

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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**HOUSE BILL 281
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Short Title: Technical Corrections Act.

(Public)

Sponsors:

Referred to:

March 6, 2003

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL CORRECTIONS AND CONFORMING
CHANGES TO THE GENERAL STATUTES AS RECOMMENDED BY THE
GENERAL STATUTES COMMISSION, TO AUTHORIZE FINANCING OF A
NEW CLINICAL CANCER CENTER, AND TO MAKE VARIOUS OTHER
CHANGES TO THE GENERAL STATUTES AND SESSION LAWS.

The General Assembly of North Carolina enacts:

**PART I. TECHNICAL CORRECTIONS RECOMMENDED BY THE GENERAL
STATUTES COMMISSION**

SECTION 1. G.S. 14-402(c)(3) reads as rewritten:

"(c) The following definitions apply in this section:

...

(3) Crossbow. – A mechanical device consisting of, but not limited to, strings, cables, and prods transversely mounted on either a shoulder or hand-held stock. This ~~device~~ device is mechanically held at full or partial draw and released by a trigger or similar mechanism ~~which~~ that is incorporated into a stock or handle. When operated, the crossbow discharges a projectile known as a bolt.

..."

SECTION 2. G.S. 20-7(b1) reads as rewritten:

"(b1) Application. – To obtain ~~a~~ an identification card, learners permit, or drivers license from the Division, a person shall complete an application form provided by the Division, present at least two forms of identification approved by the Commissioner, be

1 a resident of this State, and demonstrate his or her physical and mental ability to drive
2 safely a motor vehicle included in the class of license for which the person has applied.
3 At least one of the forms of identification shall indicate the applicant's residence
4 address. The Division may copy the identification presented or hold it for a brief period
5 of time to verify its authenticity. To obtain an endorsement, a person shall demonstrate
6 his or her physical and mental ability to drive safely the type of motor vehicle for which
7 the endorsement is required.

8 The application form shall request all of the following information, and it shall
9 contain the disclosures concerning the request for an applicant's social security number
10 required by section 7 of the federal Privacy Act of 1974, Pub. L. No. 93-579:

- 11 (1) The applicant's full name.
- 12 (2) The applicant's mailing address and residence address.
- 13 (3) A physical description of the applicant, including the applicant's sex,
14 height, eye color, and hair color.
- 15 (4) The applicant's date of birth.
- 16 (5) The applicant's valid social security number.
- 17 (6) The applicant's signature.

18 If an applicant does not have a valid social security number and is ineligible to
19 obtain one, the applicant shall swear to or affirm that fact under penalty of perjury. In
20 such case, the applicant may provide a valid Individual Taxpayer Identification Number
21 issued by the Internal Revenue Service to that person.

22 The Division shall not issue an identification card, learners permit, or drivers license
23 to an applicant who fails to provide either the applicant's valid social security number or
24 the applicant's valid Individual Taxpayer Identification Number."

25 **SECTION 3.** G.S. 49-13.1 is repealed.

26 **SECTION 4.** G.S. 55B-2(6), as amended by Section 3 of S.L. 2003-117,
27 reads as rewritten:

- 28 "(6) The term "professional service" means any type of personal or
29 professional service of the public which requires as a condition
30 precedent to the rendering of such service the obtaining of a license
31 from a licensing board as herein defined, and pursuant to the following
32 provisions of the General Statutes: Chapter 83A, "Architects"; Chapter
33 84, "Attorneys-at-Law"; Chapter 93, "Public Accountants"; and the
34 following Articles in Chapter 90: Article 1, "Practice of Medicine,"
35 Article 2, "Dentistry," Article 6, "Optometry," Article 7, "Osteopathy,"
36 Article 8, "Chiropractic," Article 9A, "Nursing Practice Act," with
37 regard to registered nurses, Article 11, "Veterinarians," Article 12A,
38 "Podiatrists," Article 18A, "Practicing Psychologists," Article 18C,
39 "Marriage and Family Therapy Licensure," Article 18D, "Occupational
40 Therapy," and Article 24, "Licensed Professional Counselors"; Chapter
41 89C, "Engineering and Land Surveying"; Chapter 89A, "Landscape
42 Architects"; Chapter 90B, "Social Worker Certification and Licensure
43 Act" with regard to ~~Certified~~ Licensed Clinical Social Workers as
44 defined by G.S. 90B-3; Chapter 89E, "Geologists"; Chapter 89B,

1 "Foresters"; and Chapter 89F, "North Carolina Soil Scientist Licensing
2 Act."

3 **SECTION 5.(a)** G.S. 58-36-10(3) reads as rewritten:

4 **"§ 58-36-10. Method of rate making; factors considered.**

5 The following standards shall apply to the making and use of rates:

6 ...

7 (3) In the case of property insurance rates under this Article, consideration
8 may be given to the experience of property insurance business during
9 the most recent five-year period for which that experience is available.
10 In the case of property insurance rates under this Article, consideration
11 shall be given to the insurance public protection classifications of fire
12 districts established by the Commissioner. The Commissioner shall
13 establish and modify from time to time insurance public protection
14 districts for all rural areas of the State and for cities with populations
15 of 100,000 or fewer, according to the most recent annual population
16 estimates certified by the State ~~Planning~~ Budget Officer. In
17 establishing and modifying these districts, the Commissioner shall use
18 standards at least equivalent to those used by the Insurance Services
19 Office, Inc., or any successor organization. The standards developed
20 by the Commissioner are subject to Article 2A of Chapter 150B of the
21 General Statutes. The insurance public protection classifications
22 established by the Commissioner issued pursuant to the provisions of
23 this Article shall be subject to appeal as provided in G.S. 58-2-75, et
24 seq. The exceptions stated in G.S. 58-2-75(a) do not apply.

25 ..."

26 **SECTION 5.(b)** G.S. 58-40-25(4) reads as rewritten:

27 **"§ 58-40-25. Rating methods.**

28 In determining whether rates comply with the standards under G.S. 58-40-20, the
29 following criteria shall be applied:

30 ...

31 (4) In the case of property insurance rates under this Article, consideration
32 shall be given to the insurance public protection classifications of fire
33 districts established by the Commissioner. The Commissioner shall
34 establish and modify from time to time insurance public protection
35 districts for all rural areas of the State and for cities with populations
36 of 100,000 or fewer, according to the most recent annual population
37 estimates certified by the State ~~Planning~~ Budget Officer. In
38 establishing and modifying these districts, the Commissioner shall use
39 standards at least equivalent to those used by the Insurance Services
40 Office, Inc., or any successor organization. The standards developed
41 by the Commissioner are subject to Article 2A of Chapter 150B of the
42 General Statutes. The insurance public protection classifications
43 established by the Commissioner issued pursuant to the provisions of

1 this Article shall be subject to appeal as provided in G.S. 58-2-75, et
2 seq. The exceptions stated in G.S. 58-2-75(a) do not apply."

3 **SECTION 5.(c)** G.S. 58-87-1(b) reads as rewritten:

4 "(b) A fire department is eligible for a grant under this section if it meets all of the
5 following conditions:

6 (1) It serves a response area of 6,000 or less in population.

7 (2) It consists entirely of volunteer members, with the exception that the
8 unit may have paid members to fill the equivalent of three full-time
9 paid positions.

10 (3) It has been certified by the Department of Insurance.

11 In making the population determination under subdivision (1) of this subsection, the
12 Department shall use the most recent annual population estimates certified by the State
13 ~~Planning-Budget Officer.~~"

14 **SECTION 5.(d)** G.S. 105-113.82(e) reads as rewritten:

15 "(e) Population Estimates. – To determine the population of a city or county for
16 purposes of the distribution required by this section, the Secretary shall use the most
17 recent annual estimate of population certified by the State ~~Planning-Budget Officer.~~"

18 **SECTION 5.(e)** G.S. 105-129.3(b1) reads as rewritten:

19 "(b1) Data. – In measuring rates of unemployment and per capita income, the
20 Secretary shall use the latest available data published by a State or federal agency
21 generally recognized as having expertise concerning the data. In measuring population
22 and population growth, the Secretary shall use the most recent estimates of population
23 certified by the State ~~Planning-Budget Officer.~~"

24 **SECTION 5.(f)** G.S. 105-129.3A(a) reads as rewritten:

25 "(a) Development Zone Defined. – A development zone is an area comprised of
26 one or more contiguous census tracts, census block groups, or both in the most recent
27 federal decennial census that meets all of the following conditions:

28 (1) Every census tract and census block group in the zone is located in
29 whole or in part within the primary corporate limits of a city with a
30 population of more than 5,000 according to the most recent annual
31 population estimates certified by the State ~~Planning-Budget Officer.~~

32 (2) It has a population of 1,000 or more according to the most recent
33 annual population estimates certified by the State ~~Planning-Budget~~
34 ~~Officer.~~

35 (3) More than twenty percent (20%) of its population is below the poverty
36 level according to the most recent federal decennial census.

37 (4) Every census tract and census block group in the zone meets at least
38 one of the following conditions:

39 a. More than ten percent (10%) of its population is below the
40 poverty level according to the most recent federal decennial
41 census.

42 b. It is immediately adjacent to another census tract or census
43 block group that is in the same zone and has more than twenty

1 percent (20%) of its population below the poverty level
2 according to the most recent federal decennial census.

- 3 (5) None of the census tracts or census block groups in the zone is located
4 in another development zone designated by the Secretary of
5 Commerce."

6 **SECTION 5.(g)** G.S. 105-164.44F(b) reads as rewritten:

7 "(b) Share of Cities Incorporated on or After January 1, 2001. – The share of a
8 city incorporated on or after January 1, 2001, is its per capita share of the amount to be
9 distributed to all cities incorporated on or after this date. This amount is the proportion
10 of the total to be distributed under this section that is the same as the proportion of the
11 population of cities incorporated on or after January 1, 2001, compared to the
12 population of all cities. In making the distribution under this subsection, the Secretary
13 must use the most recent annual population estimates certified to the Secretary by the
14 State ~~Planning~~ Budget Officer."

15 **SECTION 5.(h)** G.S. 105-187.19(b) reads as rewritten:

16 "(b) Each quarter, the Secretary shall credit five percent (5%) of the net tax
17 proceeds to the Solid Waste Management Trust Fund and shall credit twenty-seven
18 percent (27%) of the net tax proceeds to the Scrap Tire Disposal Account. The Secretary
19 shall distribute the remaining sixty-eight percent (68%) of the net tax proceeds among
20 the counties on a per capita basis according to the most recent annual population
21 estimates certified to the Secretary by the State ~~Planning~~ Budget Officer."

22 **SECTION 5.(i)** G.S. 105-187.24 reads as rewritten:

23 **"§ 105-187.24. Use of tax proceeds.**

24 The Secretary shall distribute the taxes collected under this Article, less the
25 Department of Revenue's allowance for administrative expenses, in accordance with this
26 section. The Secretary may retain the Department's cost of collection, not to exceed two
27 hundred twenty-five thousand dollars (\$225,000) a year, as reimbursement to the
28 Department.

29 Each quarter, the Secretary shall credit eight percent (8%) of the net tax proceeds to
30 the Solid Waste Management Trust Fund and shall credit twenty percent (20%) of the
31 net tax proceeds to the White Goods Management Account. The Secretary shall
32 distribute the remaining seventy-two percent (72%) of the net tax proceeds among the
33 counties on a per capita basis according to the most recent annual population estimates
34 certified to the Secretary by the State ~~Planning~~ Budget Officer. The Department shall
35 not distribute the tax proceeds to a county when notified not to do so by the Department
36 of Environment and Natural Resources under G.S. 130A-309.87. If a county is not
37 entitled to a distribution, the proceeds allocated for that county will be credited to the
38 White Goods Management Account.

39 A county may use funds distributed to it under this section only as provided in G.S.
40 130A-309.82. A county that receives funds under this section and that has an interlocal
41 agreement with another unit of local government under which the other unit provides
42 for the disposal of solid waste for the county must transfer the amount received under
43 this section to that other unit. A unit to which funds are transferred is subject to the
44 same restrictions on use of the funds as the county."

1 **SECTION 5.(j)** Effective July 1, 2003, G.S. 105-472(b) reads as rewritten:

2 "(b) **Distribution Between Counties and Cities.** – The Secretary shall divide the
3 amount allocated to each taxing county among the county and its municipalities in
4 accordance with the method determined by the county. The board of county
5 commissioners shall, by resolution, choose one of the following methods of distribution:

6 (1) **Per Capita Method.** – The net proceeds of the tax collected in a taxing
7 county shall be distributed to that county and to the municipalities in
8 the county on a per capita basis according to the total population of the
9 taxing county, plus the total population of the municipalities in the
10 county. In the case of a municipality located in more than one county,
11 only that part of its population living in the taxing county is considered
12 its "total population". In order to make the distribution, the Secretary
13 shall determine a per capita figure by dividing the amount allocated to
14 each taxing county by the total population of that county plus the total
15 population of all municipalities in the county. The Secretary shall then
16 multiply this per capita figure by the population of the taxing county
17 and by the population of each municipality in the county; each
18 respective product shall be the amount to be distributed to the county
19 and to each municipality in the county. To determine the population of
20 each county and each municipality, the Secretary shall use the most
21 recent annual estimate of population certified by the State ~~Planning~~
22 Budget Officer.

23 (2) **Ad Valorem Method.** – The net proceeds of the tax collected in a
24 taxing county shall be distributed to that county and the municipalities
25 in the county in proportion to the total amount of ad valorem taxes
26 levied by each on property having a tax situs in the taxing county
27 during the fiscal year next preceding the distribution. For purposes of
28 this section, the amount of the ad valorem taxes levied by a county or
29 municipality includes ad valorem taxes levied by the county or
30 municipality in behalf of a taxing district and collected by the county
31 or municipality. In addition, the amount of taxes levied by a county
32 includes ad valorem taxes levied by a merged school administrative
33 unit described in G.S. 115C-513 in the part of the unit located in the
34 county. In computing the amount of tax proceeds to be distributed to
35 each county and municipality, the amount of any ad valorem taxes
36 levied but not substantially collected shall be ignored. Each county and
37 municipality receiving a distribution of the proceeds of the tax levied
38 under this Article shall in turn immediately share the proceeds with
39 each district in behalf of which the county or municipality levied ad
40 valorem taxes in the proportion that the district levy bears to the total
41 levy of the county or municipality. Any county or municipality that
42 fails to provide the Department of Revenue with information
43 concerning ad valorem taxes levied by it adequate to permit a timely
44 determination of its appropriate share of tax proceeds collected under

1 this Article may be excluded by the Secretary from each monthly
2 distribution with respect to which the information was not provided in
3 a timely manner, and those tax proceeds shall then be distributed only
4 to the remaining counties or municipalities, as appropriate. For the
5 purpose of computing the distribution of the tax under this subsection
6 to any county and the municipalities located in the county for any
7 month with respect to which the property valuation of a public service
8 company is the subject of an appeal and the Department of Revenue is
9 restrained by law from certifying the valuation to the county and the
10 municipalities in the county, the Department shall use the last property
11 valuation of the public service company that has been certified.

12 The board of county commissioners in each taxing county shall, by resolution
13 adopted during the month of April of each year, determine which of the two foregoing
14 methods of distribution shall be in effect in the county during the next succeeding fiscal
15 year. In order for the resolution to be effective, a certified copy of it must be delivered
16 to the Secretary in Raleigh within 15 calendar days after its adoption. If the board fails
17 to adopt a resolution choosing a method of distribution not then in effect in the county,
18 or if a certified copy of the resolution is not timely delivered to the Secretary, the
19 method of distribution then in effect in the county shall continue in effect for the
20 following fiscal year. The method of distribution in effect on the first of July of each
21 fiscal year shall apply to every distribution made during that fiscal year."

22 **SECTION 5.(k)** G.S. 136-202(c) reads as rewritten:

23 "(c) The Department, the metropolitan planning organizations, and the
24 Department of Environment and Natural Resources shall jointly evaluate and adjust the
25 regions defined in each regional travel demand model at least once every five years and
26 no later than October 1 of the year following each decennial federal census. The
27 evaluation and adjustment shall be based on decennial census data and the most recent
28 populations estimates certified by the State ~~Planning-Budget~~ Officer. The adjustment of
29 these boundaries shall reflect current and projected patterns of population, employment,
30 travel, congestion, commuting, and public transportation use and the effects of these
31 patterns on air quality."

32 **SECTION 5.(l)** G.S. 143-215.107A(d) reads as rewritten:

33 "(d) Additional Counties. – The Commission may require that motor vehicle
34 emissions inspections be performed in counties in addition to those set out in subsection
35 (c) of this section. In determining whether to require that motor vehicle emissions
36 inspections be performed in a county, the Commission may consider the population of,
37 and distribution of population in, the county; the projected change in population of, and
38 distribution of population in, the county; the number of vehicles registered in the
39 county; the projected change in the number of vehicles registered in the county; vehicle
40 miles traveled in the county; the projected change in vehicle miles traveled in the
41 county; current and projected commuting patterns in the county; and the current and
42 projected impact of these factors on attainment of air quality standards in the county and
43 in areas outside the county. The Commission may not require that motor vehicle
44 emissions inspections be performed in any county with a population of less than 40,000

1 based on the most recent population estimates prepared by the State ~~Planning-Budget~~
2 Officer. The Commission may not require that motor vehicle emissions inspections be
3 performed in any county in which the number of vehicle miles traveled per day is less
4 than 900,000, based on the most recent estimates prepared by the Department of
5 Transportation. In order to disapprove a rule that requires that motor vehicle emissions
6 inspections be performed in one or more additional counties, a bill introduced pursuant
7 to G.S. 150B-21.3(b) must amend subsection (c) of this section to add one or more other
8 counties in which the total population and vehicle miles traveled per day equal or
9 exceed the total population and vehicle miles traveled in the county or counties listed in
10 the rule that the bill would disapprove."

11 **SECTION 5.(m)** G.S. 160A-536(c) reads as rewritten:

12 "(c) Urban Area Revitalization Defined. – As used in this section, the term "urban
13 area revitalization projects" includes the provision within an urban area of any service
14 or facility that may be provided in a downtown area as a downtown revitalization
15 project under subdivision (a)(2) and subsection (b) of this section. As used in this
16 section, the term "urban area" means an area that (i) is located within a city whose
17 population exceeds 150,000 according to the most recent annual population statistics
18 certified by the State ~~Planning-Budget~~ Officer and (ii) meets one or more of the
19 following conditions:

- 20 (1) It is the central business district of the city.
- 21 (2) It consists primarily of existing or redeveloping concentrations of
22 industrial, retail, wholesale, office, or significant
23 employment-generating uses, or any combination of these uses.
- 24 (3) It is located in or along a major transportation corridor and does not
25 include any residential parcels that are not, at their closest point, within
26 150 feet of the major transportation corridor right-of-way or any
27 nonresidentially zoned parcels that are not, at their closest point,
28 within 1,500 feet of the major transportation corridor right-of-way.
- 29 (4) It has as its center and focus a major concentration of public or
30 institutional uses, such as airports, seaports, colleges or universities,
31 hospitals and health care facilities, or governmental facilities."

32 **SECTION 5.(n)** G.S. 162A-6(a)(14d) reads as rewritten:

33 "(a) Each authority created hereunder shall be deemed to be a public
34 instrumentality exercising public and essential governmental functions to provide for
35 the public health and welfare, and each authority is authorized and empowered:

36 ...

- 37 (14d) To require the owners of developed property on which there are
38 situated one or more residential dwelling units or commercial
39 establishments located within the jurisdiction of the authority and
40 within a reasonable distance of any waterline or sewer collection line
41 owned, leased as lessee, or operated by the authority to connect the
42 property with the waterline, sewer connection line, or both and fix
43 charges for the connections. The power granted by this subdivision
44 may be exercised by an authority only to the extent that the service,

1 whether water, sewer, or a combination thereof, to be provided by the
2 authority is not then being provided to the improved property by any
3 other political subdivision or by a public utility regulated by the North
4 Carolina Utilities Commission pursuant to Chapter 62 of the General
5 Statutes. In the case of improved property that would qualify for the
6 issuance of a building permit for the construction of one or more
7 residential dwelling units or commercial establishments and where the
8 authority has installed water or sewer lines or a combination thereof
9 directly available to the property, the authority may require payment of
10 a periodic availability charge, not to exceed the minimum periodic
11 service charge for properties that are connected. This subdivision
12 applies only to a water and sewer authority whose membership
13 includes part or all of a county that has a population of at least 40,000
14 according to the most recent annual population estimates certified by
15 the State ~~Planning~~Budget Officer.

16 ..."

17 **SECTION 6.** G.S. 78A-17 reads as rewritten:

18 **"§ 78A-17. Exempt transactions.**

19 Except as otherwise provided in this Chapter, the following transactions are
20 exempted from G.S. 78A-24 and G.S. 78A-49(d):

- 21 (1) Any isolated nonissuer transaction, whether effected through a dealer
22 or ~~not~~not.
- 23 (2) Any nonissuer distribution other than by a controlling person of an
24 outstanding security if
- 25 a. A recognized securities manual contains the names of the
26 issuer's officers and directors, a balance sheet of the issuer as of
27 a date within 18 months, and a profit and loss statement for
28 either the fiscal year preceding that date or the most recent year
29 of operations, or
- 30 b. A registered dealer files with the Administrator such
31 information relating to the issuer as the Administrator may by
32 rule or order require, or
- 33 c. The security has a fixed maturity or a fixed interest or dividend
34 provision and there has been no default during the current fiscal
35 year or within the three preceding fiscal years, or during the
36 existence of the issuer and any predecessors if less than three
37 years, in the payment of principal, interest, or dividends on the
38 ~~security~~security.
- 39 (3) Any nonissuer transaction effected by or through a registered dealer
40 pursuant to an unsolicited order or offer to buy; but the Administrator
41 may by rule require that the customer acknowledge upon a specified
42 form that the sale was unsolicited, and that a signed copy of each such
43 form be preserved by the dealer for a specified ~~period~~period.

- 1 (4) Any transaction between the issuer or other person on whose behalf
2 the offering is made and an underwriter, or among
3 ~~underwriters;~~underwriters.
- 4 (5) Any transaction in a bond or other evidence of indebtedness secured
5 by a lien or security interest in real or personal property, or by an
6 agreement for the sale of real estate or chattels, if the entire security
7 interest or agreement, together with all the bonds or other evidences of
8 indebtedness secured thereby, is offered and sold as a ~~unit;~~unit.
- 9 (6) Any transaction by an executor, administrator, sheriff, marshal,
10 receiver, trustee in bankruptcy, guardian, or ~~conservator;~~conservator.
- 11 (7) Any transaction executed by a person holding a bona fide security
12 interest without any purpose of evading this ~~Chapter;~~Chapter.
- 13 (8) Any offer or sale to an entity which has a net worth in excess of one
14 million dollars (\$1,000,000) as determined by generally accepted
15 accounting principles, bank, savings institution, trust company,
16 insurance company, investment company as defined in the Investment
17 Company Act of 1940, pension or profit-sharing trust, or other
18 financial institution or institutional buyer, or to a dealer, whether the
19 purchaser is acting for itself or in some fiduciary ~~capacity;~~capacity.
- 20 (9) Any transaction pursuant to an offer directed by the offeror to not
21 more than 25 persons, other than those persons designated in
22 subdivision (8), in this State during any period of 12 consecutive
23 months, whether or not the offeror or any of the offerees is then
24 present in this State, if the seller reasonably believes that all the buyers
25 in this State are purchasing for investment. The Administrator may by
26 rule or order withdraw, amend, or further condition this exemption for
27 any security or security transaction. There is established a fee of one
28 hundred fifty dollars (\$150.00) to recover costs for any filing required.
- 29 (10) Any offer or sale of a preorganizational certificate or subscription if:
30 (i) no commission or other remuneration is paid or given directly or
31 indirectly for soliciting any prospective subscriber; (ii) no public
32 advertising or solicitation is used in connection with the offer or sale;
33 (iii) the number of subscribers does not exceed 10 and the number of
34 offerees does not exceed 25; and (iv) no payment is made by any
35 subscriber.
- 36 (11) Any transaction pursuant to an offer to existing security holders of the
37 issuer, including persons who at the time of the transaction are holders
38 of convertible securities, nontransferable warrants, or transferable
39 warrants exercisable within not more than 90 days of their issuance, if
40 (i) no commission or other remuneration (other than a standby
41 commission) is paid or given directly or indirectly for soliciting any
42 security holder in this State, or (ii) the issuer first files a notice
43 specifying the terms of the offer and the Administrator does not by

1 order disallow the exemption within the next 10 full business
2 ~~days;~~days.

3 (12) Any offer (but not a sale) of a security for which registration
4 statements have been filed under both this Chapter and the Securities
5 Act of 1933 if no stop order or refusal order is in effect and no public
6 proceeding or examination looking toward such an order is pending
7 under either ~~aet;~~act.

8 (13) Any offer or sale by a domestic entity of its own securities if (i) the
9 entity was organized for the purpose of promoting community,
10 agricultural or industrial development of the area in which the
11 principal office is located, (ii) the offer or sale has been approved by
12 resolution of the county commissioners of the county in which its
13 principal office is located, and, if located in a municipality or within
14 two miles of the boundaries thereof, by resolution of the governing
15 body of such municipality, (iii) no commission or other remuneration
16 is paid or given directly or indirectly for soliciting any prospective
17 buyer in this State, and (iv) the ~~corporation~~entity is both organized
18 and operated principally to promote some community, industrial, or
19 agricultural development that confers a public benefit rather than
20 organized and operated principally to generate a pecuniary
21 ~~profit;~~profit.

22 (14) Any offer, sale or issuance of securities pursuant to an employees'
23 stock or equity purchase, option, savings, pension, profit-sharing, or
24 other similar benefit plan that is exempt under the provisions of ~~G.S.~~
25 ~~78A-16(11);~~G.S. 78A-16(11).

26 ..."

27 **SECTION 7.** G.S. 90-210.69(c) reads as rewritten:

28 "(c) In accordance with the provisions of Chapter 150B of the General Statutes, if
29 the Board finds that a licensee, an applicant for a license or an applicant for license
30 renewal is guilty of one or more of the following, the Board may refuse to issue or
31 renew a license or may suspend or revoke a license or place the holder thereof on
32 probation upon conditions set by the Board, with revocation upon failure to comply with
33 the conditions:

- 34 (1) Offering to engage or engaging in activities for which a license is
35 required under this Article but without having obtained such a license.
36 (2) Aiding or abetting an unlicensed person, firm, partnership, association,
37 corporation or other entity to offer to engage or engage in such
38 activities.
39 (3) A crime involving fraud or moral turpitude by conviction thereof.
40 (4) Fraud or misrepresentation in obtaining or receiving a license or in
41 preneed funeral planning.
42 (5) False or misleading advertising.
43 (6) Violating or cooperating with others to violate any provision of this
44 Article, the rules and regulations of the Board, ~~adopted~~—or the

1 standards set forth in Funeral Industry Practices, 16 C.F.R. 453 (1984),
2 as amended from time to time.

3 In any case in which the Board is authorized to take any of the actions permitted
4 under this subsection, the Board may instead accept an offer in compromise of the
5 charges whereby the accused shall pay to the Board a penalty of not more than five
6 thousand dollars (\$5,000). In any case in which the Board is entitled to place a licensee
7 on a term of probation, the Board may also impose a penalty of not more than five
8 thousand dollars (\$5,000) in conjunction with such probation."

9 **SECTION 8.** G.S. 96-4(t)(2) reads as rewritten:

10 "(t) Confidentiality of Records, Reports, and Information Obtained from
11 Claimants, Employers, and Units of Government.

12 ...

13 (2) Job Service Information. – (i) Except as hereinafter otherwise provided
14 it is unlawful for any person to disclose any information obtained by
15 the North Carolina State Employment Service Division from workers,
16 employers, applicants, or other persons or groups of persons in the
17 course of administering the State Public Employment Service
18 Program. Provided, however, that if all interested parties waive in
19 writing the right to hold such information confidential, the information
20 may be disclosed and used but only for those purposes that the parties
21 and the Commission have agreed upon in writing. (ii) The
22 Employment Service Division shall make public, through the
23 newspapers and any other suitable media, information as to job
24 openings and available applicants for the purpose of supplying the
25 demand for workers and employment. (iii) The Labor Market
26 Information Division shall collect, collate, and publish statistical and
27 other information relating to the work under the Commission's
28 jurisdiction; investigate economic developments, and the extent and
29 causes of unemployment and its remedies with the view of preparing
30 for the information of the General Assembly such facts as in the
31 Commission's opinion may make further legislation desirable. (iv)
32 Except as provided by Commission regulation, any information
33 published pursuant to this ~~subsection (H)~~ subdivision shall not be
34 published in any manner revealing the identity of the applicant or the
35 employing unit.

36 ..."

37 **SECTION 9.** G.S. 110-136.13(a) reads as rewritten:

38 "(a) For purposes of this section, G.S. 110-136.11, 110-136.12, and ~~110-14~~, 110-
39 136.14, the term "employer" means employer as is defined at 29 U.S.C. § 203(d) in the
40 Fair Labor Standards Act."

