts pursuant to this section for some regions of the State while performing the work of towing, storing, processing, maintaining, and selling motor vehicles seized pursuant to G.S. 20-28.3 itself in other regions of the State.~~" (stricken in original). This revision involves the transfer of the Seized Vehicle program from DPI to the State Surplus Property Agency, Department of Administration.
Section 56.5 grants express statutory authority to local boards of education to establish, control and operate nonprofit corporations by adding a new subsection under G.S. 115C-47:

> (62) To Establish Nonprofit Corporations to Further Authorized Purposes. – Local boards of education may establish, control, and operate a nonprofit corporation that is created under Chapter 55A of the General Statutes and is a tax-exempt organization under the Internal Revenue Code to further their authorized purposes. A nonprofit corporation established as provided in this section shall not have regulatory or enforcement powers and shall not engage in partisan political activity or policy advocacy. Any local board of education that establishes a nonprofit corporation shall make a report annually to the Joint Legislative Education Oversight Committee.

Section 60 verifies that the annual advanced courses report under G.S. 115C-174.26(h) is due on November 15.
Section 74 further amends the new definition of "Personal Services Contract" under G.S. 143-48.6(b) by excluding experts and expert witnesses involved in state-level litigation from the definition. Effective July 1, 2015.
Section 82 clarifies that, beginning in the 2016-2017 school year, LEAs will again complete the identification of military-connected students under SL 2014-15, but submit this list to the Uniform Education Reporting System (UERS) by January 31st each year, setting an exact deadline for submission.
Section 91.5(a) allows students in Halifax County Schools to participate in a summer STEM enrichment program set forth in the 2015 Budget.

SL 2015-202
SB 233 Automatic Expunction/Mistaken Identity (McKissick, Bingham, Daniel)
Amends: G.S. 15A-147
Application/Effective Date: December 1, 2015, and applies to charges filed on or after that date.
Local action required: Note the new expunction revision.
SBE/DPI action required: Same as above.
Summary: Provides for automatic expunction of a criminal record when an individual is charged with a crime that is subsequently dismissed due to mistaken identity or as a result of another person using the identifying information of said individual.

SL 2015-279
SB 279 Amend Qualifications/Practice of Counseling (Barefoot)
Amends: G.S. 115C-81; G.S. 90-336, -345
Application/Effective Date: Various effective dates in 2015-2016; see below for more details.
Local action required: Ensure that schools are in compliance with sex trafficking prevention curricula for the 2016 spring semester, and comply with changes to G.S. 115C-81(e1)(4) and (4a).
SBE/DPI action required: Same as above.
Summary: Sections 1 and 2 change qualifications for "licensed professional counselors" and "associates" under G.S. 90-336. These are counselors licensed by the NC Board of Licensed Professional Counselors (not school counselors licensed by SBE). Sections 1 and 2 became effective October 1, 2015.

Section 3 amends the reproductive health and safety education statute (115C-81(e1)(4)) by expanding the "experts" who determine which materials are acceptable for classroom use to a series of new experts now in the fields of "adolescent psychology, behavioral counseling, medicine, human anatomy, biology, ethics, or health education." This specific provision expands current law from the requirement that the credentialed expert simply be a "sexual health education expert." Section 3 became effective October 20, 2015, and applies beginning the 2016-2017 school year.

Section 4 adds a new subsection "d" to 115C-81(e1)(4a) that requires LEAs to teach sex trafficking prevention and awareness during sexual health education. Requires LEAs to collaborate with a "diverse group of outside consultants" including law enforcement, and have a law enforcement referral protocol for high-risk students and minors. Local law enforcement agencies, criminal justice agencies, and non-governmental agencies may provide relevant materials to LEAs. Section 4 became effective October 20, 2015, and applies beginning the spring semester of the 2015-16 school year.

Section 5 reiterates the same expanded scope of "experts" as Section 3, but applies this new scope to 115C-81(e1)(4a), which addresses teaching about STDs, contraception, sexual assault, and sex trafficking prevention. This section is effective January 1, 2016, and applies beginning the 2016-2017 school year.

SL 2015-64
SB 315 School Playgrounds Available to Public (Pate, Tillman, Van Duyn)
Amends: G.S. 115C-524
Application/Effective Date: June 11, 2015
Local action required: Note the expanded authority for LEAs to make school property available to the public.
SBE/DPI action required: None.
Summary: Expands LEA authority to offer use of outdoor school property to non-school groups for recreational purposes pursuant to G.S. 115C-524(d). Protects individual board members and the board as a whole from liability associated with personal injury from said use of the school property.

SL 2015-126
SB 333 Teacher Transition Data (Soucek)
Amends: G.S. 115C-12
Application/Effective Date: Effective June 29, 2015, and applies beginning with the annual report compiled in 2017 using data from the 2016-17 school year.
Local action required: Comply with new reporting requirements under G.S. 115C-12(22).
SBE/DPI action required: Same as above.
Summary: Significantly expands the data elements to be reported and collected under the newly revised G.S. 115C-12(22): "Duty to Monitor the ~~Decisions of Teachers to Leave the Teaching Profession.~~ State of the Teaching Profession in North Carolina." (revisions as reflected in Session Law). Requires LEAs to provide SBE with effectiveness ratings of teachers who left the profession in order to compile state-level data; however, effectiveness ratings at the state level are only reported by SBE in aggregate in order to comply with the privacy of employee personnel records under Article 21A of 115C.

SL 2015-235
SB 399 Joint Agency Tax Refund (Sanderson)
Amends: G.S. 105-164.14
Application/Effective Date: Section 1 is effective July 1, 2015; Section 2 is effective September 1, 2015.
Local action required: None.
SBE/DPI action required: None.
Summary: Allows a joint agency created by an interlocal agreement for the purposes of "fire protection, emergency service, or police protection" to receive a refund of sales and use taxes paid by that joint agency. It also directs the Revenue Laws Study Committee to study how the application of motor fuels tax exemption could apply to entities that are comprised of multiple local government units. The study may include how the exemption applies to "joint agencies created by interlocal agreements and regional authorities created by agreement of multiple counties." *See* Section 2.

SL 2015-249
SB 400 School Access for Boy Scouts/Girl Scouts (Barringer, Daniel, Newton)
Amends: G.S. 115C-206, -207, -218.75, -238.66
Application/Effective Date: September 25, 2015
Local action required: Give priority access to these youth groups to school facilities.
SBE/DPI action required: Recommend general guidelines for LEAs to give priority access to the Boy Scouts, Girl Scouts, and other such youth groups to public school facilities.
Summary: Directs the Superintendent of Public Instruction and SBE to direct local boards of education to give priority of school facility use to any "youth group" listed in Title 36 of the United States Code as a "patriotic society." *See* new subsection "(4)" under G.S. 115C-206. Specifies that this facility use is not to be during instructional time. Changes comparable language in statutes requiring charter schools and regional schools to follow suit in said priority use of school facilities.

SL 2015-135
SB 423 Foster Care Family Act (Barringer, Harrington, Tucker)
Amends: G.S. 131D-10.2A; G.S. 20-11, -279.21, -309; G.S. 48A-4; G.S. 58-36-44; G.S. 7B-505, -800.1, -901, -903.1, -912
Application/Effective Date: July 2, 2015, except as otherwise provided (Parts 2 and 4 became effective on October 1, 2015).
Local action required: School administrators and guidance counselors should review these changes to laws for foster children and further changes under Chapter 7B of the Juvenile Code.
SBE/DPI action required: Same as above.
Summary: Aligns state and federal law through implementation of a "reasonable and prudent parent" standard for decisions made by a foster parent and legal ramifications that may follow. Revises laws pertaining to abuse, neglect, and dependency regarding juvenile placement under the Juvenile Code. Changes other state insurance laws for the benefit of foster children and parents. Also requires that the Department of Health and Human Services study a Medicaid waiver for "children with Serious Emotional Disturbance" and report to the General Assembly by December 1, 2015.

SL 2015-278
SB 519 Amend Child Custody Laws (B. Jackson)
Amends: G.S. 50-13.01, -13.2
Application/Effective Date: October 20, 2015
Local action required: School administrators and guidance counselors should review these statutory changes regarding child custody.
SBE/DPI action required: None.
Summary: Amends child custody statutes to add a new section, G.S. 50-13.01, to read:

> It is the policy of the State of North Carolina to: (1) Encourage focused, good faith, and child-centered parenting agreements to reduce needless litigation over child custody matters and to promote the best interest of the child. (2) Encourage parents to take responsibility for their child by setting the expectation that parenthood will be a significant and ongoing responsibility. (3) Encourage programs and court practices that reflect

the active and ongoing participation of both parents in the child's life and contact with both parents when such is in the child's best interest, regardless of the parents' present marital status, subject to laws regarding abuse, neglect, and dependency. (4) Encourage both parents to share equitably in the rights and responsibilities of raising their child, even after dissolution of marriage or unwed relationship. (5) Encourage each parent to establish and maintain a healthy relationship with the other parent when such is determined to be in the best interest of the child, taking into account mental illness, substance abuse, domestic violence, or any other factor the court deems appropriate.

SL 2015-291
SB 524 Graduation Requirements/Sports Pilot (Curtis, Soucek, Tillman)
Amends: G.S. 115C-81
Application/Effective Date: October 29, 2015, except as otherwise provided (see below for further details).
Local action required: Note the changes to "Civic Literacy" under revised 115C-81(g).
SBE/DPI action required: Require LEAs to adhere to new elements of "Civic Literacy" statute. Develop and implement pilot program for integrated community-based sports programs for students with disabilities.
Summary: Amends the state's *Founding Principles Act* of 2011, beginning with students entering the ninth grade in the 2016-17 school year. Directs SBE, rather than local boards of education, to require the teaching of a high school semester-long course that includes instruction in the Founding Principles of the United States of America and the state of North Carolina. This law removes "American History I - The Founding Principles" as a statutorily named course, and sets forth the elements that must be taught to fulfill the high school course requirement. The law adds the following new "Founding Principles" under G.S. 115C-81(g)(1):

> k. Constitutional limitations on government power to tax and spend and prompt payment of public debt.
> l. Strong defense and supremacy of civil authority over military.
> m. Peace, commerce, and honest friendship with all nations, entangling alliances with none.

Allows DPI to use up to $300,000 in FYs 2015-16 and 2016-17 to develop and implement a pilot program for an integrated community-based adapted sports program for students with disabilities in grades K-12. The pilot should include specific strategies to overcome barriers for participation of students with disabilities in extracurricular athletics and incorporate a philosophy of personal empowerment for those students. This section was effective July 1, 2015.

SL 2015-143
SB 545 Workforce Enrichment/Veterans (Rabin, Sanderson, J. Jackson)
Amends: G.S. 93B-15.1
Application/Effective date: July 8, 2015
Local action required: None.
SBE/DPI action required: Issue licenses to qualified military-trained applicants under the new subsection "(a2)" of G.S. 93B-15.1.

Summary: Expands eligibility for licensure or certification for military-trained applicants by setting forth a new additional process for certain occupational licensing boards across the state under G.S. 93B-15.1(a2). Expressly includes SBE for purposes of this new law.

SL 2015-123
SB 578 Transition Certain Abuse Investigation/DCDEE (Barringer, Hise, Tucker)
Amends: G.S. 110-105, -105.2 (repealed), -105.3, -105.4, -105.5, -105.6; G.S. 7B-101, -300, -301, -302, -307
Application/Effective Date: January 1, 2016
Local action required: Note the new definition and processes for "Child maltreatment" under G.S. 110-105.3, *et seq.*
SBE/DPI action required: Same as above.
Summary: In relevant part, this law sets forth a new definition of "child maltreatment" for purposes of reporting and investigating such cases, now under the authority of the Department of Health and Human Services, specifically, the Division of Child Development and Early Education (DCDEE). Any public school program licensed by DCDEE and involved in a child maltreatment investigation will be subject to this amended process.

SL 2015-65
SB 597 Repeal References to ABCs (Tillman, Soucek, Curtis)
Amends: G.S. 115C-105.36 (repealed), -17 (repealed); G.S. 143B-146.1, -146.2, -146.3, -146.4 (repealed)
Application/Effective Date: June 11, 2015, unless otherwise provided
Local action required: None.
SBE/DPI action required: None.
Summary: Removes all statutory references to the obsolete "ABCs Program."

SL 2015-271
SB 676 Autism Health Insurance Coverage (Apodaca, Krawiec)
Amends: G.S. 58-3-192, -3-220, -51-55, -65-90, -67-75
Application/Effective Date: January 1, 2016, and applies to insurance contracts issued, renewed, or amended on or after that date.
Local action required: School nurses, guidance counselors and other school administrators should be aware of the new statutory recognition of "autism spectrum disorders" in state insurance law.
SBE/DPI action required: Same as above.
Summary: Creates new section G.S. 58-3-192 in Article 3 of Chapter 58 to offer certain health insurance coverage for "autism spectrum disorder," and makes other conforming changes to state insurance statutes under Chapter 58. This disorder is one "[a]s defined by the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) or the most recent edition of the International Statistical Classification of Diseases and Related Health Problems. Autism spectrum disorder is not considered a mental illness as defined in G.S 58-3-220, 58-51-55, 58-65-90, or 58-67-75." G.S. 58-3-192(a)(2).

Senate Bills

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-7
SENATE BILL 14

AN ACT TO PROVIDE FUNDS FOR CERTAIN EXPENDITURES AND TO CLARIFY AND MODIFY OTHER LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. Of the funds appropriated to the Department of Public Instruction for the 2014-2015 fiscal year, the Department shall transfer the sum of fifty thousand dollars ($50,000) to the Office of Administrative Hearings to be allocated to the Rules Review Commission, created by G.S. 143B-30.1, to pay for any litigation costs incurred in the defense of *North Carolina State Board of Education v. The State of North Carolina and The Rules Review Commission*, Wake County Superior Court, File No. 14 CVS 14791 (filed November 7, 2014). These funds shall not revert at the end of the 2014-2015 fiscal year but shall remain available during the 2015-2016 fiscal year for expenditure in accordance with this section.

SECTION 2. Of the funds appropriated to the Department of Public Instruction for the 2014-2015 fiscal year for current operations of the Department, the Department shall transfer the sum of two hundred seventy-five thousand dollars ($275,000) to the Department of Administration to support the operations of the Academic Standards Review Commission established in S.L. 2014-78. From these funds, an amount equal to the total of all costs incurred by the Department of Administration prior to the enactment of this act to support the operations of the Commission shall be credited to the Department. Expenditure of the remainder of these funds shall be made upon authorization by the Commission, only for the following:

(1) Administrative assistance, including professional and clerical staff and any contracts for professional, clerical, and consultant services. Consultant services may include contracts with qualified experts on academic standards that may be used as an alternative to the Common Core Standards, including other state academic standards.

(2) Technical assistance, including meeting rooms, telephones, office space, equipment, and supplies provided by the Department of Administration in accordance with Section 2(f) of S.L. 2014-78.

(3) Per diem, subsistence, and travel allowances provided to Commission members in accordance with G.S. 138-5, 138-6, or 120-3.1, as appropriate.

SECTION 3. The funds transferred to the Department of Administration in Section 2 of this act shall not revert at the end of the 2014-2015 fiscal year but shall remain available for expenditure in accordance with that section until the Commission terminates on December 31, 2015, or upon the filing of its final report, whichever occurs first. Any unexpended, unencumbered balance of these funds shall revert to the General Fund on June 30, 2016.

SECTION 4. The General Assembly finds that considerable resources have already been expended to allow teachers and members of the public to make known their opinions and concerns surrounding adoption of academic standards. Specifically, the General Assembly finds that (i) on March 20, 2014, a Legislative Research Commission committee heard more than two hours of comment from stakeholders and interested members of the public on the subject; and (ii) on October 20, 2014, the Department of Public Instruction surveyed every public school teacher in the State on the subject.

Accordingly, funds transferred pursuant to Section 2 of this act shall not be used by the Academic Standards Review Commission to conduct any survey related to the adoption of academic standards or to contract for the performance of such a survey by any third party.

SECTION 5. Notwithstanding any other provision of law, the Academic Standards Review Commission is 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. Additionally, the Commission shall have the duty to comply with all of the following:

(1) All minutes, agendas, handouts, and presentations created during the course of the Commission's work, and any audio recordings of the Commission's meetings, shall be published on the Commission's Web site.

(2) All official meetings, as that term is defined in G.S. 143-318.10, of the Commission shall be streamed live over the Internet in a manner that allows members of the public to listen to the proceedings.

SECTION 6. In implementing Section 2 of this act, the State Board of Education shall make reductions to the operating budget of the Department of Public Instruction and shall make no reduction to funding or positions for:

(1) The North Carolina Center for Advancement of Teaching.

(2) The Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf, and the Governor Morehead School.

(3) Communities in Schools of North Carolina, Inc.

(4) Teach for America, Inc.

(5) Beginnings For Parents of Children Who Are Deaf or Hard of Hearing, Inc.

SECTION 7. G.S. 62-302.1(d) reads as rewritten:

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

...

(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.~~ Subject to appropriation by the General Assembly, twenty-six and one-half percent (26.5%) of the moneys in the Fund shall be used by the Coal Ash Management Commission and the remainder shall be used by the Department of Environment and Natural Resources. 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."

SECTION 8. Sections 15(c) through 15(e) of S.L. 2014-122 read as rewritten:

"**SECTION 15.(c)** ~~Twenty-five~~Up to 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.~~ There is appropriated from the Coal Combustion Residuals Management Fund the sum of six hundred thirty thousand dollars ($630,000) to the Department of Public Safety to support the positions 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) If the moneys in the Coal Combustion Residuals Management Fund are insufficient to support the appropriations set out in subsection 15(c) and subsection 15(d) of this section for the 2014-2015 fiscal year, then each appropriation is hereby reduced on a proportional basis.

~~**SECTION 15.(e)**~~**SECTION 15.(f)** 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."

SECTION 9.(a) G.S. 143-215.31(a1) reads as rewritten:

"(a1) The owner of a dam classified by the Department as a high-hazard dam or an intermediate-hazard dam shall develop an Emergency Action Plan for the dam as provided in this subsection;

(1) The owner of the dam shall submit a proposed Emergency Action Plan for the dam within 90 days after the dam is classified as a high-hazard dam or an intermediate-hazard dam to the Department and the Department of Public Safety for their review and approval. The Department and the Department of Public Safety shall approve the Emergency Action Plan if they determine that it complies with the requirements of this subsection and will protect public health, safety, and welfare; the environment; and natural resources.

(2) The Emergency Action Plan shall include, at a minimum, all of the following:

a. A description of potential emergency conditions that could occur at the dam, including security risks.

b. A description of actions to be taken in response to an emergency condition at the dam.

c. Emergency notification procedures to aid in warning and evacuations during an emergency condition at the dam.

d. A downstream inundation map depicting areas affected by a dam failure and sudden release of the impoundment. A downstream inundation map prepared pursuant to this section does not require preparation by a licensed professional engineer or a person under the responsible charge of a licensed professional engineer unless the dam is associated with a coal combustion residuals surface impoundment, as defined by G.S. 130A-309.201."

SECTION 9.(b) Section 8(b) of S.L. 2014-122 reads as rewritten:

"**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 associated with coal combustion residuals surface impoundments, as defined by G.S. 130A-309.201, 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. 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 not associated with coal combustion residuals surface impoundments, as defined by G.S. 130A-309.201, 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 December 31, 2015."

SECTION 9.(c) The Department of Environment and Natural Resources shall study whether, under certain circumstances, downstream inundation maps prepared pursuant to G.S. 143-215.31 should be prepared by a licensed professional engineer or a person under the responsible charge of a licensed professional engineer. The Department shall consult with the State Board of Examiners for Engineers and Surveyors in the conduct of this study. The Department shall report the results of this study to the Environmental Review Commission no later than March 31, 2016.

SECTION 10. G.S. 143B-431.01(d)(2)(c) reads as rewritten:

"(d) Limitations. – Prior to contracting with a North Carolina nonprofit corporation pursuant to this section and in order for the North Carolina nonprofit corporation to receive State funds, the following conditions shall be met:

...

(2) The nonprofit corporation adheres to the following governance provisions related to its governing board:

...

c. No State ~~officer or~~ employee may serve on the board.

...."

SECTION 11.(a) Notwithstanding G.S. 143C-6-4 or any other provision of law, the sum of two million dollars ($2,000,000) appropriated 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 shall be nonrecurring. The Department shall not, under any circumstances, use any portion of this two million dollars ($2,000,000) in nonrecurring funds for any purpose not expressly authorized under section 12A.2 of S.L. 2014-100, as amended by this act. Any funds that are not expended or encumbered as of June 30, 2015, shall revert to the General Fund.

SECTION 11.(b) Section 12A.2 of S.L. 2014-100 reads as rewritten:

"~~**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 nonrecurring 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,~~ Exchange (NC HIE), 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.~~the following amounts to be used to fund the following expenses incurred or encumbered by the NCHIE during the period commencing February 1, 2015, and ending June 30, 2015:

(1) Four hundred thirty-six thousand ten dollars ($436,010) to be used for software vendor maintenance, hosting, and licensing costs due under the technology vendor contract currently in effect between NCHIE and Orion.

(2) Three hundred fifty-six thousand nine hundred twenty dollars ($356,920) to be used for NCHIE payroll costs.

(3) Ninety-two thousand one hundred sixty dollars ($92,160) to be used for operational expenses.

SECTION 12A.2.(b1) The Department shall, within five days of this act becoming law, process the payment for the expenses allowed in subsection (b) of this section and incurred or encumbered between February 1, 2015, and June 30, 2015. The NC HIE shall not use any portion of the funds allocated to the NC HIE pursuant to subsection (b) of this section for expenses incurred or encumbered prior to February 1, 2015, or for any other purpose not expressly authorized under subsection (b) of this section.

SECTION 12A.2.(b2) In addition to the allocations authorized under subsection (b) of this section, of the two million dollars ($2,000,000) of nonrecurring funds appropriated 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 transfer the sum of one hundred fifty thousand dollars ($150,000) to the Office of the State Chief Information Officer (SCIO). The SCIO, in conjunction with the Department, shall use these funds to conduct an assessment of the existing functionality, structure, and operation of 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~~May 1, 2015, the Department shall submit to the House Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committees on Health and Human Services and Information Technology, and the Fiscal Research Division a report on ~~its use of (i)~~all State appropriations allocated to or on behalf of 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.~~section.

SECTION 12A.2.(d) By June 1, 2015, the Department, in conjunction with the Office of the SCIO, shall submit to the Joint Legislative Oversight Committees on Health and Human Services and Information Technology and to the Fiscal Research Division the results of the results of the assessment conducted pursuant to subsection (b2) of this section.

SECTION 12A.2.(e) It is the intent of the General Assembly to continue efforts towards the implementation of a statewide HIE."

SECTION 11.5.(a) The State Auditor shall conduct a performance audit of county departments of social services' administration of the North Carolina Medicaid program. The audit shall examine the county departments of social services' accuracy in determining eligibility for Medicaid and their compliance with the requirements of the Centers for Medicare and Medicaid Services and State law. The audit shall also consider the impact of the Department of Health and Human Services' policy decisions related to re-enrollment eligibility determinations. In conducting the audit, the auditor shall ensure:

(1) A representative sample of counties, including both urban and rural counties, is audited.

(2) A statistically significant number of cases are audited in each county in the sample.

SECTION 11.5.(b) The audit required by Section 11.5(a) shall include the State Auditor's examination of at least all of the following:

(1) The accuracy of Medicaid application eligibility determinations.

(2) The timeliness of Medicaid application determinations.

(3) The accuracy of Medicaid re-enrollment eligibility determinations.

(4) The timeliness of Medicaid re-enrollment eligibility determinations.

(5) The accuracy of presumptive Medicaid application determinations.

(6) The timeliness of presumptive Medicaid application determinations.

(7) The controls and oversight county departments of social services have in place to ensure accurate and timely processing of Medicaid applications and re-enrollment.

SECTION 11.5.(c) The State Auditor shall submit a preliminary report on the performance audit required by this section to the Joint Legislative Oversight Committee on Health and Human Services and to the Fiscal Research Division by June 1, 2015, and shall complete the performance audit by February 1, 2016. The Department of Health and Human Services and county departments of social services shall give the State Auditor full access to all data necessary to complete the audit and the report.

SECTION 12. Sections 7 and 8 of this act become effective July 1, 2014. Section 9 of this act is effective retroactively to September 20, 2014. Section 11 of this act is effective when it becomes law or June 30, 2015, whichever is earlier. 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 April, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

This bill having been presented to the Governor for signature on the 1st day of April, 2015, and the Governor having failed to approve it within the time prescribed by law, the same is hereby declared to have become a law. This 13th day of April, 2015.

s/ Karen Jenkins
Enrolling Clerk

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-238
SENATE BILL 15

AN ACT TO MAKE CHANGES TO THE UNEMPLOYMENT INSURANCE LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON UNEMPLOYMENT INSURANCE, AND TO CONFIRM APPOINTMENTS TO THE BOARD OF REVIEW.

The General Assembly of North Carolina enacts:

PART I. ENHANCE UI PROGRAM INTEGRITY/REPORTING

SECTION 1. Chapter 96 of the General Statutes is amended by adding a new Article to read:

"Article 5.
"Miscellaneous Provisions.

"**§ 96-36. Unemployment insurance program integrity; reporting.**

(a) Findings and Purpose. – The General Assembly finds that program integrity measures have been implemented by the Division to maximize the efficiency and effectiveness of the State's unemployment insurance program. The purpose of this section is to assure that these efforts shall include the rigorous and consistent use of business intelligence and data analytics for enhanced unemployment insurance program integrity.

(b) Required Activities. – To achieve the program integrity enhancements required by this section, at a minimum, the Division shall do all of the following:

(1) Prioritize Division program integrity efforts that maximize utilization of and information sharing with or between these projects and initiatives in order to prevent, detect, and reduce unemployment insurance fraud, improper payments, overpayments, and other programmatic irregularities:
  a. Government Data Analytics Center (GDAC);
  b. Southeast Consortium Unemployment Insurance Benefits Initiative (SCUBI); and
  c. Any other program integrity capabilities identified by the Division.

(2) Coordinate efforts with the Office of Information Technology Services to ensure that the Division identifies and integrates into its operations and procedures the most effective and accurate processes and scalable tools available to prevent payment of fraudulent, suspicious, or irregular claims.

(3) Coordinate efforts with the Department of Revenue to enhance alerts indicating circumvention of the payment of unemployment insurance taxes.

(4) Coordinate efforts with the Department of Health and Human Services to facilitate claims cross-matching and other appropriate steps to enhance program integrity.

(5) Coordinate efforts with the Office of State Controller to facilitate cross-matching and other appropriate steps using BEACON (Building Enterprise Access for North Carolina's Core Operation Needs).

(c) Quarterly Reporting. – Beginning October 1, 2015, and then quarterly thereafter, the Division shall make detailed written progress reports on its efforts to carry out all of the directives in this section to the chairs of the Joint Legislative Oversight Committee on Unemployment Insurance, the chairs of the Joint Legislative Oversight Committee on Information Technology, the chairs of the House Appropriations Subcommittee on Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division. At a minimum, the quarterly report shall include all of the following:

(1) Metrics regarding unemployment benefits overpayments, improper payments, and fraudulent payments, in terms of both percentage and dollar amount.

(2) Information on fraud perpetrator metrics, in terms of percent and value, by type (whether by employer or claimant), and activity subcategory, such as employee misclassification, unemployment insurance tax rate manipulation (SUTA dumping), fictitious employers, fictitious claimants, deceased claimants, incarcerated claimants, work and earn, and similar activities.

(3) Quantified investigation activity, including the following:

a. Type and subcategory of investigations.

b. Number of alerts received during the quarter.

c. Number of alerts investigated during the quarter.

d. Number of false positives.

e. Number of dispositions entered.

(d) Annual Reporting. – Beginning January 1, 2016, the Division shall make an annual report to the General Assembly on its efforts to carry out all of the directives in this section. At a minimum, each annual report shall include all of the following information:

(1) The methodology used by the Division to determine analytic priorities for unemployment insurance program integrity investigation.

(2) A report on the State's Benefit Accuracy Measurement (BAM) as required by the U.S. Department of Labor, including how North Carolina's BAM has changed over time and how its current rate compares to other states. The report shall also include an update on BAM methodology and information regarding how it might be modified.

(3) An explanation of the Division's unemployment insurance program integrity activities in coordination with the Office of Information Technology Services, the Department of Health and Human Services, the Department of Revenue, and the Office of State Controller as required by subsection (b) of this section.

(4) Division workflows, both intra-agency and interagency, to address process problems and program integrity issues, including identification of tools, resources, and plans for continued improvement of unemployment insurance program integrity efforts.

(5) An analysis of the information required by subsection (c) of this section, along with an explanation of how that information will be used to augment the State's business intelligence and data analytics capabilities to prevent, detect, and reduce unemployment insurance fraud, improper payments, overpayments, and other programmatic irregularities."

PART II. UNEMPLOYMENT INSURANCE LAW CHANGES

SECTION 2.1. G.S. 20-7(b2) is amended by adding a new subdivision to read:

"(b2) Disclosure of Social Security Number. – The social security number of an applicant is not a public record. The Division may not disclose an applicant's social security number except as allowed under federal law. A violation of the disclosure restrictions is punishable as provided in 42 U.S.C. § 408, and amendments to that law.

In accordance with 42 U.S.C. 405 and 42 U.S.C. 666, and amendments thereto, the Division may disclose a social security number obtained under subsection (b1) of this section only as follows:

...

(7) To the Department of Commerce, Division of Employment Security, for the purpose of verifying employer and claimant identity."

SECTION 2.2.(a) G.S. 96-14.9(e) reads as rewritten:

"(e) Actively Seeking Work. – The Division's determination of whether an individual is actively seeking work is based upon the following:

(1) The individual is registered for employment services, as required by the Division.

(2) The individual has engaged in an active search for employment that is appropriate in light of the employment available in the labor market and the individual's skills and capabilities.

(3) The individual has ~~sought work on at least two different days during the week and~~ made at least ~~two~~ five job contacts with potential ~~employers.~~employers during the week.

(4) The individual has maintained a record of the individual's work search efforts. The record must include the potential employers contacted, the method of contact, and the date contacted. The individual must provide the record to the Division upon request."

SECTION 2.2.(b) This section becomes effective January 1, 2016, and applies to claims for benefits filed on or after that date.

SECTION 2.3.(a) G.S. 96-15(h) reads as rewritten:

"(h) Judicial Review. – ~~Any~~ A decision of the ~~Division, in the absence of judicial review as herein provided, or in the absence of an interested party filing a request for reconsideration, shall become~~ Board of Review becomes final 30 days after the date of ~~notification or~~ mailing ~~thereof, whichever is earlier.~~ unless a party to the decision seeks judicial review as provided in this subsection. Judicial review ~~shall be~~ is permitted only after a party claiming to be aggrieved by the decision has exhausted ~~his remedies before the Division as provided in this Chapter~~ the remedies provided in this Chapter and has filed a petition for review in the superior court of the county in which ~~he~~ the petitioner resides or ~~has his~~ the county in which the petitioner's principal place of ~~business.~~ business is located. The petition for review ~~shall~~ must explicitly state what exceptions are taken to the decision or procedure ~~of the Division~~ and what relief the petitioner seeks. Within 10 days after the petition is filed with the court, the petitioner ~~shall~~ must serve copies of the petition by personal service or by certified mail, return receipt requested, upon the Division and upon all parties of record to the Division proceedings. The Division must furnish the petitioner the names ~~Names~~ and addresses of the parties ~~shall be furnished to the petitioner by the Division~~ upon request. The Division ~~shall be deemed to be~~ is a party to any judicial action involving any of its decisions and may be represented in the judicial action by any qualified attorney who has been designated by it for that purpose. Any questions regarding the requirements of this subsection concerning the service or filing of a petition shall be determined by the superior court. Any party to the Division proceeding may become a party to the review proceeding by notifying the court within 10 days after receipt of the copy of the petition. Any person aggrieved may petition to become a party by filing a motion to intervene as provided in G.S. 1A-1, Rule 24.

Within 45 days after receipt of the copy of the petition for review or within such additional time as the court may allow, the Division ~~shall~~ must transmit to the reviewing court the original or a certified copy of the entire record of the proceedings under review. With the permission of the court the record may be shortened by stipulation of all parties to the review proceedings. Any party unreasonably refusing to stipulate to limit the record may be taxed by the court for ~~such~~ the additional cost ~~as is occasioned~~ incurred by the refusal. The court may require or permit subsequent corrections or additions to the record when ~~deemed~~ the court considers the changes desirable."

SECTION 2.3.(b) This section becomes effective October 1, 2015, and applies to decisions made on or after that date.

SECTION 2.4.(a) G.S. 96-3 reads as rewritten:

"**§ 96-3. Division of Employment Security.**

The Division of Employment Security (DES) is created within the Department of Commerce and shall administer the provisions of this Chapter under the supervision of the Assistant Secretary of ~~Commerce through two coordinate sections: the Employment Security Section and the Employment Insurance Section. The Employment Security Section shall administer the employment services functions of the Division. The Employment Insurance Section shall administer the unemployment taxation and assessment functions of the Division.~~Commerce."

SECTION 2.4.(b) G.S. 96-4(j) reads as rewritten:

"(j) Hearings. – The Assistant Secretary shall appoint hearing officers or appeals referees to hear contested matters arising from the ~~Employment Security Section and the Employment Insurance Section.~~ Division of Employment Security. Appeals from the decisions of the hearing officers or appeals referees shall be heard by the Board of Review."

SECTION 2.4.(c) G.S. 96-9.15(f) reads as rewritten:

"(f) Domestic Employer Exception. – The Division may authorize an employer of domestic service employees to file an annual report and to file that report by telephone. An

annual report allowed under this subsection is due on or before the last day of the month following the close of the calendar year in which the wages are paid. A domestic service employer that files a report by telephone must contact either the tax auditor assigned to the employer's account or the ~~Employment Insurance Section~~ Division of Employment Security in Raleigh and report the required information to that auditor or to that section by the date the report is due."

SECTION 2.5.(a) G.S. 1-359 reads as rewritten:

"**§ 1-359. Debtors of judgment debtor may satisfy execution.**

(a) After the issuing of an execution against property, all persons indebted to the judgment debtor, or to any one of several debtors in the same judgment, may pay to the sheriff the amount of their debt, or as much thereof as is necessary to satisfy the execution; and the sheriff's receipt is a sufficient discharge for the amount paid.

(b) When the Division of Employment Security of the Department of Commerce (Division) prevails in a civil action against an employer to collect unpaid employment taxes under G.S. 96-10(b), the Division may attach or garnish the employer's credit card receipts or other third-party payments in payment of the unpaid taxes in the manner provided by subsection (a) of this section. Direct receipt by the Division is a sufficient discharge for the amount paid by a credit card company, clearinghouse, or third-party payment processor."

SECTION 2.5.(b) G.S. 96-10 reads as rewritten:

"**§ 96-10. Collection of contributions.**

...

(b) Collection. –

(1) If, after due notice, any employer defaults in any payment of contributions or interest thereon, the amount due shall be collected by civil action in the name of the Division, and the employer adjudged in default shall pay the costs of such action. Civil actions brought under this section to collect contributions or interest thereon from an employer shall be heard by the court at the earliest possible date, and shall be entitled to preference upon the calendar of the court over all other civil actions, except petitions for judicial review under this Chapter and cases arising under the Workers' Compensation Law of this State; or, if any contribution imposed by this Chapter, or any portion thereof, and/or penalties duly provided for the nonpayment thereof shall not be paid within 30 days after the same become due and payable, and after due notice and reasonable opportunity for hearing, the Division, under the hand of the Assistant Secretary, may certify the same to the clerk of the superior court of the county in which the delinquent resides or has property, and additional copies of said certificate for each county in which the Division has reason to believe the delinquent has property located. If the amount of a delinquency is less than fifty dollars ($50.00), the Division may not certify the amount to the clerk of court until a field tax auditor or another representative of the Division personally contacts, or unsuccessfully attempts to personally contact, the delinquent and collect the amount due. A certificate or a copy of a certificate forwarded to the clerk of the superior court shall immediately be docketed and indexed on the cross index of judgments, and from the date of such docketing shall constitute a preferred lien upon any property which said delinquent may own in said county, with the same force and effect as a judgment rendered by the superior court. The Division shall forward a copy of said certificate to the sheriff or sheriffs of such county or counties, or to a duly authorized agent of the Division, and when so forwarded and in the hands of such sheriff or agent of the Division, shall have all the force and effect of an execution issued to such sheriff or agent of the Division by the clerk of the superior court upon a judgment of the superior court duly docketed in said county. Provided, however, the Division may in its discretion withhold the issuance of said certificate or execution to the sheriff or agent of the Division for a period not exceeding 180 days from the date upon which the original certificate is certified to the clerk of superior court. The Division is further authorized and empowered to issue alias copies of said certificate or execution to the sheriff or sheriffs of such county or counties, or to a duly

authorized agent of the Division in all cases in which the sheriff or duly authorized agent has returned an execution or certificate unsatisfied; when so issued and in the hands of the sheriff or duly authorized agent of the Division, such alias shall have all the force and effect of an alias execution issued to such sheriff or duly authorized agent of the Division by the clerk of the superior court upon a judgment of the superior court duly docketed in said county. Provided, however, that notwithstanding any provision of this subsection, upon filing one written notice with the Division, the sheriff of any county shall have the sole and exclusive right to serve all executions and make all collections mentioned in this subsection and in such case no agent of the Division shall have the authority to serve any executions or make any collections therein in such county. A return of such execution, or alias execution, shall be made to the Division, together with all moneys collected thereunder, and when such order, execution, or alias is referred to the agent of the Division for service the said agent of the Division shall be vested with all the powers of the sheriff to the extent of serving such order, execution or alias and levying or collecting thereunder. The agent of the Division to whom such order or execution is referred shall give a bond not to exceed three thousand dollars ($3,000) approved by the Division for the faithful performance of such duties. The liability of said agent shall be in the same manner and to the same extent as is now imposed on sheriffs in the service of executions. If any sheriff of this State or any agent of the Division who is charged with the duty of serving executions shall willfully fail, refuse, or neglect to execute any order directed to him by the said Division and within the time provided by law, the official bond of such sheriff or of such agent of the Division shall be liable for the contributions, penalty, interest, and costs due by the employer. Any judgment that is executable and allowed under this section shall be subject to attachment and garnishment under G.S. 1-359(b) in payment of unpaid taxes that are due from the employer and collectable under this Article.

...

(i) Except as otherwise provided in this subsection, no suit or proceedings for the collection of unpaid contributions may be begun under this Chapter after five years from the date on which the contributions become due, and no suit or proceeding for the purpose of establishing liability and/or status may be begun with respect to any period occurring more than five years prior to the first day of January of the year within which the suit or proceeding is instituted. This subsection shall not apply in any case of willful attempt in any manner to defeat or evade the payment of any contributions becoming due under this Chapter. A proceeding shall be deemed to have been instituted or begun upon the date of issuance of an order by the ~~Assistant Secretary of the Division~~ Board of Review directing a hearing to be held to determine liability or nonliability, and/or status under this Chapter of an employing unit, or upon the date notice and demand for payment is mailed by certified mail to the last known address of the employing unit. The order shall be deemed to have been issued on the date the order is mailed by certified mail to the last known address of the employing unit. The running of the period of limitations provided in this subsection for the making of assessments or collection shall, in a case under Title II of the United States Code, be suspended for the period during which the Division is prohibited by reason of the case from making the assessment or collection and for a period of one year after the prohibition is removed.

...."

SECTION 2.6. G.S. 96-14.9 reads as rewritten:

"**§ 96-14.9. Weekly certification.**

(a) Requirements. – An individual's eligibility for a weekly benefit amount is determined on a week-to-week basis. An individual must meet all of the requirements of this section for each weekly benefit period. An individual who fails to meet one or more of the requirements is ineligible to receive benefits until the condition causing the ineligibility ceases to exist:

(1) File a claim for benefits.

(2) Report ~~at an employment office~~ as requested by the ~~Division.~~Division and present valid photo identification meeting the requirements of subsection (k) of this section.

(3) Meet the work search requirements of subsection (b) of this section.

...

(k) Photo Identification. – The individual must present the Division one of the following documents bearing the individual's photograph:

(1) A drivers license, learner's permit, provisional license, or nonoperator's identification card issued by North Carolina, another state, the District of Columbia, United States territory, or United States commonwealth.

(2) A United States passport.

(3) A United States military identification card.

(4) A Veterans Identification Card issued by the United States Department of Veterans Affairs.

(5) A tribal enrollment card issued by a federally recognized tribe.

(6) Any other document that the Division determines adequately identifies the individual and that is issued by the United States, any state, the District of Columbia, United States territory, or United States commonwealth.

(7) A traveler card issued by the U.S. Department of Homeland Security, such as the NEXUS SENTRI and FAST CARDS."

SECTION 2.7. Section 1.10(c) of S.L. 2011-401 reads as rewritten:

"**SECTION 1.10.(c)** The Department of Commerce, Division of Employment Security, shall adopt ~~all existing~~ rules and regulations in accordance with Article 2A of Chapter 150B of the General Statutes. Any existing rule that has not been readopted and filed with the Rules Review Commission by ~~December 31, 2012,~~ May 20, 2015, shall expire."

SECTION 2.8.(a) G.S. 96-14.4 is repealed.

SECTION 2.8.(b) G.S. 96-14.3 reads as rewritten:

"**§ 96-14.3. ~~Minimum and maximum duration~~ Duration of benefits.**

(a) Duration. – The ~~minimum and maximum~~ number of weeks an individual is allowed to receive unemployment benefits depends on the seasonal adjusted statewide unemployment rate that applies to the six-month base period in which the claim is filed. One six-month base period begins on January 1 and one six-month base period begins on July 1. For the base period that begins January 1, the average of the seasonal adjusted unemployment rates for the State for the preceding months of July, August, and September applies. For the base period that begins July 1, the average of the seasonal adjusted unemployment rates for the State for the preceding months of January, February, and March applies. The Division must use the most recent seasonal adjusted unemployment rate determined by the U.S. Department of Labor, Bureau of Labor Statistics, and not the rate as revised in the annual benchmark. ~~The number of weeks allowed for an individual is determined in accordance with G.S. 96-14.4.~~

Seasonal Adjusted Unemployment Rate	**~~Minimum Number of Weeks~~**	**~~Maximum~~ Number of Weeks**
Less than or equal to 5.5%	~~5~~	12
Greater than 5.5% up to 6%	~~6~~	13
Greater than 6% up to 6.5%	~~7~~	14
Greater than 6.5% up to 7%	~~8~~	15
Greater than 7% up to 7.5%	~~9~~	16
Greater than 7.5% up to 8%	~~10~~	17
Greater than 8% up to 8.5%	~~11~~	18
Greater than 8.5% up to 9%	~~12~~	19
Greater than 9%	~~13~~	20

(b) Total Benefits. – The total benefits paid to an individual equals the individual's weekly benefit amount allowed under G.S. 96-14.2 multiplied by the number of weeks allowed under subsection (a) of this section."

SECTION 2.8.(c) G.S. 96-14.12(b) reads as rewritten:

"(b) Duration of Benefits. – This subsection applies to an individual and the spouse of an individual who is unemployed based on services performed for a corporation in which the individual held five percent (5%) or more of the outstanding shares of the voting stock of the corporation. The maximum number of weeks an individual or an individual's spouse may

receive benefits is ~~limited to the lesser of~~ six ~~weeks or the applicable weeks determined under G.S. 96-14.4.~~weeks."

SECTION 2.8.(d) G.S. 96-16(f) reads as rewritten:

"(f) (1) A seasonal worker shall be eligible to receive benefits based on seasonal wages only for a week of unemployment which occurs, or the greater part of which occurs within the active period or periods of the seasonal pursuit or pursuits in which he earned base period wages.

(2) A seasonal worker shall be eligible to receive benefits based on nonseasonal wages for any week of unemployment which occurs during any active period or periods of the seasonal pursuit in which he has earned base period wages provided he has exhausted benefits based on seasonal wages. Such worker shall also be eligible to receive benefits based on nonseasonal wages for any week of unemployment which occurs during the inactive period or periods of the seasonal pursuit in which he earned base period wages irrespective as to whether he has exhausted benefits based on seasonal wages.

(3) The maximum amount of benefits which a seasonal worker shall be eligible to receive based on seasonal wages shall be an amount, adjusted to the nearest multiple of one dollar ($1.00), determined by multiplying the maximum benefits payable in his benefit year, as provided in ~~G.S. 96-14.4,~~ G.S. 96-14.3, by the percentage obtained by dividing the seasonal wages in his base period by all of his base period wages.

(4) The maximum amount of benefits which a seasonal worker shall be eligible to receive based on nonseasonal wages shall be an amount, adjusted to the nearest multiple of one dollar ($1.00), determined by multiplying the maximum benefits payable in his benefit year, as provided in ~~G.S. 96-14.4,~~ G.S. 96-14.3, by the percentage obtained by dividing the nonseasonal wages in his base period by all of his base period wages.

(5) In no case shall a seasonal worker be eligible to receive a total amount of benefits in a benefit year in excess of the maximum benefits payable for such benefit year, as provided in ~~G.S. 96-14.4.~~G.S. 96-14.3."

SECTION 2.8.(e) This section becomes effective July 1, 2015.

SECTION 2.9. G.S. 96-15 reads as rewritten:

"**§ 96-15. Claims for benefits.**

...

(b) ...

(2) Adjudication. – When a protest is made by the claimant to the initial or monetary determination, or a question or issue is raised or presented as to the eligibility of a claimant, or whether any disqualification should be imposed, or benefits denied or adjusted pursuant to G.S. 96-18, the matter shall be referred to an adjudicator. The adjudicator may consider any matter, document or statement deemed to be pertinent to the issues, including telephone conversations, and after such consideration shall render a conclusion as to the claimant's benefit entitlements. The adjudicator shall notify the claimant and all other interested parties of the conclusion reached. The conclusion of the adjudicator shall be deemed the final decision of the Division unless within 30 days after the date of notification or mailing of the conclusion, whichever is earlier, a written appeal is filed pursuant to rules adopted by the Division. The Division shall be deemed an interested party for such purposes and may remove to itself or transfer to an appeals referee the proceedings involving any claim pending before an adjudicator.

