

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1335
Judiciary I Committee Substitute Adopted 7/6/00

Short Title: 2000 Technical Corrections.

(Public)

Sponsors:

Referred to:

May 18, 2000

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE TECHNICAL CORRECTIONS AND CONFORMING CHANGES
3 TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL
4 STATUTES COMMISSION; AND TO MAKE OTHER TECHNICAL AND
5 CONFORMING CHANGES.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 7A-38.4(l) reads as rewritten:

8 "(l) The Supreme Court may adopt standards for the certification and conduct of
9 mediators and other neutrals who participate in settlement procedures conducted pursuant
10 to this section. The standards may also regulate mediator training programs. The Supreme
11 Court may adopt procedures for the enforcement of those standards. The administration
12 of mediator certification, regulation of mediator conduct, and decertification shall be
13 conducted through the Dispute Resolution Commission."

14 Section 2. G.S. 18B-603(f)(8) reads as rewritten:

15 "(8) The permits authorized by ~~G.S. 18B-100(1)~~, G.S. 18B-1001(1), (3), (5),
16 and (10) for tourism resorts;"

17 Section 3. G.S. 20-19(c3)(3) reads as rewritten:

18 "(3) For any restoration of a drivers license for a person convicted of driving
19 while impaired in a commercial motor vehicle, G.S. 20-138.2, driving

1 while less than 21 years old after consuming alcohol or drugs, G.S. 20-
2 138.3, felony death by vehicle, G.S. 20-141.4(a1), manslaughter or
3 negligent homicide resulting from the operation of a motor vehicle
4 when the offense involved impaired driving, or a revocation under this
5 subsection, that the person not operate a vehicle with an alcohol
6 concentration of greater than 0.00 ~~or more~~ at any relevant time after the
7 driving;"

8 Section 4. G.S. 20-19(c3)(4) reads as rewritten:

9 "(4) For any restoration of a drivers license revoked pursuant to G.S. 20-23
10 or G.S. 20-23.2 when the offense for which the person's license was
11 revoked prohibits substantially similar conduct which if committed in
12 this State would result in a conviction of driving while impaired in a
13 commercial motor vehicle, G.S. 20-138.2, driving while less than 21
14 years old after consuming alcohol or drugs, G.S. 20-138.3, felony death
15 by vehicle, G.S. 20-141.4(a1), or manslaughter or negligent homicide
16 resulting from the operation of a motor vehicle when the offense
17 involved impaired driving, that the person not operate a vehicle with an
18 alcohol concentration of greater than 0.00 ~~or more~~ at any relevant time
19 after the driving."

20 Section 5. G.S. 20-138.2A(b2) reads as rewritten:

21 "(b2) Alcohol Screening Test. – Notwithstanding any other provision of law, an
22 alcohol screening test may be administered to a driver suspected of violation of
23 subsection (a) of this section, and the results of an alcohol screening test or the driver's
24 refusal to submit may be used by a law enforcement officer, a court, or an administrative
25 agency in determining if alcohol was present in the driver's body. No alcohol screening
26 tests are valid under this section unless the device used is one approved by the
27 Commission ~~on~~ for Health Services, and the screening test is conducted in accordance
28 with the applicable regulations of the Commission as to its manner and use."

29 Section 6. G.S. 20-138.2B(b2) reads as rewritten:

30 "(b2) Alcohol Screening Test. – Notwithstanding any other provision of law, an
31 alcohol screening test may be administered to a driver suspected of violation of
32 subsection (a) of this section, and the results of an alcohol screening test or the driver's
33 refusal to submit may be used by a law enforcement officer, a court, or an administrative
34 agency in determining if alcohol was present in the driver's body. No alcohol screening
35 tests are valid under this section unless the device used is one approved by the
36 Commission ~~on~~ for Health Services, and the screening test is conducted in accordance
37 with the applicable regulations of the Commission as to its manner and use."

38 Section 7. G.S. 20-138.3(b2) reads as rewritten:

39 "(b2) Alcohol Screening Test. – Notwithstanding any other provision of law, an
40 alcohol screening test may be administered to a driver suspected of violation of
41 subsection (a) of this section, and the results of an alcohol screening test or the driver's
42 refusal to submit may be used by a law enforcement officer, a court, or an administrative
43 agency in determining if alcohol was present in the driver's body. No alcohol screening

1 tests are valid under this section unless the device used is one approved by the
2 Commission ~~on~~for Health Services, and the screening test is conducted in accordance
3 with the applicable regulations of the Commission as to its manner and use."

4 Section 8. G.S. 31B-4(a) reads as rewritten:

5 "(a) The right to renounce property or an interest therein is barred by:

6 (1) An assignment, conveyance, encumbrance, pledge, or transfer of the
7 property or interest, or a contract therefor by the person authorized to
8 renounce,

9 (2) A written waiver of the right to renounce, or

10 (3) Repealed by Session Laws 1998-148, s. 4.

11 (4) A sale of the property or interest under judicial sale made before the
12 renunciation is effected."

13 Section 9. G.S. 43-46 reads as rewritten:

14 **"§ 43-46. Notice of delinquent taxes filed.**

15 It shall be the duty of the tax collector of each taxing unit, not later than June 30
16 following the date the taxes became delinquent, to file an exact memorandum of the
17 delinquency, if any, of any registered land for the nonpayment of the taxes or assessments
18 thereon, including ~~the~~ interest, in the office of the register of deeds for registration; and if
19 such officer fails to perform such duty, and there shall be subsequent to such day a
20 transfer of the land as hereinbefore provided, the grantee shall acquire a good title free
21 from any lien for such taxes and assessments, and the collector and his sureties shall be
22 liable for the payment of the taxes and assessments with the interest thereon. The register
23 of deeds shall enter the notice of delinquency on the record copy of the certificate of title,
24 and the tax lien shall be valid against the registered estate from the time it is noted on the
25 record copy. The register of deeds shall enter the notice of cancellation of the tax lien on
26 the record copy of the certificate of title upon presentation of satisfactory evidence of
27 payment."

28 Section 10.(a) Section 2.2 of S.L. 1999-189 and Section 50 of S.L. 1999-456 are
29 repealed.

30 Section 10.(b) G.S. 57C-2-20 reads as rewritten:

31 **"§ 57C-2-20. Formation.**

32 (a) One or more persons may ~~organize~~form a limited liability company by
33 delivering executed articles of organization to the Secretary of State for filing. A limited
34 liability company may also be formed through the conversion of another business entity
35 pursuant to Part 1 of Article 9A of this Chapter.

36 (b) (1) When the filing by the Secretary of State ~~files of the~~ articles
37 of ~~organization~~organization becomes effective, the proposed
38 organization becomes a limited liability company subject to this
39 Chapter and to the purposes, conditions, and provisions stated in the
40 ~~articles, and the person executing the articles of organization become~~
41 ~~members of the limited liability company.~~ articles of organization.

42 (2) Filing of the articles of organization by the Secretary of State is
43 conclusive evidence of the ~~organization~~formation of the limited liability

1 company, except in a proceeding by the State to cancel or revoke the
2 articles of organization or involuntarily dissolve the limited liability
3 company.

4 (c) If initial members are not identified in the articles of organization of a limited
5 liability company in the manner provided in G.S. 57C-3-01(a), the organizers shall hold
6 one or more meetings at the call of a majority of the organizers to identify the initial
7 members of the limited liability company. Unless otherwise provided in this Chapter or in
8 the articles of organization of the limited liability company, all decisions to be made by
9 the organizers at such meetings shall require the approval, consent, agreement, or
10 ratification of a majority of the organizers. Unless otherwise provided in the articles of
11 organization, the organizers may, in lieu of a meeting, take action as described in this
12 subsection by written consent signed by all of the organizers. The written consent may be
13 incorporated in, or otherwise made part of, the initial written operating agreement of the
14 limited liability company."

15 Section 11. G.S. 58-7-70 reads as rewritten:

16 **"§ 58-7-70. Effects of redomestication.**

17 The ~~license,~~ agent appointments and licenses, rates, and other items that the
18 Commissioner authorizes or grants, in his discretion, that are in existence at the time any
19 insurer licensed to transact the business of insurance in this State transfers its corporate
20 domicile to this or any other state by merger, consolidation, or any other lawful method,
21 shall continue in full force and effect upon such transfer if such insurer remains duly
22 licensed to transact the business of insurance in this State. All outstanding policies of any
23 transferring insurer shall remain in full force and effect and need not be endorsed as to
24 any new name of the insurer or its new location unless so ordered by the Commissioner.
25 Every transferring insurer shall file new policy forms with the Commissioner on or
26 before the effective date of the transfer, but may use existing policy forms with
27 appropriate endorsements if allowed by, and under such conditions as approved by, the
28 Commissioner: Provided, however, every such transferring insurer shall (i) notify the
29 Commissioner of the details of the proposed transfer and (ii) promptly file any resulting
30 amendments to corporate documents filed or required to be filed with the Commissioner."

31 Section 12. G.S. 58-28-15 reads as rewritten:

32 **"§ 58-28-15. Validity of acts or contracts of unauthorized company shall not impair**
33 **obligation of contract as to the company; maintenance of suits; right to**
34 **defend.**

35 The failure of a company to obtain a license shall not impair the validity of any acts or
36 contracts of the company. Any person or insured holding contracts of insurance of an
37 unauthorized insurer may bring an action in the courts of this State under the provisions
38 of G.S. 58-16-35 for the enforcement of any rights pursuant to the contract of insurance.
39 The failure of the insurance company to obtain a license shall not prevent such company
40 from defending any action at law or suit in equity in any court of this State so long as the
41 said company fully complies with the provisions of G.S. 58-16-35(c), but no company
42 transacting insurance business in this State without a license shall be permitted to
43 maintain an action at law or in equity in any court of this State to enforce any right, claim

1 or demand arising out of the transaction of such business until such company shall have
2 obtained a license. Nor shall an action at law or in equity be maintained in any court of
3 this State by any successor or assignee of such company on any such right, claim or
4 demand originally held by such company until a license shall have been obtained by the
5 company or by a company which has acquired all or substantially all of its assets.
6 Nothing in this section shall be construed to abrogate the conditions of admission into
7 this State nor to impair the authority of the Commissioner with respect to the issuance of
8 ~~certificates of authority [licenses].~~ licenses. The Commissioner in considering the
9 issuance of a license shall take into consideration the acts or transactions which an
10 unauthorized company has engaged in in this State prior to its application for a license."

11 Section 13. G.S. 58-30-10(6) reads as rewritten:

12 "(6) 'Doing business' includes any of the following acts by insurers, whether
13 effected by mail or otherwise:

- 14 a. The issuance or delivery of contracts of insurance to persons
15 resident in this State;
- 16 b. The solicitation of applications for such contracts, or other
17 negotiations preliminary to the execution of such contracts;
- 18 c. The collection of premiums, membership fees, assessments, or
19 other consideration for such contracts;
- 20 d. The transaction of matters subsequent to execution of such
21 contracts and arising out of them;
- 22 e. Operating as an insurer under a license ~~or license~~ issued by the
23 Department; or
- 24 f. The purchase of contracts of insurance issued to persons in this
25 State by an assumption agreement."

26 Section 14. G.S. 58-30-55(2) reads as rewritten:

27 **"§ 58-30-55. Condition on release from delinquency proceedings.**

28 No insurer that is subject to any delinquency proceedings, whether formal or informal,
29 administrative or judicial, shall:

- 30 (1) Be released from such proceeding, unless such proceeding is converted
31 into a judicial rehabilitation or liquidation proceeding;
- 32 (2) Be permitted to solicit or accept new business or request or accept the
33 restoration of any suspended or revoked ~~license or~~ license;
- 34 (3) Be returned to the control of its shareholders or private management; or
- 35 (4) Have any of its assets returned to the control of its shareholders or
36 private management;

37 until all payments of or on account of the insurer's contractual obligations by all guaranty
38 associations, along with all expenses thereof and interest on all such payments and
39 expenses, have been repaid to the guaranty associations or a plan of repayment by the
40 insurer shall have been approved by the guaranty associations."

41 Section 15. G.S. 58-42-45(a) reads as rewritten:

42 "(a) The provisions of Chapter 150B of the General Statutes shall apply
43 to this Article.

1 shall pursuant to".

2 Section 16. G.S. 58-50-1 reads as rewritten:

3 **"§ 58-50-1. Waiver by insurer.**

4 The acknowledgment by any insurer of the receipt of notice given under any policy
5 covered by Articles 49, 50 through 55, 65, or 67 of this Chapter, or the furnishing of
6 forms for filing proofs of loss, or the acceptance of such proofs, or the investigation of
7 any claim ~~under~~ under the policy, shall not operate as a waiver of any of the rights of
8 the insurer in defense of any claim arising under the policy."

9 Section 17. G.S. 59-201(a) reads as rewritten:

10 "(a) In order to form a limited partnership, a certificate of limited
11 partnership must be executed and filed in the office of the Secretary of State and set forth:

12 (1) The name of the limited ~~partnership;~~ partnership.

13 (2) The address, including county and city or town, and street and number,
14 if any, of the registered office and the name of the registered agent at
15 such address for service of process required to be maintained by ~~G.S.~~
16 ~~59-105;~~ G.S. 59-105.

17 (3) The latest date upon which the limited partnership is to ~~dissolve;~~ and
18 dissolve.

19 (4) The name and the address, including county and city or town, and street
20 and number, if any, of each general partner.

21 (5) The address, including county and city or town, and street and number,
22 if any, of the office at which the records referred to in G.S. 59-106 are
23 kept, if such records are not kept at the registered office."

24 Section 18. G.S. 89C-12 reads as rewritten:

25 **"§ 89C-12. Records and reports of Board; evidence.**

26 The Board shall keep a record of its proceedings and a register of all applicants for
27 licensure, showing for each the date of application, name, age, education, and other
28 qualifications, place of business and place of residence, whether the applicant was
29 rejected or a certificate of licensure granted, and the date licensure was rejected or
30 granted. The books and register of the Board shall be prima facie evidence of all matters
31 recorded by the Board, and a copy duly certified by the secretary of the Board under seal
32 shall be admissible in evidence as if the original were produced. A roster showing the
33 names and places of business and of residence of all licensed professional engineers and
34 all licensed professional land surveyors shall be prepared by the secretary of the Board
35 current to the month of January of each year. The roster shall be printed by the Board out
36 of the Board's fund and distributed as described in the Board's rules. On or before the first
37 day of May of each year, the Board shall submit to the Governor a report on its
38 transactions for the preceding year, and shall file with the Secretary of State a copy of the
39 report, together with a complete statement of the receipts and expenditures of the Board
40 attested by the chair and the secretary and a copy of the ~~the~~ roster of licensed professional
41 engineers and professional land surveyors."

42 Section 19.(a) G.S. 93A-3(a) reads as rewritten:

1 "(a) There is hereby created the North Carolina Real Estate Commission,
2 hereinafter called the Commission. The Commission shall consist of nine members,
3 seven members to be appointed by the Governor, one member to be appointed by the
4 General Assembly upon the recommendation of the President Pro Tempore of the Senate
5 in accordance with G.S. 120-121, and one member to be appointed by the General
6 Assembly upon the recommendation of the Speaker of the House of Representatives in
7 accordance with G.S. 120-121. At least three members of the Commission shall be
8 licensed real estate brokers or real estate ~~salesmen~~-salespersons. At least two members of
9 the Commission shall be persons who are not involved directly or indirectly in the real
10 estate or real estate appraisal business. Members of the Commission shall serve three-
11 year terms, so staggered that the terms of ~~two~~-three members expire in one year, the terms
12 of ~~two~~-three members expire in the next year, and the terms of three members expire in
13 the third year of each three-year period. The members of the Commission shall elect one
14 of their members to serve as chairman of the Commission for a term of one year. The
15 Governor may remove any member of the Commission for misconduct, incompetency, or
16 willful neglect of duty. The Governor shall have the power to fill all vacancies occurring
17 on the Commission, except vacancies in legislative appointments shall be filled under
18 G.S. 120-122."

19 Section 19.(b) The Revisor of Statutes is authorized to delete any reference to the
20 words "salesman", "salesman's", "salesmen", and "salesmen's" wherever they appear in
21 Chapter 93A of the General Statutes and to substitute, as appropriate, the words
22 "salesperson", "salesperson's", "salespersons", and "~~salesperson's~~". "salespersons".

23 Section 20.(a) Section 16 of S.L. 1999-293 is repealed.

24 Section 20.(b) G.S. 110-136.3 is amended by adding a new subsection to read:

25 "(d1) Employment verifications. – For the purpose of establishing or modifying a
26 child support order, the amount of the obligor's gross income may be established by a
27 written statement signed by the obligor's employer or the employer's designee or an
28 Employee Verification form produced by the Automated Collections Tracking System
29 that has been completed and signed by the obligor's employer or the employer's designee.
30 A written statement signed by the employer of the obligor or the employer's designee that
31 sets forth an obligor's gross income, as well as an Employee Verification form signed by
32 the obligor's employer or the employer's designee, shall be admissible evidence in any
33 action establishing or modifying a child support order."

34 Section 21.(a) The introductory language of Section 6 of S.L. 1998-220 reads as
35 rewritten:

36 "~~Section 6. G.S. 115C-174.21(b)~~ G.S. 115C-174.11(b) reads as rewritten:"

37 Section 21.(b) The introductory language of Section 11 of S.L. 1998-220 reads as
38 rewritten:

39 "~~Section 11. G.S. 115C-174.21(e)~~ G.S. 115C-174.11(c) reads as rewritten:"

40 Section 22. G.S. 115C-105.46(2) reads as rewritten:

41 "(2) Shall provide, in cooperation with the Board of Governors of The
42 University of North Carolina, ongoing technical assistance to the local
43 school administrative units in the development, implementation, and

1 evaluation of their local plans under ~~G.S. 115C-105.57.~~ G.S. 115C-
2 105.47."