41 **SECTION 10.** G.S. 143-129.8(b) reads as rewritten:

42 "(b) Contracts for information technology may be entered into under a request for
43 proposals procedure that satisfies the following minimum requirements:

- 1 (1) Notice of the request for proposals shall be given in accordance with
 2 ~~G.S. 143-129(a).~~G.S. 143-129(b).
 3 (2) Contracts shall be awarded to the person or entity that submits the best
 4 overall proposal as determined by the awarding authority. Factors to be
 5 considered in awarding contracts shall be identified in the request for
 6 proposals."

7 **SECTION 11.** G.S. 147-69 reads as rewritten:

8 "**§ 147-69. Deposits of State funds in banks and savings and loan associations**
 9 **regulated.**

10 Banks and savings and loan associations having State deposits shall furnish to the
 11 Auditor of the State, upon ~~his~~the Auditor's request, a statement of the moneys which
 12 have been received and paid by them on account of the treasury. The Treasurer shall
 13 keep in ~~his~~the Treasurer's office a full account of all moneys deposited in and drawn
 14 from all banks and savings and loan associations in which ~~he~~the Treasurer may deposit
 15 or cause to be deposited any of the public funds, and ~~such~~these accounts shall be open
 16 to the inspection of the Auditor. The Treasurer shall sign all checks, and no depository
 17 bank or savings and loan association shall be authorized to pay checks not bearing ~~his~~
 18 the Treasurer's official signature. The Treasurer is authorized to use a facsimile
 19 signature machine or device in affixing ~~his~~the Treasurer's signature to warrants, checks
 20 or any other instrument ~~he~~the Treasurer is required by law to sign. The Commissioner
 21 of ~~Banks and Banks,~~ the bank examiners, and ~~the Commissioner of Banks and~~ the
 22 savings and loan examiners, when so required by the State Treasurer, shall keep the
 23 State Treasurer fully informed at all times as to the condition of all ~~such~~these
 24 depository banks and savings and loan associations, so as to fully protect the State from
 25 loss. The State Treasurer shall, before making deposits in any bank or savings and loan
 26 association, require ample security from the bank or savings and loan association for
 27 ~~such deposit.~~these deposits."

28 **SECTION 12.(a)** G.S. 163-278.39B is recodified as G.S. 163-278.38Z under
 29 Part 1A of Article 22A of Chapter 163 of the General Statutes, so that the recodified
 30 section appears as the first section in Part 1A.

31 **SECTION 12.(b)** G.S. 163-278.6 reads as rewritten:

32 "**§ 163-278.6. Definitions.**

33 When used in this Article:

- 34 ...
 35 (2) The term "broadcasting station" means any commercial radio or
 36 television station or community antenna radio or television station.
 37 Special definitions of 'radio' and 'television' that apply only in Part 1A
 38 of this Article are set forth in G.S. 163-278.38Z.
 39 ...
 40 (4) The term "candidate" means any individual who, with respect to a
 41 public office listed in G.S. 163-278.6(18), has filed a notice of
 42 candidacy or a petition requesting to be a candidate, or has been
 43 certified as a nominee of a political party for a vacancy, has otherwise
 44 qualified as a candidate in a manner authorized by law, or has received

1 funds or made payments or has given the consent for anyone else to
2 receive funds or transfer anything of value for the purpose of exploring
3 or bringing about that individual's nomination or election to office.
4 Transferring anything of value includes incurring an obligation to
5 transfer anything of value. Status as a candidate for the purpose of this
6 Article continues if the individual is receiving contributions to repay
7 loans or cover a deficit or is making expenditures to satisfy obligations
8 from an election already held. Special definitions of 'candidate' and
9 'candidate campaign committee' that apply only in Part 1A of this
10 Article are set forth in G.S. 163-278.38Z.

11 (5) The term "communications media" or "media" means broadcasting
12 stations, carrier current stations, newspapers, magazines, periodicals,
13 outdoor advertising facilities, billboards, newspaper inserts, and any
14 person or individual whose business is polling public opinion,
15 analyzing or predicting voter behavior or voter preferences. Special
16 definitions of 'print media,' 'radio,' and 'television' that apply only in
17 Part 1A of this Article are set forth in G.S. 163-278.38Z.

18 ...
19 (14) The term "political committee" means a combination of two or more
20 individuals, such as any person, committee, association, organization,
21 or other entity that makes, or accepts anything of value to make,
22 contributions or expenditures and has one or more of the following
23 characteristics:
24 a. Is controlled by a candidate;
25 b. Is a political party or executive committee of a political party or
26 is controlled by a political party or executive committee of a
27 political party;
28 c. Is created by a corporation, business entity, insurance company,
29 labor union, or professional association pursuant to G.S.
30 163-278.19(b); or
31 d. Has as a major purpose to support or oppose the nomination or
32 election of one or more clearly identified candidates.

33 Supporting or opposing the election of clearly identified candidates
34 includes supporting or opposing the candidates of a clearly identified
35 political party.

36 An entity is rebuttably presumed to have as a major purpose to
37 support or oppose the nomination or election of one or more clearly
38 identified candidates if it contributes or expends or both contributes
39 and expends during an election cycle more than three thousand dollars
40 (\$3,000). The presumption may be rebutted by showing that the
41 contributions and expenditures giving rise to the presumption were not
42 a major part of activities of the organization during the election cycle.
43 Contributions to referendum committees and expenditures to support
44 or oppose ballot issues shall not be facts considered to give rise to the

1 presumption or otherwise be used in determining whether an entity is a
2 political committee.

3 If the entity qualifies as a "political committee" under
4 sub-subdivision a., b., c., or d. of this subdivision, it continues to be a
5 political committee if it receives contributions or makes expenditures
6 or maintains assets or liabilities. A political committee ceases to exist
7 when it winds up its operations, disposes of its assets, and files its final
8 report.

9 Special definitions of 'political action committee' and 'candidate
10 campaign committee' that apply only in Part 1A of this Article are set
11 forth in G.S. 163-278.38Z.

12 (15) The term "political party" means any political party organized or
13 operating in this State, whether or not that party is recognized under
14 the provisions of G.S. 163-96. A special definition of 'political party
15 organization' that applies only in Part 1A of this Article is set forth in
16 G.S. 163-278.38Z.

17 ..."

18 **SECTION 13.(a)** Section 1 of S.L. 2001-37 is repealed.

19 **SECTION 13.(b)** S.L. 2001-37 is amended by adding a new section to read:

20 "**SECTION 1.1.** G.S. 160A-58.1(b)(5) does not apply to the Cities of Marion,
21 Oxford, and Rockingham and the Towns of Calabash, Catawba, Dallas, Godwin,
22 Louisburg, Mocksville, Pembroke, Rutherfordton, and Waynesville."

23 **SECTION 13.(c)** G.S. 160-58.1(b)(5) reads as rewritten:

24 "(5) The area within the proposed satellite corporate limits, when added to
25 the area within all other satellite corporate limits, may not exceed ten
26 percent (10%) of the area within the primary corporate limits of the
27 annexing city.

28 This subdivision does not apply to the Cities of Claremont,
29 Concord, Conover, Hickory, Marion, Mount Airy, New Bern, Newton,
30 Oxford, Rockingham, Sanford, Salisbury, Southport, and Statesville,
31 and the Towns of Calabash, Catawba, Dallas, Godwin, Kenly,
32 Louisburg, Maiden, Midland, Mocksville, Mooresville, Pembroke,
33 Rutherfordton, Swansboro, ~~and Warsaw~~, Warsaw, and Waynesville."

34 **SECTION 13.(d)** G.S. 160A-58.1(b1) is repealed.

35 36 PART II. OTHER CHANGES

37
38 **SECTION 14.** G.S. 1-44.2(b) reads as rewritten:

39 "(b) ~~Persons claiming ownership contrary to the presumption established in this~~
40 ~~section shall have a period of one year from the date of enactment of this statute or the~~
41 ~~abandonment of such easement, whichever later occurs, in which to bring any action to~~
42 ~~establish their ownership.~~ The presumption established by this section is rebuttable by
43 showing that a party has good and valid title to the land."

44 **SECTION 15.(a)** G.S. 1-47(1) reads as rewritten:

1 **"§ 1-47. Ten years.**

2 Within ten years an action –

- 3 (1) Upon a judgment or decree of any court of the United States, or of any
4 state or territory thereof, from the date of its ~~rendition~~-entry. No such
5 action may be brought more than once, or have the effect to continue
6 the lien of the original judgment.

7 ..."

8 **SECTION 15.(b)** G.S. 1-52(8) reads as rewritten:

9 **"§ 1-52. Three years.**

10 Within three years an action –

11 ...

- 12 (8) For fees due to a clerk, sheriff or other officer, by the judgment of a
13 court; within three years from the ~~rendition~~-entry of the judgment, or
14 the issuing of the last execution thereon.

15 ..."

16 **SECTION 16.** G.S. 7A-16 reads as rewritten:

17 **"§ 7A-16. Creation and organization.**

18 The Court of Appeals is created effective January 1, 1967. It shall consist initially of
19 six judges, elected by the qualified voters of the State for terms of eight years. The
20 Chief Justice of the Supreme Court shall designate one of the judges as Chief Judge, to
21 serve in such capacity at the pleasure of the Chief Justice. Before entering upon the
22 duties of his office, a judge of the Court of Appeals shall take the oath of office
23 prescribed for a judge of the General Court of Justice.

24 The Governor on or after July 1, 1967, shall make temporary appointments to the six
25 initial judgeships. The appointees shall serve until January 1, 1969. Their successors
26 shall be elected at the general election for members of the General Assembly in
27 November, 1968, and shall take office on January 1, 1969, to serve for the remainder of
28 the unexpired term which began on January 1, 1967.

29 Upon the appointment of at least five judges, and the designation of a Chief Judge,
30 the court is authorized to convene, organize, and promulgate, subject to the approval of
31 the Supreme Court, such supplementary rules as it deems necessary and appropriate for
32 the discharge of the judicial business lawfully assigned to it.

33 Effective January 1, 1969, the number of judges is increased to nine, and the
34 Governor, on or after March 1, 1969, shall make temporary appointments to the
35 additional judgeships thus created. The appointees shall serve until January 1, 1971.
36 Their successors shall be elected at the general election for members of the General
37 Assembly in November, 1970, and shall take office on January 1, 1971, to serve for the
38 remainder of the unexpired term which began on January 1, 1969.

39 Effective January 1, 1977, the number of judges is increased to 12; and the
40 Governor, on or after July 1, 1977, shall make temporary appointments to the additional
41 judgeships thus created. The appointees shall serve until January 1, 1979. Their
42 successors shall be elected at the general election for members of the General Assembly
43 in November, 1978, and shall take office on January 1, 1979, to serve the remainder of
44 the unexpired term which began on January 1, 1977.

1 On or after December 15, 2000, the Governor shall appoint three additional judges
2 to increase the number of judges to 15. ~~Each judgeship shall not become effective until~~
3 ~~the temporary appointment is made, and each appointee shall serve from the date of~~
4 ~~qualification until January 1, 2005. Those judges' successors shall be elected in the 2004~~
5 ~~general election and shall take office on January 1, 2005, to serve terms expiring~~
6 ~~December 31, 2012.~~

7 The Court of Appeals shall sit in panels of three judges each. The Chief Judge
8 insofar as practicable shall assign the members to panels in such fashion that each
9 member sits a substantially equal number of times with each other member. He shall
10 preside over the panel of which he is a member, and shall designate the presiding judge
11 of the other panel or panels.

12 Three judges shall constitute a quorum for the transaction of the business of the
13 court, except as may be provided in ~~§ 7A-32.~~G.S. 7A-32.

14 In the event the Chief Judge is unable, on account of absence or temporary
15 incapacity, to perform the duties placed upon him as Chief Judge, the Chief Justice shall
16 appoint an acting Chief Judge from the other judges of the Court, to temporarily
17 discharge the duties of Chief Judge."

18 **SECTION 17.** G.S. 7B-808(b), as enacted by Section 2 of S.L. 2003-140,
19 reads as rewritten:

20 "(b) The director of the department of social services shall prepare the
21 predisposition report for the court containing the results of any mental health evaluation
22 ~~of a juvenile~~ under G.S. 7B-503, a placement plan, and a treatment plan the director
23 deems appropriate to meet the juvenile's needs."

24 **SECTION 18.** The catch line of G.S. 8-53.5 reads as rewritten:

25 "**§ 8-53.5. Communications between licensed marital and family therapist and**
26 **client(s).**"

27 **SECTION 19.(a)** G.S. 14-202.4, as amended by Section 2 of S.L. 2003-98,
28 reads as rewritten:

29 "**§ 14-202.4. Taking indecent liberties with a student.**

30 (a) If a defendant, who is a teacher, school administrator, student teacher, school
31 safety officer, or coach, at any age, or who is other school personnel and is at least four
32 years older than the victim, takes indecent liberties with a victim who is a student, at
33 any time during or after the time the defendant and victim were present together in the
34 same school but before the victim ceases to be a student, the defendant is guilty of a
35 Class I felony, unless the conduct is covered under some other provision of law
36 providing for greater punishment. ~~The term "same school" means a school at which the~~
37 ~~student is enrolled and the defendant is employed, assigned, or volunteers.~~ A person is
38 not guilty of taking indecent liberties with a student if the person is lawfully married to
39 the student.

40 (b) If a defendant, who is school personnel, other than a teacher, school
41 administrator, student teacher, school safety officer, or coach, and who is less than four
42 years older than the victim, takes indecent liberties with a student as provided in
43 subsection (a) of this section, the defendant is guilty of a Class A1 misdemeanor.

44 (c) Consent is not a defense to a charge under this section.

1 (d) For purposes of this section, the following definitions apply:

2 (1) "Indecent liberties" means:

- 3 a. Willfully taking or attempting to take any immoral, improper,
4 or indecent liberties with a student for the purpose of arousing
5 or gratifying sexual desire; or
6 b. Willfully committing or attempting to commit any lewd or
7 lascivious act upon or with the body or any part or member of
8 the body of a student.

9 For purposes of this section, the term indecent liberties does not
10 include vaginal intercourse or a sexual act as defined by G.S. 14-27.1.

11 (1a) "Same school" means a school at which (i) the student is enrolled or is
12 present for a school-sponsored or school-related activity and (ii) the
13 school personnel is employed, volunteers, or is present for a school-
14 sponsored or school-related activity.

15 (2) "School" means any public school, charter school, or nonpublic school
16 under Parts 1 and 2 of Article 39 of Chapter 115C of the General
17 Statutes.

18 (3) "School personnel" means any person included in the definition
19 contained in G.S. 115C-332(a)(2), and any person who volunteers at a
20 school or a school-sponsored activity.

21 (3a) "School safety officer" means any other person who is regularly
22 present in a school for the purpose of promoting and maintaining safe
23 and orderly schools and includes a school resource officer.

24 (4) "Student" means a person enrolled in kindergarten, or in grade one
25 through grade 12 in any school."

26 **SECTION 19.(b)** This section becomes effective December 1, 2003, and
27 applies to offenses committed on or after that date.

28 **SECTION 20.** G.S. 14-298 reads as rewritten:

29 **~~"§ 14-298. Gaming tables, illegal punchboards, slot machines, and prohibited~~**
30 **~~video game machines to be destroyed by police officers.~~Seizure of illegal**
31 **gaming items.**

32 ~~All sheriffs and officers of police are hereby authorized and directed, on information~~
33 ~~made to them on oath~~Upon a determination that probable cause exists to believe that
34 any gaming table prohibited to be used by G.S. 14-289 through G.S. 14-300, any illegal
35 punchboard or illegal slot machine, or any video game machine prohibited to be used by
36 G.S. 14-306 or G.S. 14-306.1, is in the illegal possession or use of any person within the
37 limits of their jurisdiction, all sheriffs and law enforcement officers are authorized to
38 seize the items in accordance with applicable State law.~~to destroy the same by every~~
39 ~~means in their power; and they shall call to their aid all the good citizens of the county,~~
40 ~~if necessary, to effect its destruction.~~Any law enforcement agency in possession of that
41 item shall retain the item pending a disposition order from a district or superior court
42 judge. Upon application by the law enforcement agency, district attorney, or owner, and
43 after notice and opportunity to be heard by all parties, if the court determines that the
44 item is unlawful to possess, it shall enter an order releasing the item to the law

1 enforcement agency for destruction or for training purposes. If the court determines that
2 the item is not unlawful to possess and will not be used in violation of the law, the item
3 shall be ordered released to its owner upon satisfactory proof of ownership. The
4 foregoing procedures for release shall not apply, however, with respect to an item seized
5 for use as evidence in any criminal action or proceeding until after entry of final
6 judgment."

7 **SECTION 21.** G.S. 14-401.5 is repealed.

8 **SECTION 22.** G.S. 15-190 reads as rewritten:

9 **"§ 15-190. Person or persons to be designated by warden to execute sentence;**
10 **supervision of execution; who shall be present.**

11 Some guard or guards or other reliable person or persons to be named and
12 designated by the warden from time to time shall cause the person, convict or felon
13 against whom the death sentence has been so pronounced to be executed as provided by
14 this Article and all amendments thereto. The execution shall be under the general
15 supervision and control of the warden of the penitentiary, who shall from time to time,
16 in writing, name and designate the guard or guards or other reliable person or persons
17 who shall cause the person, convict or felon against whom the death sentence has been
18 pronounced to be executed as provided by this Article and all amendments thereto. At
19 such execution there shall be present the warden or deputy warden or some person
20 designated by the warden in the warden's place, and the surgeon or physician of the
21 penitentiary. Four respectable citizens, two members of the victim's family, the counsel
22 and any relatives of such person, convict or felon and a minister or member of the
23 clergy or religious leader of the person's choosing may be present if they so desire. The
24 names of persons designated to carry out the execution shall be confidential and
25 exempted under Chapter 132 of the General Statutes and are not subject to discovery or
26 introduction as evidence in any proceeding. The Senior Resident Superior Court Judge
27 for Wake County may compel disclosure of names made confidential by this section
28 after making findings that support a conclusion that disclosure is necessary to a proper
29 administration of justice."

30 **SECTION 22.5.** G.S. 18B-101(7a) reads as rewritten:

31 **"§ 18B-101. Definitions.**

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

33 ...

34 (7a) "Historic ABC establishment" means a restaurant or hotel that meets
35 all of the following requirements:

- 36 a. Is on the national register of historic ~~places~~places or located
37 within a State historic district.
- 38 b. Is a property designed to attract local, State, national, and
39 international tourists located on a State Route (SR) and with a
40 property line located within 1.5 miles of the intersection of a
41 designated North Carolina scenic byway as defined in G.S.
42 136-18(31).
- 43 c. Is located within 15 miles of a national scenic highway.

- 1 d. Is located in a county in which the on-premises sale of malt
2 beverages or unfortified wine is authorized in two or more cities
3 in the county.

4 ..."

5 **SECTION 23.** G.S. 18B-600(f), as amended by Section 1 of S.L. 2003-218,
6 reads as rewritten:

7 "(f) Township Elections. – An election may be called on any of the propositions
8 listed in G.S. 18B-602 in any township located within:

- 9 (1) A county where ABC stores have heretofore been established by
10 petition pursuant to law.
- 11 (2) A county where ABC stores have been established pursuant to law, in
12 which county according to data from the North Carolina Department
13 of Commerce: (i) one-third or more of the employment is travel
14 related, (ii) spending on travel exceeds four hundred million dollars
15 (\$400,000,000) per year, and where the entirety of two townships
16 consists of one island (and several smaller islands not making up more
17 than one percent (1%) of the total land area of the two townships)
18 where that island:
- 19 a. Has a population of 4,000 or over according to the most recent
20 decennial federal census;
- 21 b. Is located with one side facing the ocean and another side
22 facing a coastal sound.
- 23 ~~(3) A county where the population of all cities in the county that have
24 previously approved the sale of any kind of alcoholic beverages
25 comprises more than twenty percent (20%) of the total county
26 population as of the most recent federal census.~~

27 An election may be called on any of the propositions listed in G.S. 18B-602(a), (d), and
28 (h) in any township located within a county where the population of all cities in the
29 county that have previously approved the sale of any kind of alcoholic beverages
30 comprises more than twenty percent (20%) of the total county population as of the most
31 recent federal census. In the case of subdivision (2) of this section, an election may be
32 called in the two townships voting together on the proposition contained in G.S.
33 18B-602(h).

34 The election shall be held by the county board of elections upon request of the
35 county board of commissioners or upon petition of twenty-five percent (25%) of the
36 registered voters of the township, or in the case of subdivision (2) of this section, of the
37 two townships taken together. The election shall be conducted and the results
38 determined in the same manner as county elections held under this Article. For purposes
39 of this Article, townships holding any election under this subsection shall be treated on
40 the same basis as counties, and municipalities located within those townships shall be
41 treated on the same basis as cities. In the case of an election under subdivision (2) of
42 this subsection, the votes of the two townships counted together shall determine the
43 result of the election.

1 For purposes of this subsection, the name and boundary of a township is as it is
2 shown on the Redistricting Census 2000 TIGER Files with modifications made by the
3 Legislative Services Office on its computer database as of May 1, 2001.

4 In any township election held under this subsection, the area within any incorporated
5 municipality is excluded, and no permits may be issued under this subsection in any
6 excluded area.

7 In order for an establishment to qualify for a permit under this subsection, the
8 establishment's gross receipts from food and nonalcoholic beverages shall be greater
9 than its gross receipts from alcoholic beverages."

10 **SECTION 23.5.(a)** G.S. 18B-900(a) reads as rewritten:

11 "(a) Requirements. – To be eligible to receive and to hold an ABC permit, a
12 person shall:

13 ...

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

18 **SECTION 23.5.(b)** G.S. 18B-903(b1) reads as rewritten:

19 "(b1) Registration. – Each person holding a malt beverage, fortified wine, or
20 unfortified wine permit issued pursuant to G.S. 18B-902(d)(1) through G.S.
21 18B-902(d)(6) shall register by May 1 of each year on a form provided by the
22 Commission, in order to provide information needed by the State in enforcing this
23 Chapter and to support the costs of that enforcement. The registration required by this
24 subsection shall be accompanied by an annual registration and inspection fee of two
25 hundred dollars (\$200.00) for each permit held. The fee shall be paid by May 1 of each
26 year. A registration fee shall not be refundable. Failure to pay the annual registration
27 and inspection fee shall result in revocation of the permit."

28 **SECTION 24.** G.S. 18B-1006(j)(4) is repealed.

29 **SECTION 25.** G.S. 18B-1006(m) reads as rewritten:

30 "(m) Interstate Interchange Economic Development Zones. –

31 (1) The Commission may issue permits listed in G.S. 18B-1001(10),
32 without approval at an election, to qualified establishments defined in
33 G.S. 18B-1000(4), (6), and (8) located within one mile of an interstate
34 highway interchange located in a county that:

- 35 a. Has approved the sale of malt beverages, unfortified wine, and
36 fortified wine, but not mixed beverages;
37 b. Operates ABC stores;
38 c. Borders on another state; and
39 d. Lies north and east of the Roanoke River.

40 (2) The Commission may issue permits listed in G.S. 18B-1001(1), (3),
41 (5), and (10) to qualified establishments defined in G.S. 18B-1000(4),
42 (6), and (8) and may issue permits listed in G.S. 18B-1001(2) and (4)
43 to qualified establishments defined in G.S. 18B-1000(3) in any county
44 that qualifies for issuance of permits pursuant to G.S. 18B-1006(k)(5).

1 These permits may be issued without approval at an election and shall
2 be issued only to qualified establishments that meet any of the
3 following requirements:

- 4 a. Located within one mile of any interstate highway interchange
5 in that county.
6 b. Located within one mile of an establishment issued a permit
7 under G.S. 18B-1006(k)(5).

8 ~~(3) The Commission may issue permits listed in G.S. 18B-1001(10),
9 without approval at an election, to qualified establishments defined in
10 G.S. 18B-1000(4), (6), and (8) located within one mile of an interstate
11 highway interchange located in a county that meets all of the following
12 requirements:~~

- 13 ~~a. Has approved the sale of malt beverages, unfortified wine,
14 fortified wine, but not mixed beverages.
15 b. Contains one city that has approved the sale of malt beverages,
16 unfortified wine, fortified wine, and mixed beverages.
17 c. Operates ABC stores.
18 d. Lies south and west of the Roanoke River and shares a common
19 border with a county qualifying in subdivision (1) of this
20 subsection.~~

21 ~~This subsection shall also apply to an establishment in a county included in
22 subdivision (3) of this subsection if the establishment is located within two miles of an
23 interstate highway interchange that is within three miles of the common border
24 described in sub-subdivision (3)d. of this subsection."~~

25 **SECTION 25.5.** G.S. 18B-1104(7) reads as rewritten:

26 "(7) In areas where the sale is legal, sell the brewery's malt beverages at the
27 brewery upon receiving a permit under G.S. 18B-1001(1). The
28 brewery also may obtain a malt beverage wholesaler permit to sell,
29 deliver, and ship at wholesale only malt beverages manufactured by
30 the brewery. The authorization of this subdivision applies to a
31 brewery that sells, to consumers at the brewery, to wholesalers, to
32 retailers, and to exporters, fewer than 310,000 gallons of malt
33 beverages produced by it per year. A brewery not exceeding the sales
34 quantity limitations in this subdivision may also sell the malt
35 beverages manufactured by the brewery at not more than three other
36 locations in the State upon obtaining the appropriate permits under
37 G.S. 18B-1001. A brewery operating any additional retail location
38 pursuant to this subdivision shall also offer for sale at that location a
39 reasonable selection of competitive malt beverage products."

40 **SECTION 25.7.** G.S. 20-119 is amended by adding a new subsection to
41 read:

42 "(g) A law enforcement officer shall not issue a citation to a person for a violation
43 of this section if the officer has determined by electronic means, if available, that a
44 permit has been issued by the Department even though the driver does not have the

1 permit in his or her possession. Any person issued a citation pursuant to this section
2 who does not have the permit in his or her possession at the time of the issuance of the
3 citation shall not be responsible for a violation if the person, within 30 days of the date
4 of the violation, submits evidence to the Department of the existence of a permit issued
5 to the person that was valid on the date the citation was issued. A person shall not be
6 found responsible for failing to carry a permit if, by the date the person is required to
7 appear in court, the person produces to the court a permit issued to the person that was
8 valid on the date the citation was issued."

9 **SECTION 26.** G.S. 30-3.6(c), as enacted by Section 5 of S.L. 2003-296,
10 reads as rewritten:

11 "(c) A written waiver that would have been effective to waive a spouse's right to
12 dissent in estates of decedents dying on or before December 31, 2000, under Article 1 of
13 Chapter 30 of the General Statutes is effective to waive that spouse's right of elective
14 share under this Article for estates of ~~decedent's~~ decedents dying on or after January 1,
15 2001."

16 **SECTION 27.(a)** G.S. 35A-1213(b) reads as rewritten:

17 "(b) ~~An individual appointed as general guardian or guardian of the estate must be~~
18 ~~a resident of the State of North Carolina.~~ A nonresident of the State of North Carolina,
19 to be appointed as general guardian, guardian of the ~~person~~ person, or guardian of the
20 estate of a North Carolina resident, must indicate in writing his willingness to submit to
21 the jurisdiction of the North Carolina courts in matters relating to the guardianship and
22 must appoint a resident agent to accept service of process for the guardian in all actions
23 or proceedings with respect to the guardianship. Such appointment must be approved by
24 and filed with the clerk, and any agent so appointed must notify the clerk of any change
25 in the agent's address or legal residence. The clerk ~~may~~ shall require a nonresident
26 guardian of the estate or a nonresident general guardian to post a bond or other security
27 for the faithful performance of the guardian's duties. The clerk may require a
28 nonresident guardian of the person to post a bond or other security for the faithful
29 performance of the guardian's duties."

30 **SECTION 27.(b)** G.S. 35A-1290(c) reads as rewritten:

31 "(c) It is the clerk's duty to remove a ~~guardian~~ guardian, without hearing, in the
32 following cases:

- 33 (1) The guardian has been adjudged incompetent by a court of competent
34 jurisdiction and has not been restored to competence.
- 35 (2) The guardian has been convicted of a felony under the laws of the
36 United States or of any state or territory of the United States or of the
37 District of Columbia and his citizenship has not been restored.
- 38 (3) The guardian was originally unqualified for appointment and continues
39 to be unqualified, or the guardian would no longer qualify for
40 appointment as guardian due to a change in residence, a change in the
41 charter of a corporate guardian, or any other reason.
- 42 (4) The guardian is the ward's spouse and has lost his rights as provided
43 by Chapter 31A of the General Statutes.

- 1 (5) The guardian fails to post, renew, or increase a bond as required by
2 law or by order of the court.
- 3 (6) The guardian refuses or fails without justification to obey any citation,
4 notice, or process served on him in regard to the guardianship.
- 5 (7) The guardian fails to file required accountings with the clerk.
- 6 (8) The clerk finds the guardian unsuitable to continue serving as guardian
7 for any reason.
- 8 (9) The guardian is a nonresident of the State and refuses or fails to obey
9 any citation, notice, or process served on the guardian or the guardian's
10 process agent."