Provided, any interested employer shall be allowed 14 days from the mailing or delivery of the notice of the filing of a claim against the employer's account, whichever first occurs, to file with the Division its protest of the claim in order to have the claim referred to an adjudicator for a decision on the question or issue raised. Any protest filed must contain a basis for the protest and supporting statement of facts, and the protest may not be amended after the 14-day period from the mailing or delivery of the notice of filing of a claim has expired. ~~A copy of the notice of the filing shall be sent contemporaneously to the employer by telefacsimile transmission if a~~

~~fax number is on file.~~ No payment of benefits shall be made by the Division to a claimant until one of the following occurs:

a. The employer has filed a timely protest to the claim.

b. The 14-day period for the filing of a protest by the employer has expired.

c. A determination under this subdivision has been made.

Provided further, no question or issue may be raised or presented by the Division as to the eligibility of a claimant, or whether any disqualification should be imposed, after 45 days from the first day of the first week after the question or issue occurs with respect to which week an individual filed a claim for benefits. None of the provisions of this subsection shall have the force and effect nor shall the same be construed or interested as repealing any other provisions of G.S. 96-18.

An employer shall receive written notice of the employer's appeal rights and any forms that are required to allow the employer to protest the claim. The forms shall include a section referencing the appropriate rules pertaining to appeals and the instructions on how to appeal.

...

(d1) No continuance shall be granted except upon application to the Division, the appeals referee, or other authority assigned to make the decision in the matter to be continued. A continuance may be granted only ~~for good cause shown and~~ upon such terms and conditions as ~~justice may require. Good cause~~ the Division by rule shall provide. Acceptable grounds for granting a continuance shall include, but not be limited to, those instances when a party to the proceeding, a witness, or counsel of record has an obligation of service to the State, such as service as a member of the North Carolina General Assembly, or an obligation to participate in a proceeding in a court of greater jurisdiction.

...."

SECTION 2.10.(a) G.S. 96-14.1(b) reads as rewritten:

"(b) Valid Claim. – To obtain benefits, an individual must file a valid claim for unemployment ~~benefits and~~ benefits, register for ~~work.~~ work, and have a weekly benefit amount calculated pursuant to G.S. 96-14.2(a) that equals or exceeds fifteen dollars ($15.00). An individual must serve a one-week waiting period for each claim filed. A valid claim is one that meets the employment and wage standards in this subsection for the individual's base period. A valid claim for a second benefit year is one that meets the employment and wage standards in this subsection since the beginning date of the prior benefit year and before the date the new benefit claim is filed:

(1) Employment. – The individual has been paid wages in at least two quarters of the individual's base period.

(2) Wages. – The individual has been paid wages totaling at least six times the average weekly insured wage during the individual's base period. If an individual lacks sufficient base period wages, then the wage standard for that individual is determined using the last four completed calendar quarters immediately preceding the first day of the individual's benefit year. This alternative base period may not be used by an individual in making a claim for benefits in the next benefit year."

SECTION 2.10.(b) This section is effective when it becomes law and applies to benefit claims filed on or after October 4, 2015.

PART III. DIVISION OF EMPLOYMENT SECURITY BOARD OF REVIEW

SECTION 3.1.(a) Notwithstanding the appointment provisions in G.S. 96-4(b) and in G.S. 96-15.3, as enacted by this act, and to achieve the staggered terms provided in G.S. 96-15.3, as enacted by this act, Jeanette Doran, appointed by the Governor in December 2013 to serve on the Board of Review as the member that represents the general public, is confirmed to serve on the Board of Review for the term beginning upon appointment and expiring on June 30, 2015. In accordance with G.S. 96-15.3, as enacted by this act, the term beginning July 1, 2015, will expire on June 30, 2019.

SECTION 3.1.(b) Notwithstanding the appointment provisions in G.S. 96-15.3, as enacted by this act, Jeanette Doran, appointed by the Governor in December 2013 to serve on

the Board of Review as the member that represents the general public, is confirmed to serve on the Board of Review for the term beginning July 1, 2015, and expiring on June 30, 2019.

SECTION 3.1.(c) Notwithstanding the appointment provisions in G.S. 96-4(b) and in G.S. 96-15.3, as enacted by this act, and to achieve the staggered terms provided in G.S. 96-15.3, as enacted by this act, Keith Holliday, appointed by the Governor in December 2013 to serve on the Board of Review as the member that represents employers, is confirmed to serve on the Board of Review for the term beginning upon appointment and expiring on June 30, 2016. In accordance with G.S. 96-15.3, as enacted by this act, the term beginning on July 1, 2016, will expire on June 30, 2020.

SECTION 3.1.(d) Notwithstanding the appointment provisions in G.S. 96-4(b) and in G.S. 96-15.3, as enacted by this act, Stanley Campbell, appointed by the Governor in December 2013 to serve on the Board of Review as the member that represents employees, is confirmed to serve on the Board of Review for the term beginning upon appointment and expiring on June 30, 2017. In accordance with G.S. 96-15.3, as enacted by this act, the term beginning on July 1, 2017, will expire on June 30, 2021.

SECTION 3.2.(a) The following decisions in an appeal by a party to a decision of an appeals referee or hearing officer under Chapter 96 of the General Statutes are hereby validated and given the same legal effect as if those decisions had been issued by the Board of Review (BOR):

(1) Decisions issued by the Assistant Secretary of Commerce for the Division of Employment Security or by the Secretary of Commerce's designee.

(2) Decisions issued by the three individuals appointed by the Governor in December 2013 to serve as members of the BOR.

SECTION 3.2.(b) This section is effective when it becomes law and applies to decisions rendered on or after November 1, 2011.

SECTION 3.3.(a) G.S. 96-4(b) and Section 21 of S.L. 2013-224 are repealed.

SECTION 3.3.(b) Article 2D of Chapter 96 of the General Statutes is amended by adding a new section to read:

"**§ 96-15.3. Board of Review.**

(a) Purpose. – The Board of Review (BOR) is created to determine appeals policies and procedures and to hear appeals arising from the decisions and determinations of the Division. The Department of Commerce must assign staff to the BOR. The BOR and its staff must perform their job responsibilities independent of the Governor, the General Assembly, the Department, and the Division and in accordance with any written guidance promulgated and issued by the U.S. Department of Labor.

(b) Members. – The BOR consists of three members appointed by the Governor and subject to confirmation by the General Assembly as provided in subsection (c) of this section. One member must be classified as representative of employees, one member must be classified as representative of employers, and one member must be classified as representative of the general public. The member appointed to represent the general public will serve as chair of the BOR and must be a licensed attorney in this State.

Members of the BOR serve staggered four-year terms. A term begins on July 1 of the year of appointment and ends on June 30 of the fourth year. No individual may serve more than two terms on the BOR. In calculating the number of terms served, a partial term that is less than 24 months in length will not be included. The General Assembly must set the annual salaries of the BOR in the current Operations Appropriations Act.

(c) Confirmation. – Appointments of members to serve on the BOR are subject to confirmation by the General Assembly by joint resolution. The Governor must submit the name of the individual the Governor wants to appoint to the BOR to the General Assembly for confirmation on or before May 1 of the year of the expiration of the term. If the General Assembly does not confirm the appointment by May 30, the office will be considered vacant and must be filled in accordance with subsection (d) of this section. The Governor may not resubmit the name of the nominee whom the General Assembly did not confirm for the office. If the Governor fails to timely submit a nomination, the General Assembly will appoint to fill the succeeding term as provided in subsection (e) of this section.

(d) Vacancies. – For the purpose of this subsection, the General Assembly is not in session only (i) prior to convening of the regular session, (ii) during any adjournment of the regular session for more than 10 days, and (iii) after sine die adjournment of the regular

session. A vacancy in an office of the BOR prior to the expiration of the term of office must be filled in accordance with this subsection:

(1) During legislative session. – If a vacancy in an office arises or exists when the General Assembly is in session, the Governor must submit the name of the individual to be appointed to fill the vacancy for the remainder of the unexpired term within 30 days after the vacancy arises to the General Assembly for confirmation by the General Assembly. If the General Assembly does not confirm the appointment within 30 days after the General Assembly receives the nomination, the office will be considered vacant and must be filled in accordance with this subsection. The Governor may not resubmit the name of the nominee whom the General Assembly did not confirm for the vacancy. If the Governor fails to timely submit a nomination, the General Assembly will appoint to fill the vacancy as provided in subsection (e) of this section.

(2) During legislative interim. – If a vacancy in an office arises or exists when the General Assembly is not in session, the Governor must appoint an individual to that office to serve on an interim basis pending confirmation by the General Assembly. The Governor must submit the name of the individual to be appointed to fill the vacancy for the remainder of the unexpired term to the General Assembly for confirmation within 14 days of the date the General Assembly convenes or reconvenes for the next regular session. If the Governor fails to timely submit a nomination, the General Assembly will appoint to fill the vacancy as provided in subsection (e) of this section.

(e) Legislative Appointments. – If the Governor fails to timely submit the name of an individual to be appointed to the BOR as provided in this section, then the General Assembly may appoint an individual to fill the vacancy in accordance with G.S. 120-121 and the provisions of this subsection. If the vacancy occurs in an odd-numbered year, the appointment is made upon the recommendation of the President Pro Tempore of the Senate. If the vacancy occurs in an even-numbered year, the appointment is made upon the recommendation of the Speaker of the House of Representatives."

SECTION 3.4. The Joint Legislative Program Evaluation Oversight Committee shall include in the 2015-2017 Work Plan for the Program Evaluation Division of the General Assembly a study of the value provided to the State by the Board of Review (BOR). The Division shall report its findings and recommendations to the Joint Legislative Program Evaluation Oversight Committee and to the Joint Legislative Oversight Committee on Unemployment Insurance by March 1, 2016. The study should include the following:

(1) A cost-benefit analysis of the State provision of a higher level of appeal of decisions for the Division of Employment Security through the BOR:
   a. Annual costs of the BOR.
   b. Number of cases handled annually by the BOR.
   c. Average time for BOR to process a case.
   d. Cost per case.
   e. Number and percentage of BOR decisions differing from the initial decision.
   f. Average percentage distribution of time BOR staff members spend on BOR tasks and tasks unrelated to BOR.
   g. Independence of BOR staff from budgetary control, direction, or override by non-BOR agency employees and officers.

(2) A comparison to other states with BOR functions on the same factors enumerated in subdivision (1) of this section.

(3) A determination of how the cost of BOR compares to the monetary value derived from the BOR appeals function.

(4) A determination if BOR resources could be applied more efficiently and effectively to provide equivalent value to the State.

(5) An identification of noneconomic or nonquantifiable justifications, if any, of a BOR function.

(6) Any Program Evaluation Division recommendations for administrative or legislative consideration.

PART IV. TAX CHANGES

SECTION 4.1.(a) G.S. 96-9.2(c) reads as rewritten:

"(c) Contribution Rate for Experience-Rated Employer. – The contribution rate for an experience-rated employer who does not qualify as a beginning employer under subsection (b) of this section is determined in accordance with the table set out below and then rounded to the nearest one-hundredth percent (0.01%), subject to the minimum and maximum contribution rates. The minimum contribution rate is six-hundredths of one percent (0.06%). The maximum contribution rate is five and seventy-six hundredths percent (5.76%). "Total insured wages" are the total wages reported by all insured employers for the 12-month period ending on ~~July 31~~ June 30 preceding the computation date. An employer's experience rating is computed as a reserve ratio in accordance with G.S. 96-9.4. An employer's reserve ratio percentage (ERRP) is the employer's reserve ratio multiplied by sixty-eight hundredths. A positive ERRP produces a lower contribution rate, and a negative ERRP produces a higher contribution rate.

...."

SECTION 4.1.(b) This section is effective when it becomes law and applies to contributions payable for calendar quarters beginning on or after January 1, 2014.

SECTION 4.2.(a) G.S. 96-11.2 reads as rewritten:

"**§ 96-11.2. Allocation of charges to base period employers.**

Benefits paid to an individual are charged to an employer's account ~~when the individual's benefit year has expired.~~ quarterly. Benefits paid to an individual must be allocated to the account of each base period employer in the proportion that the base period wages paid to the individual in a calendar quarter by each base period employer bears to the total wages paid to the individual in the base period by all base period employers. The amount allocated to an employer that pays contributions is multiplied by one hundred twenty percent (120%) and charged to that employer's account. The amount allocated to an employer that elects to reimburse the Unemployment Insurance Fund in lieu of paying contributions is the amount of benefits charged to that employer's account."

SECTION 4.2.(b) This section becomes effective January 3, 2016, and applies to claims effective on or after that date. Claims filed prior to January 3 will be charged annually when the benefit year for that claim ends.

SECTION 4.3. Notwithstanding G.S. 96-9.7(b), the surtax imposed under G.S. 96-9.7 does not apply to the calendar year 2016 if the amount in the State's account in the Unemployment Trust Fund as of March 1, 2016, equals or exceeds one billion dollars ($1,000,000,000).

PART V. EFFECTIVE DATE

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 31st day of August, 2015.

s/ Tom Apodaca
Presiding Officer of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 9:22 a.m. this 10th day of September, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-2
SENATE BILL 20

AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE, TO DECOUPLE FROM CERTAIN PROVISIONS OF THE FEDERAL TAX INCREASE PREVENTION ACT OF 2014, TO MODIFY THE MOTOR FUELS TAX RATE, AND TO MAKE CERTAIN REDUCTIONS WITHIN THE DEPARTMENT OF TRANSPORTATION FOR THE 2014-2015 FISCAL YEAR.

The General Assembly of North Carolina enacts:

PART I. IRC UPDATE

SECTION 1.1 G.S. 105-228.90(b)(1b) reads as rewritten:

"(1b) Code. – The Internal Revenue Code as enacted as of ~~December 31, 2013,~~ January 1, 2015, including any provisions enacted as of that date that become effective either before or after that date."

SECTION 1.2.(a) G.S. 105-130.5B(c) 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.~~ January 1, 2015. 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.

Taxable Year of 85% Add-Back	Dollar Limitation	Investment Limitation
2010	$250,000	$800,000
2011	$250,000	$800,000
2012	$250,000	$800,000
2013	$25,000	$200,000
2014	$25,000	$200,000"

SECTION 1.2.(b) G.S. 105-153.6(c) reads as rewritten:

"§ 105-153.6. 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.~~ January 1, 2015. 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.

Taxable Year of 85% Add-Back	Dollar Limitation	Investment Limitation
2010	$250,000	$800,000
2011	$250,000	$800,000
2012	$250,000	$800,000
2013	$25,000	$200,000
2014	$25,000	$200,000"

SECTION 1.3. G.S. 105-153.5 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. The deduction amounts are as follows:

(1) Standard deduction amount. – 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:

Filing Status	Standard Deduction
Married, filing jointly	$15,000
Head of Household	12,000
Single	7,500
Married, filing separately	7,500.

(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. For taxable year 2014, a taxpayer who elected to take the income exclusion under section 408(d)(8) of the Code for a qualified charitable distribution from an individual retirement plan by a person who has attained the age of 70 1/2 may deduct the amount that would have been allowed as a charitable deduction under section 170 of the Code had the taxpayer not elected to take the income exclusion.

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. For taxable year 2014, 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 shall not include the amount for mortgage insurance premiums treated as qualified residence interest. 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.

...

(d) Decoupling Adjustments. – In calculating North Carolina taxable income, a taxpayer must add to the taxpayer's adjusted gross income any of the following items that are not included in the taxpayer's adjusted gross income:

(1) For taxable year 2014, the amount excluded from the taxpayer's gross income for the discharge of qualified principal residence indebtedness under section 108 of the Code. The purpose of this subdivision is to decouple from the extension of the income exclusion under section 102 of the Tax Increase Prevention Act of 2014.

(2) For taxable year 2014, the amount of the taxpayer's deduction for qualified tuition and related expenses under section 222 of the Code. The purpose of this subdivision is to decouple from the extension of the federal above-the-line deduction under section 107 of the Tax Increase Prevention Act of 2014.

(3) For taxable year 2014, the amount excluded from the taxpayer's gross income for a qualified charitable distribution from an individual retirement plan by a person who has attained age 70 1/2 under section 408(d)(8) of the Code. The purpose of this subdivision is to decouple from the extension of the income exclusion under section 108 of the Tax Increase Prevention Act of 2014.

~~(d)~~(e) S Corporations. – Each shareholder's pro rata share of an S Corporation's income is subject to the adjustments provided in this section and in G.S. 105-153.6."

SECTION 1.4. This Part is effective when the act becomes law. Notwithstanding Section 1.1 of this act, any amendments to the Internal Revenue Code enacted after December 31, 2013, that increase North Carolina taxable income for the 2014 taxable year are effective for taxable years beginning on or after January 1, 2015.

PART II. MOTOR FUEL TAX CHANGES

SECTION 2.1. Effective April 1, 2015, and notwithstanding G.S. 105-449.80, the motor fuel excise tax rate is thirty-six cents (36¢) a gallon.

SECTION 2.2.(a) G.S. 105-449.80 reads as rewritten:

"**§ 105-449.80. Tax rate.**

(a) Rate. – ~~The motor fuel excise tax rate is a flat rate of seventeen and one-half cents (17 1/2¢) a gallon plus a variable wholesale component. The variable wholesale component is either three and one-half cents (3 1/2¢) a gallon or seven percent (7%) of the average wholesale price of motor fuel for the applicable base period, whichever is greater.~~

~~The two base periods are six-month periods; one ends on September 30 and one ends on March 31. The Secretary must set the tax rate twice a year based on the wholesale price for each base period. A tax rate set by the Secretary using information for the base period that ends on September 30 applies to the six-month period that begins the following January 1. A tax rate set by the Secretary using information for the base period that ends on March 31 applies to the six-month period that begins the following July 1.~~For the period that begins on January 1, 2016, and ends on June 30, 2016, the motor fuel excise tax rate is a flat rate of thirty-five cents (35¢) per gallon. For the period that begins on July 1, 2016, and ends on December 31, 2016, the motor fuel excise tax rate is a flat rate of thirty-four cents (34¢) per gallon. For the calendar years beginning on January 1, 2017, the motor fuel excise tax rate is a flat rate of thirty-four cents (34¢) per gallon, multiplied by a percentage. For calendar years beginning on or after January 1, 2018, the motor fuel excise tax rate is the amount for the preceding calendar year, multiplied by a percentage. The percentage is one hundred percent (100%) plus or minus the sum of the following:

(1) The percentage change in population for the applicable calendar year, as estimated under G.S. 143C-2-2, multiplied by seventy-five percent (75%).

(2) The annual percentage change in the Consumer Price Index for All Urban Consumers, multiplied by twenty-five percent (25%). For purposes of this subdivision, "Consumer Price Index for All Urban Consumers" means the United States city average for energy index contained in the detailed report released in the October prior to the applicable calendar year by the Bureau of Labor Statistics of the United States Department of Labor.

~~(b) Wholesale Price. – The Secretary must determine the average wholesale price of motor fuel for each base period. To do this, the Secretary must use information on refiner and~~

~~gas plant operator sales prices of finished motor gasoline and No. 2 diesel fuel for resale, published by the United States Department of Energy in the "Monthly Energy Review", or equivalent data.~~

~~The Secretary must compute the average sales price of finished motor gasoline for the base period, compute the average sales price for No. 2 diesel fuel for the base period, and then compute a weighted average of the results of the first two computations based on the proportion of tax collected on each under this Article for the base period. The Secretary must then convert the weighted average price to a cents per gallon rate and round the rate to the nearest one tenth of a cent (1/10¢). If the converted cents per gallon rate is exactly between two tenths of a cent (2/10¢) the Secretary must round the rate up to the higher of the two.~~

(c) Notification. – The Secretary must notify affected taxpayers of the tax rate to be in effect for each ~~six-month period~~ calendar year beginning January ~~1 and July~~ 1."

SECTION 2.2.(b) G.S. 105-449.107(c) reads as rewritten:

"(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. ~~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 2.2.(c) G.S. 150B-2(8a) reads as rewritten:

"(8a) "Rule" means any agency regulation, standard, or statement of general applicability that implements or interprets an enactment of the General Assembly or Congress or a regulation adopted by a federal agency or that describes the procedure or practice requirements of an agency. The term includes the establishment of a fee and the amendment or repeal of a prior rule. The term does not include the following:

...

j. Establishment of the interest rate that applies to tax assessments under ~~G.S. 105-241.21 and the variable component of the excise tax on motor fuel under G.S. 105-449.80.~~G.S. 105-241.21.

...."

SECTION 2.3. G.S. 105-449.107(c) reads as rewritten:

"(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. 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~~ rate in effect for the ~~two six-month periods of the~~ calendar year for which the refund is claimed."

SECTION 2.4.(a) Section 4.1 of S.L. 2014-100 reads as rewritten:

"**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.

Current Operations – Highway Trust Fund	**2014-2015**
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~~64,643,140
Total Highway Trust Fund Appropriations	**$ ~~1,162,393,140~~1,159,043,140**"

SECTION 2.4.(b) Section 4.2 of S.L. 2014-100 reads as rewritten:

"**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:

Highway Trust Fund Availability Statement	**2014-2015**
Unreserved Fund Balance	$ 0
Estimated Revenue	~~1,162,370,000~~1,159,020,000
Adjustment to Revenue Availability:	
Motor Fuel Tax Refund Repeal (Taxi Cabs)	23,140
Total Highway Trust Fund Availability	**$ ~~1,162,393,140~~1,159,043,140**
Unappropriated Balance	$ 0"

SECTION 2.4.(c) Section 3.1 of S.L. 2014-100 reads as rewritten:

"**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.

Current Operations – Highway Fund	**2014-2015**
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
Reductions Made Pursuant to Senate Bill 20: "IRC Update/Motor Fuel Tax Changes," 2015 Regular Session	(10,050,000)

Total Highway Fund Appropriations ~~$1,984,142,286~~$1,974,092,286"

SECTION 2.4.(d) Section 3.2 of S.L. 2014-100 reads as rewritten:

"**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:

Highway Fund Availability Statement		**2014-2015**
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
Reductions Made Pursuant to Senate Bill 20:		
"IRC Update/Motor Fuel Tax Changes," 2015 Regular Session		(10,050,000)
Revised Total Highway Fund Availability		~~$1,984,142,286~~$1,974,092,286
Unappropriated Balance	**$**	**0"**

SECTION 2.4.(e) For the 2014-2015 fiscal year, appropriations to each certified fund code within the Highway Fund are hereby reduced by one and two-fifths percent (1 2/5%), which shall amount to a total reduction of five million nine hundred eight thousand one hundred twenty-one dollars ($5,908,121). In making the reductions required by this subsection, the following fund codes shall not be reduced:

(1) 84210-0852
(2) 84210-0862
(3) 84210-0864
(4) 84210-0865
(5) 84210-0867
(6) 84210-0868
(7) 84210-0871
(8) 84210-0873
(9) 84210-0877
(10) 84210-0878
(11) 84210-0881
(12) 84210-0882
(13) 84210-0885
(14) 84210-0889
(15) 84210-0892
(16) 84210-0893
(17) 84210-0933
(18) 84210-0934
(19) 84210-0935
(20) 84210-0937
(21) 84210-1165
(22) 84210-1260
(23) 84210-7040
(24) 84210-7615
(25) 84210-7818
(26) 84210-7821
(27) 84210-7822
(28) 84210-7824
(29) 84210-7825
(30) 84210-7826
(31) 84210-7827
(32) 84210-7828
(33) 84210-7834
(34) 84210-7836
(35) 84210-7839
(36) 84210-7841

SECTION 2.4.(f) For the 2014-2015 fiscal year, appropriations to each of the following certified fund codes within the Highway Fund are hereby reduced by one-half percent (1/2%), which shall amount to a total reduction of two million three hundred seventy-nine thousand nine hundred ninety-four dollars ($2,379,994):

(1) 84210-7821
(2) 84210-7822
(3) 84210-7841

SECTION 2.4.(g) For the 2014-2015 fiscal year, and notwithstanding any provision of law to the contrary, the Director of the Budget and the Secretary of Revenue shall make the following reductions:

(1) One million forty-five thousand two hundred dollars ($1,045,200) to the total amount of funds appropriated pursuant to G.S. 136-41.1.
(2) Sixteen thousand seven hundred fifty dollars ($16,750) to the total amount of funds credited to the Wildlife Resources Fund pursuant to G.S. 105-449.126.
(3) Sixteen thousand seven hundred fifty dollars ($16,750) to the total amount of funds credited to the Shallow Draft Navigation Channel and Lake Dredging Fund pursuant to G.S. 105-449.126.

SECTION 2.4.(h) The Secretary of the Department of Transportation shall eliminate a minimum of 40 vacant positions within the Department of Transportation to achieve a total reduction of six hundred eighty-three thousand one hundred eighty-five dollars ($683,185). The Secretary of the Department of Transportation may use lapsed salaries to meet the reduction required under this subsection.

SECTION 2.4.(i) Notwithstanding any provision of law to the contrary, the total amount of funds generated by the reductions in this act shall be used to support the maintenance and operation of the Department of Transportation and for other purposes as enumerated for the Department of Transportation in S.L. 2014-100. To the extent any of the funds generated by the reductions in this act are deemed unappropriated, these funds are hereby appropriated. The Director of the Budget shall modify the certified budget to reflect the reductions to appropriations made in this act.

SECTION 2.5. Sections 2.2 and 2.3 of this Part become effective January 1, 2016. Except as otherwise provided, this act is effective when it becomes law. Section 2.1 of this act expires January 1, 2016.

PART III. EFFECTIVE DATE

SECTION 3.1. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 31st day of March, 2015.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 5:14 p.m. this 31st day of March, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-170
SENATE BILL 22

AN ACT TO ENSURE RESPECTFUL TREATMENT OF THE AMERICAN FLAG AND THE NORTH CAROLINA FLAG BY STATE AGENCIES AND OTHER POLITICAL SUBDIVISIONS OF THE STATE; TO ESTABLISH THE DIVISION OF VETERANS AFFAIRS AS THE CLEARINGHOUSE FOR THE DISPOSAL OF WORN, TATTERED, AND DAMAGED FLAGS; TO PROVIDE FOR THE PROTECTION OF MONUMENTS AND MEMORIALS COMMEMORATING EVENTS, PERSONS, AND MILITARY SERVICE IN NORTH CAROLINA HISTORY; AND TO TRANSFER CUSTODY OF CERTAIN HISTORIC DOCUMENTS IN THE POSSESSION OF THE OFFICE OF THE SECRETARY OF STATE TO THE DEPARTMENT OF CULTURAL RESOURCES AND TO FACILITATE PUBLIC OPPORTUNITY TO VIEW THESE DOCUMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. This act shall be known as the Cultural History Artifact Management and Patriotism Act of 2015.

SECTION 2.(a) G.S. 144-5 reads as rewritten:

"**§ 144-5. Flags to conform to ~~law.~~law; display and handling of a flag of the United States of America or the State of North Carolina by State institutions and other political subdivisions of the State.**

(a) No State flag ~~shall be~~ is allowed in or over any building here mentioned unless ~~such~~ the flag conforms to the description of the State flag contained in this ~~chapter.~~ Chapter.

(b) A flag of the United States of America or the State of North Carolina that is displayed by a State institution or a political subdivision of the State on the premises of a building of a State institution or a political subdivision of the State shall be handled, displayed, stored, and respectfully disposed of in accordance with the federal Flag Code, 4 U.S.C. §§ 1-10."

SECTION 2.(b) G.S. 144-9 reads as rewritten:

"**§ 144-9. Retirement of ~~State flag.~~a flag of the United States of America or the State of North Carolina.**

(a) A State institution or a political subdivision of the State in possession of a flag of the United States of America or the State of North Carolina that is no longer a fitting emblem for display because it is worn, tattered, or otherwise damaged shall make arrangements for its respectful disposal and may deliver the flag to the Division of Veterans Affairs in the Department of Administration for disposal. The Division shall accept a flag delivered to it and shall make arrangements for its respectful disposal.

(b) The Division of Veterans Affairs shall accept, at no charge, a worn, tattered, or otherwise damaged flag of the United States of America or the State of North Carolina from a citizen of the State and shall make arrangements for its respectful disposal. The Division shall establish a flag retirement program to encourage citizens to send in or drop off such flags at the Division's office in Raleigh and at any Veterans Home or Veterans Cemetery in the State and may establish other locations for flag drop-off as it deems appropriate. The Division shall advertise the flag retirement program on its Web site and by printed posters placed at all flag drop-off locations. On or before December 31, 2016, and annually thereafter, the Division shall report the number of flags received under the program to the Joint Legislative Committee on Governmental Operations.

(c) An official flag of the State that is no longer a fitting emblem for display because it is worn, tattered, or otherwise damaged may be respectfully retired by fire."

SECTION 2.(c) Subsection (b) of this section becomes effective December 1, 2015. The remainder of this section is effective when it becomes law.

SECTION 3.(a) The caption of Article 1 of Chapter 100 of the General Statutes reads as rewritten:

"Article 1.

"Approval and Protection of Monuments, Memorials, Works of Art, etc."

SECTION 3.(b) G.S. 100-2 reads as rewritten:

"**§ 100-2. Approval of memorials before acceptance by State; ~~regulation of existing memorials, etc.;~~ "work of art" ~~defined; highway markers.~~defined.**

~~No memorial~~ A monument, memorial, or work of art ~~shall hereafter~~ may not become the property of the State by purchase, gift or otherwise, unless ~~such memorial~~the monument, memorial, or work of ~~art~~ art, or a design of the same, together with the proposed location of the same, ~~shall first have been~~ is submitted to and approved by the North Carolina Historical ~~Commission; nor shall any memorial~~ Commission. A monument, memorial, or work of art, until so submitted and approved, may not be contracted for, placed in or ~~upon~~ upon, or allowed to extend over any property belonging to the State. ~~No existing memorial or work of art owned by the State shall be removed, relocated, or altered in any way without approval of the North Carolina Historical Commission.~~ The term "work of art" as used in this ~~section shall include~~ Article includes any painting, portrait, mural decoration, stained glass, statue, bas-relief, sculpture, ~~monument,~~ tablet, fountain, or other article or structure of a permanent character intended for decoration or commemoration. ~~This section, however, shall not apply to markers set up by the Board of Transportation in cooperation with the Department of Environment and Natural Resources and the Department of Cultural Resources as provided by Chapter 197 of the Public Laws of 1935.~~"

SECTION 3.(c) Article 1 of Chapter 100 of the General Statutes is amended by adding a new section to read:

"**§ 100-2.1. Protection of monuments, memorials, and works of art.**

(a) Approval Required. – Except as otherwise provided in subsection (b) of this section, a monument, memorial, or work of art owned by the State may not be removed, relocated, or altered in any way without the approval of the North Carolina Historical Commission.

(b) Limitations on Removal. – An object of remembrance located on public property may not be permanently removed and may only be relocated, whether temporarily or permanently, under the circumstances listed in this subsection and subject to the limitations in this subsection. An object of remembrance that is temporarily relocated shall be returned to its original location within 90 days of completion of the project that required its temporary removal. An object of remembrance that is permanently relocated shall be relocated to a site of similar prominence, honor, visibility, availability, and access that are within the boundaries of the jurisdiction from which it was relocated. An object of remembrance may not be relocated to a museum, cemetery, or mausoleum unless it was originally placed at such a location. As used in this section, the term "object of remembrance" means a monument, memorial, plaque, statue, marker, or display of a permanent character that commemorates an event, a person, or military service that is part of North Carolina's history. The circumstances under which an object of remembrance may be relocated are either of the following:

(1) When appropriate measures are required by the State or a political subdivision of the State to preserve the object.

(2) When necessary for construction, renovation, or reconfiguration of buildings, open spaces, parking, or transportation projects.

(c) Exceptions. – This section does not apply to the following:

(1) Highway markers set up by the Board of Transportation in cooperation with the Department of Environment and Natural Resources and the Department of Cultural Resources as provided by Chapter 197 of the Public Laws of 1935.

(2) An object of remembrance owned by a private party that is located on public property and that is the subject of a legal agreement between the private party and the State or a political subdivision of the State governing the removal or relocation of the object.

(3) An object of remembrance for which a building inspector or similar official has determined poses a threat to public safety because of an unsafe or dangerous condition."

SECTION 3.(d) G.S. 160A-400.13 reads as rewritten:

"§ **160A-400.13.** ~~**Certain changes not prohibited.**~~**Protection of certain landmarks; permissible changes.**

(a) Objects of Remembrance. – G.S. 100-2.1 supersedes this Part with regard to the removal or relocation of a historic landmark designated under this Part that meets the definition of an "object of remembrance" as defined in G.S. 100-2.1.

(b) Other Historic Landmarks. – Nothing in this Part shall be construed to prevent the ordinary maintenance or repair of any exterior architectural feature in a historic district or of a landmark which does not involve a change in design, material or appearance thereof, nor to prevent the construction, reconstruction, alteration, restoration, moving or demolition of any such feature which the building inspector or similar official shall certify is required by the public safety because of an unsafe or dangerous condition. Nothing in this Part shall be construed to prevent a property owner from making any use of his property that is not prohibited by other law. Nothing in this Part shall be construed to prevent a) the maintenance, or b) in the event of an emergency the immediate restoration, of any existing above-ground utility structure without approval by the preservation commission."

SECTION 3.(e) This section is effective when it becomes law.

SECTION 4.(a) G.S. 147-36 reads as rewritten:

"§ **147-36. Duties of Secretary of State.**

It is the duty of the Secretary of State:

(1) To perform such duties as may then be devolved upon the Secretary by resolution of the two houses of the General Assembly or either of ~~them;~~them.

(2) To attend the Governor, whenever required by the Governor, for the purpose of receiving documents ~~which~~ that have passed the great ~~seal;~~seal.

(3) To receive and keep all conveyances and mortgages belonging to the ~~State;~~State.

(4) To distribute annually the statutes and the legislative ~~journals;~~journals.

(5) To distribute the acts of Congress received at the Secretary's office in the manner prescribed for the statutes of the ~~State;~~State.

(6) To keep a receipt book, in which the Secretary shall take from every person to whom a grant shall be delivered, a receipt for the same; but may ~~inclose~~ enclose grants by mail in a registered letter at the expense of the grantee, unless otherwise directed, first entering the same upon the receipt ~~book;~~book.

(7) To issue charters and all necessary certificates for the incorporation, domestication, suspension, reinstatement, cancellation and dissolution of corporations as may be required by the corporation laws of the State and maintain a record ~~thereof;~~of the charters and necessary certificates issued.

(8) To issue certificates of registration of trademarks, labels and designs as may be required by law and maintain a record ~~thereof;~~of those certificates of registration.

(9) To maintain a Division of Publications to compile data on the State's several governmental agencies and for legislative ~~reference;~~reference.

(10) To receive, enroll and safely preserve the current edition of the State Constitution ~~of the State~~ and all amendments ~~thereto~~ to that edition and to transfer previous editions of the State Constitution and amendments to those editions to the Department of Cultural Resources for preservation and safekeeping in the State Archives.

(11) To serve as a member of such boards and commissions as the Constitution and laws of the State may ~~designate;~~designate.

(12) To administer the Securities Law of the State, regulating the issuance and sale of securities, as is now or may be ~~directed;~~directed.

(13) To receive and keep all oaths of public officials required by law to be filed in the Secretary's office, and as Secretary of State, ~~is fully empowered~~ to administer official oaths to any public official of whom an oath is ~~required;~~required.

(14) To receive and maintain a journal of all appointments made to any State board, agency, commission, council or authority ~~which~~ that is filed in the office of the Secretary of ~~State;~~State.

(15) To regulate the solicitation of contributions pursuant to Chapter 131F of the General ~~Statutes; and~~Statutes.

(16) To apply for and accept grants from the federal government and its agencies and from any foundation, corporation, association, or individual in order to effectuate the purposes of the Nonprofit Corporation Act, Chapter 55A of the General Statutes, and to further aid in the operation and development of nonprofit corporations. The Secretary shall comply with the terms, conditions, and limitations of grants applied for and accepted and shall expend grant funds pursuant to Chapter 143C of the General Statutes, The State Budget Act."

SECTION 4.(b) The Secretary of State shall transfer to the Department of Cultural Resources all previously adopted editions of the State Constitution and amendments to the State Constitution, other than the current edition and amendments to that edition, and ratified amendments to the United States Constitution. The Secretary of State shall, at the request of the Secretary of the Department of Cultural Resources, provide timely, on-site access to the Department staff for study and review of all other documents to determine their historical significance. If, during these periodic reviews, the Department identifies historical documents that are no longer legally necessary to remain in the possession of the Secretary of State, the Secretary shall make arrangements to transfer these historical documents to the Department in a timely fashion for preservation and safekeeping in the State Archives. The Department of Cultural Resources shall provide the Secretary with duplicate copies of all documents transferred from the Secretary to the Department.

SECTION 4.(c) In 2016, the Department of Cultural Resources shall arrange for public displays of, and programs related to, the United States Constitution and amendments and related historical materials to commemorate the 240th anniversary of the signing of the Declaration of Independence. In 2016, the Department also shall arrange for public displays of, and programs related to, the State Constitutions and amendments, to coincide with the 240th anniversary of the ratification of North Carolina's first Constitution by the Fifth Provincial Congress. The Department also may consider taking all or part of the displays on a tour of the State. The Department is authorized to accept non-State funds including donations, fund-raising sponsorships, and funding from other sources to defray the costs of these exhibits.

SECTION 4.(d) Subsections (a) and (b) of this section become effective December 1, 2015. The remainder of this section is effective when it becomes law.

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 22nd day of July, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 1:35 p.m. this 23rd day of July, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-295
SENATE BILL 97

AN ACT TO MODIFY THE MEMBERSHIP OF THE STATE ADVISORY COUNCIL ON INDIAN EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-210.1 reads as rewritten:

"**§ 115C-210.1. Membership – How appointed.**

(a) The Council shall consist of 15 members, as follows:

(1) Two legislative members appointed as follows:

a. ~~(one senator~~One member appointed by the President Pro Tempore of the ~~Senate and one representative~~Senate.

b. One member appointed by the Speaker of the ~~House);~~House of Representatives.

(2) Two American Indian members from higher ~~education to be appointed by the Board of Governors of the University system;~~education, who are preferably faculty members. The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall each appoint a member.

(3) One American Indian member from the North Carolina Commission on Indian Affairs to be appointed by that ~~Commission;~~Commission.

(4) ~~Eight~~Five American Indian parents of students enrolled in K-12 public ~~schools and~~schools, including charter schools.

(4a) ~~two~~Five American Indian ~~educators from public elementary/secondary schools~~ K-12 public school educators, one member who shall be a Title VII director or coordinator, to be appointed by the State Board of Education from a list of recommendations submitted by the North Carolina Commission on Indian ~~Affairs;~~Affairs. For the purposes of this subdivision, a K-12 educator may be a school administrator, classroom teacher, resource teacher, or school counselor. A member appointed pursuant to this subdivision must hold a current North Carolina professional educator license.

~~(5) Indian members of the Council shall be broadly representative of North Carolina Indian tribes and organizations, specifically, the Eastern Band of Cherokee, Lumbee, Coharie, Waccamaw Siouan, Haliwa Saponi, Meherrin, Person County Indians, Cumberland County Association for Indian People, the Guilford Native American Association, the Metrolina Native American Association, and any other Indian tribe gaining State recognition in the future.~~

(b) American Indian members of the Council shall be broadly representative of North Carolina Indian tribes and organizations, North Carolina State-recognized tribes and organizations (Coharie Tribe, Eastern Band of the Cherokee Nation, Haliwa-Saponi Indian Tribe, Lumbee Tribe of North Carolina, Meherrin Indian Tribe, Occaneechi Band of the Saponi Nation, Sappony, Waccamaw Siouan Tribe, Cumberland County Association for Indian People, Guilford Native American Association, Metrolina Native American Association, Triangle Native American Society, and any other Indian tribe gaining State recognition in the future), and parents and educators from tribes recognized by the United States Department of the Interior, Bureau of Indian Affairs."

SECTION 2. Notwithstanding G.S. 115C-210.1, as amended by this act, the current members serving on the State Advisory Council on Indian Education as of the effective date of this act shall serve the remainder of their terms. Thereafter, as terms expire, or when a vacancy occurs prior to the expiration of a term, members on the Council shall be appointed in accordance with G.S. 115C-210.1, as amended by this act.

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

In the General Assembly read three times and ratified this the 23rd day of September, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 4:11 p.m. this 29th day of October, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-264
SENATE BILL 119

AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE GENERAL STATUTES AND SESSION LAWS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND TO MAKE ADDITIONAL TECHNICAL AND OTHER AMENDMENTS TO THE STATUTES AND SESSION LAWS.

The General Assembly of North Carolina enacts:

PART I. TECHNICAL CORRECTIONS RECOMMENDED BY THE GENERAL STATUTES COMMISSION

SECTION 1.(a) G.S. 1-267.1(d) reads as rewritten:

"(d) This section applies only to civil proceedings. Nothing in this section shall be deemed to apply to criminal proceedings, to proceedings under Chapter 15A of the General Statutes, to proceedings making a collateral attack on any judgment entered in a criminal proceeding, or ~~to appeals from orders of the trial courts pertaining~~ to civil proceedings filed by a taxpayer pursuant to G.S. 105-241.17."

SECTION 1.(b) G.S. 7A-27 reads as rewritten:

"**§ 7A-27. Appeals of right from the courts of the trial divisions.**

(a) Appeal lies of right directly to the Supreme Court in any of the following cases:

(1) All cases in which the defendant is convicted of murder in the first degree and the judgment of the superior court includes a sentence of death.

(2) From any final judgment in a case designated as a mandatory complex business case pursuant to G.S. 7A-45.4 or designated as a discretionary complex business case pursuant to Rule 2.1 of the General Rules of Practice for the Superior and District Courts.

(3) From any interlocutory order of a Business Court Judge that does any of the following:

a. Affects a substantial right.

b. In effect determines the action and prevents a judgment from which an appeal might be taken.

c. Discontinues the action.

d. Grants or refuses a new trial.

(a1) Appeal lies of right directly to the Supreme Court from any order or judgment of a court, either final or interlocutory, that holds that an act of the General Assembly is facially invalid on the basis that the act violates the North Carolina Constitution or federal law. Nothing in this ~~section~~ subsection shall be deemed to apply to appeals from orders of the trial courts pertaining to criminal proceedings, to proceedings under Chapter 15A of the General Statutes, to proceedings making a collateral attack on any judgment entered in a criminal proceeding, or to appeals from orders of the trial courts pertaining to civil proceedings filed by a taxpayer pursuant to G.S. 105-241.17.

(b) ~~Appeal~~ Except as provided in subsection (a) or (a1) of this section, appeal lies of right directly to the Court of Appeals in any of the following cases:

(1) From any final judgment of a superior court, other than ~~the one described in subsection (a) of this section, or~~ one based on a plea of guilty or nolo contendere, including any final judgment entered upon review of a decision of an administrative agency, except for a final judgment entered upon review of a court martial under G.S. 127A-62.

(2) From any final judgment of a district court in a civil action.

(3) From any interlocutory order or judgment of a superior court or district court in a civil action or proceeding that does any of the following:
a. Affects a substantial right.
b. In effect determines the action and prevents a judgment from which an appeal might be taken.
c. Discontinues the action.
d. Grants or refuses a new trial.
e. Determines a claim prosecuted under G.S. 50-19.1.
f. Grants temporary injunctive relief restraining the State or a political subdivision of the State from enforcing the operation or execution of an act of the General Assembly as applied against a party in a civil action. This ~~subsection~~ sub-subdivision only applies where the State or a political subdivision of the State is a party in the civil action. This ~~subsection~~ sub-subdivision does not apply to facial challenges to an act's validity heard by a three-judge panel pursuant to G.S. 1-267.1.

(4) From any other order or judgment of the superior court from which an appeal is authorized by statute.

(c) through (e) Repealed by Session Laws 2013-411, s. 1, effective August 23, 2013."

SECTION 2. Reserved.

SECTION 3. G.S. 14-269 reads as rewritten:

"**§ 14-269. Carrying concealed weapons.**

(a) It shall be unlawful for any person willfully and intentionally to carry concealed about his or her person any bowie knife, dirk, dagger, slung shot, loaded cane, metallic knuckles, razor, ~~shurikin,~~ shuriken, stun gun, or other deadly weapon of like kind, except when the person is on the person's own premises.

(a1) It shall be unlawful for any person willfully and intentionally to carry concealed about his or her person any pistol or gun except in the following circumstances:

(1) The person is on the person's own premises.
(2) The deadly weapon is a handgun, the person has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, and the person is carrying the concealed handgun in accordance with the scope of the concealed handgun permit as set out in G.S. 14-415.11(c).
(3) The deadly weapon is a handgun and the person is a military permittee as defined under G.S. 14-415.10(2a) who provides to the law enforcement officer proof of deployment as required under G.S. 14-415.11(a).

...

(b1) It is a defense to a prosecution under this section that:

(1) The weapon was not a firearm;
(2) The defendant was engaged in, or on the way to or from, an activity in which ~~he~~ the defendant legitimately used the weapon;
(3) The defendant possessed the weapon for that legitimate use; and
(4) The defendant did not use or attempt to use the weapon for an illegal purpose.

The burden of proving this defense is on the defendant.

...."

SECTION 4. G.S. 14-313 reads as rewritten:

"**§ 14-313. Youth access to tobacco products, tobacco-derived products, vapor products, and cigarette wrapping papers.**

...

(b) Sale or distribution to persons under the age of 18 years. – If any person shall distribute, or aid, assist, or abet any other person in distributing tobacco products or cigarette wrapping papers to any person under the age of 18 years, or if any person shall purchase tobacco products or cigarette wrapping papers on behalf of a person under the age of 18 years, the person shall be guilty of a Class 2 misdemeanor; provided, however, that it shall not be unlawful to distribute tobacco products or cigarette wrapping papers to an employee when required in the performance of the employee's duties. Retail distributors of tobacco products

shall prominently display near the point of sale a sign in letters at least five-eighths of an inch high which states the following:

N.C. LAW STRICTLY PROHIBITS
THE PURCHASE OF TOBACCO PRODUCTS, TOBACCO-DERIVED PRODUCTS,
VAPOR PRODUCTS, AND CIGARETTE WRAPPING PAPERS
BY PERSONS UNDER THE AGE OF 18.
PROOF OF AGE REQUIRED.

Failure to post the required sign shall be an infraction punishable by a fine of twenty-five dollars ($25.00) for the first offense and seventy-five dollars ($75.00) for each succeeding offense.