3 Section 23. G.S. 115C-325(n) reads as rewritten:

4 "(n) Appeal. – Any career employee who has been dismissed or demoted under
5 G.S. 115C-325(e)(2), or under G.S. 115C-325(j2), or who has been suspended without
6 pay under G.S. 115C-325(a)(4a), or any school administrator whose contract is not
7 renewed in accordance with G.S. 115C-287.1, ~~or any school administrator whose contract~~
8 ~~is not renewed in accordance with G.S. 115C-287.1,~~ or any probationary teacher whose
9 contract is not renewed under G.S. 115C-325(m)(2) shall have the right to appeal from
10 the decision of the board to the superior court for the superior court district or set of
11 districts as defined in G.S. 7A-41.1 in which the career employee is employed. This
12 appeal shall be filed within a period of 30 days after notification of the decision of the
13 board. The cost of preparing the transcript shall be determined under G.S. 115C-
14 325(j2)(8) or G.S. 115C-325(j3)(10). A career employee who has been demoted or
15 dismissed, or a school administrator whose contract is not renewed, who has not
16 requested a hearing before the board of education pursuant to this section shall not be
17 entitled to judicial review of the board's action."

18 Section 24. G.S. 115C-325(q)(1)b. reads as rewritten:

19 "b. If the State Board through its designee recommends the dismissal
20 of a principal under this subdivision, the principal shall be
21 suspended with pay pending a hearing before a panel of three
22 members of the State Board. The purpose of this hearing, which
23 shall be held within 60 days after the principal is suspended, is to
24 determine whether the principal shall be dismissed.

25 ~~These principals shall be suspended with pay pending a~~
26 ~~hearing before a panel of three members of the State Board. The~~
27 ~~purpose of this hearing, which shall be held within 60 days after~~
28 ~~the principal is suspended, is to determine whether the principal~~
29 ~~shall be dismissed."~~

30 Section 25. G.S. 115C-404(a) reads as rewritten:

31 **"§ 115C-404. Use of juvenile court information.**

32 (a) Written notifications received in accordance with G.S. 7B-3101 and
33 information gained from examination of juvenile records in accordance with G.S. 7B-
34 3100 are confidential records, are not public records as defined under G.S. 132-1, and
35 shall not be made part of the student's official record under G.S. 115C-402. Immediately
36 upon receipt, the principal shall maintain these documents in a safe, locked record storage
37 that is separate from the student's other school records. The principal shall shred, burn, or
38 otherwise destroy documents received in accordance with G.S. 7B-3100 to protect the
39 confidentiality of the information when the principal receives notification that the court
40 dismissed the petition under G.S. 7B-2411, the court transferred jurisdiction over the
41 student to superior court under G.S. 7B-2200, or the court granted the student's petition
42 for expunction of the records. The principal shall shred, burn, or otherwise destroy all
43 information gained from examination of juvenile records in accordance with G.S. 7B-

1 3100 when the principal finds that the school no longer needs the information to protect
2 the safety of or to improve the educational opportunities for the student or others. In no
3 case shall the principal make a copy of these documents.

4 ~~G.S. 7A-675.2 Article 31 of Chapter 7B of the General Statutes petition, court,~~
5 ~~records pursuant to Chapter 7B of the General Statutes."~~

6 Section 26. G.S. 116-14(b1) reads as rewritten:

7 "(b1) The President shall receive General Fund appropriations made by the General
8 Assembly for continuing operations of The University of North Carolina that are
9 administered by the President and the President's staff complement established pursuant
10 to G.S. 116-14(b) in the form of a single sum to Budget Code 16010 of The University of
11 North Carolina in the manner and under the conditions prescribed by G.S. 116-30.2. The
12 President, with respect to the foregoing appropriations, shall have the same duties and
13 responsibilities that are prescribed by G.S. 116-30.2 for the Chancellor of a special
14 responsibility constituent institution. The President may establish procedures for
15 transferring funds from Budget Code 16010 to the constituent institutions for
16 nonrecurring expenditures. The President may identify funds for capital improvement
17 projects from Budget Code 16010, and the capital improvement projects may be
18 established following the procedures set out in ~~in~~ G.S. 143-18.1."

19 Section 27. G.S. 116B-66(a) reads as rewritten:

20 "(a) After property has been paid or delivered to the Treasurer under this Article,
21 another state may recover the property if:

22 (1) The property was paid or delivered to the custody of this State because
23 the records of the holder did not reflect a last known location of the
24 apparent owner within the borders of the other state, and the other state
25 establishes that the apparent owner or other person entitled to the
26 property was last known to be located within the borders of that state
27 and under the laws of that state the property has escheated or become
28 subject to a claim of abandonment by that state;

29 (2) The property was paid or delivered to the custody of this State because
30 the laws of the other state did not provide for the escheat or custodial
31 taking of the property, and under the laws of that state subsequently
32 enacted, the property has escheated or become subject to a claim of
33 abandonment by that state;

34 (3) The records of the holder were erroneous in that they did not accurately
35 identify the owner of the property and the last known location of the
36 owner within the borders of another state, and under the laws of that
37 state the property has escheated or become subject to a claim of
38 abandonment by that state; or

39 ~~(4) The property was subjected to custody by this State under G.S. 116B-~~
40 ~~56(6), and under the laws of the state of domicile of the holder, the~~
41 ~~property has escheated or become subject to a claim of abandonment by~~
42 ~~that state; or~~

1 (5) The property is a sum payable on a traveler's check, money order, or
2 similar instrument that was purchased in the other state and delivered
3 into the custody of this State under ~~G.S. 116B-56(7)~~, G.S. 116B-
4 56(a)(6), and under the laws of the other state, the property has
5 escheated or become subject to a claim of abandonment by that state."

6 Section 28. The catch line of G.S. 120-9 reads as rewritten:

7 "**§ 120-9. Freedom of speech; ~~protection from arrest.~~ speech.**"

8 Section 29. G.S. 126-2(b)(5) reads as rewritten:

9 "(5) One member of the public at large appointed by the Governor. The
10 initial member appointed under this subdivision shall serve for a term
11 expiring June 30, 2001; the terms of subsequent appointees shall be for
12 six years.

13 ~~seven~~".

14 Section 30. G.S. 131D-2(b)(1) reads as rewritten:

15 "(1) The Department of Health and Human Services shall inspect and
16 license, under rules adopted by the Medical Care Commission, all adult
17 care homes for persons who are aged or mentally or physically disabled
18 except those exempt in subsection (c) of this section. Licenses issued
19 under the authority of this section shall be valid for one year from the
20 date of issuance unless revoked earlier by the Secretary for failure to
21 comply with any part of this section or any rules adopted hereunder
22 adult care. ~~adult care adult care~~ Licenses shall be renewed annually
23 upon filing and the Department's approval of the renewal application. A
24 license shall not be renewed if outstanding fines and penalties imposed
25 by the State against the home have not been paid. Fines and penalties
26 for which an appeal is pending are exempt from consideration. The
27 renewal application shall contain all necessary and reasonable
28 information that the Department may by rule require. Except as
29 otherwise provided in this subdivision, the Department may amend a
30 license by reducing it from a full license to a provisional license for a
31 period of not more than 90 days whenever the Department finds that:

- 32 a. The licensee has substantially failed to comply with the
33 provisions of Articles 1 and 3 of Chapter 131D of the General
34 Statutes and the rules adopted pursuant to these Articles;
35 b. There is a reasonable probability that the licensee can remedy the
36 licensure deficiencies within a reasonable length of time; and
37 c. There is a reasonable probability that the licensee will be able
38 thereafter to remain in compliance with the licensure rules for the
39 foreseeable future.

40 The Department may extend a provisional license for not more than one
41 additional 90-day period upon finding that the licensee has made
42 substantial progress toward remedying the licensure deficiencies that
43 caused the license to be reduced to provisional status.

1 The Department may revoke a license whenever:

2 a. The Department finds that:

- 3 1. The licensee has substantially failed to comply with the
4 provisions of Articles 1 and 3 of Chapter 131D of the
5 General Statutes and the rules adopted pursuant to these
6 Articles; and
7 2. It is not reasonably probable that the licensee can remedy
8 the licensure deficiencies within a reasonable length of
9 time; or

10 b. The Department finds that:

- 11 1. The licensee has substantially failed to comply with the
12 provisions of Articles 1 and 3 of Chapter 131D of the
13 General Statutes and the rules adopted pursuant to these
14 Articles; and
15 2. Although the licensee may be able to remedy the
16 deficiencies within a reasonable time, it is not reasonably
17 probable that the licensee will be able to remain in
18 compliance with licensure rules for the foreseeable future;
19 or

20 c. The Department finds that the licensee has failed to comply with
21 the provisions of Articles 1 and 3 of Chapter 131D of the General
22 Statutes and the rules adopted pursuant to these Articles, and the
23 failure to comply endangered the health, safety, or welfare of the
24 patients in the facility.

25 The Department may also issue a provisional license to a facility,
26 pursuant to rules adopted by the Medical Care Commission, for
27 substantial failure to comply with the provisions of this section or rules
28 adopted pursuant to this section. Any facility wishing to contest the
29 issuance of a provisional license shall be entitled to an administrative
30 hearing as provided in the Administrative Procedure Act, Chapter 150B
31 of the General Statutes. A petition for a contested case shall be filed
32 within 30 days after the Department mails written notice of the issuance
33 of the provisional license."

34 Section 31. G.S. 136-176(b)(2) reads as rewritten:

35 "(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and
36 construct the urban loops described in ~~G.S. 136-80~~ G.S. 136-180 and to
37 pay debt service on highway bonds and notes that are issued under the
38 State Highway Bond Act of 1996 and whose proceeds are applied to
39 these urban loops."

40 Section 32. G.S. 143-151.57(a) reads as rewritten:

41 "(a) Maximum Fees. – The Board may adopt fees that do not exceed the amounts
42 set in the following table for administering this Article:

43 Item Maximum Fee

1	Application for home inspector license	\$25.00
2	Application for associate home inspector license	15.00
3	Home inspector examination	75.00
4	Issuance of home inspector license	150.00
5	Issuance of associate home inspector license	100.00
6	Late renewal of home inspector license	25.00
7	Late renewal of associate home inspector license	
8	inspector-	15.00
9	Application for course approval	150.00
10	Renewal of course approval	75.00
11	Course fee, per credit hour per licensee	5.00
12	Credit for unapproved continuing education course	50.00
13	Copies of Board rules or licensure standards	Cost of printing
14	* and mailing."	

15 Section 33. G.S. 143B-270(c) reads as rewritten:

16 "(c) Members appointed shall hold office for a term of four years beginning on
 17 October 1, 1987, except that three of the initial appointees and these three appointees'
 18 immediate successors shall serve a term of two years, with the immediate successors'
 19 terms expiring on September 30, 1991. ~~The Speaker, Lieutenant Governor, and Governor~~
 20 ~~shall each select one of their initial appointees to serve a two-year term."~~

21 Section 34. G.S. 160A-23.1(d) reads as rewritten:

22 "(d) If the council adopts the resolution provided for in subsection (a) of this
 23 section ~~and:~~

24 (1) ~~Does and does not~~ adopt the changes, or

25 (2) ~~Does does~~ adopt the changes, but approval under the Voting Rights Act
 26 of 1965, as amended, is required, and notice of such approval is not
 27 received,

28 by the end of the third day before the opening of the filing period, the municipal election
 29 shall be rescheduled as provided in this subsection and current officeholders shall hold
 30 over until their successors are elected and qualified. For cities using the:

31 (1) Partisan primary and election method under G.S. 163-291, the primary
 32 shall be held on the primary election date for county officers in 2002,
 33 the second primary, if necessary, shall be held on the second primary
 34 election date for county officers in 2002, and the general election shall
 35 be held on the general election date for county officers in ~~1992;~~ 2002;

36 (2) Nonpartisan primary and election method under G.S. 163-294, the
 37 primary shall be held on the primary election date for county officers in
 38 2002 and the election shall be held on the date for the second primary
 39 for county officers in 2002;

40 (3) Nonpartisan plurality election method under G.S. 163-292, the election
 41 shall be held on the primary election date for county officers in 2002;

42 (4) Election and runoff method under G.S. 163-293, the election shall be
 43 held on the primary election date for county officers in 2002 and the

1 runoffs, if necessary, shall be held on the date for the second primary for
2 county officers in 2002.

3 The organizational meeting of the new council may be held at any time after the
4 results of the election have been officially determined and published, but not later than
5 the time and date of the first regular meeting of the council in July 2002, except in the
6 case of partisan municipal elections, when the organizational meeting shall be held not
7 later than the time and date of the first regular meeting of the council in December of
8 2002."

9 Section 35. G.S. 5A-23(g) reads as rewritten:

10 "(g) ~~A judge conducting a hearing to determine if a person is in civil contempt may~~
11 ~~at that hearing, upon making the required findings, find the person in criminal contempt~~
12 ~~for the same conduct, regardless of whether imprisonment for civil contempt is proper in~~
13 ~~the case. A person who is found in civil contempt under this Article shall not, for the~~
14 ~~same conduct, be found in criminal contempt under Article 1 of this Chapter."~~

15 Section 36. G.S. 7A-41(c)(8) reads as rewritten:

16 "(8) The names and boundaries of precincts in New Hanover and Pender
17 Counties are those in existence on ~~May~~ December 1, 1999."

18 Section 37. G.S. 14-113.20(b) reads as rewritten:

19 "(b) The term "identifying information" as used in this section includes the
20 following:

- 21 (1) Social security numbers.
- 22 (2) Drivers license numbers.
- 23 (3) Checking account numbers.
- 24 (4) Savings account numbers.
- 25 (5) Credit card numbers.
- 26 (6) Debit card numbers.
- 27 (7) Personal Identification (PIN) Code as defined in ~~G.S. 14-113.8(8)~~. G.S.
28 14-113.8(6).
- 29 (8) Electronic identification numbers.
- 30 (9) Digital signatures.
- 31 (10) Any other numbers or information that can be used to access a person's
32 financial resources."

33 Section 38.(a) G.S. 17C-3(a) reads as rewritten:

34 "(a) There is established the North Carolina Criminal Justice Education and
35 Training Standards Commission, hereinafter called 'the ~~Commission,~~ in the Department
36 of Justice. Commission.' The Commission shall be composed of 26 members as follows:

- 37 (1) Police Chiefs. – Three police chiefs selected by the North Carolina
38 Association of Chiefs of Police and one police chief appointed by the
39 Governor.
- 40 (2) Police Officers. – Three police officials appointed by the North Carolina
41 Police Executives Association and two criminal justice officers certified
42 by the Commission as selected by the North Carolina Law-Enforcement
43 Officers' Association.

- 1 (3) Departments. – The Attorney General of the State of North Carolina; the
2 Secretary of the Department of Crime Control and Public Safety; the
3 Secretary of the Department of Correction; the President of the
4 ~~Department~~North Carolina System of Community Colleges.
- 5 (3a) A representative of the Office of Juvenile Justice.
- 6 (4) At-large Groups. – One individual representing and appointed by each
7 of the following organizations: one mayor selected by the League of
8 Municipalities; one law-enforcement training officer selected by the
9 North Carolina Law-Enforcement Training Officers' Association; one
10 criminal justice professional selected by the North Carolina Criminal
11 Justice Association; one sworn law-enforcement officer selected by the
12 North State Law-Enforcement Officers' Association; one member
13 selected by the North Carolina Law-Enforcement Women's Association;
14 and one District Attorney selected by the North Carolina Association of
15 District Attorneys.
- 16 (5) Citizens and Others. – The President of The University of North
17 Carolina; the Director of the Institute of Government; and two citizens,
18 one of whom shall be selected by the Governor and one of whom shall
19 be selected by the Attorney General. The General Assembly shall
20 appoint two persons, one upon the recommendation of the Speaker of
21 the House of Representatives and one upon the recommendation of the
22 President Pro Tempore of the Senate. Appointments by the General
23 Assembly shall be made in accordance with G.S. 120-122.
24 Appointments by the General Assembly shall serve two-year terms to
25 conclude on June 30th in odd-numbered years."

