

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE DRS35250-LR-70 (03/11)

Short Title: Regulation of Lodging Establishments.

(Public)

Sponsors: Senators Hartsell, and Hoyle.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT AMENDING CHAPTER 130A OF THE GENERAL STATUTES TO DEFINE
3 LODGING ESTABLISHMENTS, TO REGULATE SINGLE-ROOM OCCUPANCY,
4 AND TO INCREASE THE MINIMUM SCORE FOR GRADING OF LODGING
5 ESTABLISHMENTS; AUTHORIZING CITIES AND COUNTIES TO REGULATE
6 SINGLE-ROOM OCCUPANCY FACILITIES; ESTABLISHING FEES FOR THE
7 INSPECTION OF LODGING ESTABLISHMENTS; PROVIDING GOOD-FAITH
8 IMMUNITY TO INNKEEPERS WHO ASSIST LAW ENFORCEMENT PERSONNEL IN
9 CRIMINAL INVESTIGATIONS; AND MAKING CONFORMING CHANGES.

10 The General Assembly of North Carolina enacts:

11 SECTION 1. Chapter 1 of the General Statutes is amended by adding a new
12 Article to read:

13 "Article 43F.

14 "Innkeepers' Immunity.

15 "§ 1-539.27. Innkeepers' immunity.

16 (a) The following definitions apply in this section:

17 (1) Guest. – Any person who pays for the services of a lodging establishment as
18 defined by G.S. 130A-247(6) or a single-room occupancy establishment as
19 defined by G.S. 130A-247(9).

20 (2) Innkeeper. – An owner, operator, or employee of a lodging establishment as
21 defined by G.S. 130A-247(6) or a single-room occupancy establishment as
22 defined by G.S. 130A-247(9).

23 (3) Law enforcement officer. – Includes the following:

24 a. A full-time or part-time paid employee of a law enforcement agency
25 who possesses the power of arrest, who has taken the law
26 enforcement oath administered under the authority of the State as
27 prescribed by G.S. 11-11, and who is certified as a law enforcement
28 officer under the provisions of Chapter 17C of the General Statutes
29 or certified as a deputy sheriff under the provisions of Chapter 17E of
30 the General Statutes. The term also means the sheriff of the county.

31 b. A civil or law enforcement officer of the United States. The term also
32 means a military police officer.

33 (b) An innkeeper who in good faith discloses information about a current or former
34 guest to a law enforcement officer upon request of the law enforcement officer is immune from
35 civil liability and is not liable in civil damages to the current or former guest for that disclosure



1 or any consequences of the disclosure. This immunity shall not apply when a current or former
2 guest shows by a preponderance of the evidence any of the following:

3 (1) The information disclosed by the innkeeper was false, and the innkeeper
4 knew or reasonably should have known that the information was false.

5 (2) The innkeeper disclosed the information in bad faith.

6 (c) This section does not affect any privileges or immunities from civil liability
7 established by another section of the General Statutes or available at common law. This
8 subsection does not apply to any civil cause of action brought by a federal, State, or local
9 government against an innkeeper."

10 **SECTION 2.** G.S. 130A-247 reads as rewritten:

11 **"§ 130A-247. Definitions.**

12 The following definitions shall apply throughout this Part:

13 (1) ~~"Establishment" means (i) an establishment that prepares or serves drink, (ii)~~
14 ~~an establishment that prepares or serves food, (iii) an establishment that~~
15 ~~provides lodging, (iv) a bed and breakfast inn, or (v) an establishment that~~
16 ~~prepares and sells meat food products as defined in G.S. 106-549.15(14) or~~
17 ~~poultry products as defined in G.S. 106-549.51(26).~~

18 (1a) ~~"Permanent house guest" means a person who receives room or board for~~
19 ~~periods of a week or longer. The term includes visitors of the permanent~~
20 ~~house guest.~~

21 (2) ~~"Private club" means an organization that maintains selective members, is~~
22 ~~operated by the membership, does not provide food or lodging for pay to~~
23 ~~anyone who is not a member or a member's guest, and is either incorporated~~
24 ~~as a nonprofit corporation in accordance with Chapter 55A of the General~~
25 ~~Statutes or is exempt from federal income tax under the Internal Revenue~~
26 ~~Code as defined in G.S. 105-130.2(1).~~