A person engaged in the sale of tobacco products or cigarette wrapping papers shall demand proof of age from a prospective purchaser if the person has reasonable grounds to believe that the prospective purchaser is under 18 years of age. Failure to demand proof of age as required by this subsection is a Class 2 misdemeanor if in fact the prospective purchaser is under 18 years of age. Retail distributors of tobacco products or cigarette wrapping papers shall train their sales employees in the requirements of this law. Proof of any of the following shall be a defense to any action brought under this subsection:

(1) The defendant demanded, was shown, and reasonably relied upon proof of age in the case of a retailer, or any other documentary or written evidence of age in the case of a nonretailer.

(2) The defendant relied on the electronic system established and operated by the Division of Motor Vehicles pursuant to G.S. 20-37.02.

(3) The defendant relied on a biometric identification system that demonstrated (i) the purchaser's age to be at least the required age for the purchase and (ii) the purchaser had previously registered with the seller or seller's agent a drivers license, a special identification card issued under ~~G.S. 20-377.7,~~ G.S. 20-37.7, a military identification card, or a passport showing the purchaser's date of birth and bearing a physical description of the person named on the card.

...

(e) Statewide uniformity. – It is the intent of the General Assembly to prescribe this uniform system for the regulation of tobacco products and cigarette wrapping papers to ensure the eligibility for and receipt of any federal funds or grants that the State now receives or may receive relating to the provisions of ~~G.S. 14-313.~~ this section. To ensure uniformity, no political subdivisions, boards, or agencies of the State nor any county, city, municipality, municipal corporation, town, township, village, nor any department or agency thereof, may enact ordinances, rules or regulations concerning the sale, distribution, display or promotion of (i) tobacco products or cigarette wrapping papers on or after September 1, 1995, or (ii) tobacco-derived products or vapor products on or after August 1, 2013. This subsection does not apply to the regulation of vending machines, nor does it prohibit the Secretary of Revenue from adopting rules with respect to the administration of the tobacco products taxes levied under Article 2A of Chapter 105 of the General Statutes.

...."

SECTION 5. G.S. 15A-150(b) reads as rewritten:

"(b) Notification to Other State and Local Agencies. – The clerk of superior court in each county in North Carolina shall send a certified copy of an order granting an expunction to a person named in subsection (a) of this section to all of the agencies listed in this subsection. An agency receiving an order under this subsection shall expunge from its records all entries made as a result of the charge or conviction ordered expunged, except as provided in G.S. 15A-151. The list of agencies is as follows:

(1) The sheriff, chief of police, or other arresting agency.

(2) When applicable, the Division of Motor ~~Vehicles and the Division of Adult Correction of the Department of Public Safety.~~ Vehicles.

(3) Any State or local agency identified by the petition as bearing record of the offense that has been expunged.

(4) The Department of Public Safety."

SECTION 6. G.S. 15A-1340.16(f) reads as rewritten:

"(f) ~~[Notice to State Treasurer of Finding.]~~ Notice to State Treasurer of Finding. – If the court determines that an aggravating factor under subdivision (9) of subsection (d) of this

section has been proven, the court shall notify the State Treasurer of the fact of the conviction as well as the finding of the aggravating factor. The indictment charging the defendant with the underlying offense must include notice that the State seeks to prove the defendant acted in accordance with subdivision (9) of subsection (d) of this section and that the State will seek to prove that as an aggravating factor."

SECTION 7. G.S. 18B-302(d) reads as rewritten:

"(d) Defense. – It shall be a defense to a violation of subsection (a) of this section if the seller:

...

(3) Shows that at the time of purchase, the purchaser utilized a biometric identification system that demonstrated (i) the purchaser's age to be at least the required age for the purchase and (ii) the purchaser had previously registered with the seller or seller's agent a drivers license, a special identification card issued under ~~G.S. 20-377.7,~~ G.S. 20-37.7, a military identification card, or a passport showing the purchaser's date of birth and bearing a physical description of the person named on the document."

SECTION 8.(a) G.S. 20-115 reads as rewritten:

"**§ 20-115. Scope and effect of regulations in this ~~title.~~Part.**

It shall be unlawful for any person to drive or move or for the owner to cause or knowingly permit to be driven or moved on any highway any vehicle or vehicles of a size or weight exceeding the limitations stated in this ~~title,~~ Part, or any vehicle or vehicles which are not so constructed or equipped as required in this ~~title,~~ Part, or the rules and regulations of the Department of Transportation adopted pursuant ~~thereto~~ to this Part and the maximum size and weight of vehicles ~~herein~~ specified in this Part shall be lawful throughout this State, and local authorities shall have no power or authority to alter ~~said~~ the limitations except as express authority may be granted in this Article."

SECTION 8.(b) G.S. 106-549.21(d) and (e) read as rewritten:

"(d) No article subject to this ~~title~~ Article shall be sold or offered for sale by any person, firm, or corporation, in intrastate commerce, under any name or other marking or labeling which is false or misleading, or in any container of a misleading form or size, but established trade names and other marking and labeling and containers which are not false or misleading, and which are approved by the Commissioner or ~~his~~ the Commissioner's authorized representative, are permitted.

(e) If the Commissioner or ~~his~~ the Commissioner's authorized representative has reason to believe that any marking or labeling or the size or form of any container in use or proposed for use with respect to any article subject to this ~~title~~ Article is false or misleading in any particular, ~~he~~ the Commissioner or the authorized representative may direct that ~~such~~ this use be withheld unless the marking, labeling, or container is modified in such a manner as ~~he may prescribe~~ the Commissioner or the authorized representative prescribes so that it will not be false or misleading. If the person, firm, or corporation using or proposing to use the marking, labeling or container does not accept the determination of the Commissioner or ~~his~~ the Commissioner's authorized representative, ~~such~~ the person, firm, or corporation may request a hearing, but the use of the marking, labeling, or container shall, if the Commissioner so directs, be withheld pending hearing and final determination by the Commissioner. A person who uses or proposes to use the marking, labeling, or container and who does not accept the determination of the Commissioner may commence a contested case under G.S. 150B-23. If directed by the Commissioner, the marking, labeling, or container may not be used pending a final decision."

SECTION 9. G.S. 20-183.2(a1) reads as rewritten:

"(a1) Safety Inspection Exceptions. – The following vehicles shall not be subject to a safety inspection pursuant to this Article:

(1) Historic vehicles, as described in ~~G.S. 20-79.4(b)(88).~~G.S. 20-79.4(b)(90).

(2) Buses titled to a local board of education and subject to the school bus inspection requirements specified by the State Board of Education and G.S. 115C-248."

SECTION 10. G.S. 62-36B is recodified as G.S. 62-36.01.

SECTION 11. G.S. 62-110.1(c) reads as rewritten:

"(c) The Commission shall develop, publicize, and keep current an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina,

including its estimate of the probable future growth of the use of electricity, the probable needed generating reserves, the extent, size, mix and general location of generating plants and arrangements for pooling power to the extent not regulated by the Federal Energy Regulatory Commission and other arrangements with other utilities and energy suppliers to achieve maximum efficiencies for the benefit of the people of North Carolina, and shall consider such analysis in acting upon any petition by any utility for construction. In developing such analysis, the Commission shall confer and consult with the public utilities in North Carolina, the utilities commissions or comparable agencies of neighboring states, the Federal Energy Regulatory Commission, ~~the Southern Growth Policies Board,~~ and other agencies having relevant information and may participate as it deems useful in any joint boards investigating generating plant sites or the probable need for future generating facilities. In addition to such reports as public utilities may be required by statute or rule of the Commission to file with the Commission, any such utility in North Carolina may submit to the Commission its proposals as to the future needs for electricity to serve the people of the State or the area served by such utility, and insofar as practicable, each such utility and the Attorney General may attend or be represented at any formal conference conducted by the Commission in developing a plan for the future requirements of electricity for North Carolina or this region. In the course of making the analysis and developing the plan, the Commission shall conduct one or more public hearings. Each year, the Commission shall submit to the Governor and to the appropriate committees of the General Assembly a report of its analysis and plan, the progress to date in carrying out such plan, and the program of the Commission for the ensuing year in connection with such plan."

SECTION 12.(a) G.S. 66-372(e) reads as rewritten:

"(e) All service agreements used in this State by a service agreement company shall:

(1) Not contain provisions that allow the company to cancel the agreement in its discretion other than for nonpayment of premiums or for a direct violation of the agreement by the consumer where the service agreement states that violation of the agreement would subject the agreement to cancellation;

(2) With respect to a motor vehicle service agreement as defined in ~~G.S. 66-370(b)(1),~~ G.S. 66-370(b)(5), provide for a right of assignability by the consumer to a subsequent purchaser before expiration of coverage if the subsequent purchaser meets the same criteria for motor vehicle service agreement acceptability as the original purchaser; and

(3) Contain a cancellation provision allowing the consumer to cancel at any time after purchase and receive a pro rata refund less any claims paid on the agreement and a reasonable administrative fee, not to exceed ten percent (10%) of the amount of the pro rata refund."

SECTION 12.(b) If Senate Bill 195, 2015 Regular Session, becomes law, this section is repealed.

SECTION 13. G.S. 90-89(5) reads as rewritten:

"(5) Stimulants. – Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation that contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers, and salts of isomers:

a. Aminorex. Some trade or other names: aminoxaphen; 2-amino-5-phenyl-2-oxazoline; ~~or 4,5-dihydro-5-phenly-2-oxazolamine.~~ or 4,5-dihydro-5-phenyl-2-oxazolamine.

...

j. A compound, other than bupropion, that is structurally derived from 2-amino-1-phenyl-1-propanone by modification in any of the following ways: (i) by substitution in the phenyl ring to any extent with alkyl, alkoxy, alkylenedioxy, haloalkyl, or halide substituents, whether or not further substituted in the phenyl ring by one or more other univalent substituents; (ii) by substitution at the 3-position with an alkyl substituent; or (iii) by substitution at the nitrogen atom with alkyl or ~~diakyl~~ dialkyl groups or by inclusion of the nitrogen atom in a cyclic structure.

...."

SECTION 14.(a) G.S. 90-113.101 reads as rewritten:

"**§ 90-113.101. Definitions.**

The following definitions apply in this Article:

~~(a)~~(1) Caregiver. – An individual who is a parent, legal guardian, or custodian of a person diagnosed with intractable epilepsy.

~~(b)~~(2) Caregiver Registration Card. – A registration card issued by the Department of Health and Human Services under this Article to a caregiver.

~~(c)~~(3) Database. – The Intractable Epilepsy Alternative Treatment Pilot Study database, established by the Department of Health and Human Services pursuant to this Article, to register caregivers, patients, and recommending neurologists.

~~(d)~~(4) Department. – The Department of Health and Human Services.

~~(e)~~(5) Hemp Extract. – An extract from a cannabis plant, as defined in G.S. 90-94.1(a).

~~(f)~~(6) Intractable Epilepsy. – A seizure disorder that, as determined by a neurologist, does not respond to three or more treatment options overseen by the neurologist.

~~(g)~~(7) Neurologist. – An individual who is licensed under Article 1 of Chapter 90 of the General Statutes, who is board certified in neurology, and is affiliated with the neurology department at one or more of the following universities:

(1) The University of North Carolina at Chapel Hill.
(2) East Carolina University.
(3) Duke University.
(4) Wake Forest University.

~~(h)~~(8) Patient. – A person who has been diagnosed by a neurologist with intractable epilepsy.

~~(i)~~(9) Pilot Study. – An evidence-based investigation of the safety and efficacy of treating intractable epilepsy using hemp extract conducted by one or more neurologists registered pursuant to this Article."

SECTION 14.(b) This section becomes effective July 16, 2015.

SECTION 15. G.S. 113A-153 is repealed.

SECTION 16.(a) G.S. 63A-9 reads as rewritten:

"**§ 63A-9. Bonds and notes.**

...

(l) Bonds and notes are exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes is not subject to taxation as income."

SECTION 16.(b) G.S. 115C-513 reads as rewritten:

"**§ 115C-513. Special tax for certain merged school administrative units.**

...

(b) Issuance of Bonds. – The board of education of a merged school administrative unit may issue notes, bonds, or refunding bonds at one time or from time to time to pay the capital costs of school facilities as described in G.S. 159-48. The bonds shall be issued and maintained in accordance with the provisions of Articles 1, 4, 5A, 7, 9, 10, and 11 of Chapter 159 of the General Statutes, except as modified by this section.

The board of education of a merged school administrative unit shall call for a referendum authorizing the issuance of notes, bonds, and refunding bonds and the levy of a tax to pay amounts relating to these notes, bonds, or refunding bonds. The referendum may be called only with the consent of the boards of commissioners of both counties in which the merged school administrative unit is located. The referendum shall be held in the merged school administrative unit and only those qualified voters who reside in the unit may vote. The board of commissioners of each county shall have the referendum conducted by the board of elections of its county.

After issuance of the approved bonds, the merged school administrative unit shall make timely payments of principal and interest on the bonds after receipt of notification of its debt service obligation pursuant to G.S. 159-35. The provisions of G.S. 159-36 govern a failure by

the merged school administrative unit to levy taxes or otherwise provide for payment of the debt.

Bonds, notes, and refunding bonds issued under this section shall be exempt from all State, county, and municipal taxation and assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of bonds, notes, and refunding bonds, and franchise taxes. The interest on bonds, notes, and refunding bonds is not subject to taxation as income.

Article 9 of the North Carolina Uniform Commercial Code, Chapter 25 of the General Statutes, does not apply to any security interest created in connection with the issuance of bonds under this section."

SECTION 16.(c) G.S. 116-183 reads as rewritten:

"§ 116-183. Acceptance of grants; exemption from taxation.

The Board is hereby authorized, subject to the approval of the Director of the Budget, to accept grants of money or materials or property of any kind for any project from a federal agency, private agency, corporation or individual, upon such terms and conditions as such federal agency, private agency, corporation or individual may impose. The bonds issued under this Article are exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds and notes, and franchise taxes. The interest on the bonds and notes is not subject to taxation as income."

SECTION 16.(d) G.S. 116-196 reads as rewritten:

"§ 116-196. Exemption from taxation; bonds eligible for investment or deposit.

Any bonds issued under this Article shall at all times be exempt from all taxes or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, which are levied or assessed by the State or by any county, political subdivision, agency or other instrumentality of the State, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds, and franchise taxes. The interest on the bonds is not subject to taxation as income. Bonds issued by the Board under the provisions of this Article are hereby made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any State or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or obligations of the State is now or may hereafter be authorized by law."

SECTION 16.(e) G.S. 116-198.39 reads as rewritten:

"§ 116-198.39. Bonds are exempt from taxation.

Any bonds issued under this Article shall at all times be exempt from all taxes or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, which are levied or assessed by the State or by any county, political subdivision, agency, or other instrumentality of the State, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds, and franchise taxes. The interest on the bonds is not subject to taxation as income. Bonds issued by the Board under the provisions of this Article are hereby made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any State or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or obligations of the State is now or may hereafter be authorized by law."

SECTION 16.(f) G.S. 142-29.6 reads as rewritten:

"§ 142-29.6. Sale of refunding obligations and provisions thereof.

...

(f) All refunding obligations shall be exempt from all State, county and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except for ~~inheritance and gift taxes,~~ income taxes on the gain

from the transfer of the obligations, and franchise taxes. The interest on the refunding obligations is not subject to taxation as income."

SECTION 16.(g) G.S. 142-68 reads as rewritten:

"§ 142-68. Tax exemption.

Any financing contract entered pursuant to this Article, and any certificates of participation relating to it, shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting ~~estate, inheritance, and gift taxes;~~ income taxes on the gain from the transfer of the financing contract or certificates of participation; and franchise taxes. The interest component of the installment payments made by the State under the financing contract, including the interest component of any certificates of participation, is not subject to taxation as income."

SECTION 16.(h) G.S. 142-92 reads as rewritten:

"§ 142-92. Tax exemption.

Special indebtedness shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting ~~estate, inheritance, and gift taxes;~~ income taxes on the gain from the transfer of the indebtedness; and franchise taxes. The interest component of any payments made by the State under special indebtedness, including the interest component of any certificates of participation, is not subject to taxation as to income."

SECTION 16.(i) G.S. 157-26 reads as rewritten:

"§ 157-26. Tax exemptions.

An authority is a local government agency and is exempt from taxation to the same extent as a unit of local government. Property owned by an authority is exempt from taxation in accordance with Article V, § 2 of the North Carolina Constitution. Bonds and other obligations issued by an authority or its corporate agent authorized by this Article to exercise its powers are declared to be issued for a public purpose and to be public instrumentalities. These obligations are exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the obligations, and franchise taxes. The interest on the obligations is not subject to taxation as income."

SECTION 16.(j) G.S. 159I-23 reads as rewritten:

"§ 159I-23. Tax exemption.

All of the bonds and notes authorized by this Chapter shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds and notes, and franchise taxes. The interest on the bonds and notes shall not be subject to taxation as income."

SECTION 16.(k) G.S. 160A-480.14 reads as rewritten:

"§ 160A-480.14. Taxation of revenue bonds.

Any bonds and notes issued by the Authority under the provisions of this Part shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes issued by an Authority under the provisions of this Part shall not be subject to taxation as to income."

SECTION 16.(l) G.S. 160A-516 reads as rewritten:

"§ 160A-516. Issuance of bonds.

...

(b) Neither the commissioners of a commission nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance of the bonds. The bonds and other obligations of the commission (and the bonds and obligations shall so state on their face) shall not be a debt of the municipality, the county, or the State and neither the municipality, the county, nor the State shall be liable on the bonds, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the commission acquired for the purpose of this Article. The bonds shall not constitute an indebtedness of the municipality within the meaning of any constitutional or statutory debt limitation or restriction. Bonds of a commission are declared to be issued for an essential public and governmental purpose and to be public instrumentalities. The bonds are exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on

the gain from the transfer of the bonds and notes, and franchise taxes. The interest on the bonds is not subject to taxation as income. Bonds may be issued by a commission under this Article notwithstanding any debt or other limitation prescribed in any statute. This Article without reference to other statutes of the State shall constitute full and complete authority for the authorization and issuance of bonds by the commission under this Article and this authorization and issuance shall not be subject to any conditions, restrictions, or limitations imposed by any other statute whether general, special, or local, except as provided in subsection (d) of this section."

SECTION 17. G.S. 131E-154.13 reads as rewritten:

"**§ 131E-154.13. Definitions.**

The following definitions apply in this Part, unless otherwise specified:

...

(3) NC NOVA Partner Team. – The entity responsible for developing the criteria and protocols for the NC NOVA special licensure designation. The Partner Team is inclusive of representatives from the following organizations: Association for Home and Hospice Care of North Carolina, Direct Care Workers Association of North Carolina, Duke University Gerontological Nursing Program, Friends of Residents in Long Term Care, North Carolina Assisted Living Association, North Carolina Association of Long Term Care Facilities, ~~North Carolina Association of Non-Profit Homes for the Aging,~~ LeadingAge North Carolina, North Carolina Department of Health and Human Services, North Carolina Foundation for Advanced Health Programs, North Carolina Health Care Facilities Association, The Carolinas Center for Medical Excellence, and the University of North Carolina at Chapel Hill – Institute on Aging.

...."

SECTION 18. G.S. 143-228.10 reads as rewritten:

"**§ 143-228.10. (See Editor's note) Definitions.**

The following definitions apply ~~to Section 6 of this act:~~in this Article:

...."

SECTION 19. G.S. 143B-431.01(d) reads as rewritten:

"(d) Limitations. – Prior to contracting with a North Carolina nonprofit corporation pursuant to this section and in order for the North Carolina nonprofit corporation to receive State funds, the following conditions shall be met:

(1) At least 45 days prior to entering into or amending in a nontechnical manner a contract authorized by this section, the Department shall submit the contract or amendment, along with a detailed explanation of the contract or amendment, to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

(2) The nonprofit corporation adheres to the following governance provisions related to its governing board:

...

e. The board is required to perform the following duties if the Department contracts pursuant to ~~G.S. 143B-431.01~~ this section for the performance of the Secretary's responsibilities under G.S. 143B-434.01:

...."

SECTION 20. G.S. 143B-927 reads as rewritten:

"**§ 143B-927. Personnel of the State Bureau of Investigation.**

The Director of the State Bureau of Investigation may appoint a sufficient number of assistants who shall be competent and qualified to do the work of the Bureau. The Director shall be responsible for making all hiring and personnel decisions of the Bureau. Notwithstanding the provisions of ~~this Chapter, Chapter 143A, and Chapter 143B~~ this Chapter or Chapter 143A of the General Statutes, the Director may hire or fire personnel and transfer personnel within the Bureau."

SECTION 21. G.S. 143C-6-23(f1) reads as rewritten:

"(f) Suspension and Recovery of Funds to Grant Recipients for Noncompliance. – The Office of State Budget and Management, after consultation with the administering State agency, shall have the power to suspend disbursement of grant funds to grantees or

subgrantees, to prevent further use of grant funds already disbursed, and to recover grant funds already disbursed for noncompliance with rules adopted pursuant to subsection (d) of this section. If the grant funds are a pass-through of funds granted by an agency of the United States, then the Office of State Budget and Management must consult with the granting agency of the United States and the State agency that is the recipient of the pass-through funds prior to taking the actions authorized by this subsection.

(f1) Return of Grant Funds. – Except as otherwise required by federal law, a grantee or subgrantee shall return to the State all affected grant funds and interest earned on those funds if any of the following occurs:

(1) The funds are in the possession or control of a grantee and are not expended, made subject to an encumbrance, or disbursed to a subgrantee by August 31 immediately following the fiscal year in which the funds are appropriated by the General Assembly, or a different period set forth in the terms of the applicable appropriation or federal grant.

(2) The funds remain unexpended at the time that the grantee or subgrantee dissolves, ceases operations, or otherwise indicates that it does not intend to spend the funds.

(3) The Office of State Budget and Management seeks to recover the funds pursuant to subsection (f) of this ~~act.~~section."

SECTION 22. G.S. 150B-21.1(a)(12) is repealed.

SECTION 23. G.S. 150B-21.3(b2) reads as rewritten:

"(b2) Objection. – Any person who objects to the adoption of a permanent rule may submit written comments to the agency. If the objection is not resolved prior to adoption of the rule, a person may submit written objections to the Commission. If the Commission receives written objections from 10 or more persons, no later than 5:00 P.M. of the day following the day the Commission approves the rule, clearly requesting review by the legislature in accordance with instructions ~~contained in the notice pursuant to G.S. 150B-21.2(c)(9),~~ posted on the agency's Web site pursuant to G.S. 150B-19.1(c)(4), and the Commission approves the rule, the rule will become effective as provided in subsection (b1) of this section. The Commission shall notify the agency that the rule is subject to legislative disapproval on the day following the day it receives 10 or more written objections. When the requirements of this subsection have been met and a rule is subject to legislative disapproval, the agency may adopt the rule as a temporary rule if the rule would have met the criteria listed in G.S. 150B-21.1(a) at the time the notice of text for the permanent rule was published in the North Carolina Register. If the Commission receives objections from 10 or more persons clearly requesting review by the legislature, and the rule objected to is one of a group of related rules adopted by the agency at the same time, the agency that adopted the rule may cause any of the other rules in the group to become effective as provided in subsection (b1) of this section by submitting a written statement to that effect to the Commission before the other rules become effective."

SECTION 24. G.S. 150B-23.2(d) reads as rewritten:

"(d) ~~Wavier~~ Waiver or Refund. – The Office of Administrative Hearings shall by rule provide for the fee to be waived in a contested case in which the petition is filed in forma pauperis and supported by such proofs as are required in G.S. 1-110 and in a contested case involving a mandated federal cause of action. The Office of Administrative Hearings shall by rule provide for the fee to be refunded in a contested case in which the losing party is the State."

SECTION 25. G.S. 161-22.3 reads as rewritten:

"**§ 161-22.3. Minimum standards for land records management.**

In addition to the recording and indexing procedures set forth in this Article, the register of deeds shall follow the rules specifying minimum standards and procedures in land records management adopted by the Department of Secretary of State pursuant to ~~G.S. 143-345.6(b1).~~G.S. 147-54.3(b1)."

SECTION 26. G.S. 163-275 reads as rewritten:

"**§ 163-275. Certain acts declared felonies.**

Any person who shall, in connection with any primary, general or special election held in this State, do any of the acts or things declared in this section to be unlawful, shall be guilty of a Class I felony. It shall be unlawful:

(1) For any person fraudulently to cause ~~his~~ that person's name to be placed upon the registration books of more than one election precinct or

fraudulently to cause or procure ~~his~~ that person's name or that of any other person to be placed upon the registration books in any precinct when ~~such~~ registration in that precinct does not qualify ~~such~~ the person to vote legally therein, or to impersonate falsely another registered voter for the purpose of voting in the stead of ~~such other voter;~~the other voter.

(2) For any person to give or promise or request or accept at any time, before or after any such primary or election, any money, property or other thing of value whatsoever in return for the vote of any ~~elector;~~elector.

(3) For any person who is an election officer, a member of an election board or other officer charged with any duty with respect to any primary or election, knowingly to make any false or fraudulent entry on any election book or any false or fraudulent returns, or knowingly to make or cause to be made any false statement on any ballot, or to do any fraudulent act or knowingly and fraudulently omit to do any act or make any report legally required of ~~such person;~~that person.

(4) For any person knowingly to swear falsely with respect to any matter pertaining to any primary or ~~election;~~election.

(5) For any person convicted of a crime which excludes ~~him~~ the person from the right of suffrage, to vote at any primary or election without having been restored to the right of citizenship in due course and by the method provided by ~~law;~~law.

(6) For any person to take corruptly the oath prescribed for ~~voters;~~voters.

(7) For any person with intent to commit a fraud to register or vote at more than one precinct or more than one time, or to induce another to do so, in the same primary or election, or to vote illegally at any primary or ~~election;~~election.

(8) For any chief judge or any clerk or copyist to make any entry or copy with intent to commit a ~~fraud;~~fraud.

(9) For any election official or other officer or person to make, certify, deliver or transmit any false returns of any primary or election, or to make any erasure, alteration, or conceal or destroy any election ballot, book, record, return or process with intent to commit a ~~fraud;~~fraud.

(10) For any person to assault any chief judge, judge of election or other election officer while in the discharge of ~~his duty~~ duties in the registration of voters or in conducting any primary or ~~election;~~election.

(11) For any person, by threats, menaces or in any other manner, to intimidate or attempt to intimidate any chief judge, judge of election or other election officer in the discharge of ~~his~~ duties in the registration of voters or in conducting any primary or ~~election;~~election.

(12) For any chief judge, judge of election, member of a board of elections, assistant, marker, or other election official, directly or indirectly, to seek, receive or accept money or the promise of money, the promise of office, or other reward or compensation from a candidate in any primary or election or from any source other than such compensation as may be provided by law for ~~his services;~~that person's services.

(13) For any person falsely to make or present any certificate or other paper to qualify any person fraudulently as a voter, or to attempt thereby to secure to any person the privilege of voting, including declarations made under this Chapter, G.S. 20-37.7(d)(5), 20-37.7(d)(6), 130A-93.1(c), and ~~161-10(a)(8);~~161-10(a)(8).

(14) For any officer to register voters and any other individual to knowingly and willfully receive, complete, or sign an application to register from any voter contrary to the provisions of ~~G.S. 163-82.4; or~~G.S. 163-82.4.

(15) Reserved for future codification purposes.

(16) For any person falsely to make the certificate provided by G.S. 163-229(b)(2).

(17) For any person, directly or indirectly, to misrepresent the law to the public through mass mailing or any other means of communication where the intent

and the effect is to intimidate or discourage potential voters from exercising their lawful right to vote.

(18) For any person, knowing that a person is not a citizen of the United States, to instruct or coerce that person to register to vote or to vote."

SECTION 27. G.S. 163-278.13(a1) reads as rewritten:

"(a1) Effective for each odd-numbered calendar year beginning in 2015, the dollar amount of the contribution limitation established by subsections (a), (b), and (c) of this subsection shall be increased as provided in this subsection. On July 1 of each even-numbered year, the State Board of Elections shall calculate from data from the Bureau of Labor Statistics of the United States Department of Labor Register the percent difference between the price index for the July 1 of the previous even-numbered year. That percentage increase shall be multiplied by the previous dollar amount contribution limit, that number added to the previous dollar amount contribution limit, and the total shall become effective with respect to contributions made or accepted on or after January 1 of the next odd-numbered year. If the amount after adjustment is not a multiple of one hundred dollars ($100.00), the total shall be rounded to the nearest multiple of one hundred dollars ($100.00). As used in this subsection the term "price index" means the average over a calendar year of the Consumer Price Index (all items – United States city average) published monthly by the Bureau of Labor Statistics. The revised amount of the dollar limit of contributions shall remain in effect for two calendar years until the next adjustment is made. The State Board of Elections shall publish the revised amount in the North Carolina Register and shall notify the ~~Reviser~~ Revisor of Statutes who shall adjust the dollar amounts in subsections (a), (b), and (c) of this section."

SECTION 28.(a) Section 2 of S.L. 2010-32 is codified as G.S. 39A-4.

SECTION 28.(b) G.S. 39A-4, as created by Section 27(a) of this act, reads as rewritten:

"**§ 39A-4. Applicability; interpretation.**

(a) This Chapter applies to (i) any transfer fee covenant that is recorded after July 1, 2010; (ii) any lien that is filed to enforce a transfer fee covenant that is recorded after July 1, 2010, or purports to secure payment of a transfer fee that is recorded after July 1, 2010; and (iii) any agreement imposing a private transfer fee obligation entered into after July 1, 2010.

(b) Nothing in this ~~act~~ Chapter shall be interpreted to mean that a transfer fee covenant recorded prior to ~~the effective date of this act~~ July 1, 2010, is valid or enforceable."

SECTION 28.(c) Section 3 of S.L. 2010-32 reads as rewritten:

"**SECTION 3.** This act is effective when it becomes ~~law and applies to: (i) any transfer fee covenant that is recorded after the effective date of this act; (ii) any lien that is filed to enforce a transfer fee covenant that is recorded after the effective date of this act or purports to secure payment of a transfer fee that is recorded after the effective date of this act; and (iii) any agreement imposing a private transfer fee obligation entered into after the effective date of this act.~~law."

SECTION 29. The introductory language of Section 3 of S.L. 2014-76 reads as rewritten:

"**SECTION 3.** ~~G.S. 94-133(a)~~ G.S. 95-133(a) reads as rewritten:"

SECTION 30. Section 3.5 of S.L. 2015-35 reads as rewritten:

"**SECTION 3.5.(a)** Notwithstanding the PLAN OF MERGER OF THE IREDELL COUNTY AND STATESVILLE CITY SCHOOLS, as amended by Section 2 of S.L. 2002-18, beginning in 2016, members of the Iredell-Statesville Schools Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Iredell-Statesville Schools Board of Education shall be nominated at the same time and manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election and the terms of their predecessors shall expire at that same time. Vacancies on the Iredell-Statesville Schools Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

"**SECTION 3.5.(b)** For positions elected on a nonpartisan basis in 2012 or 2014, vacancies occurring in the membership of the ~~Iredell-States~~ Iredell-Statesville Schools Board of Education shall be filled for the unexpired term by the remaining members of the Board of Education."

SECTION 31.(a) S.L. 2015-205 is amended by adding a new Part to read:

"**PART X-A. UNIFORM TRUST CODE; CLARIFY REPORT ON TRUSTEE FEES.**

SECTION 10.5. G.S. 36C-8-802(f) reads as rewritten:

"(f) Notwithstanding subsection (c) of this section:

(1) An investment by a trustee in securities of an investment company, investment trust, or pooled investment vehicle in which the trustee or its affiliate has an investment, or to which the trustee, or its affiliate, provides services for compensation, is not presumed to be affected by a conflict between personal and fiduciary interests if the investment otherwise complies with the prudent investor rule of Article 9 of this Chapter. The investment company, investment trust, or pooled investment vehicle may compensate the trustee for providing those services out of fees charged to the trust if the trustee at least annually ~~notifies the persons entitled under G.S. 36C-8-813 to receive a copy of the trustee's annual report~~ provides notice of the rate and method by which the compensation was ~~determined;~~ determined to each beneficiary of the trust to whom the trustee owes a duty under G.S. 36C-8-813(a)(1) to provide the information described in that subdivision; and

(2) Payment made by a trustee to an attorney, broker, accountant, or agent for services performed on behalf of the trust in the ordinary course of business is not considered to be affected by a conflict between the trustee's personal and fiduciary interests if the payment is consistent with payments generally made for the same or similar services."

SECTION 31.(b) Section 11(a) of S.L. 2015-205 reads as rewritten:

"**SECTION 11.(a)** The Revisor of Statutes shall cause to be printed, as annotations to the published General Statutes, all relevant portions of the Official Commentary to the Uniform Powers of Appointment Act and of the Official Commentary to the Uniform Trust Code and all explanatory comments of the drafters of ~~those acts,~~ Part III and Parts VI through X-A of this act, as the Revisor may deem appropriate."

PART II. ADDITIONAL TECHNICAL CORRECTIONS AND OTHER AMENDMENTS

SECTION 32. G.S. 1C-1853(j), as enacted by S.L. 2015-107, reads as rewritten:

"(j) If a proceeding in a foreign court is brought by a foreign government entity based upon rules of law adopted for the benefit of the foreign government entity that are applied ex post facto to conduct of the defendant or if the action imposes liability for harms to individuals without requiring individualized proof of each element of the claim for each such individual, the court shall find that the action is fundamentally unfair and its judgment is repugnant to the public policy of this State under ~~G.S. 1C-1853(c)(3) and (5).~~ subdivisions (3) and (8) of subsection (c) of this section."

SECTION 32.5. G.S. 6-21.6(b) reads as rewritten:

"(b) Reciprocal attorneys' fees provisions in business contracts are valid and enforceable for the recovery of reasonable attorneys' fees and expenses only if all of the parties to the business contract sign by hand the business contract. ~~In any suit, action, proceeding, or arbitration primarily for the recovery of monetary damages, the award of reasonable attorneys' fees may not exceed the monetary damages awarded.~~ Signature "by hand" is not intended to prevent the application of this section to a business contract executed by either of the following:

(1) A party's electronic signature, as defined in G.S. 66-312, if the party's electronic signature originates from an affirmative action on the part of the party to evidence acceptance and execution such as typing the party's signature or writing the party's signature with a finger or stylus on a touchscreen to indicate acceptance and execution.

(2) A party's manual signature that is delivered by an electronic reproductive image thereof."

SECTION 33.(a) G.S. 7B-401.1(b), as amended by Section 22 of S.L. 2015-181, reads as rewritten:

"(b) Parents. – The juvenile's parent shall be a party unless one of the following applies:

(1) The parent's rights have been terminated.

(2) The parent has relinquished the juvenile for adoption, unless the court orders that the parent be made a party.

(3) The parent has been convicted under G.S. 14-27.21, ~~G.S.~~ 14-27.22, 14-27.23, or ~~G.S.~~ 14-27.24 for an offense that resulted in the conception of the juvenile."

SECTION 33.(b) G.S. 7B-1103(c), as amended by Section 23 of S.L. 2015-181, reads as rewritten:

"(c) No person whose actions resulted in a conviction under G.S. 14-27.21, ~~G.S.~~ 14-27.22, 14-27.23, or ~~G.S.~~ 14-27.24 and the conception of the juvenile may file a petition to terminate the parental rights of another with respect to that juvenile."

SECTION 33.(c) G.S. 7B-1104, as amended by Section 24 of S.L. 2015-181, reads as rewritten:

"**§ 7B-1104. Petition or motion.**

The petition, or motion pursuant to G.S. 7B-1102, shall be verified by the petitioner or movant and shall be entitled "In Re (last name of juvenile), a minor juvenile", who shall be a party to the action, and shall set forth such of the following facts as are known; and with respect to the facts which are unknown the petitioner or movant shall so state:

...

(3) The name and address of the parents of the juvenile. If the name or address of one or both parents is unknown to the petitioner or movant, the petitioner or movant shall set forth with particularity the petitioner's or movant's efforts to ascertain the identity or whereabouts of the parent or parents. The information may be contained in an affidavit attached to the petition or motion and incorporated therein by reference. A person whose actions resulted in a conviction under G.S. 14-27.21, ~~G.S.~~ 14-27.22, 14-27.23, or ~~G.S.~~ 14-27.24 and the conception of the juvenile need not be named in the petition.

...."

SECTION 33.(d) This section becomes effective December 1, 2015, and applies to petitions filed on or after that date.

SECTION 34.(a) G.S. 7B-901(c), as enacted by S.L. 2015-136, reads as rewritten:

"(c) If the disposition order places a juvenile in the custody of a county department of social services, the court shall direct that reasonable efforts for reunification as defined in G.S. 7B-101 shall not be required if the court makes written findings of fact pertaining to any of the following:

(1) A court of competent jurisdiction has determined that aggravated circumstances exist because the parent has committed or encouraged the commission of, or allowed the continuation of, any of the following upon the juvenile:
   a. Sexual abuse.
   b. Chronic physical or emotional abuse.
   c. Torture.
   d. Abandonment.
   e. Chronic or toxic exposure to alcohol or controlled substances that causes impairment of or addiction in the juvenile.
   f. Any other act, practice, or conduct that increased the enormity or added to the injurious consequences of the abuse or neglect.

(2) A court of competent jurisdiction has terminated involuntarily the parental rights of the parent to another child of the parent.

(3) A court of competent jurisdiction has determined that (i) the parent has committed murder or voluntary manslaughter of another child of the parent; (ii) has aided, abetted, attempted, conspired, or solicited to commit murder or voluntary manslaughter of the child or another child of the parent; (iii) has committed a felony assault resulting in serious bodily injury to the child or another child of the parent; (iv) has committed sexual abuse against the child or another child of the parent; or (v) has been required to register as a sex offender on any government-administered registry."

SECTION 34.(b) This section becomes effective October 1, 2015.

SECTION 34.5. Reserved.

SECTION 35. Reserved.

SECTION 36.(a) G.S. 14-415.12A(a1), as enacted by S.L. 2015-105, reads as rewritten:

"(a1) An individual who is a qualified retired law enforcement officer and has met the standards, as approved by the North Carolina Criminal Justice Education and Training Standards Commission, for handgun qualification for active law enforcement officers within the last 12 months is deemed to have satisfied the requirement under G.S. 14-415.12(a)(4) that an applicant successfully complete an approved firearms safety and training course."

SECTION 36.(b) This section becomes effective October 1, 2015.

SECTION 36.3. If House Bill 318, 2015 Regular Session, becomes law, G.S. 15A-306, as enacted by Section 11 of that act is amended by adding a new subsection to read:

"(c) Notwithstanding subsection (a) of this section, documents described in subdivision (2) of subsection (a) of this section may be used by a law enforcement officer to assist in determining the identity or residency of a person when they are the only documents providing an indication of identity or residency available to the law enforcement officer at the time."

SECTION 37.(a) G.S. 17C-10.1, as enacted by S.L. 2015-49, reads as rewritten:

"§ 17C-10.1. Certification of military service members and veterans with law enforcement training and experience.

(a) Notwithstanding any other provision of law, the Commission shall waive an applicant's completion of the Commission-accredited training course and issue probationary certification to a current or honorably discharged former military police officer provided the Commission, upon evaluating the individual applicant's combined training and experience pursuant to G.S. 93B-15.1(a), determines that the applicant's combined training and experience is substantially equivalent to or exceeds the minimum expectations for employment as a law enforcement officer and the applicant satisfies all of the following conditions:

...."

SECTION 37.(b) Not later than April 1, 2016, the Criminal Justice Education and Training Standards Commission shall provide a compliance report on the implementation of G.S. 17C-10.1 to the cochairs of the Joint Legislative Oversight Committee on Justice and Public Safety and to the cochairs of the House Homeland Security, Military, and Veterans Affairs Committee.

SECTION 38.(a) G.S. 20-28(a2) reads as rewritten:

"(a2) Driving Without Reclaiming License. – A person convicted under ~~subsection (a)~~subsection (a) or (a1) of this section shall be punished as if the person had been convicted of driving without a license under G.S. 20-35 if the person demonstrates to the court that either ~~subdivisions (1) and (2), or subdivision (3) of this subsection~~ of the following is true:

(1) At the time of the offense, the person's license was revoked solely under ~~G.S. 20-16.5; and~~ G.S. 20-16.5 and one of the following applies:

~~(2)~~ a. The offense occurred more than 45 days after the effective date of a revocation order issued under G.S. 20-16.5(f) and the period of revocation was 45 days as provided under subdivision (3) of that subsection; or

b. The offense occurred more than 30 days after the effective date of the revocation order issued under any other provision of ~~G.S. 20-16.5; or~~G.S. 20-16.5.

(3) At the time of the offense the person had met the requirements of G.S. 50-13.12, or G.S. 110-142.2 and was eligible for reinstatement of the person's drivers license privilege as provided therein.

In addition, a person punished under this subsection shall be treated for drivers license and insurance rating purposes as if the person had been convicted of driving without a license under G.S. 20-35, and the conviction report sent to the Division must indicate that the person is to be so treated."

SECTION 38.(b) G.S. 20-179(c) reads as rewritten:

"(c) Determining Existence of Grossly Aggravating Factors. – At the sentencing hearing, based upon the evidence presented at trial and in the hearing, the judge, or the jury in superior court, must first determine whether there are any grossly aggravating factors in the case. Whether a prior conviction exists under subdivision (1) of this subsection, or whether a conviction exists under subdivision (d)(5) of this section, shall be matters to be determined by the judge, and not the jury, in district or superior court. If the sentencing hearing is for a case

remanded back to district court from superior court, the judge shall determine whether the defendant has been convicted of any offense that was not considered at the initial sentencing hearing and impose the appropriate sentence under this section. The judge must impose the Aggravated Level One punishment under subsection (f3) of this section if it is determined that three or more grossly aggravating factors apply. The judge must impose the Level One punishment under subsection (g) of this section if it is determined that the grossly aggravating factor in subdivision (4) of this subsection applies or two of the other grossly aggravating factors apply. If the judge does not find that the aggravating factor at subdivision (4) of this subsection applies, then the judge must impose the Level Two punishment under subsection (h) of this section if it is determined that only one of the other grossly aggravating factors applies. The grossly aggravating factors are:

(1) A prior conviction for an offense involving impaired driving if:

a. The conviction occurred within seven years before the date of the offense for which the defendant is being sentenced; or

b. The conviction occurs after the date of the offense for which the defendant is presently being sentenced, but prior to or contemporaneously with the present sentencing; or

c. The conviction occurred in district court; the case was appealed to superior court; the appeal has been withdrawn, or the case has been remanded back to district court; and a new sentencing hearing has not been held pursuant to G.S. 20-38.7.

Each prior conviction is a separate grossly aggravating factor.

(2) Driving by the defendant at the time of the offense while his driver's license was revoked ~~under G.S. 20-28(a1), and the revocation was an impaired driving revocation under G.S. 20-28.2(a).~~pursuant to G.S. 20-28(a1).

...

In imposing an Aggravated Level One, a Level One, or a Level Two punishment, the judge may consider the aggravating and mitigating factors in subsections (d) and (e) in determining the appropriate sentence. If there are no grossly aggravating factors in the case, the judge must weigh all aggravating and mitigating factors and impose punishment as required by subsection (f)."

SECTION 38.(c) This section becomes effective December 1, 2015, and applies to convictions on or after that date. Prosecutions for offenses committed before the effective date of this section are not abated or affected by this section, and the statutes that would be applicable but for this section remain applicable to those prosecutions.

SECTION 38.3.(a) G.S. 20-28.9(a), as amended by Section 27.3(d) of S.L. 2015-241, reads as rewritten:

"(a) The State Surplus Property Agency is authorized to enter into a contract for a statewide service or contracts for regional services to tow, store, process, maintain, and sell motor vehicles seized pursuant to G.S. 20-28.3. All motor vehicles seized under G.S. 20-28.3 shall be subject to contracts entered into pursuant to this section. Contracts shall be let by the State Surplus Property Agency in accordance with the provisions of Article 3 of Chapter 143 of the General Statutes. ~~Nothing in this section shall be construed to prohibit the State Surplus Property Agency from entering into contracts pursuant to this section for some regions of the State while performing the work of towing, storing, processing, maintaining, and selling motor vehicles seized pursuant to G.S. 20-28.3 itself in other regions of the State.~~ All contracts shall ensure the safety of the motor vehicles while held and any funds arising from the sale of any seized motor vehicle. The contract shall require the contractor to maintain and make available to the agency a computerized up-to-date inventory of all motor vehicles held under the contract, together with an accounting of all accrued charges, the status of the vehicle, and the county school fund to which the proceeds of sale are to be paid. The contract shall provide that the contractor shall pay the towing and storage charges owed on a seized vehicle to a commercial towing company at the time the seized vehicle is obtained from the commercial towing company, with the contractor being reimbursed this expense when the vehicle is released or sold. The State Surplus Property Agency shall not enter into any contract under this section under which the State will be obligated to pay a deficiency arising from the sale of any forfeited motor vehicle."

SECTION 38.3.(b) This section becomes effective July 1, 2015.

SECTION 38.5. Reserved.

SECTION 39.(a) G.S. 20-38.7(c)(3), as enacted by Section 5 of S.L. 2015-150, reads as rewritten:

"(3) If the appeal is withdrawn and remanded pursuant to ~~G.S. 15A-1341(h),~~G.S. 15A-1431(h), the prosecutor has certified to the clerk, in writing, that the prosecutor consents to the withdrawal and remand and has no new sentencing factors to offer the court."

SECTION 39.(b) This section becomes effective December 1, 2015.

SECTION 40. G.S. 20-58.4A(i) reads as rewritten:

"(i) Mandatory Participation. – Beginning ~~January 1,~~ July 1, 2016, all individuals and lienholders who are normally engaged in the business or practice of financing motor vehicles, and who conduct at least five transactions annually, shall utilize the electronic lien system implemented in subsection (a) of this section to record information concerning the perfection and release of a security interest in a vehicle."

SECTION 40.6.(a) G.S. 20-63(b1), as amended by subsection (a) of Section 29.40 of S.L. 2015-241, reads as rewritten:

"(b1) The following special registration plates do not have to be a "First in Flight" plate or "First in Freedom" plate as provided in subsection (b) of this section. The design of the plates that are not "First in Flight" plates or "First in Freedom" plates must be developed in accordance with G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the Division may not issue the plate on a background under this subsection unless it receives at least 200 applications for the plate in addition to the applications required under G.S. 20-79.4 or G.S. 20-81.12.

...

(53) Kappa Alpha Psi Fraternity."