26 Section 38.(b) G.S. 17C-6(a) reads as rewritten:

27 "(a) In addition to powers conferred upon the Commission elsewhere in this
28 Chapter, the Commission shall have the following powers, which shall be enforceable
29 through its rules and regulations, certification procedures, or the provisions of G.S. 17C-
30 10:

- 31 (1) Promulgate rules and regulations for the administration of this Chapter,
32 which rules may require (i) the submission by any criminal justice
33 agency of information with respect to the employment, education,
34 retention, and training of its criminal justice officers, and (ii) the
35 submission by any criminal justice training school of information with
36 respect to its criminal justice training programs that are required by this
37 Chapter;
- 38 (2) Establish minimum educational and training standards that must be met
39 in order to qualify for entry level employment and retention as a
40 criminal justice officer in temporary or probationary status or in a
41 permanent position;
- 42 (3) ~~Certify,~~Certify and recertify, pursuant to the standards that it has
43 established for the purpose, persons as qualified under the provisions of

- 1 this Chapter to be employed at entry level and retained as criminal
2 justice officers;
- 3 (4) Establish minimum standards for the certification of criminal justice
4 training schools and programs or courses of instruction that are required
5 by this Chapter;
- 6 (5) ~~Certify, Certify and recertify,~~ pursuant to the standards that it has
7 established for the purpose, criminal justice training schools and
8 programs or courses of instruction that are required by this Chapter;
- 9 (6) Establish minimum standards and levels of education and experience for
10 all criminal justice instructors who participate in programs or courses of
11 instruction that are required by this Chapter;
- 12 (7) ~~Certify, Certify and recertify,~~ pursuant to the standards that it has
13 established for the purpose, criminal justice instructors who participate
14 in programs or courses of instruction that are required by this Chapter;
- 15 (8) Investigate and make such evaluations as may be necessary to determine
16 if criminal justice agencies, schools, and individuals are complying with
17 the provisions of this Chapter;
- 18 (9) Adopt and amend bylaws, consistent with law, for its internal
19 management and control;
- 20 (10) Enter into contracts incident to the administration of its authority
21 pursuant to this Chapter;
- 22 (11) Establish minimum standards and levels of training for certification and
23 periodic recertification of operators of and instructors for training
24 programs in radio microwave, laser, and other electronic speed-
25 measuring instruments;
- 26 (12) Certify and recertify, pursuant to the standards that it has established,
27 operators and instructors for training programs for each approved type
28 of radio microwave, laser, and other electronic speed-measuring
29 instruments;
- 30 (13) In conjunction with the Secretary of Crime Control and Public Safety,
31 approve use of specific models and types of radio microwave, laser, and
32 other speed-measuring instruments and establish the procedures for
33 operation of each approved instrument and standards for calibration and
34 testing for accuracy of each approved instrument.
- 35 (14) Establish minimum standards for in-service training for criminal justice
36 officers."

37 Section 39. G.S. 18B-108 reads as rewritten:

38 **"§ 18B-108. Sales on trains.**

39 Alcoholic beverages may be sold on railroad trains in this State upon ~~receipt of the~~
40 ~~required revenue license under G.S. 105-113.76.~~ compliance with Article 2C of Chapter
41 105 of the General Statutes."

42 Section 40. G.S. 24-1.1E(c) reads as rewritten:

1 "(c) Prohibited Acts and Practices. – The following acts and practices are
2 prohibited in the making of a high-cost home loan:

3 (1) No lending without home-ownership counseling. – A lender may not
4 make a high-cost home loan without first receiving certification from a
5 counselor approved by the North Carolina Housing Finance Agency that
6 the borrower has received counseling on the advisability of the loan
7 transaction and the appropriate loan for the borrower.

8 (2) No lending without due regard to repayment ability. – As used in this
9 subsection, the term "obligor" refers to each borrower, co-borrower,
10 cosigner, or guarantor obligated to repay a loan. A lender may not make
11 a high-cost home loan unless the lender reasonably believes at the time
12 the loan is consummated that one or more of the obligors, when
13 considered individually or collectively, will be able to make the
14 scheduled payments to repay the obligation based upon a consideration
15 of their current and expected income, current obligations, employment
16 status, and other financial resources (other than the borrower's equity in
17 the dwelling which secures repayment of the loan). An obligor shall be
18 presumed to be able to make the scheduled payments to repay the
19 obligation if, at the time the loan is consummated, the obligor's total
20 monthly debts, including amounts owed under the loan, do not exceed
21 fifty percent (50%) of the obligor's monthly gross income as verified by
22 the credit application, the obligor's financial statement, a credit report,
23 financial information provided to the lender by or on behalf of the
24 obligor, or any other reasonable means; provided, no presumption of
25 inability to make the scheduled payments to repay the obligation shall
26 arise solely from the fact that, at the time the loan is consummated, the
27 obligor's total monthly debts (including amounts owed under the loan)
28 exceed fifty percent (50%) of the obligor's monthly gross income.

29 (3) No financing of fees or charges. – In making a high-cost home loan, a
30 lender may not directly or indirectly finance:

31 a. Any prepayment fees or penalties payable by the borrower in a
32 refinancing transaction if the lender or an affiliate of the lender is
33 the noteholder of the note being refinanced;

34 b. Any points and fees; or

35 c. Any other charges payable to third parties.

36 (4) No benefit from refinancing existing high-cost home loan with new
37 high-cost home loan. – A lender may not charge a borrower points and
38 fees in connection with a high-cost home loan if the proceeds of the
39 high-cost home loan are used to refinance an existing high-cost home
40 loan held by the same lender as noteholder.

41 (5) Restrictions on home-improvement contracts. – A lender may not pay a
42 contractor under a home-improvement contract from the proceeds of a
43 high-cost home loan other than (i) by an instrument payable to the

1 borrower or jointly to the borrower and the contractor, or (ii) at the
2 election of the borrower, through a third-party escrow agent in
3 accordance with terms established in a written agreement signed by the
4 borrower, the lender, and the contractor prior to the disbursement.

5 (6) No shifting of liability. – A lender is prohibited from shifting any loss,
6 liability, or claim of any kind to the closing agent or closing attorney for
7 any violation of section."

8 Section 41. G.S. 42A-19 reads as rewritten:

9 **"§ 42A-19. Transfer of property subject to a vacation rental agreement.**

10 (a) The grantee of residential property voluntarily transferred by a landlord who
11 has entered into a vacation rental agreement for the use of the property shall take his or
12 her title subject to the vacation rental agreement if the vacation rental is to end not later
13 than 180 days after the grantee's interest in the property is recorded in the office of the
14 register of deeds. If the vacation rental is to end more than 180 days after the recording of
15 the grantee's interest, the tenant shall have no right to enforce the terms of the agreement
16 unless the grantee has agreed in writing to honor such terms, but the tenant shall be
17 entitled to a refund of ~~any~~ payments made by him or ~~her~~ her, as provided in subsection
18 (b) of this section. Prior to entering into any contract of sale, the landlord shall disclose
19 to the grantee the time periods that the property is subject to a vacation rental agreement.
20 Not later than 10 days after entering into the contract of sale the landlord shall disclose to
21 the grantee each tenant's name and address and shall provide the grantee with a copy of
22 each vacation rental agreement. Not later than 10 days after transfer of the property, the
23 grantee or the grantee's agent shall:

24 (1) Notify each tenant in writing of the property transfer, the grantee's name
25 and address, and the date the grantee's interest was recorded.

26 (2) Advise each tenant whether he or she has the right to occupy the
27 property subject to the terms of the vacation rental agreement and the
28 provisions of this section.

29 (3) Advise each tenant of whether he or she has the right to receive a refund
30 of any payments made by him or her.

31 (b) Except as otherwise provided in this subsection, upon termination of the
32 landlord's interest in the residential property subject to a vacation rental agreement,
33 whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or
34 the landlord's agent, or the real estate broker, shall, within 30 days, transfer all advance
35 rent paid by the tenant, and the portion of any fees remaining after any lawful deductions
36 made under G.S. 42A-16, to the landlord's successor in interest and thereafter notify the
37 tenant by mail of such transfer and of the transferee's name and address. For vacation
38 rentals that end more than 180 days after the recording of the interest of the landlord's
39 successor in interest, unless the landlord's successor in interest has agreed in writing to
40 honor the vacation rental agreement, the landlord or the landlord's agent, or the real estate
41 broker, shall, within 30 days, transfer all advance rent paid by the tenant, and the portion
42 of any fees remaining after any lawful deductions made under G.S. 42A-16, to the tenant.
43 Compliance with this subsection shall relieve the landlord or real estate broker of further

1 liability with respect to any payment of rent or fees. Funds held as a security deposit shall
2 be disbursed in accordance with G.S. 42A-18.

3 (e) ~~If, prior to the tenant's occupancy of the property, the landlord's interest in the~~
4 ~~property is involuntarily transferred to another, the landlord shall refund to the tenant~~
5 ~~within 60 days after the transfer any payments made by the tenant.~~

6 (d) The failure of a landlord to comply with the provisions of this section shall
7 constitute an unfair trade practice in violation of G.S. 75-1.1. A landlord who complies
8 with the requirements of this section shall have no further obligations to the tenant."

9 Section 42.(a) G.S. 43-22 reads as rewritten:

10 **"§ 43-22. Jurisdiction of courts; registered land affected only by registration.**

11 Except as otherwise specially provided by this Chapter, registered land and ownership
12 therein shall be subject to the jurisdiction of the courts in the same manner as if it had not
13 been registered; but the registration shall be the only operative act to transfer or affect the
14 title to registered land, and shall date from the time the writing, instrument or record to be
15 registered is duly filed in the office of the register of deeds, subject to the provisions of
16 this Chapter; no voluntary or involuntary transaction shall affect the title to registered
17 lands until registered in accordance with the provisions of this Chapter: Provided, that all
18 mortgages, deeds, surrendered and canceled certificates, when new certificates are issued
19 for the land so deeded, the other paper- writings, if any, pertaining to and affecting the
20 registered estate or estates herein referred to, shall be filed by the register of deeds for
21 reference and information, but the ~~registration of titles book consolidated real property~~
22 ~~records~~ shall be and constitute sole and conclusive legal evidence of title, except in cases
23 of mistake and fraud, which shall be corrected in the methods now provided for the
24 correction of papers authorized to be registered."

25 Section 42.(b) G.S. 43-25 reads as rewritten:

26 **"§ 43-25. Release from registration.**

27 Whenever the record owner of any estate in lands, the title to which has been
28 registered or attempted to be registered in accordance with the provisions of this Chapter,
29 desires to have such estate released from the provisions of said Chapter insofar as said
30 Chapter relates to the form of conveyance, so that such estate may ever thereafter be
31 conveyed, either absolutely or upon condition or trust, by the use of any desired form of
32 conveyance other than the certificate of title prescribed by said Chapter, such owner may
33 present his owner's certificate of title to such registered estate to the register of deeds of
34 the county wherein such land lies, with a memorandum or statement written by him on
35 the margin thereof in the words following, or words of similar import, to wit: "I (or
36 we),....., being the owner (or owners) of the registered estate evidenced by this
37 certificate of title, do hereby release said estate from the provisions of Chapter 43 of the
38 General Statutes of North Carolina insofar as said Chapter relates to the form of
39 conveyance, so that hereafter the said estate may, and shall be forever until again
40 hereafter registered in accordance with the provisions of said Chapter and acts
41 amendatory thereof, conveyed, either absolutely or upon condition or trust, by any form
42 of conveyance other than the certificate of title prescribed by said Chapter, and in the
43 same manner as if said estate had never been registered."Which said memorandum or

1 statement shall further state that it is made pursuant to the provisions of this section, and
2 shall be signed by such record owner and attested by the register of deeds under his hand
3 and official seal, and a like memorandum or statement so entered, signed and attested
4 upon the margin of the record of the said owner's certificate of title in the ~~registration of~~
5 ~~titles book~~ consolidated real property records in said register's office, with the further
6 notation made and signed by the register of deeds on the margin of the certificate of title
7 in the ~~registration of titles book~~ consolidated real property records showing that such
8 entry has been made upon the owner's certificate of title; and thereafter any conveyance
9 of such registered estate, or any part thereof, by such owner, his heirs or assigns, by
10 means of any desired form of conveyance other than such certificate of title shall be as
11 valid and effectual to pass such estate of the owner according to the tenor and purport of
12 such conveyance in the same manner and to the same extent as if such estate had never
13 been so registered."

14 Section 42.(c) G.S. 43-31 reads as rewritten:

15 "**§ 43-31. When whole of land conveyed.**

16 Whenever the whole of any registered estate is transferred or conveyed the same shall
17 be done by a transfer or conveyance attached to the certificate substantially as follows:

18 The owners (giving the names of the parties owning land described in the certificate)
19 hereby, in consideration of _____ dollars, sell and convey to the purchaser
20 (giving name of purchaser) the lot or tract of land, as the case may be, described in the
21 certificate of title hereto attached. The transfer shall be indexed on the grantor and
22 grantee indexes in the same manner as deeds are indexed.

23 The same shall be signed and properly acknowledged by the parties and shall have the
24 full force and effect of a deed in fee simple: Provided, that if the sale shall be in trust,
25 upon condition, with power to sell or other unusual form of conveyance, the same shall
26 be set out in the transfer, and shall be entered upon the ~~registration of titles book~~
27 consolidated real property records as hereinafter provided; that upon presentation of the
28 transfer, together with the certificate of title, to the register of deeds, the transaction shall
29 be duly noted and registered in accordance with the provisions of this Chapter, and
30 certificate of title so presented shall be canceled and a new certificate with the same
31 number issued to the purchaser thereof, which new certificate shall fully refer by number
32 and also by name of holder to former certificate just canceled."

33 Section 42.(d) G.S. 43-35 reads as rewritten:

34 "**§ 43-35. References and cross references entered on register.**

35 In all cases the register of deeds shall place upon the ~~registry of title books~~
36 consolidated real property records and upon the certificate of title of such registered
37 estate therein, references and cross references to the new certificates issued as above
38 provided, in accordance with the provisions of this Article, and the new certificates
39 issued shall fully refer by number and by name of the holder to the canceled certificate in
40 place of which they are issued."

41 Section 42.(e) G.S. 43-36 reads as rewritten:

42 "**§ 43-36. When land conveyed as security.**

1 (a) Whole Land Conveyed. – Whenever the owner of any registered estate shall
2 desire to convey same as security for debt, it may be done in the following manner, by a
3 short form of transfer, substantially as follows, to wit:

4 A.B. and wife (giving names of all owners or holders of certificates and their wives)
5 hereby transfer to C.D. the tract or lot of land described as No. in registration of
6 titles book for County, a certificate for the title for same being hereto attached, to
7 secure a debt of dollars, due to, of County and State, on the day of
8,, evidenced by bond (or otherwise as the case may be) dated the day of
9, In case of default in payment of said debt with accrued interest, days
10 notice of sale required.

11 The same shall be signed and properly acknowledged by the parties making same, and
12 shall be presented, together with the owner's certificate, to the register of deeds, whose
13 duty it shall be to note upon the owner's certificate and upon the certificate of title in the
14 ~~registration of titles book~~ consolidated real property records the name of the trustee, the
15 amount of debt, and the date of maturity of same.

16 (b) Part of Land Conveyed. – When a part of the registered estate shall be so
17 conveyed, the register of deeds shall note upon the ~~book~~ consolidated real property
18 records and owner's certificate the part so conveyed, and if the same be required and the
19 proper fee paid by the trustee, shall issue what shall be known as a partial certificate, over
20 his hand and seal, setting out the portion so conveyed.

21 (c) Effect of Transfer. – All transfers by such short form shall convey the power of
22 sale upon due advertisement at the county courthouse and in some newspaper published
23 in the county, or adjoining county, in the same manner and as fully as is now provided by
24 law in the case of mortgages and deeds of trust and default therein.

25 (d) Other Encumbrances Noted. – All registered encumbrances, rights or adverse
26 claims affecting the estate represented thereby shall continue to be noted, not only upon
27 the certificate of title in the ~~registration book~~ consolidated real property records, but also
28 upon the owner's certificate, until same shall have been released or discharged. And in
29 the event of second or other subsequent voluntary encumbrances the holder of the
30 certificate may be required to produce such certificate for the entry thereon or attachment
31 thereto of the note of such subsequent charge or encumbrance as provided in this Article.

32 (e) Other Forms of Conveyance May Be Used. – Nothing in this section nor this
33 Chapter shall be construed to prevent the owner from conveying such land, or any part of
34 the same, as security for a debt by deed of trust or mortgage in any form which may be
35 agreed upon between the parties thereto, and having such deed of trust or mortgage
36 recorded in the office of the register of deeds as other deeds of trust and mortgages are
37 recorded: Provided, that the book and page of the record at which such deed of trust or
38 mortgage is recorded shall be entered by the register of deeds upon the owner's certificate
39 and also on the ~~registration of titles book~~ consolidated real property records.

40 (f) Sale under Lien; New Certification. – Upon foreclosure of such deed of trust or
41 mortgage, or sale under execution for taxes or other lien on the land, the fact of such
42 foreclosure or sale shall be reported by the trustee, mortgagee or other person authorized
43 to make the same, to the register of deeds of the county in which the land lies, and, upon

1 satisfactory evidence thereof, it shall be his duty to call in and cancel the outstanding
2 certificate of title for the land, so sold, and to issue a new certificate in its place to the
3 purchaser or other person entitled thereto; and the production of such outstanding
4 certificate and its surrender by the holder thereof may be compelled, upon notice to him,
5 by motion before and order of the clerk of the superior court in the original proceeding or
6 the clerk of the superior court of the county in which the land lies; but the right of appeal
7 from such order may be exercised and shall be allowed as in other special proceedings,
8 and pending any such appeal the rights of all parties shall be preserved."

9 Section 42.(f) G.S. 43-38 reads as rewritten:

10 **"§ 43-38. Transfers probated; partitions; contracts.**

11 All transfers of registered land shall be duly executed and probated as required by law
12 upon like conveyances of other lands, and in all cases of change in boundary by partition,
13 subtraction or addition of land there shall be an accurate survey and permanent marking
14 of boundaries and accurate plots, showing the courses, distances and markings of every
15 portion thereof, which shall be duly proved and registered as upon the initial registration.
16 Such transfers shall be presented to the register of deeds for entry upon the ~~registration of~~
17 ~~titles book~~ consolidated real property records and upon the owner's certificate within 30
18 days from the date thereof, or become subject to any rights which may accrue to any
19 other person by a prior registration. All leases or contracts affecting land for a period
20 exceeding three years shall be in writing, duly proved before the clerk of the superior
21 court, recorded in the register's office, and noted upon the registry and upon the owner's
22 certificate."

23 Section 42.(g) G.S. 43-39 reads as rewritten:

24 **"§ 43-39. Certified copy of order of court noted.**

25 In voluntary transactions a certificate from the proper State, county or court officer, or
26 certified copy of the order, decree or judgment of any court of competent jurisdiction
27 shall be authority for him to order a proper notation thereof upon the ~~registration of titles~~
28 ~~book,~~ consolidated real property records, and for the register of deeds to note the
29 transaction under the direction of the court."