11 **SECTION 28.(a)** G.S.40A-3(b) reads as rewritten:

12 "(b) ~~Local Public Condemners Standard Provision.~~ – For the public use or benefit,
13 the governing body of each municipality or county shall possess the power of eminent
14 domain and may acquire by purchase, gift or condemnation any property, either inside
15 or outside its boundaries, for the following purposes.

- 16 (1) Opening, widening, extending, or improving roads, streets, alleys, and
17 sidewalks. The authority contained in this subsection is in addition to
18 the authority to acquire rights-of-way for streets, sidewalks and
19 highways under Article 9 of Chapter 136. The provisions of this
20 subdivision (1) shall not apply to counties.
- 21 (2) Establishing, extending, enlarging, or improving any of the public
22 enterprises listed in G.S. 160A-311 for cities, or G.S. 153A-274 for
23 counties.
- 24 (3) Establishing, enlarging, or improving parks, playgrounds, and other
25 recreational facilities.
- 26 (4) Establishing, extending, enlarging, or improving storm sewer and
27 drainage systems and works, or sewer and septic tank lines and
28 systems.
- 29 (5) Establishing, enlarging, or improving hospital facilities, cemeteries, or
30 library facilities.
- 31 (6) Constructing, enlarging, or improving city halls, fire stations, office
32 buildings, courthouse jails and other buildings for use by any
33 department, board, commission or agency.
- 34 (7) Establishing drainage programs and programs to prevent obstructions
35 to the natural flow of streams, creeks and natural water channels or
36 improving drainage facilities. The authority contained in this
37 subdivision is in addition to any authority contained in Chapter 156.
- 38 (8) Acquiring designated historic properties, designated as such before
39 October 1, 1989, or acquiring a designated landmark designated as
40 such on or after October 1, 1989, for which an application has been
41 made for a certificate of appropriateness for demolition, in pursuance
42 of the purposes of G.S. 160A-399.3, Chapter 160A, Article 19, Part
43 3B, effective until October 1, 1989, or G.S. 160A-400.14, whichever is
44 appropriate.

1 (9) Opening, widening, extending, or improving public wharves.

2 The board of education of any municipality or county or a combined board may
3 exercise the power of eminent domain under this Chapter for purposes authorized by
4 other statutes.

5 The power of eminent domain shall be exercised by local public condemners under
6 the procedures of Article 3 of this Chapter."

7 **SECTION 28.(b)** G.S. 40A-3(b1), as amended by Section 1 of S.L.
8 2003-282, reads as rewritten:

9 "(b1) ~~Local Public Condemners.~~ Modified Provision for Certain Localities. – For
10 the public use or benefit, the governing body of each municipality or county shall
11 possess the power of eminent domain and may acquire by purchase, gift or
12 condemnation any property or interest therein, either inside or outside its boundaries, for
13 the following purposes.

14 (1) Opening, widening, extending, or improving roads, streets, alleys, and
15 sidewalks. The authority contained in this subsection is in addition to
16 the authority to acquire rights-of-way for streets, sidewalks and
17 highways under Article 9 of Chapter 136. The provisions of this
18 subdivision (1) shall not apply to counties.

19 (2) Establishing, extending, enlarging, or improving any of the public
20 enterprises listed in G.S. 160A-311 for cities, or G.S. 153A-274 for
21 counties.

22 (3) Establishing, enlarging, or improving parks, playgrounds, and other
23 recreational facilities.

24 (4) Establishing, extending, enlarging, or improving storm sewer and
25 drainage systems and works, or sewer and septic tank lines and
26 systems.

27 (5) Establishing, enlarging, or improving hospital facilities, cemeteries, or
28 library facilities.

29 (6) Constructing, enlarging, or improving city halls, fire stations, office
30 buildings, courthouse jails and other buildings for use by any
31 department, board, commission or agency.

32 (7) Establishing drainage programs and programs to prevent obstructions
33 to the natural flow of streams, creeks and natural water channels or
34 improving drainage facilities. The authority contained in this
35 subdivision is in addition to any authority contained in Chapter 156.

36 (8) Acquiring designated historic properties, designated as such before
37 October 1, 1989, or acquiring a designated landmark designated as
38 such on or after October 1, 1989, for which an application has been
39 made for a certificate of appropriateness for demolition, in pursuance
40 of the purposes of G.S. 160A-399.3, Chapter 160A, Article 19, Part
41 3B, effective until October 1, 1989, or G.S. 160A-400.14, whichever is
42 appropriate.

43 (9) Opening, widening, extending, or improving public wharves.

- 1 (10) Engaging in or participating with other governmental entities in
2 acquiring, constructing, reconstructing, extending, or otherwise
3 building or improving beach erosion control or flood and hurricane
4 protection works, including, but not limited to, the acquisition of any
5 property that may be required as a source for beach renourishment.
6 (11) Establishing access for the public to public trust beaches and
7 appurtenant parking areas.

8 The board of education of any municipality or county or a combined board may
9 exercise the power of eminent domain under this Chapter for purposes authorized by
10 other statutes.

11 The power of eminent domain shall be exercised by local public condemners under
12 the procedures of Article 3 of this chapter.

13 This subsection applies only to Carteret and Dare Counties, the Towns of Atlantic
14 Beach, Carolina Beach, Caswell Beach, Emerald Isle, Holden Beach, Indian Beach, Kill
15 Devil Hills, Kitty Hawk, Kure Beach, Nags Head, North Topsail Beach, Oak Island,
16 Ocean Isle Beach, Pine Knoll Shores, Sunset Beach, Surf City, Topsail Beach, and
17 Wrightsville Beach, and the Village of Bald Head Island."

18 **SECTION 29.** G.S. 40A-42(a), as amended by Section 2 of S.L. 2003-282,
19 reads as rewritten:

20 "(a) (1) Standard Provision. – When a local public condemner is acquiring
21 property by condemnation for a purpose set out in G.S. 40A-3(b)(1),
22 (4) or (7), or when a city is acquiring property for a purpose set out in
23 G.S. 160A-311(1), (2), (3), (4), (6), or (7), or when a county is
24 acquiring property for a purpose set out in G.S. 153A-274(1), (2) or
25 (3), or when a local board of education or any combination of local
26 boards of education is acquiring property for any purpose set forth in
27 G.S. 115C-517, or when a condemner is acquiring property by
28 condemnation as authorized by G.S. 40A-3(c)(8), (9), (10), (12), or
29 (13), title to the property and the right to immediate possession shall
30 vest pursuant to this subsection. Unless an action for injunctive relief
31 has been initiated, title to the property specified in the complaint,
32 together with the right to immediate possession thereof, shall vest in
33 the condemner upon the filing of the complaint and the making of the
34 deposit in accordance with G.S. 40A-41.

- 35 (2) Modified Provision for Certain Localities. – When a local public
36 condemner is acquiring property by condemnation for a purpose set
37 out in G.S. 40A-3(b1)(1), (4), (7), (10), or (11), or when a city is
38 acquiring property for a purpose set out in G.S. 160A-311(1), (2), (3),
39 (4), (6), or (7), or when a county is acquiring property for a purpose set
40 out in G.S. 153A-274(1), (2) or (3), or when a local board of education
41 or any combination of local boards of education is acquiring property
42 for any purpose set forth in G.S. 115C-517, or when a condemner is
43 acquiring property by condemnation as authorized by G.S.
44 40A-3(c)(8), (9), (10), (12), or (13), title to the property and the right

1 to immediate possession shall vest pursuant to this subsection. Unless
2 an action for injunctive relief has been initiated, title to the property
3 specified in the complaint, together with the right to immediate
4 possession thereof, shall vest in the condemnor upon the filing of the
5 complaint and the making of the deposit in accordance with G.S.
6 40A-41.

7 This subdivision applies only to Carteret and Dare Counties, the
8 Towns of Atlantic Beach, Carolina Beach, Caswell Beach, Emerald
9 Isle, Holden Beach, Indian Beach, Kill Devil Hills, Kitty Hawk, Kure
10 Beach, Nags Head, North Topsail Beach, Oak Island, Ocean Isle
11 Beach, Pine Knoll Shores, Sunset Beach, Surf City, Topsail Beach,
12 and Wrightsville Beach, and the Village of Bald Head Island."

13 **SECTION 30.(a)** G.S. 48-2-206(c) reads as rewritten:

14 "(c) If the biological father fails to respond within the time required, the court
15 shall enter an order that the biological father's consent is not required for the adoption.
16 A biological father who fails to respond within the time required under this section is
17 not entitled to notice under G.S. 48-2-401(c) of an adoption petition filed within three
18 months of the birth of the ~~minor~~ minor or to participate in the adoption proceeding."

19 **SECTION 30.(b)** G.S. 48-2-206(d) reads as rewritten:

20 "(d) If the biological father notifies the court within 15 days of his receipt of the
21 notice required by subsection (a) of this section that he believes his consent to the
22 adoption is required, on motion of the petitioner, the court shall hold a hearing to
23 determine whether the consent of the biological father is required. Promptly on receipt
24 of the petitioner's motion, the court shall set a date for the hearing no earlier than 60
25 days nor later than 70 days after the biological father received the notice required by
26 subsection (a) of this section and shall notify the petitioner and the biological father of
27 the date, time, and place of the hearing. The notice of hearing to the biological father
28 shall include a statement substantially similar to the following:

29 "To the biological father named above: You have told the court that you believe
30 your consent is necessary for the adoption of the child described in the notice sent to
31 you earlier. This hearing is being held to decide whether your consent is in fact
32 necessary. Before the date of the hearing, you must have taken steps under G.S.
33 48-3-601 to establish that your consent is necessary or this court will decide that your
34 consent is not necessary and the child can be adopted without it."

35 During the hearing, the court may take such evidence as necessary and enter an order
36 determining whether or not the consent of the biological father is necessary. If the court
37 determines that the consent of the biological father is not required, that individual is not
38 entitled to receive notice under G.S. 48-2-401(c) of an adoption petition filed within
39 three months of the birth of the minor or to participate in the adoption proceeding."

40 **SECTION 30.(c)** Part 2 of Article 2 of Chapter 48 of the General Statutes is
41 amended by adding the following new section to read:

42 **"§ 48-2-207. Postpetition determination of necessity of consent.**

43 (a) If any individual described in G.S. 48-2-401(c)(3) is served with notice of the
44 filing of the petition in accordance with G.S. 48-2-402 and fails to respond within the

1 time specified in the notice, the court, upon motion by the petitioner, shall enter an order
2 under G.S. 48-3-603(a)(7) that the individual's consent is not required for the adoption.

3 (b) The court shall hold a hearing to take evidence and determine whether an
4 individual's consent to an adoption is required in any of the following circumstances:

5 (1) Any individual described in G.S. 48-2-401(c)(3) who has been served
6 with notice of the filing of the petition in accordance with G.S.
7 48-2-402 notifies the court within the time specified in the notice that
8 he believes his consent to the adoption is required.

9 (2) Any individual who has not been served with the notice of the filing of
10 the petition intervenes in the adoption proceeding alleging that his or
11 her consent to the adoption is required.

12 (c) If the court determines that the consent of any individual is required, the
13 adoption cannot proceed until that individual's consent is obtained or that individual's
14 parental rights are terminated. If the individual whose consent is required did not have
15 physical custody of the minor immediately prior to the placement of the minor with the
16 prospective adoptive parents, a finding that the individual's consent is required does not
17 entitle that individual to physical custody of the minor.

18 (d) If the court determines that the consent of any individual described in G.S.
19 48-2-401(c)(3) is not required, that individual is not entitled to receive notice of, or to
20 participate in, further proceedings in the adoption."

21 **SECTION 30.(d)** G.S. 48-2-304(c) reads as rewritten:

22 "(c) A petition to adopt a minor under Article 3 of this Chapter shall also
23 ~~state:~~state all of the following:

24 (1) A description of the source of placement and the date of placement of
25 the adoptee with the ~~petitioner;~~ and petitioner.

26 (2) That the provisions of the Interstate Compact on the Placement of
27 Children, Article 38 of Chapter 7B of the General Statutes, were
28 followed if the adoptee was brought into this State from another state
29 for purposes of ~~adoption.~~ adoption, or that a statement is attached
30 describing the circumstances of any noncompliance."

31 **SECTION 30.(e)** G.S. 48-2-305(7) reads as rewritten:

32 "**§ 48-2-305. Petition for adoption; additional documents.**

33 At the time the petition is filed, the petitioner shall file or cause to be filed the
34 following documents:

35 ...

36 (7) Any signed copy of the form required by the Interstate Compact on the
37 Placement of Children, Article 38 of Chapter 7B of the General
38 Statutes, authorizing a minor to come into this ~~State.~~ State, or any
39 statement required by G.S. 48-2-304(c) describing the circumstances
40 of any noncompliance.

41 ...

42 The petitioner may also file any other document necessary or helpful to the court's
43 determination."

44 **SECTION 30.(f)** G.S. 48-2-401(b) reads as rewritten:

1 "(b) In all adoptions, the petitioner shall serve notice of the filing ~~on~~on each of
2 the following:

- 3 (1) Any individual whose consent to the adoption is required but has not
4 been obtained, has been revoked in accord with this Chapter, or has
5 become void as provided in this ~~Chapter;~~Chapter.
6 (2) The spouse of the petitioner if that spouse is required to join in the
7 petition and petitioner is requesting that the joinder requirement be
8 ~~waived;~~waived, provided the court for cause may waive this notice
9 requirement.
10 (3) Any individual who has executed a consent or relinquishment, but who
11 the petitioner has actually been informed has filed an action to set it
12 aside for fraud or ~~duress;~~and duress.
13 (4) Any other person designated by the court who can provide information
14 relevant to the proposed adoption."

15 **SECTION 30.(g)** G.S. 48-2-401(c) reads as rewritten:

16 "(c) In the adoption of a minor, the petitioner shall also serve notice of the filing
17 ~~on~~on each of the following:

- 18 (1) A minor whose consent is dispensed with under ~~G.S.~~
19 ~~48-3-603(b)(2);~~G.S. 48-3-603(b)(2).
20 (2) Any agency that placed the ~~adoptee;~~adoptee.
21 (3) A man who to the actual knowledge of the petitioner claims to be or is
22 named as the biological or possible biological father of the minor, and
23 any biological or possible biological fathers who are unknown or
24 whose whereabouts are unknown, but notice need not be served upon a
25 man who has executed a consent, a relinquishment, or a notarized
26 statement denying paternity or disclaiming any interest in the minor, or
27 a man whose parental rights have been legally terminated or who has
28 been judicially determined not to be the minor's ~~parent;~~and parent, or
29 provided the petition is filed within three months of the birth of the
30 minor, a man whose consent to the adoption has been determined not
31 to be required under G.S. 48-2-206.
32 (4) Any individual who the petitioner has been actually informed has legal
33 or physical custody of the minor or who has a right of visitation or
34 communication with the minor under an existing court order issued by
35 a court in this State or another state."

36 **SECTION 30.(h)** G.S. 48-2-405 reads as rewritten:

37 "**§ 48-2-405. Rights of persons entitled to notice.**

38 ~~A~~Except as provided in G.S. 48-2-206(c), 48-2-206(d), and 48-2-207(d), a person
39 entitled to notice whose consent is not required may appear and present evidence only
40 as to whether the adoption is in the best interest of the adoptee."

41 **SECTION 31.(a)** G.S. 54B-266(1) is repealed.

42 **SECTION 31.(b)** G.S. 54C-200(1) is repealed.

43 **SECTION 32.** G.S. 58-64-33(a), as amended by Section 8 of S.L. 2003-193,
44 reads as rewritten:

1 "(a) A provider shall maintain after the opening of a facility: an operating reserve
2 equal to fifty percent (50%) of the total operating costs of the facility forecasted for the
3 12-month period following the period covered by the most recent disclosure statement
4 filed with the Department. The forecast statements as required by G.S. 58-64-20(a)(12)
5 shall serve as the basis for computing the operating reserve. In addition to total
6 operating expenses, total operating costs will include debt service, consisting of
7 principal and interest payments along with taxes and insurance on any mortgage loan or
8 other long-term financing, but will exclude depreciation, amortized expenses, and
9 extraordinary items as approved by the Commissioner. If the debt service portion is
10 accounted for by way of another reserve account, the debt service portion may be
11 excluded. If a facility maintains an occupancy level in excess of ninety percent (90%), a
12 provider shall only be required to maintain a twenty-five percent (25%) operating
13 reserve upon approval of the Commissioner, unless otherwise instructed by the
14 Commissioner. The operating reserve ~~must~~may be funded by cash, by ~~cash equivalents,~~
15 invested cash, or by investment grade securities, including bonds, stocks, U.S. Treasury
16 obligations, or obligations of U.S. government agencies."

17 **SECTION 33.(a)** G.S. 62-3(23) reads as rewritten:

18 "(23) a. "Public utility" means a person, whether organized under the
19 laws of this State or under the laws of any other state or
20 country, now or hereafter owning or operating in this State
21 equipment or facilities for:

22 ...

- 23 i. The term "public utility" shall not include the State, the Office
24 of ~~the State Controller, Information Technology Services,~~ or the
25 Microelectronics Center of North Carolina in the provision or
26 sharing of switched broadband telecommunications services
27 with non-State entities or organizations of the kind or type set
28 forth in G.S. 143B-426.39.

29 "

30 **SECTION 33.(b)** G.S. 147-33.92 reads as rewritten:

31 "**§ 147-33.92. Telecommunications services for local governmental ~~units~~entities**
32 **and other entities.**

33 (a) The State Chief Information Officer shall provide cities, counties, and other
34 local governmental ~~units~~entities with access to a central telecommunications system or
35 service established under G.S. 147-33.91 for State agencies. Access shall be provided
36 on the same cost basis that applies to State agencies.

37 (b) The State Chief Information Officer shall establish switched broadband
38 telecommunications services and ~~permit~~permit, in addition to State agencies, cities,
39 counties, and other local government ~~units~~entities, the following organizations and
40 entities to share on a not-for-profit basis:

- 41 (1) Nonprofit educational institutions.
42 (2) MCNC.

- 1 (3) Research affiliates of MCNC for use only in connection with research
2 activities sponsored or funded, in whole or in part, by MCNC, if such
3 research activities relate to health care or education in North Carolina.
4 (4) Agencies of the United States government operating in North Carolina
5 for use only in connection with activities that relate to health care or
6 education in North Carolina.
7 (5) Hospitals, clinics, and other health care facilities for use only in
8 connection with activities that relate to health care or education in
9 North Carolina.

10 Provided, however, that sharing of the switched broadband telecommunications
11 services by State agencies with entities or organizations in the categories set forth in this
12 subsection shall not cause the State, the Office of Information Technology Services, or
13 the MCNC to be classified as a public utility as that term is defined in G.S. 62-3(23)a.6.
14 Nor shall the State, the Office of Information Technology Services, or the MCNC
15 engage in any activities that may cause those entities to be classified as a common
16 carrier as that term is defined in the Communications Act of 1934, 47 U.S.C. § 153(h).
17 47 U.S.C. § 153(10). Provided further, authority to share the switched broadband
18 telecommunications services with the non-State agencies set forth in subdivisions (1)
19 through (5) of this subsection shall terminate one year from the effective date of a tariff
20 that makes the broadband services available to any customer."

21 **SECTION 33.5.(a)** G.S. 66-291(b)(2) reads as rewritten:

22 "(2) To the extent that a tobacco product manufacturer establishes that the
23 amount it was required to place into escrow on account of units sold in
24 the State in a particular year was greater than ~~the State's allocable~~
25 ~~share of the total payments that such manufacturer would have been~~
26 ~~required to make in that year under the Master Settlement Agreement~~
27 ~~(as determined pursuant to section IX(i)(2) of the Master Settlement~~
28 ~~Agreement, and before any of the adjustments or offsets described in~~
29 ~~section IX(i)(3) of that Agreement other than the Inflation~~
30 ~~Adjustment)the Master Settlement Agreement payments, as~~
31 determined pursuant to Section IX(i) of that agreement including after
32 final determination of all adjustments, that the manufacturer would
33 have been required to make on account of the units sold had it been a
34 participating manufacturer, the excess shall be released from escrow
35 and revert back to such tobacco product manufacturer; or".

36 **SECTION 33.5.(b)** If this section or any portion of the amendment made to
37 G.S. 66-291(b)(2) by this section is held by a court of competent jurisdiction to be
38 unconstitutional, then G.S. 66-291(b)(2) shall be deemed to be repealed in its entirety.
39 If G.S. 66-291(b) shall thereafter be held by a court of competent jurisdiction to be
40 unconstitutional, then this section shall be repealed, and G.S. 66-291(b)(2) shall be
41 restored as if no amendments had been made by this section. Neither any judicial
42 holding of unconstitutionality nor the repeal of G.S. 66-291(b)(2) shall affect, impair, or
43 invalidate any other portion of Part 1 of Article 37 of Chapter 66 of the General Statutes
44 or the application of Part 1 of Article 37 of Chapter 66 of the General Statutes to any

1 other person or circumstance, and the remaining portions of Part 1 of Article 37 of
2 Chapter 66 of the General Statutes shall at all times continue in full force and effect.

3 **SECTION 33.5.(c)** This act becomes effective October 1, 2003.

4 **SECTION 34.** Article 4 of Chapter 72 of the General Statutes is repealed.

5 **SECTION 34.5.(a)** G.S. 95-138 reads as rewritten:

6 **"§ 95-138. Civil penalties.**

7 (a) ~~Any employer who willfully or repeatedly violates the requirements of this~~
8 ~~Article, any standard, rule or order promulgated pursuant to this Article, or regulations~~
9 ~~prescribed pursuant to this Article, may upon the recommendation of the Director to the~~
10 ~~Commissioner be assessed by the Commissioner a civil penalty of not more than~~
11 ~~seventy thousand dollars (\$70,000) and not less than five thousand dollars (\$5,000) for~~
12 ~~each willful violation. Any employer who has received a citation for a serious violation~~
13 ~~of the requirements of this Article or any standard, rule, or order promulgated under this~~
14 ~~Article or of any regulation prescribed pursuant to this Article, shall be assessed by the~~
15 ~~Commissioner a civil penalty of up to seven thousand dollars (\$7,000) for each serious~~
16 ~~violation. If the violation is adjudged not to be of a serious nature, then the employer~~
17 ~~may be assessed a civil penalty of up to seven thousand dollars (\$7,000) for each~~
18 ~~nonserious violation. Any employer who fails to correct a violation for which a citation~~
19 ~~has been issued under this Article within the period allowed for its correction (which~~
20 ~~period shall not begin to run until the date of the final order of the Board in the case of~~
21 ~~any appeal proceedings in this Article initiated by the employer in good faith and not~~
22 ~~solely for the delay or avoidance of penalties), may be assessed a civil penalty of not~~
23 ~~more than seven thousand dollars (\$7,000). The assessment shall be made to apply to~~
24 ~~each day during which the failure or violation continues. Any employer who violates~~
25 ~~any of the posting requirements, as prescribed under the provision[s] of this Article,~~
26 ~~shall be assessed a civil penalty of not more than seven thousand dollars (\$7,000) for the~~
27 ~~violation. The Commissioner upon recommendation of the Director, or the Board in~~
28 ~~case of an appeal, shall have authority to assess all civil penalties provided by this~~
29 ~~Article, giving due consideration to the appropriateness of the penalty with respect to~~
30 ~~the following factors:~~

31 (1) ~~Size of the business of the employer being charged,~~

32 (2) ~~The gravity of the violation,~~

33 (3) ~~The good faith of the employer, and~~

34 (4) ~~The record of previous violations; provided that for purposes of~~
35 ~~determining repeat violations, only the record within the previous three~~
36 ~~years is applicable.~~

37 ~~The Commissioner shall adopt uniform standards which the Commissioner, the~~
38 ~~Board, and the hearing examiner shall apply when considering the four factors for~~
39 ~~determining appropriateness of the penalty. The report of the hearing examiner and the~~
40 ~~report, decision, or determination of the Board on appeal shall specify the standards~~
41 ~~applied in determining the reduction or affirmation of the penalty assessed by the~~
42 ~~Commissioner.~~

1 ~~(b) The clear proceeds of all civil penalties and interest recovered by the~~
2 ~~Commissioner, together with the costs thereof, shall be remitted to the Civil Penalty and~~
3 ~~Forfeiture Fund in accordance with G.S. 115C-457.2.~~

4 (a) The Commissioner, upon recommendation of the Director, may assess
5 penalties against any employer who violates the requirements of this Article, or any
6 standard, rule, or order promulgated pursuant to this Article, as follows:

7 (1) A minimum penalty of five thousand dollars (\$5,000) to a maximum
8 penalty of seventy thousand dollars (\$70,000) for each willful or repeat
9 violation.

10 (2) A maximum penalty of seven thousand dollars (\$7,000) for each
11 nonserious or serious violation.

12 (3) A maximum penalty of seven thousand dollars (\$7,000) for each day
13 that an employer fails to correct and abate a violation, within the
14 period allowed for its correction and abatement which period shall not
15 begin to run until the date of the final Order of the Board in the case of
16 any appeal proceedings in this Article initiated by the employer in
17 good faith and not solely for the delay of avoidance of penalties.

18 (4) A maximum penalty of seven thousand dollars (\$7,000) for violating
19 the posting requirements, as required under the provisions of this
20 Article.

21 (b) The Commissioner shall adopt uniform standards that the Commissioner, the
22 Board, and the hearing examiner shall apply when determining appropriateness of the
23 penalty. The following factors shall be used in determining whether a penalty is
24 appropriate:

25 (1) Size of the business of the employer being charged.

26 (2) The gravity of the violation.

27 (3) The good faith of the employer.

28 (4) The record of previous violations; provided that for purposes of
29 determining repeat violations, only the record within the previous three
30 years is applicable.

31 The report of the hearing examiner and the report, decision, or determination of the
32 Board on appeal shall specify the standards applied in determining the reduction or
33 affirmation of the penalty assessed by the Commissioner.

34 ~~(c) The clear proceeds of all civil penalties and interest recovered by the~~
35 ~~Commissioner, together with the costs thereof, shall be remitted to the Civil Penalty and~~
36 ~~Forfeiture Fund in accordance with G.S. 115C-457.2."~~

37 **SECTION 34.5.(b)** This section is effective January 1, 2004, and applies to
38 violations occurring on or after that date.

39 **SECTION 35.** G.S. 105-129.6(b) reads as rewritten:

40 "(b) Reports. – The Department of Revenue shall publish by ~~March 1~~April 1 of
41 each year the following information itemized by credit and by taxpayer for the
42 12-month period ending the preceding December 31:

43 ..."

1 **SECTION 35.5.** G.S. 108A-25 is amended by adding a new subsection to
2 read:

3 "(d) Each Community Care network organization designated by the Department of
4 Health and Human Services as responsible for coordinating the health care of
5 individuals eligible for medical assistance in a county is hereby deemed to be a public
6 agency that is a local unit of government for the sole and limited purpose of all grants-
7 in-aid, public assistance grant programs and other funding programs."

8 **SECTION 36.** G.S. 108A-70.21(d), as amended by Section 10.29(a) of S.L.
9 2003-284, reads as rewritten:

10 "(d) Cost-Sharing. – There shall be no deductibles, copayments, or other
11 cost-sharing charges for families covered under the Program whose family income is at
12 or below one hundred fifty percent (150%) of the federal poverty level, ~~except that fees~~
13 ~~for outpatient prescription drugs are applicable and shall be one dollar (\$1.00) for each~~
14 ~~outpatient generic prescription drug and for each outpatient brand name prescription~~
15 ~~drug for which there is no generic substitution available. The fee for each outpatient~~
16 ~~brand name prescription drug for which there is a generic substitution available is three~~
17 ~~dollars (\$3.00) level.~~ Families covered under the Program whose family income is
18 above one hundred fifty percent (150%) of the federal poverty level shall be responsible
19 for copayments to providers as follows:

- 20 (1) Five dollars (\$5.00) per child for each visit to a provider, except that
21 there shall be no copayment required for well-baby, well-child, or
22 age-appropriate immunization services;
- 23 (2) Five dollars (\$5.00) per child for each outpatient hospital visit;
- 24 (3) A six dollar (\$6.00) fee for each outpatient prescription drug
25 purchased; one dollar (\$1.00) fee for each outpatient generic
26 prescription drug and for each outpatient brand name prescription drug
27 for which there is no generic substitution available. The fee for each
28 outpatient brand name prescription drug for which there is a generic
29 substitution available is ten dollars (\$10.00).
- 30 (4) Twenty dollars (\$20.00) for each emergency room visit unless:
- 31 a. The child is admitted to the hospital, or
- 32 b. No other reasonable care was available as determined by the
- 33 Claims Processing Contractor of the North Carolina Teachers'
- 34 and State Employees' Comprehensive Major Medical Plan.

35 Copayments required under this subsection for prescription drugs apply only to
36 prescription drugs prescribed on an outpatient basis."