SECTION 40.6.(b) G.S. 20-79.4(b)(105) reads as rewritten:

"(105) Kappa Alpha Psi Fraternity. – Issuable to the registered owner of a motor ~~vehicle~~vehicle who is a member of the Kappa Alpha Psi Fraternity. The plate shall bear the fraternity's symbol and name. The Division may not issue the plate authorized by this subdivision unless it receives at least 300 applications for the plate."

SECTION 40.6.(c) Nothing in G.S. 20-63(b1) or G.S. 20-79.3A(a) shall be construed as requiring an additional 200 applications for the Division of Motor Vehicles to issue a full-color background "Kappa Alpha Psi Fraternity" special registration plate in accordance with G.S. 20-63(b1), as amended by subsection (a) of this section.

SECTION 40.6.(d) This section becomes effective 90 days after S.L. 2015-241 becomes law.

SECTION 41. G.S. 20-116 is amended by adding a new subsection to read:

"(o) Notwithstanding any provision of this section to the contrary, the following may operate on the highways of this State without an oversize permit for the purpose of Department snow removal and snow removal training operations:

(1) Truck supporting snow plows with blades not exceeding 12 feet in width. A truck operated pursuant to this subdivision shall have adequate illumination when the plow is in the up and the down positions; visible signal lights; and a plow that is angled so that the minimum width is exposed to oncoming traffic during periods of travel between assignments.

(2) Motor graders not exceeding 102 inches in width, measured from the outside edge of the tires. A motor grader operated pursuant to this subdivision shall have adequate illumination when the moldboard is in the up and down positions; visible signal lights; and a moldboard that is angled not to exceed 102 inches during periods of travel between assignments."

SECTION 42.(a) G.S. 20-286(10), as amended by Section 8 of S.L. 2015-125 and by Section 1.2 of S.L. 2015-232, reads as rewritten:

"(10) Motor vehicle. – Any motor propelled vehicle, trailer or semitrailer, required to be registered under the laws of this State. This term does not include mopeds, as that term is defined in G.S. 20-4.01.

a. "New motor vehicle" means a motor vehicle that has never been the subject of a completed, successful, or conditional sale that was subsequently approved other than between new motor vehicle dealers, or between a manufacturer and a new motor vehicle dealer of

the same franchise. For purposes of this subdivision, the use of a new motor vehicle by a new motor vehicle dealer for demonstration or service loaner purposes does not render the new motor vehicle a used motor vehicle, notwithstanding (i) the commencement of ~~(i)~~ the manufacturer's original warranty as a result of the franchised dealer's use of the vehicle for demonstration or loaner ~~purposes~~ purposes, or (ii) the dealer's receipt of incentive or warranty compensation or other reimbursement or consideration from a manufacturer, factory branch, distributor, distributor branch or ~~(ii)~~from a third-party warranty, maintenance, or service contract company relating to the use of a vehicle as a demonstrator or service loaner.

b. "Used motor vehicle" means a motor vehicle other than described in paragraph (10)a above."

SECTION 42.(b) G.S. 20-79(d), as amended by Section 1.4(a) of S.L. 2015-232, reads as rewritten:

"(d) Restrictions on Use. – A dealer license plate may be displayed only on a motor vehicle that meets all of the following requirements:

(1) Is part of the inventory of the dealer.

(2) Is not consigned to the dealer.

(3) Is covered by liability insurance that meets the requirements of Article 9A of this Chapter.

(4) Is not used by the dealer in another business in which the dealer is engaged.

(5) Is driven on a highway by a person who meets one of the following descriptions:

a. Has a demonstration permit to test-drive the motor vehicle and carries the demonstration permit while driving the motor vehicle.

b. Is an officer or sales representative of the dealer and is driving the vehicle for a business purpose of the dealer.

c. Is an employee of the dealer and is driving the vehicle in the course of employment.

d. Is an employee of the dealer or of a contractor of the dealer and is driving the vehicle within a 20-mile radius of a place where the vehicle is being repaired or otherwise prepared for sale.

e. Is an employee of the dealer or of a contractor of the dealer and is transporting the vehicle to or from a vehicle auction or to the dealer's established salesroom.

f. Is an officer, sales representative, or other employee of a franchised motor vehicle dealer or is an immediate family member of an officer, sales representative, or other employee of a franchised motor vehicle dealer.

(6) A copy of the registration card for the dealer plate issued to the dealer is carried by the person operating the motor vehicle or, if the person is operating the motor vehicle in this State, the registration card is maintained on file at the dealer's address listed on the registration card, and the registration card must be able to be produced within 24 hours upon request of any law enforcement officer.

A dealer may issue a demonstration permit for a motor vehicle to a person licensed to drive that type of motor vehicle. A demonstration permit authorizes each person named in the permit to drive the motor vehicle described in the permit for up to 96 hours after the time the permit is issued. A dealer may, for good cause, renew a demonstration permit for one additional 96-hour period. A franchised motor vehicle dealer is not prohibited from using a demonstration permit pursuant to this subsection by reason of the dealer's receipt of ~~(i)~~ incentive or warranty compensation or other reimbursement or consideration from a manufacturer, factory branch, distributor, distributor branch or ~~(ii)~~from a third-party warranty, maintenance, or service contract company relating to the use of the vehicle as a demonstrator or service loaner."

SECTION 43. G.S. 45-91(5) reads as rewritten:

"(5) The obligations of mortgage servicers set forth in ~~G.S. 53-243.11.~~G.S. 53-244.110."

SECTION 44.(a) G.S. 48-3-605 is amended by adding a new subsection to read:

"(g) The office of the clerk of superior court, the district court, and the superior court shall each be a court of competent jurisdiction for the purposes of (i) judicial proceedings for accepting voluntary consents to adoption under 25 U.S.C. § 1913, (ii) making determinations as to whether there is good cause to deviate from placement preferences under 25 U.S.C. § 1915(a), or (iii) judicial proceedings for voluntary consent to adoption in conformance with the laws of any state."

SECTION 44.(b) G.S. 48-3-702(b) reads as rewritten:

"(b) The provisions of G.S. 48-3-605(b), (e), ~~and~~ (f), and (g) also apply to a relinquishment executed under this Part."

SECTION 44.5.(a) Article 36 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-36-87. Affiliate transfer of policies.**

Delivery by an insurer of a policy superseding a policy previously issued by the insurer at the end of the previously issued policy period is not a refusal to renew when it is delivered by:

(1) The same insurer; or

(2) An affiliate or subsidiary, as those terms are defined in G.S. 58-19-5, that has a financial strength rating, issued by an industry-recognized independent insurance rating company, which financial strength rating is at least as good as the insurer issuing the superseded policy. The provisions of G.S. 58-36-110 and G.S. 58-36-85 apply to the affiliate or subsidiary as if it were the same insurer issuing the policy."

SECTION 44.5.(b) This section expires June 30, 2016.

SECTION 45. Reserved.

SECTION 46. G.S. 62A-41(2) reads as rewritten:

"(2) Six members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives as follows:

a. An individual who is a sheriff, appointed upon the recommendation of the North Carolina Sheriffs' Association, Inc.

b. An individual who represents CMRS providers operating in North Carolina.

c. An individual who represents the North Carolina chapter of the Association of Public Safety Communications Officials (APCO).

d. Two individuals who represent local exchange carriers operating in North Carolina, one of whom represents a local exchange carrier with less than 50,000 access lines.

e. A fire chief with experience operating or supervising a PSAP or a director/manager of a fire-based PSAP, appointed upon the recommendation of the North Carolina Firemen's Association."

SECTION 47. G.S. 84-24 reads as rewritten:

"**§ 84-24. Admission to practice.**

For the purpose of examining applicants and providing rules and regulations for admission to the Bar including the issuance of license therefor, there is hereby created the Board of Law Examiners, which shall consist of 11 members of the Bar, elected by the Council, who need not be members of the Council. No teacher in any law school, however, shall be eligible. The members of the Board of Law Examiners elected from the Bar shall each hold office for a term of three years.

The Board of Law Examiners shall elect a member of the Board as chair thereof, and the Board may employ an executive secretary and provide such assistance as may be required to enable the Board to perform its duties promptly and properly. The chair and any employees shall serve for a period of time determined by the Board.

The examination shall be held in the manner and at the times as the Board of Law Examiners may determine.

The Board of Law Examiners shall have full power and authority to make or cause to be made such examinations and investigations as may be deemed by it necessary to satisfy it that the applicants for admission to the Bar possess the qualifications of character and general fitness requisite for an attorney and counselor-at-law and to this end the Board of Law Examiners shall have the power of subpoena and to summons and examine witnesses under oath and to compel their attendance and the production of books, papers and other documents and writings deemed by it to be necessary or material to the inquiry and shall also have

authority to employ and provide assistance as may be required to enable it to perform its duties promptly and properly. Records, papers, and other documents containing information collected and compiled by the Board or its members or employees as a result of investigations, inquiries, or interviews conducted in connection with examinations or licensing matters, are not public records within the meaning of Chapter 132 of the General Statutes.

All applicants for admission to the Bar shall be fingerprinted to determine whether the applicant has a record of criminal conviction in this State or in any other state or jurisdiction. The information obtained as a result of the fingerprinting of an applicant shall be limited to the official use of the Board of Law Examiners in determining the character and general fitness of the applicant.

The Department of Public Safety may provide a criminal record check to the Board of Law Examiners for a person who has applied for a license through the Board. The Board shall provide to the Department of Public Safety, along with the request, the fingerprints of the applicant, any additional information required by the Department of Public Safety, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Public Safety may charge each applicant a fee for conducting the checks of criminal history records authorized by this section.

The Board of Law Examiners, subject to the approval of the Council, shall by majority vote, from time to time, make, alter, and amend such rules and regulations for admission to the Bar as in their judgment shall promote the welfare of the State and the profession: Provided, that ~~any~~ no change in the educational requirements for admission to the Bar that establishes an additional or greater requirement shall ~~not~~ become effective ~~within~~ until two years ~~from~~ after the date of the adoption of the change.

All rules and regulations, and modifications, alterations and amendments thereof, shall be recorded and promulgated as provided in G.S. 84-21 in relation to the certificate of organization and the rules and regulations of the Council.

Whenever the Council shall order the restoration of license to any person as authorized by G.S. 84-32, it shall be the duty of the Board of Law Examiners to issue a written license to the person, noting thereon that the license is issued in compliance with an order of the Council, whether the license to practice law was issued by the Board of Law Examiners or the Supreme Court in the first instance.

Appeals from the Board shall be had in accordance with rules or procedures as may be approved by the Supreme Court as may be submitted under G.S. 84-21 or as may be promulgated by the Supreme Court."

SECTION 47.5.(a) G.S. 89C-19 reads as rewritten:

"§ 89C-19. Public works; requirements where public safety involved.

This State and its political subdivisions such as counties, cities, towns, or other political entities or legally constituted boards, commissions, public utility companies, or authorities, or officials, or employees of these entities shall not engage in the practice of engineering or land surveying involving either public or private property where the safety of the public is directly involved without the project being under the ~~direct supervision~~ responsible charge of a professional engineer for engineering projects, or a professional land surveyor for land surveying projects, as provided for the practice of the respective professions by this Chapter.

An official or employee of the State or any political subdivision specified in this section, holding the positions set out in this section as of June 19, 1975, shall be exempt from the provisions of this section so long as such official or employee is engaged in substantially the same type of work as is involved in the present position.

Nothing in this section shall be construed to prohibit inspection, maintenance and service work done by employees of the State of North Carolina, any political subdivision of the State, or any municipality including construction, installation, servicing, and maintenance by regular full-time employees of, secondary roads and drawings incidental to work on secondary roads, streets, street lighting, traffic-control signals, police and fire alarm systems, waterworks, steam,

electric and sewage treatment and disposal plants, the services of superintendents, inspectors or foremen regularly employed by the State of North Carolina or any political subdivision of the State, or municipal corporation.

The provisions in this section shall not be construed to alter or modify the requirements of Article 1 of Chapter 133 of the General Statutes."

SECTION 47.5.(b) G.S. 89C-25(7a) reads as rewritten:

"(7a) The engineering or surveying activities of a person as defined by G.S. 89C-3(5) who is engaged in manufacturing, processing, producing, or transmitting and delivering a ~~product,~~product or public utility service, and which activities are reasonably necessary and connected with the primary services performed by individuals regularly employed in the ordinary course of business by the person, provided that the engineering or surveying activity is not a holding out or an offer to the public of engineering or surveying services, as prohibited by this Chapter. The engineering and surveying services may not be offered, performed, or rendered independently from the primary services rendered by the person. For purposes of this subdivision, "activities reasonably necessary and connected with the primary service" include the following:

a. Installation or servicing of the person's product or public utility service by employees of the person conducted outside the premises of the person's business.

b. Design, acquisition, installation, or maintenance of machinery, equipment, or apparatus incidental to the manufacture or installation of the product or public utility service performed by employees of the person upon property owned, leased, or used by the person.

c. Research and development performed in connection with the manufacturing, processing, or production of the person's product or public utility service by employees of the person.

Engineering or surveying activities performed pursuant to this subdivision, where the safety of the public is directly involved, shall be under the responsible charge of a licensed professional engineer or licensed professional surveyor."

SECTION 48.(a) G.S. 90-94(3), as amended by S.L. 2015-162, reads as rewritten:

"(3) Synthetic cannabinoids. – Any quantity of any synthetic chemical compound that (i) is a cannabinoid receptor agonist and mimics the pharmacological effect of naturally occurring substances or (ii) has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is not listed as a controlled substance in Schedule I through V, and is not an FDA-approved drug. Synthetic cannabinoids include, but are not limited to, the substances listed in sub-subdivisions a. through ~~j.~~p. of this subdivision and any substance that contains any quantity of their salts, isomers (whether optical, positional, or geometric), homologues, and salts of isomers and homologues, unless specifically excepted, whenever the existence of these salts, isomers, homologues, and salts of isomers and homologues is possible within the specific chemical designation. The following substances are examples of synthetic cannabinoids and are not intended to be inclusive of the substances included in this Schedule:

...."

SECTION 48.(b) This section becomes effective December 1, 2015.

SECTION 48.5. G.S. 90-113.101(1), as amended by S.L. 2015-154 and by Section 14 of this act, reads as rewritten:

"(1) Caregiver. – An individual that is at least 18 years of age and a resident of North Carolina who is a parent, legal guardian, or custodian of a patient and is registered with the Department of Health and Human ~~and~~ Services under G.S. 90-113.102 who possesses a written statement dated and signed by a neurologist that states all of the following:

...."

SECTION 49. Reserved.

SECTION 50. Reserved.

SECTION 51. Reserved.

SECTION 52. G.S. 97-101 reads as rewritten:

"**§ 97-101. Collection of fines and penalties.**

The Industrial Commission shall have the power by civil action brought in its own name to enforce the collection of any fines or penalties provided by this ~~Article, and fines or penalties collected by the Commission shall become a part of the maintenance fund referred to in subsection (j) of G.S. 97-100.~~Article."

SECTION 53. G.S. 97-200(a) reads as rewritten:

"**§ 97-200. Claims administration.**

(a) A self-insurer shall not utilize any claims adjuster unless the adjuster is licensed under ~~G.S. 58-33-25.~~G.S. 58-33-26."

SECTION 54.(a) G.S. 104E-5, as amended by Section 14.30(v) of S.L. 2015-241, reads as rewritten:

"**§ 104E-5. Definitions.**

Unless a different meaning is required by the context, the following terms as used in this Chapter shall have the meanings hereinafter respectively ascribed to them:

(1) "Agreement materials" means those materials licensed by the State under agreement with the United States Nuclear Regulatory Commission and which include by-product, source or special nuclear materials in a quantity not sufficient to form a critical mass, as defined by the Atomic Energy Act of 1954 as amended.

...

(14b) "Secretary" means the Secretary of ~~Environmental Quality.~~Health and Human Services.

...."

SECTION 54.(b) G.S. 104E-7(a), as amended by Section 14.30(u) of S.L. 2015-241, reads as rewritten:

"**§ 104E-7. Radiation Protection Commission – Creation and powers.**

(a) There is hereby created the North Carolina Radiation Protection Commission of the ~~Department of Environmental Quality~~ Department of Health and Human Services with the power to promulgate rules and regulations to be followed in the administration of a radiation protection program. All rules and regulations for radiation protection that were adopted by the Commission for Public Health and are not inconsistent with the provisions of this Chapter shall remain in full force and effect unless and until repealed or superseded by action of the Radiation Protection Commission. The Radiation Protection Commission is authorized:

...."

SECTION 54.(c) G.S. 104E-15(b), as amended by Section 14.30(u) of S.L. 2015-241, reads as rewritten:

"**§ 104E-15. Transportation of radioactive materials.**

...

(b) The Department is authorized to enter into agreements with the respective federal agencies designed to avoid conflict or duplication of effort ~~and/or conflict~~ in enforcement and inspection activities so that:

(1) Rules and regulations adopted by the Commission pursuant to this section of this Chapter may be enforced, within their respective jurisdictions, by any authorized representatives of the ~~Department of Environmental Quality~~Department of Health and Human Services and the Department of Transportation, according to mutual understandings between such departments of their respective responsibilities and authorities.

...."

SECTION 54.(d) G.S. 104E-17, as amended by Section 14.30(v) of S.L. 2015-241, reads as rewritten:

"**§ 104E-17. Payments to State and local agencies.**

Upon completion of any project or activity stated in G.S. 104E-16(a)(1), and from time to time during any project or activity stated in G.S. 104E-16(a)(2), each State and local agency that has participated by furnishing personnel, equipment or material shall deliver to the Department a record of the expenses incurred by the agency. The amount of incurred expenses shall be disbursed by the Secretary of ~~Environmental Quality~~ Health and Human Services to each such agency from the Radiation Protection Fund. Upon completion of any project or activity stated in G.S. 104E-16(a)(1), and from time to time during any project or activity stated

in G.S. 104E-16(a)(2), the Secretary of ~~Environmental Quality~~ Health and Human Services shall prepare a statement of all expenses and costs of the project or activity expended by the State and shall make demand for payment upon the person having control over the radioactive materials or the release thereof which necessitated said project or activity. Any person having control over the radioactive materials or the release thereof and any other person causing or contributing to an incident necessitating any project or activity stated in G.S. 104E-16 shall be directly liable to the State for the necessary expenses incurred thereby and the State shall have a cause of action to recover from any or all such persons. If the person having control over the radioactive materials or the release thereof shall fail or refuse to pay the sum expended by the State, the Secretary of ~~Environmental Quality~~ Health and Human Services shall refer the matter to the Attorney General of North Carolina, who shall institute an action in the name of the State in the Superior Court of Wake County, or in his discretion, in the superior court of the county in which the project or activity was undertaken by the State, to recover such cost and expenses.

In any action instituted by the Attorney General under this section, a verified and itemized statement of the expenses incurred by the State in any project or activity stated in G.S. 104E-16 shall be filed with the complaint and shall constitute prima facie the amount due the State; and any judgment for the State thereon shall be for such amount in the absence of allegation and proof on the part of the defendant or defendants that the statement of expenses incurred by and the amount due the State is not correct because of an error in:

(1) Calculating the amount due, or

(2) Not properly crediting the account with any cash payment or payments or other satisfaction which may have been made thereon."

SECTION 54.(e) G.S. 104E-24, as amended by Section 14.30(u) of S.L. 2015-241, reads as rewritten:

"**§ 104E-24. Administrative penalties.**

(a) The Department may impose an administrative penalty on any person:

(1) Who fails to comply with this Chapter, any order issued hereunder, or any rules adopted pursuant to this Chapter;

(2) Who refuses to allow an authorized representative of the Radiation Protection Commission or the ~~Department of Environmental Quality~~ Health and Human Services a right of entry as provided for in G.S. 104E-11 or impounding materials as provided for in G.S. 104E-14.

(b) Each day of a continuing violation shall constitute a separate violation. Such penalty shall not exceed ten thousand dollars ($10,000) per day. In determining the amount of the penalty, the Department shall consider the degree and extent of the harm caused by the violation. Any person assessed a penalty shall be notified of the assessment by registered or certified mail, and the notice shall specify the reasons for the assessment.

(c) Any person wishing to contest a penalty or order issued under this section shall be entitled to an administrative hearing and judicial review in accordance with the procedures outlined in Articles 3, 3A, and 4 of Chapter 150B of the General Statutes.

(d) The Secretary may bring a civil action in the superior court of the county in which such violation is alleged to have occurred to recover the amount of administrative penalty whenever a person:

(1) Who has not requested an administrative hearing fails to pay the penalty within 60 days after being notified of such penalty, or

(2) Who has requested an administrative hearing fails to pay the penalty within 60 days after service of a written copy of the decision as provided in G.S. 150B-36.

(e) The clear proceeds of penalties imposed pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

SECTION 54.3. G.S. 105-129.16A(f)(2), as enacted by S.L. 2015-11, reads as rewritten:

"(2) A notarized copy of a written report prepared by an independent engineer duly licensed in the State of North Carolina with expertise in the design and construction of installations of renewable energy property stating that at least the minimum percentage of the physical construction of the project was ~~constructed and installed~~completed prior to January 1, 2016."

SECTION 54.5.(a) G.S. 105-129.100 is amended by adding the following new subsection:

"(e) 2014 and 2015 Expenses. – A taxpayer is eligible for a credit under this section for taxable years beginning on or after January 1, 2016, for qualifying rehabilitation expenditures that were incurred in 2014 and 2015 if all of the following conditions are met:

(1) The certified historic structure is located in a Tier 1 or a Tier 2 county.

(2) The certified historic structure is owned by a city.

(3) The qualifying rehabilitation activity commenced in 2014.

(4) A certificate of occupancy is issued on or before December 31, 2015.

(5) The taxpayer meets all of the other conditions in this section."

SECTION 54.5.(b) Section 32.2(c) of S.L. 2015-241 reads as rewritten:

"**SECTION 32.3.(c)** Subsection (a) of this section becomes effective January 1, 2016, and applies to qualified rehabilitation expenditures and rehabilitation expenses incurred on or after that ~~date.~~ date, except as otherwise provided by law. The remainder of the section is effective when this act becomes law."

SECTION 54.5.(c) This section is effective when it becomes law and applies to credits that may be claimed for taxable years beginning on or after January 1, 2016.

SECTION 55. G.S. 110-90.2(a1) reads as rewritten:

"(a1) No person shall be a child care provider or uncompensated child care provider who has been any of the following:

(1) Convicted of a misdemeanor or a felony crime involving child neglect or child abuse.

(2) Adjudicated a "responsible individual" under ~~G.S. 7B-807(a1).~~G.S. 7B-311(b).

(3) Convicted of a "reportable conviction" as defined under G.S. 14-208.6(4)."

SECTION 56.(a) G.S. 110-105.5(c), as enacted by S.L. 2015-123, reads as rewritten:

"(c) Individuals whose names are listed on the Registry shall not be a caregiver as defined in ~~G.S. 110-105.3(b)(2)~~ G.S. 110-105.3(b)(1) at any licensed child care facility or religious-sponsored child care facility."

SECTION 56.(b) This section becomes effective January 1, 2016.

SECTION 56.2.(a) G.S. 113-415.1 reads as rewritten:

"**§ 113-415.1. Local ordinances ~~prohibiting~~ regulating 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~~ 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 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:~~ within the jurisdiction of a local government are invalidated and unenforceable, to the extent necessary to effectuate the purposes of this Part, that do the following:

(1) ~~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 preempt the local ordinance to allow for the proposed oil and gas exploration, development, and production activities.~~

(c1) If a local zoning or land-use ordinance imposes requirements, restrictions, or conditions that are generally applicable to development, including, but not limited to, setback, buffer, and stormwater requirements, and oil and gas exploration, development, and production activities would be regulated under the ordinance of general applicability, the operator of the proposed activities may petition the Oil and Gas 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 preempt the local ordinance to allow for the regulation of oil and gas exploration, development, and production activities.

(d) When a petition described in subsection ~~(c)~~(c1) of this section has been filed with the Oil and Gas ~~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 Oil and Gas ~~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 Oil and Gas ~~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~~regulate 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 Oil and Gas ~~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 Oil and Gas ~~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 Oil and Gas ~~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 56.2.(b) G.S. 130A-309.205 reads as rewritten:

"§ 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,~~invalidated and unenforceable, to the extent necessary to effectuate the purposes of this Part, that do the following:

(1) Place any restriction or condition not placed by this Part upon management of coal combustion residuals or coal combustion products within any county, city, or other political subdivision.

(2) Conflict or are in any manner inconsistent with the provisions of this Part.

...."

SECTION 56.2.(c) Subsection (a) of this section is effective retroactively to June 4, 2014. Subsection (b) of this section is effective retroactively to August 20, 2014.

SECTION 56.5. G.S. 115C-47 reads as rewritten:

"§ 115C-47. Powers and duties generally.

In addition to the powers and duties designated in G.S. 115C-36, local boards of education shall have the power or duty:

...

(62) To Establish Nonprofit Corporations to Further Authorized Purposes. – Local boards of education may establish, control, and operate a nonprofit corporation that is created under Chapter 55A of the General Statutes and is a tax-exempt organization under the Internal Revenue Code to further their authorized purposes. A nonprofit corporation established as provided in this section shall not have regulatory or enforcement powers and shall not engage in partisan political activity or policy advocacy. Any local board of education that establishes a nonprofit corporation shall make a report annually to the Joint Legislative Education Oversight Committee."

SECTION 57. Reserved.

SECTION 58. Reserved.

SECTION 59. Reserved.

SECTION 60. G.S. 115C-174.26(h) reads as rewritten:

"(h) Beginning ~~October 15~~ November 15, 2014, the State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on advanced courses in North Carolina. The report shall include, at a minimum, the following information:

(1) The North Carolina Advanced Placement Partnership's report to the Department of Public Instruction as required by subsection (g) of this section and the State Board's assessment of that report.

(2) Number of students enrolled in advanced courses and participating in advanced course examinations, including demographic information by gender, race, and free and reduced-price lunch status.

(3) Student performance on advanced course examinations, including information by course, local school administrative unit, and school.

(4) Number of students participating in 10th grade PSAT/NMSQT testing.

(5) Number of teachers attending summer institutes offered by the North Carolina Advanced Placement Partnership.

(6) Distribution of funding appropriated for advanced course testing fees and professional development by local school administrative unit and school.

(7) Status and efforts of the North Carolina Advanced Placement Partnership.

(8) Other trends in advanced courses and examinations."

SECTION 61. Reserved.

SECTION 62. Reserved.

SECTION 62.5. Reserved.

SECTION 63.(a) G.S. 115D-12(a), as amended by S.L. 2015-167, reads as rewritten:

"(a) Each community college established or operated pursuant to this Chapter shall be governed by a board of trustees consisting of 13 members, or of additional members if selected according to the special procedure prescribed by the third paragraph of this subsection, who shall be selected by the following agencies. No member of the General Assembly may be appointed to a local board of trustees for a community college.

Group One – four trustees, elected by the board of education of the public school administrative unit located in the ~~administrative~~ service area of the institution. If there are two or more public school administrative units, whether city or county units, or both, located within the ~~administrative~~ service area, the trustees shall be elected jointly by all of the boards of education of those units, each board having one vote in the election of each trustee, except as provided in G.S. 115D-59. No board of education shall elect a member of the board of education or any person employed by the board of education to serve as a trustee, however, any such person currently serving on a board of trustees shall be permitted to fulfill the unexpired portion of the trustee's current term.

Group Two – four trustees, elected by the board of commissioners of the county in which the main campus of the institution is located. Provided, also, if the ~~administrative~~ service area of the institution is composed of two or more counties, the board of trustees of the institution may authorize the county commissioners of any county in which the main campus is not located to elect an additional board member. Provided, also, the county commissioners of the county in which the community college has established a satellite campus may elect an

additional two members if the board of trustees of the community college agrees. No more than one trustee from Group Two may be a member of a board of county commissioners. Should the boards of education or the boards of commissioners involved be unable to agree on one or more trustees the senior resident superior court judge in the superior court district or set of districts as defined in G.S. 7A-41.1 where the institution is located shall fill the position or positions by appointment.

Group Three – four trustees, appointed by the Governor.

Group Four – the president of the student government or the chairman of the executive board of the student body of each community college established pursuant to this Chapter shall be an ex officio nonvoting member of the board of trustees of each said institution."

SECTION 63.(b) This section applies only to Beaufort County Community College.

SECTION 64. G.S. 115D-39.1(a) reads as rewritten:

"(a) Notwithstanding the provisions of ~~G.S. 115D-39.1(a),~~G.S. 115D-39(a), a community college may, with the approval of the State Board of Community Colleges:

(1) Implement a tuition surcharge of up to thirty-three and one-third percent (33 1/3%) of the statewide tuition rate to fund a new instructional program that is necessary to attract industry to the area, and

(2) Use the proceeds of an endowed scholarship, consistent with the terms of the endowment, to offset the cost of the tuition charge."

SECTION 65. Reserved.

SECTION 65.5. G.S. 116-143.3A(a)(3), as enacted by S.L. 2015-116, reads as rewritten:

"(3) Veteran. – A person who served active duty for not less than 90 days in the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration and who was discharged or released from such ~~service under conditions other than dishonorable.~~service."

SECTION 66.(a) G.S. 116-209.52 reads as rewritten:

"**§ 116-209.52. Definitions.**

The following definitions apply in this Part:

~~(a)~~(1) Academic Year. – ~~Any period of 365 days beginning with the first day of enrollment for a course of instruction.~~The annual enrollment period used by the Authority.

~~(a1) Business or Trade School. – Any school within the State of North Carolina which is licensed by the State Board of Education and listed by that Board as an approved private business school or an approved private trade school.~~

~~(b)~~(2) Private Educational Institutions. – Any junior college, senior college or university which is operated and governed by private interests not under the control of the federal, State or any local government, which is located within and licensed by the State of North Carolina, which does not operate for profit, whose curriculum is primarily directed toward the awarding of associate, baccalaureate or graduate degrees, which agrees to the applicable administration and funding provisions of this Part.

(3) Proprietary School. – An educational institution that is (i) defined as a proprietary school in G.S. 115D-87(2), (ii) licensed by the State Board of Community Colleges, and (iii) listed by the North Carolina State Approving Agency for Veterans and Military Education as an approved proprietary school for purposes of this Part.

~~(c) Repealed by Session Laws 2010-31, s. 17.3(c), effective July 1, 2010.~~

~~(d)~~(4) State Educational Institutions. – Any of the constituent institutions of the University of North Carolina, or any community college operated under the provisions of Chapter 115D of the General Statutes of North Carolina.

~~(e) Repealed by Session Laws 2008-94, s. 2, effective July 1, 2008.~~

~~(f)~~(5) Student Loan. – A loan or loans made to eligible students or parents of students to aid in attaining an education beyond the high school level."

SECTION 66.(b) G.S. 116-209.54 reads as rewritten:

"**§ 116-209.54. Eligibility.**

(a) Active members of the North Carolina National Guard who are enrolled or who shall enroll in any ~~business or trade school,~~proprietary school, private educational institution, or State educational institution shall be eligible to apply for this tuition assistance benefit: Provided, that the applicant has a minimum obligation of two years remaining as a member of the North Carolina National Guard from the end of the academic period for which tuition assistance is provided or that the applicant commit himself or herself to extended membership for at least two additional years from the end of that academic period.

(b) This tuition assistance benefit shall be applicable to students in the following categories:

(1) Students seeking to achieve completion of their secondary school education at a community college or technical institute.
(2) Students seeking trade or vocational training or education.
(3) Students seeking to achieve a two-year associate degree.
(4) Students seeking to achieve a four-year baccalaureate degree.
(5) Students seeking to achieve a graduate degree.
(6) Students enrolled in a program granting a graduate certificate.

(c) The following persons shall be eligible to apply for disbursements to pay outstanding student loans pursuant to G.S. 116-209.55(g):

(1) Persons described in subsections (a) and (b) of this section.
(2) Active members of the North Carolina National Guard who were previously enrolled in any ~~business or trade school,~~ proprietary school, private educational institution, or State educational institution, but only if:
   a. The applicant has a minimum obligation of two years remaining as a member of the North Carolina National Guard from the time of the application; or
   b. The applicant commits himself or herself to extended membership for at least two additional years from the time of the application."

SECTION 66.(c) G.S. 116-209.55 reads as rewritten:

"**§ 116-209.55. Administration and funding.**

(a) The Authority is charged with the administration of the tuition assistance program under this Part.

(b) The Authority shall determine the eligibility of applicants, select the benefit recipients, establish the effective date of the benefit, and may suspend or revoke the benefit if the Authority finds that the recipient does not maintain an adequate academic status, or if the recipient engages in riots, unlawful demonstrations, the seizure of educational buildings, or otherwise engages in disorderly conduct, breaches of the peace, or unlawful assemblies. The Authority shall maintain such records and shall promulgate such rules and regulations as the Authority deems necessary for the orderly administration of this program. The Authority may require of ~~business or trade schools~~ proprietary schools or State or private educational institutions such reports and other information as the Authority may need to carry out the provisions of this Part and the Authority shall disburse benefit payments for recipients upon certification of enrollment by the enrolling institutions.

(c) All tuition benefit disbursements shall be made to the ~~business or trade school~~ proprietary school or State or private educational institution concerned, for credit to the tuition account of each recipient. Funds disbursed pursuant to subsection (g) of this section shall be made to the student loan creditor concerned to be applied against the outstanding student loans of each North Carolina National Guard member beneficiary.

(d) The participation by any ~~business or trade school~~ proprietary school or private educational institution in this program shall be subject to the applicable provisions of this Part and to examination by the State Auditor of the accounts of the benefit recipients attending or having attended such private schools or institutions. The Authority may defer making an award or may suspend an award in any ~~business or trade school~~ proprietary school or private educational institution which does not comply with the provisions of this Part relating to said institutions. The manner of payment to any ~~business or trade school~~proprietary school or private educational institution shall be as prescribed by the Authority.

(e) Irrespective of other provisions of this Part, the Authority may prescribe special procedures for adjusting the accounts of benefit recipients who, for reasons of illness, physical inability to attend classes or for other valid reason satisfactory to the Authority, may withdraw from any ~~business or trade school~~proprietary school or State or private educational institution

prior to the completion of the term, semester, quarter or other academic period being attended at the time of withdrawal.

(f) Any balance of the monetary educational assistance grant up to the maximum for the academic year remaining after tuition is paid pursuant to subsection (c) of this section may be disbursed to the recipient as reimbursement for required course books and materials. The manner of obtaining the reimbursement payment for these required books and materials shall be as prescribed by the Authority.

(g) Any funds not needed to accomplish the other purposes of this Part may be used to help members of the North Carolina National Guard repay outstanding student loans in accordance with rules to be adopted by the Authority. These rules shall provide that the length of a member's deployment may be considered in determining whether or not, and in what amount, a member receives assistance pursuant to this subsection. There shall be no reimbursement under this subsection for payments already made on student loans, and funds shall not be provided under this subsection for the purpose of paying student loans obtained for courses from which the member withdrew or for which the member did not receive a passing grade. Payments for outstanding loans shall not exceed the maximum benefit available under G.S. 116-209.53."

SECTION 67. Reserved.

SECTION 68. G.S. 120-11.1 reads as rewritten:

"§ 120-11.1. Time of meeting.

The regular session of the Senate and House of Representatives shall be held biennially beginning at ~~9:00 A.M.~~12:00 noon on the second Wednesday in January next after their election, and on that day they shall meet solely to elect officers, adopt rules, and otherwise organize the session. When they adjourn that day, they stand adjourned until 12:00 noon on the third Wednesday after the second Monday in January next after their election."

SECTION 68.5.(a) G.S. 120-36.13(a) reads as rewritten:

"(a) Plan. – The Joint Legislative Program Evaluation Oversight Committee, in consultation with the Director of the Program Evaluation Division, must establish ~~an annual~~ a work plan for the Division. The Division must adhere to this ~~annual~~ work plan, unless the Joint Legislative Program Evaluation Oversight Committee changes the ~~annual~~ work plan to add a new evaluation or remove a planned evaluation. Any enacted legislation that directs the Program Evaluation Division to conduct a study or an evaluation is included in the ~~annual~~ work plan by operation of law; however, notwithstanding any other provision of law, if the enacted legislation did not have an impact statement, as provided in G.S. 120-36.17, completed prior to its consideration by the General Assembly, then the study or evaluation shall be included in the next ~~annual~~ work plan adopted by the Committee and one year shall be added to any required reporting dates included in the legislation, except that the impact statement is not required and the evaluation may be included in the current work plan if the impact statement was not provided pursuant to the time requirements in G.S. 120-36.17(b).

The ~~annual~~ work plan constitutes an information request and a drafting request made by the Committee cochairs to legislative employees under Article 17 of Chapter 120 of the General Statutes. Any document prepared by a legislative employee pursuant to the ~~annual~~ work plan becomes available to the public only as provided in G.S. 120-131. Any document prepared by an agency employee pursuant to a request under G.S. 120-131.1(a1) becomes available to the public only as provided in G.S. 120-131."

SECTION 68.5.(b) G.S. 120-36.14 reads as rewritten:

"§ 120-36.14. Content of report of Program Evaluation Division.

A report of an evaluation of a program or an activity of a State agency by the Program Evaluation Division of the General Assembly ~~must~~ may include the following:

(1) The findings of the Division concerning the program or activity.
(2) Specific recommendations for making the program or activity more efficient or effective.
(3) Any legislation needed to implement the Division's findings and recommendations concerning the program or activity.
(4) An estimate of the costs or savings expected from implementing the Division's findings and recommendations concerning the program or activity."

SECTION 68.5.(c) G.S. 120-36.16(2) reads as rewritten:

"(2) To establish ~~an annual~~ a work plan for the Program Evaluation Division that describes the evaluations to be performed by the Division. The Committee must consult with the Director of the Program Evaluation Division in performing this duty."

SECTION 68.5.(d) G.S. 120-36.17(a) reads as rewritten:

"(a) Every bill and resolution introduced in the General Assembly proposing a study or evaluation by the Program Evaluation Division shall have attached to it at the time of its consideration by the General Assembly an impact statement prepared by the Division. The impact statement shall identify and estimate, to complete all studies and reports required by the bill or resolution, all of the following: (i) the number of personnel required; (ii) the total number of hours required; and (iii) the estimated costs.

(1) If, after review, the Division determines that no estimates are possible, the impact statement shall contain a statement to that effect, setting forth the reasons why no estimate can be given.

(2) The Division shall indicate whether the Division, based upon its current ~~annual~~ work plan, has adequate and sufficient resources to undertake the study or evaluation as part of the current annual work plan, and shall explain the basis for its determination.

(3) If the Division determines that it would not be able to undertake the study or evaluation as part of its current ~~annual~~ work plan, it shall indicate a time frame in which it believes the study or evaluation could be accomplished."

SECTION 69.(a) G.S. 120-76(10) is repealed.

SECTION 69.(b) Subdivision (4) of Section 1.2(a) of S.L. 2011-291 is repealed.

SECTION 70. G.S. 130A-33.31 reads as rewritten:

"§ 130A-33.31. Commission of Anatomy – Members; selection; term; chairman; quorum; meetings.

(a) The Commission of Anatomy shall consist of ~~five~~six members, one representative from the field of mortuary science, and one each from The University of North Carolina School of Medicine, East Carolina University School of Medicine, Duke University School of Medicine, ~~and~~ Bowman Gray School of ~~Medicine.~~Medicine, and Campbell University School of Osteopathic Medicine. The dean of each school shall make recommendations and the Secretary shall appoint from such recommendations a member to the Commission. The president of the State Board of Funeral Service shall appoint the representative from the field of mortuary science to the Commission. The members shall serve terms of four years except two of the original members shall serve a term of one year, one shall serve a term of two years, one shall serve a term of three years, and one shall serve a term of four years. The Secretary shall determine the terms of the original members.

(b) Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be for the balance of the unexpired term.

(c) The Secretary shall remove any member of the Commission from office for misfeasance, malfeasance or nonfeasance.

(d) The Commission shall elect a chair annually from its own membership.

(e) A majority of the Commission shall constitute a quorum for the transaction of business.

(f) The Commission shall meet at any time and place within the State at the call of the chair or upon the written request of three members.

(g) All clerical and other services required by the Commission shall be supplied by the Secretary."

SECTION 71. Reserved.

SECTION 72.(a) G.S. 136-200.2(k) reads as rewritten:

"(k) All individuals with voting authority serving on an MPO who are members of the Board of Transportation shall comply with Chapter 138A of the General Statutes and ~~G.S. 143A-350~~ G.S. 143B-350 while serving on the MPO."

SECTION 72.(b) G.S. 136-211(k) reads as rewritten:

"(k) All individuals with voting authority serving on a rural transportation planning organization who are members of the Board of Transportation shall comply with Chapter 138A of the General Statutes and ~~G.S. 143A-350~~ G.S. 143B-350 while serving on the rural transportation planning organization."

SECTION 73. G.S. 136-222 reads as rewritten:

"§ 136-222. **Commission established; appointment and terms of members; ~~chairman;~~cochairs; reports; commission funds; staff.**

(a) Commission established. – The Virginia-North Carolina High-Speed Rail Compact Commission is hereby established as a regional instrumentality and a common agency of each signatory party, empowered in a manner hereinafter to carry out the purposes of the Compact.

(b) Members, terms. – The Virginia members of the Commission shall be appointed as follows: three members of the House of Delegates, appointed by the Speaker of the House of Delegates, and two members of the Senate, appointed by the Senate Committee on Rules. The North Carolina members of the Commission shall be composed of five members as follows: two members of the Senate appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate, two members of the House of Representatives appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives, and one appointed by the Governor.

(c) ~~Chair. – The chair of the Commission shall be chosen by the members of the Commission from among its membership for a term of one year and shall alternate between the member states.~~Cochairs. – A cochair to the Commission shall be chosen by the Virginia members of the Commission from among its Virginia membership for a term of one year. A cochair to the Commission shall be chosen by the North Carolina members of the Commission from among its North Carolina membership for a term of one year.

(d) Meetings and reports. – The Commission shall meet at least twice each year, at least once in Virginia and once in North Carolina, and shall issue a report of its activities each year.

(e) Funds. – The Commission may utilize, for its operation and expenses, funds appropriated to it therefore by the legislatures of Virginia and North Carolina, or received from federal sources.

(f) Expenses of Members. – Virginia members of the Commission shall receive compensation and reimbursement for expenses in accordance with the applicable laws of that state. North Carolina members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-31, 138-5, or 138-6, as appropriate.

(g) Staff. – Primary staff to the Commission shall be provided by the Virginia Department of Rail and Public Transportation and the North Carolina Department of Transportation."

SECTION 74.(a) G.S. 143-48.6(b), as enacted by Section 26.2 of S.L. 2015-241, reads as rewritten:

"(b) Personal Services Contract Defined. – For purposes of this section, the term "personal services contract" means a contract for services provided by a professional individual as an independent contractor on a temporary or occasional ~~basis.~~basis, but does not include, and nothing in this Article shall apply to, the engagement of experts or expert witnesses who are to be involved in the planning, prosecution, or defense of any litigation, by the Department of Justice, the Governor, State agencies, or institutions."

SECTION 74.(b) This section becomes effective July 1, 2015.

SECTION 75. Reserved.

SECTION 76. Reserved.

SECTION 77. Reserved.

SECTION 78. G.S. 143B-168.12(a)(1) reads as rewritten:

"(1) The North Carolina Partnership shall have a Board of Directors consisting of the following 26 members:

a. The Secretary of Health and Human Services, ex officio, or the Secretary's ~~designee;~~designee.

b. Repealed by Session Laws 1997, c. 443, s. 11A.105.

c. The Superintendent of Public Instruction, ex officio, or the Superintendent's ~~designee;~~designee.

d. The President of the Community Colleges System, ex officio, or the President's ~~designee;~~designee.

e. Three members of the public, including one child care provider, one other who is a parent, and one other who is a board chair of a local partnership serving on the North Carolina Partnership local partnership advisory committee, appointed by the General Assembly upon recommendation of the President Pro Tempore of the ~~Senate;~~Senate.

f. Three members of the public, including one who is a parent, one other who is a representative of the faith community, and one other who is a board chair or designee of the board chair of a local partnership serving on the North Carolina Partnership local partnership advisory committee, appointed by the General Assembly upon recommendation of the Speaker of the House of ~~Representatives;~~Representatives.

g. Twelve members, appointed by the Governor. Three of these 12 members shall be members of the party other than the Governor's party, appointed by the Governor. Seven of these 12 members shall be appointed as follows: one who is a child care provider, one other who is a pediatrician, one other who is a health care provider, one other who is a parent, one other who is a member of the business community, one other who is a member representing a philanthropic agency, and one other who is an early childhood ~~educator;~~educator.

h. Repealed by Session Laws 1998-212, s. 12.37B(a), effective October 30, 1998.

h1. The Chair of the North Carolina Partnership Board shall be appointed by the ~~Governor;~~Governor.

i. Repealed by Session Laws 1998-212, s. 12.37B(a), effective October 30, 1998.

j. One member of the public appointed by the General Assembly upon recommendation of the Majority Leader of the ~~Senate;~~Senate.

k. One member of the public appointed by the General Assembly upon recommendation of the Majority Leader of the House of ~~Representatives;~~Representatives.

l. One member of the public appointed by the General Assembly upon recommendation of the Minority Leader of the ~~Senate;~~Senate.

m. One member of the public appointed by the General Assembly upon recommendation of the Minority Leader of the House of ~~Representatives; and~~Representatives.

n. The Director of the More at Four Pre-Kindergarten Program, or the Director's designee.

All members appointed to succeed the initial members and members appointed thereafter shall be appointed for three-year terms. Members may succeed themselves.

All appointed board members shall avoid conflicts of interests and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the North Carolina Partnership's disbursement of funds shall abstain from participating in any decision or deliberations by the North Carolina Partnership regarding the disbursement of funds.

All ex officio members are voting members. Each ex officio member may be represented by a designee. These designees shall be voting members. No members of the General Assembly shall serve as members.

The North Carolina Partnership may establish a nominating committee and, in making their recommendations of members to be appointed by the General Assembly or by the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Majority Leader of the Senate, the Majority Leader of the House of Representatives, the Minority Leader of the Senate, the Minority Leader of the House of Representatives, and the Governor shall consult with and consider the recommendations of this nominating committee.

The North Carolina Partnership may establish a policy on members' attendance, which policy shall include provisions for reporting absences of at least three meetings immediately to the appropriate appointing authority.

Members who miss more than three consecutive meetings without excuse or members who vacate their membership shall be replaced by the appropriate appointing authority, and the replacing member shall serve either

until the General Assembly and the Governor can appoint a successor or until the replaced member's term expires, whichever is earlier.