30 Section 42.(h) G.S. 43-42 reads as rewritten:

31 **"§ 43-42. Conveyance of registered land in trust.**

32 Whenever a writing, instrument or record is filed for the purpose of transferring
33 registered land in trust, or upon any equitable condition or limitation expressed therein, or
34 for the purpose of creating or declaring a trust or other equitable interest in such land, the
35 particulars of the trust, condition, limitation or other equitable interest shall not be
36 entered on the certificate, but it shall be sufficient to enter in the ~~book~~ consolidated real
37 property records and upon the certificates a memorial thereof by the terms "in trust" or
38 "upon condition" or in other apt words, and to refer by number to the writing, instrument
39 or record authorizing or creating the same. And if express power is given to sell,
40 encumber or deal with the land in any manner, such power shall be noted upon the
41 certificates by the term "with power to sell" or "with power to encumber," or by other apt
42 words."

43 Section 42.(i) G.S. 43-44 reads as rewritten:

1 **"§ 43-44. Validating conveyance by entry on margin of certificate.**

2 In all cases where the owner of any estate in lands, the title to which has been
3 registered or attempted to be registered in accordance with the provisions of this Chapter,
4 has before August 21, 1924, and subsequent to such registration made any conveyance of
5 such estate, or any portion thereof, by any form of conveyance sufficient in law to pass
6 the title thereto if the title to said lands had not been so registered, the record owner and
7 holder of the certificate of title covering such registered estate may enter upon the
8 margin of his certificate of title in the ~~registration of titles book~~ consolidated real property
9 records a memorandum showing that such registered estate, or a portion thereof, has been
10 so conveyed, and further showing the name of the grantee or grantees and the number of
11 the book and the page thereof where such conveyance is recorded in the office of the
12 register of deeds, and make a like entry upon the owner's certificate of title held by him,
13 both of such entries to be signed by him and witnessed by the register of deeds, and
14 attested by the seal of office of the register of deeds upon said owner's certificate, with
15 the further notation made and signed by the register of deeds on the margin of the
16 certificate of title in the ~~registration of titles book~~ consolidated real property records
17 showing that such entry has been made upon the owner's certificate of title, and
18 thereupon such conveyance shall become and be as valid and effectual to pass such estate
19 of the owner according to the tenor and purport of such conveyance as if the title to said
20 lands had never been so registered, whether such conveyance be in form absolute or upon
21 condition of trust; and in all cases where such conveyance has been made before August
22 21, 1924, upon the making of the entries herein authorized by the record owner and
23 holder of such owner's certificate of title, the grantee and his heirs and assigns shall
24 thereafter have the same right to convey the said estate or any part of the same in all
25 respects as if the title to said lands had never been so registered."

26 Section 42.(j) This section is effective retroactive to January 1, 2000.

27 Section 43. G.S. 55-5-04(b) reads as rewritten:

28 "(b) Whenever a corporation shall fail to appoint or maintain a registered agent in
29 this State, or whenever its registered agent cannot with due diligence be found at the
30 registered office, then the Secretary of State shall be an agent of such corporation upon
31 whom any such process, notice or demand may be served. Service on the Secretary of
32 State of any such process, notice or demand shall be made by delivering to and leaving
33 with ~~him~~ the Secretary of State or with any clerk having charge of the corporation
34 department of ~~his~~ the Secretary of State's office, duplicate copies of such process, notice
35 or ~~demand~~ demand and the fee required by G.S. 55-1-22(b). In the event any such
36 process, notice or demand is served on the Secretary of ~~State~~ State, ~~he~~ State in the manner
37 provided for in this section, the Secretary of State shall immediately mail one of the
38 copies thereof, by registered or certified mail, return receipt requested, to the corporation
39 at its principal office shown in its most recent annual report or in any subsequent
40 communication received from the corporation stating the current mailing address of its
41 principal office or, if there is no mailing address for the principal office on file, to the
42 corporation at its registered office. Service on a corporation under this subsection shall

1 be effective for all purposes from and after the date of such service on the Secretary of
2 State."

3 Section 44. G.S. 55-9-05 reads as rewritten:

4 **"§ 55-9-05. Exemptions.**

5 The provisions of G.S. 55-9-02 shall not be applicable to any corporation that shall be
6 made the subject of a business combination by an other entity if: (i) the corporation was
7 not a public corporation (as defined in G.S. 55-1-40 (18a)) at the time such other entity
8 acquired in excess of ten percent (10%) of the voting shares; (ii) on or before September
9 30, 1990 (or such earlier date as may be irrevocably established by resolution of the
10 board of directors), the board of directors of a corporation to which G.S. 55-9-02 was not
11 applicable on July 1, 1990, (other than a corporation described in G.S. 55-9-05 (iii))
12 adopted a bylaw stating that the provisions of this Article shall not be applicable to the
13 corporation; (iii) in the case of a corporation to which G.S. 55-9-02 was not applicable on
14 July 1, 1990, as the result of adoption by its board of directors under G.S. 55-9-05(ii) of a
15 bylaw providing that G.S. 55-9-02 not apply to such corporation, the board of directors of
16 such corporation shall not have rescinded such bylaw on or before September 30, 1990
17 (or such earlier date as may be irrevocably established by resolution of the board of
18 directors); (iv) in the case of a corporation (including its predecessors) which becomes a
19 public corporation for the first time after July 1, 1990, such corporation adopts a bylaw
20 within 90 days of becoming a public corporation stating that the provisions of this Article
21 shall not be applicable to it; (v) in the case of a newly formed corporation after April 23,
22 1987, the initial articles of incorporation of the corporation shall provide that the
23 provisions of this Article shall not be applicable; ~~or~~ (vi) such business combination was
24 the subject of an existing agreement of the corporation on ~~April 23, 1987.~~ April 23, 1987;
25 or (vii) on or after September 1, 2000, and on or before December 31, 2000, the board of
26 directors of a corporation to which G.S. 55-9-02 was applicable on September 1, 2000,
27 adopts a bylaw stating that the provisions of this Article shall not be applicable to the
28 corporation. Neither the adoption or failure to adopt a bylaw of the type set forth in ~~G.S.~~
29 ~~55-9-05(ii) or (iv)~~ G.S. 55-9-05(ii), (iv), or (vii) of this section nor the rescission or
30 failure to rescind a bylaw of the type referred to in G.S. 55-9-05(iii) shall constitute
31 grounds for any cause of action, at law or in equity, against the corporation or any of its
32 directors."

33 Section 45. G.S. 55-11-10(e1) reads as rewritten:

34 "(e1) If the surviving business entity is not a domestic limited liability company, a
35 domestic corporation, a domestic nonprofit corporation, or a domestic limited
36 partnership, when the merger takes effect the surviving business entity is deemed:

- 37 (1) To agree that it may be served with process in this State in any
38 proceeding for enforcement (i) of any obligation of any merging
39 domestic limited liability company, domestic corporation, domestic
40 nonprofit corporation, domestic limited partnership, or other partnership
41 as defined in G.S. 59-36 that is formed under the laws of this State, (ii)
42 the rights of dissenting shareholders of any merging domestic

1 corporation under Article 13 of this Chapter, and (iii) any obligation of
2 the surviving business entity arising from the merger; and
3 (2) If the surviving business entity does not have a registered agent in this
4 State, to have appointed the Secretary of State as its registered agent for
5 service of process in any such proceeding until such time as the
6 surviving business entity appoints a registered agent in this State.
7 Service on the Secretary of State of any such process shall be made by
8 delivering to and leaving with the Secretary of State or with any clerk
9 authorized by the Secretary of State to accept service of process,
10 duplicate copies of such ~~process~~ process and the fee required by G.S.
11 55-1-22(b). Upon receipt of service of process on behalf of a surviving
12 business entity, ~~entity in the manner provided for in this section,~~ the
13 Secretary of State shall immediately mail a copy of the process by
14 registered or certified mail, return receipt requested, to the surviving
15 business entity at its address shown in the articles of merger or, if an
16 application for a certificate of withdrawal by reason of merger has been
17 filed, at the address for service of process contained in that application."

18 Section 46. G.S. 55A-5-04(b) reads as rewritten:

19 "(b) When a corporation fails to appoint or maintain a registered agent in this State,
20 or when its registered agent cannot with due diligence be found at the registered office,
21 the Secretary of State shall be an agent of the corporation upon whom any process,
22 notice, or demand may be served. Service on the Secretary of State of any process,
23 notice, or demand shall be made by delivering to and leaving with the Secretary of State
24 or with any clerk having charge of the corporation department of ~~his~~ the Secretary of
25 State's office, duplicate copies of such process, notice, or ~~demand~~ demand and the fee
26 required by G.S. 55A-1-22(b). In the event any process, notice, or demand is served on
27 the Secretary of State, ~~he~~ State in the manner provided for in this section, the Secretary of
28 State shall immediately mail one of the copies thereof, by registered or certified mail,
29 return receipt requested, to the corporation at its principal office shown in its most recent
30 annual report, if applicable, the articles of incorporation, the Designation of Principal
31 Office Address form, in any subsequent Corporation's Statement of Change of Principal
32 Office Address form, or in any subsequent communication received from the corporation
33 stating the current mailing address of its principal office or, if there is no mailing address
34 for the principal office on file, to the corporation at its registered office. Service on a
35 corporation under this subsection shall be effective for all purposes from and after the
36 date of such service on the Secretary of State."

37 Section 47. G.S. 55-9A-09 reads as rewritten:

38 "**§ 55-9A-09. Exemptions.**

39 The provisions of this Article shall not be applicable to any corporation if, on or
40 before September 30, 1990, or such earlier date as may be irrevocably established by
41 resolution of the board of directors, or at any time before the corporation becomes, or
42 after it ceases to be, a covered corporation, the board of directors adopts a bylaw stating
43 that the provisions of this Article shall not be applicable to the corporation; or, in the case

1 of a corporation formed after August 12, 1987, its initial articles of incorporation provide
2 that this Article shall not be applicable to the ~~corporation~~ corporation; or on or after
3 September 1, 2000, and on or before December 31, 2000, the board of directors of a
4 corporation to which the provisions of this Article were applicable on September 1, 2000,
5 adopts a bylaw stating that the provisions of this Article shall not be applicable to the
6 corporation. Neither adoption nor failure to adopt such a bylaw or provision shall
7 constitute grounds for any cause of action against the corporation, or any officer or
8 director of the corporation."

9 Section 48. G.S. 55A-11-09(e1) reads as rewritten:

10 "(e1) If the surviving business entity is not a domestic limited liability company, a
11 domestic business corporation, a domestic nonprofit corporation, or a domestic limited
12 partnership, when the merger takes effect the surviving business entity is deemed:

13 (1) To agree that it may be served with process in this State in any
14 proceeding for enforcement of (i) any obligation of any merging
15 domestic limited liability company, domestic business corporation,
16 domestic nonprofit corporation, domestic limited partnership, or other
17 partnership as defined in G.S. 59-36 that is formed under the laws of
18 this State, (ii) the rights of dissenting shareholders of any merging
19 domestic business corporation under Article 13 of Chapter 55 of the
20 General Statutes, and (iii) any obligation of the surviving business entity
21 arising from the merger; and

22 (2) If the surviving business entity does not have a registered agent in this
23 State, to have appointed the Secretary of State as its registered agent for
24 service of process in any such proceeding until such time as the
25 surviving business entity appoints a registered agent in this State.
26 Service on the Secretary of State of any such process shall be made by
27 delivering to and leaving with the Secretary of State or with any clerk
28 authorized by the Secretary of State to accept service of process,
29 duplicate copies of such ~~process~~ process and the fee required by G.S.
30 55A-1-22(b). Upon receipt of service of process on behalf of a
31 surviving business ~~entity~~ entity in the manner provided for in this
32 section, the Secretary of State shall immediately mail a copy of the
33 process by registered or certified mail, return receipt requested, to the
34 surviving business entity at its address shown in the articles of merger
35 or, if an application for a certificate of withdrawal by reason of merger
36 has been filed, at the address for service of process contained in that
37 application."

38 Section 49. G.S. 57C-2-43(b) reads as rewritten:

39 "(b) Whenever a limited liability company shall fail to appoint or maintain a
40 registered agent in this State, or whenever its registered agent cannot with due diligence
41 be found at the registered office, then the Secretary of State shall be an agent of the
42 limited liability company upon whom any process, notice, or demand may be served.
43 Service on the Secretary of State of any such process, notice, or demand shall be made by

1 delivering to and leaving with the Secretary of State or with any clerk having charge of
2 the limited liability company department of the Secretary of State's office, duplicate
3 copies of the process, notice, or ~~demand.~~ demand and the fee required by G.S. 57C-1-
4 22(b). In the event any such process, notice, or demand is served on the Secretary of
5 ~~State,~~ State in the manner provided for in this section, the Secretary of State shall
6 immediately mail one of the copies thereof, by registered or certified mail, return receipt
7 requested, to the limited liability company at its principal office shown in its most recent
8 annual report, at the address indicated in the latest communication received by the
9 Secretary of State from the limited liability company stating the current mailing address
10 of its principal office or, if there is no mailing address for the principal office on file, to
11 the limited liability company at its registered office. Service on a limited liability
12 company under this subsection shall be effective for all purposes from and after the date
13 of the service on the Secretary of State."

14 Section 50. G.S. 57C-7-04(a) reads as rewritten:

15 "(a) A foreign limited liability company may apply for a certificate of authority to
16 transact business in this State by delivering an application to the Secretary of State for
17 filing. The application must set forth:

- 18 (1) The name of the foreign limited liability company or, if its name is
19 unavailable for use in this State, a name that satisfies the requirements
20 of G.S. 57C-7-06;
- 21 (2) The name of the state or country under whose law it is organized;
- 22 (3) Its date of organization and period of duration;
- 23 (4) The street address, and the mailing address if different from the street
24 address, of its principal ~~office in the state or country under whose law it~~
25 ~~is organized;~~ office;
- 26 (5) The street address, and the mailing address if different from the street
27 address, of its registered office in this State and the name of its
28 registered agent at that office; and
- 29 (6) The names and usual business addresses of its current managers."

30 Section 51. G.S. 57C-9A-23(b) reads as rewritten:

31 "(b) If the surviving business entity is not a domestic limited liability
32 company, a domestic corporation, a domestic nonprofit corporation, or a domestic limited
33 partnership when the merger takes effect, the surviving business entity is deemed:

- 34 (1) To agree that it may be served with process in this State in any
35 proceeding for enforcement of (i) any obligation of any merging
36 domestic limited liability company, domestic corporation, domestic
37 nonprofit corporation, domestic limited partnership, or other partnership
38 as defined in G.S. 59-36 that is formed under the laws of this State, (ii)
39 the rights of dissenting shareholders of any merging domestic
40 corporation under Article 13 of Chapter 55 of the General Statutes, and
41 (iii) any obligation of the surviving business entity arising from the
42 merger; and

1 (2) If the surviving business entity does not have a registered agent in this
2 State, to have appointed the Secretary of State as its registered agent for
3 service of process in any such proceeding until such time as the
4 surviving business entity appoints a registered agent in this State.
5 Service on the Secretary of State of any such process shall be made by
6 delivering to and leaving with the Secretary of State or with any clerk
7 authorized by the Secretary of State to accept service of process,
8 duplicate copies of such ~~process~~ process and the fee required by G.S.
9 57C-1-22(b). Upon receipt of service of process on behalf of a
10 surviving business ~~entity~~ entity in the manner provided for in this
11 section, the Secretary of State shall immediately mail a copy of the
12 process by registered or certified mail, return receipt requested, to the
13 surviving business entity at its address shown in the articles of merger
14 or, if an application for a certificate of withdrawal by reason of merger
15 has been filed, at the address for service of process contained in that
16 application."

17 Section 52. G.S. 59-73.6(b) reads as rewritten:

18 "(b) If the surviving business entity is not a domestic limited liability company, a
19 domestic corporation, a domestic nonprofit corporation, or a domestic limited partnership
20 when the merger takes effect, the surviving business entity is deemed:

21 (1) To agree that it may be served with process in this State in any
22 proceeding for enforcement of (i) any obligation of any merging
23 domestic limited liability company, domestic corporation, domestic
24 nonprofit corporation, domestic limited partnership, or other partnership
25 as defined in G.S. 59-36 that is formed under the laws of this State, (ii)
26 the rights of dissenting shareholders of any merging domestic
27 corporation under Article 13 of Chapter 55 of the General Statutes, and
28 (iii) any obligation of the surviving business entity arising from the
29 merger; and

30 (2) If the surviving business entity does not have a registered agent in this
31 State, to have appointed the Secretary of State as its registered agent for
32 service of process in any such proceeding until such time as the
33 surviving business entity appoints a registered agent in this State.
34 Service on the Secretary of State of any such process shall be made by
35 delivering to and leaving with the Secretary of State or with any clerk
36 authorized by the Secretary of State to accept service of process,
37 duplicate copies of such ~~process~~ process and the fees required by G.S.
38 59-73.7(c). Upon receipt of service of process on behalf of a surviving
39 business ~~entity~~ entity in the manner provided for in this section, the
40 Secretary of State shall immediately mail a copy of the process by
41 registered or certified mail, return receipt requested, to the surviving
42 business entity at its address shown in the articles of merger or, if an

1 application for a certificate of withdrawal by reason of merger has been
2 filed, at the address for service of process contained in that application."