27 (3) ~~"Regular boarder" means a person who receives food for periods of a week~~
28 ~~or longer.~~

29 (4) ~~"Establishment that prepares or serves drink" means a business or other~~
30 ~~entity that prepares or serves beverages made from raw apples or potentially~~
31 ~~hazardous beverages made from other raw fruits or vegetables or that~~
32 ~~otherwise puts together, portions, sets out, or hands out drinks for human~~
33 ~~consumption.~~

34 (5) ~~"Establishment that prepares or serves food" means a business or other entity~~
35 ~~that cooks, puts together, portions, sets out, or hands out food for human~~
36 ~~consumption.~~

37 (6) ~~"Bed and breakfast inn" means a business of not more than 12 guest rooms~~
38 ~~that offers bed and breakfast accommodations to at least nine but not more~~
39 ~~than 23 persons per night for a period of less than one week, and that:~~

40 a. ~~Does not serve food or drink to the general public for pay;~~

41 b. ~~Serves only the breakfast meal, and that meal is served only to~~
42 ~~overnight guests of the business;~~

43 e. ~~Includes the price of breakfast in the room rate; and~~

44 d. ~~Is the permanent residence of the owner or the manager of the~~
45 ~~business.~~

46 (7) ~~"Limited food services establishment" means an establishment as described~~
47 ~~in G.S. 130A-248(a4), with food handling operations that are restricted by~~
48 ~~rules adopted by the Commission pursuant to G.S. 130A-248(a4) and that~~
49 ~~prepares or serves food only in conjunction with amateur athletic events.~~

- 1 (1) Bed and breakfast inn. – A business of not more than 12 guest rooms that
2 offers bed and breakfast accommodations to at least nine but not more than
3 23 persons per night for a period of less than one week and that:
4 a. Does not serve food or drink to the general public for pay;
5 b. Serves only the breakfast meal, and that meal is served only to
6 overnight guests of the business;
7 c. Includes the price of breakfast in the room rate; and
8 d. Is the permanent residence of the owner or the manager of the
9 business.
- 10 (2) Establishment. – Includes each of the following:
11 a. An establishment that prepares or serves drink.
12 b. An establishment that prepares or serves food.
13 c. A bed and breakfast inn.
14 d. An establishment that prepares and sells meat food products as
15 defined in G.S. 106-549.15(14) or poultry products as defined in
16 G.S. 106-549.51(26).
- 17 (3) Establishment that prepares or serves drink. – A business or other entity that
18 prepares or serves beverages made from raw apples or potentially hazardous
19 beverages made from other raw fruits or vegetables or that otherwise puts
20 together, portions, sets out, or hands out drinks for human consumption.
- 21 (4) Establishment that prepares or serves food. – A business or other entity that
22 cooks, puts together, portions, sets out, or hands out food for human
23 consumption.
- 24 (5) Limited food services establishment. – An establishment as described in
25 G.S. 130A-248(a4), with food handling operations that are restricted by rules
26 adopted by the Commission pursuant to G.S. 130A-248(a4) and that
27 prepares or serves food only in conjunction with amateur athletic events.
- 28 (6) Lodging establishment. – A hotel, motel, bed and breakfast inn, or other
29 facility or business that provides overnight lodging and is required to obtain
30 a permit under rules established by the Commission.
- 31 (7) Private club. – An organization that maintains selective members, is
32 operated by the membership, does not provide food or lodging for pay to
33 anyone who is not a member or a member's guest, and is either incorporated
34 as a nonprofit corporation in accordance with Chapter 55A of the General
35 Statutes or is exempt from federal income tax under the Internal Revenue
36 Code as defined in G.S. 105-130.2(1).
- 37 (8) Regular boarder. – A person who receives food for periods of a week or
38 longer.
- 39 (9) Single-room occupancy (SRO) facility. – A building or buildings that
40 exclusively offers transient residential accommodations or residence for
41 periods of one week or longer and is not required to obtain a permit under
42 rules established by the Commission."