The North Carolina Partnership shall establish a policy on membership of the local boards. No member of the General Assembly shall serve as a member of a local board. Within these requirements for local board membership, the North Carolina Partnership shall allow local partnerships that are regional to have flexibility in the composition of their boards so that all counties in the region have adequate representation.

All appointed local board members shall avoid conflicts of interests and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the partnership's disbursement of funds shall abstain from participating in any decision or deliberations by the partnership regarding the disbursement of funds."

SECTION 79.(a) G.S. 143B-1100(b)(4) reads as rewritten:

"(4) Two public members provided by ~~subdivision~~ sub-subdivision (a)(1)d. of this section shall be appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives and two public members provided by ~~subdivision~~sub-subdivision (a)(1)d. of this section shall be appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate."

SECTION 79.(b) G.S.143B-1100(c) reads as rewritten:

"(c) The initial members of the Commission shall be those appointed under subsection (b) above, which appointments shall be made by March 1, 1977. The terms of the present members of the Governor's Commission on Law and Order shall expire on February 28, 1977. Effective March 1, 1977, the Governor shall appoint members, other than those serving by virtue of their office, to serve staggered terms; seven shall be appointed for one-year terms, seven for two-year terms, and seven for three-year terms. At the end of their respective terms of office their successors shall be appointed for terms of three years and until their successors are appointed and qualified. ~~The Commission members from the House and Senate~~ The public members appointed pursuant to subdivision (4) of subsection (b) of this section shall serve two-year terms effective March 1, of each odd-numbered ~~year; and they shall not be disqualified from Commission membership because of failure to seek or attain reelection to the General Assembly, but resignation or removal from office as a member of the General Assembly shall constitute resignation or removal from the Commission.~~ year. Any ~~other~~ Commission member no longer serving in the office from which ~~he~~the member qualified for appointment shall be disqualified from ~~membership~~ serving on the Commission. Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, disability, or disqualification of a member shall be for the balance of the unexpired term."

SECTION 80. Reserved.

SECTION 81.(a) If House Bill 373, 2015 Regular Session, becomes law, then G.S. 163-278.8B, as enacted by Section 3(a) of that act, is rewritten to read:

"**§ 163-278.8B. Affiliated party committees.**

(a) Each political party caucus of the North Carolina House of Representatives and the North Carolina Senate may establish one separate affiliated party committee to support the election of candidates who would be eligible to be members of that caucus. No other affiliated party committees shall be authorized pursuant to this section. The affiliated party committee is deemed a political party for purposes of this Article.

(b) An affiliated party committee shall be established only by majority vote of the total membership of the political party caucus. Attached to the organizational report filed in accordance with G.S. 163-9, the affiliated party committee shall provide a report to the State Board of Elections certifying that the political party caucus has organized and taken the appropriate vote to establish an affiliated party committee. The report described in this subsection shall be a public record within the meaning of Chapter 132 of the General Statutes.

(c) Each affiliated party committee shall:

(1) Adopt bylaws which shall be in compliance with the provisions of this Article. At a minimum, the bylaws shall include designation of a treasurer.

(2) Conduct campaigns for candidates who would be eligible to be members of that political party caucus of the North Carolina House of Representatives or

North Carolina Senate if elected or reelected or manage daily operations of the affiliated party committee.

(3) Establish a bank account.

(4) Accept contributions and expend funds.

(d) Notwithstanding any other provision of law to the contrary, an affiliated party committee shall be entitled to use the name, abbreviation, and symbol of its respective political party.

(e) For purposes of this section, "political party" has the same meaning as defined in G.S. 163-96."

SECTION 81.(b) If House Bill 373, 2015 Regular Session, becomes law, that act is amended by adding a new bill section to read:

"**SECTION 3.(a1)** Article 22A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"**§ 163-278.8C. Council of State affiliated party committees.**

(a) Members of the Council of State affiliated with the same political party may establish one separate Council of State affiliated party committee to support the election of candidates who would be eligible to be nominees of that political party for Council of State offices. No other Council of State affiliated party committees shall be authorized pursuant to this section. The Council of State affiliated party committee is deemed a political party for purposes of this Article.

(b) Each Council of State affiliated party committee shall:

(1) Adopt bylaws which shall be in compliance with the provisions of this Article. At a minimum, the bylaws shall include designation of a treasurer.

(2) Conduct campaigns for candidates for Council of State who are members of the leader's political party or manage daily operations of the Council of State affiliated party committee.

(3) Establish a bank account.

(4) Accept contributions and expend funds.

(c) Notwithstanding any other provision of law to the contrary, a Council of State affiliated party committee shall be entitled to use the name, abbreviation, and symbol of the political party of its leader.

(d) A previously established Council of State affiliated party committee may continue to be maintained in the event that no individual affiliated with that political party is elected to serve on the Council of State in the general election. The Council of State affiliated party committee shall be maintained by the most recently elected members of the Council of State from that political party. Notwithstanding the definition of "leader" in subsection (e) of this section, those members shall designate an individual from that group to serve as leader. When an individual or individuals affiliated with that political party is next elected to the Council of State, that individual or individuals shall assume control of the Council of State affiliated party committee for that political party.

(e) For purposes of this section, the following definitions shall apply:

(1) Leader. – The highest-ranking individual affiliated with the political party of the Council of State affiliated party committee. For the purposes of this subdivision, the highest-ranking office serving on the Council of State shall be in the following order: Governor, Lieutenant Governor, and the offices as set out in Article III, Section 7 of the North Carolina Constitution, as follows: Secretary of State, State Auditor, State Treasurer, Superintendent of Public Instruction, Attorney General, Commissioner of Agriculture, Commissioner of Labor, and Commissioner of Insurance.

(2) Political party. – As defined in G.S. 163-96."

SECTION 81.(c) If House Bill 373, 2015 Regular Session, becomes law, that act is amended by adding a new bill section to read:

"**SECTION 3.(b1)** G.S. 163-278.6 is amended by adding a new subdivision to read:

"(1a) The term "affiliated party committee" means a General Assembly affiliated party committee as established by G.S. 163-278.8B or Council of State affiliated party committee as established by G.S. 163-278.8C."

SECTION 81.(d) If House Bill 373, 2015 Regular Session, becomes law, G.S. 163-278.6(15), as amended by that act, reads as rewritten:

"(15) The term "political party" means any political party organized or operating in this State, whether or not that party is recognized under the provisions of G.S. 163-96. A special definition of "political party organization" that applies only in Part 1A of this Article is set forth in G.S. 163-278.38Z. An affiliated party committee is deemed a political party for this Article as set forth in ~~G.S. 163-278.8B.~~G.S. 163-278.8B and G.S. 163-278.8C."

SECTION 81.(e) If House Bill 373, 2015 Regular Session, becomes law, that act is amended to add two new bill sections to read:

"**SECTION 3.(s)** G.S. 163-278.13B(a)(2) reads as rewritten:

"(2) "Limited contributee" means a member of or candidate for the Council of State, a member of or candidate for the General ~~Assembly.~~Assembly, an affiliated party committee, or a Council of State affiliated party committee.

"**SECTION 3.(t)** If any provision of this section or its application is held invalid, the invalidity does not affect other provisions or applications of this section that can be given effect without the invalid provisions or application, and to this end the provisions of this section are severable."

SECTION 81.(f) If House Bill 373, 2015 Regular Session, becomes law, G.S. 163-278.38Z, as amended by that act, reads as rewritten:

"**§ 163-278.38Z. Definitions.**

As used in this Part:

...

(3) "Candidate campaign committee" means any political committee organized by or under the direction of a ~~candidate.~~candidate, except for an affiliated party committee as defined in G.S. 163-278.6(1a).

...."

SECTION 82. Section 3 of S.L. 2014-15 reads as rewritten:

"**SECTION 3.** Section 2 of this act becomes effective July 1, 2015. The remainder of this act is effective when it becomes law, and the annual identification requirement for local school administrative units applies beginning with the 2015-2016 school year. Beginning in the 2016-2017 school year, and annually thereafter, the identification of military-connected students for all local school administrative units shall be completed by January 31 of each school year. Local school administrative units may begin the annual identification of military-connected students using the Uniform Education Reporting System beginning with the 2014-2015 school year."

SECTION 83. Section 9 of S.L. 2014-49 reads as rewritten:

"**SECTION 9.** Section 4 of this act becomes effective July 29, 2013. The remainder of this act is effective when it becomes law, and Sections ~~1 through 7~~ 1, 2, 3, 5, 6, and 7 apply to grants awarded beginning with the 2014-2015 school year."

SECTION 84. S.L. 2015-13 is amended by adding a new section to read:

"**SECTION 3.1.** S.L. 1975-95 is repealed."

SECTION 85. Section 2 of S.L. 2015-32 reads as rewritten:

"**SECTION 2.** The Joint Legislative ~~Commission~~ Oversight Committee on Justice and Public Safety may study the current State and federal law regarding the authority for State agencies to schedule controlled substances without legislative action and the procedure for that scheduling or rescheduling."

SECTION 85.5. Section 2(b) of S.L. 2015-138 reads as rewritten:

"**SECTION 2.(b)** Notwithstanding Part 4 of Article 5 of Chapter 160A of the General Statutes and G.S. 160A-23, the City of Greensboro shall not alter or amend the form of government for the ~~City. Upon the return of the 2020 federal decennial census, the North Carolina General Assembly shall revise the districts set out in this section, if needed. The City of Greensboro may submit proposed changes to the districts set out in this section to the North Carolina General Assembly.~~City until after the return of the 2020 federal decennial Census."

SECTION 86. Section 7 of S.L. 2015-186 reads as rewritten:

"**SECTION 7.** This act becomes effective December 1, 2015, and applies to ~~convictions~~ offenses committed on or after that date. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions."

SECTION 86.2. Section 1 of S.L. 2015-196 reads as rewritten:

"**SECTION 1.** The Environmental Review Commission, with the assistance of the Department of Environment and Natural Resources, shall study the aggregate uses of groundwater and surface water in or affecting the Cape Fear River Basin by all users, including, but not limited to, public water systems, industrial facilities, and agricultural operations. The study shall include all of the following elements: (i) a summary of the current and 50-year projected water-use demands along with the available water supplies ~~for those portions of Alamance, Bladen, Brunswick, Caswell, Chatham, Columbus, Cumberland, Duplin, Durham, Guilford, Harnett, Hoke, Lee, Moore, New Hanover, Onslow, Orange, Pender, Randolph, Richmond, Robeson, Rockingham, Sampson, Scotland, and Wake counties~~ within the Cape Fear River Basin; (ii) an evaluation of the adequacy of currently available supplies to meet the expected long-term needs for all water demands, including the identification of those areas of the basin that do not have a sustainable long-term water supply for the anticipated growth of that area; (iii) the identification of potential conflicts among the various users and recommendations for developing and enhancing coordination among users and groups of users in order to avoid or minimize those conflicts; and (iv) an enhanced review of the portions of the Cape Fear River Basin within Brunswick, New Hanover, and Pender counties addressing the increased demands on groundwater and limited surface water options in that area.

All the information and any analytical tools, such as models, employed in the conduct of the study shall be made available electronically for public review and use on the Web site of the Department's Division of Water Resources.

The Environmental Review Commission may submit an interim report to the 2016 Regular Session of the 2015 General Assembly and shall submit a final report of its findings and recommendations, including any legislative proposals, to the 2017 General Assembly."

SECTION 86.5.(a) Section 12A.5(b)(1) of S.L. 2015-241 reads as rewritten:

"(1) Beginning immediately upon receipt of the transferred funds, facilitate the following:

a. ~~Establishment~~ Establishment, administration, and ongoing support of the successor HIE Network described in subsection (a) of this section. Not later than 30 days after receipt of the transferred funds and notwithstanding any State laws pertaining to contracting procedures or contract review and approval requirements, the State CIO shall negotiate and enter into or amend a contract for services with an effective date no later than 30 days from receipt of the transferred funds. The contract for services shall include provisions to accomplish all of the following:

1. The State's transition from the HIE Network established under Article 29A of Chapter 90 of the General Statutes to the successor HIE Network described in subsection (a) of this section.

2. Establishment, oversight, administration, and ongoing support for the successor HIE Network described in subsection (a) of this section.

3. Initial steps toward implementation of an HIE analytics data warehouse to be used solely for the purposes set forth in G.S. 90-414(a), as enacted by subsection (d) of this section.

b. Termination or assignment to the Authority by February 29, 2016, of any contracts pertaining to the HIE Network established under Article 29A of Chapter 90 of the General Statutes (i) between the State and the NC HIE and (ii) between the NC HIE and any third parties.

c. Pursuant to G.S. 143B-426.38A, as recodified by Section 7A.2(c) of this act, utilization of existing public-private partnerships and existing data and analytics contracts to do all of the following:

1. Ensure the provision of services necessary to accomplish the State's transition from the HIE Network established under Article 29A of Chapter 90 of the General Statutes to the successor HIE Network described in subsection (a) of this section.

2. Provide for the integration of health information exchange clinical data, including the implementation of a health information exchange analytics data warehouse, to be used solely for the purposes set forth in G.S. 90-414(a), as enacted by subsection (d) of this section.

3. Provide health information exchange stakeholders with access to specific health information exchange analytics in a manner that allows stakeholders to leverage historical and prescriptive data for the purpose of reducing healthcare costs and improving quality and access to care."

SECTION 86.5.(b) G.S. 90-414.3(9), as enacted by Section 12A.5(d) of S.L. 2015-241, reads as rewritten:

"(9) HIPAA. – ~~The~~ Sections 261 through 264 of the federal Health Insurance Portability and Accountability Act of 1996, P.L. 104-191, as amended, and any federal regulations adopted to implement these sections, as amended."

SECTION 86.5.(c) G.S. 90-414.9, as enacted by Section 12A.5(d) of S.L. 2015-241, reads as rewritten:

"**§ 90-414.9. Participation by covered entities.**

(a) Each covered entity that ~~elects to participate~~participates in the HIE Network shall enter into a HIPAA compliant business associate agreement described in G.S. 90-414.5(b)(8) and a written participation agreement described in G.S. 90-414.5(b)(6) with the Authority or qualified organization prior to submitting data through or in the HIE Network.

(b) Each covered entity that ~~elects to participate~~participates in the HIE Network may authorize its business associates on behalf of the covered entity to submit data through, or access data stored in, the HIE Network in accordance with this Article and at the discretion of the Authority, as provided in G.S. 90-414.5(b)(8).

(c) Notwithstanding any State law or regulation to the contrary, each covered entity that ~~elects to participate~~participates in the HIE Network may disclose an individual's protected health information through the HIE Network to other covered entities for any purpose permitted by HIPAA, unless the individual has exercised the right to opt out."

SECTION 86.5.(d) Section 12A.5 of S.L. 2015-241 is amended by adding a new subsection to read:

"**SECTION 12A.5.(f1)** Notwithstanding any provision of this section, covered entities that are required to submit demographic and clinical information through the successor HIE Network described in subsection (a) of this section pursuant to G.S. 90-414.4(b), as enacted by subsection (d) of this section, shall not be required to submit such demographic and clinical information through the successor HIE Network until the Authority establishes a date for covered entities to begin submitting demographic and clinical information through the HIE Network or by other secure electronic means, as provided in G.S. 90-414.4(b), as enacted by subsection (d) of this section."

SECTION 86.5.(e) Section 12A.5(g) of S.L. 2015-241 reads as rewritten:

"**SECTION 12A.5.(g)** ~~Subsections~~ Except as provided in subsection (f1) of this section, subsections (d) and (e) of this section become effective October 1, 2015. Subsection (f) of this section becomes effective on the date the State Chief Information Officer notifies the Revisor of Statutes that all contracts pertaining to the HIE Network established under Article 29A of Chapter 90 of the General Statutes (i) between the State and the NC HIE, as defined in G.S. 90-413.3, and (ii) between the NC HIE and any third parties have been terminated or assigned to the North Carolina Health Information Exchange Authority established under Article 29B of Chapter 90 of the General Statutes, as enacted by subsection (d) of this section. The remainder of this section becomes effective July 1, 2015."

SECTION 87.(a) Section 12F.17 of S.L. 2015-241 is repealed.

SECTION 87.(b) G.S. 168-2, as reenacted by Section 87(a) of this act, reads as rewritten:

"**§ 168-2. Right of access to and use of public places.**

Persons with disabilities have the same right as persons without disabilities to the full and free use of the streets, highways, sidewalks, walkways, public buildings, public facilities, and all other buildings and facilities, both publicly and privately owned, which serve the public. ~~The Department of Health and Human Services shall develop, print, and promote the publication ACCESS NORTH CAROLINA. It shall make copies of the publication available to~~

~~the Department of Commerce for its use in Welcome Centers and other appropriate Department of Commerce offices. The Department of Commerce shall promote ACCESS NORTH CAROLINA in its publications (including providing a toll-free telephone line and an address for requesting copies of the publication) and provide technical assistance to the Department of Health and Human Services on travel attractions to be included in ACCESS NORTH CAROLINA. The Department of Commerce shall forward all requests for mailing ACCESS NORTH CAROLINA to the Department of Health and Human Services.~~"

SECTION 87.5. Section 12H.4 of S.L. 2015-241 reads as rewritten:

"**SECTION 12H.4.** The Department of Health and Human Services, Division of Medical Assistance, shall charge an application fee of one hundred dollars ($100.00), and the amount federally required, to each provider enrolling in the Medicaid Program for the first time. The fee shall be charged to all providers at recredentialing every ~~three~~five years."

SECTION 88. Section 12H.23(a) of S.L. 2015-241 reads as rewritten:

"**SECTION 12H.23.(a)** The Department of Health and Human Services shall submit a State Plan amendment to modify Section 4.19-A of the Medicaid State Plan, such that, effective January 1, 2016, no Medicaid provider may receive reimbursement for Graduate Medical Education (GME) ~~in addition~~ as an add-on to their DRG Unit Value (Base) rate under the DRG payment rate methodology as defined in the current Medicaid State Plan. GME costs will continue to be an allowable Medicaid cost to be recorded on the hospital's Medicaid cost report in accordance with Medicare cost reporting requirements. GME costs will continue to be allowable in the calculation of supplemental payments made as part of cost settlements, Medicaid Reimbursement Initiative (MRI) and Upper Payment Limit (UPL) models as defined in the State Plan and allowed by the Centers for Medicare and Medicaid Services (CMS). This section shall not be construed to require the Department to submit any State Plan amendment to CMS that increases State funding requirements or that would impair achievement of the savings required by the "Hospital Inpatient Base Rates – GME" item in the Joint Conference Committee Report on the Base, Expansion, and Capital Budgets in the amount of twelve million seven hundred forty-eight thousand seven hundred ninety-five dollars ($12,748,795) in fiscal year 2015-2016 and the amount thirty-one million one hundred twenty-seven thousand two hundred four dollars ($31,127,204) in fiscal year 2016-2017."

SECTION 89. S.L. 2015-241 is amended by adding a new section to read:

"**AMEND COST SETTLEMENT OF LOCAL HEALTH DEPARTMENTS**

SECTION 12H.30. The Department of Health and Human Services, Division of Medical Assistance, shall submit a Medicaid State Plan amendment request to the Centers for Medicare and Medicaid Services (CMS) to amend the annual cost settlement methodology for local health departments, as defined in Article 2 of Chapter 130A of the General Statutes. The State Plan amendment shall provide a methodology that maximizes identification of allowable Medicaid costs in order to assure that North Carolina is receiving the maximum federal reimbursement for local health departments' treatment of Medicaid-eligible patients consistent with Medicare reimbursement principles. The State Plan amendment required by this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e) but shall be submitted by February 15, 2016 and shall apply to cost reports with a fiscal year beginning July 1, 2016 and thereafter. This section shall not be construed to require the Department to submit to CMS a State Plan amendment that increases State funding requirements."

SECTION 90. Reserved.

SECTION 90.2. Section 20.3(b) of S.L. 2015-241 reads as rewritten:

"**SECTION 20.2.(b)** This section becomes effective ~~January 1,~~ August 1, 2016, and applies to insurance contracts issued, renewed, or amended on or after that date."

SECTION 90.5. Section 29.17E of S.L. 2015-241 reads as rewritten:

"**STUDY/IMPROVING SAFETY ON SECONDARY ROADS & UNPAVED ROAD IMPROVEMENT PILOT PROGRAM**

SECTION 29.17E.(a) Study. – The Department of Transportation shall study ways to improve safety and decrease the number of traffic accidents and fatalities occurring on secondary roads. The study shall include all of the following:

(1) An identification of the secondary roads with the highest number of traffic accidents and fatalities.

(2) An identification of the most common causes listed for traffic accidents and fatalities occurring on secondary roads.

(3) Any other matters or information the Department deems relevant to the completion of the study.

SECTION 29.17E.(b) ~~Report.~~Report on Study. – The Department shall report its findings and ~~recommendations,~~recommendations from the study required under subsection (a) of this section, including any legislative proposals, to the Joint Legislative Transportation Oversight Committee by February 1, 2016.

SECTION 29.17E.(c) Survey. – The Department shall conduct a survey of the paved and unpaved roads in this State that are open to the public, but are not currently a part of the State system. The Department shall report its findings from the survey to the Joint Legislative Transportation Oversight Committee by June 30, 2016.

SECTION 29.17E.(d) Pilot Program. – Of the funds allocated to the Secondary Unpaved Road Paving Program (Fund Code: 84210-7812), the Department shall use the sum of one million dollars ($1,000,000) nonrecurring for the 2015-2016 fiscal year to establish a pilot program to improve paved or unpaved roads that are open to the public, but are not currently part of the State system. The Department shall implement the pilot program by December 1, 2015. The pilot program shall provide for minimal improvements to the selected roads. The Department shall establish eligibility guidelines for the roads to be improved under the pilot program. The Department shall report the results of the pilot program to the Joint Legislative Transportation Oversight Committee by December 1, 2016, including any recommendations and legislative proposals. The pilot program shall expire upon the submission of the report required by this subsection.

SECTION 29.17E.(e) Applicability. – The survey and pilot program required under this section shall not include municipal or federally-owned roads.

SECTION 29.17E.(f) Liability. – Improvements of an unpaved road under this pilot program shall not obligate the State to further improve or maintain the unpaved road in the future. The State shall not be liable for any direct or indirect damages alleged to have been caused by the improvement of the unpaved road."

SECTION 90.7. Section 2.45 of S.L. 2015-254 reads as rewritten:

"**SECTION 2.45.** Michael Walters of Robeson County and Franklin Rouse of ~~Brunswick~~ New Hanover County are appointed to the North Carolina Railroad Company Board of Directors for terms expiring on June 30, 2019."

SECTION 91.(a) If House Bill 117, 2015 Regular Session, becomes law, Section 1(j) of that act reads as rewritten:

"**SECTION 1.(j)** Subsections (d) and (h) of this section are effective when this act becomes law. The remainder of this section becomes effective ~~July 1,~~October 1, 2015, and applies to awards made under Part 2G of Article 10 of Chapter 143B of the General Statutes on or after that date."

SECTION 91.(b) This section is effective when it becomes law.

SECTION 91.2. If House Bill 318, 2015 Regular Session, becomes law, then Section 16(b) of that act reads as rewritten:

"**SECTION 16.(b)** The Department of Health and Human Services shall withdraw any pending request for waivers to time limits established by federal law for food and nutrition benefits for able-bodied adults without dependents required to fulfill work requirements to qualify for those benefits submitted but not granted prior to the effective date of this section unless the request can be amended so that the period covered by the waiver will not extend beyond March 1, 2016. If a pending waiver request is granted prior to the effective date of this section, the Department shall discontinue the waiver as of that effective date unless the waiver can be amended so that the period covered by the waiver will not extend beyond March 1, 2016. The Department shall not submit a new request for a waiver unless the period covered by the waiver will not extend beyond ~~March~~ July 1, 2016. Nothing in this section shall be construed to require termination of a waiver in place as of September 1, 2015."

SECTION 91.3. If House Bill 540, 2015 Regular Session, becomes law, it is amended by deleting the name "William Franklin "Billy" Graham, Jr.," and substituting in its place throughout the bill with the name "William Franklin Graham, II," and, where that name appeared at the end of a sentence, by inserting a period as needed.

SECTION 91.4.(a) Notwithstanding any other provision of law, the pilot program established by the Department of Health and Human Services, Division of Health Service Regulation, to study the use of electronic supervision devices as an alternative means of supervision during sleep hours at facilities for children and adolescents who have a primary

diagnosis of mental illness and/or emotional disturbance shall remain in effect and shall extend to facilities that are authorized to provide services in accordance with Section .1700 of the North Carolina Administrative Code, Residential Treatment Staff Secure for Children or Adolescents, currently owned or operated with the facility currently authorized to waive the requirement set forth in 10A NCAC 27G .1704(c) or any related or subsequent rule or regulation by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services setting minimum overnight staffing requirements. The waiver for these facilities shall remain in effect; however, the Division reserves the right to rescind the waiver if, at the time of the facility's license renewal, there are outstanding deficiencies that have remained uncorrected upon follow-up surveys that are related to electronic supervision.

SECTION 91.4.(b) This section expires on June 30, 2016.

SECTION 91.5.(a) Students enrolled in the Halifax County Schools shall be permitted to participate in the residential science, mathematics, engineering, and technology (STEM) enrichment program for traditionally underserved students supported by the sum of one hundred eighty thousand dollars ($180,000) in nonrecurring funds appropriated to the State Board of Education for each fiscal year of the 2015-2017 fiscal biennium by S.L. 2015-241.

SECTION 91.5.(b) This section becomes effective July 1, 2015.

SECTION 91.7. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

PART III. EFFECTIVE DATE

SECTION 92. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

s/ Chad Barefoot
Presiding Officer of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 11:00 a.m. this 1st day of October, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-202
SENATE BILL 233

AN ACT TO PROVIDE FOR THE AUTOMATIC EXPUNCTION OF CERTAIN RECORDS OF A PERSON WHEN THE CHARGE OR CHARGES AGAINST THE PERSON ARE DISMISSED AS A RESULT OF IDENTITY THEFT OR MISTAKEN IDENTITY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 15A-147 reads as rewritten:

"§ 15A-147. Expunction of records when charges are dismissed or there are findings of not guilty as a result of identity ~~theft.~~theft or mistaken identity.

(a) If any person is named in a charge for an infraction or a crime, either a misdemeanor or a felony, as a result of another person using the identifying information of the named person or mistaken identity and ~~the charge against the named person is dismissed,~~ a finding of not guilty is entered, or the conviction is set aside, the named person may apply by petition or written motion to the court where the charge was last pending on a form approved by the Administrative Office of the Courts supplied by the clerk of court for an order to expunge from all official records any entries relating to the person's apprehension, charge, or trial. The court, after notice to the district attorney, shall hold a hearing on the motion or petition and, upon finding that the person's identity was used without permission and the charges were dismissed or the person was found not guilty, the court shall order the expunction.

(a1) If any person is named in a charge for an infraction or a crime, either a misdemeanor or a felony, as a result of another person using the identifying information of the named person or mistaken identity, and the charge against the named person is dismissed, the prosecutor or other judicial officer who ordered the dismissal shall provide notice to the court of the dismissal, and the court shall order the expunction of all official records containing any entries relating to the person's apprehension, charge, or trial.

(b) No person as to whom such an order has been entered under this section shall be held thereafter under any provision of any law to be guilty of perjury, or to be guilty of otherwise giving a false statement or response to any inquiry made for any purpose, by reason of the person's failure to recite or acknowledge any expunged entries concerning apprehension, charge, or trial.

(c) The court shall also order that the said entries shall be expunged from the records of the court and direct all law enforcement agencies, the Division of Adult Correction of the Department of Public Safety, the Division of Motor Vehicles, or any other State or local government agencies identified by the ~~petitioner~~petitioner, or the person eligible for automatic expungement under subsection (a1) of this section, as bearing record of the same to expunge their records of the entries. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150. The costs of expunging the records, as required under G.S. 15A-150, shall not be taxed against the petitioner.

(d) The Division of Motor Vehicles shall expunge from its records entries made as a result of the charge or conviction ordered expunged under this section. The Division of Motor Vehicles shall also reverse any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged, including the assessment of drivers license points and drivers license suspension or revocation. Notwithstanding any other provision of this Chapter, the Division of Motor Vehicles shall provide to the person whose motor vehicle record is expunged under this section a certified corrected driver history at no cost and shall reinstate at no cost any drivers license suspended or revoked as a result of a charge or conviction expunged under this section.

(e) The Division of Adult Correction of the Department of Public Safety and any other applicable State or local government agency shall expunge its records as provided in G.S. 15A-150. The agency shall also reverse any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged. Notwithstanding any other provision of law, the normal fee for any reinstatement of a license or privilege resulting under this section shall be waived.

(f) Any insurance company that charged any additional premium based on insurance points assessed against a policyholder as a result of a charge or conviction that was expunged under this section shall refund those additional premiums to the policyholder upon notification of the expungement.

(g) For purposes of this section, the term "mistaken identity" means the erroneous arrest of a person for a crime as a result of misidentification by a witness or law enforcement, confusion on the part of a witness or law enforcement as to the identity of the person who committed the crime, misinformation provided to law enforcement as to the identity of the person who committed the crime, or some other mistake on the part of a witness or law enforcement as to the identity of the person who committed the crime."

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

In the General Assembly read three times and ratified this the 30th day of July, 2015.

s/ Louis M. Pate, Jr.
Deputy President Pro Tempore of the Senate

s/ David R. Lewis
Presiding Officer of the House of Representatives

s/ Pat McCrory
Governor

Approved 11:10 a.m. this 6th day of August, 2015

SESSION LAW 2015-279
SENATE BILL 279

AN ACT AMENDING THE PROFESSIONAL COUNSELORS ACT TO MODIFY EDUCATIONAL QUALIFICATIONS FOR THE PRACTICE OF COUNSELING AND TO REQUIRE LOCAL BOARDS OF EDUCATION TO ADDRESS SEX TRAFFICKING PREVENTION AND AWARENESS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-336 reads as rewritten:

"§ 90-336. Title and qualifications for licensure.

(a) Each person desiring to be a licensed professional counselor associate, licensed professional counselor, or licensed professional counselor supervisor shall make application to the Board upon such forms and in such manner as the Board shall prescribe, together with the required application fee.

(b) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies on or before March 1, 2016, and meets all of the following criteria:

(1) Has earned a ~~minimum of 48 semester hours or 72 quarter~~specified minimum of credit hours of graduate training as defined by the Board, including (i) a master's degree in counseling or a related field from ~~a regionally accredited institution of higher education~~an institution of higher education that is regionally accredited or accredited by an organization recognized by the Council for Higher Education Accreditation and (ii) the applicant meets one of the following criteria:

a. ~~if~~If the applicant enrolled in the master's program before July 1, ~~2009;~~2009, a minimum of 48 semester hours or a minimum of 72 quarter credit hours.

b. If the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009, a minimum of 54 semester hours or 81 quarter credit ~~hours~~hours.

c. If the applicant enrolled in the master's program after June 30, 2013, a minimum of 60 semester hours or 90 quarter credit hours. ~~of graduate training as defined by the Board, including a master's degree in counseling or a related field from a regionally accredited institution of higher education if the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009; or a minimum of 60 semester hours or 90 quarter credit hours of graduate training as defined by the Board, including a master's degree in counseling or a related field from a regionally accredited institution of higher education if the applicant enrolled in the master's program after June 30, 2013.~~

(2) Repealed by Session Laws 2009-367, s. 6, effective October 1, 2009.

(3) Has passed an examination in accordance with rules adopted by the Board.

(b1) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies after March 1, 2016, through June 30, 2022, and meets all of the following criteria:

(1) Has earned a specified minimum of credit hours of graduate training as defined by the Board, including (i) a master's degree in counseling or related field from an institution of higher education that is either regionally accredited or accredited by an organization both recognized by the Council

for Higher Education Accreditation and accredited by the Council for Accreditation of Counseling and Related Educational Programs and (ii) the applicant meets one of the following criteria:

a. If the applicant enrolled in the master's program before July 1, 2009, a minimum of 48 semester hours or a minimum of 72 quarter credit hours.

b. If the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009, a minimum of 54 semester hours or 81 quarter credit hours.

c. If the applicant enrolled in the master's program after June 30, 2013, a minimum of 60 semester hours or 90 quarter credit hours.

(2) Has passed an examination in accordance with rules adopted by the Board.

(b2) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies on or after July 1, 2022, and meets all of the following criteria:

(1) Has earned a minimum of 60 semester hours or 90 quarter hours of graduate training as defined by the Board, including a master's degree in counseling or related field from an institution of higher education that is accredited by the Council for Accreditation of Counseling and Related Educational Programs.

(2) Has passed an examination in accordance with rules adopted by the Board.

(c) The Board shall issue a license as a "licensed professional counselor" to an applicant who meets all of the following criteria:

(1) Has met all of the requirements under ~~subsection (b)~~subsection (b), (b1), or (b2) of this ~~section.~~section, as applicable.

(2) Has completed a minimum of 3,000 hours of supervised professional practice as determined by the Board.

(d) A licensed professional counselor may apply to the Board for recognition as a "licensed professional counselor supervisor" and receive the credential "licensed professional counselor supervisor" upon meeting all of the following criteria:

(1) Has met all of the requirements under subsection (c) of this section.

(2) Has one of the following:

a. At least five years of full-time licensed professional counseling experience, including a minimum of 2,500 hours of direct client contact;

b. At least eight years of part-time licensed professional counseling experience, including a minimum of 2,500 hours of direct client contact; or

c. A combination of full-time and part-time professional counseling experience, including a minimum of 2,500 hours of direct client contact as determined by the Board.

(3) Has completed minimum education requirements in clinical supervision as approved by the Board.

(4) Has an active license in good standing as a licensed professional counselor approved by the Board."

SECTION 2. G.S. 90-345(a)(1) reads as rewritten:

"(1) Applicant. – A person applying for licensure as a licensed professional counselor associate pursuant to ~~G.S. 90-336(b)~~G.S. 90-336(b), 90-336(b1), or 90-336(b2) or licensed professional counselor pursuant to G.S. 90-336(c)."

SECTION 3. G.S. 115C-81(e1)(4) reads as rewritten:

"(4) Each local school administrative unit shall provide a reproductive health and safety education program commencing in the seventh grade that includes the following instruction:

a. Teaches that abstinence from sexual activity outside of marriage is the expected standard for all school-age children.

b. Presents techniques and strategies to deal with peer pressure and offering positive reinforcement.

c. Presents reasons, skills, and strategies for remaining or becoming abstinent from sexual activity.

d. Teaches that abstinence from sexual activity is the only certain means of avoiding out-of-wedlock pregnancy, sexually transmitted diseases when transmitted through sexual contact, including HIV/AIDS, and other associated health and emotional problems.

e. Teaches that a mutually faithful monogamous heterosexual relationship in the context of marriage is the best lifelong means of avoiding sexually transmitted diseases, including HIV/AIDS.

f. Teaches the positive benefits of abstinence until marriage and the risks of premarital sexual activity.

g. Provides opportunities that allow for interaction between the parent or legal guardian and the student.

h. Provides factually accurate biological or pathological information that is related to the human reproductive system.

i. Teaches about the preventable risks for preterm birth in subsequent pregnancies, including induced abortion, smoking, alcohol consumption, the use of illicit drugs, and inadequate prenatal care.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the ~~field~~ fields of any of the following: sexual health ~~education.~~education, adolescent psychology, behavioral counseling, medicine, human anatomy, biology, ethics, or health education."

SECTION 4. G.S. 115C-81(e1)(4a) reads as rewritten:

"(4a) Each local school administrative unit shall also include as part of the instruction required under subdivision (4) of this subsection the following instruction:

a. Teaches about sexually transmitted diseases. Instruction shall include how sexually transmitted diseases are and are not transmitted, the effectiveness and safety of all federal Food and Drug Administration (FDA)-approved methods of reducing the risk of contracting sexually transmitted diseases, and information on local resources for testing and medical care for sexually transmitted diseases. Instruction shall include the rates of infection among pre-teen and teens of each known sexually transmitted disease and the effects of contracting each sexually transmitted disease. In particular, the instruction shall include information about the effects of contracting the Human Papilloma Virus, including sterility and cervical cancer.

b. Teaches about the effectiveness and safety of all FDA-approved contraceptive methods in preventing pregnancy.

c. Teaches awareness of sexual assault, sexual abuse, and risk reduction. The instruction and materials shall:

1. Focus on healthy relationships.
2. Teach students what constitutes sexual assault and sexual abuse, the causes of those behaviors, and risk reduction.
3. Inform students about resources and reporting procedures if they experience sexual assault or sexual abuse.
4. Examine common misconceptions and stereotypes about sexual assault and sexual abuse.

d. Teaches about sex trafficking prevention and awareness. Each local school administrative unit shall:

1. Collaborate with a diverse group of outside consultants where practical, including law enforcement with expertise in sex trafficking prevention education, to address the threats of sex trafficking.
2. Collaborate with a diverse group of outside consultants, including law enforcement with expertise in sex trafficking, on a referral protocol for high-risk pupils and minors.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the field of sexual health education. Law enforcement agencies, criminal justice agencies, and nongovernmental organizations with expertise in sex trafficking prevention and awareness may also provide materials and information. Each local board of education shall adopt a policy and provide a mechanism to allow a parent or a guardian to withdraw his or her child from instruction required under this subdivision."

SECTION 5. G.S. 115C-81(e1)(4a), as amended by Section 4 of this act, reads as rewritten:

"(4a) Each local school administrative unit shall also include as part of the instruction required under subdivision (4) of this subsection the following instruction:

a. Teaches about sexually transmitted diseases. Instruction shall include how sexually transmitted diseases are and are not transmitted, the effectiveness and safety of all federal Food and Drug Administration (FDA)-approved methods of reducing the risk of contracting sexually transmitted diseases, and information on local resources for testing and medical care for sexually transmitted diseases. Instruction shall include the rates of infection among pre-teen and teens of each known sexually transmitted disease and the effects of contracting each sexually transmitted disease. In particular, the instruction shall include information about the effects of contracting the Human Papilloma Virus, including sterility and cervical cancer.

b. Teaches about the effectiveness and safety of all FDA-approved contraceptive methods in preventing pregnancy.

c. Teaches awareness of sexual assault, sexual abuse, and risk reduction. The instruction and materials shall:

1. Focus on healthy relationships.
2. Teach students what constitutes sexual assault and sexual abuse, the causes of those behaviors, and risk reduction.
3. Inform students about resources and reporting procedures if they experience sexual assault or sexual abuse.
4. Examine common misconceptions and stereotypes about sexual assault and sexual abuse.

d. Teaches about sex trafficking prevention and awareness. Each local school administrative unit shall:

1. Collaborate with outside consultants, including law enforcement with expertise in sex trafficking prevention education, to address the threats of sex trafficking.
2. Collaborate with outside consultants, including law enforcement with expertise in sex trafficking, on a referral protocol for high-risk pupils and minors.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the ~~field~~ fields of any of the following: sexual health ~~education.~~education, adolescent psychology, behavioral counseling, medicine, human anatomy, biology, ethics, or health education. Law enforcement agencies, criminal justice agencies, and nongovernmental organizations with expertise in sex trafficking prevention and awareness may also provide materials and information. Each local board of education shall adopt a policy and provide a mechanism to allow a parent or a guardian to withdraw his or her child from instruction required under this subdivision."

SECTION 6. Sections 1 and 2 of this act become effective October 1, 2015. Section 3 of this act is effective when it becomes law and applies beginning with the 2016-2017 school year. Section 4 of this act is effective when it becomes law and applies beginning with the spring semester of the 2015-2016 school year. Section 5 of this act is effective January 1, 2016, and applies beginning with the 2016-2017 school year.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:36 a.m. this 20th day of October, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-64
SENATE BILL 315

AN ACT AUTHORIZING LOCAL BOARDS OF EDUCATION TO MAKE OUTDOOR SCHOOL PROPERTY AVAILABLE TO THE PUBLIC FOR RECREATIONAL PURPOSES AND TO MAKE OTHER CONFORMING CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-524 reads as rewritten:

"**§ 115C-524. Repair of school property; use of buildings for other than school purposes.**

(a) Repair of school buildings is subject to the provisions of G.S. 115C-521(c) and (d).

(b) It shall be the duty of local boards of education and tax-levying authorities, in order to safeguard the investment made in public schools, to keep all school buildings in good repair to the end that all public school property shall be taken care of and be at all times in proper condition for use. It shall be the duty of all principals, teachers, and janitors to report to their respective boards of education immediately any unsanitary condition, damage to school property, or needed repair. All principals, teachers, and janitors shall be held responsible for the safekeeping of the buildings during the school session and all breakage and damage shall be repaired by those responsible for same, and where any principal or teacher shall permit damage to the public school buildings by lack of proper discipline of pupils, such principal or teacher shall be held responsible for such damage: Provided, principals and teachers shall not be held responsible for damage that they could not have prevented by reasonable supervision in the performance of their duties.

(c) Notwithstanding the provisions of G.S. 115C-263 and 115C-264, local boards of education may adopt rules and regulations under which they may enter into agreements permitting non-school groups to use school real and personal property, except for school buses, for other than school purposes so long as such use is consistent with the proper preservation and care of the public school property. No liability shall attach to any board of ~~education, individually or collectively,~~education or to any individual board member for personal injury suffered by reason of the use of such school property pursuant to such agreements.

(d) Local boards of education may make outdoor school property available to the public for recreational purposes, subject to any terms and conditions each board deems appropriate, (i) when not otherwise being used for school purposes and (ii) so long as such use is consistent with the proper preservation and care of the outdoor school property. No liability shall attach to any board of education or to any individual board member for personal injury suffered by reason of the use of such school property."

SECTION 2. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 4th day of June, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:00 a.m. this 11th day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-126
SENATE BILL 333

AN ACT TO REQUIRE THAT THE STATE BOARD OF EDUCATION INCLUDE SPECIFIC DATA IN ITS ANNUAL REPORT ON THE TEACHING PROFESSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-12(22) reads as rewritten:

"(22) Duty to Monitor the ~~Decisions of Teachers to Leave the Teaching Profession.~~ State of the Teaching Profession in North Carolina. – The State Board of Education shall monitor and compile an annual report on the state of the teaching profession in North Carolina that includes data on the decisions of teachers to leave the teaching profession. The State Board shall adopt standard procedures for each local board of education to use in requesting the information from teachers who are not continuing to work as teachers in the local school administrative unit and shall require each local board of education to report the information to the State Board in a standard format adopted by the State Board.

a. The annual teacher transition report shall include data on the following:

1. The number of teachers who left the profession without remaining in the field of education and the reasons for teachers leaving the profession.
2. The number of teachers who left their employment to teach in other states.
3. The number of teachers who left their employment to work in another school in North Carolina, including nonpublic schools and charter schools.
4. The number of teachers who left a classroom position for another type of educational position.
5. The number of teachers who left employment in hard-to-staff schools. A hard-to-staff school shall be any school identified as low-performing, as provided in G.S. 115C-105.37.
6. The number of teachers who left employment in hard-to-staff subject areas. A hard-to-staff subject area is either of the following:

I. As defined by the United States Department of Education.

II. A subject area that has resulted in a long-term vacancy of 16 months or more at a particular school in a local school administrative unit.

b. The annual teacher transition report by the State Board of Education shall disaggregate the data included in sub-subdivision a. of this subdivision by teacher effectiveness status at a statewide level. The report shall not disaggregate data on teacher effectiveness status at a local school administrative unit level.

1. Notwithstanding Article 21A of this Chapter, local school administrative units shall provide to the State Board of Education for the purposes of this report any North Carolina

Educator Evaluation System (NCEES) effectiveness status assigned to teachers who left employment.

2. The State Board of Education shall not report disaggregated data that reveals confidential information in a teacher's personnel file, as defined by Article 21A of this Chapter, such as making the effectiveness status personally identifiable to an individual teacher."

SECTION 2. This act is effective when it becomes law and applies beginning with the annual report compiled in 2017 using data from the 2016-2017 school year. Beginning in 2016, the annual report compiled as required by G.S. 115C-12(22) shall be titled "State of the Teaching Profession in North Carolina."

In the General Assembly read three times and ratified this the 24th day of June, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 4:10 p.m. this 29th day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-235
SENATE BILL 399

AN ACT TO ALLOW A JOINT AGENCY CREATED TO PROVIDE POLICE PROTECTION, FIRE PROTECTION, AND EMERGENCY SERVICES A REFUND OF SALES AND USE TAXES PAID AND TO DIRECT THE REVENUE LAW STUDY COMMITTEE TO EXAMINE THE APPLICATION OF THE EXEMPTION OF THE MOTOR FUELS TAX TO ENTITIES COMPRISED OF MULTIPLE LOCAL GOVERNMENT UNITS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.14(c)(17) reads as rewritten:

"(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. 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:

...

(17) A joint agency created by interlocal agreement pursuant to G.S. 160A-462 to <u>(i) provide fire protection, emergency services, or police protection or (ii)</u> operate a public broadcasting television station.

...."

SECTION 2. The Revenue Laws Study Committee is directed to study the application of the motor fuels tax exemption to entities that are comprised of multiple local government units. The study may include an examination of how the exemption applies to joint agencies created by interlocal agreements and regional authorities created by agreement of multiple counties.

SECTION 3. Section 1 of this act becomes effective July 1, 2015, and applies to sales made 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 31st day of August, 2015.

s/ Tom Apodaca
Presiding Officer of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:30 a.m. this 1st day of September, 2015

SESSION LAW 2015-249
SENATE BILL 400

AN ACT TO GIVE PRIORITY ACCESS TO CIVIC ORGANIZATIONS THAT WORK WITH STUDENTS SUCH AS THE BOY SCOUTS AND GIRL SCOUTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-206 reads as rewritten:

"§ 115C-206. State Board of Education; duties; responsibilities.

The Superintendent of Public Instruction shall prepare and present to the State Board of Education recommendations for general guidelines for encouraging increased community involvement in the public schools and use of public school facilities. These recommendations shall include, but shall not be limited to provisions for:

(1) The use of public school facilities by governmental, charitable or civic organizations for activities within the community.

(2) The utilization of the talents and abilities of volunteers within the community for the enhancement of public school programs including tutoring, counseling and cultural programs and projects.

(3) Increased communications between the staff and faculty of the public schools, other community institutions and agencies, and citizens in the community.

(4) Local boards of education are to be directed to give priority in the use of school facilities to any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils, in order to encourage schools to facilitate access for students to participate in activities provided by these groups at times other than instructional time during the school day for the purposes of encouraging civic education.