3 Section 53. G.S. 59-84.2(h) reads as rewritten:

4 "~~(h) An amendment or withdrawal of a registration is effective on the later of the~~
5 ~~date it is filed or a deferred effective date specified in the amendment or withdrawal.~~ A
6 registration is amended by filing a certificate of amendment thereto in the office of the
7 Secretary of State. The certificate shall set forth the following:

8 (1) The name of the partnership.

9 (2) The date of filing of the registration.

10 (3) The amendment to the registration."

11 Section 54. G.S. 59-91(f) reads as rewritten:

12 "~~(f) An amendment or withdrawal of a registration is effective on the later of the date~~
13 ~~it is filed or a deferred effective date specified in the amendment or withdrawal.~~ A
14 registration is amended by filing a certificate of amendment thereto in the office of the
15 Secretary of State. The certificate shall set forth the following:

16 (1) The name of the partnership.

17 (2) The date of filing of the registration.

18 (3) The amendment to the registration."

19 Section 55. G.S. 59-902(a)(4) reads as rewritten:

20 "(a) Before transacting business in this State, a foreign limited partnership shall
21 procure a certificate of authority to transact business in this State from the Secretary of
22 State. No foreign limited partnership shall be entitled to transact in this State any business
23 which a limited partnership organized under this Article is not permitted to transact. In
24 order to register, a foreign limited partnership shall deliver to the Secretary of State an
25 original and one conformed copy of an application for registration as a foreign limited
26 partnership, signed by a general partner and setting forth:

27 (1) The name of the foreign limited partnership and, if different, the name
28 under which it proposes to register and transact business in this State;

29 (2) The jurisdiction and date of its formation;

30 (3) The date of formation and the period of duration;

31 (4) The address, including county and city or town, and street and number,
32 if any, of the principal office of the foreign limited ~~partnership in the~~
33 ~~jurisdiction under the laws of which it is formed;~~ partnership;

34 (5) The address, including county and city or town, and street and number,
35 if any, of the proposed registered office of the foreign limited
36 partnership in this State, and the name of its proposed registered agent
37 in this State at such address; the agent must be an individual resident of
38 this State, a domestic corporation, or a foreign corporation having a
39 place of business in, and authorized to do business in this State;

40 (6) If the certificate of limited partnership filed in the foreign limited
41 partnership's state of organization is not required to include the names
42 and addresses of the partners, a list of the names and addresses or, at the
43 election of the foreign limited partnership, a list of the names and

1 addresses of the general partners and the address, including county and
2 city or town, and street and number, of the office at which is kept a list
3 of the names and addresses of the limited partners and their capital
4 contributions, together with an undertaking by the foreign limited
5 partnership to keep such records until such foreign limited partnership's
6 registration in this State is cancelled;

7 (7) A statement that in consideration of the issuance of a certificate of
8 authority to transact business in this State, the foreign limited
9 partnership appoints the Secretary of State of North Carolina as the
10 agent to receive service of process, notice, or demand, whenever the
11 foreign limited partnership fails to appoint or maintain a registered
12 agent in this State or whenever any such registered agent cannot with
13 reasonable diligence be found at the registered office;

14 (8) The names and addresses including county and city or town, and street
15 and number, if any, of all of the general partners;

16 (9) The execution of a certificate or amendment by a general partner
17 constitutes an affirmation under the penalties of perjury that the facts
18 stated therein are true."

19 Section 56. G.S. 62-302 reads as rewritten:

20 "**§ 62-302. Regulatory fee.**

21 (a) Fee Imposed. – It is the policy of the State of North Carolina to provide fair
22 regulation of public utilities in the interest of the public, as provided in G.S. 62-2. The
23 cost of regulating public utilities is a burden incident to the privilege of operating as a
24 public utility. Therefore, for the purpose of defraying the cost of regulating public
25 utilities, every public utility subject to the jurisdiction of the Commission shall pay a
26 quarterly regulatory fee, in addition to all other fees and taxes, as provided in this section.
27 The fees collected shall be used only to pay the expenses of the Commission and the
28 Public Staff in regulating public utilities in the interest of the public.

29 It is also the policy of the State to provide limited oversight of certain electric
30 membership corporations as provided in G.S. 62-53. Therefore, for the purpose of
31 defraying the cost of providing the oversight authorized by G.S. 62-53 and G.S. 117-18.1,
32 each fiscal year each electric membership corporation whose principal purpose is to
33 furnish or cause to be furnished bulk electric supplies at wholesale as provided in G.S.
34 117-16 shall pay an annual fee as provided in this section.

35 (b) Public Utility Rate. –

36 (1) ~~For the 1989-90 fiscal year, the regulatory fee shall be the greater of (i)~~
37 ~~twelve hundredths percent (0.12%) of each public utility's North~~
38 ~~Carolina jurisdictional revenues for each quarter or (ii) six dollars and~~
39 ~~twenty five cents (\$6.25) each quarter.~~

40 (2) ~~For fiscal years beginning on or after July 1, 1990, the~~ The public utility
41 regulatory fee for each fiscal year shall be the greater of (i) a percentage
42 rate, established by the General Assembly, of each public utility's North

1 Carolina jurisdictional revenues for each quarter or (ii) six dollars and
2 twenty-five cents (\$6.25) each quarter.

3 When the Commission prepares its budget request for the upcoming
4 fiscal year, the Commission shall propose a percentage rate of the public
5 utility regulatory fee. For fiscal years beginning in an odd-numbered
6 year, that proposed rate shall be included in the budget message the
7 Governor submits to the General Assembly pursuant to G.S. 143-11.
8 For fiscal years beginning in an even-numbered year, that proposed rate
9 shall be included in a special budget message the Governor shall submit
10 to the General Assembly. The General Assembly shall set the
11 percentage rate of the public utility regulatory fee by law.

12 The percentage rate may not exceed the amount necessary to
13 generate funds sufficient to defray the estimated cost of the operations
14 of the Commission and the Public Staff for the upcoming fiscal year,
15 including a reasonable margin for a reserve fund. The amount of the
16 reserve may not exceed the estimated cost of operating the Commission
17 and the Public Staff for the upcoming fiscal year. In calculating the
18 amount of the reserve, the General Assembly shall consider all relevant
19 factors that may affect the cost of operating the Commission or the
20 Public Staff or a possible unanticipated increase or decrease in North
21 Carolina jurisdictional revenues.

22 (3) If the Commission, the Public Staff, or both experience a revenue
23 shortfall, the Commission shall implement a temporary public utility
24 regulatory fee surcharge to avert the deficiency that would otherwise
25 occur. In no event may the total percentage rate of the public utility
26 regulatory fee plus any surcharge established by the Commission exceed
27 twenty-five hundredths percent (0.25%).

28 (4) As used in this section, the term 'North Carolina jurisdictional revenues'
29 means all revenues derived or realized from intrastate tariffs, rates, and
30 charges approved or allowed by the Commission or collected pursuant
31 to Commission order or rule, but not including tap-on fees or any other
32 form of contributions in aid of construction.

33 (b1) Electric Membership Corporation Rate. — ~~For the purpose of providing the~~
34 ~~oversight authorized by G.S. 62-53 and G.S. 117-18.1, beginning with the 1999-2000~~
35 ~~fiscal year the North Carolina Electric Membership Corporation shall pay an annual flat~~
36 ~~fee to the fund established in subsection (d) of this section. The amount of the annual~~
37 ~~electric membership corporation regulatory fee for each fiscal year shall be a dollar~~
38 ~~amount as established by the General Assembly by law.~~

39 When the Commission prepares its budget request for the upcoming fiscal year, the
40 Commission shall propose the amount of the electric membership corporation regulatory
41 fee. For fiscal years beginning in an odd-numbered year, the proposed amount shall be
42 included in the budget message the Governor submits to the General Assembly pursuant
43 to G.S. 143-11. For fiscal years beginning in an even-numbered year, the proposed

1 amount shall be included in a special budget message the Governor shall submit to the
2 General Assembly.

3 The amount of the electric membership corporation regulatory fee proposed by the
4 Commission may not exceed the amount necessary to defray the estimated cost of the
5 operations of the Commission and the Public Staff for the regulation of the electric
6 membership corporations in the upcoming fiscal year, including a reasonable margin for
7 a reserve fund. The amount of the reserve may not exceed the estimated cost of the
8 Commission and the Public Staff for the regulation of the electric membership
9 corporations for the upcoming fiscal year. ~~The fee will be assessed on a quarterly basis
10 and will be due and payable to the Commission on or before the 15th day of the second
11 month following the end of each quarter.~~

12 (c) When Due. – The electric membership corporation regulatory fee imposed
13 under this section shall be paid in quarterly installments. The fee is due and payable to
14 the Commission on or before the 15th day of the second month following the end of each
15 quarter.

16 The public utility regulatory fee imposed under this section, ~~except the fee imposed~~
17 ~~by subsection (b1) of this section, section~~ is due and payable to the Commission on or
18 before the 15th day of the second month following the end of each quarter. Every public
19 utility subject to the public utility regulatory fee shall, on or before the date the fee is due
20 for each quarter, prepare and render a report on a form prescribed by the Commission.
21 The report shall state the public utility's total North Carolina jurisdictional revenues for
22 the preceding quarter and shall be accompanied by any supporting documentation that the
23 Commission may by rule require. Receipts shall be reported on an accrual basis.

24 If a public utility's report for the first quarter of any fiscal year shows that application
25 of the percentage rate would yield a quarterly fee of twenty-five dollars (\$25.00) or less,
26 the public utility shall pay an estimated fee for the entire fiscal year in the amount of
27 twenty-five dollars (\$25.00). If, after payment of the estimated fee, the public utility's
28 subsequent returns show that application of the percentage rate would yield quarterly fees
29 that total more than twenty-five dollars (\$25.00) for the entire fiscal year, the public
30 utility shall pay the cumulative amount of the fee resulting from application of the
31 percentage rate, to the extent it exceeds the amount of fees, other than any surcharge,
32 previously paid.

33 (d) Use of Proceeds. – A special fund in the office of State Treasurer, the Utilities
34 Commission and Public Staff Fund, is created. The fees collected pursuant to this section
35 and all other funds received by the Commission or the Public Staff, except for the clear
36 proceeds of civil penalties collected pursuant to G.S. 62-50(d) and the clear proceeds of
37 funds forfeited pursuant to G.S. 62-310(a), shall be deposited in the Utilities Commission
38 and Public Staff Fund. The Fund shall be placed in an interest bearing account and any
39 interest or other income derived from the Fund shall be credited to the Fund. Moneys in
40 the Fund shall only be spent pursuant to appropriation by the General Assembly.

41 The Utilities Commission and Public Staff Fund shall be subject to the provisions of
42 the Executive Budget Act except that no unexpended surplus of the Fund shall revert to
43 the General Fund. All funds credited to the Utilities Commission and Public Staff Fund

1 shall be used only to pay the expenses of the Commission and the Public Staff in
2 regulating public utilities in the interest of the public as provided by this Chapter and in
3 regulating electric membership corporations as provided in G.S. 117-18.1.

4 The clear proceeds of civil penalties collected pursuant to G.S. 62-50(d) and the clear
5 proceeds of funds forfeited pursuant to G.S. 62-310(a) shall be remitted to the Civil
6 Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

7 Section 57. G.S. 66-273 reads as rewritten:

8 **"§ 66-273. Prerequisites for authentication.**

9 All of the following conditions must be met before a document can be authenticated:

- 10 (1) All seals and signatures must be originals.
- 11 (2) All dates must follow in chronological order on all certifications.
- 12 (3) All acknowledgments to be authenticated by the Secretary shall be in
13 English or accompanied by a certified or notarized English translation.
- 14 (4) Whenever a copy is used, it must include a statement that it is a true and
15 accurate copy.
- 16 (5) Whenever a document is to be authenticated by the United States
17 Department of State, it must comply with all applicable statutes, rules,
18 and regulations of that office."

19 Section 58. G.S. 66-291 reads as rewritten:

20 **"§ 66-291. Requirements.**

21 (a) Any tobacco product manufacturer selling cigarettes to consumers within the
22 State (whether directly or through a distributor, retailer, or similar intermediary or
23 intermediaries) after the effective date of this Article shall do one of the following:

- 24 (1) Become a participating manufacturer (as that term is defined in section
25 II(jj) of the Master Settlement Agreement) and generally perform its
26 financial obligations under the Master Settlement Agreement; or
- 27 (2) Place into a qualified escrow fund by April 15 of the year following the
28 year in question the following amounts (as such amounts are adjusted
29 for inflation):
 - 30 a. 1999: \$.0094241 per unit sold after the effective date of this
31 Article.
 - 32 b. 2000: \$.0104712 per unit sold.
 - 33 c. For each of 2001 and 2002: \$.0136125 per unit sold.
 - 34 d. For each of 2003 through 2006: \$.0167539 per unit sold.
 - 35 e. For each of 2007 and each year thereafter: \$.0188482 per unit
36 sold.

37 (b) A tobacco product manufacturer that places funds into escrow pursuant to
38 subdivision (2) of ~~section~~subsection (a) of this ~~subsection~~section shall receive the
39 interest or other appreciation on such funds as earned. Such funds themselves shall be
40 released from escrow only under the following circumstances:

- 41 (1) To pay a judgment or settlement on any released claim brought against
42 such tobacco product manufacturer by the State or any releasing party
43 located or residing in the State. Funds shall be released from escrow

1 under this subdivision (i) in the order in which they were placed into
2 escrow and (ii) only to the extent and at the time necessary to make
3 payments required under such judgment or settlement;

4 (2) To the extent that a tobacco product manufacturer establishes that the
5 amount it was required to place into escrow in a particular year was
6 greater than the State's allocable share of the total payments that such
7 manufacturer would have been required to make in that year under the
8 Master Settlement Agreement (as determined pursuant to section
9 IX(i)(2) of the Master Settlement Agreement, and before any of the
10 adjustments or offsets described in section IX(i)(3) of that Agreement
11 other than the Inflation Adjustment) had it been a participating
12 manufacturer, the excess shall be released from escrow and revert back
13 to such tobacco product manufacturer; or

14 (3) To the extent not released from escrow under subdivisions (1) or (2) of
15 this subsection, funds shall be released from escrow and revert back to
16 such tobacco product manufacturer 25 years after the date on which they
17 were placed into escrow.

18 (c) Each tobacco product manufacturer that elects to place funds into escrow
19 pursuant to this section shall annually certify to the Attorney General that it is in
20 compliance with this section. The Attorney General may bring a civil action on behalf of
21 the State against any tobacco product manufacturer that fails to place into escrow the
22 funds required under this section. Any tobacco product manufacturer that fails in any year
23 to place into escrow the funds required under this section shall:

24 (1) Be required within 15 days to place such funds into escrow as shall
25 bring it into compliance with this section. The court, upon a finding of a
26 violation ~~of this subsection, either of subdivision (2) of subsection (a) of~~
27 this section or of subsection (b) of this section, may impose a civil
28 penalty (the clear proceeds of which shall be paid to the Civil Penalty
29 and Forfeiture Fund in accordance with G.S. 115C-457.2) in an amount
30 not to exceed five percent (5%) of the amount improperly withheld from
31 escrow per day of the violation and in a total amount not to exceed one
32 hundred percent (100%) of the original amount improperly withheld
33 from escrow;

34 (2) In the case of a knowing violation, be required within 15 days to place
35 such funds into escrow as shall bring it into compliance with this
36 section. The court, upon a finding of a knowing violation either of
37 subdivision of subsection (a) of this ~~section, section or subsection (b) of~~
38 this section, may impose a civil penalty (the clear proceeds of which
39 shall be paid to the Civil Penalty and Forfeiture Fund in accordance
40 with G.S. 115C-457.2) in an amount not to exceed fifteen percent (15%)
41 of the amount improperly withheld from escrow per day of the violation
42 and in a total amount not to exceed three hundred percent (300%) of the
43 original amount improperly withheld from escrow; and

- 1 (3) In the case of a second knowing violation, be prohibited from selling
2 cigarettes to consumers within the State (whether directly or through a
3 distributor, retailer, or similar intermediary) for a period not to exceed
4 two years.

5 Each failure to make an annual deposit required under this section shall constitute a
6 separate violation."

7 Section 59.(a) G.S. 85B-3.2(a) reads as rewritten:

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

9 (1) Applicant – An applicant for initial licensure as an ~~auctioneer.~~
10 auctioneer, apprentice auctioneer, or auction firm.

11 (2) Criminal history – A State or federal history of conviction of a crime,
12 whether a misdemeanor or felony, that bears upon an applicant's fitness
13 to be licensed as an ~~auctioneer.~~ auctioneer, apprentice auctioneer, or
14 auction firm."

15 Section 59.(b) G.S. 85B-3.2(d) reads as rewritten:

16 "(d) If the applicant's verified criminal history record check reveals one or more
17 convictions of a crime that is punishable as a felony offense, or the conviction of any
18 crime involving fraud or moral turpitude, the Commission may deny the applicant's
19 license. However, the conviction shall not automatically prohibit licensure, and the
20 following factors shall be considered by the Commission in determining whether
21 licensure shall be denied:

22 (1) The level and seriousness of the crime.

23 (2) The date of the crime.

24 (3) The age of the person at the time of the crime.

25 (4) The circumstances surrounding the commission of the crime, if known.

26 (5) The nexus between the criminal conduct of the applicant and the
27 applicant's duties as an ~~auctioneer.~~ auctioneer, apprentice auctioneer, or
28 auction firm.

29 (6) The prison, jail, probation, parole, rehabilitation, and employment
30 records of the applicant since the date the crime was committed.

31 (7) The subsequent commission by the person of a crime."