43 **SECTION 3.** G.S. 130A-248 reads as rewritten:

44 **"§ 130A-248. Regulation of food and lodging establishments.**

45 (a) For the protection of the public health, the Commission shall adopt rules governing
46 the sanitation of establishments that prepare or serve drink or food for pay and establishments
47 that prepare and sell meat food products or poultry products. However, any establishment that
48 prepares or serves food or drink to the public, regardless of pay, shall be subject to the
49 provisions of this Article if the establishment that prepares or serves food or drink holds an
50 ABC permit, as defined in G.S. 18B-101, meets any of the definitions in G.S. 18B-1000, and

1 does not meet the definition of a private club as provided in ~~G.S. 130A-247(2)~~G.S.
2 130A-247(7).

3 ~~(a1) For the protection of the public health, the Commission shall adopt rules governing~~
4 ~~the sanitation of hotels, motels, tourist homes, and other establishments that provide lodging for~~
5 ~~pay.~~

6 ~~(a2) For the protection of the public health, the Commission shall adopt rules governing~~
7 ~~the sanitation of private homes offering bed and breakfast accommodations to eight or fewer~~
8 ~~persons per night, and rules governing the sanitation of bed and breakfast inns as defined in~~
9 ~~G.S. 130A-247. In carrying out this function, the Commission shall adopt requirements that are~~
10 ~~the least restrictive so as to protect the public health and not unreasonably interfere with the~~
11 ~~operation of bed and breakfast inns.~~

12 (a3) The Commission shall adopt rules governing the sanitation of establishments. The
13 rules adopted by the Commission pursuant to ~~subsections (a), (a1), and (a2)~~subsection (a) of
14 this section shall address, but not be limited to, the following:

- 15 (1) Sanitation requirements for cleanliness of floors, walls, ceilings, storage
16 spaces, utensils, ventilation equipment, and other areas and ~~items;~~items.
- 17 (2) Requirements for:
 - 18 a. Lighting and water supply;
 - 19 b. Wastewater collection, treatment, and disposal facilities; and
 - 20 c. Lavatory and toilet facilities, food protection, and waste
21 ~~disposal;~~disposal.
- 22 (3) The cleaning and bactericidal treatment of eating and drinking utensils and
23 other food-contact surfaces. A requirement ~~imposed~~ under this subdivision
24 to sanitize multiuse eating and drinking utensils and other food-contact
25 surfaces does not apply to utensils and surfaces provided in ~~the any~~ any guest
26 room of the lodging ~~unit~~establishment for guests to prepare food while
27 staying in the guest room.
- 28 (3a) The appropriate and reasonable use of gloves or utensils by employees who
29 handle unwrapped ~~food;~~food.
- 30 (4) The methods of food preparation, transportation, catering, storage, and
31 ~~servicing;~~servicing.
- 32 (5) The health of ~~employees;~~employees.
- 33 (6) Animal and vermin ~~control;~~ and control.
- 34 (7) The prohibition against the offering of unwrapped food samples to the
35 general public unless the offering and acceptance of the samples are
36 continuously supervised by an agent of the entity preparing or offering the
37 samples or by an agent of the entity on whose premises the samples are
38 made available. As used in this subdivision, "food samples" means
39 unwrapped food prepared and made available for sampling by and without
40 charge to the general public for the purpose of promoting the food made
41 available for sampling. This subdivision does not apply to unwrapped food
42 prepared and offered in buffet, cafeteria, or other style in exchange for
43 payment by the general public or by the person or entity arranging for the
44 preparation and offering of such unwrapped food. This subdivision shall not
45 apply to open air produce markets nor to farmer market facilities operated on
46 land owned or leased by the State of North Carolina or any local
47 government.

48 The rules shall contain a system for grading establishments, such as Grade A, Grade B, and
49 Grade C. The rules shall be written in a manner that promotes consistency in both the
50 interpretation and application of the grading system.

1 (a4) For the protection of the public health, the Commission shall adopt rules governing
2 the sanitation of limited food service establishments. In adopting the rules, the Commission
3 shall not limit the number of days that limited food service establishments may operate.
4 Limited food service establishment permits shall be issued only to political subdivisions of the
5 State, establishments operated by volunteers that prepare or serve food in conjunction with
6 amateur athletic events, or for establishments operated by organizations that are exempt from
7 federal income tax under section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code.