Based on the recommendations of the Superintendent of Public Instruction, the State Board of Education shall adopt appropriate policies and guidelines for encouraging increased community involvement in the public schools and use of the public school facilities."

SECTION 2. G.S. 115C-207 reads as rewritten:

"§ 115C-207. Authority and responsibility of local boards of education.

Every local board of education that uses State funds to implement programs under this Article shall:

(1) Develop programs and plans for increased community involvement in the public schools based upon policies and guidelines adopted by the State Board of Education.

(1a) Develop policies and programs designed to encourage the use of community-based academic booster organizations, which may be known as Community Achievement Network – Developing Our Educational Resources (CAN DOER) organizations, to provide tutoring and other appropriate services to encourage and support student academic achievement.

(1b) Develop policies and/or procedures for approving the use of volunteer organizations and for approving the use of individual volunteers.

(1c) Develop policies and/or procedures designed to make information available to parents and students about what tutoring and other academic support

services are available to students in the community or through school volunteers or other community organizations.

(2) Develop programs and plans for increased community use of public school facilities based upon policies and guidelines adopted by the State Board of Education

(3) Establish rules governing the implementation of such programs and plans in its public schools and submit these rules along with adopted programs and plans to the State Board of Education for approval by the State Board of Education.

(4) Give priority in the use of school facilities to any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils, in order to encourage schools to facilitate access for students to participate in activities provided by these groups at times other than instructional time during the school day for the purposes of encouraging civic education. If the local board of education denies priority access to a patriotic society listed in Title 36 of the United States Code, the local board shall provide reasons for the denial in writing to the requesting entity.

Programs and plans developed by a local board of education may provide for the establishment of one or more community schools advisory councils for the public schools under the board's jurisdiction and for the employment of one or more community schools coordinators. The local board of education shall establish the terms and conditions of employment for the community schools coordinators.

Every local board of education using State funds to implement a community schools program under this Article may enter into agreements with other local boards of education, agencies and institutions for the joint development of plans and programs and the joint expenditure of these State funds."

SECTION 3. G.S. 115C-218.75 is amended by adding a new subsection to read:

"(d) Access for Youth Groups. – Charter schools are encouraged to facilitate access for students to participate in activities provided by any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils. Student participation in any activities offered by these organizations shall not interfere with instructional time during the school day for the purposes of encouraging civic education."

SECTION 4. G.S. 115C-238.66 is amended by adding a new subdivision to read:

"(13) Access for youth groups. – Regional schools are encouraged to facilitate access for students to participate in activities provided by any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils. Student participation in any activities offered by these organizations shall not interfere with instructional time during the school day for the purposes of encouraging civic education."

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 17th day of September, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 11:00 a.m. this 25th day of September, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-135
SENATE BILL 423

AN ACT TO ALIGN STATE LAW WITH FEDERAL LAW BY PROVIDING FOR THE SUPPORT OF HEALTHY DEVELOPMENT OF YOUTH IN FOSTER CARE THROUGH IMPLEMENTATION OF A REASONABLE AND PRUDENT PARENT STANDARD FOR DECISIONS MADE BY A FOSTER PARENT OR A DESIGNATED OFFICIAL FOR A CHILD CARE INSTITUTION AND REVISING THE LAWS PERTAINING TO ABUSE, NEGLECT, AND DEPENDENCY REGARDING JUVENILE PLACEMENT UNDER THE JUVENILE CODE; TO PROVIDE LIABILITY INSURANCE FOR FOSTER PARENTS; TO REDUCE BARRIERS TO OBTAINING A DRIVERS LICENSE FOR FOSTER CHILDREN AND BY CLARIFYING THAT FOSTER PARENTS DO NOT VIOLATE FINANCIAL RESPONSIBILITY REQUIREMENTS BY ALLOWING FOSTER CHILDREN WITH THEIR OWN INSURANCE COVERAGE TO OPERATE A VEHICLE OWNED BY THE FOSTER PARENT; AND TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO STUDY A MEDICAID WAIVER FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCE.

The General Assembly of North Carolina enacts:

PART I. SHORT TITLE

SECTION 1.1. This act shall be known and may be cited as the "Foster Care Family Act."

PART II. REASONABLE AND PRUDENT PARENT STANDARD IN FOSTER CARE

SECTION 2.1. Part 1 of Article 1A of Chapter 131D of the General Statutes is amended by adding a new section to read:

"**§ 131D-10.2A. Reasonable and prudent parent standard.**

(a) The reasonable and prudent parent standard is the standard characterized by careful and sensible parental decisions that are reasonably intended to maintain the health, safety, and best interests of the child while at the same time encouraging the emotional and developmental growth of the child that a caregiver shall use when determining whether to allow a child in foster care under the responsibility of the State to participate in extracurricular, enrichment, cultural, and social activities.

(b) Every child care institution shall designate an on-site official who is authorized to apply the reasonable and prudent parent standard pursuant to this section.

(c) A caregiver, including the child's foster parent, whether the child is in a family foster home or a therapeutic foster home, or the designated official at a child care institution where the child is placed, or the county department of social services, must use the reasonable and prudent parent standard when determining whether to allow a child in foster care to participate in extracurricular, enrichment, and social activities.

(d) A caregiver, including the child's foster parent, whether the child is in a family foster home or a therapeutic foster home, may be held liable for an act or omission of the child if the caregiver fails to act in accordance with the reasonable and prudent parent standard under this section. To the extent it may be applicable, the liability of a county department of social services, or the Department of Health and Human Services, shall be strictly adjudicated according to and in compliance with the terms of G.S. 153A-435, et seq., or G.S. 143-291, et seq., as applicable. Nothing in this subsection is intended to abrogate or diminish the qualified immunities of public officials acting in the course and scope of their employment.

(e) Unless otherwise ordered by a court with jurisdiction pursuant to G.S. 7B-200, a caregiver, including the child's foster parent, whether the child is in a family foster home or a therapeutic foster home, exercising the reasonable and prudent parent standard has the authority to provide or withhold permission, without prior approval of the court or a county department of social services, to allow a child in foster care, in the custody of a county department of social services, or under the placement authority of a county department of social services through a voluntary placement agreement to participate in normal childhood activities. Normal childhood activities shall include, but are not limited to, extracurricular, enrichment, and social activities and may include overnight activities outside the direct supervision of the caregiver for periods of over 24 hours and up to 72 hours.

(f) The caregiver, including the child's foster parent, whether the child is in a family foster home or a therapeutic foster home, or the designated official at a child care institution where the child is placed, shall not be liable for injuries to the child that occur as a result of acting in accordance with the reasonable and prudent parent standard.

(g) The immunity provided in subsection (f) of this section does not apply if it is determined that the injuries to the child were caused by gross negligence, willful and wanton conduct, or intentional wrongdoing, or arose out of the operation of a motor vehicle. Any liability under this subsection that may be attributable to either the county department of social services or the Department of Health and Human Services shall be strictly adjudicated according to and in compliance with the terms of G.S. 153A-435, et seq., or G.S. 143-291, et seq., as applicable. Nothing in this subsection is intended to abrogate or diminish the qualified immunities of public officials acting in the course and scope of their employment.

(h) For any action under this section, the burden of proof with respect to a breach of the reasonable and prudent parent standard shall be by clear and convincing evidence."

SECTION 2.2. G.S. 7B-505(b) reads as rewritten:

"(b) The court shall order the department of social services to make diligent efforts to notify relatives and any custodial parents of the juvenile's siblings that the juvenile is in nonsecure custody and of any hearings scheduled to occur pursuant to G.S. 7B-506, unless the court finds such notification would be contrary to the best interests of the juvenile. In placing a juvenile in nonsecure custody under this section, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative unless the court finds that placement with the relative would be contrary to the best interests of the juvenile."

SECTION 2.3. G.S. 7B-800.1(a)(4) reads as rewritten:

"(a) Prior to the adjudicatory hearing, the court shall consider the following:

...

(4) Whether ~~relatives~~relatives, parents, or other persons with legal custody of a sibling of the juvenile have been identified and notified as potential resources for placement or support."

SECTION 2.4. G.S. 7B-901 reads as rewritten:

"§ 7B-901. Dispositional hearing.

The dispositional hearing shall take place immediately following the adjudicatory hearing and shall be concluded within 30 days of the conclusion of the adjudicatory hearing. The dispositional hearing may be informal and the court may consider written reports or other evidence concerning the needs of the juvenile. The juvenile and the juvenile's parent, guardian, or custodian shall have the right to present evidence, and they may advise the court concerning the disposition they believe to be in the best interests of the juvenile. The court may consider any evidence, including hearsay evidence as defined in G.S. 8C-1, Rule 801, including testimony or evidence from any person who is not a party, that the court finds to be relevant, reliable, and necessary to determine the needs of the juvenile and the most appropriate disposition. The court may exclude the public from the hearing unless the juvenile moves that the hearing be open, which motion shall be granted.

At the dispositional hearing, the court shall inquire as to the identity and location of any missing parent and whether paternity is at issue. The court shall include findings of the efforts undertaken to locate the missing parent and to serve that parent and efforts undertaken to establish paternity when paternity is an issue. The order may provide for specific efforts in determining the identity and location of any missing parent and specific efforts in establishing

paternity. The court shall also inquire about efforts made to identify and notify ~~relatives~~ relatives, parents, or other persons with legal custody of a sibling of the juvenile, as potential resources for placement or support."

SECTION 2.5. Article 9 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-903.1. Juvenile placed in custody of a department of social services.**

(a) Except as prohibited by federal law, the director of a county department of social services with custody of a juvenile shall be authorized to make decisions about matters not addressed herein that are generally made by a juvenile's custodian, including, but not limited to, educational decisions and consenting to the sharing of the juvenile's information. The court may delegate any part of this authority to the juvenile's parent, foster parent, or another individual.

(b) When a juvenile is in the custody or placement responsibility of a county department of social services, the placement provider may, in accordance with G.S. 131D-10.2A, provide or withhold permission, without prior approval of the court or county department of social services, to allow a juvenile to participate in normal childhood activities. If such authorization is not in the juvenile's best interest, the court shall set out alternative parameters for approving normal childhood activities.

(c) If a juvenile is removed from the home and placed in the custody or placement responsibility of a county department of social services, the director shall not allow unsupervised visitation with or return physical custody of the juvenile to the parent, guardian, custodian, or caretaker without a hearing at which the court finds that the juvenile will receive proper care and supervision in a safe home.

(d) When a county department of social services having custody or placement responsibility of a juvenile intends to change the juvenile's placement, the department shall give the guardian ad litem for the juvenile notice of its intention unless precluded by emergency circumstances from doing so. Where emergency circumstances exist, the department of social services shall notify the guardian ad litem or the attorney advocate within 72 hours of the placement change, unless local rules require notification within a shorter time period."

SECTION 2.6. Article 9 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-912. Juveniles 14 years of age and older; Another Planned Permanent Living Arrangement.**

(a) In addition to the permanency planning requirements under G.S. 7B-906.1, at every permanency planning hearing for a juvenile in the custody of a county department of social services who has attained the age of 14 years, the court shall inquire and make written findings regarding each of the following:

(1) The services provided to assist the juvenile in making a transition to adulthood.

(2) The steps the county department of social services is taking to ensure that the foster family or other licensed placement provider follows the reasonable and prudent parent standard as provided in G.S. 131D-10.2A.

(3) Whether the juvenile has regular opportunities to engage in age-appropriate or developmentally appropriate activities.

(b) At or before the last scheduled permanency planning hearing, but at least 90 days before a juvenile attains 18 years of age, the court shall (i) inquire as to whether the juvenile has a copy of the juvenile's birth certificate, Social Security card, health insurance information, drivers license or other identification card, and any educational or medical records the juvenile requests and (ii) determine the person or entity that should assist the juvenile in obtaining these documents before the juvenile attains the age of 18 years.

(c) If the court finds each of the following conditions applies, the court shall approve Another Planned Permanent Living Arrangement (APPLA) as defined by P.L. 113-183, as the juvenile's primary permanent plan:

(1) The juvenile is 16 or 17 years old.

(2) The county department of social services has made diligent efforts to place the juvenile permanently with a parent or relative or in a guardianship or adoptive placement.

(3) Compelling reasons exist that it is not in the best interest of the juvenile to be placed permanently with a parent or relative or in a guardianship or adoptive placement.

(4) APPLA is the best permanency plan for the juvenile.

(d) If the court approves APPLA as the juvenile's permanent plan, the court shall, after questioning the juvenile, make written findings addressing the juvenile's desired permanency outcome."

PART III. LIABILITY INSURANCE FOR FOSTER PARENTS

SECTION 3.1. Article 36 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-36-44. Development of policy form or endorsement for personal liability insurance for foster parents.**

(a) The Rate Bureau shall develop an optional policy form or endorsement to be filed with the Commissioner for approval no later than May 1, 2016, that provides liability insurance for foster parents licensed under Article 1A of Chapter 131D of the General Statutes to provide foster care in a family foster home or therapeutic foster home. The policy form or endorsement shall provide coverage for acts or omissions of the foster parent while the parent is acting in the foster parent's capacity as a foster parent in a licensed family foster home or therapeutic foster home licensed under Article 1A of Chapter 131D of the General Statutes.

(b) Nothing in this section is intended to require that the liability insurance policy or endorsement required by this section cover an act or omission that results from any action or inaction of gross negligence, willful and wanton conduct, or intentional wrongdoing that results in injury to the child."

PART IV. REDUCE DRIVING BARRIERS FOR FOSTER CHILDREN

SECTION 4.1. Article 1 of Chapter 48A of the General Statutes is amended by adding a new section to read:

"**§ 48A-4. Certain minors competent to contract.**

A minor who is 16 years of age or older and who is in the legal custody of the county department of social services shall be qualified and competent to contract for the purchase of an automobile insurance policy with the consent of the court with continuing jurisdiction over the minor's placement under G.S. 7B-1000(b). The minor shall be responsible for paying the costs of the insurance premiums and shall be liable for damages caused by the minor's negligent operation of a motor vehicle. No State or local government agency, foster parent, or entity providing services to the minor under contract or at the direction of a State or local government agency shall be responsible for paying any insurance premiums or liable for damages of any kind as a result of the operation of a motor vehicle by the minor."

SECTION 4.2. G.S. 20-11(i) reads as rewritten:

"(i) Application. — An application for a permit or license authorized by this section must be signed by both the applicant and another person. That person must be:

(1) The applicant's parent or guardian;

(2) A person approved by the applicant's parent or guardian; or

(3) A person approved by the Division.

(4) With respect to minors in the legal custody of the county department of social services, any of the following:

a. A guardian ad litem or attorney advocate appointed to advocate for the minor under G.S. 7B-601.

b. The director of the county department of social services or the director's designee.

c. If no person listed in sub-subdivision a. or b. of this subdivision is available, the court with continuing jurisdiction over the minor's placement under G.S. 7B-1000(b)."

SECTION 4.3. G.S. 20-309 is amended by adding a new subsection to read:

"(a2) Notwithstanding any other provision of this Chapter, an owner's policy of liability insurance issued to a foster parent or parents, which policy includes an endorsement excluding coverage for one or more foster children residing in the foster parent's or parents' household, may be certified as proof of financial responsibility, provided that each foster child for whom coverage is excluded is insured in an amount equal to or greater than the minimum limits

required by G.S. 20-279.21 under some other owner's policy of liability insurance or a named nonowner's policy of liability insurance. The North Carolina Rate Bureau shall establish, with the approval of the Commissioner of Insurance, a named driver exclusion endorsement or endorsements for foster children as described herein."

SECTION 4.4. G.S. 20-279.21(b) reads as rewritten:

"(b) ~~Such~~ Except as provided in G.S. 20-309(a2), such owner's policy of liability insurance:

...."

PART V. STUDY MEDICAID WAIVER FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCE

SECTION 5.1.(a) The Department of Health and Human Services, Division of Medical Assistance, shall design and draft, but not submit, a 1915(c) Medicaid waiver to serve children with Serious Emotional Disturbance in home and community-based settings. 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.

SECTION 5.1.(b) The Department shall report the draft waiver, other findings, and any other options or recommendations to best serve children with Serious Emotional Disturbance to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2015. Specifically, the report shall provide an in-depth analysis of the cost per slot, including an analysis of the estimated number of waiver recipients who would be transitioned from a facility to a home and community-based setting and the estimated number of waiver recipients who would avoid placement in a facility.

PART VI. EFFECTIVE DATE

SECTION 6.1. Parts 2 and 4 of this act become effective October 1, 2015. 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, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 9:00 a.m. this 2nd day of July, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-278
SENATE BILL 519

AN ACT TO PROMOTE THE ENCOURAGEMENT OF PARENTING TIME WITH CHILDREN BY BOTH PARENTS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 50 of the General Statutes is amended by adding a new section to read:

"**§ 50-13.01. Purposes.**

It is the policy of the State of North Carolina to:

(1) Encourage focused, good faith, and child-centered parenting agreements to reduce needless litigation over child custody matters and to promote the best interest of the child.

(2) Encourage parents to take responsibility for their child by setting the expectation that parenthood will be a significant and ongoing responsibility.

(3) Encourage programs and court practices that reflect the active and ongoing participation of both parents in the child's life and contact with both parents when such is in the child's best interest, regardless of the parents' present marital status, subject to laws regarding abuse, neglect, and dependency.

(4) Encourage both parents to share equitably in the rights and responsibilities of raising their child, even after dissolution of marriage or unwed relationship.

(5) Encourage each parent to establish and maintain a healthy relationship with the other parent when such is determined to be in the best interest of the child, taking into account mental illness, substance abuse, domestic violence, or any other factor the court deems appropriate."

SECTION 2. G.S. 50-13.2(a) reads as rewritten:

"**§ 50-13.2. Who entitled to custody; terms of custody; visitation rights of grandparents; taking child out of State; consideration of parent's military service.**

(a) An order for custody of a minor child entered pursuant to this section shall award the custody of such child to such person, agency, organization or institution as will best promote the interest and welfare of the child. In making the determination, the court shall consider all relevant factors including acts of domestic violence between the parties, the safety of the child, and the safety of either party from domestic violence by the other ~~party and shall make findings accordingly.~~ party. An order for custody must include written findings of fact ~~which~~ that reflect the consideration of each of these factors and that support the determination of what is in the best interest of the child. Between ~~the mother and father,~~ the parents, whether natural or adoptive, no presumption shall apply as to who will better promote the interest and welfare of the child. Joint custody to the parents shall be considered upon the request of either parent."

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

In the General Assembly read three times and ratified this the 29th day of September, 2015.

s/ Tom Apodaca
Presiding Officer of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:35 a.m. this 20th day of October, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-291
SENATE BILL 524

AN ACT TO ENHANCE THE RIGOR OF INSTRUCTION OF THE FOUNDING PRINCIPLES AND TO AUTHORIZE THE DEPARTMENT OF PUBLIC INSTRUCTION TO USE FUNDS TO CONDUCT A PILOT PROGRAM ON INTEGRATED COMMUNITY-BASED ADAPTED SPORTS PROGRAMS FOR STUDENTS WITH DISABILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-81(g) reads as rewritten:

"(g) Civic Literacy. –

(1) ~~Local boards of education~~ The State Board of Education shall require during the high school years the teaching of a semester course ~~"American History I – The Founding Principles," to include at least~~that includes instruction in the ~~following:~~following Founding Principles of the United States of America and the State of North Carolina:

a. The Creator-endowed inalienable rights of the people.
b. Structure of government, separation of powers with checks and balances.
c. Frequent and free elections in a representative government.
d. Rule of law.
e. Equal justice under the law.
f. Private property rights.
g. Federalism.
h. Due process.
i. Individual rights as set forth in the Bill of Rights.
j. Individual responsibility.
k. Constitutional limitations on government power to tax and spend and prompt payment of public debt.
l. Strong defense and supremacy of civil authority over military.
m. Peace, commerce, and honest friendship with all nations, entangling alliances with none.

A passing grade in the course shall be required for graduation from high school.

(2), (3) Repealed by Session Laws 2011-273, s. 2, effective June 23, 2011, and applicable beginning with the 2014-2015 school year.

(3a) Local boards of education shall allow and may encourage any public school teacher or administrator to read or post in a public school building, classroom, or event, excerpts or portions of writings, documents, and records that reflect the history of the United States, including, but not limited to, (i) the preamble to the North Carolina Constitution, (ii) the Declaration of Independence, (iii) the United States Constitution, (iv) the Mayflower Compact, (v) the national motto, (vi) the National Anthem, (vii) the Pledge of Allegiance, (viii) the writings, speeches, documents, and proclamations of the founding fathers and Presidents of the United States, (ix) decisions of the Supreme Court of the United States, and (x) acts of the Congress of the United States, including the published text of the Congressional Record. Local boards, superintendents, principals, and supervisors shall not allow content-based censorship of American history in the public schools of this

State, including religious references in these writings, documents, and records. Local boards and professional school personnel may develop curricula and use materials that are limited to specified topics provided the curricula and materials are aligned with the standard course of study or are grade level appropriate.

(3b) A local school administrative unit may display on real property controlled by that local school administrative unit documents and objects of historical significance that have formed and influenced the United States legal or governmental system and that exemplify the development of the rule of law, such as the Magna Carta, the Mecklenburg Declaration, the Ten Commandments, the Justinian Code, and documents set out in subdivision (3a) of this subsection. This display may include, but shall not be limited to, documents that contain words associated with a religion; provided however, no display shall seek to establish or promote religion or to persuade any person to embrace a particular religion, denomination of a religion, or other philosophy. The display of a document containing words associated with a religion shall be in the same manner and appearance generally as other documents and objects displayed and shall not be presented or displayed in any fashion that results in calling attention to it apart from the other displayed documents and objects. The display also shall be accompanied by a prominent sign quoting the First Amendment of the United States Constitution as follows: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances."

(4) The State Board of Education shall require that any high school level curriculum-based tests for the course required in subdivision (1) of this subsection developed and administered statewide beginning with the ~~2014-2015~~2016-2017 academic year include questions related to the philosophical foundations of our form of government and the principles underlying the Declaration of Independence, the United States Constitution and its amendments, and the most important of the Federalist Papers.

(5) The Department of Public Instruction and the local boards of education, as appropriate, shall provide or cause to be provided curriculum content for the semester course required in subdivision (1) of this subsection and teacher training to ensure that the intent and provisions of this subsection are carried out. The curriculum content established shall include a review of the contributions made by Americans of all races.

(6) The Department of Public Instruction shall submit a biennial report by October 15 of each odd-numbered year to the Joint Legislative Education Oversight Committee covering the implementation of this subsection."

SECTION 3. Of the funds appropriated to the Department of Public Instruction or State Aid for Public Schools for the 2015-2017 fiscal biennium, the Department may use up to three hundred thousand dollars ($300,000) each fiscal year to develop and implement a pilot program for an integrated community-based adapted sports program for students with disabilities in grades kindergarten through 12. If the Department uses funds for this purpose, the pilot program shall be consistent with the "Dear Colleague" letter addressing equal access to extracurricular athletics for students with disabilities released by the U.S. Department of Education, Office for Civil Rights, on January 25, 2013. The pilot program shall also include specific strategies to overcome barriers to the participation of students with disabilities in extracurricular athletics and incorporate a philosophy of personal empowerment for those students. The pilot program may be conducted in one or more local school administrative units and provide for collaboration with universities and community colleges and other community organizations to achieve the purposes of the program.

SECTION 4. Section 1 of this act is effective when this act becomes law and applies beginning with students entering the ninth grade in the 2016-2017 school year. Section 3 of this act becomes effective July 1, 2015. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of September, 2015.

s/ Philip E. Berger
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 9:32 a.m. this 29th day of October, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-143
SENATE BILL 545

AN ACT TO ENRICH THE STATE'S WORKFORCE BY REQUIRING OCCUPATIONAL LICENSING BOARDS TO LICENSE MILITARY-TRAINED VETERANS WHO PASS A PROFICIENCY EXAMINATION OFFERED BY THE OCCUPATIONAL LICENSING BOARD FOR VETERANS.

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; proficiency examination; licensure by endorsement for military spouses; temporary license.**

(a) ~~Notwithstanding~~ Except as provided by subsection (a2) of this section, and 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, 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.

(a2) 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 the military-trained applicant, upon application to the occupational licensing board:

(1) Presents official, notarized documentation, such as a U.S. Department of Defense Form 214 (DD-214), or similar substantiation, attesting to the applicant's military occupational specialty certification and experience in an occupational field within the board's purview; and

(2) Passes a proficiency examination offered by the board to military-trained applicants in lieu of satisfying the conditions set forth in subsection (a) of

this section; however, if an applicant fails the proficiency examination, then the applicant may be required by the board to satisfy those conditions.

In any case where a proficiency examination is not offered routinely by an occupational licensing board, the board shall design a fair proficiency examination for military-trained applicants to obtain licensure, certification, or registration under this section. If a proficiency examination is offered routinely by an occupational licensing board, that examination shall satisfy the requirements of this section.

(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.

(d) A nonresident licensed, certified, or registered under this section shall be entitled to the same rights and subject to the same obligations as required of a resident licensed, certified, or registered by an occupational licensing board in this State.

(e) Nothing in this section shall be construed to apply to the practice of law as regulated under Chapter 84 of the General Statutes.

(f) An occupational licensing board may issue a temporary practice permit to a military-trained applicant or military spouse licensed, certified, or registered in another jurisdiction while the military-trained applicant or military spouse is satisfying the requirements for licensure under subsection (a) or (b) of this section if that jurisdiction has licensure, certification, or registration standards substantially equivalent to the standards for licensure, certification, or registration of an occupational licensing board in this State. The military-trained applicant or military spouse may practice under the temporary permit until a license, certification, or registration is granted or until a notice to deny a license, certification, or registration is issued in accordance with rules adopted by the occupational licensing board.

(g) An occupational licensing board may adopt rules necessary to implement this section.

(h) Nothing in this section shall be construed to prohibit a military-trained applicant or military spouse from proceeding under the existing licensure, certification, or registration requirements established by an occupational licensing board in this State.

(i) For the purposes of this section, the State Board of Education shall be considered an occupational licensing board when issuing teacher licenses under G.S. 115C-296.

(j) For the purposes of this section, the North Carolina Medical Board shall not be considered an occupational licensing board."

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, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 1:45 p.m. this 8th day of July, 2015

SESSION LAW 2015-123
SENATE BILL 578

AN ACT TO TRANSITION ABUSE AND NEGLECT INVESTIGATIONS IN CHILD CARE FACILITIES TO THE DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION WITHIN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7B-101(3) reads as rewritten:

"**§ 7B-101. Definitions.**

As used in this Subchapter, unless the context clearly requires otherwise, the following words have the listed meanings:

...

(3) Caretaker. – Any person other than a parent, guardian, or custodian who has responsibility for the health and welfare of a juvenile in a residential setting. A person responsible for a juvenile's health and welfare means a stepparent, foster parent, an adult member of the juvenile's household, an adult relative entrusted with the juvenile's care, any person such as a house parent or cottage parent who has primary responsibility for supervising a juvenile's health and welfare in a residential child care facility or residential educational facility, or any employee or volunteer of a division, institution, or school operated by the Department of Health and Human Services. ~~"Caretaker" also means any person who has the responsibility for the care of a juvenile in a child care facility as defined in Article 7 of Chapter 110 of the General Statutes and includes any person who has the approval of the care provider to assume responsibility for the juveniles under the care of the care provider.~~ Nothing in this subdivision shall be construed to impose a legal duty of support under Chapter 50 or Chapter 110 of the General Statutes. The duty imposed upon a caretaker as defined in this subdivision shall be for the purpose of this Subchapter only."

SECTION 2. G.S. 7B-300 reads as rewritten:

"**§ 7B-300. Protective services.**

The director of the department of social services in each county of the State shall establish protective services for juveniles alleged to be abused, neglected, or dependent.

Protective services shall include the screening of reports, the performance of an assessment using either a family assessment response or an investigative assessment response, casework, or other counseling services to parents, guardians, or other caretakers as provided by the director to help the parents, guardians, or other caretakers and the court to prevent abuse or neglect, to improve the quality of child care, to be more adequate parents, guardians, or caretakers, and to preserve and stabilize family life.

~~The provisions of this Article shall also apply to child care facilities as defined in G.S. 110-86.~~"

SECTION 3. G.S. 7B-301 reads as rewritten:

"**§ 7B-301. Duty to report abuse, neglect, dependency, or death due to maltreatment.**

(a) Any person or institution who has cause to suspect that any juvenile is abused, neglected, or dependent, as defined by G.S. 7B-101, or has died as the result of maltreatment, shall report the case of that juvenile to the director of the department of social services in the county where the juvenile resides or is found. The report may be made orally, by telephone, or in writing. The report shall include information as is known to the person making it including the name and address of the juvenile; the name and address of the juvenile's parent, guardian, or

caretaker; the age of the juvenile; the names and ages of other juveniles in the home; the present whereabouts of the juvenile if not at the home address; the nature and extent of any injury or condition resulting from abuse, neglect, or dependency; and any other information which the person making the report believes might be helpful in establishing the need for protective services or court intervention. If the report is made orally or by telephone, the person making the report shall give the person's name, address, and telephone number. Refusal of the person making the report to give a name shall not preclude the department's assessment of the alleged abuse, neglect, dependency, or death as a result of maltreatment.

~~Upon receipt of any report of sexual abuse of the juvenile in a child care facility, the director shall notify the State Bureau of Investigation within 24 hours or on the next workday. If sexual abuse in a child care facility is not alleged in the initial report, but during the course of the assessment there is reason to suspect that sexual abuse has occurred, the director shall immediately notify the State Bureau of Investigation. Upon notification that sexual abuse may have occurred in a child care facility, the State Bureau of Investigation may form a task force to investigate the report.~~

(b) Any person or institution who knowingly or wantonly fails to report the case of a juvenile as required by subsection (a) of this section, or who knowingly or wantonly prevents another person from making a report as required by subsection (a) of this section, is guilty of a Class 1 misdemeanor.

~~(c) A director of social services who receives a report of sexual abuse of a juvenile in a child care facility and who knowingly fails to notify the State Bureau of Investigation of the report pursuant to subsection (a) of this section is guilty of a Class 1 misdemeanor.~~"

SECTION 4. G.S. 7B-302(a) reads as rewritten:

"(a) When a report of abuse, neglect, or dependency is received, the director of the department of social services shall make a prompt and thorough assessment, using either a family assessment response or an investigative assessment response, in order to ascertain the facts of the case, the extent of the abuse or neglect, and the risk of harm to the juvenile, in order to determine whether protective services should be provided or the complaint filed as a petition. When the report alleges abuse, the director shall immediately, but no later than 24 hours after receipt of the report, initiate the assessment. When the report alleges neglect or dependency, the director shall initiate the assessment within 72 hours following receipt of the report. When the report alleges abandonment, the director shall immediately initiate an assessment, take appropriate steps to assume temporary custody of the juvenile, and take appropriate steps to secure an order for nonsecure custody of the juvenile. The assessment and evaluation shall include a visit to the place where the juvenile ~~resides, except when the report alleges abuse or neglect in a child care facility as defined in Article 7 of Chapter 110 of the General Statutes. When a report alleges abuse or neglect in a child care facility as defined in Article 7 of Chapter 110 of the General Statutes, a visit to the place where the juvenile resides is not required.~~ resides. When the report alleges abandonment, the assessment shall include a request from the director to law enforcement officials to investigate through the North Carolina Center for Missing Persons and other national and State resources whether the juvenile is a missing child."

SECTION 5. G.S. 7B-307 reads as rewritten:

"**§ 7B-307. Duty of director to report evidence of abuse, neglect; investigation by local law enforcement; notification of Department of Health and Human ~~Services and State Bureau of Investigation.~~Services.**

(a) If the director finds evidence that a juvenile may have been abused as defined by G.S. 7B-101, the director shall make an immediate oral and subsequent written report of the findings to the district attorney or the district attorney's designee and the appropriate local law enforcement agency within 48 hours after receipt of the report. The local law enforcement agency shall immediately, but no later than 48 hours after receipt of the information, initiate and coordinate a criminal investigation with the protective services assessment being conducted by the county department of social services. Upon completion of the investigation, the district attorney shall determine whether criminal prosecution is appropriate and may request the director or the director's designee to appear before a magistrate.

If the director receives information that a juvenile may have been physically harmed in violation of any criminal statute by any person other than the juvenile's parent, guardian, custodian, or caretaker, the director shall make an immediate oral and subsequent written report of that information to the district attorney or the district attorney's designee and to the appropriate local law enforcement agency within 48 hours after receipt of the information. The

local law enforcement agency shall immediately, but no later than 48 hours after receipt of the information, initiate a criminal investigation. Upon completion of the investigation, the district attorney shall determine whether criminal prosecution is appropriate.

If the report received pursuant to G.S. 7B-301 involves abuse or neglect of a juvenile or child maltreatment, as defined in G.S. 110-105.3, in child care, the director shall notify the Department of Health and Human Services within 24 hours or on the next working day of receipt of the report.

~~(b) If the director finds evidence that a juvenile has been abused or neglected as defined by G.S. 7B-101 in a child care facility, the director shall immediately so notify the Department of Health and Human Services and, in the case of sexual abuse, the State Bureau of Investigation, in such a way as does not violate the law guaranteeing the confidentiality of the records of the department of social services.~~

~~(c) Upon completion of the assessment, the director shall give the Department written notification of the results of the assessment required by G.S. 7B-302. Upon completion of an assessment of sexual abuse in a child care facility, the director shall also make written notification of the results of the assessment to the State Bureau of Investigation.~~

The director of the department of social services shall submit a report of alleged abuse, neglect, or dependency cases or child fatalities that are the result of alleged maltreatment to the central registry under the policies adopted by the Social Services Commission."

SECTION 6. G.S. 110-105 reads as rewritten:

"**§ 110-105. Authority to inspect facilities.**

(a) The Department shall have authority to inspect facilities without notice when it determines there is cause to believe that an emergency situation exists or there is a complaint alleging a violation of licensure law. When the Department is notified by the county director of social services that the director has received a report of child maltreatment in a child care facility, or when the Department is notified by any other person that alleged child maltreatment has occurred in a facility, the Commission's rules shall provide for an inspection conducted without notice to the child care facility to determine whether the alleged child maltreatment has occurred. The inspection shall be conducted within seven calendar days of receipt of the report. Additional visits shall be conducted, as warranted.

(a1) The Commission shall adopt standards and rules under this subsection which provide for the following types of inspections:

(1) An initial licensing inspection, which shall not occur until the administrator of the facility receives prior notice of the initial inspection visit;

(2) A plan for visits to all facilities, including announced and unannounced visits, which shall be confidential unless a court orders its disclosure;

(3) An inspection that may be conducted without notice, if there is ~~probable~~ cause to believe that an emergency situation exists or there is a complaint alleging a violation of licensure law. ~~When the Department is notified by the county director of social services that the director has received a report of child abuse or neglect in a child care facility, or when the Department is notified by any other person that alleged abuse or neglect has occurred in a facility, the Commission's rules shall provide for an inspection conducted without notice to the child care facility to determine whether the alleged abuse or neglect has occurred. This inspection shall be conducted within seven calendar days of receipt of the report, and when circumstances warrant, additional visits shall be conducted.~~

The ~~Secretary or the Secretary's designee,~~Department, upon presenting appropriate credentials to the operator of the child care facility, may perform inspections in accordance with the standards and rules promulgated under this subsection. The ~~Secretary or the Secretary's designee~~Department may inspect any area of a building in which there is reasonable evidence that children are in ~~care.~~care or in which the Department has cause to believe that conditions in that area of a building pose a potential risk to the health, safety, or well-being of children in care.

(b) If an operator refuses to allow the Secretary or the Secretary's designee to inspect the child care facility, the Secretary shall seek an administrative warrant in accordance with G.S. 15-27.2."

SECTION 7. G.S. 110-105.2 is repealed.

SECTION 8. Article 7 of Chapter 110 of the General Statutes is amended by adding the following new sections to read:

"**§ 110-105.3. Child maltreatment.**

(a) The purpose of this section is to assign the authority to investigate instances of child maltreatment in child care facilities to the Department of Health and Human Services, Division of Child Development and Early Education. The General Assembly recognizes that the ability to properly investigate child maltreatment in licensed child care facilities is dependent upon the cooperation of State and local law enforcement agencies, as well as county departments of social services.

(b) The following definitions shall apply in this Article:

(1) Caregiver. – The operator of a licensed child care facility or religious-sponsored child care facility, a child care provider, as defined in G.S. 110-90.2(a)(2), a volunteer, or any person who has the approval of the provider to assume responsibility for children under the care of the provider.

(2) Child care facilities. – Any of the following:

a. All facilities required to be licensed under this Article.

b. All religious-sponsored facilities operating pursuant to G.S. 110-106.

c. All locations where children are being cared for by someone other than their parent or legal guardian that require a license under this Article but have not been issued a license by the Department.

(3) Child maltreatment. – Any act or series of acts of commission or omission by a caregiver that results in harm, potential for harm, or threat of harm to a child. Acts of commission include, but are not limited to, physical, sexual, and psychological abuse. Acts of omission include, but are not limited to, failure to provide for the physical, emotional, or medical well-being of a child, and failure to properly supervise children, which results in exposure to potentially harmful environments.

(c) The Department, local departments of social services, and local law enforcement personnel shall cooperate with the medical community to ensure that reports of child maltreatment in child care facilities are properly investigated.

(d) When a report of child maltreatment is received, the Department shall make a prompt and thorough assessment to ascertain the facts of the case, the extent of the maltreatment, and the risk of harm to children enrolled at the child care facility. When the report alleges maltreatment meeting the definition of abuse or neglect as defined in G.S. 14-318.2 and G.S. 14-318.4, the Department shall contact local law enforcement officials to investigate the report.

(e) During the pendency of an investigation, the Department may issue a protection plan restricting an individual alleged to have maltreated a child from being on the premises of the facility while children are in care. The Department may also suspend activities at a facility under investigation, including, but not limited to, transportation, aquatic activities, and field trips.

(f) At any time during the pendency of a child maltreatment investigation, the Department may order immediate corrective action as required to protect the health, safety, or welfare of children in care. If the corrective action does not occur within the period specified in the corrective action order, the Department may take administrative action to protect the health, safety, or welfare of the children at the child care facility.

(g) The Department may, in accordance with G.S. 150B-3(c), summarily suspend the license of a child care facility if the Department determines that emergency action is required to protect the health, safety, or welfare of the children in a child care facility regulated by the Department.

(h) In the event the Department determines child maltreatment did not occur in a child care facility, nothing in this section shall prevent the Department from citing a violation or issuing an administrative action based upon violations of child care licensure law or rules based upon its investigation. Citations of violations or administrative actions issued pursuant to this subsection shall not be confidential.

(i) During the pendency of an investigation, all matters regarding the investigation, including, but not limited to, any complaint, allegation, or documentation regarding inspections or the identity of the reporter, shall be held in strictest confidence as provided by subsection (j) of this section. Following a determination that maltreatment has occurred, the investigation

findings shall be made public, as well as the date of any visits made pursuant to the investigation, and any corrective action taken, if applicable. DCDEE shall not post on its Internet Web site that a maltreatment investigation occurred if the allegation of maltreatment was unsubstantiated.

(j) Regardless of the Department's final determination regarding child maltreatment, all information received by the Department during the course of its investigation shall be held in the strictest confidence by the Department, except for the following:

(1) The Department shall disclose confidential information, other than the identity of the reporter, to any federal, State, or local government entity or its agent in order to protect a juvenile from child maltreatment, abuse, or neglect. Any confidential information disclosed to any federal, State, or local government entity or its agent pursuant to this subdivision shall remain confidential with the other government entity or its agent and shall only be redisclosed for purposes directly connected with carrying out that entity's mandated responsibilities.

(2) The Department shall only disclose information identifying the reporter pursuant to a court order, except that the Department may disclose information identifying the reporter without a court order only to a federal, State, or local government entity that demonstrates a need for the reporter's name to carry out the entity's mandated responsibilities.

(3) A district court, superior court, or administrative law judge of this State presiding over a civil matter in which the Department is not a party may order the Department to release confidential information. The court may order the release of confidential information after providing the Department with reasonable notice and an opportunity to be heard and then determining that the information is relevant, necessary to the trial of the matter before the court, and unavailable from any other source.

(k) When a report of child maltreatment alleges facts that indicate that a report is required under G.S. 7B-301, the Department shall contact the local department of social services in the county where the juvenile resides or is found and make the necessary report.

(l) In performing any duties related to the assessment of a report of child maltreatment, the Department may consult with any public or private agencies or individuals, including the available State or local law enforcement officers, probation and parole officers, and the director of any county department of social services who shall assist in the assessment and evaluation of the seriousness of any report of child maltreatment when requested by the Department. The Department or the Department's representatives may make a written demand for any information or reports, whether or not confidential, that may in the Department's opinion be relevant to the assessment of the report. Upon the Department or the Department's representative's request and unless protected by attorney-client privilege, any public or private agency or individual shall provide access to and copies of this confidential information and the records required by this subsection, to the extent permitted by federal law and regulations.

(m) The North Carolina Child Care Commission shall adopt, amend, and repeal all rules necessary for the implementation of this section. Rules promulgated subject to this section shall be exempt from the provisions of G.S. 150B-19.1(e) and (f).

"**§ 110-105.4. Duty to report child maltreatment.**

(a) Any person who has cause to suspect that a child in a child care facility has been maltreated, as defined by G.S. 110-105.3, or has died as the result of maltreatment occurring in a child care facility, shall report the case of that child to the Department. The report may be made orally, by telephone, or in writing. The report shall include information as is known to the person making the report, including (i) the name and address of the child care facility where the child was allegedly maltreated, (ii) the name and address of the child's parent, guardian, or caretaker, (iii) the age of the child, (iv) the present whereabouts of the child if not at the home address, (v) the nature and extent of any injury or condition resulting from maltreatment, and (vi) any other information the person making the report believes might assist in the investigation of the report. If the report is made orally or by telephone, the person making the report shall give the person's name, address, and telephone number. Refusal of the person making the report to give a name shall not preclude the Department's assessment of the alleged maltreatment.

(b) Upon receipt of any report of maltreatment involving sexual abuse of the child in a child care facility, the Department shall notify the State Bureau of Investigation within 24 hours or on the next workday. If sexual abuse in a child care facility is not alleged in the initial report, but during the course of the assessment there is reason to suspect that sexual abuse has occurred, the Department shall immediately notify the State Bureau of Investigation. Upon notification that sexual abuse may have occurred in a child care facility, the State Bureau of Investigation may form a task force to investigate the report.

"**§ 110-105.5. Child maltreatment registry.**

(a) The Department shall establish and maintain a registry containing the names of all caregivers who have been confirmed by the Department of having maltreated a child pursuant to G.S. 110-105.3.

(b) Individuals who wish to contest findings under subsection (a) of this section are entitled to an administrative hearing as provided by the Administrative Procedure Act under Chapter 150B of the General Statutes. A petition for a contested case shall be filed within 30 days of the mailing of the written notice of the Department's intent to place its findings about the person in the Child Maltreatment Registry.

(c) Individuals whose names are listed on the Registry shall not be a caregiver as defined in G.S. 110-105.3(b)(2) at any licensed child care facility or religious-sponsored child care facility.

(d) No person shall be liable for providing any information for the Child Maltreatment Registry if the information is provided in good faith. Neither an employer, potential employer, nor the Department shall be liable for using any information from the Child Maltreatment Registry if the information is used in good faith for the purpose of screening prospective applicants for employment or reviewing the employment status of an employee. The immunity established by this subsection does not extend to malicious conduct or intentional wrongdoing.

(e) Upon request, a child care facility, as defined in G.S. 110-105.3, is permitted to provide confidential or other identifying information to the Department, including social security numbers, taxpayer identification numbers, parent's legal surname prior to marriage, and dates of birth, for the purpose of verifying the identity of the accused caregiver.

(f) With the exception of the names of individuals listed on the Child Maltreatment Registry, all other information received by or pertaining to the Child Maltreatment Registry shall be confidential and is not a public record under Chapter 132 of the General Statutes.

(g) In order to determine an individual's fitness to care for or adopt a child, information from the Child Maltreatment Registry may be used by any of the Department's divisions responsible for licensing homes or facilities that care for children, and the Department may provide information from this list to child-caring institutions, child-placing agencies, group home facilities, and other providers of foster care, child care, or adoption services.

(h) The North Carolina Child Care Commission shall adopt, amend, and repeal all rules necessary for the implementation of this section.

"**§ 110-105.6. Penalties for child maltreatment.**

(a) For purposes of this Article, child maltreatment occurring in child care facilities is a violation of this Article, licensure standards, and licensure laws.

(b) Pursuant to G.S. 110-105.3, when an investigation confirms that child maltreatment did occur in a child care facility, the Department may issue an administrative action up to and including summary suspension and revocation of the facility's child care license.

(c) If the facility is permitted to remain open after an administrative action has been issued, the administrative action shall specify any corrective action to be taken by the operator.

(d) The Department shall make unannounced visits to determine whether the corrective action has occurred. If the corrective action has not occurred, then the Department may take further action against the facility as necessary to protect the health, safety, or welfare of the children at the child care facility.

(e) Administrative actions issued shall include a statement of the reasons for the action and shall specify corrective action that shall be taken by the operator.

(f) Under the terms of the administrative action, the Department may limit enrollment of new children until satisfied the situation giving rise to the confirmation of child maltreatment no longer exists.

(g) Specific corrective action required by an administrative action authorized by this Article may include the removal of the individual responsible for child maltreatment from child

care pending a final determination or appeal of the individual's placement on the Child Maltreatment Registry.

(h) Nothing in this section shall restrict the Department from using any other statutory or administrative remedies available."

SECTION 9. This act becomes effective January 1, 2016.

In the General Assembly read three times and ratified this the 24th day of June, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 4:00 p.m. this 29th day of June, 2015

SESSION LAW 2015-65
SENATE BILL 597

AN ACT TO REPEAL REFERENCES TO THE ABCS PROGRAM IN THE GENERAL STATUTES.

The General Assembly of North Carolina enacts:

SECTION 1.1. G.S. 115C-17 is repealed.
SECTION 1.2. G.S. 115C-105.36 is repealed.
SECTION 1.3. G.S. 143B-146.1 reads as rewritten:

"**§ 143B-146.1. Mission of schools; definitions.**

(a) It is the intent of the General Assembly that the mission of the residential school community is to challenge with high expectations each child to learn, to achieve, and to fulfill his or her potential.