32 Section 59.(c) The catch line for G.S. 114-19.8 reads as rewritten:

33 "**§ 114-19.8. Criminal record checks of applicants for ~~auctioneer~~ auctioneer,**
34 **apprentice auctioneer, or auction firm license.**"

35 Section 59.(d) This section becomes effective October 1, 2000, and applies to
36 applications for licensure for auctioneers, apprentice auctioneers, and auction firms filed
37 on or after that date.

38 Section 60. G.S. 90-178.3 reads as rewritten:"§ 90-178.3. Regulation of
39 midwifery.(a) No person shall practice or offer to practice or hold oneself out to practice
40 midwifery unless approved pursuant to this Article.

41 (b) A person approved pursuant to this Article may practice midwifery in a
42 hospital or non-hospital setting and shall practice under the supervision of a physician
43 licensed to practice medicine who is actively engaged in the practice of obstetrics. A

1 registered nurse approved pursuant to this Article is authorized to write prescriptions for
2 drugs in accordance with the same conditions applicable to a nurse practitioner under
3 G.S. 90-18.2(b).

4 (c) Graduate nurse midwife applicant status may be granted by the joint
5 subcommittee in accordance with G.S. 90-178.4."

6 Section 61. The catch line of G.S. 105-40 reads as rewritten:

7 "**§ 105-40. Amusements – Certain exhibitions, performances, and entertainments**
8 **exempt from license tax."**

9 Section 62. G.S. 105-116(d) reads as rewritten:

10 "(d) Distribution. – Part of the taxes imposed by this section on electric power
11 ~~companies, natural gas companies, and regional natural gas districts companies~~ is
12 distributed to cities under G.S. 105-116.1."

13 Section 63.(a) G.S. 105-129.17(b) reads as rewritten:

14 "(b) Cap. —~~A total~~ The credits allowed in this Article may not exceed fifty percent
15 (50%) of the tax against which they are claimed for the taxable year, reduced by the sum
16 of all other credits allowed against that tax, except tax payments made by or on behalf of
17 the taxpayer. This limitation applies to the cumulative amount of credit, including
18 carryforwards, claimed by the taxpayer under this Article against each tax for the taxable
19 year. Any unused portion of the credits may be carried forward for the succeeding five
20 years."

21 Section 63.(b) G.S. 105-129.18 reads as rewritten:

22 "**§ 105-129.18. Substantiation.**

23 To claim a ~~credits~~ credit allowed by this Article, the taxpayer must provide any
24 information required by the Secretary of Revenue. Every taxpayer claiming a credit under
25 this Article must maintain and make available for inspection by the Secretary of Revenue
26 any records the Secretary considers necessary to determine and verify the amount of the
27 credit to which the taxpayer is entitled. The burden of proving eligibility for a credit and
28 the amount of the credit rests upon the taxpayer, and no credit may be allowed to a
29 taxpayer that fails to maintain adequate records or to make them available for
30 inspection."

31 Section 63.(c) G.S. 105-129.19 reads as rewritten:

32 "**§ 105-129.19. Reports.**

33 The Department of Revenue shall report to the Legislative Research Commission and
34 to the Fiscal Research Division of the General Assembly by May 1 of each year the
35 following information for the 12-month period ending the preceding April 1:

- 36 (1) The number of taxpayers that claimed the credits allowed in this Article.
- 37 (2) The cost of business property and renewable energy property with
38 respect to which ~~business property~~ credits were claimed.
- 39 (2a) The location of each qualified North Carolina low-income building with
40 respect to which a low-income housing credit was claimed.
- 41 (3) The total cost to the General Fund of the credits claimed."

42 Section 64.(a) G.S. 105-130.15(a) reads as rewritten:

1 "(a) The net income of a corporation shall be computed in accordance with the
2 method of accounting ~~it regularly employed~~ employs in keeping ~~the books of such~~
3 ~~corporation, but such method of accounting must~~ its books. The method must be
4 consistent with respect to both income and ~~deductions, but if in any case such deductions.~~
5 If this method does not clearly reflect the income, the computation shall be made in
6 accordance with ~~such method as in the opinion of the Secretary of Revenue~~ a method
7 that, in the Secretary's opinion, does clearly reflect the income, but shall follow as nearly
8 as practicable the federal practice, unless contrary to the context and intent of this Part.

9 The Secretary may ~~in his discretion~~ adopt the rules and regulations and any guidelines
10 administered or established by the Internal Revenue Service unless contrary to any
11 provisions of this Part."

12 Section 64.(b) G.S. 105-130.17(a) reads as rewritten:

13 "(a) Returns must be filed as prescribed by the Secretary at the place prescribed by
14 the Secretary. Returns must be in the form prescribed by the Secretary. The Secretary
15 shall furnish forms in accordance with G.S. 105-254. shall be in such form as the
16 Secretary of Revenue may from time to time prescribe, and shall be filed with the
17 Secretary at his office, or at any branch office which he may establish. The Secretary
18 shall cause to be prepared blank forms for the said returns, and shall cause them to be
19 distributed throughout the State, and shall furnish them upon request; but failure to
20 receive or secure the form shall not relieve any corporation from the obligation of making
21 any return herein required."

22 Section 64.(c) G.S. 105-130.18 reads as rewritten:

23 "**§ 105-130.18. Failure to file returns; supplementary returns.**

24 If the Secretary ~~of Revenue shall be of the opinion that any~~ determines that a
25 corporation has failed to file a return or to include in a return filed, either intentionally or
26 through error, items of taxable ~~income he may require of such~~ income, the Secretary may
27 require from the corporation a return or supplementary return, under affirmation, ~~in such~~
28 ~~form as he shall prescribe,~~ of all the items of income ~~which that~~ the corporation received
29 during the year for which the return is made, whether or not taxable under this Part. If
30 from a supplementary return or otherwise the Secretary finds that any items of income,
31 taxable under this Part, have been omitted from the original return, ~~or that any~~ items
32 returned as taxable ~~that~~ are not taxable, or that any item of taxable income is overstated
33 or understated, ~~he may require any such item to be disclosed to him~~ the Secretary may
34 require that the item be disclosed under affirmation of the corporation, and ~~to be~~ added to
35 or deducted from the original return. ~~Such~~ The filing of a supplementary return and the
36 correction of the original return ~~shall~~ does not relieve the corporation from any of the
37 penalties ~~to which it may be liable under the provisions of~~ under G.S. 105-236. The
38 Secretary may proceed under the provisions of G.S. 105-241.1, whether or not the
39 Secretary ~~he~~ requires a return or a supplementary return under this section."

40 Section 65. G.S. 105-134.6(b) is amended by adding a new subdivision to
41 read:

1 "(b) Deductions. – The following deductions from taxable income shall be made in
2 calculating North Carolina taxable income, to the extent each item is included in taxable
3 income:

4 ...
5 (5b) The amount received during the taxable year from one or more State,
6 local, or federal government retirement plans to the extent the amount is
7 exempt from tax under this Part pursuant to a court order in settlement
8 of the following cases: Bailey v. State, 92 CVS 10221, 94 CVS 6904,
9 95 CVS 6625, 95 CVS 8230; Emory v. State, 98 CVS 0738; and Patton
10 v. State, 95 CVS 04346. Amounts deducted under this subdivision may
11 not also be deducted under subdivision (6) of this subsection."

12 Section 66. G.S. 105-163.44 is repealed.

13 Section 67.(a) G.S. 105-164.4(c) reads as rewritten:

14 "(c) Certificate of Registration. – Before a person may engage in business as a
15 ~~Before a person may engage in business as a~~ retailer or a wholesale merchant, the
16 person must obtain a certificate of registration from the Department. ~~To obtain a~~
17 ~~certificate of registration, a person must register with the Department.~~

18 ~~A certificate of registration is valid unless it is revoked for failure to comply with the~~
19 ~~provisions of this Article or becomes void. A certificate issued to a retailer who makes~~
20 ~~taxable sales becomes void if, for a period of 18 months, the retailer files no returns or~~
21 ~~files returns showing no sales. Department in accordance with G.S. 105-164.29."~~

22 Section 67.(b) G.S. 105-164.29 reads as rewritten:

23 "**§ 105-164.29. Application for ~~licenses~~ certificate of registration by wholesale**
24 **merchants and retailers.**

25 (a) Application. — ~~Every application for a license by a wholesale merchant or~~
26 ~~retailer shall be made upon a form prescribed by the Secretary and shall set forth all~~
27 ~~information the Secretary may require. To obtain a certificate of registration, a person~~
28 must register with the Department. A wholesale merchant or retailer who has more than
29 one business is required to obtain only one certificate of registration to cover all
30 operations of the business throughout the State. An application for registration must ~~The~~
31 ~~application shall~~ be signed as follows:

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

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

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

40 ~~A wholesale merchant or retailer whose business extends into more than one county is~~
41 ~~required to secure only one license to cover all operations of the business throughout the~~
42 ~~State.~~

1 (b) Issuance. —~~When the required application has been made the Secretary shall~~
2 ~~issue a license to the applicant. A license~~ A certificate of registration is not assignable
3 and is valid only for the person in whose name it is issued ~~and for the transaction of~~
4 ~~business at the place designated in the license. The license holder shall display the license~~
5 ~~eonspiciuously at all times at the place for which it was issued.~~ issued. A copy of the
6 certificate of registration must be displayed at each place of business.

7 (c) Reissuance. —Term. —A certificate of registration is valid unless it is revoked
8 for failure to comply with the provisions of this Article or becomes void. A certificate
9 issued to a retailer who makes taxable sales becomes void if, for a period of 18 months,
10 the retailer files no returns or files returns showing no sales. A person whose license has
11 been previously suspended or revoked shall pay the Secretary fifteen dollars (\$15.00) for
12 the reissuance of the license. A wholesale merchant whose annual license has been
13 previously suspended or revoked shall pay the Secretary twenty five dollars (\$25.00) for
14 the reissuance of the license for the remainder of the license year.

15 (d) Revocation. — Whenever a license holder ~~wholesale merchant or retailer~~ fails to
16 comply with this Article or violates G.S. 14-401.18, the Secretary, upon hearing, after
17 giving ~~the license holder~~ 10 days' notice in writing, specifying the time and place of
18 hearing and requiring the ~~license holder~~ wholesale merchant or retailer to show cause
19 why the ~~license~~ certificate of registration should not be revoked, may revoke or suspend
20 the ~~license~~ certificate of registration. The notice may be served personally or by
21 registered mail directed to the last known address of the ~~license holder~~ wholesale
22 merchant or retailer. All provisions with respect to review and appeals of the Secretary's
23 decisions as provided by G.S. 105-241.2, 105-241.3, and 105-241.4 apply to this section.

24 ~~Any wholesale merchant or retailer who engages in business as a seller in this State~~
25 ~~without a license or after the license has been suspended or revoked, and each officer of~~
26 ~~any corporation that so engages in business shall be guilty of a Class 3 misdemeanor and~~
27 ~~only subject to a fine of up to five hundred dollars (\$500.00) for each offense."~~

28 Section 67.(c) G.S. 105-164.38 reads as rewritten:

29 "**§ 105-164.38. Tax shall be is a lien.**

30 (a) The tax imposed by this Article ~~shall be is~~ a lien upon all personal property of
31 any person who is required by this Article to obtain a ~~license~~ certificate of registration to
32 engage in business and who stops engaging in the business by transferring the business,
33 transferring the stock of goods of the business, or going out of business. A person who
34 stops engaging in business ~~shall~~ must file the return required by this Article within 30
35 days after transferring the business, transferring the stock of goods of the business, or
36 going out of business.

37 (b) Any person to whom the business or the stock of goods was transferred ~~shall~~
38 must withhold from the consideration paid for the business or stock of goods an amount
39 sufficient to cover the taxes due until the person selling the business or stock of goods
40 produces a statement from the Secretary showing that the taxes have been paid or that no
41 taxes are due. If the person who buys a business or stock of goods fails to withhold an
42 amount sufficient to cover the taxes and the taxes remain unpaid after the 30-day period

1 allowed, the buyer is personally liable for the unpaid taxes to the extent of the greater of
2 the following:

3 (1) The consideration paid by the buyer for the business or the stock of
4 goods.

5 (2) The fair market value of the business or the stock of goods.

6 (c) The period of limitations for assessing liability against the buyer of a business
7 or the stock of goods of a business and for enforcing the lien against the property ~~shall~~
8 ~~expire~~ expires one year after the end of the period of limitations for assessment against
9 the person who sold the business or the stock of goods. Except as otherwise provided in
10 this section, a person who buys a business or the stock of goods of a business and that
11 person's liability for unpaid taxes are subject to the provisions of G.S. 105-241.1, 105-
12 241.2, 105-241.3, and 105-241.4 and to other remedies for the collection of taxes to the
13 same extent as if the person had incurred the original tax liability."

14 Section 68. G.S. 105-187.6(b) reads as rewritten:

15 "(b) Partial Exemptions. – A maximum tax of forty dollars (\$40.00) applies when a
16 certificate of title is issued as the result of a transfer of a motor vehicle:

17 (1) To a secured party who has a perfected security interest in the motor
18 vehicle.

19 (2) To a partnership, limited liability company, or corporation as an
20 incident to the formation of the partnership, limited liability company,
21 or corporation, and no gain or loss arises on the transfer of the motor
22 vehicle under section 351 or section 721 of the ~~Internal Revenue Code~~
23 ~~as defined in G.S. 105-228.90, Code,~~ or to a partnership, limited
24 liability company, or corporation by merger, conversion, or
25 consolidation in accordance with applicable law."

26 Section 69. G.S. 105-228.90(b) is amended by adding a new subdivision to
27 read:

28 "(2) Department. – The Department of Revenue."

29 Section 70. G.S. 105-236(10) reads as rewritten:

30 "(10) Failure to File Informational Returns. –

31 a. Repealed by Session Laws 1998-212, s. 29A.14(m).

32 b. The Secretary may request a person who fails to file timely
33 statements of payment to another person with respect to wages,
34 dividends, rents, or interest paid to that person to file the
35 statements by a certain date. If the payer fails to file the
36 statements by that date, the amounts claimed on the payer's
37 income tax return as deductions for salaries and wages, or rents
38 or interest shall be disallowed to the extent that the payer failed
39 to comply with the Secretary's request with respect to the
40 statements.

41 c. For failure to file an informational return required by Article 36C
42 or 36D of this Chapter by the date the return is due, there shall be
43 assessed a penalty of fifty dollars (\$50.00)."

1 Section 71. G.S. 105-275(40) reads as rewritten:

2 "(40) Computer software and any documentation related to the computer
3 software. As used in this subdivision, the term "computer
4 software" means any program or routine used to cause a computer to
5 perform a specific task or set of tasks. The term includes system and
6 application programs and database storage and management programs.

7 The exclusion established by this subdivision does not apply to computer
8 software and its related documentation if the computer software meets
9 one or more of the following descriptions:

- 10 a. It is embedded software. "Embedded software" means computer
11 instructions, known as microcode, that reside permanently in the
12 internal memory of a computer system or other equipment and
13 are not intended to be removed without terminating the operation
14 of the computer system or equipment and removing a computer
15 chip, a circuit, or another mechanical device.
- 16 b. It is purchased or licensed from a person who is unrelated to the
17 taxpayer and it is capitalized on the books of the taxpayer in
18 accordance with generally accepted accounting principles,
19 including financial accounting standards issued by the Financial
20 Accounting Standards Board. A person is unrelated to a taxpayer
21 if (i) the taxpayer and the person are not subject to any common
22 ownership, either directly or indirectly, and (ii) neither the
23 taxpayer nor the person has any ownership interest, either
24 directly or indirectly, in the other.

25 ~~This~~

26 This subdivision does not affect the value or taxable status of
27 any property that is otherwise subject to taxation under this
28 Subchapter.

29 The provisions of the exclusion established by this subdivision are not
30 severable. If any provision of this subdivision or its application is
31 held invalid, the entire subdivision is repealed."

32 Section 72.(a) G.S. 105-275(41), as amended by Section 1 of S.L. 2000-2, reads as
33 rewritten:

34 "~~(41)~~ (42) A vehicle that is offered at retail for short-term lease or
35 rental and is owned or leased by an entity engaged in the
36 business of leasing or renting vehicles to the general
37 public for short-term lease or rental. For the purposes of
38 this subdivision, the term 'short-term lease or rental' shall
39 have the same meaning as in ~~G.S. 105-187.1~~. G.S. 105-
40 187.1, and the term 'vehicle' shall have the same meaning
41 as in G.S. 153A-156(e) and G.S. 160A-215.1(e). A gross
42 receipts tax as set forth by G.S. 153A-156 and G.S. 160A-

215.1 is substituted for and replaces the ad valorem tax previously levied on these vehicles."

Section 72.(b) G.S. 105-282.1(a) reads as rewritten:

"(a) Every owner of property claiming exemption or exclusion from property taxes under the provisions of this Subchapter has the burden of establishing that the property is entitled thereto. Except as provided below, an owner claiming exemption or exclusion shall annually file an application for exemption or exclusion during the listing period. If the property for which the exemption or exclusion is claimed is appraised by the Department of Revenue, the application shall be filed with the Department. Otherwise, the application shall be filed with the assessor of the county in which the property is situated. An application must contain a complete and accurate statement of the facts that entitle the property to the exemption or exclusion and must indicate the municipality, if any, in which the property is located. Each application filed with the Department of Revenue or an assessor shall be submitted on a form approved by the Department. Application forms shall be made available by the assessor and the Department, as appropriate.

- (1) The United States government, the State of North Carolina and the counties and municipalities of the State are exempted from the requirement that owners file applications for exemption.
- (2) Owners of the special classes of property excluded from taxation under G.S. 105-275(5), (15), (16), (26), (31), (32a), (33), (34), ~~or (40)~~, or (42) or exempted under G.S. 105-278.2 are not required to file applications for the exclusion or exemption of that property.
- (3) After an owner of property entitled to exemption under G.S. 105-278.3, 105-278.4, 105-278.5, 105-278.6, 105-278.7, or 105-278.8 or exclusion under G.S. 105-275(3), (7), (8), (12), (17) through (19), (21) or (39), G.S. 105-277.1, or G.S. 105-278 has applied for exemption or exclusion and the exemption or exclusion has been approved, the owner is not required to file an application in subsequent years except in the following circumstances:
 - a. New or additional property is acquired or improvements are added or removed, necessitating a change in the valuation of the property; or
 - b. There is a change in the use of the property or the qualifications or eligibility of the taxpayer necessitating a review of the exemption or exclusion.
- (4) After an owner of property entitled to exclusion under G.S. 105-277.10 has applied for the exclusion and the exclusion has been approved, the owner is not required to apply for the exclusion in subsequent years so long as the classified property, including classified property acquired after the application is approved, is used or held for use directly in manufacturing or processing as part of industrial machinery.

- 1 (5) Upon a showing of good cause by the applicant for failure to make a
2 timely application, an application for exemption or exclusion filed after
3 the close of the listing period may be approved by the Department of
4 Revenue, the board of equalization and review, the board of county
5 commissioners, or the governing body of a municipality, as appropriate.
6 An untimely application for exemption or exclusion approved under this
7 subdivision applies only to property taxes levied by the county or
8 municipality in the calendar year in which the untimely application is
9 filed."

10 Section 73. Effective January 1, 2001, G.S. 105-369(b1) reads as rewritten:

11 "(b1) Notice to Owner. – After the governing body orders the tax collector to
12 advertise the tax liens, the tax collector must send a notice to the listing owner and to the
13 record owner of each affected parcel of property, as determined as of December 31 of the
14 fiscal year for which the taxes are due. The notice must be sent to each owner's last
15 known address by first-class mail at least 30 days before the date the advertisement is to
16 be published. The notice must state the principal amount of unpaid taxes that are a lien on
17 the parcel to be advertised and inform the owner that the names of the listing owner and
18 the record owner ~~listing owner that his or her name~~ will appear in a newspaper
19 advertisement of delinquent taxes if the taxes are not paid before the publication date.
20 Failure to mail the notice required by this section to the correct listing owner or record
21 owner does not affect the validity of the tax lien or of any foreclosure action."

22 Section 74. G.S. 105-449.37(a)(1a) reads as rewritten:

23 "(1a) Motor vehicle. – A motor vehicle as defined in G.S. ~~105-~~
24 ~~164.3(8e),~~ 105-164.3 other than special mobile equipment as
25 defined in G.S. ~~105-164.3(16b),~~ 105-164.3."

26 Section 75.(a) G.S. 105-330.1(b) reads as rewritten:

27 "(b) Exceptions. – The following motor vehicles are not classified under subsection
28 (a) of this section:

- 29 (1) Motor vehicles exempt from registration pursuant to G.S. 20-51.
30 (2) Manufactured homes, mobile classrooms, and mobile offices.
31 (3) Semitrailers or trailers registered on a multiyear basis.
32 (4) Motor vehicles owned or leased by a public service company and
33 appraised under G.S. 105-335.
34 (5) ~~"U-drive-it" passenger vehicles registered under G.S. 20-87(2)."~~

35 Section 75.(b) G.S. 153A-156, as enacted by Section 2 of S.L. 2000-2, reads as
36 rewritten:

37 "**§ 153A-156. Gross receipts tax on short-term leases or rentals.**

38 (a) As a substitute for and in replacement of the ad valorem tax, which is excluded
39 by G.S. ~~105-275(41),~~ 105-275(42), a county may levy a gross receipts tax on the gross
40 receipts from the short-term lease or rental of vehicles at retail to the general public. The
41 tax rate shall not exceed one and one-half percent (1.5%) of the gross receipts from such
42 short-term leases or rentals.

1 (b) If a county enacts the substitute and replacement gross receipts tax pursuant to
2 this section, any entity required to collect the tax shall include a provision in each retail
3 short-term lease or rental agreement noting that the percentage amount enacted by the
4 county of the total lease or rental price, excluding ~~sales~~-highway use tax, is being charged
5 as a tax on gross receipts. For purposes of this section, the transaction giving rise to the
6 tax shall be deemed to have occurred at the location of the entity from which the
7 customer takes delivery of the vehicle. The tax shall be collected at the time of lease or
8 rental and placed in a segregated account until remitted to the county.

9 (c) The collection and use of taxes under this section are not subject to ~~sales~~
10 highway use tax and are not included in the gross receipts of the entity. The proceeds
11 collected under this section belong to the county and are not subject to creditor liens
12 against the entity.

13 (d) A tax levied under this section shall be collected by the county but otherwise
14 administered in the same manner as the tax levied under G.S. 105-164.4(a)(2).

15 (e) The following definitions apply in this section:

16 (1) Vehicle. – Any of the following:

- 17 a. A motor vehicle of the ~~private~~-passenger type, including a
18 passenger van, minivan, or sport utility vehicle.
19 b. A motor vehicle of the cargo type, including cargo van, pickup
20 truck, or truck with a gross vehicle weight of 26,000 pounds or
21 less used predominantly in the transportation of property for
22 other than commercial freight and that does not require the
23 operator to possess a commercial drivers license.
24 c. A trailer or semitrailer with a gross vehicle weight of 6,000
25 pounds or less.

26 (2) Short-term lease or rental. – Defined in G.S. 105-187.1(4).

27 (f) The penalties and remedies that apply to local sales and use taxes levied under
28 Subchapter VIII of ~~this~~-Chapter 105 of the General Statutes apply to a tax levied under
29 this section. The county board of commissioners may exercise any power the Secretary
30 of Revenue may exercise in collecting local sales and use taxes."

31 Section 75.(c) G.S. 160A-215.1, as enacted by Section 3 of S.L. 2000-2, reads as
32 rewritten:

33 "**§ 160A-215.1. Gross receipts tax on short-term leases or rentals.**

34 (a) As a substitute for and in replacement of the ad valorem tax, which is excluded
35 by G.S. ~~105-275(41), 105-275(42)~~, a city may levy a gross receipts tax on the gross
36 receipts from the short-term lease or rental of vehicles at retail to the general public. The
37 tax rate shall not exceed one and one-half percent (1.5%) of the gross receipts from such
38 short-term leases or rentals. This tax on gross receipts is in addition to the privilege taxes
39 authorized by G.S. 160A-211.

40 (b) If a city enacts the substitute and replacement gross receipts tax pursuant to
41 this section, any entity required to collect the tax shall include a provision in each retail
42 short-term lease or rental agreement noting that the percentage amount enacted by the
43 city of the total lease or rental price, excluding ~~sales~~-highway use tax, is being charged as

1 a tax on gross receipts. For purposes of this section, the transaction giving rise to the tax
2 shall be deemed to have occurred at the location of the entity from which the customer
3 takes delivery of the vehicle. The tax shall be collected at the time of lease or rental and
4 placed in a segregated account until remitted to the city.

5 (c) The collection and use of taxes under this section are not subject to sales
6 highway use tax and are not included in the gross receipts of the entity. The proceeds
7 collected under this section belong to the city and are not subject to creditor liens against
8 the entity.

9 (d) A tax levied under this section shall be collected by the city but otherwise
10 administered in the same manner as the tax levied under G.S. 105-164.4(a)(2).

11 (e) The following definitions apply in this section:

12 (1) Vehicle. – Any of the following:

- 13 a. A motor vehicle of the ~~private~~-passenger type, including a
14 passenger van, minivan, or sport utility vehicle.
15 b. A motor vehicle of the cargo type, including cargo van, pickup
16 truck, or truck with a gross vehicle weight of 26,000 pounds or
17 less used predominantly in the transportation of property for
18 other than commercial freight and that does not require the
19 operator to possess a commercial drivers license.
20 c. A trailer or semitrailer with a gross vehicle weight of 6,000
21 pounds or less.

22 (2) Short-term lease or rental. – Defined in G.S. 105-187.1.

23 (f) The penalties and remedies that apply to local sales and use taxes levied under
24 Subchapter VIII of ~~this~~ Chapter 105 of the General Statutes apply to a tax levied under
25 this section. The governing body of the city may exercise any power the Secretary of
26 Revenue may exercise in collecting local sales and use taxes."

27 Section 75.(d) This section becomes effective July 1, 2000.

28 Section 76.(a) G.S. 113B-6 reads as rewritten:

29 **"§ 113B-6. General duties and responsibilities.**

30 The Energy Policy Council shall have the following general duties and
31 responsibilities:

- 32 (1) To develop and recommend to the Governor a comprehensive long-
33 range State energy policy to achieve maximum effective management
34 and use of present and future sources of energy, such policy to include
35 but not be limited to an energy ~~conservation plan~~, efficiency program,
36 an energy management plan, an emergency energy program, and an
37 energy research and development program;
38 (2) To conduct an ongoing assessment of the opportunities and constraints
39 presented by various uses of all forms of energy and to encourage the
40 efficient use of all such energy forms in a manner consistent with State
41 energy policy;
42 (3) To continually review and coordinate all State government research,
43 education and management programs relating to energy matters and to

1 continually educate and inform the general public regarding such energy
2 matters;

3 (4) To recommend to the Governor and to the General Assembly needed
4 energy legislation and to recommend for implementation such
5 modifications of energy policy, plans and programs as the Council
6 considers necessary and desirable."

7 Section 76.(b) G.S. 113B-7 reads as rewritten:

8 **"§ 113B-7. Energy Conservation Plan; Efficiency Program; components.**

9 (a) The Energy Policy Council shall prepare a recommended Energy Conservation
10 ~~Plan-Efficiency Program~~ for transmittal to the Governor, the initial plan to be completed
11 by January 30, 1976.

12 (b) The Energy ~~Conservation Plan-Efficiency Program~~ shall be designed to assure
13 the public health and safety of the people of North Carolina and to encourage and
14 promote conservation of energy through reducing wasteful, inefficient or uneconomical
15 uses of energy resources.

16 (c) The Energy ~~Conservation Plan-Efficiency Program~~ shall include but not be
17 limited to the following recommendations:

18 (1) Recommendations to the Building Code Council for lighting, insulation,
19 climate control systems and other building design and construction
20 standards which increase the efficient use of energy and are
21 economically feasible to implement;

22 (2) Recommendations to the Building Code Council for per unit energy
23 requirement allotments based upon square footage for various classes of
24 buildings which would reduce energy consumption, yet are both
25 technically and economically feasible and not injurious to public health
26 and safety;

27 (3) Recommendations for minimum levels of operating efficiency for all
28 appliances whose use requires a significant amount of energy based
29 upon both technical and economic feasibility considerations;

30 (4) Recommendations for State government purchases of supplies, vehicles
31 and equipment and such operating practices as will make possible more
32 efficient use of energy;

33 (5) Recommendations on energy conservation policies, programs and
34 procedures for local units of government;

35 (6) Any other recommendations which the Energy Policy Council considers
36 to be a significant part of a statewide conservation effort and which
37 include provisions for sufficient incentives to further energy
38 conservation;

39 (7) An economic and environmental impact analysis of the recommended
40 ~~plan-program~~.

41 (d) In addition to specific conservation recommendations, the Energy
42 ~~Conservation Plan-Efficiency Program~~ shall contain proposals for implementation of such
43 recommendations as can be carried out by executive order. Upon completion of a draft

1 recommended ~~plan, program,~~ the Council shall arrange for its distribution to interested
2 parties and shall make ~~such plan the program~~ available to the public and the Council
3 further shall set a date for public hearing on said ~~plan, program.~~

4 (e) Upon completion of the Energy ~~Conservation Plan, Efficiency Program,~~ the
5 Council shall transmit said ~~plan, program,~~ to be known as the State Energy ~~Conservation~~
6 ~~Plan, Efficiency Program,~~ to the Governor for approval or disapproval. Upon approval,
7 the Governor shall assign administrative responsibility for such implementation as can be
8 carried out by executive order to appropriate agencies of State government, and submit to
9 the General Assembly such proposals which require legislative action for
10 implementation. The Governor shall have the authority to accept, administer, and enforce
11 federal programs, program measures and permissive delegations of authority delegated to
12 the Governor by the President of the United States, Congress, or the United States
13 Department of Energy, on behalf of the State of North Carolina, which pertain to the
14 conservation of energy resources.

15 (f) The Governor shall transmit the approved Energy ~~Conservation Plan~~
16 ~~Efficiency Program~~ to the President of the Senate, to the Speaker of the House of
17 Representatives, to the heads of all State agencies and shall further seek to publicize such
18 plan and make it available to all units of local government and to the public at large.

19 (g) At least every two years and whenever such changes take place as would
20 significantly affect energy supply or demand in North Carolina, the Energy Policy
21 Council shall review and, if necessary, revise the Energy ~~Conservation Plan, Efficiency~~
22 ~~Program,~~ transmitting such revised plan to the Governor pursuant to the procedures
23 contained in subsections (e) and (f) of this section."

24 Section 77. G.S. 115C-47(18), as amended by Section 8.18(b) of S.L. 2000-
25 67, reads as rewritten:

26 "(18) To Make Rules Concerning the Conduct and Duties of Personnel.
27 – Local boards of education, upon the recommendation of the
28 superintendent, shall have full power to make all just and needful
29 rules and regulations governing the conduct of teachers,
30 principals, and supervisors, the kind of reports they shall make,
31 and their duties in the care of school property.

32 Prior to the beginning of each school year, each local board of
33 education shall identify all reports, including local school
34 required reports, that are required at the local level for the school
35 year and shall, to the maximum extent possible, eliminate any
36 duplicate or obsolete reporting requirements. No additional
37 reports shall be required at the local level after the beginning of
38 the school year without the prior approval of the local board of
39 education.

40 Each local board of education shall appoint a person or
41 establish a paperwork control committee to monitor all reports
42 and other paperwork ~~produced by or required~~ of teachers by the
43 central office."

1 Section 78. Part 3 of Article 2 of Chapter 143B of the General Statutes is
2 repealed.

3 Section 79.(a) G.S. 143B-434.1 reads as rewritten:

4 **"§ 143B-434.1. The North Carolina Travel and Tourism Board – creation, duties,
5 membership.**

6 (a) There is created within the Department of Commerce the North Carolina
7 Travel and Tourism Board. The Secretary of Commerce and the Director of the Division
8 of ~~Travel and Tourism~~ Tourism, Film, and Sports Development will work with the Board
9 to fulfill the duties and requirements set forth in this section, and to promote the sound
10 development of the travel and tourism industry in North Carolina.

11 (b) The function and duties of the Board shall be:

12 (1) To advise the Secretary of Commerce in the formulation of policy and
13 priorities for the promotion and development of travel and tourism in
14 the State.

15 (2) To advise the Secretary of Commerce in the development of a budget
16 for the Division of ~~Travel and Tourism~~ Tourism, Film, and Sports
17 Development.

18 (3) To recommend programs to the Secretary of Commerce that will
19 promote the State as a travel and tourism destination and that will
20 develop travel and tourism opportunities throughout the State.

21 (4) To advise the Secretary of Commerce every three months as to the
22 effectiveness of agencies with which the Department has contracted for
23 advertising and regarding the selection of an advertising agency that
24 will assist the Department in the promotion of the State as a travel and
25 tourism destination.

26 (5) To name a three-member subcommittee, with one member from each of
27 the eastern, central, and western regions of the State, to make
28 recommendations to the Secretary of Commerce regarding any revisions
29 in the matching funds tourism grants program, project applications, and
30 criteria for projects that qualify for participation in the program.

31 (6) To advise the Secretary of Commerce from time to time as to the
32 effectiveness of the overall operations of the Division of ~~Travel and
33 Tourism~~ Tourism, Film, and Sports Development.

34 (7) To promote the exchange of ideas and information on travel and tourism
35 between State and local governmental agencies, and private
36 organizations and individuals.

37 (8) To advise the Secretary of Commerce upon any matter that the
38 Secretary, Governor, or Director of the Division of ~~Travel and Tourism~~
39 Tourism, Film, and Sports Development may refer to it.

40 (c) The Board shall consist of 27 members as follows:

41 (1) The Secretary of Commerce, who shall not be a voting member.

42 (2) The Director of the Division of ~~Travel and Tourism~~ Tourism, Film, and
43 Sports Development, who shall not be a voting member.

- 1 (3) Two members designated by the Board of Directors of the North
2 Carolina Hotel and Motel Association.
- 3 (4) Two members designated by the Board of Directors of the North
4 Carolina Restaurant Association.
- 5 (5) Three Directors of Convention and Visitor Bureaus designated by the
6 Board of Directors of the North Carolina Association of Convention and
7 Visitor Bureaus.
- 8 (6) The Chairperson of the Travel and Tourism Coalition.
- 9 (7) The President of the Travel Council of North Carolina.
- 10 (8) A member designated by the Board of Directors of the Travel Council
11 of North Carolina.
- 12 (9) The President of North Carolina Citizens for Business and Industry.
- 13 (10) One member designated by the North Carolina Petroleum Marketers
14 Association.
- 15 (11) One person associated with tourism attractions in North Carolina,
16 appointed by the Speaker of the House of Representatives. One person
17 who is not a member of the General Assembly, appointed by the
18 Speaker of the House of Representatives.
- 19 (12) One person associated with the tourism-related transportation industry,
20 appointed by the President Pro Tempore of the Senate. One person who
21 is not a member of the General Assembly, appointed by the President
22 Pro Tempore of the Senate.
- 23 (13) Four public members each interested in matters relating to travel and
24 tourism, two appointed by the Governor (one from a rural area and one
25 from an urban area), one appointed by the Speaker of the House, and
26 one appointed by the President Pro Tempore of the Senate.
- 27 (14) One member associated with the major cultural resources and activities
28 of the State in North Carolina, appointed by the Governor.
- 29 (15) Two members of the House of Representatives, appointed by the
30 Speaker of the House of Representatives.
- 31 (16) Two members of the Senate, appointed by the President Pro Tempore of
32 the Senate.

33 (d) The members of the Board shall serve the following terms: the Secretary of
34 Commerce, the Director of the Division of ~~Travel and Tourism~~, Tourism, Film, and
35 Sports Development, the Chairperson of the Travel and Tourism Coalition, the President
36 of the Travel Council of North Carolina, and the President of North Carolina Citizens for
37 Business and Industry shall serve on the Board while they hold their respective offices.
38 Each member of the Board appointed by the Governor shall serve during his or her term
39 of office. The members of the Board appointed by the General Assembly shall serve two-
40 year terms beginning on January 1 of odd-numbered years and ending on December 31 of
41 the following year. The first such term shall begin on January 1, 1991, or as soon
42 thereafter as the member is appointed to the Board, and end on December 31, 1992. All
43 other members of the Board shall serve a term which consists of the portion of calendar

1 year 1991 that remains following their appointment or designation and, thereafter, two-
2 year terms which shall begin on January 1 of an even-numbered year and end on
3 December 31 of the following year. The first such two-year term shall begin on January
4 1, 1992, and end on December 31, 1994.

5 (e) No member of the Board, except a member serving by virtue of his or her
6 office, shall serve during more than five consecutive calendar years, except that a
7 member shall continue to serve until his or her successor is appointed.

8 (f) Appointments to fill vacancies in the membership of the Board that occur due
9 to resignation, dismissal, death, or disability of a member shall be for the balance of the
10 unexpired term and shall be made by the same appointing authority that made the initial
11 appointment.

12 (g) Board members who are employees of the State shall receive travel allowances
13 at the rate set forth in G.S. 138-6. Board members who are legislators shall be reimbursed
14 for travel and subsistence in accordance with G.S. 120-3.1. All other Board members,
15 except those serving pursuant to subdivisions (3) through (10) of subsection (c) of this
16 section, shall receive per diem, subsistence, and travel expenses at the rate set forth in
17 G.S. 138-5. Board members serving pursuant to subdivisions (3) through (10) of
18 subsection (c) of this section shall not receive per diem, subsistence, or travel expenses.
19 The expenses set forth in this section shall be paid by the Division of ~~Travel and Tourism~~
20 Tourism, Film, and Sports Development of the Department of Commerce.

21 (h) At its first meeting in 1991, the Board shall elect one of its voting members to
22 serve as Chairperson during calendar year 1991. At its last regularly scheduled meeting in
23 1991, and at its last regularly scheduled meeting in each year thereafter, the Board shall
24 elect one of its voting members to serve as Chairperson for the coming calendar year. No
25 person shall serve as Chairperson during more than three consecutive calendar years. The
26 Chairperson shall continue to serve until his or her successor is elected.

27 (i) A majority of the current voting membership shall constitute a quorum.

28 (j) The Secretary of Commerce shall provide clerical and other services as
29 required by the Board."

30 Section 79.(b) G.S. 143B-434.2(d) reads as rewritten:

31 "(d) The Department of Commerce, and the Division of ~~Travel and Tourism~~
32 Tourism, Film, and Sports Development within that Department, shall implement the
33 policies set forth in this section. The Division of ~~Travel and Tourism~~ Tourism, Film, and
34 Sports Development shall make an annual report to the General Assembly regarding the
35 status of the travel and tourism industry in North Carolina; the report shall be submitted
36 to the General Assembly by January 15 of each year beginning January 15, 1992. The
37 duties and responsibilities of the Department of Commerce through the Division of
38 ~~Travel and Tourism~~ Tourism, Film, and Sports Development shall be to:

39 (1) Organize and coordinate programs designed to promote tourism within
40 the State and to the State from other states and foreign countries.

41 (2) Measure and forecast tourist volume, receipts, and impact, both social
42 and economic.

43 (3) Develop a comprehensive plan to promote tourism to the State.

- 1 (4) Encourage the development of the State's tourism infrastructure,
2 facilities, services, and attractions.
- 3 (5) Cooperate with neighboring states and the federal government to
4 promote tourism to the State from other countries.
- 5 (6) Develop opportunities for professional education and training in the
6 tourism industry.
- 7 (7) Provide advice and technical assistance to local public and private
8 tourism organizations in promoting tourism to the State.
- 9 (8) Encourage cooperation between State agencies and private individuals
10 and organizations to advance the State's tourist interests and seek the
11 views of these agencies and the private sector in the development of
12 State tourism programs and policies.
- 13 (9) Give leadership to all concerned with tourism in the State.
- 14 (10) Perform other functions necessary to the orderly growth and
15 development of tourism.
- 16 (11) Develop informational materials for visitors which, among other things,
17 shall:
 - 18 a. Describe the State's travel and tourism resources and the State's
19 history, economy, political institutions, cultural resources,
20 outdoor recreational facilities, and principal festivals.
 - 21 b. Urge visitors to protect endangered species, natural resources,
22 archaeological artifacts, and cultural treasures.
 - 23 c. Instill the ethic of stewardship of the State's natural resources.
- 24 (12) Foster an understanding among State residents and civil servants of the
25 economic importance of hospitality and tourism to the State.
- 26 (13) Work with local businesses, including banks and hotels, with
27 educational institutions, and with the United States Travel and Tourism
28 Administration, to provide special services for international visitors,
29 such as currency exchange facilities.
- 30 (14) Encourage the reduction of architectural and other barriers which
31 impede travel by physically handicapped persons."

32 Section 79.(c) The Revisor of Statutes shall change the term "Division of
33 Travel and Tourism"to "Division of Tourism, Film, and Sports Development"wherever it
34 appears in the General Statutes.

35 Section 80. G.S. 159-13(b)(6) reads as rewritten:

- 36 "(6) The estimated percentage of collection of property taxes shall not be
37 greater than the percentage of the levy actually realized in cash as of
38 June 30 during the preceding fiscal year. For purposes of the calculation
39 under this subdivision only, the levy for the registered motor vehicle tax
40 under Article ~~22C-22A~~ of Chapter 105 of the General Statutes shall be
41 based on the nine-month period ending March 31 of the preceding fiscal
42 year, and the collections realized in cash with respect to this levy shall

1 be based on the ~~twelve month~~ 12-month period ending June 30 of the
2 preceding fiscal year."

3 Section 81. G.S. 163-132.1(d) reads as rewritten:

4 "(d) Freezing of Precincts. –

5 (1) Notwithstanding the provisions of G.S. 163-132.3, after the Executive
6 Secretary-Director approves the precincts in accordance with subsection
7 (c) of this section and before January 2, 2002, no county board of
8 elections may establish, alter, discontinue, or create any precinct except
9 by division of one precinct into two or more precincts using lines that
10 the Census Bureau has indicated it will use as 2000 Census block
11 boundaries for that division. Provided that, whenever an annexation
12 ordinance adopted under Parts 1, 2, or 3 of Article 4A of Chapter 160A
13 of the General Statutes, or a local act of the General Assembly annexing
14 property to a municipality, becomes effective during the period
15 beginning with the date of the annexation as reported through the U.S.
16 Census Bureau's 1998 Boundary and Annexation Survey and ending
17 January 2, 2002, and any part of the boundary of the area being annexed
18 which is actually contiguous to the city is also a precinct boundary for
19 elections administered by the county board of elections then the county
20 board of elections may exercise one of the following options:

21 (+) a. Direct by resolution that the annexed area is automatically moved
22 into the 'city precinct', provided that if the annexed area is adjacent to
23 more than one city precinct, the board of elections shall place the area in
24 any one or more of the adjacent city precincts.

25 (-) b. Adopt a resolution moving the precinct boundary to a visible feature
26 that the Census Bureau has indicated it will use as a 2000 block
27 boundary.

28 (2) The Executive Secretary-Director of the State Board of Elections may
29 permit during the freeze a correction to a county's precincts as they were
30 approved pursuant to subsection (c) of this section where one of the
31 following sets of conditions is present:

32 a. A precinct was designated pursuant to subsection (c)
33 inaccurately, and the United States Bureau of the Census agrees
34 to include the corrected precinct on its database for the 2000
35 Census.

36 b. The boundary of a precinct designated pursuant to subsection (c)
37 of this section was subsequently removed by the United States
38 Bureau of the Census as an acceptable feature for a precinct line
39 based upon a determination by the Bureau that the feature did not
40 exist as shown, and the county board of elections agrees by
41 resolution to an alternative boundary for the precinct on a feature
42 the Bureau does find acceptable.

1 (3) The county board of elections shall submit any proposed change made
2 during the freeze under this subsection to the Legislative Services
3 Office, which shall review the proposal and write a letter advising the
4 Executive Secretary-Director of its opinion as to the legal compliance of
5 the proposal. If the proposal complies with the law, the Executive
6 Secretary-Director shall approve the proposal. No newly created or
7 altered precinct boundary is effective until approved by the Executive
8 Secretary-Director as being in compliance with the provisions of this
9 subsection."

10 Section 82. G.S. 163-278.5 reads as rewritten:

11 **"§ 163-278.5. Scope of Article; severability.**

12 The provisions of this Article apply to primaries and elections for North Carolina
13 offices and to North Carolina referenda and do not apply to primaries and elections for
14 federal offices or offices in other ~~States.~~ States or to non-North Carolina referenda. Any
15 provision in this Article that regulates a non-North Carolina entity does so only to the
16 extent that the entity's actions affect elections for North Carolina ~~offices.~~ offices or North
17 Carolina referenda.

18 The provisions of this Article are severable. If any provision is held invalid by a court
19 of competent jurisdiction, the invalidity does not affect other provisions of the Article
20 that can be given effect without the invalid provision."

21 Section 83. G.S. 163-278.39A(a) reads as rewritten:

22 "(a) Expanded Disclosure Requirements. ~~—In addition to the basic disclosure~~
23 ~~requirements in G.S. 163-278.39, any~~ Any political campaign advertisement on radio or
24 television shall comply with the expanded disclosure requirements set forth in this
25 section. To the extent that it provides the same information required by G.S. 163-278.39,
26 a statement made pursuant to this section satisfies the requirements of G.S. 163-278.39
27 for the same advertisement."

28 Section 84. G.S. 163-278.39A(i) reads as rewritten:

29 "(i) No Criminal Liability. – Nothing in this section regarding the disclosure
30 requirements in subsections (b) and (c) of this section shall be relied upon or otherwise
31 interpreted to create criminal ~~liability for any person.~~ liability."

32 Section 85. Section 14 of S.L. 1998-22 reads as rewritten:

33 "Section 14. (a) Notwithstanding G.S. 105-187.44(b), as enacted by this act, the
34 amount distributed to a city under G.S. 105-187.44(b) for taxes collected for each of the
35 quarters in the ~~fiscal year 1999-2000~~ and 2000-2001 fiscal years may not exceed its
36 benchmark amount until each city receives an amount equal to its benchmark amount.
37 Each quarter, the Secretary of Revenue shall determine a city's benchmark amount and
38 the amount it would receive under G.S. 105-187.44(b) if not for the redistribution
39 required by this section. The Secretary shall identify those cities whose distribution
40 amounts under G.S. 105-187.44(b) are less than their benchmark amounts and shall
41 determine the total dollar amount of the shortfall. The Secretary shall reduce the amount
42 to be distributed to those cities whose distribution amount under G.S. 105-187.44(b)
43 exceeds their benchmark amount by the total dollar amount of the shortfall determined

1 for that quarter in proportion to each city's excess. However, in no event may a city's
2 distribution amount be reduced below its benchmark amount. The Secretary will
3 redistribute these monies to the cities whose distribution amounts under G.S. 105-
4 187.44(b) are less than their benchmark amounts in proportion to each city's shortfall. In
5 any quarter that a city does not have a prior year's distribution for the corresponding
6 quarter in fiscal year 1998-99, that city is excluded from the redistribution required under
7 this section for that quarter. In that case, the city will receive the amount it is entitled to
8 receive under G.S. 105-187.44(b), as enacted by this act.

9 For the purposes of this subsection, the term 'benchmark amount' means the amount a
10 city received under G.S. 105-116.1 attributable to piped natural gas for the corresponding
11 quarter during the fiscal year 1998-99.

12 (b) The Department of Revenue must calculate the amount a city received for
13 taxes collected for each of the ~~first three~~ quarters in fiscal year 1998-99 under G.S. 105-
14 116.1 that was attributable to piped natural gas. The Department must also calculate the
15 amount each city would have received under G.S. 105-187.44(b), as enacted by this act,
16 for taxes collected for each of the ~~first three~~ quarters in fiscal year 1999-2000. The
17 Department shall give this information to the Revenue Laws Study Committee. The
18 Revenue Laws Study Committee shall study the impact of this act on the distribution of
19 part of the proceeds of the excise tax on piped natural gas to the cities and report its
20 findings, and any recommendation, to the ~~2000 Session of the 1999-2001~~ General
21 Assembly."

22 Section 86. Subsection 17.12(c) of S.L. 1999-237 reads as rewritten:

23 "Section 17.12.(c) The Governor shall appoint a superior court judge for the
24 additional judgeship in Superior Court District 22 as authorized by subsection (b) of this
25 section. The successor to that judge shall be elected in the 2000 general election to serve
26 the ~~remainder of the unexpired~~ term expiring December 31, ~~2002, in order to provide for~~
27 ~~unstaggered terms for multiple judgeships in the same district.~~ 2008."

28 Section 87. Section 3 of S.L. 1999-321 is repealed.

29 Section 88. Section 33 of S.L. 1999-360 reads as rewritten:

30 "Section 33. Affordable Housing Credit. – Part III of this act is effective for taxable
31 years beginning on or after January 1, ~~2000, and applies 2000.~~ Sections 10 through 15 of
32 Part III apply to buildings to which federal credits are allocated on or after January 1,
33 2000."

34 Section 89. Section 1 of S.L. 2000-64 reads as rewritten:

35 "Section 1. ~~S.L. 1993-205, Chapter 205 of the 1993 Session Laws,~~ as amended by
36 S.L. 1999-285, is repealed."

37 Section 90.(a) Section 21 of S.L. 2000-67 reads as rewritten:

38 "Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine, Edwards,
39 Senators Warren, Lucas, Rand, Albertson, Robinson, Plyler, Perdue, Odom, Kerr

40 NATIONAL WORLD WAR II MEMORIAL FUNDS

41 Section 21. Of the funds appropriated in this act to the Department of
42 Administration for the 2000-2001 fiscal year, the sum of three hundred ninety-two
43 thousand dollars (\$392,000) shall be used by the Division of Veterans Affairs to fund the

1 voluntary contribution of the State toward the construction of the National World War II
2 Memorial in Washington, D.C."

3 Section 90.(b) Section 26.12A(a)(2) of S.L. 2000-67 reads as rewritten:

4 "(2) Who was, on or before April 1, 2000, a permanent officer or permanent
5 employee and who was in service on October 1, 2000, shall receive,
6 payable for the last pay date in October 2000, a compensation bonus of
7 five hundred dollars (\$500.00) except that:

8 a. The compensation bonus for persons subject to Section 26.10 of
9 this act shall be an average of five hundred dollars (\$500.00) and
10 shall be allocated in accordance with guidelines adopted by the
11 State Board of Community Colleges, ~~except for teaching faculty~~
12 ~~at the community colleges. Colleges.~~

13 b. The compensation bonus for persons subject to Section 26.11 of
14 this act shall be an average of five hundred dollars (\$500.00) and
15 shall be allocated to individuals according to the rules adopted by
16 the Board of Governors, or the Board of Trustees of the North
17 Carolina School of Science and Mathematics, ~~except for teaching~~
18 ~~faculty of the UNC System as appropriate. Mathematics.~~

19 c. The guidelines and rules adopted under sub-subdivisions a. and
20 b. of this subdivision may cover employees of those institutions
21 whose first day of employment for the 2000-2001 academic year
22 came after January 1, 2000."

23 Section 91. If House Bill 813, 1999 General Assembly, becomes law, the
24 introductory language of Section 1 of the bill reads as rewritten:

25 "Section 1. ~~Article 35~~ Article 26 of Chapter 14 is amended by adding a new section
26 to read:"

27 Section 92.(a) If House Bill 1560, 1999 General Assembly, becomes law, the
28 introductory language of subsection (c) of Section 5 of that bill reads as rewritten:

29 "Section 5.(c) G.S. 105-129.4(a) through (b1), as amended by Section ~~44~~8 of this
30 act, read as rewritten:"

31 Section 92.(b) If House Bill 1560, 1999 General Assembly, becomes law,
32 subsection (g) of Section 10 of that bill reads as rewritten:

33 "Section 10.(g) Modify Credit and Expiration Provisions. – Section ~~44~~8 of this act
34 is effective for taxable years beginning on or after January 1, 2000."

35 Section 92.(c) If House Bill 1560, 1999 General Assembly, becomes law,
36 subsection (h) of Section 10 of that bill reads as rewritten:

37 "Section 10.(h) Technical Correction. – Section ~~42~~9 of this act becomes effective
38 May 1, 1999, and applies to taxes paid on or after that date. Section 12 is repealed for
39 taxes paid on or after January 1, 2008."

40 Section 93. Except as otherwise specified, this act is effective when it
41 becomes law.