8 (b) No establishment shall commence or continue operation without a permit or
9 transitional permit issued by the Department. The permit or transitional permit shall be issued
10 to the owner or operator of the establishment and shall not be transferable. If the establishment
11 is leased, the permit or transitional permit shall be issued to the lessee and shall not be
12 transferable. If the location of an establishment changes, a new permit shall be obtained for the
13 establishment. A permit shall be issued only when the establishment satisfies all of the
14 requirements of the rules. The Commission shall adopt rules establishing the requirements that
15 must be met before a transitional permit may be issued, and the period for which a transitional
16 permit may be issued. The Department may also impose conditions on the issuance of a permit
17 or transitional permit in accordance with rules adopted by the Commission. A permit or
18 transitional permit shall be immediately revoked in accordance with G.S. 130A-23(d) for
19 failure of the establishment to maintain a minimum grade of C. A permit or transitional permit
20 may otherwise be suspended or revoked in accordance with G.S. 130A-23.

21 (b1) A permit shall expire one year after an establishment closes unless the permit is the
22 subject of a contested case pursuant to Article 3 of Chapter 150B of the General Statutes.

23 (c) If ownership of an establishment is transferred or the establishment is leased, the
24 new owner or lessee shall apply for a new permit. The new owner or lessee may also apply for
25 a transitional permit. A transitional permit may be issued upon the transfer of ownership or
26 lease of an establishment to allow the correction of construction and equipment problems that
27 do not represent an immediate threat to the public health. Upon issuance of a new permit or a
28 transitional permit for an establishment, any previously issued permit for an establishment in
29 that location becomes void.

30 (c1) The Commission shall adopt rules governing the sanitation of pushcarts and mobile
31 food units. A permitted restaurant or commissary shall serve as a base of operations for a
32 pushcart or mobile food unit.

33 (d) The Department shall charge each establishment subject to this section, except
34 nutrition programs for the elderly administered by the Division of Aging of the Department of
35 Health and Human Services, establishments that prepare and sell meat food products or poultry
36 products, and public school cafeterias, an annual fee of fifty dollars (\$50.00). The Commission
37 shall adopt rules to implement this subsection. Fees collected under this subsection shall be
38 used for State and local food, lodging, and institution sanitation programs and activities. No
39 more than thirty-three and one-third percent (33 1/3%) of the fees collected under this
40 subsection may be used to support State health programs and activities.

41 (d1) The Department shall charge a twenty-five dollar (\$25.00) late payment fee to any
42 establishment subject to this section, except nutrition programs for the elderly administered by
43 the Division of Aging of the Department of Health and Human Services, establishments that
44 prepare and sell meat food products or poultry products, and public school cafeterias, that fails
45 to pay the fee required by subsection (d) of this section within 45 days after billing by the
46 Department. The Department may, in accordance with G.S. 130A-23, suspend the permit of an
47 establishment that fails to pay the required fee within 60 days after billing by the Department.
48 The Department shall charge a reinstatement fee of one hundred fifty dollars (\$150.00) to any
49 establishment that requests reinstatement of its permit after the permit has been suspended. The
50 Commission shall adopt rules to implement this subsection.

1 The clear proceeds of civil penalties collected pursuant to this subsection shall be remitted
2 to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

3 (e) In addition to the fees under subsection (d) of this section, the Department may
4 charge a fee of two hundred dollars (\$200.00) for plan review of plans for prototype franchised
5 or chain facilities for food establishments subject to this section. All of the fees collected under
6 this subsection may be used to support the State food, lodging, and institution sanitation
7 programs and activities under this Part.

8 (f) Any local health department may charge a fee not to exceed two hundred dollars
9 (\$200.00) for plan review by that local health department of plans for food establishments
10 subject to this section that are not subject to subsection (e) of this section. All of the fees
11 collected under this subsection may be used for local food, lodging, and institution sanitation
12 programs and activities. No food establishment that pays a fee under subsection (e) of this
13 section is liable for a fee under this subsection."

14 **SECTION 4.** Article 8 of Chapter 130A of the General Statutes is amended by
15 adding a new section to read:

16 "**§ 130A-248.1. Regulation of lodging establishments.**

17 (a) For the protection of the public health, the Commission shall adopt rules governing
18 the sanitation of lodging establishments.

19 (b) For the protection of the public health, the Commission shall adopt rules governing
20 the sanitation of private homes offering bed and breakfast accommodations to eight or fewer
21 persons per night and rules governing the sanitation of bed and breakfast inns as defined in
22 G.S. 130A-247.

23 (c) For the protection of the public health, the Commission shall adopt rules governing
24 the sanitation and equipment requirements for lodging establishments that prepare and serve a
25 continental breakfast to overnight guests and the price is included in the room rate.

26 (d) The rules adopted by the Commission pursuant to subsection (a) of this section shall
27 address, but not be limited to, the following:

28 (1) Sanitation requirements for cleanliness of floors, walls, ceilings, storage
29 spaces, utensils, ice machines, and ventilation equipment in guestrooms,
30 public spaces, public restrooms, meeting rooms, and stairways.

31 (2) Requirements for:

32 a. Lighting and water supply;

33 b. Wastewater collection, treatment, and disposal facilities; and

34 c. Lavatory and toilet facilities, food protection, and waste disposal.

35 (3) The cleaning and bactericidal treatment of eating and drinking utensils and
36 other food-contact surfaces. The requirement to sanitize multiuse eating and
37 drinking utensils and other food-contact surfaces does not apply to utensils
38 and surfaces provided in the guest room of the lodging unit for guests to
39 prepare food while staying in the guest room.

40 (4) The appropriate and reasonable use of gloves or utensils by employees who
41 handle unwrapped food.

42 (5) The methods of any food preparation, transportation, catering, storage, and
43 servicing.

44 (6) The health of employees.

45 (7) Animal and vermin control.

46 The rules shall contain a system for numerically grading establishments. A numeric score of
47 90 to 100 shall be a Grade A, and a numeric score of 85 to 89 shall be a Grade B. The rules
48 shall be written and enforced in a manner that promotes consistency in both the interpretation
49 and application of the grading system statewide.

50 (e) No establishment shall commence or continue operation without a permit or
51 transitional permit issued by the Department.

1 (f) The permit or transitional permit shall be issued to the owner or operator of the
2 establishment for a specific location and shall not be transferable. If the establishment is leased,
3 the permit or transitional permit shall be issued to the lessee for a specific location and shall not
4 be transferable. A permit shall be issued only when the establishment satisfies all of the
5 requirements of the rules.

6 (g) The Commission shall adopt rules establishing the requirements that must be met
7 before a transitional permit may be issued and the period for which a transitional permit may be
8 issued. The Department may also impose conditions on the issuance of a permit or transitional
9 permit in accordance with rules adopted by the Commission.

10 (h) A permit or transitional permit shall be immediately revoked in accordance with
11 G.S. 130A-23(d) for failure of the establishment to maintain a minimum grade of B. A permit
12 or transitional permit may otherwise be suspended or revoked in accordance with
13 G.S. 130A-23.

14 (i) A permit shall expire 60 days after an establishment closes unless the permit is the
15 subject of a contested case pursuant to Article 3 of Chapter 150B of the General Statutes.

16 (j) If ownership of a lodging establishment is transferred or the lodging establishment
17 is leased, the new owner or lessee shall apply for a new permit. The new owner or lessee may
18 also apply for a transitional permit. A transitional permit may be issued upon the transfer of
19 ownership or lease of an establishment to allow the correction of construction and equipment
20 problems that do not represent an immediate threat to the public health. Upon issuance of a new
21 permit or a transitional permit for a lodging establishment, any previously issued permit for that
22 establishment in that location becomes void.

23 (k) The Department shall charge each lodging establishment an annual fee of one
24 hundred fifty dollars (\$150.00). The Commission shall adopt rules to implement this
25 subsection. Fees collected under this subsection shall be used for State and local food, lodging,
26 and institution sanitation programs and activities. No more than thirty-three and one-third
27 percent (33 1/3%) of the fees collected under this subsection may be used to support State
28 health programs and activities.

29 (l) The Department shall charge a twenty-five dollar (\$25.00) late payment fee to any
30 establishment subject to this section that fails to pay the fee required by this section within 45
31 days after billing by the Department. The Department may, in accordance with G.S. 130A-23,
32 suspend the permit of an establishment that fails to pay the required fee within 60 days after
33 billing by the Department. The Department shall charge a reinstatement fee of one hundred
34 fifty dollars (\$150.00) to any establishment that requests reinstatement of its permit after the
35 permit has been suspended. The Commission shall adopt rules to implement this subsection.
36 The clear proceeds of civil penalties collected pursuant to this subsection shall be remitted to
37 the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

38 **SECTION 5.** G.S. 130A-249 reads as rewritten:

39 **"§ 130A-249. Inspections; report and grade card.**

40 (a) The Secretary may enter any establishment that is subject to the provisions of
41 G.S. 130A-248 for the purpose of making inspections. The Secretary shall inspect each food
42 service establishment at a frequency established by the Commission. In establishing a schedule
43 for inspections, the Commission shall consider the risks to the population served by the
44 establishment and the type of food or drink served by the establishment. Lodging
45 establishments shall be inspected at least once each year. If during an inspection of a lodging
46 establishment the inspector notes what he or she believes to be a violation of the State or a local
47 building code, the inspector shall notify the appropriate building code enforcement authority. If
48 the building code enforcement authority confirms upon inspection that a building code
49 violation exists, then the Secretary may suspend a permit issued under this section until the
50 building code violation has been corrected.

1 (b) The person responsible for the management or control of an establishment shall
2 permit the Secretary to inspect every guest room or other part of the establishment and shall
3 render all aid and assistance necessary for the inspection.

4 (c) The Secretary shall leave a copy of the inspection form and a card or cards showing
5 the grade of the establishment with the responsible person. The Secretary shall post the grade
6 card in a conspicuous place as determined by the Secretary where it may be readily observed by
7 the public upon entering the ~~establishment or upon~~ establishment. For food establishments that
8 provide for picking up food prepared inside but received and paid for outside the establishment
9 through delivery windows or other delivery devices. If a single establishment has one or more
10 outside delivery service stations and an internal delivery system, that establishment shall have a
11 grade card posted where it may be readily visible upon entering the establishment and one
12 posted where it may be readily visible in each delivery window or delivery device upon picking
13 up the food outside the establishment. The grade card or cards shall not be removed by anyone,
14 except by or upon the instruction of the Secretary."

15 **SECTION 6.** G.S. 130A-250 reads as rewritten:

16 "**§ 130A-250. Exemptions.**

17 The following shall be exempt from this Part:

- 18 (1) ~~Establishments that provide lodging described in G.S. 130A-248(a1) A~~
19 business or private home that provides overnight lodging with four or fewer
20 lodging units.
- 21 (2) Condominiums.
- 22 (3) Establishments that prepare or serve food ~~or provide lodging~~ to regular
23 boarders ~~or permanent houseguests only~~. However, the rules governing food
24 sanitation adopted under G.S. 130A-248 apply to establishments that are not
25 regulated under G.S. 130A-235 and that prepare or serve food for pay to 13
26 or more regular boarders or permanent houseguests who are disabled or who
27 are 55 years of age or older. Establishments to which the rules governing
28 food sanitation are made applicable by this subdivision that are in operation
29 as of 1 July 2000 may continue to use equipment and construction in use on
30 that date if no imminent hazard exists. Replacement equipment for these
31 establishments shall comply with the rules governing food sanitation
32 adopted under G.S. 130A-248.
- 33 (4) Private homes that occasionally offer lodging accommodations, which may
34 include the providing of food, for two weeks or less to persons attending
35 special events, provided these homes are not bed and breakfast homes or bed
36 and breakfast inns.
- 37 (5) Private clubs.
- 38 (6) Curb markets operated by the State Agricultural Extension Service.
- 39 (7) Establishments (i) that are incorporated as nonprofit corporations in
40 accordance with Chapter 55A of the General Statutes or (ii) that are exempt
41 from federal income tax under the Internal Revenue Code, as defined in
42 G.S. 105-228.90, or (iii) that are political committees as defined in
43 G.S. 163-278.6(14) and that prepare or serve food or drink for pay no more
44 frequently than once a month for a period not to exceed two consecutive
45 days, including establishments permitted pursuant to this Part when
46 preparing or serving food or drink at a location other than the permitted
47 locations. A nutrition program for the elderly that is administered by the
48 Division of Aging of the Department of Health and Human Services and that
49 prepares and serves food or drink on the premises where the program is
50 located in connection with a fundraising event is exempt from this Part if

1 food and drink are prepared and served no more frequently than one day
2 each month.

- 3 (8) Establishments that put together, portion, set out, or hand out only beverages
4 that do not include those made from raw apples or potentially hazardous
5 beverages made from raw fruits or vegetables, using single service
6 containers that are not reused on the premises.
- 7 (9) Establishments where meat food products or poultry products are prepared
8 and sold and which are under inspection by the North Carolina Department
9 of Agriculture and Consumer Services or the United States Department of
10 Agriculture.
- 11 (10) Markets that sell uncooked cured country ham or uncooked cured salted
12 pork and that engage in minimal preparation such as slicing, weighing, or
13 wrapping the ham or pork, when this minimal preparation is the only activity
14 that would otherwise subject these markets to regulation under this Part.
- 15 (11) Establishments that only set out or hand out beverages that are regulated by
16 the North Carolina Department of Agriculture and Consumer Services in
17 accordance with Article 12 of Chapter 106 of the General Statutes.
- 18 (12) Establishments that only set out or hand out food that is regulated by the
19 North Carolina Department of Agriculture and Consumer Services in
20 accordance with Article 12 of Chapter 106 of the General Statutes.
- 21 (13) Single-room occupancy facilities."

22 **SECTION 7.(a)** G.S. 130A-39(b) reads as rewritten:

23 "(b) A local board of health may adopt a more stringent rule in an area regulated by the
24 Commission for Public Health or the Environmental Management Commission where, in the
25 opinion of the local board of health, a more stringent rule is required to protect the public
26 health; otherwise, the rules of the Commission for Public Health or the rules of the
27 Environmental Management Commission shall prevail over local board of health rules.
28 However, a local board of health may not adopt a rule concerning the grading, operating, and
29 permitting of food and lodging facilities as listed in Part 6 of Article 8 of this Chapter and as
30 defined in ~~G.S. 130A-247(1), and a G.S. 130A-247(2).~~ A local board of health may regulate a
31 single-room occupancy facility under an ordinance adopted pursuant to G.S. 153A-134.1 or
32 G.S. 160A-194.1. A local board of health may adopt rules concerning wastewater collection,
33 treatment and disposal systems which are not designed to discharge effluent to the land surface
34 or surface waters only in accordance with G.S. 130A-335(c)."

35 **SECTION 7.(b)** G.S. 130A-138 reads as rewritten:

36 "**§ 130A-138. Operators of restaurants and other food or drink establishments to report.**

37 An operator of a restaurant or other establishment where food or drink is prepared or served
38 for pay, as defined in ~~G.S. 130A-247(4) and (5), G.S. 130A-247(3) and (4),~~ shall report
39 information required by the Commission to the local health director of the county or district in
40 which the restaurant or food establishment is located when the operator has reason to suspect
41 an outbreak of food-borne illness in its customers or employees or when it has reason to suspect
42 that a food handler at the establishment has a food-borne disease or food-borne condition
43 required by the Commission to be reported."

44 **SECTION 8.(a)** Article 6 of Chapter 153A of the General Statutes is amended by
45 adding a new section to read:

46 "**§ 153A-134.1. Regulation, licensing, and inspection of single-room occupancy facilities.**

47 A county may by ordinance, subject to the general law of the State, regulate, license, and
48 inspect facilities offering single-room occupancy as defined by G.S. 130-247(9)."

49 **SECTION 8.(b)** G.S. 153A-149(c) is amended by adding a new subdivision to
50 read:

1 "(19a) Lodging. – To undertake the regulation, licensing, and inspection of
2 single-room occupancy facilities as defined by G.S. 130A-247(9)."

3 **SECTION 9.(a)** Article 8 of Chapter 160A of the General Statutes is amended by
4 adding a new section to read:

5 **"§ 160A-194.1. Regulation, licensing, and inspection of single-room occupancy facilities.**

6 A city may by ordinance, subject to the general law of the State, regulate, license, and
7 inspect single-room occupancy facilities as defined by G.S. 130-247(9)."

8 **SECTION 9.(b)** G.S. 160A-209(c) is amended by adding a new subdivision to
9 read:

10 "(20a) Lodging. – To undertake the regulation, licensing, and inspection of
11 single-room occupancy facilities as defined by G.S. 130A-247(9)."

12 **SECTION 10.** Nothing in this act shall be construed to preempt or otherwise
13 impair a municipality's existing authority to apply nonresidential building standards to lodging
14 establishments.

15 **SECTION 11.** This act becomes effective July 1, 2009.