(b) The following definitions apply in this Part:

(1) ~~ABC's Program or~~ Program. – The School-Based Management and Accountability Program developed by the State Board.
(2) Department. – The Department of Health and Human Services.
(3) Instructional personnel. – Assistant principals, teachers, instructional personnel, instructional support personnel, and teacher assistants employed in a residential school.
(4) Participating school. – A residential school that is required to participate in the ~~ABC's~~ Program.
(4a) Residential school. – A school operated by the Department of Health and Human Services that provides residential services to students. For the purposes of this Part, "residential school" does not include a school operated pursuant to Article 9C of Chapter 115C.
(5) Residential school personnel. – The individuals included in G.S. 143B-146.16(a)(2).
(6) Schools. – The residential schools under the control of the Secretary.
(7) Secretary. – The Secretary of Health and Human Services.
(8) State Board. – The State Board of Education."

SECTION 1.4. G.S. 143B-146.2 reads as rewritten:

"**§ 143B-146.2. ~~ABC's~~ School-Based Management and Accountability Program in residential schools.**

(a) The Secretary, in consultation with the General Assembly and the State Board, may designate residential schools that must participate in the ~~ABC's~~ Program. The primary goal of the ~~ABC's~~ Program is to improve student performance. The Program is based upon an accountability, recognition, assistance, and intervention process in order to hold each participating school, its principal, and the instructional personnel accountable for improved student performance in that school.

(b) In order to support the participating schools in the implementation of this Program, the State Board, in consultation with the Secretary, shall adopt guidelines, including guidelines to:

(1) Assist the Secretary and the participating schools in the development and implementation of the ~~ABC's~~ Program.
(2) Recognize the participating schools that meet or exceed their goals.
(3) Identify participating schools that are low-performing and assign assistance teams to those schools. The assistance teams should include individuals with expertise in residential schools, individuals with experience in the education

of children with disabilities, and others the State Board, in consultation with the Secretary, considers appropriate.

(4) Enable assistance teams to make appropriate recommendations.

(c) The ~~ABC's~~ Program shall provide increased decision making and parental involvement at the school level with the goal of improving student performance.

(d) Consistent with improving student performance, the Secretary shall provide maximum flexibility to participating schools in the use of funds to enable those schools to accomplish their goals."

SECTION 1.5. G.S. 143B-146.3 reads as rewritten:

"**§ 143B-146.3. Annual performance goals.**

The ~~ABC's~~ Program shall (i) focus on student performance in the basics of reading, mathematics, and communications skills in elementary and middle schools, (ii) focus on student performance in courses required for graduation and on other measures required by the State Board in the high schools, and (iii) hold participating schools accountable for the educational growth of their students. To those ends, the State Board shall design and implement an accountability system that sets annual performance standards for each participating school in order to measure the growth in performance of the students in each individual school."

SECTION 1.6. G.S. 143B-146.4 is repealed.

SECTION 1.7. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of June, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 10:00 a.m. this 11th day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-271
SENATE BILL 676

AN ACT TO PROVIDE COVERAGE FOR THE TREATMENT OF AUTISM SPECTRUM DISORDER.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-3-220 reads as rewritten:

"**§ 58-3-220. Mental illness benefits coverage.**

(a) Mental Health Equity Requirement. – Except as provided in subsection (b), an insurer shall provide in each group health benefit plan benefits for the necessary care and treatment of mental illnesses that are no less favorable than benefits for physical illness generally, including application of the same limits. For purposes of this subsection, mental illnesses are as diagnosed and defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or a subsequent edition published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent edition as autism spectrum disorder (299.00), substance-related disorders (291.0 through 292.2 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes. For purposes of this subsection, "limits" includes deductibles, coinsurance factors, co-payments, maximum out-of-pocket limits, annual and lifetime dollar limits, and any other dollar limits or fees for covered services.

(b) Minimum Required Benefits. – Except as provided in subsection (c), a group health benefit plan may apply durational limits to mental illnesses that differ from durational limits that apply to physical illnesses. A group health benefit plan shall provide at least the following minimum number of office visits and combined inpatient and outpatient days for all mental illnesses and disorders not listed in subsection (c), as diagnosed and defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or a subsequent edition published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent edition as autism spectrum disorder (299.00), substance-related disorders (291.0 through 292.2 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes:

(1) Thirty combined inpatient and outpatient days per year.
(2) Thirty office visits per year.

...

(h) Definitions. – As used in this section:

(1) "Health benefit plan" has the same meaning as in G.S. 58-3-167.
(2) "Insurer" has the same meaning as in G.S. 58-3-167.
(3) "Mental illness" has the same meaning as in G.S. 122C-3(21), with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or subsequent editions published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent editions as autism spectrum disorder (299.00), substance-related disorders (291.0 through 292.9 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes.

(i) Notwithstanding any other provisions of this section, a group health benefit plan that covers both medical and surgical benefits and mental health benefits shall, with respect to the mental health benefits, comply with all applicable standards of Subtitle B of Title V of Public Law 110-343, known as the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of ~~2008.~~ 2008, and the applicable regulations, as amended.

(j) Subsection (i) of this section applies only to a group health benefit plan covering a large employer as defined in G.S. 58-68-25(a)(10)."

SECTION 2. Article 3 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-3-192. Coverage for autism spectrum disorder.**

(a) As used in this section, the following definitions apply:

(1) Adaptive behavior treatment. – Behavioral and developmental interventions that systematically manage instructional and environmental factors or the consequences of behavior that have been shown to be clinically effective through research published in peer reviewed scientific journals and based upon randomized, quasi-experimental, or single subject designs. Both of the following requirements must be met:

a. The intervention must be necessary to (i) increase appropriate or adaptive behaviors, (ii) decrease maladaptive behaviors, or (iii) develop, maintain, or restore, to the maximum extent practicable, the functioning of an individual.

b. The treatment must be ordered by a licensed physician or licensed psychologist and the treatment must be provided or supervised by one of the following licensed professionals, so long as the services or supervision provided is commensurate with the licensed professional's training, experience, and scope of practice:

1. A licensed psychologist or psychological associate.
2. A licensed psychiatrist or developmental pediatrician.
3. A licensed speech and language pathologist.
4. A licensed occupational therapist.
5. A licensed clinical social worker.
6. A licensed professional counselor.
7. A licensed marriage and family therapist.

(2) Autism spectrum disorder. – As defined by the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) or the most recent edition of the International Statistical Classification of Diseases and Related Health Problems. Autism spectrum disorder is not considered a mental illness as defined in G.S. 58-3-220, 58-51-55, 58-65-90, or 58-67-75.

(3) Diagnosis of autism spectrum disorder. – Any medically necessary assessments, evaluations, or tests to determine whether an individual has autism spectrum disorder.

(4) Health benefit plan. – As defined in G.S. 58-3-167.

(5) Pharmacy care. – Medications prescribed by a licensed health care provider.

(6) Psychiatric care. – Direct or consultative services provided by a licensed psychiatrist.

(7) Psychological care. – Direct or consultative services provided by a licensed psychologist or licensed psychological associate.

(8) Therapeutic care. – Direct or consultative services provided by a licensed speech therapist, licensed occupational therapist, licensed physical therapist, licensed clinical social worker, licensed professional counselor, or licensed marriage and family therapists.

(9) Treatment for autism spectrum disorder. – Any of the following care for an individual diagnosed with autism spectrum disorder, or equipment related to that care, ordered by a licensed physician or a licensed psychologist who determines the care to be medically necessary:

a. Adaptive behavior treatment.
b. Pharmacy care.
c. Psychiatric care.
d. Psychological care.
e. Therapeutic care.

(b) Except as provided in subsection (c) of this section, health benefit plans shall provide coverage for the screening, diagnosis, and treatment of autism spectrum disorder. No insurer shall terminate coverage or refuse to issue, amend, or renew coverage to an individual

solely because the individual is diagnosed with autism spectrum disorder or has received treatment for autism spectrum disorder.

(c) Coverage for adaptive behavior treatment under this section may be subject to a maximum benefit of up to forty thousand dollars ($40,000) per year and may be limited to individuals 18 years of age or younger. Beginning in 2017 and for subsequent years, the amount shall be indexed using the Consumer Price Index for All Urban Consumers for the South Region and shall be rounded to the nearest whole thousand dollars. The index factor shall be the index as of March of the year preceding the change divided by the index as of March 2015. This amount shall be posted by the Commissioner no later than April 1 of each year and shall apply to policies renewed or purchased the following calendar year.

(d) Coverage under this section may not be denied on the basis that the treatments are habilitative or educational in nature.

(e) Coverage under this section may be subject to co-payment, deductible, and coinsurance provisions of a health benefit plan that are not less favorable than the co-payment, deductible, and coinsurance provisions that apply to substantially all medical services covered by the health benefit plan.

(f) This section shall not be construed as limiting benefits that are otherwise available to an individual under a health benefit plan.

(g) Nothing in this section shall apply to non-grandfathered health plans in the individual and small group markets that are subject to the requirement to cover the essential health benefit package under 45 C.F.R. § 147.150(a).

(h) This section shall not be construed as affecting any obligation to provide services to an individual under an individualized family service plan, an individualized education program, or an individualized service plan.

(i) Except as provided in subsection (c) of this section, health benefit plans shall provide coverage for the screening, diagnosis, and treatment of autism spectrum disorder in accordance with the standards contained in Subtitle B of Title V of Public Law 110-343, known as the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, and the applicable regulations, as amended."

SECTION 3. G.S. 58-51-55(a) reads as rewritten:

"(a) Definitions. – As used in this section, the term:

(1) "Mental illness" has the same meaning as defined in G.S. 122C-3(21), with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or a subsequent edition published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent editions as autism spectrum disorder (299.00), substance-related disorders (291.0 through 292.9 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes.

(2) "Chemical dependency" has the same meaning as defined in G.S. 58-51-50, with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or subsequent editions published by the American Psychiatric Association."

SECTION 4. G.S. 58-67-75(a) reads as rewritten:

"(a) Definitions. – As used in this section, the term:

(1) "Mental illness" has the same meaning as defined in G.S. 122C-3(21), with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or subsequent editions published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent editions as autism spectrum disorder (299.00), substance-related disorders (291.0 through 292.9 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes.

(2) "Chemical dependency" has the same meaning as defined in G.S. 58-67-70, with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5 or subsequent editions published by the American Psychiatric Association."

SECTION 5. G.S. 58-65-90(a) reads as rewritten:

"(a) Definitions. – As used in this section, the term:

(1) "Mental illness" has the same meaning as defined in G.S. 122C-3(21), with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or subsequent editions published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent editions as substance-related disorders (291.0 through 292.9 and 303.0 through 305.9), those coded as autism spectrum disorder (299.00), sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes.

(2) "Chemical dependency" has the same meaning as defined in G.S. 58-65-75, with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or subsequent editions published by the American Psychiatric Association."

SECTION 6. This act becomes effective July 1, 2016, and applies to insurance contracts issued, renewed, or amended on or after that date.

In the General Assembly read three times and ratified this the 29th day of September, 2015.

s/ Tom Apodaca
Presiding Officer of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 1:17 p.m. this 15th day of October, 2015

Local Bills

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-35
HOUSE BILL 110

AN ACT TO PROVIDE FOR THE PARTISAN ELECTION OF THE MEMBERS OF THE CHEROKEE, RUTHERFORD, CLAY, AND DAVIE COUNTY BOARDS OF EDUCATION, AND THE IREDELL-STATESVILLE SCHOOLS BOARD OF EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 8 of Chapter 502 of the 1975 Session Laws is repealed.

SECTION 1.(b) Section 2 of Chapter 502 of the 1975 Session Laws reads as rewritten:

"**Sec. 2.** The Board of Education of Cherokee County shall consist of seven members, all of whom shall be elected by the voters of the entire county.~~ There shall be no primary election.~~"

SECTION 1.(c) Section 10 of Chapter 502 of the 1975 Session Laws reads as rewritten:

"**Sec. 10.** All vacancies occurring ~~in the membership of the~~ on the Board of Education of Cherokee County by death, resignation, removal from office, ~~or~~ change of residence, or otherwise, for positions elected on a nonpartisan basis in 2012 or 2014 shall be filled within 20 days of such vacancy by the remaining members of said board of education and for the unexpired term."

SECTION 1.(d) Beginning in 2016, members of the Cherokee County Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Cherokee County Board of Education shall be nominated at the same time and manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election and the terms of their predecessors shall expire at that same time. Vacancies on the Cherokee County Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

SECTION 1.(e) This act does not affect the terms of office of any person elected in 2012 or 2014 to the Cherokee County Board of Education.

SECTION 2.(a) Section 4 of Chapter 359 of the 1973 Session Laws, as amended by Chapter 1165 of the 1977 Session Laws, Chapter 95 of the 1983 Session Laws, and S.L. 2006-92, reads as rewritten:

"**Sec. 4.** Each person desiring to be a candidate for the Board of Education shall file a notice of candidacy ~~stating his or her name, age, and the district seat for which he or she is filing. The filing period is the same as for the district board of supervisors of a soil and water conservation district under G.S. 139-6, and the filing fee is five dollars ($5.00).~~in accordance with Chapter 163 of the General Statutes. The election shall be ~~nonpartisan, separate ballots shall be used, no party affiliation shall be indicated on the ballot for any candidate, and the election shall be decided by plurality without runoff. In all other respects, the election shall be conducted as provided in Chapter 163 of the General Statutes and rules and regulations of the State Board of Elections concerning the conduct of nonpartisan elections simultaneously with a general election.~~partisan."

SECTION 2.(b) Section 5 of Chapter 359 of the 1973 Session Laws reads as rewritten:

"**Sec. 5.** On or before ~~August 10~~ February 1 of each election year, the Rutherford County Board of Education shall deliver to the Chairman of the Rutherford County Board of Elections and cause to be posted on the courthouse door a map and description of the boundaries of the districts established in Section 3 of this act."

SECTION 2.(c) Section 6 of Chapter 359 of the 1973 Session Laws reads as rewritten:

"**Sec. 6.** ~~Vacancies~~ For positions elected on a nonpartisan basis in 2012 or 2014, vacancies in the Board of Education shall be filled by appointment by majority vote of the remaining members of the Board for the remainder of the unexpired term. If for any reason the remaining members of the Board are unable to agree upon an appointment to fill a vacancy within 60 days after the vacancy occurs, the Clerk of Superior Court of Rutherford County shall fill the vacancy. A person appointed to fill a vacancy must reside in the district he is appointed to represent. If any person elected or appointed to the Board ceases to reside in the district he was elected or appointed to represent, the remaining members of the Board may declare his office vacant and proceed to fill the vacancy."

SECTION 2.(d) Beginning in 2016, members of the Rutherford County Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Rutherford County Board of Education shall be nominated at the same time and manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election and the terms of their predecessors shall expire at that same time. Vacancies on the Rutherford County Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

SECTION 2.(e) This act does not affect the terms of office of any person elected in 2012 or 2014 to the Rutherford County Board of Education.

SECTION 2.5.(a) Section 2 of Chapter 1242 of the 1967 Session Laws, as amended by Section 2 of S.L. 2010-42, reads as rewritten:

"Sec. 2. ~~(a) At the same time the primary election for county officers is held in Davie County there shall be held a nonpartisan election to elect members of the Board of Education of Davie County.~~

~~(b) In 2012, three members of the Davie County Board of Education shall be elected. The person receiving the highest numbers of votes is elected to a six-year term. The two persons receiving the next highest numbers of votes are elected to four-year terms.~~

~~(c) In 2014, two members of the Davie County Board of Education are elected to four-year terms.~~

~~(d) In 2016 and quadrennially thereafter, four members of the Davie County Board of Education are elected to four-year terms.~~

~~(e) In 2018 and quadrennially thereafter, three members of the Davie County Board of Education are elected to four-year terms.~~

Beginning in 2016, members of the Davie County Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. In 2016 and quadrennially thereafter, four members of the Davie County Board of Education are elected to four-year terms. In 2018 and quadrennially thereafter, three members of the Davie County Board of Education are elected to four-year terms."

SECTION 2.5.(b) Section 3 of Chapter 1242 of the 1967 Session Laws, as amended by Section 3 of S.L. 2010-42, reads as rewritten:

"Sec. 3. Each candidate shall file ~~his candidacy, without reference to any political party affiliation, with the Chairman of the County Board of Elections within the time now provided for the filing of candidates for any other county office.~~ his or her notice of candidacy in accordance with Chapter 163 of the General Statutes. Candidates for election to the Davie County Board of Education shall be nominated at the same time and manner as other county officers. ~~A filing fee of five dollars ($5.00) shall be paid by each candidate. There shall be a separate ballot provided by the County Board of Elections with the names of the candidates printed thereon with appropriate instructions for use in the election of members of the Board of Education, and no political party affiliation shall be shown on said ballot.~~ The election shall be partisan."

SECTION 2.5.(c) Section 4 of Chapter 1242 of the 1967 Session Laws, as amended by Chapter 5 of the 1979 Session Laws, Chapter 307 of the 1995 Session Laws, and Section 4 of S.L. 2010-42, reads as rewritten:

"Sec. 4. The members of the Board of Education of Davie County shall be inducted into and take the oath of office on the first Monday in ~~July~~December following their election, and shall serve until their successors are elected and qualified."

SECTION 2.5.(d) Section 5 of Chapter 1242 of the 1967 Session Laws reads as rewritten:

"Sec. 5. ~~All vacancies~~For positions elected on a nonpartisan basis in 2012 or 2014, vacancies occurring in the membership of the Board of Education of Davie County by death, resignation or otherwise shall be filled for the unexpired term by the remaining members of said Board of Education. Beginning in 2016, vacancies on the Davie County Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1."

SECTION 2.5.(e) This act does not affect the terms of office of any person elected in 2012 or 2014 to the Davie County Board of Education.

SECTION 3.(a) Chapter 254 of the 1991 Session Laws is repealed.

SECTION 3.(b) The Clay County Board of Education shall consist of five members elected by the qualified voters of Clay County for four-year terms. As the terms of present members expire, their successors shall be elected.

SECTION 3.(c) Beginning in 2016, members of the Clay County Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Clay County Board of Education shall be nominated at the same time and manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election and the terms of their predecessors shall expire at that same time.

SECTION 3.(d) For positions elected on a nonpartisan basis in 2012 or 2014, vacancies in the Clay County Board of Education shall be filled by appointment made by the remaining members. Beginning in 2016, vacancies on the Clay County Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

SECTION 3.(e) This act does not affect the terms of office of any person elected in 2012 or 2014 to the Clay County Board of Education.

SECTION 3.5.(a) Notwithstanding the PLAN OF MERGER OF THE IREDELL COUNTY AND STATESVILLE CITY SCHOOLS, as amended by Section 2 of S.L. 2002-18, beginning in 2016, members of the Iredell-Statesville Schools Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Iredell-Statesville Schools Board of Education shall be nominated at the same time and manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election and the terms of their predecessors shall expire at that same time. Vacancies on the Iredell-Statesville Schools Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

SECTION 3.5.(b) For positions elected on a nonpartisan basis in 2012 or 2014, vacancies occurring in the membership of the Iredell-States Schools Board of Education shall be filled for the unexpired term by the remaining members of the Board of Education.

SECTION 4.(a) G.S. 115C-37.1(d) reads as rewritten:

"(d) This section shall apply only in the following counties: Alleghany, Brunswick, Cherokee, Clay, Davie, Graham, Guilford, Harnett, Iredell, Lee, New Hanover, Rutherford, Vance, and Washington."

SECTION 4.(b) This section becomes effective the first Monday in December of 2016.

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 26th day of May, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-242
HOUSE BILL 112

AN ACT TO PROVIDE FOR THE PARTISAN ELECTION OF THE MEMBERS OF THE STANLY COUNTY BOARD OF EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding the Plan for the Merger of the Stanly County and Albemarle City Schools or any other provision of law, beginning in 2016, the members of Stanly County Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Stanly County Board of Education shall be nominated at the same time and manner as other county officers. Vacancies on the Stanly County Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

SECTION 2. Effective the first Monday in December of 2016, G.S. 115C-37.1(d) reads as rewritten:

"(d) This section shall apply only in the following counties: Alleghany, Brunswick, Graham, Guilford, Harnett, Lee, New Hanover, Stanly, Vance, and Washington."

SECTION 3. This act does not affect the terms of office of any person elected in 2012 or 2014 to the Stanly County Board of Education. Any vacancy occurring in the Stanly County Board of Education by death, resignation, or otherwise for positions elected on a nonpartisan basis in 2012 or 2014 shall be filled by the remaining members of the Board of Education, and the person chosen shall serve for the unexpired term and until his or her successor is elected and qualified.

SECTION 4. All laws and clauses of laws in conflict with this act are repealed to the extent of the conflict.

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 21st day of September, 2015.

s/ Tom Apodaca
Presiding Officer of the Senate

s/ Paul Stam
Presiding Officer of the House of Representatives

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-20
HOUSE BILL 130

AN ACT AUTHORIZING DAVIE COUNTY TO CONTRACT WITH THE LOCAL BOARD OF EDUCATION FOR THE PROVISION OF MEALS TO INMATES IN THE COUNTY DETENTION FACILITY.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 66-58 or any other provision of law, the County and the Sheriff may enter into a contract with the local board of education to provide meals for inmates in the County's detention facility. Meals provided under the contract shall meet the minimum standards established by the Secretary of Health and Human Services as provided in G.S. 153A-221 and Subchapter 14J of Title 10A of the North Carolina Administrative Code. Any contract authorized under this section shall not be subject to the provisions of Article 8 of Chapter 143 of the General Statutes.

SECTION 2. This act applies to Davie County only.

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

In the General Assembly read three times and ratified this the 18th day of May, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-38
HOUSE BILL 189

AN ACT TO PROVIDE FOR A REFERENDUM TO REDUCE THE SIZE OF THE ROCKINGHAM COUNTY BOARD OF EDUCATION OVER FOUR YEARS FROM ELEVEN MEMBERS TO SEVEN BY REDRAWING THE ELECTION DISTRICTS TO REDUCE THE NUMBER OF DISTRICTS FROM SIX TO FOUR SO THAT FOUR MEMBERS ARE ELECTED BY DISTRICT AND BY REDUCING THE NUMBER OF MEMBERS ELECTED AT LARGE FROM FIVE TO THREE; TO CHANGE THE METHOD OF ELECTION OF THE BOARD TO PARTISAN; AND TO CLARIFY THE APPOINTMENT OF VACANCIES TO THE BOARD.

The General Assembly of North Carolina enacts:

PART I. REDUCTION IN THE NUMBER OF BOARD MEMBERS

SECTION 1.1. Chapter 15 of the 1993 Session Laws and S.L. 2005-307 are repealed.

SECTION 1.2. Notwithstanding the PLAN FOR MERGER OF THE PUBLIC SCHOOL SYSTEMS IN ROCKINGHAM COUNTY INTO ONE SYSTEM, as approved by the State Board of Education on July 2, 1992, under G.S. 115C-67, effective from the first Monday in December of 2016, the Rockingham County Consolidated Board of Education shall consist of nine members as follows:

(1) Four of the members shall be elected from districts, one each from a single-member district as described in Section 1.4 of this act, and shall serve four-year terms. The qualified voters of each district shall elect a person who resides in that district, and only the qualified voters of the district may vote in that election.

(2) Five of the members shall be members elected from the county at-large in the 2014 election and shall serve four-year terms.

SECTION 1.3. Notwithstanding the PLAN FOR MERGER OF THE PUBLIC SCHOOL SYSTEMS IN ROCKINGHAM COUNTY INTO ONE SYSTEM, as approved by the State Board of Education on July 2, 1992, under G.S. 115C-67, effective from the first Monday in December of 2018, the Rockingham County Consolidated Board of Education shall consist of seven members as follows:

(1) Four of the members shall be members elected from districts beginning with the 2016 election and shall be elected quadrennially thereafter for four-year terms, one member elected each from a single-member district as described in Section 1.4 of this act. The qualified voters of each district shall elect a person who resides in that district, and only the qualified voters of the district may vote in that election.

(2) Three of the members shall be members elected from the county at-large beginning in the 2018 election and quadrennially thereafter for four-year terms.

SECTION 1.4. Beginning in 2016, the four districts are as follows:

District 1: Rockingham County: VTD: CO, VTD: MC: Block(s) 1570414001023, 1570414001026, 1570414001027, 1570414001029, 1570414001030, 1570414001031, 1570414002002, 1570414002003, 1570414002004, 1570414002005, 1570414002006, 1570414002007, 1570414002008, 1570414002009, 1570414002010, 1570414002016, 1570414002017, 1570414002018, 1570414002019, 1570414002020, 1570414002021, 1570414002022, 1570414002023, 1570414002024, 1570414002025, 1570414002026, 1570414002027, 1570414002040, 1570414002041, 1570414002042, 1570414002043,

1570415001000, 1570415001001, 1570415001002, 1570415001003, 1570415001004, 1570415001005, 1570415001006, 1570415001007, 1570415001008, 1570415001014, 1570415001015, 1570415001016, 1570415001017, 1570415001018, 1570415001019, 1570415001020, 1570415001021, 1570415001022, 1570415001023, 1570415002021, 1570415002022, 1570415002023, 1570415002024, 1570415002025, 1570415002026, 1570415002027, 1570415002029, 1570415002030, 1570415002031, 1570415002032, 1570415002033, 1570415002034, 1570415002035, 1570415002039, 1570415002040, 1570415003000, 1570415003001, 1570415003002, 1570415003003, 1570415003004, 1570415003005, 1570415003006, 1570415003007, 1570415003008, 1570415003009, 1570415003010, 1570415003011, 1570415003012, 1570415003013, 1570415003014, 1570415003015, 1570415003016, 1570415003017, 1570415003018, 1570415003019, 1570415003020, 1570415003021, 1570415003022, 1570415003023, 1570415003024, 1570415003025, 1570415003026, 1570415003027, 1570415003028, 1570415003029, 1570415003030, 1570415003031, 1570415003032, 1570415003033, 1570415004037, 1570415004038; VTD: RD-1, VTD: VA, VTD: WM.

District 2: Rockingham County: VTD: HO: Block(s) 1570410021000, 1570410021002, 1570410021003, 1570410021004, 1570410021005, 1570410021006, 1570410021007, 1570410021008, 1570410021010, 1570410021012, 1570410021013, 1570410021014, 1570410021015, 1570410021016, 1570410021017, 1570410021018, 1570410021019, 1570410021035, 1570410022002, 1570410022003, 1570411004035, 1570411004036; VTD: IR, VTD: LI, VTD: MC: Block(s) 1570414002033, 1570414002034, 1570414002038, 1570415004000, 1570415004001, 1570415004002, 1570415004003, 1570415004004, 1570415004005, 1570415004006, 1570415004007, 1570415004008, 1570415004009, 1570415004010, 1570415004011, 1570415004012, 1570415004014, 1570415004019, 1570415004020, 1570415004021, 1570415004024, 1570415004025, 1570415004026, 1570415004027, 1570415004028, 1570415004029, 1570415004030, 1570415004031, 1570415004032, 1570415004033, 1570415004034, 1570415004035, 1570415004036, 1570415004039, 1570415004040, 1570415004041, 1570415004042, 1570415004043, 1570415004044, 1570415004045, 1570415004046, 1570415004047, 1570415004048, 1570415004049, 1570415004050, 1570415004051, 1570415004052, 1570415004053, 1570415004054, 1570415004055, 1570415004056, 1570415004057, 1570415004058, 1570415004059, 1570415004060, 1570415004061, 1570415004062, 1570415004063, 1570415004064, 1570415004065, 1570415004066, 1570415004067, 1570415004068, 1570415004069, 1570415004070; VTD: NB, VTD: RC.

District 3: Rockingham County: VTD: DR, VTD: EC, VTD: ED-1, VTD: LK-2.

District 4: Rockingham County: VTD: AV, VTD: HO: Block(s) 1570410013031, 1570410013033, 1570410021020, 1570410021021, 1570410021022, 1570410021023, 1570410021024, 1570410021025, 1570410021026, 1570410021027, 1570410021028, 1570410021029, 1570410021030, 1570410021031, 1570410021032, 1570410021033, 1570410021034, 1570410021036, 1570410021037, 1570410021038, 1570410021039, 1570410021040, 1570410021041, 1570410022020, 1570410023000, 1570410023001, 1570410023009, 1570410023010, 1570410023011, 1570410023012, 1570410023013, 1570410023014, 1570410023015, 1570410023016, 1570410023017, 1570410023019, 1570410023020, 1570410023021, 1570410023022, 1570410023024; VTD: HU, VTD: MA, VTD: MD.

SECTION 1.5. Notwithstanding Section 1.2 of this act, until the 2018 election of at-large members as set forth in Section 1.3 of this act, the Rockingham County Board of Commissioners shall not appoint a replacement for a vacancy of a member elected at-large to serve the remainder of the unexpired term unless there are less than three members who were elected at-large serving on the Rockingham County Board of Education.

SECTION 1.6. Sections 1.1 through 1.5 of this act become effective only if approved by a majority of the qualified voters of the County of Rockingham in a referendum. The election shall be conducted by the Rockingham County Board of Elections on May 3, 2016. The question on the ballot shall be:

"[ ] FOR [ ] AGAINST

Reducing the membership of the Rockingham County Board of Education from eleven members to seven members over a four-year period by redrawing the districts and reducing the number of the members elected by district from six to four and reducing the

number of at-large members from five to three, with all current members completing their terms of office."

PART II. CHANGE IN THE MANNER OF ELECTION TO PARTISAN

SECTION 2.1. Section 2 of S.L. 1995-651 is repealed.

SECTION 2.2. Notwithstanding the PLAN FOR MERGER OF THE PUBLIC SCHOOL SYSTEMS IN ROCKINGHAM COUNTY INTO ONE SYSTEM, as approved by the State Board of Education on July 2, 1992, under G.S. 115C-67, beginning in 2018, the election of members on the Rockingham County Consolidated Board of Education shall be on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Rockingham County Board of Education shall be nominated at the same time and in the same manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election, and the terms of their predecessors shall expire at that same time. This section does not affect the terms of office of any person elected in 2014 and 2016 to the Rockingham County Board of Education.

PART III. BOARD VACANCIES

SECTION 3.1. Section 3 of S.L. 2005-307 reads as rewritten:

"**SECTION 3.** The five at-large members shall be elected in 2006 and quadrennially thereafter for four-year terms. The six district members shall be elected in 2008 and quadrennially thereafter for four-year terms. ~~In case of any vacancy, the Rockingham County Board of Commissioners shall appoint a replacement to serve the remainder of the unexpired term. The Rockingham County Board of Education shall nominate one or more persons for each vacancy, and the Board of Commissioners may not appoint someone not nominated by the Board of Education.~~"

SECTION 3.2. In case of any vacancy on the Rockingham County Board of Education, the Rockingham County Board of Commissioners shall appoint a replacement to serve the remainder of the unexpired term, who shall be a member of the same political party of the vacating member if that vacating member was elected as a nominee of a political party. The Rockingham County Board of Education may nominate one or more persons for each vacancy to submit to the Board of Commissioners for its consideration within 30 days from the date the seat becomes vacant.

PART IV. EFFECTIVE DATE

SECTION 4. Sections 1.1 through 1.5 of this act become effective upon ratification of the approval by the voters of the referendum set forth in Section 1.6 of this act. Part II of this act becomes effective January 1, 2018. The remainder of this act is effective when it becomes law and applies to vacancies occurring on or after that date.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

SESSION LAW 2015-252
HOUSE BILL 488

AN ACT TO CLARIFY THE APPOINTMENTS TO THE BOARD OF TRUSTEES OF CENTRAL CAROLINA COMMUNITY COLLEGE.

The General Assembly of North Carolina enacts:

SECTION 1. S.L. 2013-263 is repealed.

SECTION 2. 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,~~ 16 members 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.~~ jointly by the local boards of education with the authority to nominate trustees as follows:

(1) The Chatham County Board of Education shall nominate one person to serve as trustee with a term commencing July 1, 2016, and quadrennially thereafter.

(2) The Harnett County Board of Education shall nominate one person to serve as trustee with a term commencing July 1, 2017, and quadrennially thereafter.

(3) The Lee County Board of Education shall nominate two persons to serve as trustees as follows:

a. The appointment of one trustee for a term commencing July 1, 2015, and quadrennially thereafter.

b. The appointment of one trustee for a term commencing July 1, 2018, and quadrennially thereafter.

(4) Approval of a nominee by at least one of the other two boards of education shall constitute selection of the trustee.

(5) If a nominee is not approved by at least one other board of education, the nominating board of education may nominate other persons until at least one other board of education approves the board of education's nominee.

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~~ eight 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.~~ as follows:

(1) Four members elected by the Lee County Commissioners as follows:

a. The appointment of one trustee for a term commencing July 1, 2015, and quadrennially thereafter.
b. The appointment of one trustee for a term commencing July 1, 2016, and quadrennially thereafter.
c. The appointment of one trustee for a term commencing July 1, 2017, and quadrennially thereafter.
d. The appointment of one trustee for a term commencing July 1, 2018, and quadrennially thereafter.

(2) Two members elected by the Chatham County Commissioners for terms commencing July 1, 2017, and quadrennially thereafter.

(3) Two members elected by the Harnett County Commissioners as follows:
a. The appointment of one trustee for a term commencing July 1, 2016, and quadrennially thereafter.
b. The appointment of one trustee for a term commencing July 1, 2017, and quadrennially thereafter.

No more than one trustee from Group Two may be a member of a board of county ~~commissioners.~~ 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 3. This act applies only to Central Carolina Community College.

SECTION 4. This act is effective when it becomes law and applies to appointments to terms beginning on or after July 1, 2015.

In the General Assembly read three times and ratified this the 28th day of September, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Paul Stam
Presiding Officer of the House of Representatives

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-244
HOUSE BILL 503

AN ACT TO ALLOW THE MOORE COUNTY BOARD OF COMMISSIONERS TO REDISTRICT THEIR RESIDENCY DISTRICTS AND TO REDUCE THE SIZE OF THE MOORE COUNTY BOARD OF EDUCATION FROM EIGHT MEMBERS TO SEVEN.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-22.1, as enacted by Chapter 215 of the 1995 Session Laws, and as rewritten by S.L. 1998-175 and S.L. 2011-126, is amended by adding a new subsection to read:

"**§ 153A-22.1. Redefining residency district boundaries.**

...

(b1) If a county is divided into residency districts, the board of county commissioners may find as a fact whether the residency districts negatively impact compactness, contiguity, or respect for political subdivisions or communities of interest among the districts. If the board finds there is substantial negative impact among the districts, it may, by resolution, redefine the residency districts to address the identified negative impact.

...."

SECTION 2.(a) Notwithstanding Chapter 389 of the 1997 Session Laws, effective the first Monday in December 2016, the Board of Education of Moore County shall consist of seven members.

SECTION 2.(b) One member of the Moore County Board of Education shall be elected each from Electoral Districts 1, 2, 3, 4, and 5 for members of the Moore County Board of Commissioners as those districts existed on January 1, 1997, and two members of the Moore County Board of Education shall be elected from the county at large.

SECTION 2.(c) In 2016 and quadrennially thereafter, members shall be elected from Districts 1, 2, 4, and 5 for four-year terms. In 2018 and quadrennially thereafter, a member shall be elected from District 3 and two members shall be elected from the county at large for four-year terms.

SECTION 2.(d) Members shall reside in and represent the districts, but all members are elected by the voters of the county at large by the nonpartisan primary and election method, all as previously provided by law. Vacancies on the Moore County Board of Education shall be filled in accordance with G.S. 115C-37(f).

SECTION 3. In order to implement the changes to the size of the Moore County Board of Education, as required by Section 2 of this act, one member at large shall be elected in 2016 to fill the unexpired term on the Board pursuant to G.S. 115C-37(f).

SECTION 4. This act applies to Moore County only.

SECTION 5. This act is effective when it becomes law and applies to elections held in 2016 and thereafter.

In the General Assembly read three times and ratified this the 21st day of September, 2015.

s/ Tom Apodaca
President of the Senate

s/ Paul Stam
Presiding Officer of the House of Representatives

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-253
HOUSE BILL 527

AN ACT TO PROVIDE THAT REGULAR MUNICIPAL ELECTIONS IN THE MUNICIPALITIES OF STANLY COUNTY SHALL BE HELD IN EVEN-NUMBERED YEARS; TO EXTEND THE TERM OF OFFICE FOR THE MAYOR OF THE CITY OF ALBEMARLE FROM TWO YEARS TO FOUR YEARS; TO AMEND THE CHARTER OF THE CITY OF RALEIGH TO AUTHORIZE THE CITY TO SELL, EXCHANGE, OR OTHERWISE TRANSFER REAL PROPERTY; TO CLARIFY THE BOARD VOTING RULES FOR THE ELIZABETH CITY-PASQUOTANK BOARD OF EDUCATION; AND TO ADD DARE, GATES, AND HYDE COUNTIES TO THE LIST OF COUNTIES COVERED BY G.S. 153A-15.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 3.1 of the Charter of the City of Albemarle, being Chapter 259 of the Session Laws of 1979, as amended by Ordinance 95-18 adopted by the City Council, reads as rewritten:

"Section 3.1. Regular Municipal Elections; Conduct and Method of Election. ~~Regular municipal elections for Mayor shall be held in the City in 1979 and every two years thereafter and~~Elections shall be conducted in accordance with the uniform municipal election laws of North Carolina. The Mayor and members of the City Council shall be elected according to the partisan primary and elections method for statewide office as provided in ~~G.S. 163-291.~~G.S. 163-1."

SECTION 1.(b) Section 3.2 of the Charter of the City of Albemarle, being Chapter 259 of the Session Laws of 1979, as amended by Chapter 881 of the 1987 Session Laws and Ordinance 95-18 adopted by the City Council, reads as rewritten:

"Section 3.2. Election of Mayor and Council Members. At the regular municipal election in 2015, there shall be nominated and elected a Mayor for a term of five years. At the regular municipal election in ~~1991~~ 2020 and every ~~two~~ four years thereafter, there shall be nominated and elected a ~~Mayor.~~Mayor to serve for a term of four years.

~~At the regular municipal election to be held in 1995, members of the City Council shall be nominated and elected as follows. The member of Council from District 1 and the member of Council from District 3 shall be nominated and elected by and from the qualified voters of the electoral district to serve for a four year term. The member of Council from District 2 and the member of Council from District 4 shall be nominated and elected by and from the qualified voters of the electoral district to serve for a two year term. Three members of Council shall be nominated and elected at large by and from the qualified voters of the City. The two at large members of Council receiving the highest number of votes in the regular municipal election shall be elected to serve for a four year term. The at large member of Council receiving the next highest number of votes in the regular municipal election shall be elected to serve for a two year term.~~

The City Council shall consist of seven members, each residing in and elected from districts. At the regular municipal election held in 2015, members of the Council from District 1, District 3, and the two members elected at-large in the 2011 regular municipal election shall each be elected to a term of five years. The members of the Council from District 2, District 4, and the member elected at-large in the 2013 regular municipal election shall continue to serve until 2018.

At the regular municipal election held in ~~1997,~~2018 and every four years thereafter, the member of Council from District 2, the member of Council from District 4, and the member of

Council elected at large in the ~~1995~~2013 regular municipal election ~~to serve a two year term~~ shall be nominated and elected to serve a four year term.

At the regular municipal election held in ~~1999~~ 2020 and every four years thereafter, the member of Council from District 1, the member of Council from District 3, and the two members of Council elected at large in the ~~1995~~2015 regular municipal election ~~to serve a four year term~~ shall be nominated and elected to serve for a four year term."

SECTION 2. Chapter III of the Charter of the Town of Badin, being Chapter 894 of the Session Laws of 1989, reads as rewritten:

"CHAPTER III.
"GOVERNING BODY.

...

"Sec. 3.3. Term of office of Council members. ~~The initial members of the Council shall be elected in 1990 at the same time as the general election for county officers, and the procedure shall be as generally provided for election of municipal officers in an odd-numbered year, except that the filing period shall open as soon as the results of the incorporation referendum are certified, and shall end at 12:00 noon on the third Friday after that date. The initial district members are elected for three-year terms, their successors shall be elected in 1993 and quadrennially thereafter for four-year terms. In 1990, the at-large candidate receiving the highest number of votes is elected to a three-year term, and the two at-large candidates receiving the next highest numbers of votes are elected to one-year terms. In 1991 and quadrennially thereafter, two at-large members are elected for four-year terms. In 1993 and quadrennially thereafter, one at-large member is elected for a four-year term. Initial town officers shall take office on the Monday following the canvassing of the returns of their election, at a time and place designated by any three of them.~~In 2015, the two at-large members shall serve for terms of five years, and their successors shall serve terms of four years. Each of the resident district members and the at-large members whose terms expire in 2017 shall continue to serve until 2018, and their successors shall be elected to serve terms of four years. Regular municipal elections shall be held in each even-numbered year thereafter in accordance with Chapter IV of this Charter.

"Sec. 3.4. Selection of Mayor: term of office. The members of the Town Council shall, from among their members, elect the Mayor at their organizational meeting to serve a two-year term, except that the Mayor elected in ~~1990~~ 2015 shall serve a ~~one-year~~three-year term."

SECTION 3.(a) Article III of the Charter of the City of Locust, being Chapter 246 of the Session Laws of 1973, as amended by Chapter 41 of the 1977 Session Laws, reads as rewritten:

"...

"Sec. 3.2. Mayor and Mayor Pro Tempore. The Mayor shall be a resident and qualified voter of the City of Locust and shall be elected by the qualified voters of the City of Locust, and he shall hold office for two (2) ~~years.~~years, except that the Mayor elected in 2015 shall serve a term of three years, but the Mayor's successors shall serve terms of two years. In the case of a vacancy in the office of Mayor, the City Council shall by appointment fill the vacancy for the unexpired term. The Mayor shall be the official head of the City government and shall preside at all meetings of the City Council. When there is an equal division upon any question, or in the appointment of officers, by the Council, the Mayor shall determine the matter by his vote, and shall vote in no other case. The Mayor shall exercise such powers and perform such duties as are or may be conferred upon him by the general laws of North Carolina, by this Charter, and by the ordinances of the City. The City Council shall choose one of its number to act as Mayor Pro Tempore, and he shall perform the duties of the Mayor in the Mayor's absence or disability. The Mayor Pro Tempore as such shall have no fixed term of office, but shall serve in such capacity at the pleasure of the remaining members of the Council.

"Sec. 3.3. Composition of City Council. Beginning with the election to be held on November ~~8, 1977,~~3, 2015, the City Council shall consist of seven (7) members to be elected by and from the qualified voters of the city voting at large in the manner provided by Article IV.

...."

SECTION 3.(b) Section 4.1 of the Charter of the City of Locust, being Chapter 246 of the Session Laws of 1973, as amended by Chapter 41 of the 1977 Session Laws, reads as rewritten:

"Sec. 4.1. Regular Municipal Elections. Regular municipal elections shall be held on the Tuesday after the first Monday in November of each ~~odd-numbered year which began in 1973.~~even-numbered year except as provided in this section. In the regular election in ~~1977~~ 2015, ~~there shall be elected three (3) councilmen. The three (3) candidates receiving the highest number of votes shall be elected for terms of four (4) years. In the regular election of 1979, there shall be elected four (4) councilmen, and the four (4) candidates receiving the highest number of votes shall be elected for four (4) years.~~four members shall be elected for terms of five years, and the three members whose terms expire in 2017 shall continue to serve until 2018. Thereafter as the terms of members expire, their successors shall be elected for terms of four (4) years."

SECTION 4.(a) Section 3.3 of the Charter of the Village of Misenheimer, being Chapter 268 of the Session Laws of 2003, as amended by Chapter 19 of the 2004 Session Laws, reads as rewritten:

"Section 3.3. Manner of Electing Village Council; Term of Office. The qualified voters of the entire Village shall elect the members of the Village Council, and, except as provided in this section, they shall serve four-year terms. In ~~2005, the three candidates receiving the highest numbers of votes shall be elected to four-year terms, and the two candidates receiving the next highest numbers of votes shall be elected to two-year terms.~~2015, two members shall be elected for five-year terms, and the three members whose terms expire in 2017 shall continue to serve until 2018. In ~~2007,~~2020, and quadrennially thereafter, two members shall be elected to four-year terms. In ~~2009,~~2018, and quadrennially thereafter, three members shall be elected to four-year terms."

SECTION 4.(b) Section 3.4 of the Charter of the Village of Misenheimer, being Chapter 268 of the Session Laws of 2003, reads as rewritten:

"Section 3.4. **Manner of Electing Mayor; Term of Office; Duties.** At the organizational meeting following each municipal election, the Village Council shall elect one of its members as Mayor, and the Mayor shall serve at the pleasure of the Village ~~Council.~~Council, provided that the Mayor elected in 2015 shall serve pursuant to the manner provided in Section 3.3 of this Charter. The Mayor shall be the official head of Village government and shall preside at all meetings of the Village Council. The Mayor shall exercise such powers and duties as conferred by the general laws of this State and this Charter and as directed by the Village Council. In the case of a vacancy in the office of Mayor, the remaining members of the Village Council shall choose from their membership a person to serve as Mayor for the unexpired term."

SECTION 5. Section 3 of the Charter of the Town of New London, being Chapter 91 of the Private Laws of 1907, as amended by Chapter 131 of the 2001 Session Laws, reads as rewritten:

"Sec. 3. The officers of the town shall consist of a mayor and five commissioners, and they shall be elected to four-year terms by the qualified voters of the entire town, except as provided otherwise in this section. ~~In 2001, and quadrennially thereafter, a mayor shall be elected to a four-year term. In 2001, for the position of commissioner, the two persons receiving the highest numbers of votes shall be elected to four-year terms and the three persons receiving the next highest numbers of votes shall be elected to two-year terms.~~The Mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, the Mayor shall be elected for a term of four years. In 2015, three commissioners shall be elected for five-year terms, and the two commissioners whose terms expire in 2017 shall continue to serve until 2018. In ~~2003,~~2020, and quadrennially thereafter, three persons shall be elected to four-year terms. In ~~2005,~~2018, and quadrennially thereafter, two persons shall be elected to four-year terms."

SECTION 6. Section 12 of the Charter of the Town of Norwood, being Chapter 212 of the Private Laws of 1905, as amended by Chapter 15 of the Session Laws of 2001, reads as rewritten:

"Sec. 12. The Commissioners and Mayor shall be elected to four-year terms by the qualified voters of the entire Town, except as provided otherwise in this section. ~~In 2001, and quadrennially thereafter, a Mayor shall be elected to a four-year term. In 2001, for the position of Commissioner, the two persons receiving the highest numbers of votes shall be elected to four-year terms and the three persons receiving the next highest numbers of votes shall be elected to two-year terms.~~The Mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, the Mayor shall be elected for a term of four years. In 2015, three commissioners shall be elected for five-year terms, and the two commissioners

whose terms expire in 2017 shall continue to serve until 2018. In ~~2003,~~2020, and quadrennially thereafter, three persons shall be elected to four-year terms. In ~~2005,~~2018, and quadrennially thereafter, two persons shall be elected to four-year terms."