37 **SECTION 37.(a)** G.S. 110-90(1a), as enacted by Section 34.12(a) of S.L.
38 2003-284, reads as rewritten:

39 "The Secretary shall have the following powers and duties under the policies and
40 rules of the Commission:

41 ...

- 42 (1a) ~~To establish~~The Secretary shall charge child care centers a
43 nonrefundable annual license-monitoring fee for the licensing of child
44 care centers. fee. The fee does not apply to a religious-sponsored child

1 care center operated pursuant to a letter of compliance. The amount of
2 the fee ~~may not exceed~~ shall be the amount listed in this subdivision.

3 Capacity of Center	Maximum Fee
4 12 or fewer children	\$ 35.00
5 13-50 children	\$125.00
6 51-100 children	\$250.00
7 101 or more children	\$400.00

8 Failure to pay the license monitoring fee shall result in suspension of a
9 license unless the fee is paid as governed by G.S. 150B-3.

10 ..."

11 **SECTION 37.(b)** Section 5.1(p) of S.L. 2003-284, reads as rewritten:

12 "**SECTION 5.1.(p)** The sum of ~~one million six hundred thousand dollars~~
13 ~~(\$1,600,000)~~ two million five hundred fifty thousand dollars (\$2,550,000) appropriated
14 in this section in the TANF Block Grant to the Department of Health and Human
15 Services, Division of Social Services, for fiscal year 2003-2004 shall be used to support
16 various child welfare training projects as follows:

- 17 (1) Provide a regional training center in southeastern North Carolina.
- 18 (2) Support the Masters Degree in Social Work/Baccalaureate Degree in
19 Social Work Collaborative.
- 20 (3) Provide training for residential child care facilities.
- 21 (4) Provide for various other child welfare training initiatives."

22 **SECTION 37.(c)** Section 5.1(a) of S.L. 2003-284 is amended by deleting the
23 language 'Division of Social Services – Child Caring Agencies' in item 17 of the
24 SOCIAL SERVICES BLOCK GRANT and substituting 'Transfer from TANF Block
25 Grant for Division of Social Services – Child Caring Agencies' in item 17 of the
26 SOCIAL SERVICES BLOCK GRANT.

27 **SECTION 37.(d)** Subsection (a) of this section becomes effective October
28 1, 2003. Subsections (b) and (c) of this section are effective July 1, 2003.

29 **SECTION 38.(a)** G.S. 110-139.2(b1), as enacted by Section 4 of S.L.
30 2003-288, reads as rewritten:

31 "(b1) The Department of Health and Human Services Child Support Enforcement
32 Agency may notify any financial institution doing business in this State that an obligor
33 who maintains an identified account with the financial institution has a delinquent child
34 support obligation that may be eligible for levy on the account in an amount that
35 satisfies some or all of the delinquency. In order to be able to attach a lien on and levy
36 an obligor's account, the obligor's child support obligation shall be in arrears in an
37 amount not less than the amount of support owed for six months or one thousand dollars
38 (\$1,000), whichever is less.

39 Upon certification of the arrears amount in accordance with G.S. 44-86(c), the Child
40 Support Agency shall serve or cause to be served upon the obligor and the financial
41 institution a notice as provided by this subsection. The notice shall be served in any
42 manner provided in Rule 4 of the North Carolina Rules of Civil ~~Procedure and~~
43 Procedure, except that a notice may be served on a financial institution in any other
44 manner that the financial institution has agreed to in writing at any time prior to the time

1 the notice is sent. The notice shall include the name of the obligor, the financial
2 institution where the account is located, the account number of the account to be levied
3 to satisfy the lien, the certified arrears amount, information for the obligor on how to
4 remove the lien or contest the lien in order to avoid the levy, and a copy of the
5 applicable law, G.S. 110-139.2. Upon service of the notice, the financial institution shall
6 proceed in the following manner:

7 (1) Immediately attach a lien to the identified account.

8 (2) Notify the Child Support Agency of the balance of the account and
9 date of the lien or that the account does not meet the requirement for
10 levy under this subsection.

11 In order for an obligor to contest the lien, within 10 days after the obligor is served
12 with the notice, the obligor shall send written notice of the basis of the obligor's contest
13 to the Child Support Agency and shall request a hearing before the district court in the
14 county where the support order was entered. The lien may be contested only on the
15 basis that the arrearage is an amount less than the amount of support owed for six
16 months, or is less than one thousand dollars (\$1,000), or the obligor is not the person
17 subject to the court order of support. The district court may assess court costs against
18 the nonprevailing party. If no response is received from the obligor within 10 days of
19 the service of the notice, the Child Support Agency shall notify the financial institution
20 to submit payment, up to the total amount of the child support arrears, if available. This
21 amount is to be applied to the debt of the delinquent obligor.

22 A financial institution shall not be liable to any person for complying in good faith
23 with this subsection.

24 This levy procedure is to be available for direct use by all states' child support
25 programs to financial institutions in this State."

26 **SECTION 38.(b)** This section becomes effective when Section 4 of S.L.
27 2003-288 becomes effective.

28 **SECTION 39.** G.S. 114-19.12, as enacted by Section 4 of S.L. 2003-214 is
29 recodified as G.S. 114-19.14, to avoid a conflict with S.L. 2003-182.

30 **SECTION 40.** G.S. 115C-84.2(d) reads as rewritten:

31 "(d) Opening and Closing Dates. – Local boards of education shall determine the
32 dates of opening and closing the public schools under subdivision (a)(1) of this section.
33 A local board may revise the scheduled closing date if necessary in order to comply
34 with the minimum requirements for instructional days or instructional time. Different
35 opening and closing dates may be fixed for schools in the same administrative unit.

36 ~~Local boards and individual schools shall give teachers at least 14 calendar days'~~
37 ~~notice before requiring a teacher to work instead of taking vacation leave on days~~
38 ~~scheduled in accordance with subdivision (4) or (5) of this subsection. A teacher may~~
39 ~~elect to waive this notice requirement for one or more such days."~~

40 **SECTION 41.(a)** G.S. 115C-238.29B(a) reads as rewritten:

41 "(a) Any person, group of persons, or nonprofit ~~corporation~~ corporation, including
42 a local board of education, seeking to establish a charter school may apply to establish a
43 charter school. If the applicant seeks to convert a public school to a charter school, the
44 application shall include a statement signed by a majority of the teachers and

1 instructional support personnel currently employed at the school indicating that they
2 favor the conversion and evidence that a significant number of parents of children
3 enrolled in the school favor conversion."

4 **SECTION 41.(b)** G.S. 115C-238.29E reads as rewritten:

5 **"§ 115C-238.29E. Charter school operation.**

6 (a) A charter school that is approved by the State shall be a public school within
7 the local school administrative unit in which it is located. It shall be accountable to the
8 local board of education if it applied for and received preliminary approval from that
9 local board for purposes of ensuring compliance with applicable laws and the provisions
10 of its ~~charter~~charter or if the local board of education was the applicant for the charter.

11 All other charter schools shall be accountable to the State Board for ensuring
12 compliance with applicable laws and the provisions of their charters, except that any of
13 these charter schools may agree to be accountable to the local board of the school
14 administrative unit in which the charter school is located rather than to the State Board.

15 (b) A charter school shall be operated by a private nonprofit corporation that
16 shall have received federal tax-exempt status no later than 24 months following final
17 approval of the ~~application~~application unless a local board of education applied for and
18 was granted a charter for the conversion of an existing public school or for the creation
19 of a new charter school. In such a case, a charter school shall be operated by the local
20 board of education or by a board of directors appointed by the local board of education.

21 (c) A charter school shall operate under the written charter signed by the entity to
22 which it is accountable under subsection (a) of this section and the applicant. A charter
23 school is not required to enter into any other contract. The charter shall incorporate the
24 information provided in the application, as modified during the charter approval
25 process, and any terms and conditions imposed on the charter school by the State Board
26 of Education. No other terms may be imposed on the charter school as a condition for
27 receipt of local funds.

28 (d) The board of directors of the charter school shall decide matters related to the
29 operation of the school, including budgeting, curriculum, and operating procedures.

30 (e) A charter school's specific location shall not be prescribed or limited by a
31 local board or other authority except a zoning ~~authority~~authority unless the local board
32 of education applied for and was granted the charter for the conversion of a public
33 school or the creation of a new charter school. The school may lease space from a local
34 board of education or as is otherwise lawful in the local school administrative unit in
35 which the charter school is located. If a charter school leases space from a sectarian
36 organization, the charter school classes and students shall be physically separated from
37 any parochial students, and there shall be no religious artifacts, symbols, iconography,
38 or materials on display in the charter school's entrance, classrooms, or hallways.
39 Furthermore, if a charter school leases space from a sectarian organization, the charter
40 school shall not use the name of that organization in the name of the charter school.

41 At the request of the charter school, the local board of education of the local school
42 administrative unit in which the charter school will be located shall lease any available
43 building or land to the charter school unless the board demonstrates that the lease is not
44 economically or practically feasible or that the local board does not have adequate

1 classroom space to meet its enrollment needs. Notwithstanding any other law, a local
2 board of education may provide a school facility to a charter school free of charge;
3 however, the charter school is responsible for the maintenance of and insurance for the
4 school facility.

5 (f) Except as provided in this Part and pursuant to the provisions of its charter, a
6 charter school is exempt from statutes and rules applicable to a local board of education
7 or local school administrative unit."

8 **SECTION 41.(c)** This section applies only to the Winston-Salem/Forsyth
9 School System.

10 **SECTION 42.(a)** G.S. 115C-238.29D(d) reads as rewritten:

11 "(d) The State Board of Education may grant the initial charter for a period not to
12 exceed ~~five-10~~ years and may renew the charter upon the request of the chartering entity
13 for subsequent periods not to exceed ~~five-10~~ years each. The State Board of Education
14 shall review the operations of each charter school at least once every five years to
15 ensure that the school is meeting the expected academic, financial, and governance
16 standards.

17 A material revision of the provisions of a charter application shall be made only
18 upon the approval of the State Board of Education.

19 It shall not be considered a material revision of a charter application and shall not
20 require the prior approval of the State Board for a charter school to increase its
21 enrollment during the charter school's second year of operation and annually thereafter
22 (i) by up to ten percent (10%) of the school's previous year's enrollment or (ii) in
23 accordance with planned growth as authorized in the charter. Other enrollment growth
24 shall be considered a material revision of the charter application, and the State Board
25 may approve such additional enrollment growth of greater than ten percent (10%) only
26 if the State Board finds that:

- 27 (1) The actual enrollment of the charter school is within ten percent (10%)
28 of its maximum authorized enrollment;
- 29 (2) The charter school has commitments for ninety percent (90%) of the
30 requested maximum growth;
- 31 (3) The board of education of the local school administrative unit in which
32 the charter school is located has had an opportunity to be heard by the
33 State Board of Education on any adverse impact the proposed growth
34 would have on the unit's ability to provide a sound basic education to
35 its students;
- 36 (4) The charter school is not currently identified as low-performing;
- 37 (5) The charter school meets generally accepted standards of fiscal
38 management; and
- 39 (6) It is otherwise appropriate to approve the enrollment growth."

40 **SECTION 42.(b)** G.S. 115C-238.29F(e)(1) reads as rewritten:

41 "(1) An employee of a charter school is not an employee of the local school
42 administrative unit in which the charter school is located. The charter
43 school's board of directors shall employ and contract with necessary
44 teachers to perform the particular service for which they are employed

1 in the school; at least seventy-five percent (75%) of these teachers in
2 grades kindergarten through five, at least fifty percent (50%) of these
3 teachers in grades six through eight, and at least fifty percent (50%) of
4 these teachers in grades nine through 12 shall hold teacher certificates.
5 All teachers in grades six through 12 who are teaching in the core
6 subject areas of mathematics, science, social studies, and language arts
7 shall be college graduates.

8 The board also may employ necessary employees who are not
9 required to hold teacher certificates to perform duties other than
10 teaching and may contract for other services. The board may discharge
11 teachers and noncertificated employees."

12 **SECTION 42.(c)** This section is effective when it becomes law. Subsection
13 (a) of this section applies to charters granted or renewed on or after that date.
14 Subsection (b) of this section applies to persons employed by charter schools for the
15 2003-2004 and subsequent school years.

16 **SECTION 43.** G.S. 115C-437 reads as rewritten:

17 "**§ 115C-437. Allocation of revenues to the local school administrative unit by the**
18 **county.**

19 (a) Revenues accruing to the local school administrative unit by virtue of Article
20 IX, Sec. 7, of the Constitution and taxes levied by or on behalf of the local school
21 administrative unit pursuant to a local act or G.S. 115C-501 to 115C-511 shall be
22 remitted to the school finance officer by the officer having custody thereof within 10
23 days after the close of the calendar month in which the revenues were received or
24 collected. The clear proceeds of all penalties and forfeitures and of all fines collected for
25 any breach of the penal laws of the State, as referred to in Article IX, Sec. 7 of the
26 Constitution, shall include the full amount of all penalties, forfeitures or fines collected
27 under authority conferred by the State, diminished only by the actual costs of collection,
28 not to exceed ten percent (10%) of the amount ~~collected.~~ collected, except as provided
29 in subsection (b) of this section.

30 Revenues appropriated to the local school administrative unit by the board of county
31 commissioners from general county revenues shall be made available to the school
32 finance officer by such procedures as may be mutually agreeable to the board of
33 education and the board of county commissioners, but if no such agreement is reached,
34 these funds shall be remitted to the school finance officer by the county finance officer
35 in monthly installments sufficient to meet its lawful expenditures from the county
36 appropriation until the county appropriation to the local school administrative unit is
37 exhausted. Each installment shall be paid not later than 10 days after the close of each
38 calendar month. When revenue has been appropriated to the local school administrative
39 unit by the board of county commissioners from funds which carry specific restrictions
40 binding upon the county as recipient, the board of commissioners must inform the local
41 school administrative unit in writing of those restrictions.

42 (b) The clear proceeds of all penalties, forfeitures, and fines of The University of
43 North Carolina shall be the full amount collected by The University of North Carolina,
44 diminished only by the direct, actual costs of assessing and collecting the penalties,

1 forfeitures, and fines. Those costs shall be itemized in an accounting to be provided
2 when the proceeds are remitted by The University of North Carolina."

3 **SECTION 44.** Part 3 of Article 1 of Chapter 116 of the General Statutes is
4 amended by adding the following new section to read:

5 "**§ 116-40.7 Internal auditors.**

6 (a) Internal auditors within The University of North Carolina and its constituent
7 institutions shall provide independent reviews and analyses of various functions and
8 programs within The University of North Carolina that will provide management
9 information to promote accountability, integrity, and efficiency within The University
10 of North Carolina.

11 (b) An internal auditor shall have access to any records, data, or other
12 information of The University of North Carolina or the relevant constituent institution
13 that the internal auditor believes necessary to carry out the internal auditor's duties.

14 (c) An internal auditor shall maintain, for 10 years, a complete file of all audit
15 reports and reports of other examinations, investigations, surveys, and reviews issued
16 under the internal auditor's authority. Audit work papers and other evidence and related
17 supportive material directly pertaining to the work of that auditor's office shall be
18 retained in accordance with Chapter 132 of the General Statutes. To promote
19 cooperation and avoid unnecessary duplication of audit effort, audit work papers related
20 to issued audit reports shall be, unless otherwise prohibited by law, made available for
21 inspection by duly authorized representatives of the State and federal governments in
22 connection with some matter officially before them. Except as otherwise provided in
23 this subsection, or upon subpoena issued by a duly authorized court or court official,
24 audit work papers shall be kept confidential and shall not be open to examination or
25 inspection under G.S. 132-6. Audit reports shall be public records to the extent that they
26 do not include information that, under State laws, is confidential and exempt from
27 Chapter 132 of the General Statutes or would compromise the security systems of The
28 University of North Carolina."

29 **SECTION 45.** G.S. 116-238.1, as enacted by S.L. 2003-284, is amended by
30 adding a new subsection to read:

31 "(f) Notwithstanding any other provision of this section, no tuition grant awarded
32 to a student under this section shall exceed the cost of tuition of the constituent
33 institution at which the student is enrolled. If a student, who is eligible for a tuition grant
34 under this subsection, also receives a scholarship or other grant covering the cost of
35 tuition at the constituent institution for which the tuition grant is awarded, then the
36 amount of the tuition grant shall be reduced by an appropriate amount determined by the
37 State Education Assistance Authority. The State Education Assistance Authority shall
38 reduce the amount of the tuition grant so that the sum of all grants and scholarship aid
39 covering the cost of tuition received by the student, including the tuition grant under this
40 section, shall not exceed the cost of tuition for the constituent institution at which the
41 student is enrolled."

42 **SECTION 46.** G.S. 116-243, as rewritten by Section 1 of S.L. 2003-102,
43 reads as rewritten:

44 "**§ 116-243. Board of directors established; appointments.**

1 A board of directors to govern the operation of the Arboretum is established, to be
2 appointed as follows:

- 3 (1) Two by the Governor, initially, one for a two-year term, and one for a
4 four-year term. Successors shall be appointed for four-year
5 ~~terms;~~terms.
- 6 (2) Two by the General Assembly, in accordance with G.S. 120-121, upon
7 the recommendation of the President Pro Tempore of the Senate,
8 initially, one for a two-year term, and one for a four-year term.
9 Successors shall be appointed for four-year ~~terms;~~terms.
- 10 (3) Two by the General Assembly, in accordance with G.S. 120-121, upon
11 the recommendation of the Speaker of the House of Representatives,
12 initially, one for a two-year term, and one for a four-year term.
13 Successors shall be appointed for four-year ~~terms;~~terms.
- 14 (4) The President of The University of North Carolina or ~~his—the~~
15 President's designee to serve ex ~~officio;~~officio.
- 16 (5) The chancellors, chief executive officers, or their designees of the
17 following institutions of higher education: North Carolina State
18 University, Western Carolina University, The University of North
19 Carolina at Asheville, Mars Hill College, and Warren Wilson College,
20 to serve ex ~~officio;~~officio.
- 21 (6) The President of Western North Carolina Arboretum, Inc., to serve ex
22 ~~officio;~~officio.
- 23 (7) Six by the Board of Governors of The University of North Carolina,
24 initially, three for one-year terms, and three for three-year terms.
25 Successors shall be appointed for four-year terms. One shall be an
26 active grower of nursery stock, and one other shall represent the State's
27 garden ~~clubs;~~clubs.
- 28 (8) The executive director of the Arboretum and the Executive Vice
29 President of Western North Carolina Development Association shall
30 serve ex officio as nonvoting members of the board of directors.

31 All appointed members may serve two full four-year terms following the initial
32 appointment and then may not be reappointed until they have been absent for at least
33 one year. Members serve until their successors have been appointed. Appointees to fill
34 vacancies serve for the remainder of the unexpired term. Vacancies in appointments
35 made by the General Assembly shall be filled in accordance with G.S. 120-122. Initial
36 terms begin July 1, 1986.

37 The chairman of the board of directors shall be elected biennially by majority vote of
38 the directors.

39 The executive director of the Arboretum shall report to the board of directors."

40 **SECTION 46.5.** Article 1 of Chapter 120 of the General Statutes is amended
41 by adding a new section to read:

42 "**§ 120-2.2A. Venue in redistricting cases.**

43 Venue in any action concerning any act of the General Assembly districting,
44 redistricting, or apportioning any of the North Carolina House of Representatives, the

1 North Carolina Senate, or North Carolina's districts for electing members of the United
2 States House of Representatives, lies exclusively with the senior resident judge of Wake
3 County Superior Court. This section applies regardless of when the case was filed."

4 **SECTION 47.(a)** The title of Article 6 of Chapter 120 of the General
5 Statutes reads as rewritten:

6 "Article 6.

7 ~~Acts and Journals.~~ Acts, Journals, and Reports to the General Assembly."

8 **SECTION 47.(b)** Article 6 of Chapter 120 of the General Statutes is
9 amended by adding the following new section to read:

10 "**§ 120-29.5. State agency reports to the General Assembly.**

11 Whenever a report is directed by law or resolution to be made to the General
12 Assembly, the State agency preparing the report shall deliver one copy of the report to
13 each of the following officers: the Speaker of the House of Representatives, the
14 President Pro Tempore of the Senate, the House Principal Clerk, and the Senate
15 Principal Clerk; and two copies of the report to the Legislative Library. The State
16 agency is encouraged to inform members of the General Assembly that an electronic
17 copy is available. This section does not affect any responsibilities for depositing
18 documents with the State Library or the State Publications Clearinghouse under Chapter
19 125 of the General Statutes."

20 **SECTION 47.(c)** This section becomes effective October 1, 2003.

21 **SECTION 48.(a)** G.S. 120-47.2(d) reads as rewritten:

22 "(d) Within 20 days after the convening of each session of the General Assembly,
23 the Secretary of State shall furnish each member of the General Assembly and the State
24 Legislative Library a list of all persons who have registered as lobbyists and whom they
25 represent. A supplemental list shall be furnished periodically each 20 days thereafter as
26 the session progresses."

27 **SECTION 48.(b)** G.S. 143-47.7(a) reads as rewritten:

28 "(a) Within 60 days after acceptance of appointment by a person appointed to
29 public office, the appointing authority shall file written notice of such appointment with
30 the Governor, the Secretary of State, the ~~State~~ Legislative Library, the State Library,
31 and the State Controller. For the purposes of this section, a copy of the letter from the
32 appointing authority or a copy of the properly executed Commission of Appointment
33 shall be sufficient to be filed if such copy contains the information required in
34 subsection (b) of this section."

35 **SECTION 48.(c)** G.S. 147-16.2 reads as rewritten:

36 "**§ 147-16.2. Duration of boards and councils created by executive officials;**
37 **extensions.**

38 (a) Any executive order of the Governor that creates a board, committee, council,
39 or commission expires two years after the effective date of the executive order, unless
40 the Governor specifies an expiration date in the order; provided, however, that any such
41 executive order that was in effect on July 1, 1983, expires on June 30, 1985, unless the
42 Governor specified a different expiration date in any such order. The Governor may
43 extend any such executive order before it expires for additional periods of up to two

1 years by doing so in writing; copies of the writing shall be filed by the Governor with
2 the Secretary of State and the State-Legislative Library.

3 (b) Any other State board, committee, council, or commission created by the
4 Governor or by any other State elective officer specified in Article III of the North
5 Carolina Constitution expires two years after it was created; provided, however, that any
6 such board, committee, council, or commission existing as of July 1, 1984, expires on
7 June 30, 1985, unless it was due to expire on an earlier date. The elective officer
8 creating any such board, committee, council, or commission may extend the board,
9 committee, council, or commission before it expires for additional periods of up to two
10 years by doing so in writing; copies of the writing shall be filed by the elective officer
11 with the Secretary of State and the State-Legislative Library.

12 (c) Any State board, committee, council, or commission created by any official
13 in the executive branch of State government, other than by those officials specified in
14 subsections (a) and ~~(b)~~, (b) of this section, expires two years after it was created;
15 provided, however, that any board, committee, council, or commission existing as of
16 July 1, 1984, expires on June 30, 1985, unless it was due to expire on an earlier date.
17 The Governor may extend any such board, committee, council, or commission before it
18 expires for additional periods of up to two years by executive order; copies of the
19 executive order shall be filed by the Governor with the Secretary of State and the State
20 Legislative Library.

21 The words, "official in the executive branch of State government," as used in this
22 section, do not include officials of counties, cities, towns, villages, other municipal
23 corporations or political subdivisions of the State or any agencies of such subdivision,
24 or local boards of education, other local public districts, units or bodies of any kind, or
25 community colleges as defined in G.S. 115D- 2(2), or private corporations created by
26 act of the General Assembly.

27 (d) Any elective officer specified in subsection (b) of this section and any other
28 official in the executive branch of State government who creates a board, committee,
29 council, or commission shall do so in writing and shall file copies of the writing with
30 the Secretary of State and the State-Legislative Library."

31 **SECTION 49.** G.S. 121-4(16) is repealed.

32 **SECTION 49.5.** G.S. 126-3(b) is amended by adding a new subdivision to
33 read:

34 "**§ 126-3. Office of State Personnel established and responsibilities outlined;**
35 **administration and supervision; appointment, compensation and tenure**
36 **of Director.**

37 ...

38 (b) The Office shall be responsible for the following activities, and such other
39 activities as specified in this Chapter:

40 ...

41 (10) The Office may adopt policies and procedures, as approved by the
42 Commission, concerning the conduct of demonstration projects.

43 a. The purposes of demonstration projects are:

- 1 1. To determine if the potential human resources program
2 would be of benefit to State government;
- 3 2 To prevent the costly implementation of untested human
4 resources programs on a statewide basis;
- 5 3. To measure the benefits of potential human resources
6 programs versus program costs; and
- 7 4. To test and modify program guidelines prior to the
8 adoption of policies and procedures governing a
9 statewide program.
- 10 b. Demonstration projects shall have the following characteristics:
 - 11 1. Specific goals and objectives;
 - 12 2. An analysis, at the end of the project, of the estimated
13 costs/benefits of the project;
 - 14 3. Measurement criteria so that achievement of the goals
15 and objectives can be accurately measured; and
 - 16 4. Specific beginning and ending dates.
- 17 c. The Office, with the approval of the Commission, may operate
18 demonstration projects initiated by the Office, as well as
19 approve projects proposed and initiated by the various agencies,
20 departments, institutions, and universities either singly or
21 jointly. The Commission and Office shall not approve more
22 than a combined total of 10 demonstration projects in any fiscal
23 year. Demonstration projects may be proposed in any human
24 resources area. The Office shall report to the Joint Legislative
25 Commission on Governmental Operations on demonstration
26 projects prior to implementation.
- 27 d. With concurrence from the Office of State Budget and
28 Management, agencies, departments, institutions, and
29 universities shall have the flexibility to use any allowable and
30 available funds to operate demonstration projects.
- 31 e. Upon the completion of a demonstration project, the Office or
32 the participating agencies, departments, institutions, and
33 universities shall submit a report to the Commission that
34 includes an analysis of both the costs and the benefits of the
35 program, a program evaluation including all measures identified
36 in the program design proposal, and recommendations based on
37 the results of the demonstration project.
- 38 f. Upon termination of a demonstration project, employee salaries
39 may be adjusted to reflect any legislative increases, and any
40 other adverse employment impact caused by employee
41 participation in the demonstration project shall be rectified.
- 42 g. The Office, with the approval of the Commission, may propose,
43 through the rule-making process or modifications to this

Chapter, policies and procedures based on a successful demonstration project."

SECTION 49.6.(a) G.S. 130A-1.1 is repealed.

SECTION 49.6.(b) G.S. 130A-2 reads as rewritten:

§ 130A-2. Definitions.

The following definitions shall apply throughout this Chapter unless otherwise specified:

(1) "Commission" means the Commission for Health Services.

(1a) "Communicable condition" means the state of being infected with a communicable agent but without symptoms.

(1b) "Communicable disease" means an illness due to an infectious agent or its toxic products which is transmitted directly or indirectly to a person from an infected person or animal through the agency of an intermediate animal, host, or vector, or through the inanimate environment.

(2) "Department" means the Department of Health and Human Services.

(2a) "Essential public health services and functions" means those services and functions listed in G.S. 130A-2.3.

(3) "Imminent hazard" means a situation that is likely to cause an immediate threat to human life, an immediate threat of serious physical injury, an immediate threat of serious adverse health effects, or a serious risk of irreparable damage to the environment if no immediate action is taken.

(3a) "Isolation authority" means the authority to issue an order to limit the freedom of movement or action of a person or animal with a communicable disease or communicable condition for the period of communicability to prevent the direct or indirect conveyance of the infectious agent from the person or animal to other persons or animals who are susceptible or who may spread the agent to others.

(4) "Local board of health" means a district board of health or a public health authority board or a county board of health.

(5) "Local health department" means a district health department or a public health authority or a county health department.

(6) "Local health director" means the administrative head of a local health department appointed pursuant to this Chapter.

(6a) "Local public health agency" means a local health director, a local board of health, and a local health department.

~~(6a)~~(6b) "Outbreak" means an occurrence of a case or cases of a disease in a locale in excess of the usual number of cases of the disease.

(7) "Person" means an individual, corporation, company, association, partnership, unit of local government or other legal entity.

(7a) "Private sector partner" means nongovernmental persons, including community organizations, contractors, educational institutions, health care facilities, health insurers, private businesses, media, nonprofit

1 organizations, and volunteers, that provide essential public health
2 services and functions or work to improve public health outcomes in
3 collaboration with the State or a local public health agency.

4 (7b) "Public health" means assuring the conditions in which the population
5 can be healthy. The term includes population-based or individual
6 efforts primarily aimed at the prevention of injury, disease, or
7 premature mortality or the promotion of health in the community, such
8 as assessing the health needs and status of the community through
9 public health surveillance and epidemiological research, developing
10 public health policy, and responding to public health needs and
11 emergencies.

12 (7c) "Public health agency" means a federal, State, or local public health
13 agency.

14 (7d) "Public health infrastructure" means the competencies and resources
15 that enable public health agencies, in collaboration with other
16 components of the public health system, to provide essential public
17 health services and functions throughout the State.

18 (7e) "Public health system" means State and local public health agencies
19 and their public and private sector partners.

20 (7f) "Public health workforce" means State and local public health agents
21 and other persons working within the public health system to provide
22 essential public health services and functions in the State.

23 (7g) "Public sector partner" means international, federal, tribal, or other
24 State or local governments and their public health agencies that
25 provide essential public health services and functions or work to
26 improve public health outcomes with a State or local public health
27 agency.

28 (~~7a~~)(7h) "Quarantine authority" means the authority to issue an order to limit
29 the freedom of movement or action of persons or animals which have
30 been exposed to or are reasonably suspected of having been exposed to
31 a communicable disease or communicable condition for a period of
32 time as may be necessary to prevent the spread of that disease.
33 Quarantine authority also means the authority to issue an order to limit
34 access by any person or animal to an area or facility that may be
35 contaminated with an infectious agent. The term also means the
36 authority to issue an order to limit the freedom of movement or action
37 of persons who have not received immunizations against a
38 communicable disease when the State Health Director or a local health
39 director determines that the immunizations are required to control an
40 outbreak of that disease.

41 (8) "Secretary" means the Secretary of Health and Human Services.

42 (8a) "State public health agency" means the Commission for Health
43 Services, the Department of Health and Human Services, and the
44 Department of Environment and Natural Resources to the extent that

1 the Department of Environment and Natural Resources has jurisdiction
2 to protect the public's health.

3 (9) "Unit of local government" means a county, city, consolidated
4 city-county, sanitary district or other local political subdivision,
5 authority or agency of local government.

6 (10) "Vital records" means birth, death, fetal death, marriage, annulment
7 and divorce records registered under the provisions of Article 4 of this
8 Chapter."

9 **SECTION 49.6.(c)** Part 1 of Article 1 of Chapter 130A of the General
10 Statutes is amended by adding the following new sections to read:

11 **"§ 130A-2.1. Policy statement; responsibilities of State and local government.**

12 (a) The policy of the State is to protect and promote the health of the public to
13 the greatest extent possible through the public health system while respecting individual
14 rights to bodily integrity, health information privacy, nondiscrimination, due process,
15 and other legally protected interests.

16 (b) The State and counties are responsible for assuring that the public health
17 system accomplishes the mission of public health.

18 (c) State and local public health agencies shall encourage collaboration with
19 public and private sector partners within the public health system to provide essential
20 public health services and functions listed in G.S. 130A-2.3.

21 **"§ 130A-2.2. Accreditation of State and local public health agencies.**

22 (a) Not later than January 1, 2005, all local public health agencies shall be
23 accredited. Accreditation shall be conditioned upon the local public health agency's
24 capacity to provide all essential public health services and functions listed in G.S.
25 130A-2.3 in a manner that promotes quality of services and financial sustainability.

26 (b) The State public health agency shall obtain an accreditation directed at the
27 duties and functions of a State-level public health agency from a national accrediting
28 body.

29 **"§ 130A-2.3. Essential public health services and functions.**

30 (a) State and local public health agencies shall provide the following essential
31 public health services and functions:

32 (1) Monitor health status to identify and solve community health
33 problems.

34 (2) Mobilize public and private sector collaboration and action to identify
35 and solve health problems.

36 (3) Diagnose and investigate health problems and health hazards in the
37 community.

38 (4) Inform people about health issues.

39 (5) Develop policies and plans that support individual and community
40 health efforts.

41 (6) Enforce laws and regulations that protect health and ensure a safe and
42 healthful environment.

43 (7) Promote access to and availability of needed personal health care
44 services and collaborate with other public and private sector partners

1 to promote or provide preventative and primary health care services
2 according to identified community needs. For the purposes of this
3 subdivision, preventative and primary health care services include
4 acute and episodic care, prenatal and postpartum care, child health,
5 family planning, school health, chronic disease prevention, child and
6 adult immunization, dental health, nutrition, and health education and
7 promotion services.

8 (8) Monitor and ensure the competency of the State and local public health
9 workforce.

10 (9) Evaluate effectiveness, accessibility, and quality of personal and
11 population-based health services.

12 (10) Conduct research to identify new insights and innovative solutions to
13 health problems.

14 (11) Promote the availability and accessibility of quality health care
15 services through health care facilities or providers.

16 (12) Establish and maintain an effective public health preparedness and
17 response capacity for all hazards.

18 (b) The essential public health services and functions listed in subsection (a) of
19 this section shall not be construed to limit or restrict the powers and duties of the
20 Commission, the Department, rules adopted by local boards of health, or the
21 Department of Environment and Natural Resources as otherwise conferred by State
22 law."

23 **SECTION 49.6.(d)** Every county, through its local public health agency,
24 shall develop local priorities for public health. These priorities shall be the basis for
25 development of a State Plan for Public Health Services. To ensure the involvement of
26 consumers and providers and other interested parties in the development of priorities the
27 local board of health and board of county commissioners shall hold a public hearing
28 with notice published at least 10 days prior to the hearing. The priorities shall include
29 the following:

30 (1) A description of the demographics and health indicators of the
31 population being served by the local public health agency.

32 (2) A description of the numbers and types of professionals in the local
33 public health workforce.

34 (3) A description of the local public health workforce training needs.

35 (4) A description of how the local public health agency is accountable to
36 the public in ensuring the provision of essential public health services
37 and functions.

38 (5) A description of how the local public health agency provides the
39 necessary leadership to ensure that public health services are managed,
40 monitored, and of the highest quality possible.

41 (6) A description of how the local public health agency manages its
42 finances and accounts for expenditures of State, local, and all other
43 sources of revenue.

44 (7) Identification of public and private sector partners.

1 (8) A description of how the local public health agency will coordinate
2 with the State public health agency and others within the local public
3 health system to accomplish identified priorities.

4 (9) Other matters necessary to effectively and efficiently provide essential
5 public health services and functions by a local public health agency.

6 At the request of a county, the State public health agency shall provide technical
7 assistance to the county in developing the priorities required under this subsection.
8 Every county shall submit its priorities to the Secretary of Health and Human Services
9 not later than January 1, 2004.

10 **SECTION 49.6.(e)** Part 1 of Article 1 of Chapter 130A of the General
11 Statutes, as amended by Section 49.6.(c) of this act, is amended by adding the following
12 new section to read:

13 **"§ 130A-2.4. State Plan for Public Health Services.**

14 (a) The Secretary shall develop and implement a State Plan for Public Health
15 Services. The State Plan shall cover five years and shall be reviewed annually in
16 consultation with the planning committee. Future plans shall be developed every five
17 years. The State Plan shall address the following:

18 (1) The vision and mission of the State Public Health System.

19 (2) Strategies for strengthening and maintaining stability of the public
20 health infrastructure, including the following:

21 a. Comprehensive planning and setting of priorities for the
22 efficient and effective accomplishment of essential public
23 health services and functions.

24 b. Management standards for the State and local public health
25 workforce that are tied to improvements in public health
26 outcomes or other measures.

27 In developing strategies under this subdivision, the Secretary shall
28 consult with and utilize national guidelines, initiatives, programs, and
29 recommendations relating to improvements in public health
30 infrastructure that are consistent with accomplishing the mission of
31 public health in the State.

32 (3) Strategies for strengthening the competencies of the State and local
33 public health workforce, including performance standards, measures,
34 and processes for quality or performance improvement that are
35 accessible, affordable, and nonpunitive. These strategies shall include
36 all of the following:

37 a. Certification or credentialing programs that are consistent with
38 any approved and recognized system of public health workforce
39 certification or credentialing and that are designed to develop
40 knowledge, skills, and abilities in relevant and contemporary
41 public health practice areas.

42 1. Basic, core, or technical competencies for public health
43 workers;

44 2. Professional codes for public health professionals.

- 1 b. Continuing education or other tools for ongoing training of
2 public health practitioners within the public health system.
- 3 c. Minimal training requirements for individuals that provide
4 essential public health services.
- 5 d. Incentives to meet performance management or training
6 requirements, including:
- 7 1. Organizational accountability awards.
8 2. Accreditation recognition for public health agencies or
9 their contractors or volunteers.
- 10 3. Certification or credentialing titles or recognition for
11 individuals.
- 12 4. Other career development initiatives, including financial
13 benefits.
- 14 e. A framework for the evaluation of the performance of the State
15 and local public health agency workforce.
- 16 f. Standards to evaluate the effectiveness and delivery of training
17 programs, continuing education, and other tools.
- 18 (4) Priorities and goals for the State Public Health System concerning
19 public health outcomes and improvements. These priorities and goals
20 shall reflect local public health agency priorities and goals and shall
21 include the following:
- 22 a. Identification and quantification of existing public health
23 problems, disparities, or threats at the State and local levels.
- 24 b. Identification of areas needing greater resource allocation to
25 effectively combat public health threats or decrease disparities
26 in the provision of essential public health services and
27 functions.
- 28 c. Goals for targeting essential public health services and
29 functions to address prioritized public health problems,
30 disparities, or threats through program development,
31 implementation, and evaluation and specific recommendations,
32 strategies, and schedules for meeting these goals.
- 33 d. Identification of specific at-risk populations targeted, including
34 criteria for identifying targeted populations.
- 35 e. Goals for increasing the efficiency and effectiveness of the
36 public health system and specific recommendations, strategies,
37 and schedules for meeting these goals.
- 38 f. Strategies for coordinating service delivery within the public
39 health system.
- 40 g. Measurable indicators of effectiveness and success.
- 41 h. Identification of public and private sector partners.
- 42 (5) A plan to identify resources to provide adequate funding to provide
43 essential public health services and functions.

1 (6) An organizational plan for the effective integration and monitoring of
2 public health and environmental health services.

3 (7) Provide a framework for local public health planning.

4 (b) The Secretary shall develop the plan in consultation with the planning
5 committee appointed by the Secretary."

6 **SECTION 49.6.(f)** The Secretary of Health and Human Services shall
7 appoint a planning committee to assist in the development of the State Plan for Public
8 Health Services required by this act. The planning committee shall include
9 representatives of the Division of Public Health, the Division of Medical Assistance,
10 and the Division of Mental Health, Developmental Disabilities, and Substance Abuse
11 Services in the Department of Health and Human Services, local health departments
12 (including district health departments and rural and urban area health departments),
13 boards of county commissioners, local boards of health, and consumers, appointed by
14 the Secretary. The planning committee shall also include four members of the General
15 Assembly, two appointed by the President Pro Tempore of the Senate, and two
16 appointed by the Speaker of the House of Representatives. The Secretary shall appoint
17 the chair of the planning committee. The Secretary shall provide to the Committee the
18 priorities submitted by local public health agencies for consideration in the development
19 of the State Plan for Public Health Services. The Secretary shall report to the Joint
20 Legislative Health Care Oversight Committee on or before May 1, 2004, on the status of
21 the State Plan for Public Health Services. The Secretary shall adopt a final plan no later
22 than October 1, 2004.

23 **SECTION 49.6.(g)** The lead sentence of G.S. 130A-5 reads as rewritten:

24 "**§ 130A-5. Duties of the Secretary.**

25 (a) The Secretary shall have the authority:

26 ..."

27 **SECTION 49.6.(h)** G.S. 130A-5, as amended by subsection (a) of this
28 section, is amended by adding the following new subsection to read:

29 "**(b) The Secretary shall do the following:**

30 (1) Identify and provide leadership for the provision of essential public
31 health services and functions.

32 (2) Develop and provide effective training for members of the State and
33 local public health workforce that is focused on performance-based
34 standards.

35 (3) Evaluate performance management standards and training efforts
36 within State and local public health agencies.

37 (4) Adopt and administer performance measurements within the public
38 health system as a means of improving the quality of State and local
39 public health practice and improving system accountability.

40 (5) Adopt and administer State and local public health workforce
41 certification or credentialing programs for members of public health
42 agencies."

1 **SECTION 49.6.(i)** The Department of Health and Human Services shall do
2 the following to prepare for the development and implementation of the State Plan for
3 Public Health Services:

- 4 (1) Ensure that local public health priorities required under Section 2(a) of
5 this act are submitted no later than January 1, 2004.
- 6 (2) In consultation with local public health agencies, the State public
7 health agency shall adopt and administer an accreditation program.
8 The accreditation program shall be uniformly applied to all local
9 health agencies. The State public health agency shall provide technical
10 assistance upon request to assist local health agencies obtain
11 accreditation.
- 12 (3) Review all rules currently in effect and adopted by the Commission for
13 Health Services and the Secretary of Health and Human Services and
14 identify rules that are inconsistent with this act.
- 15 (4) Review all oversight and monitoring functions currently implemented
16 for public health, including environmental health, with respect to the
17 public health system to determine the effectiveness of the activities on
18 achieving the intent of this act; improve the oversight and monitoring
19 functions and activities, if necessary; and identify areas where
20 additional training is needed and provide it; make recommendations
21 for an organizational plan to improve effectiveness in the provision of
22 public health and environmental health services consistent with this
23 act.
- 24 (5) Develop service standards, outcomes, and financing strategies
25 necessary to implement this act.
- 26 (6) Develop contractual agreements for the provision of technical
27 assistance by the Department to local public health agencies in the
28 development of local public health priorities.
- 29 (7) Report to the Joint Legislative Health Care Oversight Committee on
30 the Department's readiness to implement the State Plan for Public
31 Health Services no later than May 1, 2004. The report shall include the
32 status of accreditation program development."

33 **SECTION 50.(a)** G.S. 131E-155 reads as rewritten:

34 "**§ 131E-155. Definitions.**

35 As used in this Article, unless otherwise specified:

- 36 ...
- 37 (7) "Emergency medical services personnel" means all the personnel
38 defined in subdivisions (5), (7a), (8), (9), (10), (11), (12), (13), (14),
39 and (15) of this section.
- 40 (7a) "Emergency medical services instructor" means an individual who has
41 completed educational requirements approved by the Department and
42 has been credentialed as an emergency medical services instructor by
43 the Department.

1 (8) "Emergency medical services-nurse practitioner" means a registered
 2 nurse who is licensed to practice nursing in North Carolina and
 3 approved to perform medical acts by the North Carolina Medical
 4 Board and the North Carolina Board of Nursing and credentialed by
 5 the Office of Emergency Medical Services to issue instructions to ~~ALS~~
 6 ~~professionals-EMS personnel~~ in accordance with protocols approved
 7 by the ~~sponsor-hospital-EMS system~~ and under the direction of the
 8 medical director.

9 (9) "Emergency medical services-physician assistant" means a physician
 10 assistant who has been licensed by the North Carolina Medical Board
 11 and approved by the Office of Emergency Medical Services to issue
 12 instructions to ~~ALS professionals-EMS personnel~~ in accordance with
 13 protocols approved by the ~~sponsor-hospital-EMS system~~ and under the
 14 direction of the medical director.

15 ...

16 (16a) "Emergency Medical Services Peer Review Committee" means a panel
 17 composed of EMS program representatives to be responsible for
 18 analyzing patient care data and outcome measures to evaluate the
 19 ongoing quality of patient care, system performance, and medical
 20 direction within the EMS system. The committee membership shall
 21 include, but not be limited to, physicians, nurses, EMS personnel,
 22 medical facility personnel, and county government officials. Review of
 23 medical records by the EMS Peer Review Committee is confidential
 24 and protected under G.S. 143-518. An EMS Peer Review Committee,
 25 its members, proceedings, records, and materials produced and
 26 materials considered shall be afforded the same protections afforded
 27 medical review committees, their members, proceedings, records, and
 28 materials under G.S. 131E-95.

29 ..."

30 **SECTION 50.(b)** G.S. 131E-159 reads as rewritten:

31 **"§ 131E-159. Credentialing requirements.**

32 (a) ~~An individual seeking credentials as an emergency medical technician,~~
 33 ~~emergency — medical — technician defibrillation, — emergency — medical~~
 34 ~~technician-intermediate, emergency medical technician-paramedic, mobile intensive~~
 35 ~~care nurse, emergency medical services physician assistant, or emergency medical~~
 36 ~~services nurse practitioner medical responder~~ Individuals seeking credentials as EMS
 37 personnel shall apply to the Department using forms prescribed by that agency. The
 38 Department's representatives shall examine the applicant by either written, practical, or
 39 written and practical examination. The Department shall issue appropriate credentials to
 40 the applicant who meets all the requirements set forth in this Article and the rules
 41 adopted for this Article and who successfully completes the examinations required for
 42 credentialing. ~~Emergency medical technician, medical responder, emergency medical~~
 43 ~~dispatcher, — emergency — medical — technician defibrillation, — emergency — medical~~
 44 ~~technician-intermediate, emergency medical technician-paramedic, mobile intensive~~

1 ~~care nurse, emergency medical services physician assistant, and emergency medical~~
2 ~~services nurse practitioner~~ EMS personnel credentials shall be valid for a period not to
3 exceed four years and may be renewed if the holder meets the requirements set forth in
4 the rules of the Commission. The Department is authorized to revoke or suspend these
5 credentials at any time it determines that the holder no longer meets the qualifications
6 prescribed.

7 (b) The Commission shall adopt rules setting forth the qualifications required for
8 credentialing of ~~medical responders, emergency medical technicians, emergency~~
9 ~~medical technician defibrillation, emergency medical technician intermediate,~~
10 ~~emergency medical technician paramedic, emergency medical dispatcher, mobile~~
11 ~~intensive care nurse, emergency medical services physician assistant, and emergency~~
12 ~~medical services nurse practitioner~~ EMS personnel.

13 (c) ~~An individual currently credentialed as an emergency medical technician,~~
14 ~~emergency medical technician defibrillation, emergency medical~~
15 ~~technician intermediate, and emergency medical technician paramedic~~ EMS personnel
16 currently credentialed by the National Registry of Emergency Medical Technicians or
17 by another state where the education/credentialing requirements have been approved for
18 legal recognition by the Department of Health and Human Services, in accordance with
19 rules promulgated by the Medical Care Commission, and who is either currently
20 residing in North Carolina or affiliated with a permitted EMS provider offering service
21 within North Carolina, may be eligible for credentialing as an emergency medical
22 technician without examination. This credentialing shall be valid for a period not to
23 exceed the length of the ~~emergency medical technician defibrillation, emergency~~
24 ~~medical technician intermediate, and emergency medical technician paramedic~~
25 applicant's original credentialing or four years, whichever is less.

26 (d) An individual currently credentialed as an emergency medical dispatcher by a
27 national credentialing agency, or by another state where the education/credentialing
28 requirements have been approved for legal recognition by the Department of Health and
29 Human Services, in accordance with rules issued by the Medical Care Commission, and
30 who is either currently residing in North Carolina or affiliated with an emergency
31 medical dispatcher program approved by the Department of Health and Human Services
32 offering service within North Carolina, may be eligible for credentialing as an
33 emergency medical dispatcher without examination. This credentialing shall be valid for
34 a period not to exceed the length of the applicant's original credentialing or four years,
35 whichever is less.

36 (e) Duly authorized representatives of the Department may issue temporary
37 credentials with or without examination upon finding that this action will be in the
38 public interest. Temporary credentials shall be valid for a period not exceeding 90 days.

39 (f) The Department may deny, suspend, amend, or revoke the credentials of a
40 ~~medical responder, emergency medical technician, emergency medical~~
41 ~~technician defibrillation, emergency medical technician intermediate, emergency~~
42 ~~medical technician paramedic, emergency medical dispatcher, emergency medical~~
43 ~~services physician assistant, emergency medical services nurse practitioner, or mobile~~
44 ~~intensive care nurse~~ EMS personnel in any case in which the Department finds that

1 there has been a substantial failure to comply with the provisions of this Article or the
2 rules issued under this Article. Prior to implementation of any of the above disciplinary
3 actions, the Department shall consider the recommendations of the EMS Disciplinary
4 Committee pursuant to G.S. 143-519. The Department's decision to deny, suspend,
5 amend, or revoke credentials may be appealed by the applicant or credentialed
6 personnel pursuant to the provisions of Article 3 of Chapter 150B of the General
7 Statutes, the Administrative Procedure Act."

8 **SECTION 50.(c)** G.S. 131E-162 reads as rewritten:

9 **"§ 131E-162. Statewide trauma system.**

10 The Department shall establish and maintain a program for the development of a
11 statewide trauma system. The Department shall consolidate all State functions relating
12 to trauma systems, both regulatory and developmental, under the auspices of this
13 program.

14 The Commission shall adopt rules to carry out the purpose of this Article. These
15 rules shall be adopted with the advice of the State Emergency Medical Services
16 Advisory Council and shall include the operation of a statewide trauma registry,
17 statewide educational requirements fundamental to the implementation of the trauma
18 system. The rules adopted by the Commission shall establish guidelines for monitoring
19 and evaluating the system including standards and criteria for the denial, suspension,
20 voluntary withdrawal, or revocation of credentials for trauma center ~~designation.~~
21 designation, and the establishment of regional trauma peer review committees. Each
22 regional trauma peer review committee shall be responsible for analyzing trauma patient
23 care data and outcome measures to evaluate the ongoing quality of patient care, system
24 performance, and medical direction within the regional trauma system. The committee
25 membership shall include physicians, nurses, EMS personnel, trauma registrars, and
26 hospital administrators. Review of medical records by the Trauma Peer Review
27 Committee is confidential and protected under G.S. 143-518. An EMS Peer Review
28 Committee, its members, proceedings, records, and materials produced and materials
29 considered shall be afforded the same protections afforded medical review committees,
30 their members, proceedings, records, and materials under G.S. 131E-95. The rules
31 adopted by the Commission shall avoid duplication of reporting and minimize the cost
32 to hospitals or other persons reporting under this act. The Office of Emergency Medical
33 Services shall be the agency responsible for monitoring system development, ensuring
34 compliance with rules, and overseeing system effectiveness.

35 With respect to collection of data and educational requirements regarding trauma,
36 rules adopted by the Medical Care Commission shall limit the authority of the
37 Department to hospitals and Emergency Medical Services providers. Nothing in this
38 Article shall be interpreted so as to grant the Department authority to require private
39 physicians, schools, or universities, except those participating in the trauma system, to
40 provide information or data or to conduct educational programs regarding trauma."

41 **SECTION 50.(d)** G.S. 143-508 is amended by adding the following
42 subdivision to read:

43 "(13) Establish occupational standards for EMS systems, EMS educational
44 institutions, and specialty care transport programs."

1 **SECTION 50.(e)** G.S. 143-509(9) reads as rewritten:

2 "**§ 143-509. Powers and duties of Secretary.**

3 The Secretary of the Department of Health and Human Services has full
4 responsibilities for supervision and direction of the emergency medical services
5 program and, to that end, shall accomplish all of the following:

6 ...

7 (9) Promote a means of training individuals to administer life-saving
8 treatment to persons who suffer a severe adverse reaction to ~~insect~~
9 ~~stings.~~ agents that might cause anaphylaxis. Individuals, upon
10 successful completion of this training program, may be approved by
11 the North Carolina Medical Care Commission to administer
12 epinephrine to these persons, in the absence of the availability of
13 physicians or other practitioners who are authorized to administer the
14 treatment. This training may also be offered as part of the emergency
15 medical services training program.

16 ..."

17 **SECTION 50.(f)** G.S. 143-518(a) reads as rewritten:

18 "(a) Medical records compiled and maintained by the ~~Department~~ Department,
19 hospitals participating in the statewide trauma system, or EMS providers in connection
20 with dispatch, response, treatment, or transport of individual patients or in connection
21 with the statewide trauma system pursuant to Article 7 of Chapter 131E of the General
22 Statutes may contain patient identifiable data which will allow linkage to other health
23 care-based data systems for the purposes of quality management, peer review, and
24 public health initiatives.

25 These medical records and data shall be strictly confidential and shall not be
26 considered public records within the meaning of G.S. 132-1 and shall not be released or
27 made public except under any of the following conditions:

- 28 (1) Release is made of specific medical or epidemiological information for
29 statistical purposes in a way that no person can be identified.
- 30 (2) Release is made of all or part of the medical record with the written
31 consent of the person or persons identified or their guardians.
- 32 (3) Release is made to health care personnel providing medical care to the
33 patient.
- 34 (4) Release is made pursuant to a court order. Upon request of the person
35 identified in the record, the record shall be reviewed in camera. In the
36 trial, the trial judge may, during the taking of testimony concerning
37 such information, exclude from the courtroom all persons except the
38 officers of the court, the parties, and those engaged in the trial of the
39 case.
- 40 (5) Release is made to a Medical Review Committee as defined in G.S.
41 131E-95, 90-21.22A, or 130A-45.7 or to a peer review committee as
42 defined in G.S. 131E-108, 131E-155, 122C-30, or 131D-21.1.
- 43 (6) Release is made for use in a health research project under rules
44 adopted by the North Carolina Medical Care Commission. The

1 Commission shall adopt rules that allow release of information when
2 an institutional review board, as defined by the Commission, has
3 determined that the health research project:

- 4 a. Is of sufficient scientific importance to outweigh the intrusion
5 into the privacy of the patient that would result from the
6 disclosure;
7 b. Is impracticable without the use or disclosure of identifying
8 health information;
9 c. Contains safeguards to protect the information from
10 redisclosure;
11 d. Contains safeguards against identifying, directly or indirectly,
12 any patient in any report of the research project; and
13 e. Contains procedures to remove or destroy at the earliest
14 opportunity, consistent with the purposes of the project,
15 information that would enable the patient to be identified,
16 unless an institutional review board authorizes retention of
17 identifying information for purposes of another research
18 project.

19 (7) Release is made to a statewide data processor, as defined in Article
20 11A of Chapter 131E of the General Statutes, in which case the data is
21 deemed to have been submitted as if it were required to have been
22 submitted under that Article.

23 (8) Release is made pursuant to any other law."

24 **SECTION 50.5.(a)** G.S. 131E-256 is amended by adding the following
25 subsection to read:

26 "(a1) The Department shall include in the registry a brief statement of any
27 individual disputing the finding entered against the individual in the health care
28 personnel registry pursuant to subdivision (1) of subsection (a) of this section."

29 **SECTION 50.5.(b)** G.S. 131E-256(e) reads as rewritten:

30 "(e) The Department shall provide an employer or potential employer of any
31 person listed on the Health Care Personnel Registry ~~of information concerning the~~
32 nature of the finding or allegation and the status of the investigation."

33 **SECTION 50.5.(c)** G.S. 131E-256 is amended by adding the following
34 subsection to read:

35 "(i) In the case of a finding of neglect under subdivision (1) of subsection (a) of
36 this section, the Department shall establish a procedure to permit health care personnel
37 to petition the Department to have his or her name removed from the registry upon a
38 determination that:

- 39 (1) The employment and personal history of the nurse aid does not reflect
40 a pattern of abusive behavior or neglect;
41 (2) The neglect involved in the original finding was a singular occurrence;
42 and
43 (3) The petition for removal is submitted after the expiration of the
44 one-year period which began on the date the petitioner's name was

1 added to the registry under subdivision (1) of subsection (a) of this
2 section."

3 **SECTION 51.(a)** G.S. 135-3(8)c. reads as rewritten:

4 "c. **(Effective until June 30, 2004 – See note)** Should a
5 beneficiary who retired on an early or service retirement
6 allowance under this Chapter be reemployed, or otherwise
7 engaged to perform services, by an employer participating in
8 the Retirement System on a part-time, temporary, interim, or on
9 a fee-for-service basis, whether contractual or otherwise, and if
10 such beneficiary earns an amount during the 12-month period
11 immediately following the effective date of retirement or in any
12 calendar year which exceeds fifty percent (50%) of the reported
13 compensation, excluding terminal payments, during the 12
14 months of service preceding the effective date of retirement, or
15 twenty thousand dollars (\$20,000), whichever is greater, as
16 hereinafter indexed, then the retirement allowance shall be
17 suspended as of the first day of the month following the month
18 in which the reemployment earnings exceed the amount above,
19 for the balance of the calendar year. The retirement allowance
20 of the beneficiary shall be reinstated as of January 1 of each
21 year following suspension. The amount that may be earned
22 before suspension shall be increased on January 1 of each year
23 by the ratio of the Consumer Price Index to the Index one year
24 earlier, calculated to the nearest tenth of a percent (1/10 of 1%).

25 The computation of postretirement earnings of a beneficiary
26 under this sub-subdivision, G.S. 135-3(8)c., who has been
27 retired at least six months and has not been employed in any
28 capacity, except as a substitute teacher or a part-time tutor, with
29 a public school for at least six months immediately preceding
30 the effective date of reemployment, shall not include earnings
31 while the beneficiary is employed to teach on a substitute,
32 interim, or permanent basis in a public ~~school~~school or a
33 charter school. The Department of Public Instruction shall
34 certify to the Retirement System that a beneficiary is employed
35 to teach by a local school administrative unit or a charter school
36 under the provisions of this sub-subdivision and as a retired
37 teacher as the term is defined under the provisions of G.S.
38 115C-325(a)(5a).

39 Beneficiaries employed under this sub-subdivision are not
40 entitled to any benefits otherwise provided under this Chapter
41 as a result of this period of employment."

42 **SECTION 51.(b)** G.S. 115C-325(a)(5a) reads as rewritten:

43 "(5a) **(Effective until June 30, 2004)** "Retired teacher" means a beneficiary
44 of the Teachers' and State Employees' Retirement System of North

1 Carolina who has been retired at least six months, has not been
 2 employed in any capacity, other than as a substitute teacher or a
 3 part-time tutor, with a local board of education or a charter school for
 4 at least six months, immediately preceding the effective date of
 5 reemployment, is determined by a local board of education or a charter
 6 school to have had satisfactory performance during the last year of
 7 employment by a local board of ~~education, education~~ or the charter
 8 school, and who is employed to teach as provided in G.S. 135-3(8)c. A
 9 retired teacher at a school other than a charter school shall be treated
 10 the same as a probationary teacher except that (i) a retired teacher is
 11 not eligible for career status and (ii) the performance of a retired
 12 teacher who had attained career status prior to retirement shall be
 13 evaluated in accordance with a local board of education's policies and
 14 procedures applicable to career teachers."

15 **SECTION 51.(c)** This section expires June 30, 2004.

16 **SECTION 52.** G.S. 135-40.8(e), as enacted in Section 30.19C.(b) of S.L.
 17 2003-284, reads as rewritten:

18 "(e) Where qualified out-of-state preferred providers of medical care are not
 19 reasonably available in medical emergencies, the Plan pays the amounts covered by
 20 subsection (a) of this section. Any amount of charges for services under this section that
 21 exceeds the amount allowed by the Plan for the services of qualified preferred providers
 22 under this section shall be negotiated between the Plan and the provider of medical
 23 services, and the Plan shall ensure that the Plan member is not held financially
 24 responsible for the amount of these excess charges. ~~If a Plan member is not capable of~~
 25 ~~making a decision about choosing an in State qualified preferred provider and~~
 26 ~~emergency services personnel transport the Plan member to a provider outside of the~~
 27 ~~Plan network, then the coverage under this subsection shall apply. This subsection also~~
 28 shall apply if a Plan member has a medical emergency, is not capable of making a
 29 decision about choosing an in-State qualified preferred provider, and emergency
 30 services personnel transport the Plan member to a provider outside of the Plan network.
 31 As used in this section, a 'medical emergency' is the sudden and unexpected onset of a
 32 condition manifesting itself by acute symptoms of sufficient severity that, in the absence
 33 of immediate medical care, could imminently result in injury or danger to self or
 34 others."

35 **SECTION 54.** G.S. 136-180(a), as amended by Section 29.11(a) of S.L.
 36 2003-284, reads as rewritten:

37 "(a) Funds allocated from the Trust Fund for urban loops may be used only for the
 38 following urban loops:

Loop	Description	Affected Counties
...		
Greensboro Loop	Multilane facility on new	Guilford

1 location encircling City
 2 of Greensboro including
 3 interchanges with Cone
 4 Boulevard Extension and
 5 ~~Lewis-Fleming~~ Lewiston-Fleming
 6 Road Extension
 7 ..."

8 **SECTION 55.(a)** G.S. 143B-437.51 reads as rewritten:

9 **"§ 143B-437.51. Definitions.**

10 The following definitions apply in this Part:

11 ...

12 (2) Base years. – The first ~~two complete calendar years~~ 24 months
 13 following the effective date of an agreement.

14 (3) Business. – A corporation, sole proprietorship, cooperative association,
 15 partnership, S corporation, limited liability company, nonprofit
 16 corporation, or other form of business organization, located either
 17 within or outside this State. A 'business' may be a division or smaller
 18 operating unit of a business organization if the Committee makes an
 19 explicit finding that this designation is necessary to secure the project
 20 and develops terms in a Community Economic Development
 21 Agreement to ensure that positions or employees of the business or of
 22 a related entity that exist in the State and that are not part of the project
 23 are not transferred or shifted to create or fill eligible positions.

24 ..."

25 **SECTION 55.(b)** G.S. 143B-437.54(d) reads as rewritten:

26 ~~"(d) Public Notice. The Committee shall do all of the following at least 15~~
 27 ~~business days prior to the adoption of or amendment to any proposed criteria:~~

28 (1) ~~Publish the proposed criteria on the Department of Commerce's web~~
 29 ~~site.~~

30 (2) ~~Provide notice to persons who have requested notice of proposed~~
 31 ~~criteria.~~

32 (3) ~~Accept oral and written comments on the proposed criteria.~~

33 (d) Public Notice. – At least 20 business days before the effective date of any
 34 criteria or nontechnical amendments to criteria, the Committee must publish the
 35 proposed criteria on the Department of Commerce's web site and provide notice to
 36 persons who have requested notice of proposed criteria. In addition, the Committee
 37 must accept oral and written comments on the proposed criteria during the 15 business
 38 days beginning on the first day that the Committee has completed these notifications.
 39 For the purpose of this subsection, a technical amendment is either of the following:

40 (1) An amendment that corrects a spelling or grammatical error.

41 (2) An amendment that makes a clarification based on public comment
 42 and could have been anticipated by the public notice that immediately
 43 preceded the public comment."

1 **SECTION 56.** G.S. 147-33.89, as enacted by S.L. 2003-172, is recodified as
2 G.S. 147-33.90, to avoid a conflict with S.L. 2003-153.

3 **SECTION 57.(a)** G.S. 148-22.2, as rewritten by Section 8 of S.L. 2003-13,
4 reads as rewritten:

5 **"§ 148-22.2. Procedure when surgical operations on inmates are necessary.**

6 The medical staff of any penal institution of the State of North Carolina is hereby
7 authorized to perform or cause to be performed by competent and skillful surgeons
8 surgical operations upon any inmate when such operation is necessary for the
9 improvement of the physical condition of the inmate. The decision to perform an
10 operation shall be made by the chief medical officer of the institution, with the approval
11 of the superintendent of the institution, and with the advice of the medical staff of the
12 institution. No operation shall be performed without the consent of the inmate; or, if the
13 inmate is a minor, without the consent of a responsible member of the inmate's family, a
14 guardian, or one having legal custody of the minor; or, if the inmate be non compos
15 mentis, then the consent of a responsible member of the inmate's family or of a guardian
16 shall be obtained. Any surgical operations on inmates of State penal institutions shall
17 also be subject to the provisions of Article 1A of Chapter 90 of the General Statutes and
18 ~~Statutes, G.S. 90-21.13~~G.S. 90-21.13, and ~~G.S. 90-21.14~~G.S. 90-21.16.

19 If the operation on the inmate is determined by the chief medical officer to be an
20 emergency situation in which immediate action is necessary to preserve the life or
21 health of the inmate, and the inmate, if sui juris, is unconscious or otherwise
22 incapacitated so as to be incapable of giving consent or in the case of a minor or inmate
23 non compos mentis, the consent of a responsible member of the inmate's family,
24 guardian, or one having legal custody of the inmate cannot be obtained within the time
25 necessitated by the nature of the emergency situation, then the decision to proceed with
26 the operation shall be made by the chief medical officer and the superintendent of the
27 institution with the advice of the medical staff of the institution.

28 In all cases falling under this ~~Article, section,~~ the chief medical officer of the
29 institution and the medical staff of the institution shall keep a careful and complete
30 record of the measures taken to obtain the permission for the operation and a complete
31 medical record signed by the medical superintendent or director, the surgeon performing
32 the operation and all surgical consultants of the operation performed."

33 **SECTION 57.(b)** G.S. 148-46.2 reads as rewritten:

34 **"§ 148-46.2. Procedure when consent is refused by prisoner.**

35 When the Secretary of Correction finds as a fact that the injury to any prisoner was
36 willfully and intentionally self-inflicted and that an operation or treatment is necessary
37 for the preservation or restoration of the health of the prisoner and that the prisoner is
38 competent to act for himself or herself; and that attempts have been made to obtain
39 consent for the proposed operation or treatment but such consent was refused, and the
40 findings have been reduced to writing and entered into the prisoner's records as a
41 permanent part thereof, then the chief medical officer of the prison hospital or prison
42 institution shall be authorized to give or withhold, on behalf of the prisoner, consent to
43 the operation or treatment.

1 In all cases coming under the provisions of this ~~Article, section,~~ the medical staff of
2 the hospital or institution shall keep a careful and complete medical record of the
3 treatment and surgical procedures undertaken. The record shall be signed by the chief
4 medical officer of the hospital or institution and the surgeon performing any surgery.
5 Any treatment of self-inflicted injuries shall also be subject to the provisions of G.S.
6 90-21.13 and ~~90-21.14.~~G.S. 90-21.16."

7 **SECTION 58.** G.S. 148-32.1(a) reads as rewritten:

8 "(a) The Department of Correction shall pay each local confinement facility a
9 standard sum set by the General Assembly in its appropriation acts at a per day, per
10 inmate rate, for the cost of providing food, clothing, personal items, supervision and
11 necessary ordinary medical services to those inmates committed to the custody of the
12 local confinement facility to serve criminal sentences of 30 days or more. This
13 reimbursement shall not include any period of detention prior to actual commitment by
14 the sentencing court. The Department shall also pay to the local confinement facility
15 extraordinary medical expenses incurred for the inmates, defined as follows:

- 16 (1) Medical expenses incurred as a result of providing health care to an
17 inmate as an inpatient (hospitalized);
- 18 (2) Other medical expenses when the total cost exceeds thirty-five dollars
19 (\$35.00) per occurrence or illness as a result of providing health care
20 to an inmate as an outpatient (nonhospitalized); and
- 21 (3) Cost of replacement of eyeglasses and dental prosthetic devices if
22 those eyeglasses or devices are broken while the inmate is
23 incarcerated, provided the inmate was using the eyeglasses or devices
24 at the time of his commitment and then only if prior written consent of
25 the Department is obtained by the local facility.

26 In order to obtain reimbursement for any of the expenses authorized by this section, a
27 local confinement facility shall submit an invoice to the Department within one year of
28 the date of commitment by the sentencing court."

29 **SECTION 59.(a)** G.S. 150B-21.1(a), as amended by Section 2 of S.L.
30 2003-229, reads as rewritten:

31 "(a) Adoption. – An agency may adopt a temporary rule when it finds that
32 adherence to the notice and hearing requirements of G.S. 150B-21.2 would be contrary
33 to the public interest and that the immediate adoption of the rule is required by one or
34 more of the following:

- 35 (1) A serious and unforeseen threat to the public health, safety, or welfare.
- 36 (2) The effective date of a recent act of the General Assembly or the
37 United States Congress.
- 38 (3) A recent change in federal or State budgetary policy.
- 39 (4) A recent federal regulation.
- 40 (5) A recent court order.
- 41 (6) The need for ~~the a rule~~ establishing review criteria as authorized by
42 G.S. 131E-183(b) to implement–complement or be made consistent
43 with the State Medical Facilities Plan approved by the Governor, if the
44 rule addresses a matter included in the State Medical Facilities

1 ~~Plan~~-Plan, and the proposed rule and a notice of public hearing is
2 submitted to the Codifier of Rules prior to the effective date of the
3 Plan.

- 4 (7) The need for the Wildlife Resources Commission to establish any of
5 the following:
6 a. No wake zones.
7 b. Hunting or fishing seasons.
8 c. Hunting or fishing bag limits.
9 d. Management of public game lands as defined in G.S.
10 113-129(8a).
- 11 (8) The need for the Secretary of State to implement the certification
12 technology provisions of Article 11A of Chapter 66 of the General
13 Statutes and to adopt uniform Statements of Policy that have been
14 officially adopted by the North American Securities Administrators
15 Association for the purpose of promoting uniformity of state securities
16 regulation.
- 17 (9) The need for the Commissioner of Insurance to implement the
18 provisions of G.S. 58-2-205.
- 19 (10) The need for the Chief Information Officer to implement the
20 information technology procurement provisions of Article 3D of
21 Chapter 147 of the General Statutes.
- 22 (11) The need for the State Board of Elections to adopt a temporary rule
23 after prior notice or hearing or upon any abbreviated notice or hearing
24 the agency finds practical for one or more of the following:
25 a. In accordance with the provisions of G.S. 163-22.2.
26 b. To implement any provisions of state or federal law for which
27 the State Board of Elections has been authorized to adopt rules.
28 c. The need for the rule to become effective immediately in order
29 to preserve the integrity of upcoming elections and the elections
30 process.
- 31 (12) The need for an agency to adopt a temporary rule to implement the
32 provisions of any of the following acts until all rules necessary to
33 implement the provisions of the act have become effective as either
34 temporary or permanent rules:
35 a. Repealed by Session Laws 2000, ch. 148, s. 5, effective July 1,
36 2002.
37 b. Repealed by Session Laws 2000, ch. 69, s. 5, effective July 1,
38 2003.
- 39 (13) The need for the Secretary of Transportation to adopt temporary rules
40 concerning the permitted height of mobile and modular homes.
- 41 (14) The need for the Secretary of Transportation to adopt temporary rules
42 pursuant to G.S. 113A-11(b) to establish a class of minimum criteria
43 projects.

1 (15) The need for the Department of Health and Human Services to adopt
2 temporary rules concerning the placement of individuals in facilities
3 licensed under Article 2 of Chapter 122C of the General Statutes and
4 the enrollment of providers of services to such individuals in the
5 Medicaid program.

6 (a1) A recent act, change, regulation, or order as used in subdivisions (2) through
7 (5) of this subsection means an act, change, regulation, or order occurring or made
8 effective no more than 210 days prior to the submission of a temporary rule to the Rules
9 Review Commission. Upon written request of the agency, the Commission may waive
10 the 210-day requirement upon consideration of the degree of public benefit, whether the
11 agency had control over the circumstances that required the requested waiver, notice to
12 and opposition by the public, the need for the waiver, and previous requests for waivers
13 submitted by the agency."

14 **SECTION 59.(b)** G.S. 150B-21.1(a1), as enacted by Section 2 of S.L.
15 2003-229, reads as rewritten:

16 "(a1)(a2) Unless otherwise provided by law, at least 30 business days prior to
17 adopting a temporary rule, the agency shall:

- 18 (1) Submit the rule and a notice of public hearing to the Codifier of Rules,
19 and the Codifier of Rules shall publish the proposed temporary rule
20 and the notice of public hearing on the Internet to be posted within five
21 business days.
- 22 (2) Notify persons on the mailing list maintained pursuant to G.S.
23 150B-21.2(d) and any other interested parties of its intent to adopt a
24 temporary rule and of the public hearing.
- 25 (3) Accept written comments on the proposed temporary rule for at least
26 15 business days prior to adoption of the temporary rule.
- 27 (4) Hold at least one public hearing on the proposed temporary rule no
28 less than five days after the rule and notice have been published.

29 (a3) An agency must also prepare a written statement of its findings of need for a
30 temporary rule stating why adherence to the notice and hearing requirements in G.S.
31 150B-21.2 would be contrary to the public interest and why the immediate adoption of
32 the rule is required. The statement must be signed by the head of the agency adopting
33 the temporary rule."

34 **SECTION 59.(c)** G.S. 150B-21.1A(a), as enacted by Section 3 of S.L.
35 2003-229, reads as rewritten:

36 "(a) Adoption. – An agency may adopt an emergency rule without prior notice or
37 hearing or upon any abbreviated notice or hearing the agency finds practical when it
38 finds that adherence to the notice and hearing requirements of this Part would be
39 contrary to the public interest and that the immediate adoption of the rule is required by
40 a serious and unforeseen threat to the public health or safety. When an agency adopts an
41 emergency rule, it must simultaneously commence the process for adopting a temporary
42 rule by submitting the rule to the Codifier of Rules for publication on the Internet in
43 accordance with ~~G.S. 150B-21.1(a1)~~. G.S. 150B-21.1(a2). The Department of Health
44 and Human Services or the appropriate rule-making agency within the Department may

1 adopt emergency rules in accordance with this section when a recent act of the General
2 Assembly or the United States Congress or a recent change in federal regulations
3 authorizes new or increased services or benefits for children and families and the
4 emergency rule is necessary to implement the change in State or federal law."

5 **SECTION 59.(d)** G.S. 150B-21.12(c), as amended by Section 10 of S.L.
6 2003-229, reads as rewritten:

7 "(c) Changes. – When an agency changes a rule in response to an objection by the
8 Commission, the Commission must determine whether the change satisfies the
9 Commission's objection. If it does, the Commission must approve the rule. If it does
10 not, the Commission must send the agency a written statement of the Commission's
11 continued objection and the reason for the continued objection. The Commission must
12 also determine whether the change is substantial. In making this determination, the
13 Commission shall use the standards set forth in G.S. 150B-21.2(g). If the change is
14 substantial, the revised rule shall be published and reviewed in accordance with the
15 procedure set forth in ~~G.S. 150B-21.1(a1)~~ G.S. 150B-21.1(a2) and G.S. 150B-21.1(b)."

16 **SECTION 59.(e)** Section 14 of S.L. 2003-229 reads as rewritten:

17 "**SECTION 14.** Nothing in this act shall be construed to limit or repeal any specific
18 grant of temporary rule-making authority to an agency enacted by the General
19 Assembly prior to the effective date of this act. Any temporary rule adopted after the
20 effective date of this act shall be adopted in accordance with the procedure set forth in
21 G.S. 150B-21.1 as amended by this act."

22 **SECTION 60.(a)** In order to reflect the rewrite of G.S. 150B-21.1 by S.L.
23 2003-229, effective July 1, 2003, G.S. 150B-21.1(a11), as enacted by Section 3 of S.L.
24 2003-184, is recodified as G.S. 150B-21.1(a)(16) and reads as rewritten:

25 "~~(16) Notwithstanding the provisions of subsection (a) of this section, the~~
26 The need for the Department of Transportation may— to adopt
27 temporary rules concerning logo signs pursuant to G.S. 136-89.56.
28 After having the proposed temporary rule published in the North
29 Carolina Register and at least 30 days prior to adopting a temporary
30 rule pursuant to this subsection, the Department shall:

- 31 (1) ~~Notify persons on its mailing list maintained pursuant to G.S.~~
32 ~~150B-21.2(d) and any other interested parties of its intent to~~
33 ~~adopt a temporary rule.~~
34 (2) ~~Accept oral and written comments on the proposed temporary~~
35 ~~rule.~~
36 (3) ~~Hold at least one public hearing on the proposed temporary~~
37 ~~rule.~~

38 ~~When the Department adopts a temporary rule pursuant to this subsection, the~~
39 ~~Department shall submit a reference to this subsection as the Department's statement of~~
40 ~~need to the Codifier of Rules.~~

41 ~~Notwithstanding any other provision of this Chapter, the Codifier of Rules shall~~
42 ~~publish in the North Carolina Register a proposed temporary rule received from the~~
43 ~~Department in accordance with this subsection."~~

1 **SECTION 60.(b)** This section does not affect the July 1, 2005, expiration of
2 Section 3 of S.L. 2003-184.

3 **SECTION 61.(a)** Since G.S. 150B-21.1(a8) expired prior to the effective
4 date of S.L. 2003-229, the Revisor of Statutes shall give no effect to the recodification
5 and amendment of that statute.

6 **SECTION 61.(b)** Since G.S. 150B-21.1(a9) expired prior to the effective
7 date of S.L. 2003-229, the Revisor of Statutes shall give no effect to the recodification
8 and amendment of that statute.

9 **SECTION 62.(a)** Chapter 152 of the General Statutes is not applicable to
10 Johnston County.

11 **SECTION 62.(b)** This section becomes effective upon the expiration of the
12 term of the current coroner in Johnston County.

13 **SECTION 63.** G.S. 160A-176.2 reads as rewritten:

14 **"§ 160A-176.2. Ordinances effective in Atlantic Ocean.**

15 (a) A city may adopt ordinances to regulate and control swimming, personal
16 watercraft operation, surfing and littering in the Atlantic Ocean and other waterways
17 adjacent to that portion of the city within its boundaries or within its extraterritorial
18 jurisdiction; provided, however, nothing contained herein shall be construed to permit
19 any city to prohibit altogether swimming or surfing or to make these activities unlawful.

20 (b) Subsection (a) of this section applies to the Towns of Atlantic Beach,
21 Calabash, Cape Carteret, Carolina Beach, Caswell Beach, Duck, Emerald Isle, Holden
22 Beach, Kill Devil Hills, Kitty Hawk, Manteo, Nags Head, Oak Island, Ocean Isle
23 Beach, Southern Shores, Sunset Beach, Topsail Beach, and Wrightsville Beach, and the
24 City of Southport only."

25 **SECTION 63.5.** G.S. 160A-635(a) reads as rewritten:

26 **"§ 160A-635. Membership; officers; compensation.**

27 (a) The governing body of an authority is the Board of Trustees. The Board of
28 Trustees shall consist of:

29 (1) The mayor of the four cities within the service area that have the
30 largest population, or a member of the city council designated by the
31 city council to serve in the absence of the mayor.

32 (2) Two members of the Board of Transportation appointed by the
33 Secretary of Transportation, to serve as ex officio nonvoting members.

34 (3) The chair of each Metropolitan Planning Organization in the territorial
35 jurisdiction. The chair of the Metropolitan Planning Organization may
36 appoint the Chair of the Transportation Advisory Committee, or a
37 designee approved by the Transportation Advisory Committee, as his
38 or her designee.

39 (4) The chair of the board of commissioners of any county within the
40 territorial jurisdiction or a member of the board of commissioners
41 designated by the board to serve in the absence of the chair, but only if
42 the Board of Trustees by resolution has expanded the Board of
43 Trustees to include the chair of the board of commissioners of that

1 county and the board of commissioners of that county has consented
2 by resolution.

- 3 (5) The chair of the principal airport authority or airport commission of
4 each of the two most populous counties within the territorial
5 jurisdiction, as determined by the most recent decennial federal census.
6 The chair of the airport authority or airport commission may appoint a
7 designee. The designee is not required to be a member of the airport
8 authority or airport commission."

9 **SECTION 64.** G.S. 163-34 reads as rewritten:

10 **"§ 163-34. Power of county board of elections to maintain order.**

11 Each county board of elections shall possess full power to maintain order, and to
12 enforce obedience to its lawful commands during its sessions, and shall be constituted
13 an inferior court for that purpose. If any person shall refuse to obey the lawful
14 commands of any county board of elections, or by disorderly conduct in its hearing or
15 presence shall interrupt or disturb its proceedings, it may, by an order in writing, signed
16 by its chairman, and attested by its secretary, commit the person so offending to the
17 common jail of the county for a period not exceeding 30 days. Such order shall be
18 executed by any sheriff ~~or constable~~ to whom the same shall be delivered, or if a sheriff
19 ~~or constable~~ shall not be present, or shall refuse to act, by any other person who shall be
20 deputed by the county board of elections in writing, and the keeper of the jail shall
21 receive the person so committed and safely keep him for such time as shall be
22 mentioned in the commitment: Provided, that any person committed under the
23 provisions of this section shall have the right to post a two hundred dollar (\$200.00)
24 bond with the clerk of the superior court and appeal to the superior court for a trial on
25 the merits of his commitment."

26 **SECTION 65.** G.S. 163-35(b) reads as rewritten:

27 "(b) Appointment, Duties; Termination. – Upon receipt of a nomination from the
28 county board of elections stating that the nominee for director of elections is submitted
29 for appointment upon majority selection by the county board of elections the Executive
30 Director shall issue a letter of appointment of such nominee to the chairman of the
31 county board of elections within 10 days after receipt of the nomination. Thereafter, the
32 county board of elections shall enter in its official minutes the specified duties,
33 responsibilities and designated authority assigned to the director by the county board of
34 elections. A copy of the specified duties, responsibilities and designated authority
35 assigned to the director shall be filed with the State Board of Elections.

36 The county board of elections may, by petition signed by a majority of the board,
37 recommend to the Executive Director of the State Board of Elections the termination of
38 the employment of the county board's director of elections. The petition shall clearly
39 state the reasons for termination. Upon receipt of the petition, the Executive Director
40 shall forward a copy of the petition by certified mail, return receipt requested, to the
41 county director of elections involved. The county director of elections may reply to the
42 petition within 15 days of receipt thereof. Within 20 days of receipt of the county
43 director of elections' reply or the expiration of the time period allowed for the filing of
44 the reply, the State Executive Director shall render a decision as to the termination or

1 retention of the county director of elections. The decision of the Executive Director of
2 the State Board of Elections shall be final unless the decision is, within 20 days from the
3 official date on which it was made, deferred by the State Board of Elections. If the State
4 Board defers the decision, then the State Board shall make a final decision on the
5 termination after giving the county director of elections an opportunity to be heard and
6 to present witnesses and information to the State Board, and then notify the Executive
7 Director of its decision in writing. Any one or more members of the State Board
8 designated by the remaining members of the State Board may conduct the hearing and
9 make a final determination on the termination. For the purposes of this subsection, the
10 member(s) designated by the remaining members of the State Board shall possess the
11 same authority conferred upon the chairman pursuant to G.S. 163-23. If the decision,
12 rendered by the State Board of Elections, after the hearing, results in concurrence with
13 the decision entered by the Executive Director, the decision becomes final. If the
14 decision rendered by the Board after the hearing is contrary to that entered by the
15 Executive Director, then the Executive Director shall, within 15 days from the written
16 notification, enter an amended decision consistent with the results of the decision by the
17 State Board of Elections. Elections or its designated member(s).

18 Upon majority vote on the recommendation of the Executive Director, the State
19 Board of Elections may initiate proceedings for the termination of a county director of
20 elections for just cause. If the State Board votes to initiate proceedings for termination,
21 the State Board shall state the reasons for the termination in writing and send a copy by
22 certified mail, return receipt requested, to the county director of elections. The director
23 has 15 days to reply in writing to the notice. The State Board of Elections shall also
24 notify the chair of the county board of elections and the chair of the county board of
25 commissioners that the State Board has initiated termination proceedings. The State
26 Board shall make a final decision on the termination after giving the county director of
27 elections an opportunity to be heard, present witnesses, and provide information to the
28 State Board. ~~The State Board of Elections shall notify the chair of the county board of~~
29 ~~elections and the chair of the county board of commissioners that the State Board has~~
30 ~~initiated termination proceedings.~~ Any one or more members of the State Board
31 designated by the remaining members of the State Board may conduct the hearing and
32 make a final decision. For the purposes of this subsection, the member(s) designated by
33 the remaining members of the State Board shall possess the same authority conferred
34 upon the chairman pursuant to G.S. 163-23.

35 A county director of elections may be suspended, with pay, without warning for
36 causes relating to personal conduct detrimental to service to the county or to the State
37 Board of Elections, pending the giving of written reasons, in order to avoid the undue
38 disruption of work or to protect the safety of persons or property or for other serious
39 reasons. Any suspension may be initiated by the Executive Director but may not be for
40 more than five days. Upon placing a county director of elections on suspension, the
41 Executive Director shall, as soon as possible, reduce to writing the reasons for the
42 suspension and forward copies to the county director of elections, the members of the
43 county board of elections, the chair of the county board of commissioners, and the State

1 Board of Elections. If no action for termination has been taken within five days, the
2 county director of elections shall be fully reinstated.

3 Termination of any county director of elections shall comply with this subsection.
4 ~~For the purposes of this subsection, the individual designated by the remaining four~~
5 ~~members of the State Board shall possess the same authority conferred upon the~~
6 ~~chairman pursuant to G.S. 163-23."~~

7 **SECTION 66.** G.S. 163-166.12, as enacted in Session Law 2003-226, is
8 amended by adding a new subsection to read:

9 "(b1) For purposes of this section, if a voter registration applicant, as permitted in
10 G.S. 163-82.6, delegates transporting the application form to another person, the county
11 board of elections shall treat that form as being submitted in the manner it is submitted
12 by the person who accepted the delegation."

13 **SECTION 67.(a)** G.S. 163-278.7(b)(7) reads as rewritten:

14 "(b) Each appointed treasurer shall file with the Board at the time required by G.S.
15 163-278.9(a)(1) a statement of organization that includes:

16 ...

17 (7) A listing of all banks, safety deposit boxes, or other depositories used,
18 including the names and numbers of all accounts maintained and the
19 numbers of all such safety deposit boxes used, provided that the Board
20 shall keep any account number included in any report filed after March
21 1, 2003, and required by this Article confidential except as necessary
22 to conduct an audit or investigation, except as required by a court of
23 competent jurisdiction, or unless confidentiality is waived by the
24 treasurer. Disclosure of an account number in violation of this
25 subdivision shall not give rise to a civil cause of action. This limitation
26 of liability does not apply to the disclosure of account numbers in
27 violation of this subdivision as a result of gross negligence, wanton
28 conduct, or intentional wrongdoing that would otherwise be
29 actionable.

30 ..."

31 **SECTION 67.(b)** This section is effective on and after January 1, 2003.

32 **SECTION 68.** G.S. 163-278.12A is repealed.

33 **SECTION 69.** G.S. 163-278.64(d)(5) reads as rewritten:

34 "(5) A candidate and the candidate's committee shall limit the use of all
35 revenues permitted by this subsection to expenditures for
36 campaign-related purposes only. The Board shall publish guidelines
37 outlining permissible campaign-related expenditures. In establishing
38 those guidelines, the Board shall differentiate expenditures that
39 reasonably further a candidate's campaign from expenditures for
40 personal use that would be incurred in the absence of the candidacy. In
41 establishing the guidelines, the Board shall review relevant provisions
42 of G.S. 163-278.42(e), the Federal Election Campaign Act and rules
43 adopted pursuant to it, and similar provisions in other states."

44 **SECTION 70.** G.S. 168-2 reads as rewritten:

1 **"§ 168-2. Right of access to and use of public places.**

2 Handicapped persons have the same right as the able-bodied to the full and free use
3 of the streets, highways, sidewalks, walkways, public buildings, public facilities, and all
4 other buildings and facilities, both publicly and privately owned, which serve the public.
5 The Department of Health and Human Services shall develop, print, and promote the
6 publication ACCESS NORTH CAROLINA. It shall make copies of the publication
7 available to the Department of Commerce for its use in Welcome Centers and other
8 appropriate Department of Commerce offices. The Department of ~~Economic and~~
9 ~~Community Development~~ Commerce shall promote ACCESS NORTH CAROLINA in
10 its publications (including providing a toll-free telephone line and an address for
11 requesting copies of the publication) and provide technical assistance to the Department
12 of Health and Human Services on travel attractions to be included in ACCESS NORTH
13 CAROLINA. The Department of Commerce shall forward all requests for mailing
14 ACCESS NORTH CAROLINA to the Department of Health and Human Services."

15 **SECTION 71.(a)** G.S. 168-4.2 reads as rewritten:

16 **"§ 168-4.2. May be accompanied by assistance dog-service animal.**

17 Every mobility impaired person, as defined in this section, visually impaired person,
18 as broadly defined to include visual disability, ~~or~~ hearing impaired person, as defined in
19 G.S. 8B-1(2), or person with a seizure disorder has the right to be accompanied by ~~an~~
20 ~~assistance dog~~ a service animal especially trained for the purpose of providing
21 assistance to a person with the same impairing condition as the person wishing to be
22 accompanied, in any of the places listed in G.S. 168-3, and has the right to keep the
23 ~~assistance dog~~ service animal on any premises the person leases, rents, or uses. The
24 person qualifies for these rights upon the showing of a tag, issued by the Department of
25 Health and Human Services, ~~pursuant to~~ under G.S. 168-4.3, stamped "NORTH
26 CAROLINA ~~ASSISTANCE DOG SERVICE ANIMAL~~ PERMANENT
27 REGISTRATION" and stamped with a registration number, or upon a showing that the
28 ~~dog-animal~~ is being trained or has been trained as an assistance dog. An assistance dog a
29 service animal. The service animal may accompany a person in any of the places listed
30 in G.S. 168-3 but may not occupy a seat in any of these places. The ~~trainer of the~~
31 assistance dog may be accompanied by the dog-service animal may accompany that
32 animal's trainer during training sessions in any of the places listed in G.S. 168-3.

33 A mobility impaired person is a person with a physiological deficiency, regardless of
34 its cause, nature, or extent, that renders the individual unable to move about without the
35 aid of crutches, a wheelchair, or other form of support, or that limits the person's
36 functional ability to ambulate, climb, descend, sit, rise, or perform any other related
37 function."

38 **SECTION 71.(b)** G.S. 168-4.3 reads as rewritten:

39 **"§ 168-4.3. Training and registration of assistance dog-service animal.**

40 The Department of Health and Human Services, shall adopt rules for the registration
41 of ~~assistance dogs~~ service animals and shall issue registrations to a visually impaired
42 person, a hearing impaired person, ~~or~~ a mobility impaired ~~person~~ person, or a person
43 with a seizure disorder who makes application for registration of ~~a dog-animal~~ that
44 serves as an assistance dog. a service animal. The rules adopted regarding registration

1 shall require that the ~~dog-animal~~ be trained as an ~~assistance-dog~~ a service animal by an
2 appropriate agency, and that the certification and registration be permanent for the
3 particular ~~dog-animal~~ and need not be renewed while that particular ~~dog-animal~~ serves
4 the person applying for registration as an ~~assistance-dog~~ a service animal. No fee may
5 be charged the person for the application, registration, tag, or replacement in the event
6 the original is lost. The Department of Health and Human Services may, by rule, issue a
7 certification or accept the certification issued by the appropriate training facilities."

8 **SECTION 71.(c)** G.S. 168-4.4 reads as rewritten:

9 **"§ 168-4.4. Responsibility for assistance-dog-service animal.**

10 The visually impaired person, hearing impaired person, ~~or~~ mobility impaired ~~person~~
11 person, or person with a seizure disorder who is accompanied by an ~~assistance-dog~~ a
12 service animal may not be required to pay any extra compensation for the ~~dog-animal~~.
13 The person has all the responsibilities and liabilities placed on any person by any
14 applicable law when that person owns or uses any ~~dog-animal~~, including liability for
15 any damage done by the ~~dog-animal~~."

16 **SECTION 72.(a)** Section 9.2 of Chapter 707 of the 1963 Session Laws, as
17 amended by S.L. 2002-66, reads as rewritten:

18 "Sec. 9.2. Beginning with the 2003-2004 fiscal year, the base amount of funding for
19 current expense expenditures from local funds shall include the previous ~~years'~~ year's
20 level of current expense expenditures (for example, eight million seven hundred
21 thousand dollars (\$8,700,000) in 2002-2003), multiplied by one plus the average
22 percentage change in local current expense school expenditures for the two most recent
23 available fiscal ~~year~~ years for low-wealth counties in North Carolina (all local
24 expenditures shall include local current expense expenditures incurred by charter
25 schools within the appropriate districts), as determined by the Superintendent of Public
26 Instruction or that person's designee. The average percentage change shall be calculated
27 by (i) adding together for each of the two previous fiscal years the total current local
28 expense expenditures for all low-wealth counties, (ii) dividing each of those totals,
29 respectively, by the number of low-wealth counties receiving low wealth funding in
30 each year to obtain an average low-wealth county local current expense expenditure for
31 each year, and (iii) comparing the two averages. The average percentage change shall
32 equal the percent difference between the averages for the two years.) The resulting
33 product shall then be multiplied by a ratio consisting of the Average Daily Membership
34 used to distribute State funding for the succeeding fiscal year as provided by the
35 Department of Public Instruction, divided by the Average Daily Membership used to
36 distribute funding for the current fiscal year, as determined by the Superintendent of
37 Public Instruction, or that person's designee. ~~The resulting number shall be added to or~~
38 ~~subtracted from the previous year's amount of current expense expenditures from local~~
39 ~~funds. This sum~~ The resulting product shall be the required level of current expense
40 funding to be appropriated by the Board of Commissioners from any local sources,
41 including both general and supplemental tax revenues, and not including fines and
42 forfeitures or restricted use sales taxes authorized by Article 40 or 42 of Chapter 105 of
43 the General Statutes."

1 **SECTION 72.(b)** The remainder of Chapter 707 of the 1963 Session Laws is
2 not changed by this section except to the extent any previously enacted provisions for
3 the establishment and funding of current expense expenditures are inconsistent with the
4 provisions of this section.

5 **SECTION 73.(a)** Section 6(a) of Chapter 246, Session Laws of 1991, as
6 rewritten by Section 14 of Chapter 358 of the 1993 Session Laws, reads as rewritten:

7 "Sec. 6. Orange County Civil Rights Ordinance. (a) The Board of Commissioners of
8 Orange (hereafter 'Board of Commissioners') may adopt an ordinance (hereafter 'the
9 Ordinance') to prohibit discrimination in ~~employment, housing, housing~~ and public
10 accommodations on the basis of race, color, religion, gender, national origin, age,
11 disability, marital status, familial status, and veteran status.

12 The Board of Commissioners may include in the Ordinance a prohibition of
13 language or conduct or both directed at an individual or at a group of individuals
14 because of that individual's or group of individuals' actual or perceived race, color,
15 religion, gender, national origin, age, disability, marital status, familial status, or veteran
16 status which communicates in a threatening manner words that incite imminent lawless
17 action or which tend to incite an immediate breach of the peace."

18 **SECTION 73.(b)** Section 6(b)(9) of Chapter 246, Session Laws of 1991, as
19 rewritten by Section 14 of Chapter 358 of the 1993 Session Laws, reads as rewritten:

20 "(b) The Board of Commissioners may, in the Ordinance, adopt procedures and
21 delegate powers to the Orange County Human Relations Commission (hereafter 'the
22 Commission') which are necessary and proper for carrying out and enforcing the
23 Ordinance. To assist in the enforcement of the Ordinance, the Commission has, but is
24 not limited to, the following powers:

25 ...

- 26 (9) Making application, in its discretion, to the Office of Administrative
27 Hearings for the designation of an administrative law judge to preside
28 over a hearing in cases involving allegedly unlawful ~~employment~~
29 ~~practices, public accommodations, public accommodations~~ or other
30 conduct made unlawful by subsection (a) of this section after
31 conciliation efforts have failed; and

32 ..."

33 **SECTION 73.(c)** Section 6(d) of Chapter 246, Session Laws of 1991, as
34 rewritten by Section 14 of Chapter 358 of the 1993 Session Laws, reads as rewritten:

35 "(d) The administrative law judge may recommend the imposition of mandatory
36 and prohibitory injunctive relief, compensatory damages (which, as provided by the
37 1991 Civil Rights Act, includes emotional pain, humiliation, embarrassment, and
38 inconvenience), punitive damages, and any other relief the administrative law judge
39 deems appropriate; provided that:

- 40 (1) Punitive damages may be recommended only if the administrative law
41 judge finds that the respondent engaged in a practice made unlawful
42 under the ordinance with malice or with reckless indifference to the
43 protected rights of the ~~complainant, and complainant.~~

1 (2) ~~In cases involving unlawful employment practices, the administrative~~
2 ~~law judge may recommend reinstatement, hiring, and/or back pay.~~

3 In all cases wherein the Commission applies to the Office of Administrative
4 Hearings for the designation of an administrative law judge, the Commission shall be
5 the complainant and the case in support of the Commission shall be presented by the
6 Commission's attorney.

7 The administrative law judge may, in his or her discretion, recommend that the
8 respondent be awarded reasonable costs and attorneys' fees in the event the respondent
9 prevails."

10 **SECTION 74.** S.L. 1997-182 is repealed. This also repeals G.S.
11 18B-1006(l).

12 **SECTION 74.1.** Section 17.1(f) of S.L. 2000-138, as amended by S.L. 2002-
13 180, reads as rewritten:

14 "**Section 17.1(f)** Members of the Commission ~~shall not~~ may receive per diem or
15 reimbursement for travel or subsistence. From funds appropriated to the General
16 Assembly, the Legislative Services Commission shall allocate funds for the per diem of
17 the Commission established by this Part."

18 **SECTION 75.** Section 7.13(b) of S.L. 2002-126 reads as rewritten:

19 "**SECTION 7.13.(b)** The Office of State Budget and Management shall ~~issue a~~
20 ~~Request for Proposals for~~ conduct an analysis of the structure and operation of the
21 Department of Public ~~Instruction that identifies~~ Instruction. The analysis shall identify
22 potential efficiencies and savings in the operations of the Department. The analysis may
23 consider consolidation of functions with other agencies and automation of functions.

24 ~~The Request for Proposals may include contingency proposals based on potential~~
25 ~~savings.~~

26 The Office of State Budget and Management shall ~~consult with~~ report its findings to
27 ~~the State Board of Education. The State Board of Education shall report to the Joint~~
28 ~~Legislative Education Oversight Committee prior to the award of the contract by March~~
29 ~~15, 2004, on the results of the analysis.~~"

30 **SECTION 77.(a)** Section 61.5 of S.L. 2002-159 is repealed.

31 **SECTION 77.(b)** Section 1.1 of S.L. 2002-162 is repealed.

32 **SECTION 78.** The introductory language of the second Section 3 of S.L.
33 2003-31 reads as rewritten:

34 "**SECTION 3.3.1.** Section 36(b) of S.L. 2002-159, as amended by Section 1 of S.L.
35 2003-2, reads as rewritten:"

36 **SECTION 79.** The introductory language of Section 1 of S.L. 2003-103
37 reads as rewritten:

38 "**SECTION 1.** Article 1 of Chapter 166A of the General ~~Statutes~~ Statutes is amended
39 by adding a new section to read:"

40 **SECTION 80.** Section 1 of S.L. 2003-110 reads as rewritten:

41 "**SECTION 1.** G.S. 20-141 is amended by adding a new subsection to read:

42 (o) A violation of G.S. 20-123.2 shall be a lesser included offense in any
43 violation of this section. No drivers license points or insurance surcharge shall be
44 assessed on account of a violation of this subsection."

1 **SECTION 81.** Section 2 of S.L. 2003-128 reads as rewritten:

2 **"SECTION 2.(a)** A ~~county~~ county, city, or town may adopt ordinances to regulate
3 the removal and preservation of existing trees and shrubs prior to development within a
4 perimeter buffer zone of up to 50 feet along public roadways and property boundaries
5 adjacent to developed properties and up to 25 feet along property boundaries adjacent to
6 undeveloped properties."

7 **"SECTION 2.(b)** Ordinances adopted pursuant to this section shall:

- 8 (1) Provide that the required buffer area shall not exceed twenty percent
9 (20%) of the area of the tract, net of public road rights-of-way and any
10 required conservation easements.
- 11 (2) Provide that buffer zones that adjoin public roadways shall be
12 measured from the edge of the public road right-of-way.
- 13 (3) Provide that tracts of two acres or less, net of public road
14 rights-of-way, that are zoned for single-family residential use are
15 exempt from the requirements of the ordinances.
- 16 (4) Provide that the ordinances are limited to situations where
17 undeveloped property is planned or zoned in accordance with adopted
18 planning and zoning regulations.
- 19 (5) Provide that a survey of individual trees is not required.
- 20 (6) Include reasonable provisions for access onto and within the subject
21 property.
- 22 (7) Exclude normal forestry activities on property taxed under the
23 present-use value standard or conducted pursuant to a forestry
24 management plan prepared or approved by a forester registered
25 pursuant to Chapter 89B of the General Statutes. However, for such
26 properties, a ~~county~~ county, city, or town may deny a building permit
27 or refuse to approve a site or subdivision plan for a period of three
28 years following completion of the harvest if all or substantially all of
29 the perimeter buffer trees that should have been protected were
30 removed from the tract of land for which the permit or plan approval is
31 sought. A ~~county~~ county, city, or town may deny a permit or refuse to
32 approve a site or subdivision plan for a period of two years if the
33 owner replants the buffer area within 120 days of harvest with plant
34 material that is consistent with buffer areas required under the county's
35 ordinances.

36 **"SECTION 2.(c)** Before adopting an ordinance under this section, the county board
37 of commissioners or governing body of the city or town shall hold a public hearing on
38 the proposed ordinance. Notice of the public hearing shall be given in accordance with
39 G.S. ~~153A-323~~ 153A-323 or G.S. 160A-364, as appropriate.

40 **"SECTION 2.(d)** ~~This~~ As to county ordinances, this section does not apply to areas
41 located within the corporate limits or extraterritorial planning jurisdiction under Article
42 19 of Chapter 160A of the General Statutes of any municipality.

43 **"SECTION 2.(e)** This section applies to the Town of Rutherfordton and to Wake
44 County only."

1 **SECTION 82.(a)** Section 5 of S.L. 2003-147 is repealed.

2 **SECTION 82.(b)** G.S. 115C-264 reads as rewritten:

3 "**§ 115C-264. Operation.**

4 In the operation of their public school food programs, the public schools shall
5 participate in the National School Lunch Program established by the federal
6 government. The program shall be under the jurisdiction of the Division of School Food
7 Services of the Department of Public Instruction and in accordance with federal
8 guidelines as established by the Child Nutrition Division of the United States
9 Department of Agriculture.

10 Each school may, with the approval of the local board of education, sell soft drinks
11 to students so long as soft drinks are not sold (i) during the lunch period, (ii) at
12 elementary schools, or (iii) contrary to the requirements of the National School Lunch
13 Program.

14 All school food services shall be operated on a nonprofit basis, and any earnings
15 therefrom over and above the cost of operation as defined herein shall be used to reduce
16 the cost of food, to serve better food, or to provide free or reduced-price lunches to
17 indigent children and for no other purpose. The term "cost of operation" shall be defined
18 as actual cost incurred in the purchase and preparation of food, the salaries of all
19 personnel directly engaged in providing food services, and the cost of nonfood supplies
20 as outlined under standards adopted by the State Board of Education. "Personnel" shall
21 be defined as food service supervisors or directors, bookkeepers directly engaged in
22 food service record keeping and those persons directly involved in preparing and
23 serving food: Provided, that food service personnel shall be paid from the funds of food
24 services only for services rendered in behalf of lunchroom services. Any cost incurred
25 in the provisions and maintenance of school food services over and beyond the cost of
26 operation shall be included in the budget request filed annually by local boards of
27 education with boards of county commissioners. ~~It shall not be mandatory that the~~
28 ~~provisions of G.S. 115C-522(a) and 143-129 be complied with~~ Public schools are not
29 required to comply with G.S. 115C-522(a) in the purchase of supplies and food for such
30 school food services."

31 **SECTION 82.(c)** Section 12 of S.L. 2003-147 reads as rewritten:

32 "**SECTION 12.** Sections 1 through ~~8-9~~ of this act become effective for a local
33 school administrative unit when the unit is certified by the Department of Public
34 Instruction as being E-Procurement compliant, as provided in Section ~~9-10~~ of this act, or
35 April 1, 2004, whichever occurs first. The remainder of this act is effective when it
36 becomes law."

37 **SECTION 82.(d)** Subsections (a) and (b) of this section become effective
38 for a local school administrative unit when the Department of Public Instruction
39 certifies that unit as being E-Procurement compliant as provided in Section 10 of S.L.
40 2003-147, or April 1, 2004, whichever occurs first.

41 **SECTION 83.** Section 2 of S.L. 2003-194 reads as rewritten:

42 "**SECTION 2.** This act is effective when it becomes law and applies to the
43 2003-2004 academic ~~year-year, beginning with the Spring 2004 semester,~~ and each
44 subsequent year."

1 **SECTION 84.(a)** The introductory language of Section 26.(e) of S.L.
 2 2003-212 reads as rewritten:

3 "**SECTION 26.(e)** ~~G.S. 58-6-30~~ G.S. 58-15-30 reads as rewritten:".

4 **SECTION 84.(b)** G.S. 58-31-66, as enacted in Section 27 of S.L. 2003-212,
 5 reads as rewritten:

6 "**§ 58-31-66. Public construction contract surety bonds.**

7 (a) Neither the State nor any county, city, or other political subdivision of the
 8 State, or any officer, employee, or other person acting on behalf of any such entity shall,
 9 with respect to any public building or construction contract, require any contractor,
 10 bidder, or proposer to procure a bid bond, payment bond, or performance bond from a
 11 particular surety, agent, producer, or broker.

12 (b) ~~Nothing in this section prohibits an officer or employee acting on behalf of~~
 13 ~~the State or a county, city, or other political subdivision of the State from:~~

14 (1) ~~Approving the form, sufficiency, or manner of execution of the surety~~
 15 ~~bonds furnished by the surety selected by the bidder to underwrite the~~
 16 ~~bonds.~~

17 (2) ~~Disapproving, on a reasonable, nondiscriminatory basis, the surety~~
 18 ~~selected by the bidder to underwrite the bonds because of the financial~~
 19 ~~condition of the surety.~~

20 (c) ~~A violation of this section renders the public building or construction contract~~
 21 ~~void ab initio."~~

22 **SECTION 84.(c)** Subsection (a) of this section becomes effective January 1,
 23 2004. Subsection (b) of this section becomes effective October 1, 2003.

24 **SECTION 85.** Section 2.2(a) of S.L. 2003-284 reads as rewritten:

25 "**SECTION 2.2.(a)** The General Fund availability used in developing the
 26 2003-2005 biennial budget is shown below:

	FY 2003-2004	FY 2004-2005
27 ...		
28 Adjustments to Availability: 2003 Session		
29 ...		
30 Attorney General Settlement Funds	10,000,000	0
31 Conflicts of Interest Global Settlement	10,000,000	0
32 ..."		

34 **SECTION 86.** Section 3.1 of S.L. 2003-284 reads as rewritten:

35 "**SECTION 3.1.** Appropriations from the State Highway Fund for the maintenance
 36 and operation of the Department of Transportation, and for other purposes as
 37 enumerated, are made for the biennium ending June 30, 2005, according to the
 38 following schedule:

	2003-2004	2004-2005
39 Current Operations – Highway Fund		
40 (1) Transportation Admin. (84210)	\$72,776,692	\$72,898,916
41 (2) Transportation Operations (84220)	28,190,393	28,150,605
42 (3) Transportation Programs (84230)		

1	State Construction		
2	Secondary	89,600,000	90,590,000
3	Urban	28,000,000	14,000,000
4			<u>28,000,000</u>
5	Public Access	2,000,000	2,000,000
6	Spot Safety	9,100,000	9,100,000
7	Contingency	15,000,000	10,000,000
8	Federal Aid Match	4,160,000	4,280,000
9	Maintenance	582,507,482	573,436,154
10	Asphalt Plant/OSHA	425,000	425,000
11	Capital	-	-
12	Ferry Operations	19,677,283	19,677,283
13	Aid to Municipalities	89,600,000	90,590,000
14	Rail	15,090,919	15,531,153
15	Public Transit	79,705,266	80,302,926
16	(4) Governor's Highway Safety (84240)	292,449	293,118
17	(5) Transportation Regulation (84260)	102,032,933	102,896,913
18	(6) Reserves, Transfers, Other Agencies (84270)	214,626,257	217,352,347
19	TOTAL	\$1,352,784,674	<u>\$1,331,524,415</u> <u>\$1,345,524,415"</u>
20			
21			

SECTION 87. Section 6.3(b) of S.L. 2003-284 reads as rewritten:

"**SECTION 6.3.(b)** ~~The~~ Except as provided in G.S. 116-30.1 through G.S. 116-30.4, the Office of State Budget and Management shall report the necessary adjustments to the General Assembly no later than 10 days after the convening of the 2004 Regular Session of the 2003 General Assembly. The Director of the Budget shall include the adjustments prepared in accordance with subsection (a) of this section in the recommended adjustments to the authorized budget for the 2004-2005 fiscal year."

SECTION 87.5. Section 7.36 of S.L. 2003-284 reads as rewritten:

"**SECTION 7.36.** ~~The State Board of Education~~ Education, in consultation with the State Board of Community Colleges and the Board of Governors of The University of North Carolina, shall study the issue of weighted grades for high school students who take university and community college courses. The State Board of Education shall report the results of the study and its recommendations on the issue to the Joint Legislative Education Oversight Committee by December 15, 2003."

SECTION 88. Section 7.5 of S.L. 2003-284 reads as rewritten:

"**SECTION 7.5.(a)** ~~Funds in the Reserve for Experience Step Increase for Teachers and Principals in Public Schools shall be used for experience step increases for employees of schools operated by a local board of education, the Department of Health and Human Services, the Department of Correction, or the Department of Juvenile Justice and Delinquency Prevention who are paid on the teacher salary schedule or the principal and assistant principal salary schedule.~~

~~**SECTION 7.5.(b)** Effective July 1, 2003, any permanent certified personnel employed on July 1, 2003, and paid on the teacher salary schedule with 29+ years of~~

1 experience shall receive a one-time bonus equivalent to the average increase of the 26 to
2 29 year steps. Effective July 1, 2003, any permanent personnel employed on July 1,
3 2003, and paid at the top of the principal and assistant principal salary schedule shall
4 receive a one-time bonus equivalent to two percent (2%). For permanent part-time
5 personnel, the one-time bonus shall be adjusted pro rata. Personnel defined under G.S.
6 115C-325(a)(5a) are not eligible to receive the bonus."

7 **SECTION 89.** Section 10.5 of S.L. 2003-284 reads as rewritten:

8 "**SECTION 10.5.(a)** The Department of Health and Human Services may
9 administer the "Senior Cares" prescription drug access program approved by the Health
10 and Wellness Trust Fund Commission and funded from the Health and Wellness Trust
11 Fund.

12 "**SECTION 10.5.(b)** The Department of Health and Human Services may apply to
13 the Center for Medicare and Medicaid Services (CMS) for a Medicaid waiver under
14 section 1115 of the Social Security Act to provide federal matching funds for limited
15 prescription drug and insulin coverage, prescription assistance, and assistance in
16 accessing primary care for elderly persons. The waiver may provide a prescription drug
17 benefit for eligible individuals each benefit year. The waiver may also provide for
18 co-payments for generic drugs and higher co-payments for brand-name drugs. Eligible
19 individuals may include persons who:

- 20 (1) Are 65 years of age or older;
21 (2) Are ineligible for Medicaid prescription drug and insulin coverage;
22 (3) Are without coverage for prescription drugs or insulin under other
23 public or private health insurance; and
24 (4) Have a family income that is two hundred percent (200%) or less of
25 the federal poverty level.

26 "**SECTION 10.5.(c)** Funds previously allocated by the Health and Wellness Trust
27 Fund Commission for Senior Care, as reflected in the Memorandum of Understanding
28 with the Department of Health and Human Services dated May 14, 2002, and the funds
29 allocated by the Commission for the medication management and prescription
30 assistance programs shall be used as the required State and local match for the waiver.

31 "**SECTION 10.5.(d)** The administration of the Senior Care Program by the
32 Department of Health and Human Services, as authorized in Section 10.5 of S.L.
33 2003-284, shall include eligibility determination.

34 "**SECTION 10.5.(e)** The Department of Health and Human Services shall
35 authorize, within allocations made for this purpose, payments for Senior Care, as
36 allowed under the CMS Senior Care Program waiver.

37 "**SECTION 10.5.(f)** This section is effective when this act becomes law and expires
38 upon the expiration of the CMS waiver or at the time funds for the Program are
39 terminated, whichever occurs first."

40 **SECTION 89.5.** S.L. 2003-284 is amended by adding a new section
41 following Section 10.8F to read:

42 "**CHILD FATALITY TASK FORCE ADMINISTRATIVE SUPPORT**

1 **SECTION 10.8G.** The Department of Health and Human Services shall use
2 existing resources to continue to provide administrative support for the North Carolina
3 Child Fatality Task Force."

4 **SECTION 90.** S.L. 2003-284 is amended by adding a new section following
5 Section 10A.1 to read:

6 **"MAINTENANCE MECHANIC POSITION FOR DEPARTMENT OF**
7 **AGRICULTURE AND CONSUMER SERVICES**

8 **SECTION 10A.2.(a)** Of the funds appropriated in this act to the Department
9 of Agriculture and Consumer Services, the sum of twenty-seven thousand eight hundred
10 eighty dollars (\$27,880) for the 2003-2004 fiscal year may be used to establish and
11 support one Maintenance Mechanic position at the Oxford Research Station and the sum
12 of thirty-seven thousand one hundred seventy-three dollars (\$37,173) for the 2004-2005
13 fiscal year may be used to continue and support the Maintenance Mechanic position at
14 the Oxford Research Station.

15 **SECTION 10A.2.(b)** This section becomes effective October 1, 2003."

16 **SECTION 90.5.** S.L. 2003-284 is amended by adding a new section
17 following Section 10A.2, as enacted in Section 90 of this act, to read:

18 **"DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES GRAPE**
19 **GROWERS FUNDS DO NOT REVERT**

20 **SECTION 10A.3.(a)** Pursuant to G.S. 105-113.81A, funds credited to the
21 Department of Agriculture and Consumer Services for the North Carolina Grape
22 Growers Council for the 2002-2003 fiscal year shall not revert to the General Fund but
23 shall remain available to the Council.

24 **SECTION 10A.3.(b)** This section becomes effective June 30, 2003."

25 **SECTION 91.** Section 11.4(e) of S.L. 2003-284 reads as rewritten:

26 **"SECTION 11.4.(e)** It is the intent of the General Assembly that the funds under
27 ~~subsection (e)~~ subsection (d) of this section are recurring funds."

28 **SECTION 91.4.** Section 12.6C(a) of S.L. 2003-284 reads as rewritten:

29 **"SECTION 12.6C.(a)** The North Carolina Industrial Commission may retain the
30 additional revenue generated by raising the fee charged to parties for the filing of
31 compromised settlements from two hundred dollars (\$200.00) to an amount that does
32 not exceed two hundred fifty dollars (\$250.00) for the purpose of replacing existing
33 computer hardware and software used for the operations of the Commission. These
34 funds may also be used to prepare any assessment of hardware and software needs prior
35 to purchase. The Commission may not retain any fees ~~under this section~~ for the purpose
36 of computer system replacement unless they are in excess of the current
37 two-hundred-dollar (\$200.00) fee charged by the Commission for filing a compromise
38 settlement."

39 **SECTION 91.5.** Section 12.6C(e) of S.L. 2003-284 reads as rewritten:

40 **"SECTION 12.6C.(e)** The Commission may retain additional fees as authorized by
41 subsection (a) of this section only in the 2003-2005 fiscal biennium and ~~shall not retain~~
42 ~~any additional fees after the 2003-2005 fiscal biennium.~~ the 2005-2007 fiscal biennium."

43 **SECTION 91.7.** Section 12.11(d)(1)b. of S.L. 2003-284 reads as rewritten:

1 "b. \$197,410 in each fiscal year for direct grants to local
2 community development corporations that have not previously
3 received State funds; ~~and~~ funds or are in the start-up phase; and"

4 **SECTION 91.8.** S.L. 2003-284 is amended by adding a new section
5 following Section 12.11 to read:

6 **"WESTERN NORTH CAROLINA DEVELOPMENT ASSOCIATION, INC.**

7 **SECTION 12.11A.** Of the funds appropriated in this act to the Rural
8 Economic Development Center, the sum of seventy-five thousand dollars (\$75,000) for
9 the fiscal year 2003-2004 shall be transferred to Western North Carolina Development
10 Association, Inc. no later than July 31, 2003."

11 **SECTION 92.** Section 17.1 of S.L. 2003-284 is amended by adding the
12 following new subsection to read:

13 **"SECTION 17.1.(d)** This section becomes effective October 1, 2003."

14 **SECTION 92.5.** Section 21.2(a)(5) of S.L. 2003-284 is rewritten to read:

15 "(5) ITS shall make adjustments of excess revenue, based on
16 IRMC-approved rates, over allowable costs."

17 **SECTION 93.(a)** Section 23.1 of S.L. 2003-284 is repealed.

18 **SECTION 93.(b)** Section 22.6 of S.L. 2002-126 reads as rewritten:

19 **"SECTION 22.6.(a)** The Department of Revenue may draw up to ~~seven million~~
20 ~~eight hundred forty thousand five hundred thirteen dollars (\$7,840,513)~~ three million
21 dollars (\$3,000,000) through June 30, ~~2004, 2005,~~ from the collection assistance fee
22 account created in G.S. 105-243.1 in order to pay for the costs of establishing and
23 equipping a central taxpayer telecommunications service center for collections and
24 assistance and for the costs associated with aligning local field offices with the new
25 center. The Department of Revenue shall use the funds drawn during the 2004-2005
26 fiscal year to support information technology costs.

27 ~~**"SECTION 22.6.(b)** The Secretary of Revenue shall consult with the Joint~~
28 ~~Legislative Commission on Governmental Operations on a detailed plan with proposed~~
29 ~~costs before any funds may be expended for these purposes. This plan must be~~
30 ~~presented by October 31, 2002.~~

31 **"SECTION 22.6.(c)** Beginning January 1, 2003, and ending on the second quarter
32 following completion of the projects described in subsection (a) of this section, the
33 Department of Revenue must report quarterly to the Joint Legislative Commission on
34 Governmental Operations on the use of the funds and the progress of establishing the
35 new center.

36 **"SECTION 22.6.(d)** There is appropriated from the collection assistance fee
37 account created in G.S. 105-243.1 to the Department of Revenue the sum of one million
38 six hundred twenty-two thousand eight hundred ninety-six dollars (\$1,622,896) for the
39 2003-2004 fiscal year and the sum of two million one hundred fifty-four thousand five
40 hundred ninety-three dollars (\$2,154,593) for the 2004-2005 fiscal year to pay for the
41 costs of establishing and equipping a central taxpayer telecommunications service
42 center for collections and assistance and for the costs associated with aligning local field
43 offices with the new center."

44 **SECTION 94.** Section 29.21 of S.L. 2003-284 reads as rewritten:

1 **"SECTION 29.21.** The Joint Legislative Transportation Oversight Committee shall
 2 contract with an independent consultant to study the project delivery process of the
 3 Department of Transportation. The study shall examine all aspects of the project
 4 delivery process, including (i) Department of Transportation planning, design, and
 5 contract letting procedures, and (ii) the effect of other resource and regulatory agency
 6 decisions and processes on the project delivery process. The study shall identify all
 7 significant causes of delay in the project delivery process, and suggest specific, practical
 8 solutions to decrease the time it takes to deliver a transportation project from inception
 9 to completion. The Committee shall endeavor to complete this study by April 1, ~~2003-~~
 10 2004. The provisions of G.S. 120-32.02 shall apply to any contract with a consultant
 11 pursuant to this section."

12 **SECTION 95.** Section 30.3 of S.L. 2003-284 reads as rewritten:

13 **"SECTION 30.3.** The annual salaries, payable monthly, for the 2003-2004 and
 14 2004-2005 fiscal years for the following executive branch officials are:

Executive Branch Officials	Annual Salary
Chairman, Alcoholic Beverage Control Commission	\$92,946
State Controller	130,078
Commissioner of Motor Vehicles	92,946
Commissioner of Banks	104,523
Chairman, Employment Security Commission	129,913
State Personnel Director	102,119
Chairman, Parole Commission	84,871
Members of the Parole Commission	78,356
Chairman, Utilities Commission	116,405
Members of the Utilities Commission	104,523
Executive Director, Agency for Public Telecommunications	78,356
General Manager, Ports Railway Commission	70,755
Director, Museum of Art	95,240
Executive Director, North Carolina Housing Finance Agency	115,031
Executive Director, North Carolina Agricultural Finance Authority	90,470
State Chief Information Officer	130,000"

32 **SECTION 96.(a)** Section 30.20.(k) of S.L. 2003-284 is repealed.

33 **SECTION 96.(b)** G.S. 135-106(a), as rewritten by Section 30.20.(l) of S.L.
 34 2003-284, reads as rewritten:

35 "(a) Upon the application of a beneficiary or participant or of his legal
 36 representative or any person deemed by the Board of Trustees to represent the
 37 participant or beneficiary, any beneficiary or participant who has had five or more years
 38 of membership service may receive long-term disability benefits from the Plan upon
 39 approval by the Board of Trustees, commencing on the first day succeeding the
 40 conclusion of the short-term disability period provided for in G.S. 135-105, provided
 41 the beneficiary or participant makes application for such benefit within 180 days after
 42 the short-term disability period ceases, after salary continuation payments cease, or after
 43 monthly payments for Workers' Compensation cease, whichever is later; Provided, that
 44 the beneficiary or participant withdraws from active service by terminating employment

1 as a teacher or State employee; Provided, that the Medical Board shall certify that such
2 beneficiary or participant is unable to perform any occupation ~~for which the beneficiary~~
3 ~~or participant is reasonably qualified for by~~ or employment commensurate to the
4 beneficiary's or participant's education, training or experience, which is available in the
5 same commuting area for State employees or within the same local school
6 administrative unit for school personnel, without an adverse impact on the beneficiary's
7 or participant's career status, and in which the beneficiary or participant can be expected
8 to earn not less than sixty-five percent (65%) of that beneficiary's or participant's
9 predisability earnings, that such incapacity was incurred at the time of active
10 employment and has been continuous thereafter, that such incapacity is likely to be
11 permanent; Provided further that the Medical Board shall not certify any beneficiary or
12 participant as disabled who is in receipt of any payments on account of the same
13 incapacity which existed when the beneficiary first established membership in the
14 Retirement System. The Board of Trustees may extend this 180-day filing requirement
15 upon receipt of clear and convincing evidence that application was delayed through no
16 fault of the disabled beneficiary or participant and was delayed due to the employers'
17 miscalculation of the end of the 180-day filing period. However, in no instance shall the
18 filing period be extended beyond an additional 180 days.

19 The Board of Trustees may require each beneficiary who becomes eligible to receive
20 a long-term disability benefit to have an annual medical review or examination for the
21 first five years and thereafter once every three years after the commencement of benefits
22 under this section. However, the Board of Trustees may require more frequent
23 examinations and upon the advice of the Medical Board shall determine which cases
24 require such examination. Should any beneficiary refuse to submit to any examination
25 required by this subsection or by the Medical Board, his long-term disability benefit
26 shall be suspended until he submits to an examination, and should his refusal last for
27 one year, his benefit may be terminated by the Board of Trustees. If the Medical Board
28 finds that a beneficiary is no longer unable to perform any occupation for which the
29 beneficiary or participant is reasonably qualified for by training or experience, the
30 Department of State Treasurer and the Board of Trustees may terminate the
31 beneficiary's long-term disability benefits effective on the last day of the month in
32 which the Medical Board certifies that the beneficiary is no longer disabled.

33 As to the requirement of five years of membership service, any participant or
34 beneficiary who does not have five years of membership service within the 96 calendar
35 months prior to conclusion of the short-term disability period or cessation of salary
36 continuation payments, whichever is later, shall not be eligible for long-term disability
37 benefits.

38 Notwithstanding the requirement that the incapacity was incurred at the time of
39 active employment, any participant who becomes disabled while on an employer
40 approved leave of absence and who is eligible for and in receipt of temporary total
41 benefits under The North Carolina Workers' Compensation Act, Article 1 of Chapter 97
42 of the General Statutes, will be eligible for all benefits provided under this Article."

1 **SECTION 96.(c)** Subsection (a) of this section becomes effective July 1,
2 2003. Subsection (b) of this section becomes effective July 1, 2004, and applies only to
3 persons who are not vested in the disability plan in question on July 1, 2004.

4 **SECTION 97.** Section 45.12 of S.L. 2003-284 reads as rewritten:

5 **"SECTION 45.12.** Sections 45.2 through 45.5, Section 45.6, and Sections ~~45.8-45.9~~
6 through 45.10 of this act become effective July 15, 2003. Sections 45.6A, 45.7, 45.8,
7 and 45.11 become effective October 1, 2003. Section 45.5A and Section 45.6B become
8 effective January 1, 2004. The remainder of this part is effective when it becomes law."

9 **SECTION 98.** Section 46.1 of S.L. 2003-284 reads as rewritten:

10 **"SECTION 46.1.** Repair and Renovation. – This section authorizes the issuance or
11 incurrence of special indebtedness in a maximum aggregate principal amount of three
12 hundred million dollars (\$300,000,000) to be used only in accordance with this section
13 for the repair and renovation of State facilities and related infrastructure that are
14 supported from the General Fund.

15 Proceeds of the Repair and Renovation special indebtedness shall be used only for
16 the purposes and in accordance with the procedures provided in G.S. 143-15.3A, the
17 Repairs and Renovations Reserve ~~Account~~ Account and Section 31.5 of this act, as
18 provided in this section.

19 Except in the case of an emergency as provided in G.S. 143-15.3A, the Director of
20 the Budget shall use the Repair and Renovations funds only for repairs and renovations
21 that have been approved by an act of the General Assembly or, if the General Assembly
22 is not in session, for repairs and renovations about which the Director of the Budget has
23 first consulted with the Joint Legislative Commission on Governmental Operations
24 under G.S. 143-15.3A(c).

25 For debt to be issued during the 2003-2004 fiscal year, the Director of the Budget
26 shall select repair and renovation projects as follows: an amount equal to forty-six
27 percent (46%) of the debt shall be issued for projects identified by the Board of
28 Governors of The University of North Carolina in accordance with Section 31.5 of this
29 act and fifty-four percent (54%) shall be issued for projects identified by the Office of
30 State Budget and Management in accordance with Section 31.5 of this act.

31 The Director of the Budget shall direct the State Treasurer to carry out the financing
32 for repair and renovation projects selected pursuant to this section. Special indebtedness
33 authorized by this section shall be issued or incurred only in accordance with Article 9
34 of Chapter 142 of the General Statutes, as enacted by this part."

35 **SECTION 99.** The lead-in language of Section 46.2 of S.L. 2003-284 reads
36 as rewritten:

37 **"SECTION 46.2.** Article 9 of Chapter 142 of the General Statutes, as enacted by
38 S.L. 2003-314, is rewritten to read:"

39 **SECTION 100.** Section 3 of S.L. 2003-300 reads as rewritten:

40 **"SECTION 3.** Waiver of Deadlines, Fees, and Penalties. – Except as prohibited by
41 the Constitution, the Governor may extend deadlines and waive penalties or fees as is
42 necessary to alleviate hardship created for deployed military personnel serving in
43 Operation Iraqi Freedom. This authority includes the authority to do all of the
44 following:

- 1 (1) Extend for up to 90 days from the end of deployment the validity of a
2 permanent or temporary drivers license issued under G.S. 20-7 to
3 deployed military personnel.
- 4 (2) Waive civil penalties and restoration fees under G.S. 20-309 for any
5 deployed military personnel whose motor vehicle liability insurance
6 lapsed during the period of deployment or within 90 days after the
7 military member returned to North Carolina if the military member
8 certifies to the Division of Motor Vehicles that the motor vehicle was
9 not driven on the highway by anyone during the period in which the
10 motor vehicle was uninsured and that the owner now has liability
11 insurance on the motor vehicle.
- 12 (3) Allow up to 90 days from the end of deployment for any deployed
13 military personnel to renew ~~a license as defined in G.S. 93B-1, an~~
14 occupational license. During the period of deployment or active duty
15 and until the expiration of the 90-day period provided for in this
16 subdivision, expired occupational licenses that are within the scope of
17 this act remain valid, as if they had not expired. For the purposes of
18 this section, the term "occupational license" means any license (other
19 than a privilege license), certificate, or other evidence of qualification
20 that an individual is required to obtain before the individual may
21 engage in or represent himself or herself to be a member of a particular
22 profession or occupation.
- 23 (4) Require that any renewal fee applicable to the renewal of a license
24 under subdivision (3) of this section be prorated over the period
25 covered by the license and reduced in proportion to the period of time
26 that the licensee was deployed outside the State."

27 **SECTION 101.** Since S.L. 2003-315 has enacted the same matter, if House
28 Bill 47, 2003 Regular Session, becomes law, then Section 2 of House Bill 47 is
29 repealed, and G.S. 145-19, as enacted by House Bill 47, is recodified as G.S. 145-20.

30 **SECTION 101.4.** If House Bill 1028, 2003 Regular Session, becomes law,
31 then G.S. 113A-115.1(b), as enacted by Section 3 of House Bill 1028, reads as
32 rewritten:

33 "(b) No person shall construct a permanent erosion control structure in an ocean
34 shoreline. The Commission shall not permit the construction of a temporary erosion
35 control structure that consists of anything other than sandbags in an ocean shoreline.
36 This section shall not apply to (i) any permanent erosion control structure that is
37 approved pursuant to an exception set out in a rule adopted by the Commission prior to
38 1 July 2003 or (ii) any permanent erosion control structure that was originally
39 constructed prior to 1 July 1974 and that has since been in continuous use to protect an
40 inlet that is maintained for navigation. This section shall not be construed to limit the
41 authority of the Commission to adopt rules to designate or protect areas of
42 environmental concern, to govern the use of sandbags, or to govern the use of erosion
43 ~~coastal~~ control structures in estuarine shorelines."

1 **SECTION 101.5.** If Senate Bill 357, 2003 Regular Session, becomes law,
2 then Section 1 of Senate Bill 357 reads as rewritten:

3 **"SECTION 1.** Mayland Community College may, with prior approval of the State
4 Board of Community Colleges and notwithstanding G.S. 115D-15 or Article 12 of
5 Chapter 160A of the General Statutes:

6 (1) Notwithstanding the provisions of G.S. 160A-272, lease the former
7 Lexington Furniture Building for terms it deems appropriate ~~Lease at~~
8 ~~private sale the former Lexington Furniture Building for such~~
9 ~~consideration as it deems sufficient; and~~

10 (2) Sell at private sale the former Hampshire Hosiery Building to Mitchell
11 County Development Foundation, Inc., for such consideration as it
12 deems sufficient."

13 **SECTION 102.** If Senate Bill 236, 2003 Regular Session, becomes law,
14 Section 12 of that bill reads as rewritten:

15 **"SECTION 12.** Parts 1 and 8 of this act are effective for taxable years beginning on
16 or after January 1, 2003. Part 5 of this act becomes effective July 1, 2003. ~~Part 9 of this~~
17 ~~act is effective for taxable years beginning on or after January 1, 2003, and shall expire~~
18 ~~for taxable years beginning on or after January 1, 2005.~~ Part 10 of this act becomes
19 effective January 1, 2004. The remainder of this act is effective when it becomes law."

20 **SECTION 103.** If Senate Bill 668, 2003 Regular Session, becomes law, then
21 G.S. 18B-1001.1(b), as enacted by that law, reads as rewritten:

22 "(b) A wine shipper permittee that ships to addresses in the State more than 1,000
23 cases of wine in a calendar year must appoint at least one wholesaler to offer and sell
24 the products of the wine shipper permittee under Article 12 of this Chapter if the wine
25 shipper permittee is contacted by a wholesaler that wishes to sell the products of the
26 wine shipper permittee. This provision shall not be construed to require the wine shipper
27 permittee to appoint the wholesaler that originally contacted the wine shipper permittee.
28 Wine purchased by a resident of the State at the premises of the wine shipper permittee
29 and shipped to an address in the State under G.S. ~~18B-109(b)~~18B-109(d) shall not be
30 included in calculating the total of 1,000 cases per year."

31 **SECTION 104.(a)** If Senate Bill 919, 2003 Regular Session, becomes law,
32 G.S. 50B-3.1(h) as enacted by that law, reads as rewritten:

33 "(h) Disposal of Firearms. – If the defendant does not file a motion requesting the
34 return of any firearms, ammunition, or permits surrendered within the time period
35 prescribed by this section, if the court determines that the defendant is precluded from
36 regaining possession of any firearms, ammunition, or permits surrendered, or if the
37 defendant or third-party owner fails to remit all fees owed for the storage of the firearms
38 or ammunition within 30 days of the entry of the order granting the return of the
39 firearms, ammunition, or permits, the sheriff who has control of the firearms,
40 ammunition, or permits shall give notice to the defendant, and the sheriff shall apply to
41 the court for an order of disposition of the firearms, ammunition, or permits. The judge,
42 after a hearing, may order the disposition of the firearms, ammunition, or permits in one
43 or more of the ways authorized by law, including subdivision (4), (4a), (5), or (6) of
44 G.S. 14-269.1. If a sale by the sheriff does occur, any proceeds from the sale after

1 deducting any costs associated with the sale, and in accordance with all applicable State
2 and federal law, shall be provided to the defendant, if requested by the defendant by
3 motion made before the hearing or at the hearing and if ordered by the judge."

4 **SECTION 104.(b)** This section becomes effective December 1, 2003, and
5 applies to offenses committed on or after that date.

6 **SECTION 105.** Wherever the term "Public Campaign Financing Fund"
7 appears in Chapter 105 or Chapter 163 of the General Statutes, in any other chapter of
8 the General Statutes, or in any act of the General Assembly, the term is changed to read
9 "Judicial Elections Fund."

10 **SECTION 106.** Notwithstanding any other provision of law, Fayetteville
11 State University may retain the proceeds from the sale of the existing chancellor's
12 residence. Fayetteville State University may use the proceeds from the sale of the
13 existing chancellor's residence, and any other nonappropriated funds available, to
14 construct a new chancellor's residence. Proceeds from the sale not used for that purpose
15 shall revert.

16 **SECTION 106.5.** If House Bill 1182, 2003 Regular Session, becomes law,
17 then the title of that act is amended by adding the following immediately before the
18 period: "AND PROVIDE ADDITIONAL CONSUMER PROTECTIONS".

19 **SECTION 107.(a)** If by 10:00 A.M. on February 9, 2004, an act to redistrict
20 the State House of Representatives or the State Senate has not been approved under
21 section 5 of the Voting Rights Act of 1965 or is otherwise prohibited by law from being
22 implemented, the State Board of Elections shall postpone the primary election for all
23 offices in G.S. 163-1 until a date the State Board determines to be fair to all parties,
24 potential candidates, and voters. The State Board shall make its decision as soon as
25 practical, taking into account the likelihood of receiving a final approval of any pending
26 redistricting plan.

27 **SECTION 107.(b)** If the filing period or primary election or both are
28 postponed under this section, the State Board of Elections shall adopt rules for the
29 implementation of the primary election schedule. Adoption of those rules is not subject
30 to Chapter 150B of the General Statutes. Those rules shall include a postponed filing
31 period and other necessary parts of the election schedule. The rules shall include reset
32 dates for absentee balloting that shall as nearly as practical provide the same amount of
33 time for voters and election officials set forth in Article 20 of Chapter 163 of the
34 General Statutes. The State Board shall, as soon as practical, distribute its rules,
35 including a Revised Primary Timetable, to county boards of elections.

36 **SECTION 107.(c)** The State Board of Elections shall be governed by the
37 following limitations:

- 38 (1) Any postponement of the candidate filing period or the primary shall
39 apply to all offices in G.S. 163-1 whose primary elections are regularly
40 scheduled on primary day, so that there is one candidate filing period
41 for all those offices and one primary election for all those offices. The
42 postponement shall also apply to any elections to local office held on
43 that date (such as elections for boards of education under G.S.
44 115C-37) and the filing period for those offices.

(2) The State Board of Elections does not have the authority to dispense with a second primary. The State Board shall provide for a second primary in its schedule to any candidate entitled to call for a second primary under the provisions of G.S. 163-111.

(3) The State Board shall set a filing period no shorter than 10 business days.

(4) Before making its decision to postpone a filing period or primary election under this section, the State Board of Elections shall consult with the President Pro Tempore of the Senate, the Speakers of the House of Representatives, and the leaders of both political parties in the House and Senate.

SECTION 107.(d) If the primary election is postponed under subsection (a) of this section, any local act for election of a board of education elected at the primary which provides that persons elected shall take office in July of the year of the election is modified for the 2004 election only to provide that the persons elected shall take office in September of the year of the election.

SECTION 107.(e) For the 2004 primary election only, G.S. 163-112 shall be applied by substituting "10 days" for "30 days" wherever it appears.

SECTION 107.(f) The provisions of this section apply during the 2004 election year only.

SECTION 108. The personnel reductions in the Department of Revenue, as provided in Item #73 on page J32 of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets, June 28, 2003, are amended by deleting "# 4784-0000-0076-639" and substituting "#4784-0000-0074-116."

SECTION 108.5. The budget reductions in the Department of Administration, as provided in Item #5 on page J2 of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets, June 28, 2003, are amended by deleting the amounts listed under "Old Amount" in the following table and substituting the amounts listed under "New Amount":

Line Item	Old Amount	New Amount
531461 EPA & SPA Long.	(59,814)	(51,036)
531511 Social Sec. Contr.	(4,584)	(3,912)
531521 Retirement Contr.	(1,820)	(1,553)
532220 Energy-natural gas	(36,880)	(36,875)
532230 Energy Serv.Water/sewer	(8,604)	(8,597)
533510 Clothing and Uniforms	(14,127)	(0)
532210 Energy Electric	(149,636)	(173,492)

SECTION 109.(a) The Department of Environment and Natural Resources may identify positions in the Administrative Divisions and Regional Offices, in addition to the operating costs in the Administrative Divisions and Regional Offices, to comply with a reduction of two hundred thousand dollars (\$200,000) for the 2003-2004 fiscal year and for the 2004-2005 fiscal year in operating support in the Administrative Divisions and Regional Offices required by Section 2.1, S.L. 2003-284, as set forth in the Joint Conference Committee Report on the Continuation, Expansion and Capital

1 Budgets. Notwithstanding G.S. 143-23 or G.S. 143-34.1, the Department of
2 Environment and Natural Resources may continue and support the positions identified
3 under this subsection from receipts rather than from its General Fund appropriation in
4 order to fulfill the reduction of two hundred thousand dollars (\$200,000) under this
5 subsection.

6 **SECTION 109.(b)** The Department of Environment and Natural Resources
7 may identify operating support reductions in the Division of Parks and Recreation, in
8 addition to reductions to seasonal staff in the Division of Parks and Recreation, to
9 comply with a reduction of one hundred forty-four thousand dollars (\$144,000) for the
10 2003-2004 fiscal year and for the 2004-2005 fiscal year in seasonal staff in the Division
11 of Parks and Recreation required by Section 2.1, S.L. 2003-284, as set forth in the Joint
12 Conference Committee Report on the Continuation, Expansion and Capital Budgets.

13 **SECTION 109.(c)** The Department of Environment and Natural Resources
14 shall report to the Joint Legislative Commission on Governmental Operations no later
15 than 30 days after the 2003 Regular Session of the 2003 General Assembly adjourns to
16 a date certain the specific line items from which the reductions under subsection (a) and
17 subsection (b) of this section were identified.

18 **SECTION 110.(a)** Construction of Cancer Center. – In accordance with
19 G.S. 142-83, this section authorizes the issuance or incurrence of special indebtedness
20 in a maximum aggregate principal amount of one hundred eighty million dollars
21 (\$180,000,000) to finance the cost of a new facility within the University of North
22 Carolina Health Care System that will allow for the growth and expansion of cancer
23 programs to replace the North Carolina Clinical Cancer Center. The special
24 indebtedness authorized by this section shall not be incurred prior to January 1, 2004.
25 Notwithstanding any other law, the University of North Carolina Health Care System
26 may use the design-build method of contracting for the Cancer Center without having to
27 formally bid the project, provided the University of North Carolina Health Care System
28 complies with G.S. 143-128.2. Notwithstanding G.S. 143-341(3) and G.S. 143-135.1,
29 with respect to the design, construction, or renovation of buildings, utilities, and other
30 property developments associated with the Cancer Center, the University of North
31 Carolina Health Care System shall:

- 32 (1) Conduct the fee negotiations for all design contracts and supervise the
33 letting of all construction and design contracts.
- 34 (2) Develop procedures to perform the duties of the Department of
35 Administration and the Director of the Office of State Construction
36 under G.S. 133-1.1(d) and G.S. 143-341(3).
- 37 (3) Develop procedures and reasonable limitations governing the use of
38 open-end design agreements, subject to G.S. 143-64.34 and the
39 approval of the State Building Commission.

40 **SECTION 110.(b)** Authorization. – The State, with the prior approval of the
41 State Treasurer and the Council of State, as provided in Article 9 of Chapter 142 of the
42 General Statutes, is authorized to issue or incur special indebtedness in order to provide
43 funds to the State to be used, together with other available funds, to pay the cost of the

1 project described in this section, in an aggregate principal amount not to exceed one
2 hundred eighty million dollars (\$180,000,000).

3 **SECTION 110.(c)** Funds. – Notwithstanding G.S. 147-86.30 or any other
4 provision of law, unless the General Assembly otherwise provides for payment of the
5 debt service on the debt authorized in this section, the debt service shall be paid from
6 reserved funds in the Health and Wellness Trust Fund Reserve created pursuant to G.S.
7 147-86.30(c).

8 **SECTION 110.5.(a)** Section 30.16 of S.L. 2003-284 is amended by adding
9 the following new subsection to read:

10 **"SECTION 30.16.(f)** In lieu of the maximum annual employer contributions to the
11 Teachers' and State Employees' Comprehensive Major Medical Plan in subsections (d)
12 and (e) of this section, employers, including the State Retirement Systems, may make
13 contributions, payable monthly, each monthly payment not to exceed sixty dollars and
14 fifty cents (\$60.50), on behalf of each covered employee or retired employee to
15 sponsors of TRICARE Supplemental Health Insurance programs for employees or
16 retired employees who elect to be covered by the TRICARE Military Health System's
17 standard benefit option and who elect not to be covered by the Teachers' and State
18 Employees' Comprehensive Major Medical Plan."

19 **SECTION 110.5.(b)** This section becomes effective January 1, 2004.

20 **SECTION 111.(a)** In the process of design, construction, or renovation of
21 buildings, utilities, and other property developments associated with (i) constructing and
22 equipping the main biomanufacturing training center at North Carolina State University,
23 (ii) constructing and equipping a biomanufacturing research center at North Carolina
24 Central University, or (iii) constructing six additional regional biomanufacturing
25 training centers at regional community colleges, one in each of the remaining regional
26 economic development areas, the responsible entity shall not have to comply with G.S.
27 143-341(3) and G.S. 143-135.1, but shall:

- 28 (1) Conduct the fee negotiations for all design contracts and supervise the
29 letting of all construction and design contracts.
- 30 (2) Develop procedures to perform the duties of the Department of
31 Administration and the Director of the Office of State Construction
32 under G.S. 133-1.1(d) and G.S. 143-341(3).
- 33 (3) Develop procedures and reasonable limitations governing the use of
34 open-end design agreements, subject to G.S. 143-64.34 and the
35 approval of the State Building Commission.

36 **SECTION 111.(b)** Notwithstanding any other law, the entity in charge may
37 use the design-build method of contracting without having to formally bid the project,
38 provided the entity in charge complies with G.S. 143-128.2.

39 **SECTION 112.** Funds appropriated in S.L. 2003-284 for Lumbee Memorial
40 Recognition shall not be paid to the Lumbee Tribe Self-Determination Commission but
41 shall be paid to the Lumbee Tribe of North Carolina.

42 **SECTION 113.(a)** Funds appropriated to the Department of Public
43 Instruction for the 2002-2003 fiscal year for the At-Risk and for the Improving Student

1 Accountability allotments shall not revert to the General Fund on June 30, 2003, but
2 shall remain available for the purposes for which they were initially appropriated.

3 **SECTION 113.(b)** This section is effective June 30, 2003.

4 **SECTION 114.** Unless otherwise provided, this act is effective when it
5 becomes law.