SECTION 7. Section 15 of the Charter of the Town of Oakboro, being Chapter 51 of the Private Laws of 1915, as amended by ordinance adopted by the Town Board, reads as rewritten:

"Sec. 15. That the Mayor of the town of Oakboro shall hold office for the term of two years and until its successor is elected and ~~qualified.~~qualified, except that in 2015, the Mayor elected shall serve a term of three years, but the Mayor's successors shall serve terms of two years. ~~At the regular municipal election held in 2009, the three members of the Board elected who have the highest total of votes shall serve for a four-year term.~~ Those members of the Board who have the lowest total number of votes shall serve for a two-year term. At the regular election held in 2011, and every four years thereafter, members of the Board who were elected for two-year terms in the election of 2009, shall be elected to serve for a four-year term. In 2015, three members of the Board shall be elected for five-year terms, and the two members whose terms expire in 2017 shall continue to serve until 2018. In 2020, and quadrennially thereafter, three persons shall be elected to four-year terms. In 2018, and quadrennially thereafter, two persons shall be elected to four-year terms. That in the absence of any officer of the town, or during sickness of any of the officers, the commissioners may appoint a man to fill the office during his absence or during his inability, and no longer. If the absence be caused by resignation, the board may appoint an officer to fill the unexpired term."

SECTION 8. Article III of the Charter of the Town of Red Cross, being Chapter 56 of the Session Laws of 2002, reads as rewritten:

"ARTICLE III. GOVERNING BODY.

...

"Section 3.3. **Manner of Electing Town Council; Term of Office.** The qualified voters of the entire Town shall elect the members of the Town Council and, except as provided in this section, they shall be elected to four-year terms. In ~~2003, the two candidates receiving the highest number of votes shall be elected to four-year terms and the two candidates receiving the next highest number of votes shall be elected to two-year terms.~~2015, two members shall be elected for five-year terms, and the two members whose terms expire in 2017 shall continue to serve until 2018. In ~~2005,~~2018, and biennially thereafter, two members shall be elected to four-year terms.

"Section 3.4. **Manner of Electing Mayor; Term of Office; Duties.** The qualified voters of the entire Town shall elect the Mayor. In 2015, the Mayor shall be elected to serve a term of five years. In ~~2003,~~2020, and quadrennially thereafter, the Mayor shall be elected for a term of four years.

...."

SECTION 9.(a) Section 3 of the Charter of the Town of Richfield, being Chapter 204 of the Private Laws of 1915, as amended by Chapter 1066 of the 1953 Session Laws, Chapter 527 of the 1961 Session Laws, and by resolution adopted by the Town Board of Commissioners, reads as rewritten:

"Section 3. That the officers of said town shall consist of a mayor and five commissioners, to be elected ~~for staggered 4-year terms , and a marshal and secretary and treasurer, to be appointed every two years by the commissioners.~~as provided in Section 4 of this Charter."

SECTION 9.(b) Section 4 of the Charter of the Town of Richfield, being Chapter 204 of the Private Laws of 1915, as amended by Chapter 1066 of the 1953 Session Laws, and Chapter 527 of the 1961 Session Laws, reads as rewritten:

"Section 4. ~~That there shall be a convention held in said town for the purpose of electing a mayor and five commissioners. The said convention shall be called on the first Tuesday after the first Monday in May, 1915, and every two years thereafter.~~The Mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, the Mayor shall be elected for a term of four years. In 2015, the three members elected shall serve terms of five years, and their successors shall serve terms of four years. The two members whose terms expire in 2017 shall continue to serve until 2018, and their successors shall serve terms of four years. Notice of said ~~convention~~ election shall be posted at four public places within said town at least thirty days prior to the holding of the ~~convention~~ election and all citizens residing within the corporate limits of said town who are qualified voters in Stanly County and who

have resided in said town for a period of ninety (90) days before said ~~convention~~ election shall be allowed to vote."

SECTION 9.(c) Section 15 of the Charter of the Town of Richfield, being Chapter 204 of the Private Laws of 1915, as amended by Chapter 1066 of the 1953 Session Laws, reads as rewritten:

"Section 15. That the officers elected in said town at any ~~convention~~ election shall hold office for the term of four years and until their successors are elected and qualified, and that during the absence of any officer of the town or the sickness of any officer or officers, the commissioners may appoint a man to fill the vacancy during his or their absence, or during his or their inability to fill the same, and no longer. If the absence be caused by resignation, the board of commissioners shall appoint an officer to fill said vacancy or unexpired term."

SECTION 10. Section 3 of the Charter of the Town of Stanfield, being Chapter 1210 of the Session Laws of 1955, as amended by Chapter 485 of the 1957 Session Laws and Ordinance 2009-3 adopted by the Town Commissioners, reads as rewritten:

"Sec. 3. MUNICIPAL GOVERNMENT. That the government of the Town of Stanfield shall be vested in a mayor and a board of five commissioners and such other officers as may be provided for in the Municipal Incorporation Act of North Carolina. The mayor and board of commissioners shall be quadrennially elected by the qualified voters of the town, ~~shall~~ provided that the Mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, the Mayor shall serve a term of four years. At the regular municipal election to be held in 2009, the mayor and two members of the Board elected who have the highest total of votes shall serve for a four-year term. The three members of the Board who have the lowest total number of votes shall serve for a two-year term. At the regular municipal election held in 2011, and every four years thereafter, members of the board who were elected for two-year terms in the election of 2009 shall be elected to serve for a four-year term. In 2015, three members of the Board shall be elected for five-year terms, and the two members whose terms expire in 2017 shall continue to serve until 2018. In 2020, and quadrennially thereafter, three persons shall be elected to four-year terms. In 2018, and quadrennially thereafter, two persons shall be elected to four-year terms. The Mayor and board of commissioners shall take such oaths of office as provided by ~~law,~~ law and shall have such rights, powers, duties and responsibilities as provided in ~~Article 2 of~~ Chapter ~~160~~ 160A of the General Statutes of North Carolina relating to municipal officers."

SECTION 11. Section 22 of the Charter of the City of Raleigh, being Chapter 1184 of the 1949 Session Laws, as amended, is amended by adding the following new subsection:

"(88). Conveyance of Real Property. When the City Council determines that a sale or disposition of real property will advance or further any Council adopted economic development, transportation, urban revitalization, community development, or other City policy, the City may, in addition to other authorized means, sell, exchange, or transfer the fee or any lesser interest in real property, either by public sale or by negotiated private sale. Any conveyance under this section may be made only pursuant to a resolution of the City Council authorizing the conveyance. Notice of the proposed transaction shall be given at least 10 days prior to adoption of the resolution by generally authorized legal advertising methods, and the notice shall generally describe: (i) the property involved; (ii) the nature of the interest to be conveyed; and (iii) all of the material terms of the proposed transaction. The notice shall give the time and place of the City Council meeting where the proposed transaction will be considered and shall announce the Council's intention to authorize the proposed transaction."

SECTION 12. Section 3 of Chapter 29 of the 1967 Session Laws, as amended by Chapter 8 of the 1977 Session Laws and by Section 9(b) of S.L. 2005-305, reads as rewritten:

"Sec. 3. Three members of the Board shall be residents within the Elizabeth City Township, hereinafter referred to as "inside members", and three members of the Board shall be residents of the other townships outside Elizabeth City Township, hereinafter referred to as "outside members". The remaining member shall hereinafter be referred to as the "at-large member" and shall be a county resident with no residence required within a particular township area.

Candidates for membership on the Board shall file for office at the same time and on the same terms and conditions as candidates for other county offices. Candidates shall file, based upon residency, for any available "inside member" seats, "outside member" seats, or the "at-large member" seat that they qualify for by virtue of the residency at the time of filing. However, there shall be no primary, and filed candidates for each type of available seat shall be

placed on the general election ballot to be voted on by all qualified voters of the county. Each voter shall have the right to vote in each race for "inside member" seats, "outside members" seats, or the "at-large member" seat up to the number of open seats up for election as to each particular type of seat, but may not cast more than one vote for each candidate. The election shall be held on a nonpartisan plurality basis with the candidates receiving the highest number of votes for each type of seat filling the available open seat or seats in descending order of their vote totals. Candidates elected shall take office the first Monday in December, and shall serve a four-year term.

All vacancies shall be filled by appointment by the remainder of the Board within 60 days, and the person so appointed shall serve the remainder of the unexpired term.

Terms shall be staggered, with two "inside member" seats and two "outside member" seats being elected in 2006 and every four years thereafter, and one "inside member" seat, one "outside member" seat, and the "at-large member" seat being elected in 2008 and every four years thereafter.

~~The Elizabeth City-Pasquotank Board of Education shall elect a chairman and vice chairman to preside over its meetings, and the vice chairman shall be entitled to vote in all matters being considered by said Board but neither the chairman nor the vice chairman shall have the authority to cast a vote to create a tie vote and then vote again to break the tie.~~

The Elizabeth City-Pasquotank Board of Education shall elect a chair to preside over its meetings and a vice-chair to preside over its meetings in the chair's absence. The chair shall not vote on any matters being considered by said Board, unless there is a tie vote, in which case the chair shall cast the deciding vote. When the chair is present at a meeting, the vice-chair shall be entitled to vote on all matters being considered by said Board. When the vice-chair is presiding over a meeting in the chair's absence, the vice-chair shall not vote on any matters being considered by said Board, unless there is a tie vote, in which case the vice-chair shall cast the deciding vote. Neither the chair nor the vice-chair shall have the authority to cast a vote to create a tie vote and then vote again to break the tie.

The Elizabeth City-Pasquotank Board of Education shall control, administer and operate all of the public schools in Pasquotank County, including the public schools now located in the Elizabeth City Administrative Unit, as well as the public schools now located in the Pasquotank County Administrative Unit. The Elizabeth City-Pasquotank Board of Education shall exercise all the powers, authority and duties as are now exercised and performed by city and county boards of education and as provided by Chapter 115 of the General Statutes, as revised and amended, and as the same may hereafter be revised and amended. All members of the said Board shall hold their offices until their successors are elected and qualified."

SECTION 13. G.S. 153A-15 reads as rewritten:

"**§ 153A-15. Consent of board of commissioners necessary in certain counties before land may be condemned or acquired by a unit of local government outside the county.**

(a) Notwithstanding the provisions of Chapter 40A of the General Statutes or any other general law or local act conferring the power of eminent domain, before final judgment may be entered in any action of condemnation initiated by a county, city or town, special district, or other unit of local government which is located wholly or primarily outside another county, whereby the condemnor seeks to acquire property located in the other county, the condemnor shall furnish proof that the county board of commissioners of the county where the land is located has consented to the taking.

(b) Notwithstanding the provisions of G.S. 153A-158, 160A-240.1, 130A-55, or any other general law or local act conferring the power to acquire real property, before any county, city or town, special district, or other unit of local government which is located wholly or primarily outside another county acquires any real property located in the other county by exchange, purchase or lease, it must have the approval of the county board of commissioners of the county where the land is located.

(c) This section applies to Alamance, Alleghany, Anson, Ashe, Bertie, Bladen, Brunswick, Burke, Buncombe, Cabarrus, Caldwell, Camden, Carteret, Caswell, Catawba, Chatham, Cherokee, Clay, Cleveland, Columbus, Craven, Cumberland, Currituck, Dare, Davidson, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Gaston, Gates, Graham, Granville, Greene, Guilford, Halifax, Harnett, Haywood, Henderson, Hoke, Hyde, Iredell, Jackson, Johnston, Jones, Lee, Lenoir, Lincoln, Macon, Madison, Martin, McDowell, Mecklenburg, Montgomery, Nash, New Hanover, Northampton, Onslow, Orange, Pamlico,

Pasquotank, Pender, Perquimans, Person, Pitt, Polk, Richmond, Robeson, Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Stokes, Surry, Swain, Transylvania, Union, Vance, Wake, Warren, Watauga, Wayne, Wilkes, and Yancey Counties only.

(d) This section does not apply as to any condemnation or acquisition of real property or an interest in real property by a city where the property to be condemned or acquired is within the corporate limits of that city."

SECTION 14. Notwithstanding any other provision of law to the contrary and except as otherwise provided by federal law, municipal elections held pursuant to this act may be combined on the same official ballot as other ballot items for elections held at the same time.

SECTION 15. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of September, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Paul Stam
Presiding Officer of the House of Representatives

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-103
HOUSE BILL 836

AN ACT TO PROVIDE REGULATORY RELIEF FOR LOCAL GOVERNMENTS BY AUTHORIZING CITIES TO RESERVE CERTAIN EASEMENTS WHEN PERMANENTLY CLOSING STREETS AND ALLEYS; TO REPEAL THE REQUIREMENT FOR LICENSING OF GOING OUT OF BUSINESS SALES BY LOCAL GOVERNMENTS; TO AUTHORIZE ELECTRONIC SUBMISSION OF ABSENTEE BALLOT LISTS BY COUNTY BOARDS OF ELECTIONS; TO AUTHORIZE THE USE OF NEW TECHNOLOGY FOR PAPER BALLOTS; TO EXTEND THE TIME FRAME TO IMPLEMENT THE REQUIREMENT FOR PAPER BALLOTS FROM JANUARY 1, 2018 TO SEPTEMBER 1, 2019, FOR COUNTIES THAT USE DIRECT RECORD ELECTRONIC VOTING MACHINES FOR CURRENT VOTING REQUIREMENTS; TO AUTHORIZE CERTAIN MUNICIPALITIES TO CONDUCT MALT BEVERAGE AND UNFORTIFIED WINE ELECTIONS; TO REQUIRE COUNTY BOARDS OF ELECTIONS TO NOTIFY A REGISTERED VOTER OF THE OPTION TO COMPLETE A WRITTEN REQUEST FOR AN ABSENTEE BALLOT AT A ONE-STOP VOTING LOCATION WHEN THE VOTER PRESENTS WITHOUT AN ELIGIBLE FORM OF PHOTO IDENTIFICATION; TO AUTHORIZE VOTERS WHO SUFFER FROM A REASONABLE IMPEDIMENT PREVENTING THE VOTER FROM OBTAINING PHOTO IDENTIFICATION TO COMPLETE REASONABLE IMPEDIMENT DECLARATIONS WHEN VOTING; TO REMOVE TERM LIMITS FOR SERVICE ON THE BOARD OF EDUCATION OF ALEXANDER COUNTY; AND TO REQUIRE ELECTRONIC POLL BOOKS TO BE CERTIFIED BY THE STATE BOARD OF ELECTIONS.

The General Assembly of North Carolina enacts:

CLARIFY EASEMENT RESERVATION AUTHORITY FOR CITIES CLOSING STREETS AND ALLEYS

SECTION 1. G.S. 160A-299 reads as rewritten:

"**§ 160A-299. Procedure for permanently closing streets and alleys.**

...

(f) A city may reserve ~~its~~ a right, title, and interest in any ~~utility improvement~~improvements or ~~easement~~ easements within a street closed pursuant to this section. ~~Such~~ An easement under this subsection shall include utility, drainage, pedestrian, landscaping, conservation, or other easements considered by the city to be in the public interest. The reservation of an easement under this subsection shall be stated in the order of closing. ~~Such~~ The reservation also extends to utility improvements or easements owned by private utilities which at the time of the street closing have a utility agreement or franchise with the city.

...."

REPEAL LICENSING FOR GOING OUT OF BUSINESS/DISTRESS SALES

SECTION 2.(a) G.S. 66-77 is repealed.

SECTION 2.(b) G.S. 66-80 reads as rewritten:

"**§ 66-80. Continuation of sale or business beyond termination date.**

No person shall conduct a closing-out sale or a sale of goods, wares or merchandise damaged by fire, smoke, water or otherwise or a distress sale beyond the termination date specified for such ~~sale, except as otherwise provided for in subsection (b) of G.S. 66-77;~~sale; nor shall any person, upon conclusion of such sale, continue that business which had been

represented as closing out or going out of business under the same name, or under a different name, at the same location, or elsewhere in the same city or town where the inventory for such sale was filed for a period of 12 months; nor shall any person, upon conclusion of such sale, continue business contrary to the designation of such sale. As used in this section, the term "person" includes individuals, partnerships, corporations, and other business entities. If a business entity that is prohibited from continuing a business under this section reformulates itself as a new entity or as an individual, whether by sale, merger, acquisition, bankruptcy, dissolution, or any other transaction, for the purpose of continuing the business, the successor entity or individual shall be considered the same person as the original entity for the purpose of this section. If an individual who is prohibited from continuing a business under this section forms a new business entity to continue the business, that entity shall be considered the same person as the individual for the purpose of this section."

SECTION 2.(c) This section becomes effective July 1, 2015.

ELECTRONIC REPORTING FOR COUNTY BOARDS OF ELECTIONS

SECTION 3.(a) G.S. 163-232 reads as rewritten:

"**§ 163-232. Certified list of executed absentee ballots; distribution of list.**

The county board of elections shall prepare, or cause to be prepared, a list in at least quadruplicate, of all absentee ballots returned to the county board of elections to be counted, which have been approved by the county board of elections, and which have been received as of 5:00 p.m. on the day before the election. At the end of the list, the ~~chairman~~ chair shall execute the following certificate under oath:

"State of North Carolina

County of _____

I, _____, ~~chairman~~ chair of the _____ County board of elections, do hereby certify that the foregoing is a list of all executed absentee ballots to be voted in the election to be conducted on the _____ day of _____, _____, which have been approved by the county board of elections and which have been returned no later than 5:00 p.m. on the day before the election. I certify that the ~~chairman,~~chair, member, officer, or employee of the board of elections has not delivered ballots for absentee voting to any person other than the voter, by mail or by commercial courier service or in person, except as provided by law, and have not mailed or delivered ballots when the request for the ballot was received after the deadline provided by law.

This the _____ day of _____, _____

_____
(Signature of ~~chairman~~ chair of
county board of elections)

Sworn to and subscribed before me this _____ day of _____, _____.

Witness my hand and official seal.

_____
(Signature of officer
administering oath)

_____
(Title of officer)"

No later than 10:00 a.m. on election day, the county board of elections shall cause one copy of the list of executed absentee ballots, which may be a continuing countywide list or a separate list for each precinct, to be immediately (i) submitted electronically in a manner approved by the State Board of Elections or (ii) deposited as "first-class" mail to the State Board of Elections. The board shall retain one copy in the board office for public inspection and the board shall cause two copies of the appropriate precinct list to be delivered to the chief judge of each precinct in the county. The county board of elections shall be authorized to call upon the sheriff of the county to distribute the list to the precincts. In addition the county board of elections shall, upon request, provide a copy of the complete list to the ~~chairman~~ chair of each political party, recognized under the provisions of G.S. 163-96, represented in the county.

The chief judge shall post one copy of the list immediately in a conspicuous location in the voting place and retain one copy until all challenges of absentee ballots have been heard by the county board of elections. Challenges shall be made to absentee ballots as provided in G.S. 163-89.

After receipt of the list of absentee voters required by this section the chief judge shall call the name of each person recorded on the list and enter an "A" in the appropriate voting square on the voter's permanent registration record, or a similar entry on the computer list used at the polls. If such person is already recorded as having voted in that election, the chief judge shall enter a challenge which shall be presented to the county board of elections for resolution by the board of elections prior to certification of results by the board.

All lists required by this section shall be retained by the county board of elections for a period of 22 months after which they may then be destroyed."

SECTION 3.(b) G.S. 163-232.1(c) reads as rewritten:

"(c) The board shall post one copy of the most current version of each list in the board office in a conspicuous location for public inspection and shall retain one copy until all challenges of absentee ballots have been heard by the county board of elections. The county board of elections shall cause one copy of each of the final lists of executed absentee ballots required under subsection (a) and subsection (b) of this section to be (i) submitted electronically in a manner approved by the State Board of Elections or (ii) deposited as "first-class" mail to the State Board of ~~Elections~~Elections. The final lists shall be electronically submitted or mailed no later than 10:00 a.m. of the next business day following the deadline for receipt of such absentee ballots. Challenges shall be made to absentee ballots as provided in G.S. 163-89. In addition the county board of elections shall, upon request, provide a copy of each of the lists to the ~~chairman~~ chair of each political party, recognized under the provisions of G.S. 163-96, represented in the county."

PAPER BALLOTS AND VOTING SYSTEMS

SECTION 4.(a) G.S. 163-165(1) reads as rewritten:

"(1) "Ballot" means an instrument on which a voter indicates ~~a~~ that voter's choice for a ballot item so that it may be recorded as a vote for or against a certain candidate or referendum proposal. The term "ballot" may include a paper ballot to be counted by hand, a paper ballot to be counted on an electronic scanner, the face of a lever voting machine, the image on a direct record electronic unit, or a ballot used on any other voting system."

SECTION 4.(b) G.S. 163-165.5 reads as rewritten:

"**§ 163-165.5. Contents of official ballots.**

(a) ~~Each~~Except as provided in this section, each official ballot shall contain all the following elements:

(1) The heading prescribed by the State Board of Elections. The heading shall include the term "Official Ballot".

(2) The title of each office to be voted on and the number of ~~seats to be filled~~ votes allowed in each ballot item.

(3) The names of the candidates as they appear on their notice of candidacy filed pursuant to G.S. 163-106 or G.S. 163-323, or on petition forms filed in accordance with G.S. 163-122. No title, appendage, or appellation indicating rank, status, or position shall be printed on the official ballot in connection with the candidate's name. Candidates, however, may use the title Mr., Mrs., Miss, or Ms. Nicknames shall be permitted on an official ballot if used in the notice of candidacy or qualifying petition, but the nickname shall appear according to standards adopted by the State Board of Elections. Those standards shall allow the presentation of legitimate nicknames in ways that do not mislead the voter or unduly advertise the candidacy. In the case of candidates for presidential elector, the official ballot shall not contain the names of the candidates for elector but instead shall contain the nominees for President and Vice President which the candidates for elector represent. The State Board of Elections shall establish a review procedure that local boards of elections shall follow to ensure that candidates' names appear on the official ballot in accordance with this subdivision.

(4) Party designations in partisan ballot items.

(5) A means by which the voter may cast write-in votes, as provided in G.S. 163-123. No space for write-ins is required unless a write-in candidate has qualified under G.S. 163-123 or unless the ballot item is exempt from G.S. 163-123.

(6) Instructions to voters, unless the State Board of Elections allows instructions to be placed elsewhere than on the official ballot.

(7) The printed title and facsimile signature of the chair of the county board of elections.

(b) Notwithstanding subsection (a) of this section, an official ballot created and printed by use of a voting system in the voting enclosure shall be counted if all of the following apply:

(1) Each of the following are printed on that official ballot:

a. The date of the election.

b. The precinct name or a unique identification code associated with that ballot style.

c. The choices made by the voter for all ballot items in which the voter cast a vote.

(2) The electronic display of the voting system seen by the voter contains all of the information required by subsection (a) of this section.

(3) The voter is capable of reviewing the printed official ballot, and voiding that ballot, prior to casting that voter's ballot.

(4) The voter's choices in and on the electronic display are removed prior to the next voter using that voting equipment."

SECTION 5.(a) G.S. 163-165, as amended by Section 4(a) of this act, reads as rewritten:

"**§ 163-165. Definitions.**

In addition to the definitions stated below, the definitions set forth in Article 15A of Chapter 163 of the General Statutes also apply to this Article. As used in this Article:

(1) "Ballot" means an instrument on which a voter indicates that voter's choice for a ballot item so that it may be recorded as a vote for or against a certain candidate or referendum ~~proposal.~~proposal, and is evidenced by an individual paper document that bears marks made by the voter by hand or through electronic means, whether preprinted or printed in the voting enclosure. ~~The term "ballot" may include a paper ballot to be counted by hand, a paper ballot to be counted on an electronic scanner, or a paper ballot used on any other voting system.~~

(2) "Ballot item" means a single item on a ballot in which the voters are to choose between or among the candidates or proposals listed.

(3) "Ballot style" means the version of a ballot within a jurisdiction that an individual voter is eligible to vote. For example, in a county that uses essentially the same official ballot, a group office such as county commissioner may be divided into districts so that different voters in the same county vote for commissioner in different districts. The different versions of the county's official ballot containing only those district ballot items one individual voter may vote are the county's different ballot styles.

(4) "Election" means the event in which voters cast votes in ballot items concerning proposals or candidates for office in this State or the United States. The term includes primaries, general elections, referenda, and special elections.

(5) "Official ballot" means a ballot that has been certified by the State Board of Elections and produced by or with the approval of the county board of elections. The term does not include a sample ballot or a specimen ballot.

~~(5a) "Paper ballot" means an individual paper document that bears marks made by the voter by hand or through electronic means.~~

(6) "Provisional official ballot" means an official ballot that is voted and then placed in an envelope that contains an affidavit signed by the voter certifying identity and eligibility to vote. Except for its envelope, a provisional official ballot shall not be marked to make it identifiable to the voter.

(7) "Referendum" means the event in which voters cast votes for or against ballot questions other than the election of candidates to office.

(8) "Voting booth" means the private space in which a voter is to mark an official ballot.

(9) "Voting enclosure" means the room within the voting place that is used for voting.

(10) "Voting place" means the building or area of the building that contains the voting enclosure.

(11) "Voting system" means a system of casting and tabulating ballots. The term includes systems of paper ballots counted by hand as well as systems utilizing mechanical and electronic voting equipment."

SECTION 5.(b) Article 14A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"**§ 163-165.4B. Prohibited voting systems.**

A voting system that does not use or produce a ballot shall not be used in any referendum, primary, or other election as a means of voting or counting an official ballot."

SECTION 5.(c) This section becomes effective January 1, 2018. Counties authorized to use direct record electronic voting systems pursuant to S.L. 2013-381, as amended by Section 6 of this act, may continue to use direct record electronic voting systems in accordance with that act.

SECTION 6.(a) Section 30.8 of S.L. 2013-381 reads as rewritten:

"**SECTION 30.8.** Any direct record electronic (DRE) voting systems currently certified by the State Board of Elections which do not use paper ballots shall be decertified and shall not be used in any election held on or after ~~January 1, 2018.~~September 1, 2019, for counties that use direct record electronic voting machines on election day as of January 1, 2015, and January 1, 2018, for all other counties. Decertification of a DRE voting system that does not use paper ballots may not be appealed to the Superior Court of Wake County pursuant to G.S. 163-165.7(b)."

SECTION 6.(b) Section 30.9 of S.L. 2013-381 reads as rewritten:

"**SECTION 30.9.** This Part becomes effective ~~January 1, 2018.~~September 1, 2019, for counties that use direct record electronic voting machines on election day as of January 1, 2015. This Part becomes effective for all other counties January 1, 2018."

CERTAIN MUNICIPALITIES AUTHORIZED TO CONDUCT MALT BEVERAGE AND UNFORTIFIED WINE ELECTIONS

SECTION 7. G.S. 18B-600 is amended by adding a new subsection to read:

"(c1) Certain City Malt Beverage and Unfortified Wine Elections. – A city may hold a malt beverage or unfortified wine election only if all of the following criteria are met:

(1) The county in which more than fifty percent (50%) of the area of the primary corporate limits of the city is located has already held such an election, and the vote in the last county election was against the sale of that kind of alcoholic beverage.

(2) The city has a population of 200 or more.

(3) The county in which more than fifty percent (50%) of the area of the primary corporate limits of the city is located also contains three or more other cities that have previously voted to allow malt beverage and unfortified wine sales."

VOTER ID MODIFICATIONS

SECTION 8.(a) G.S. 163-166.13 reads as rewritten:

"**§ 163-166.13. Photo identification requirement for voting in person.**

(a) Every qualified voter voting in person in accordance with this Article, G.S. 163-227.2, or G.S. 163-182.1A shall present photo identification bearing any reasonable resemblance to that voter to a local election official at the voting place before voting, except as follows:

(1) For a registered voter voting curbside, that voter shall present identification under G.S. 163-166.9.

(2) For a registered voter who has a sincerely held religious objection to being photographed and has filed a declaration in accordance with G.S. 163-82.7A at least 25 days before the election in which that voter is voting in person, that voter shall not be required to provide photo identification.

(3) For a registered voter who is a victim of a natural disaster occurring within 60 days before election day that resulted in a disaster declaration by the President of the United States or the Governor of this State who declares the lack of photo identification due to the natural disaster on a form provided by

the State Board, that voter shall not be required to provide photo identification in any county subject to such declaration. The form shall be available from the State Board of Elections, from each county board of elections in a county subject to the disaster declaration, and at each polling place and one-stop early voting site in that county. The voter shall submit the completed form at the time of voting.

(b) Any voter who complies with subsection (a) of this section shall be permitted to vote.

(c) Any voter who does not comply with subsection (a) of this section shall be notified of the following options:

(1) The voter is permitted to vote a provisional official ballot which shall be counted in accordance with G.S. 163-182.1A.

(2) The voter is permitted to complete a reasonable impediment declaration, as provided in G.S. 163-166.15, and vote a provisional official ballot which shall be counted in accordance with G.S. 163-182.1B.

(3) The voter is permitted to complete a written request for an absentee ballot in accordance with G.S. 163-227.2(b1) until the deadline for submission of requests for absentee ballots provided in G.S. 163-230.1.

(d) The local election official to whom the photo identification is presented shall determine if the photo identification bears any reasonable resemblance to the voter presenting the photo identification. If it is determined that the photo identification does not bear any reasonable resemblance to the voter, the local election official shall comply with G.S. 163-166.14.

(e) Except as provided in subsection (e1) of this section, ~~As~~ 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~~voter, has a printed expiration date, and is ~~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:~~unless otherwise noted:

(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.~~ license, provided that it shall be acceptable if it has a printed expiration date that is not more than four years before it is presented for voting.

(2) A special identification card for nonoperators issued under ~~G.S. 20-37.7.~~G.S. 20-37.7, provided that it shall be acceptable if it has a printed expiration date that is not more than four years before it is presented for voting.

(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.

(e1) Any voter 70 years of age or older shall be permitted to present an expired form of photo identification listed in subsection (e) of this section, if that identification expired at any point after that voter's 70th birthday."

SECTION 8.(b) G.S. 163-227.2 is amended by adding the following new subsection to read:

"(b1) Until the deadline for submission of requests for absentee ballots provided in G.S. 163-230.1, any voter who fails to present an eligible form of photo identification in accordance with G.S. 163-166.13 shall be notified of the option to complete a written request form for an absentee ballot at that one-stop absentee voting location. The county board of elections shall notify the voter of each of the following:

(1) The option to request an absentee ballot to vote in that election, whether requested at that one-stop absentee voting location or as provided in G.S. 163-230.2.

(2) The instructions for completing the absentee ballot request in accordance with G.S. 163-230.1, along with the deadlines for returning the absentee ballot.

(3) The means by which the voter may transmit the executed ballot to the county board of elections as provided in G.S. 163-231, including through delivery in person to an election official at a one-stop voting location.

Upon receiving notice pursuant to this subsection, a voter shall sign a form acknowledging that the voter was notified of the option to request and vote an absentee ballot. The list of names of those voters who signed an acknowledgment is a public record."

SECTION 8.(c) G.S. 163-227.2 is amended by adding the following new subsection to read:

"(j) The State Board of Elections shall adopt rules requiring signage to be displayed until the deadline for submission of requests for absentee ballots provided in G.S. 163-230.1 at all one-stop absentee voting locations notifying voters who do not have eligible photo identification of the option to request an absentee ballot as provided in subsection (b1) of this section."

SECTION 8.(d) Article 14A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"**§ 163-166.15. Reasonable impediment declarations.**

(a) Any voter who does not comply with the photo identification requirement of G.S. 163-166.13(a) due to a reasonable impediment that prevents the voter from obtaining photo identification may vote a provisional official ballot in accordance with this section.

(b) The voter shall complete a reasonable impediment declaration on a form provided by the State Board declaring that the voter meets all of the following criteria:

(1) Is the same individual who personally appeared at the polling place.

(2) Cast the provisional ballot while voting in person in accordance with this Article or G.S. 163-227.2.

(3) Suffers from a reasonable impediment that prevents the voter from obtaining photo identification. The voter also shall list the impediment, as set forth in subsection (e) of this section, unless otherwise prohibited by State or federal law.

(c) The voter shall also present identification in the form of (i) a copy of a document listed in G.S. 163-166.12(a)(2) or the voter registration card issued to the voter by the county board of elections or (ii) the last four digits of the voter's Social Security number and the voter's date of birth. Upon compliance with this section, the voter may cast a provisional ballot. The declaration and a notation on the declaration form that the voter has provided the required identification shall be submitted with the provisional ballot envelope to the county board of elections and shall be counted in accordance with G.S. 163-182.1B.

(d) If a voter fails to present identification, as required in subsection (c) of this section, but completes a reasonable impediment declaration, the voter shall be permitted to vote a provisional official ballot. The declaration and a notation on the declaration form that the voter has not provided the required identification shall be submitted with the provisional ballot

envelope to the county board of elections. The ballot shall be counted in accordance with G.S. 163-182.1B if the voter presents the required identification to the county board of elections in accordance with G.S. 163-182.1B.

(e) The reasonable impediment declaration form provided by the State Board shall, at a minimum, include the following:

(1) Separate boxes that a voter may check to identify the reasonable impediment, including at least the following:

a. Lack of transportation.

b. Disability or illness.

c. Lack of birth certificate or other documents needed to obtain photo identification.

d. Work schedule.

e. Family responsibilities.

f. Lost or stolen photo identification.

g. Photo identification applied for but not received by the voter voting in person.

h. Other reasonable impediment. If the voter checks the "other reasonable impediment" box, a further brief written identification of the reasonable impediment shall be required, including the option to indicate that State or federal law prohibits listing the impediment.

(2) A space for the voter to provide the last four digits of the Social Security number and the voter's date of birth, if the voter opts to provide this information as identification in accordance with subsection (c) of this section.

(3) A space to note whether the voter has provided a copy of the document listed in G.S. 163-166.12(a)(2) or the voter registration card issued to the voter by the county board of elections."

SECTION 8.(e) Article 15A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"**§ 163-182.1B. Counting of provisional official ballots cast following completion of a reasonable impediment declaration when voting in person.**

(a) The county board of elections shall find that a voter's provisional official ballot cast following completion of a declaration of reasonable impediment in accordance with G.S. 163-166.15 is valid and direct that the provisional ballot be opened and counted in accordance with this Chapter, unless any of the following apply:

(1) The county board of elections has grounds, including an impediment evidentiary challenge by a voter, as provided in subsection (b) of this section, to believe the declaration is factually false, merely denigrated the photo identification requirement, or made obviously nonsensical statements.

(2) The voter failed to present identification in the form of one of the following:

a. Either a copy of a document listed in G.S. 163-166.12(a)(2) or the voter registration card issued to the voter by the county board of elections when voting or at the county board of elections.

b. The voter's last four digits of the Social Security number and date of birth.

(3) The voter provided the last four digits of the voter's Social Security number and date of birth as the form of identification required under G.S. 163-166.15(c) and the county board of elections could not confirm the voter's registration using that information.

(4) The voter is disqualified for some other reason provided by law.

(b) An impediment evidentiary challenge may be made only on a form developed by the State Board of Elections as follows:

(1) Any registered voter of the county may make the challenge by submitting clear and convincing evidence in writing on a signed form to the county board of elections challenging the factual veracity of the impediment.

(2) Challenges shall be submitted no later than 5:00 P.M. on the third business day following the election.

(3) The county board shall hear evidentiary challenges on the day set for the canvass of the returns.

(4) A voter whose declaration has been challenged may personally, or through an authorized representative, appear before the county board and present evidence supporting the factual veracity of the impediment.

(5) In considering the challenge, the county board shall construe all evidence presented in the light most favorable to the voter submitting the reasonable impediment declaration.

(6) The county board shall not find a challenge valid if it provides only evidence regarding the reasonableness of the impediment.

(7) The county board may find the challenge valid if the evidence demonstrates the declaration merely denigrated the photo identification requirement, made obviously nonsensical statements, or made statements or selected a reasonable impediment check box that was factually false.

(c) A voter who failed to present identification required in G.S. 163-166.15(c) when completing the reasonable impediment affidavit may comply with the identification requirement by appearing in person at the county board of elections to present the identification no later than 12:00 noon the day prior to the time set for the convening of the election canvass pursuant to G.S. 163-182.5.

(d) If the county board of elections determines that a voter has also cast a provisional official ballot for a cause other than the voter's failure to provide photo identification in accordance with G.S. 163-166.13(a), the county board shall do all of the following:

(1) Note on the envelope containing the provisional official ballot that the voter has complied with the reasonable impediment declaration requirement.

(2) Proceed to determine any other reasons for which the provisional official ballot was cast provisionally before ruling on the validity of the voter's provisional official ballot.

(e) Within 60 days after each election, the county board of elections shall provide to the State Board of Elections a report of those reasonable impediments identified in that election by voters. The State Board shall use the information in the reports to identify and address obstacles to obtaining photo identification."

SECTION 8.(f) G.S. 163-82.8(e) reads as rewritten:

"(e) Display of Card May Not Be Required to Vote. – No county board of elections may require that a voter registration card be displayed in order to vote. A county board of elections may notify a voter that the voter's registration card may be used for the required identification in conjunction with a reasonable impediment declaration in accordance with G.S. 163-166.15."

SECTION 8.(g) 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:

(1) As counties use their regular processes to notify voters of assignments and reassignments to districts for election to the United States House of Representatives, State Senate, State House of Representatives, or local office, by including information about the provisions of this act.

(2) As counties send new voter registration cards to voters as a result of new registration, changes of address, or other reasons, by including information about the provisions of this act.

(3) Counties that maintain a board of elections Web site shall include information about the provisions of this act.

(4) Notices of elections published by county boards of elections under G.S. 163-22(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.

(5) The State Board of Elections shall include on its Web site information about the provisions of this act.

(6) Counties shall post at the polls and at early voting sites beginning with the 2014 primary elections information about the provisions of this act.

(7) The State Board of Elections shall distribute information about the photo identification requirements to groups and organizations serving persons with disabilities or the elderly.

(8) The State Board of Elections, the Division of Motor Vehicles, and county boards of elections in counties where there is no Division of Motor Vehicles

drivers license office open five days a week shall include information about mobile unit schedules on existing Web sites, shall distribute information about these schedules to registered voters identified without photo identification, and shall publicize information about the mobile unit schedules through other available means.

(9) The State Board of Elections and county boards of elections shall direct volunteers to assist registered voters in counties where there is no Division of Motor Vehicles drivers license office open five days a week.

(10) The State Board of Elections shall educate the public regarding the reasonable impediment declaration and shall use the information on reasonable impediments reported by county boards of election as provided in G.S. 163-182.1B(e) to identify and address obstacles to obtaining voter photo identification."

SECTION 8.(h) Section 8(g) of this section becomes effective when this act becomes law. The remainder of this section becomes effective January 1, 2016, and applies to primaries and elections conducted on or after that date.

REMOVE TERM LIMITS FOR SERVICE ON THE BOARD OF EDUCATION OF ALEXANDER COUNTY

SECTION 9.(a) Sec. 8 of Chapter 774 of the Session Laws of 1969 reads as rewritten:

"**Sec. 8.** Member(s) whose terms of office expire and who desire to become candidates for re-election shall register and be voted upon in the same manner as herein provided and at the general election to be held in the year in which said terms of office ~~expire, provided no member shall serve more than two terms in succession.~~expire."

SECTION 9.(b) This section becomes effective January 1, 2016, and applies to elections conducted on or after that date.

VOTING SYSTEM CERTIFICATIONS

SECTION 10. G.S. 163-165.7(a) reads as rewritten:

"**§ 163-165.7. Voting systems: powers and duties of State Board of Elections.**

(a) Only voting systems that have been certified by the State Board of Elections in accordance with the procedures set forth by the State Board of Elections and subject to the standards set forth in this section and that have not been subsequently decertified shall be permitted for use in elections in this State. Those certified voting systems shall be valid in any election held in the State or in any county, municipality, or other electoral district in the State. Subject to all other applicable rules adopted by the State Board of Elections and, with respect to federal elections, subject to all applicable federal regulations governing voting systems, paper ballots marked by the voter and counted by hand shall be deemed a certified voting system. The State Board of Elections shall certify optical scan voting systems, optical scan with ballot markers voting systems, and direct record electronic voting systems if any of those systems meet all applicable requirements of federal and State law. The State Board may certify ~~additional~~ voting systems only if they meet the requirements ~~of the request for proposal process~~ set forth in this section and only if they generate either a paper ballot or a paper record by which voters may verify their votes before casting them and which provides a backup means of counting the vote that the voter casts. Those voting systems may include optical scan and direct record electronic (DRE) voting systems. ~~In consultation with the Office of Information Technology Services, the State Board shall develop the requests for proposal subject to the provisions of this Chapter and other applicable State laws.~~ Among other ~~requirements,~~requirements as set by the State Board of Elections, the ~~request for proposal~~certification requirements shall require at least all of the following elements:

(1) That the vendor post a bond or letter of credit to cover damages resulting from defects in the voting system. Damages ~~shall~~ may include, among other items, any costs of conducting a new election attributable to those defects.

(2) That the voting system comply with all federal requirements for voting systems.

(3) That the voting system must have the capacity to include in voting tabulation district returns the votes cast by voters outside of the voter's voting tabulation district as required by G.S. 163-132.5G.

(4) With respect to electronic voting systems, that the voting system generate a paper record of each individual vote cast, which paper record shall be maintained in a secure fashion and shall serve as a backup record for purposes of any hand-to-eye count, hand-to-eye recount, or other audit. Electronic systems that employ optical scan technology to count paper ballots shall be deemed to satisfy this requirement.

(5) With respect to DRE voting systems, that the paper record generated by the system be viewable by the voter before the vote is cast electronically, and that the system permit the voter to correct any discrepancy between the electronic vote and the paper record before the vote is cast.

(6) With respect to all voting systems using electronic means, that the vendor provide access to all of any information required to be placed in escrow by a vendor pursuant to G.S. 163-165.9A for review and examination by the State Board of Elections; the Office of Information Technology Services; the State chairs of each political party recognized under G.S. 163-96; the purchasing county; and designees as provided in subdivision (9) of subsection (d) of this section.

(7) That the vendor must quote a statewide uniform price for each unit of the equipment.

(8) That the vendor must separately agree with the purchasing county that if it is granted a contract to provide software for an electronic voting system but fails to debug, modify, repair, or update the software as agreed or in the event of the vendor having bankruptcy filed for or against it, the source code described in G.S. 163-165.9A(a) shall be turned over to the purchasing county by the escrow agent chosen under G.S. 163-165.9A(a)(1) for the purposes of continuing use of the software for the period of the contract and for permitting access to the persons described in subdivision (6) of this subsection for the purpose of reviewing the source code.

~~In its request for proposal,~~As part of the certification requirements, the State Board of Elections shall address the mandatory terms of the contract for the purchase of the voting system and the maintenance and training related to that voting system.

~~If a voting system was acquired or upgraded by a county before August 1, 2005, the county shall not be required to go through the purchasing process described in this subsection if the county can demonstrate to the State Board of Elections compliance with the requirements in subdivisions (1) through (6) and subdivision (8) of this subsection, where those requirements are applicable to the type of voting system involved. If the county cannot demonstrate to the State Board of Elections that the voting system is in compliance with those subdivisions, the county board shall not use the system in an election during or after 2006, and the county shall be subject to the purchasing requirements of this subsection.~~"

SECTION 11.(a) G.S. 163-165.7 is amended by adding a new subsection to read:

"(a2) Only electronic poll books that have been certified by the State Board in accordance with procedures and subject to standards adopted by the State Board shall be permitted for use in elections in this State."

SECTION 11.(b) This section becomes effective August 1, 2015.

EFFECTIVE DATE

SECTION 12. 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 June, 2015.

s/ Chad Barefoot
Presiding Officer of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 8:15 p.m. this 22nd day of June, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-10
SENATE BILL 5

AN ACT TO REPEAL S.L. 2014-8, AS AMENDED BY S.L. 2014-9, AS IT APPLIES TO UNION COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1(a) of S.L. 2014-8, as amended by S.L. 2014-9, is repealed.

SECTION 2. G.S. 115C-429(b)(2), as enacted by S.L. 2014-8, as amended by S.L. 2014-9, is repealed.

SECTION 3. This act applies only to Union County.

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

In the General Assembly read three times and ratified this the 27th day of April, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SESSION LAW 2015-4
SENATE BILL 181

AN ACT TO INCREASE THE SIZE OF THE WAKE COUNTY BOARD OF COMMISSIONERS AND TO ALTER THE DISTRICTS TO COINCIDE WITH THE DISTRICTS OF THE WAKE COUNTY BOARD OF EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Notwithstanding Chapter 792 of the Session Laws of 1959, Chapter 763 of the Session Laws of 1981, and Chapter 983 of the Session Laws of 1981, and any modifications thereto by the Wake County Board of Commissioners pursuant to law, the Wake County Board of Commissioners shall consist of nine members.

SECTION 1.(b) In the 2016 election, one member each shall be elected from Districts 4, 5, and 6 of the districts used by the Wake County Board of Commissioners in the 2014 election, to serve a two-year term. The members shall reside in those 2014 districts and run at-large in the County.

SECTION 1.(c) In the 2016 election, and quadrennially thereafter, two members shall reside and run in the lettered districts established under Section 5 of S.L. 2013-110 and used by the Wake County Board of Education for electoral districts, to serve four-year terms.

SECTION 1.(d) In the 2018 election, and quadrennially thereafter, the seven of the nine members of the Wake County Board of Commissioners shall reside and run in the numbered districts established by Section 5 of S.L. 2013-110 and used by the Wake County Board of Education for electoral districts, to serve four-year terms.

SECTION 1.(e) This section is effective the first Monday in December of 2016 and shall be the basis for nominating and electing the members of the Board of Commissioners in the primary and general election for that office in 2016 and after.

SECTION 2. Notwithstanding Part 4 of Article 4 of Chapter 153A of the General Statutes and S.L. 2011-126, the structure of the Wake County Board of Commissioners shall not be altered under that Part or Session Law prior to the return of the 2020 Census.

SECTION 3. This act applies to the County of Wake only.

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 2nd day of April, 2015.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives