

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 119*
Judiciary I Committee Substitute Adopted 4/28/15
Corrected Copy 4/29/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S119-CSSU-37 [v.1]

Short Title: GSC Technical Corrections 2015.

(Public)

Sponsors:

Referred to:

February 27, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE GENERAL STATUTES AND
3 SESSION LAWS, AS RECOMMENDED BY THE GENERAL STATUTES
4 COMMISSION, AND TO MAKE ADDITIONAL TECHNICAL AND OTHER
5 AMENDMENTS TO THE STATUTES AND SESSION LAWS.

6 The General Assembly of North Carolina enacts:

7
8 **PART I. TECHNICAL CORRECTIONS RECOMMENDED BY THE GENERAL**
9 **STATUTES COMMISSION**

10 **SECTION 1.(a)** G.S. 1-267.1(d) reads as rewritten:

11 "(d) This section applies only to civil proceedings. Nothing in this section shall be
12 deemed to apply to criminal proceedings, to proceedings under Chapter 15A of the General
13 Statutes, to proceedings making a collateral attack on any judgment entered in a criminal
14 proceeding, or to ~~appeals from orders of the trial courts pertaining to~~ civil proceedings filed by
15 a taxpayer pursuant to G.S. 105-241.17."

16 **SECTION 1.(b)** G.S. 7A-27 reads as rewritten:

17 **"§ 7A-27. Appeals of right from the courts of the trial divisions.**

18 (a) Appeal lies of right directly to the Supreme Court in any of the following cases:

- 19 (1) All cases in which the defendant is convicted of murder in the first degree
20 and the judgment of the superior court includes a sentence of death.
21 (2) From any final judgment in a case designated as a mandatory complex
22 business case pursuant to G.S. 7A-45.4 or designated as a discretionary
23 complex business case pursuant to Rule 2.1 of the General Rules of Practice
24 for the Superior and District Courts.
25 (3) From any interlocutory order of a Business Court Judge that does any of the
26 following:
27 a. Affects a substantial right.
28 b. In effect determines the action and prevents a judgment from which
29 an appeal might be taken.
30 c. Discontinues the action.
31 d. Grants or refuses a new trial.

32 (a1) Appeal lies of right directly to the Supreme Court from any order or judgment of a
33 court, either final or interlocutory, that holds that an act of the General Assembly is facially
34 invalid on the basis that the act violates the North Carolina Constitution or federal law. Nothing



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1 in this ~~section~~ subsection shall be deemed to apply to appeals from orders of the trial courts
2 pertaining to criminal proceedings, to proceedings under Chapter 15A of the General Statutes,
3 to proceedings making a collateral attack on any judgment entered in a criminal proceeding, or
4 to appeals from orders of the trial courts pertaining to civil proceedings filed by a taxpayer
5 pursuant to G.S. 105-241.17.

6 (b) ~~Appeal~~ Except as provided in subsection (a) or (a1) of this section, appeal lies of
7 right directly to the Court of Appeals in any of the following cases:

8 (1) From any final judgment of a superior court, other than ~~the one described in~~
9 ~~subsection (a) of this section, or one based on a plea of guilty or nolo~~
10 ~~contendere, including any final judgment entered upon review of a decision~~
11 ~~of an administrative agency, except for a final judgment entered upon review~~
12 ~~of a court martial under G.S. 127A-62.~~

13 (2) From any final judgment of a district court in a civil action.

14 (3) From any interlocutory order or judgment of a superior court or district court
15 in a civil action or proceeding that does any of the following:

16 a. Affects a substantial right.

17 b. In effect determines the action and prevents a judgment from which
18 an appeal might be taken.

19 c. Discontinues the action.

20 d. Grants or refuses a new trial.

21 e. Determines a claim prosecuted under G.S. 50-19.1.

22 f. Grants temporary injunctive relief restraining the State or a political
23 subdivision of the State from enforcing the operation or execution of
24 an act of the General Assembly as applied against a party in a civil
25 action. This ~~subsection~~ sub-subdivision only applies where the State
26 or a political subdivision of the State is a party in the civil action.
27 This ~~subsection~~ sub-subdivision does not apply to facial challenges
28 to an act's validity heard by a three-judge panel pursuant to
29 G.S. 1-267.1.

30 (4) From any other order or judgment of the superior court from which an
31 appeal is authorized by statute.

32 (c) through (e) Repealed by Session Laws 2013-411, s. 1, effective August 23, 2013."

33 **SECTION 2.** G.S. 7B-323(f) reads as rewritten:

34 "(f) A party may appeal the district court's decision under
35 ~~G.S. 7A-27(e)~~ G.S. 7A-27(b)(2)."

36 **SECTION 3.** G.S. 14-269 reads as rewritten:

37 "**§ 14-269. Carrying concealed weapons.**

38 (a) It shall be unlawful for any person willfully and intentionally to carry concealed
39 about his or her person any bowie knife, dirk, dagger, slung shot, loaded cane, metallic
40 knuckles, razor, ~~shuriken, shuriken~~, stun gun, or other deadly weapon of like kind, except when
41 the person is on the person's own premises.

42 (a1) It shall be unlawful for any person willfully and intentionally to carry concealed
43 about his or her person any pistol or gun except in the following circumstances:

44 (1) The person is on the person's own premises.

45 (2) The deadly weapon is a handgun, the person has a concealed handgun permit
46 issued in accordance with Article 54B of this Chapter or considered valid
47 under G.S. 14-415.24, and the person is carrying the concealed handgun in
48 accordance with the scope of the concealed handgun permit as set out in
49 G.S. 14-415.11(c).

- 1 (3) The deadly weapon is a handgun and the person is a military permittee as
 2 defined under G.S. 14-415.10(2a) who provides to the law enforcement
 3 officer proof of deployment as required under G.S. 14-415.11(a).

4 ...
 5 (b1) It is a defense to a prosecution under this section that:

- 6 (1) The weapon was not a firearm;
 7 (2) The defendant was engaged in, or on the way to or from, an activity in which
 8 ~~he~~ the defendant legitimately used the weapon;
 9 (3) The defendant possessed the weapon for that legitimate use; and
 10 (4) The defendant did not use or attempt to use the weapon for an illegal
 11 purpose.

12 The burden of proving this defense is on the defendant.

13"

14 **SECTION 4.** G.S. 14-313 reads as rewritten:

15 **"§ 14-313. Youth access to tobacco products, tobacco-derived products, vapor products,
 16 and cigarette wrapping papers.**

17 ...
 18 (b) Sale or distribution to persons under the age of 18 years. – If any person shall
 19 distribute, or aid, assist, or abet any other person in distributing tobacco products or cigarette
 20 wrapping papers to any person under the age of 18 years, or if any person shall purchase
 21 tobacco products or cigarette wrapping papers on behalf of a person under the age of 18 years,
 22 the person shall be guilty of a Class 2 misdemeanor; provided, however, that it shall not be
 23 unlawful to distribute tobacco products or cigarette wrapping papers to an employee when
 24 required in the performance of the employee's duties. Retail distributors of tobacco products
 25 shall prominently display near the point of sale a sign in letters at least five-eighths of an inch
 26 high which states the following:

27 N.C. LAW STRICTLY PROHIBITS
 28 THE PURCHASE OF TOBACCO PRODUCTS, TOBACCO-DERIVED PRODUCTS,
 29 VAPOR PRODUCTS, AND CIGARETTE WRAPPING PAPERS
 30 BY PERSONS UNDER THE AGE OF 18.
 31 PROOF OF AGE REQUIRED.

32 Failure to post the required sign shall be an infraction punishable by a fine of twenty-five
 33 dollars (\$25.00) for the first offense and seventy-five dollars (\$75.00) for each succeeding
 34 offense.

35 A person engaged in the sale of tobacco products or cigarette wrapping papers shall demand
 36 proof of age from a prospective purchaser if the person has reasonable grounds to believe that
 37 the prospective purchaser is under 18 years of age. Failure to demand proof of age as required
 38 by this subsection is a Class 2 misdemeanor if in fact the prospective purchaser is under 18
 39 years of age. Retail distributors of tobacco products or cigarette wrapping papers shall train
 40 their sales employees in the requirements of this law. Proof of any of the following shall be a
 41 defense to any action brought under this subsection:

- 42 (1) The defendant demanded, was shown, and reasonably relied upon proof of
 43 age in the case of a retailer, or any other documentary or written evidence of
 44 age in the case of a nonretailer.
 45 (2) The defendant relied on the electronic system established and operated by
 46 the Division of Motor Vehicles pursuant to G.S. 20-37.02.
 47 (3) The defendant relied on a biometric identification system that demonstrated
 48 (i) the purchaser's age to be at least the required age for the purchase and (ii)
 49 the purchaser had previously registered with the seller or seller's agent a
 50 drivers license, a special identification card issued under ~~G.S. 20-377.7,~~
 51 G.S. 20-37.7, a military identification card, or a passport showing the

1 purchaser's date of birth and bearing a physical description of the person
2 named on the card.

3 ...

4 (e) Statewide uniformity. – It is the intent of the General Assembly to prescribe this
5 uniform system for the regulation of tobacco products and cigarette wrapping papers to ensure
6 the eligibility for and receipt of any federal funds or grants that the State now receives or may
7 receive relating to the provisions of ~~G.S. 14-313~~. this section. To ensure uniformity, no political
8 subdivisions, boards, or agencies of the State nor any county, city, municipality, municipal
9 corporation, town, township, village, nor any department or agency thereof, may enact
10 ordinances, rules or regulations concerning the sale, distribution, display or promotion of (i)
11 tobacco products or cigarette wrapping papers on or after September 1, 1995, or (ii)
12 tobacco-derived products or vapor products on or after August 1, 2013. This subsection does
13 not apply to the regulation of vending machines, nor does it prohibit the Secretary of Revenue
14 from adopting rules with respect to the administration of the tobacco products taxes levied
15 under Article 2A of Chapter 105 of the General Statutes.

16"

17 **SECTION 5.** G.S. 15A-150(b) reads as rewritten:

18 "(b) Notification to Other State and Local Agencies. – The clerk of superior court in
19 each county in North Carolina shall send a certified copy of an order granting an expunction to
20 a person named in subsection (a) of this section to all of the agencies listed in this subsection.
21 An agency receiving an order under this subsection shall expunge from its records all entries
22 made as a result of the charge or conviction ordered expunged, except as provided in
23 G.S. 15A-151. The list of agencies is as follows:

24 (1) The sheriff, chief of police, or other arresting agency.

25 (2) When applicable, the Division of Motor ~~Vehicles and the Division of Adult~~
26 ~~Correction of the Department of Public Safety.~~ Vehicles.

27 (3) Any State or local agency identified by the petition as bearing record of the
28 offense that has been expunged.

29 (4) The Department of Public Safety."

30 **SECTION 6.** G.S. 15A-1340.16(f) reads as rewritten:

31 "(f) ~~[Notice to State Treasurer of Finding. –]~~ Notice to State Treasurer of Finding. – If
32 the court determines that an aggravating factor under subdivision (9) of subsection (d) of this
33 section has been proven, the court shall notify the State Treasurer of the fact of the conviction
34 as well as the finding of the aggravating factor. The indictment charging the defendant with the
35 underlying offense must include notice that the State seeks to prove the defendant acted in
36 accordance with subdivision (9) of subsection (d) of this section and that the State will seek to
37 prove that as an aggravating factor."

38 **SECTION 7.** G.S. 18B-302(d) reads as rewritten:

39 "(d) Defense. – It shall be a defense to a violation of subsection (a) of this section if the
40 seller:

41 ...

42 (3) Shows that at the time of purchase, the purchaser utilized a biometric
43 identification system that demonstrated (i) the purchaser's age to be at least
44 the required age for the purchase and (ii) the purchaser had previously
45 registered with the seller or seller's agent a drivers license, a special
46 identification card issued under ~~G.S. 20-377.7~~, G.S. 20-37.7, a military
47 identification card, or a passport showing the purchaser's date of birth and
48 bearing a physical description of the person named on the document."

49 **SECTION 8.(a)** G.S. 20-115 reads as rewritten:

50 "**§ 20-115. Scope and effect of regulations in this title.** Part.

1 It shall be unlawful for any person to drive or move or for the owner to cause or knowingly
2 permit to be driven or moved on any highway any vehicle or vehicles of a size or weight
3 exceeding the limitations stated in this ~~title, Part,~~ or any vehicle or vehicles which are not so
4 constructed or equipped as required in this ~~title, Part,~~ or the rules and regulations of the
5 Department of Transportation adopted pursuant ~~thereto to this Part~~ and the maximum size and
6 weight of vehicles ~~herein~~ specified in this Part shall be lawful throughout this State, and local
7 authorities shall have no power or authority to alter ~~said the~~ limitations except as express
8 authority may be granted in this Article."

9 **SECTION 8.(b)** G.S. 106-549.21(d) and (e) read as rewritten:

10 "(d) No article subject to this ~~title Article~~ shall be sold or offered for sale by any person,
11 firm, or corporation, in intrastate commerce, under any name or other marking or labeling
12 which is false or misleading, or in any container of a misleading form or size, but established
13 trade names and other marking and labeling and containers which are not false or misleading,
14 and which are approved by the Commissioner or ~~his the~~ Commissioner's authorized
15 representative, are permitted.

16 (e) If the Commissioner or ~~his the~~ Commissioner's authorized representative has reason
17 to believe that any marking or labeling or the size or form of any container in use or proposed
18 for use with respect to any article subject to this ~~title Article~~ is false or misleading in any
19 particular, ~~he the~~ Commissioner or representative may direct that ~~such this~~ use be withheld
20 unless the marking, labeling, or container is modified in such a manner as he may prescribe the
21 Commissioner or representative prescribes so that it will not be false or misleading. If the
22 person, firm, or corporation using or proposing to use the marking, labeling or container does
23 not accept the determination of the Commissioner or ~~his the~~ Commissioner's authorized
24 representative, ~~such the~~ person, firm, or corporation may request a hearing, but the use of the
25 marking, labeling, or container shall, if the Commissioner so directs, be withheld pending
26 hearing and final determination by the Commissioner. A person who uses or proposes to use
27 the marking, labeling, or container and who does not accept the determination of the
28 Commissioner may commence a contested case under G.S. 150B-23. If directed by the
29 Commissioner, the marking, labeling, or container may not be used pending a final decision."

30 **SECTION 9.** G.S. 20-183.2(a1) reads as rewritten:

31 "(a1) Safety Inspection Exceptions. – The following vehicles shall not be subject to a
32 safety inspection pursuant to this Article:

33 (1) Historic vehicles, as described in ~~G.S. 20-79.4(b)(88)~~ G.S. 20-79.4(b)(90).

34 (2) Buses titled to a local board of education and subject to the school bus
35 inspection requirements specified by the State Board of Education and
36 G.S. 115C-248."

37 **SECTION 10.** G.S. 62-36B is recodified as G.S. 62-36.01.

38 **SECTION 11.** G.S. 62-110.1(c) reads as rewritten:

39 "(c) The Commission shall develop, publicize, and keep current an analysis of the
40 long-range needs for expansion of facilities for the generation of electricity in North Carolina,
41 including its estimate of the probable future growth of the use of electricity, the probable
42 needed generating reserves, the extent, size, mix and general location of generating plants and
43 arrangements for pooling power to the extent not regulated by the Federal Energy Regulatory
44 Commission and other arrangements with other utilities and energy suppliers to achieve
45 maximum efficiencies for the benefit of the people of North Carolina, and shall consider such
46 analysis in acting upon any petition by any utility for construction. In developing such analysis,
47 the Commission shall confer and consult with the public utilities in North Carolina, the utilities
48 commissions or comparable agencies of neighboring states, the Federal Energy Regulatory
49 Commission, ~~the Southern Growth Policies Board,~~ and other agencies having relevant
50 information and may participate as it deems useful in any joint boards investigating generating
51 plant sites or the probable need for future generating facilities. In addition to such reports as

1 public utilities may be required by statute or rule of the Commission to file with the
 2 Commission, any such utility in North Carolina may submit to the Commission its proposals as
 3 to the future needs for electricity to serve the people of the State or the area served by such
 4 utility, and insofar as practicable, each such utility and the Attorney General may attend or be
 5 represented at any formal conference conducted by the Commission in developing a plan for
 6 the future requirements of electricity for North Carolina or this region. In the course of making
 7 the analysis and developing the plan, the Commission shall conduct one or more public
 8 hearings. Each year, the Commission shall submit to the Governor and to the appropriate
 9 committees of the General Assembly a report of its analysis and plan, the progress to date in
 10 carrying out such plan, and the program of the Commission for the ensuing year in connection
 11 with such plan."

12 **SECTION 12.** G.S. 66-372(e) reads as rewritten:

13 "(e) All service agreements used in this State by a service agreement company shall:

- 14 (1) Not contain provisions that allow the company to cancel the agreement in its
 15 discretion other than for nonpayment of premiums or for a direct violation of
 16 the agreement by the consumer where the service agreement states that
 17 violation of the agreement would subject the agreement to cancellation;
 18 (2) With respect to a motor vehicle service agreement as defined in
 19 ~~G.S. 66-370(b)(1)~~, G.S. 66-370(b)(5), provide for a right of assignability by
 20 the consumer to a subsequent purchaser before expiration of coverage if the
 21 subsequent purchaser meets the same criteria for motor vehicle service
 22 agreement acceptability as the original purchaser; and
 23 (3) Contain a cancellation provision allowing the consumer to cancel at any time
 24 after purchase and receive a pro rata refund less any claims paid on the
 25 agreement and a reasonable administrative fee, not to exceed ten percent
 26 (10%) of the amount of the pro rata refund."

27 **SECTION 13.** G.S. 90-89(5) reads as rewritten:

28 "(5) Stimulants. – Unless specifically excepted or unless listed in another
 29 schedule, any material, compound, mixture, or preparation that contains any
 30 quantity of the following substances having a stimulant effect on the central
 31 nervous system, including its salts, isomers, and salts of isomers:

- 32 a. Aminorex. Some trade or other names: aminoxaphen;
 33 2-amino-5-phenyl-2-oxazoline; _____ ~~or~~
 34 ~~4,5-dihydro-5-phenyl-2-oxazolamine.~~ _____ ~~or~~
 35 4,5-dihydro-5-phenyl-2-oxazolamine.

36 ...

- 37 j. A compound, other than bupropion, that is structurally derived from
 38 2-amino-1-phenyl-1-propanone by modification in any of the
 39 following ways: (i) by substitution in the phenyl ring to any extent
 40 with alkyl, alkoxy, alkylendioxy, haloalkyl, or halide substituents,
 41 whether or not further substituted in the phenyl ring by one or more
 42 other univalent substituents; (ii) by substitution at the 3-position with
 43 an alkyl substituent; or (iii) by substitution at the nitrogen atom with
 44 alkyl or ~~diakyl~~ dialkyl groups or by inclusion of the nitrogen atom in
 45 a cyclic structure.

46"

47 **SECTION 14.(a)** G.S. 90-113.101 reads as rewritten:

48 "**§ 90-113.101. Definitions.**

49 The following definitions apply in this Article:

- 50 ~~(a)~~ (1) Caregiver. – An individual who is a parent, legal guardian, or custodian of a
 51 person diagnosed with intractable epilepsy.

- 1 ~~(b)~~(2) Caregiver Registration Card. – A registration card issued by the Department
2 of Health and Human Services under this Article to a caregiver.
- 3 ~~(c)~~(3) Database. – The Intractable Epilepsy Alternative Treatment Pilot Study
4 database, established by the Department of Health and Human Services
5 pursuant to this Article, to register caregivers, patients, and recommending
6 neurologists.
- 7 ~~(d)~~(4) Department. – The Department of Health and Human Services.
- 8 ~~(e)~~(5) Hemp Extract. – An extract from a cannabis plant, as defined in
9 G.S. 90-94.1(a).
- 10 ~~(f)~~(6) Intractable Epilepsy. – A seizure disorder that, as determined by a
11 neurologist, does not respond to three or more treatment options overseen by
12 the neurologist.
- 13 ~~(g)~~(7) Neurologist. – An individual who is licensed under Article 1 of Chapter 90
14 of the General Statutes, who is board certified in neurology, and is affiliated
15 with the neurology department at one or more of the following universities:
16 (1) The University of North Carolina at Chapel Hill.
17 (2) East Carolina University.
18 (3) Duke University.
19 (4) Wake Forest University.
- 20 ~~(h)~~(8) Patient. – A person who has been diagnosed by a neurologist with intractable
21 epilepsy.
- 22 ~~(i)~~(9) Pilot Study. – An evidence-based investigation of the safety and efficacy of
23 treating intractable epilepsy using hemp extract conducted by one or more
24 neurologists registered pursuant to this Article."

25 **SECTION 14.(b)** This section becomes effective July 16, 2015.

26 **SECTION 15.** G.S. 113A-153 is repealed.

27 **SECTION 16.(a)** G.S. 63A-9 reads as rewritten:

28 "**§ 63A-9. Bonds and notes.**

29 ...
30 (1) Bonds and notes are exempt from all State, county, and municipal taxation or
31 assessment, direct or indirect, general or special, whether imposed for the purpose of general
32 revenue or otherwise, excluding ~~inheritance and gift taxes~~, income taxes on the gain from the
33 transfer of bonds and notes, and franchise taxes. The interest on bonds and notes is not subject
34 to taxation as income."

35 **SECTION 16.(b)** G.S. 115C-513 reads as rewritten:

36 "**§ 115C-513. Special tax for certain merged school administrative units.**

37 ...
38 (b) Issuance of Bonds. – The board of education of a merged school administrative unit
39 may issue notes, bonds, or refunding bonds at one time or from time to time to pay the capital
40 costs of school facilities as described in G.S. 159-48. The bonds shall be issued and maintained
41 in accordance with the provisions of Articles 1, 4, 5A, 7, 9, 10, and 11 of Chapter 159 of the
42 General Statutes, except as modified by this section.

43 The board of education of a merged school administrative unit shall call for a referendum
44 authorizing the issuance of notes, bonds, and refunding bonds and the levy of a tax to pay
45 amounts relating to these notes, bonds, or refunding bonds. The referendum may be called only
46 with the consent of the boards of commissioners of both counties in which the merged school
47 administrative unit is located. The referendum shall be held in the merged school administrative
48 unit and only those qualified voters who reside in the unit may vote. The board of
49 commissioners of each county shall have the referendum conducted by the board of elections of
50 its county.

1 After issuance of the approved bonds, the merged school administrative unit shall make
2 timely payments of principal and interest on the bonds after receipt of notification of its debt
3 service obligation pursuant to G.S. 159-35. The provisions of G.S. 159-36 govern a failure by
4 the merged school administrative unit to levy taxes or otherwise provide for payment of the
5 debt.

6 Bonds, notes, and refunding bonds issued under this section shall be exempt from all State,
7 county, and municipal taxation and assessment, direct or indirect, general or special, whether
8 imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~
9 income taxes on the gain from the transfer of bonds, notes, and refunding bonds, and franchise
10 taxes. The interest on bonds, notes, and refunding bonds is not subject to taxation as income.

11 Article 9 of the North Carolina Uniform Commercial Code, Chapter 25 of the General
12 Statutes, does not apply to any security interest created in connection with the issuance of
13 bonds under this section."

14 **SECTION 16.(c)** G.S. 116-183 reads as rewritten:

15 **"§ 116-183. Acceptance of grants; exemption from taxation.**

16 The Board is hereby authorized, subject to the approval of the Director of the Budget, to
17 accept grants of money or materials or property of any kind for any project from a federal
18 agency, private agency, corporation or individual, upon such terms and conditions as such
19 federal agency, private agency, corporation or individual may impose. The bonds issued under
20 this Article are exempt from all State, county, and municipal taxation or assessment, direct or
21 indirect, general or special, whether imposed for the purpose of general revenue or otherwise,
22 excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds
23 and notes, and franchise taxes. The interest on the bonds and notes is not subject to taxation as
24 income."

25 **SECTION 16.(d)** G.S. 116-196 reads as rewritten:

26 **"§ 116-196. Exemption from taxation; bonds eligible for investment or deposit.**

27 Any bonds issued under this Article shall at all times be exempt from all taxes or
28 assessment, direct or indirect, general or special, whether imposed for the purpose of general
29 revenue or otherwise, which are levied or assessed by the State or by any county, political
30 subdivision, agency or other instrumentality of the State, excluding ~~inheritance and gift taxes,~~
31 income taxes on the gain from the transfer of the bonds, and franchise taxes. The interest on the
32 bonds is not subject to taxation as income. Bonds issued by the Board under the provisions of
33 this Article are hereby made securities in which all public officers and public bodies of the
34 State and its political subdivisions, all insurance companies, trust companies, banking
35 associations, investment companies, executors, administrators, trustees and other fiduciaries
36 may properly and legally invest funds, including capital in their control or belonging to them.
37 Such bonds are hereby made securities which may properly and legally be deposited with and
38 received by any State or municipal officer or any agency or political subdivision of the State for
39 any purpose for which the deposit of bonds or obligations of the State is now or may hereafter
40 be authorized by law."

41 **SECTION 16.(e)** G.S. 116-198.39 reads as rewritten:

42 **"§ 116-198.39. Bonds are exempt from taxation.**

43 Any bonds issued under this Article shall at all times be exempt from all taxes or
44 assessment, direct or indirect, general or special, whether imposed for the purpose of general
45 revenue or otherwise, which are levied or assessed by the State or by any county, political
46 subdivision, agency, or other instrumentality of the State, excluding ~~inheritance and gift taxes,~~
47 income taxes on the gain from the transfer of the bonds, and franchise taxes. The interest on the
48 bonds is not subject to taxation as income. Bonds issued by the Board under the provisions of
49 this Article are hereby made securities in which all public officers and public bodies of the
50 State and its political subdivisions, all insurance companies, trust companies, banking
51 associations, investment companies, executors, administrators, trustees, and other fiduciaries

1 may properly and legally invest funds, including capital in their control or belonging to them.
2 Such bonds are hereby made securities which may properly and legally be deposited with and
3 received by any State or municipal officer or any agency or political subdivision of the State for
4 any purpose for which the deposit of bonds or obligations of the State is now or may hereafter
5 be authorized by law."

6 **SECTION 16.(f)** G.S. 142-29.6 reads as rewritten:

7 "**§ 142-29.6. Sale of refunding obligations and provisions thereof.**

8 ...
9 (f) All refunding obligations shall be exempt from all State, county and municipal
10 taxation or assessment, direct or indirect, general or special, whether imposed for the purpose
11 of general revenue or otherwise, except for ~~inheritance and gift taxes~~, income taxes on the gain
12 from the transfer of the obligations, and franchise taxes. The interest on the refunding
13 obligations is not subject to taxation as income."

14 **SECTION 16.(g)** G.S. 142-68 reads as rewritten:

15 "**§ 142-68. Tax exemption.**

16 Any financing contract entered pursuant to this Article, and any certificates of participation
17 relating to it, shall at all times be free from taxation by the State or any political subdivision or
18 any of their agencies, excepting ~~estate, inheritance, and gift taxes~~; income taxes on the gain
19 from the transfer of the financing contract or certificates of participation; and franchise taxes.
20 The interest component of the installment payments made by the State under the financing
21 contract, including the interest component of any certificates of participation, is not subject to
22 taxation as income."

23 **SECTION 16.(h)** G.S. 142-92 reads as rewritten:

24 "**§ 142-92. Tax exemption.**

25 Special indebtedness shall at all times be free from taxation by the State or any political
26 subdivision or any of their agencies, excepting ~~estate, inheritance, and gift taxes~~; income taxes
27 on the gain from the transfer of the indebtedness; and franchise taxes. The interest component
28 of any payments made by the State under special indebtedness, including the interest
29 component of any certificates of participation, is not subject to taxation as to income."

30 **SECTION 16.(i)** G.S. 157-26 reads as rewritten:

31 "**§ 157-26. Tax exemptions.**

32 An authority is a local government agency and is exempt from taxation to the same extent
33 as a unit of local government. Property owned by an authority is exempt from taxation in
34 accordance with Article V, § 2 of the North Carolina Constitution. Bonds and other obligations
35 issued by an authority or its corporate agent authorized by this Article to exercise its powers are
36 declared to be issued for a public purpose and to be public instrumentalities. These obligations
37 are exempt from all State, county, and municipal taxation or assessment, direct or indirect,
38 general or special, whether imposed for the purpose of general revenue or otherwise, excluding
39 ~~inheritance and gift taxes~~, income taxes on the gain from the transfer of the obligations, and
40 franchise taxes. The interest on the obligations is not subject to taxation as income."

41 **SECTION 16.(j)** G.S. 159I-23 reads as rewritten:

42 "**§ 159I-23. Tax exemption.**

43 All of the bonds and notes authorized by this Chapter shall be exempt from all State,
44 county, and municipal taxation or assessment, direct or indirect, general or special, whether
45 imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes~~,
46 income taxes on the gain from the transfer of the bonds and notes, and franchise taxes. The
47 interest on the bonds and notes shall not be subject to taxation as income."

48 **SECTION 16.(k)** G.S. 160A-480.14 reads as rewritten:

49 "**§ 160A-480.14. Taxation of revenue bonds.**

50 Any bonds and notes issued by the Authority under the provisions of this Part shall be
51 exempt from all State, county, and municipal taxation or assessment, direct or indirect, general

1 or special, whether imposed for the purpose of general revenue or otherwise, excluding
2 ~~inheritance and gift taxes~~, income taxes on the gain from the transfer of bonds and notes, and
3 franchise taxes. The interest on bonds and notes issued by an Authority under the provisions of
4 this Part shall not be subject to taxation as to income."

5 **SECTION 16.(l)** G.S. 160A-516 reads as rewritten:

6 "**§ 160A-516. Issuance of bonds.**

7 ...

8 (b) Neither the commissioners of a commission nor any person executing the bonds
9 shall be liable personally on the bonds by reason of the issuance of the bonds. The bonds and
10 other obligations of the commission (and the bonds and obligations shall so state on their face)
11 shall not be a debt of the municipality, the county, or the State and neither the municipality, the
12 county, nor the State shall be liable on the bonds, nor in any event shall the bonds or
13 obligations be payable out of any funds or properties other than those of the commission
14 acquired for the purpose of this Article. The bonds shall not constitute an indebtedness of the
15 municipality within the meaning of any constitutional or statutory debt limitation or restriction.
16 Bonds of a commission are declared to be issued for an essential public and governmental
17 purpose and to be public instrumentalities. The bonds are exempt from all State, county, and
18 municipal taxation or assessment, direct or indirect, general or special, whether imposed for the
19 purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes~~, income taxes on
20 the gain from the transfer of the bonds and notes, and franchise taxes. The interest on the bonds
21 is not subject to taxation as income. Bonds may be issued by a commission under this Article
22 notwithstanding any debt or other limitation prescribed in any statute. This Article without
23 reference to other statutes of the State shall constitute full and complete authority for the
24 authorization and issuance of bonds by the commission under this Article and this authorization
25 and issuance shall not be subject to any conditions, restrictions, or limitations imposed by any
26 other statute whether general, special, or local, except as provided in subsection (d) of this
27 section."

28 **SECTION 17.** G.S. 131E-154.13 reads as rewritten:

29 "**§ 131E-154.13. Definitions.**

30 The following definitions apply in this Part, unless otherwise specified:

31 ...

32 (3) NC NOVA Partner Team. – The entity responsible for developing the
33 criteria and protocols for the NC NOVA special licensure designation. The
34 Partner Team is inclusive of representatives from the following
35 organizations: Association for Home and Hospice Care of North Carolina,
36 Direct Care Workers Association of North Carolina, Duke University
37 Gerontological Nursing Program, Friends of Residents in Long Term Care,
38 North Carolina Assisted Living Association, North Carolina Association of
39 Long Term Care Facilities, ~~North Carolina Association of Non-Profit Homes
40 for the Aging, LeadingAge North Carolina~~, North Carolina Department of
41 Health and Human Services, North Carolina Foundation for Advanced
42 Health Programs, North Carolina Health Care Facilities Association, The
43 Carolinas Center for Medical Excellence, and the University of North
44 Carolina at Chapel Hill – Institute on Aging.

45"

46 **SECTION 18.** G.S. 143-228.10 reads as rewritten:

47 "**§ 143-228.10. (See Editor's note) Definitions.**

48 The following definitions apply to ~~Section 6 of this act~~: in this Article:

49"

50 **SECTION 19.** G.S. 143B-431.01(d) reads as rewritten:

1 "(d) Limitations. – Prior to contracting with a North Carolina nonprofit corporation
2 pursuant to this section and in order for the North Carolina nonprofit corporation to receive
3 State funds, the following conditions shall be met:

4 (1) At least 45 days prior to entering into or amending in a nontechnical manner
5 a contract authorized by this section, the Department shall submit the
6 contract or amendment, along with a detailed explanation of the contract or
7 amendment, to the Joint Legislative Commission on Governmental
8 Operations and the Fiscal Research Division.

9 (2) The nonprofit corporation adheres to the following governance provisions
10 related to its governing board:

11 ...

12 e. The board is required to perform the following duties if the
13 Department contracts pursuant to ~~G.S. 143B-431.01~~ this section for
14 the performance of the Secretary's responsibilities under
15 G.S. 143B-434.01:

16"

17 **SECTION 20.** G.S. 143B-927 reads as rewritten:

18 **"§ 143B-927. Personnel of the State Bureau of Investigation.**

19 The Director of the State Bureau of Investigation may appoint a sufficient number of
20 assistants who shall be competent and qualified to do the work of the Bureau. The Director
21 shall be responsible for making all hiring and personnel decisions of the Bureau.
22 Notwithstanding the provisions of ~~this Chapter, Chapter 143A, and Chapter 143B~~ this Chapter
23 or Chapter 143A of the General Statutes, the Director may hire or fire personnel and transfer
24 personnel within the Bureau."

25 **SECTION 21.** G.S. 143C-6-23(f1) reads as rewritten:

26 "(f) Suspension and Recovery of Funds to Grant Recipients for Noncompliance. – The
27 Office of State Budget and Management, after consultation with the administering State
28 agency, shall have the power to suspend disbursement of grant funds to grantees or
29 subgrantees, to prevent further use of grant funds already disbursed, and to recover grant funds
30 already disbursed for noncompliance with rules adopted pursuant to subsection (d) of this
31 section. If the grant funds are a pass-through of funds granted by an agency of the United
32 States, then the Office of State Budget and Management must consult with the granting agency
33 of the United States and the State agency that is the recipient of the pass-through funds prior to
34 taking the actions authorized by this subsection.

35 (f1) Return of Grant Funds. – Except as otherwise required by federal law, a grantee or
36 subgrantee shall return to the State all affected grant funds and interest earned on those funds if
37 any of the following occurs:

38 (1) The funds are in the possession or control of a grantee and are not expended,
39 made subject to an encumbrance, or disbursed to a subgrantee by August 31
40 immediately following the fiscal year in which the funds are appropriated by
41 the General Assembly, or a different period set forth in the terms of the
42 applicable appropriation or federal grant.

43 (2) The funds remain unexpended at the time that the grantee or subgrantee
44 dissolves, ceases operations, or otherwise indicates that it does not intend to
45 spend the funds.

46 (3) The Office of State Budget and Management seeks to recover the funds
47 pursuant to subsection (f) of this ~~act~~ section."

48 **SECTION 22.** G.S. 150B-21.1(a)(12) is repealed.

49 **SECTION 23.** G.S. 150B-21.3(b2) reads as rewritten:

50 "(b2) Objection. – Any person who objects to the adoption of a permanent rule may
51 submit written comments to the agency. If the objection is not resolved prior to adoption of the

1 rule, a person may submit written objections to the Commission. If the Commission receives
2 written objections from 10 or more persons, no later than 5:00 P.M. of the day following the
3 day the Commission approves the rule, clearly requesting review by the legislature in
4 accordance with instructions ~~contained in the notice pursuant to G.S. 150B-21.2(e)(9), posted~~
5 on the agency's Web site pursuant to G.S. 150B-19.1(c)(4), and the Commission approves the
6 rule, the rule will become effective as provided in subsection (b1) of this section. The
7 Commission shall notify the agency that the rule is subject to legislative disapproval on the day
8 following the day it receives 10 or more written objections. When the requirements of this
9 subsection have been met and a rule is subject to legislative disapproval, the agency may adopt
10 the rule as a temporary rule if the rule would have met the criteria listed in G.S. 150B-21.1(a)
11 at the time the notice of text for the permanent rule was published in the North Carolina Register.
12 If the Commission receives objections from 10 or more persons clearly requesting review by
13 the legislature, and the rule objected to is one of a group of related rules adopted by the agency
14 at the same time, the agency that adopted the rule may cause any of the other rules in the group
15 to become effective as provided in subsection (b1) of this section by submitting a written
16 statement to that effect to the Commission before the other rules become effective."

17 **SECTION 24.** G.S. 150B-23.2(d) reads as rewritten:

18 "(d) ~~Wavier~~ Waiver or Refund. – The Office of Administrative Hearings shall by rule
19 provide for the fee to be waived in a contested case in which the petition is filed in forma
20 pauperis and supported by such proofs as are required in G.S. 1-110 and in a contested case
21 involving a mandated federal cause of action. The Office of Administrative Hearings shall by
22 rule provide for the fee to be refunded in a contested case in which the losing party is the
23 State."

24 **SECTION 25.** G.S. 161-22.3 reads as rewritten:

25 "**§ 161-22.3. Minimum standards for land records management.**

26 In addition to the recording and indexing procedures set forth in this Article, the register of
27 deeds shall follow the rules specifying minimum standards and procedures in land records
28 management adopted by the Department of Secretary of State pursuant to
29 ~~G.S. 143-345.6(b1); G.S. 147-54.3(b1).~~"

30 **SECTION 26.** G.S. 163-275 reads as rewritten:

31 "**§ 163-275. Certain acts declared felonies.**

32 Any person who shall, in connection with any primary, general or special election held in
33 this State, do any of the acts or things declared in this section to be unlawful, shall be guilty of
34 a Class I felony. It shall be unlawful:

- 35 (1) For any person fraudulently to cause ~~his~~ that person's name to be placed
36 upon the registration books of more than one election precinct or
37 fraudulently to cause or procure ~~his~~ that person's name or that of any other
38 person to be placed upon the registration books in any precinct when ~~such~~
39 registration in that precinct does not qualify ~~such~~ the person to vote legally
40 therein, or to impersonate falsely another registered voter for the purpose of
41 voting in the stead of ~~such other voter;~~ the other voter.
- 42 (2) For any person to give or promise or request or accept at any time, before or
43 after any such primary or election, any money, property or other thing of
44 value whatsoever in return for the vote of any ~~elector;~~ elector.
- 45 (3) For any person who is an election officer, a member of an election board or
46 other officer charged with any duty with respect to any primary or election,
47 knowingly to make any false or fraudulent entry on any election book or any
48 false or fraudulent returns, or knowingly to make or cause to be made any
49 false statement on any ballot, or to do any fraudulent act or knowingly and
50 fraudulently omit to do any act or make any report legally required of ~~such~~
51 person; that person.

- 1 (4) For any person knowingly to swear falsely with respect to any matter
2 pertaining to any primary or ~~election;~~election.
- 3 (5) For any person convicted of a crime which excludes ~~him~~the person from the
4 right of suffrage, to vote at any primary or election without having been
5 restored to the right of citizenship in due course and by the method provided
6 by ~~law;~~law.
- 7 (6) For any person to take corruptly the oath prescribed for ~~voters;~~voters.
- 8 (7) For any person with intent to commit a fraud to register or vote at more than
9 one precinct or more than one time, or to induce another to do so, in the
10 same primary or election, or to vote illegally at any primary or
11 ~~election;~~election.
- 12 (8) For any chief judge or any clerk or copyist to make any entry or copy with
13 intent to commit a ~~fraud;~~fraud.
- 14 (9) For any election official or other officer or person to make, certify, deliver or
15 transmit any false returns of any primary or election, or to make any erasure,
16 alteration, or conceal or destroy any election ballot, book, record, return or
17 process with intent to commit a ~~fraud;~~fraud.
- 18 (10) For any person to assault any chief judge, judge of election or other election
19 officer while in the discharge of ~~his duty~~duties in the registration of voters
20 or in conducting any primary or ~~election;~~election.
- 21 (11) For any person, by threats, menaces or in any other manner, to intimidate or
22 attempt to intimidate any chief judge, judge of election or other election
23 officer in the discharge of ~~his~~duties in the registration of voters or in
24 conducting any primary or ~~election;~~election.
- 25 (12) For any chief judge, judge of election, member of a board of elections,
26 assistant, marker, or other election official, directly or indirectly, to seek,
27 receive or accept money or the promise of money, the promise of office, or
28 other reward or compensation from a candidate in any primary or election or
29 from any source other than such compensation as may be provided by law
30 for ~~his services;~~that person's services.
- 31 (13) For any person falsely to make or present any certificate or other paper to
32 qualify any person fraudulently as a voter, or to attempt thereby to secure to
33 any person the privilege of voting, including declarations made under this
34 Chapter, G.S. 20-37.7(d)(5), 20-37.7(d)(6), 130A-93.1(c), and
35 ~~161-10(a)(8);~~161-10(a)(8).
- 36 (14) For any officer to register voters and any other individual to knowingly and
37 willfully receive, complete, or sign an application to register from any voter
38 contrary to the provisions of ~~G.S. 163-82.4;~~ G.S. 163-82.4.
- 39 (15) Reserved for future codification purposes.
- 40 (16) For any person falsely to make the certificate provided by
41 G.S. 163-229(b)(2).
- 42 (17) For any person, directly or indirectly, to misrepresent the law to the public
43 through mass mailing or any other means of communication where the intent
44 and the effect is to intimidate or discourage potential voters from exercising
45 their lawful right to vote.
- 46 (18) For any person, knowing that a person is not a citizen of the United States, to
47 instruct or coerce that person to register to vote or to vote."

48 **SECTION 27.** G.S. 163-278.13(a1) reads as rewritten:

49 "(a1) Effective for each odd-numbered calendar year beginning in 2015, the dollar
50 amount of the contribution limitation established by subsections (a), (b), and (c) of this
51 subsection shall be increased as provided in this subsection. On July 1 of each even-numbered

1 year, the State Board of Elections shall calculate from data from the Bureau of Labor Statistics
2 of the United States Department of Labor Register the percent difference between the price
3 index for the July 1 of the previous even-numbered year. That percentage increase shall be
4 multiplied by the previous dollar amount contribution limit, that number added to the previous
5 dollar amount contribution limit, and the total shall become effective with respect to
6 contributions made or accepted on or after January 1 of the next odd-numbered year. If the
7 amount after adjustment is not a multiple of one hundred dollars (\$100.00), the total shall be
8 rounded to the nearest multiple of one hundred dollars (\$100.00). As used in this subsection the
9 term "price index" means the average over a calendar year of the Consumer Price Index (all
10 items – United States city average) published monthly by the Bureau of Labor Statistics. The
11 revised amount of the dollar limit of contributions shall remain in effect for two calendar years
12 until the next adjustment is made. The State Board of Elections shall publish the revised
13 amount in the North Carolina Register and shall notify the ~~Reviser~~ Revisor of Statutes who
14 shall adjust the dollar amounts in subsections (a), (b), and (c) of this section."

15 **SECTION 28.(a)** Section 2 of S.L. 2010-32 is codified as G.S. 39A-4.

16 **SECTION 28.(b)** G.S. 39A-4, as created by Section 27(a) of this act, reads as
17 rewritten:

18 "**§ 39A-4. Applicability; interpretation.**

19 (a) This Chapter applies to (i) any transfer fee covenant that is recorded after July 1,
20 2010; (ii) any lien that is filed to enforce a transfer fee covenant that is recorded after July 1,
21 2010, or purports to secure payment of a transfer fee that is recorded after July 1, 2010; and (iii)
22 any agreement imposing a private transfer fee obligation entered into after July 1, 2010.

23 (b) Nothing in this ~~act~~ Chapter shall be interpreted to mean that a transfer fee covenant
24 recorded prior to ~~the effective date of this act~~ July 1, 2010, is valid or enforceable."

25 **SECTION 28.(c)** Section 3 of S.L. 2010-32 reads as rewritten:

26 "**SECTION 3.** This act is effective when it becomes law and applies to: ~~(i) any transfer fee~~
27 ~~covenant that is recorded after the effective date of this act; (ii) any lien that is filed to enforce a~~
28 ~~transfer fee covenant that is recorded after the effective date of this act or purports to secure~~
29 ~~payment of a transfer fee that is recorded after the effective date of this act; and (iii) any~~
30 ~~agreement imposing a private transfer fee obligation entered into after the effective date of this~~
31 ~~act.~~ law."

32 **SECTION 29.** The introductory language of Section 3 of S.L. 2014-76 reads as
33 rewritten:

34 "**SECTION 3. ~~G.S. 94-133(a)~~ G.S. 95-133(a)** reads as rewritten:"

35 **SECTION 30.** Section 3.5 of S.L. 2015-35 reads as rewritten:

36 "**SECTION 3.5.(a)** Notwithstanding the PLAN OF MERGER OF THE IREDELL
37 COUNTY AND STATESVILLE CITY SCHOOLS, as amended by Section 2 of S.L. 2002-18,
38 beginning in 2016, members of the Iredell-Statesville Schools Board of Education shall be
39 elected on a partisan basis at the time of the general election in each even-numbered year as
40 terms expire. Candidates for election to the Iredell-Statesville Schools Board of Education shall
41 be nominated at the same time and manner as other county officers. Members elected shall take
42 office and qualify on the first Monday in December of the year of their election and the terms
43 of their predecessors shall expire at that same time. Vacancies on the Iredell-Statesville Schools
44 Board of Education for positions elected on a partisan basis shall be filled in accordance with
45 G.S. 115C-37.1.

46 "**SECTION 3.5.(b)** For positions elected on a nonpartisan basis in 2012 or 2014, vacancies
47 occurring in the membership of the ~~Iredell States~~ Iredell-Statesville Schools Board of
48 Education shall be filled for the unexpired term by the remaining members of the Board of
49 Education."

50 **SECTION 31.(a)** S.L. 2015-205 is amended by adding a new Part to read:

51 "**PART X-A. UNIFORM TRUST CODE; CLARIFY REPORT ON TRUSTEE FEES.**

1 **SECTION 10.5.** G.S. 36C-8-802(f) reads as rewritten:

2 "(f) Notwithstanding subsection (c) of this section:

- 3 (1) An investment by a trustee in securities of an investment company,
4 investment trust, or pooled investment vehicle in which the trustee or its
5 affiliate has an investment, or to which the trustee, or its affiliate, provides
6 services for compensation, is not presumed to be affected by a conflict
7 between personal and fiduciary interests if the investment otherwise
8 complies with the prudent investor rule of Article 9 of this Chapter. The
9 investment company, investment trust, or pooled investment vehicle may
10 compensate the trustee for providing those services out of fees charged to the
11 trust if the trustee at least annually ~~notifies the persons entitled under~~
12 ~~G.S. 36C-8-813 to receive a copy of the trustee's annual report~~ provides
13 notice of the rate and method by which the compensation was ~~determined;~~
14 determined to each beneficiary of the trust to whom the trustee owes a duty
15 under G.S. 36C-8-813(a)(1) to provide the information described in that
16 subdivision; and
17 (2) Payment made by a trustee to an attorney, broker, accountant, or agent for
18 services performed on behalf of the trust in the ordinary course of business is
19 not considered to be affected by a conflict between the trustee's personal and
20 fiduciary interests if the payment is consistent with payments generally made
21 for the same or similar services."

22 **SECTION 31.(b)** Section 11(a) of S.L. 2015-205 reads as rewritten:

23 "**SECTION 11.(a)** The Revisor of Statutes shall cause to be printed, as annotations to the
24 published General Statutes, all relevant portions of the Official Commentary to the Uniform
25 Powers of Appointment Act and of the Official Commentary to the Uniform Trust Code and all
26 explanatory comments of the drafters of ~~those acts, Part III and Parts VI through X-A of this~~
27 act, as the Revisor may deem appropriate."

28
29 **PART II. ADDITIONAL TECHNICAL CORRECTIONS AND OTHER**
30 **AMENDMENTS**

31 **SECTION 32.** G.S. 1C-1853(j), as enacted by S.L. 2015-107, reads as rewritten:

32 "(j) If a proceeding in a foreign court is brought by a foreign government entity based
33 upon rules of law adopted for the benefit of the foreign government entity that are applied ex
34 post facto to conduct of the defendant or if the action imposes liability for harms to individuals
35 without requiring individualized proof of each element of the claim for each such individual,
36 the court shall find that the action is fundamentally unfair and its judgment is repugnant to the
37 public policy of this State under ~~G.S. 1C-1853(e)(3) and (5).~~ subdivisions (3) and (8) of
38 subsection (c) of this section."

39 **SECTION 32.5.(a)** G.S. 6-21.6(b) reads as rewritten:

40 "(b) Reciprocal attorneys' fees provisions in business contracts are valid and enforceable
41 for the recovery of reasonable attorneys' fees and expenses only if all of the parties to the
42 business contract sign by hand the business contract. ~~In any suit, action, proceeding, or~~
43 ~~arbitration primarily for the recovery of monetary damages, the award of reasonable attorneys'~~
44 ~~fees may not exceed the monetary damages awarded.~~ Signature "by hand" is not intended to
45 prevent the application of this section to a business contract executed by either:

- 46 (1) A party's electronic signature, as defined in G.S. 66-312, if the party's
47 electronic signature originates from an affirmative action on the part of the
48 party to evidence acceptance and execution such as typing the party's
49 signature or writing the party's signature with a finger or stylus on a
50 touchscreen to indicate acceptance and execution.

1 (2) A party's manual signature that is delivered by an electronic reproductive
2 image thereof."

3 **SECTION 32.5.(b)** G.S. 6-21.6(f) reads as rewritten:

4 "(f) In any suit, action, proceeding, or arbitration primarily for the recovery of monetary
5 damages, the award of reasonable attorneys' fees may not exceed the ~~amount in~~
6 ~~controversy~~ monetary damages awarded."

7 **SECTION 33.(a)** G.S. 7B-401.1(b), as amended by Section 22 of S.L. 2015-181,
8 reads as rewritten:

9 "(b) Parents. – The juvenile's parent shall be a party unless one of the following applies:

10 (1) The parent's rights have been terminated.

11 (2) The parent has relinquished the juvenile for adoption, unless the court orders
12 that the parent be made a party.

13 (3) The parent has been convicted under G.S. 14-27.21, ~~G.S.~~14-27.22,
14 14-27.23, or ~~G.S.~~14-27.24 for an offense that resulted in the conception of
15 the juvenile."

16 **SECTION 33.(b)** G.S. 7B-1103(c), as amended by Section 23 of S.L. 2015-181,
17 reads as rewritten:

18 "(c) No person whose actions resulted in a conviction under G.S. 14-27.21,
19 ~~G.S.~~14-27.22, 14-27.23, or ~~G.S.~~14-27.24 and the conception of the juvenile may file a petition
20 to terminate the parental rights of another with respect to that juvenile."

21 **SECTION 33.(c)** G.S. 7B-1104, as amended by Section 24 of S.L. 2015-181, reads
22 as rewritten:

23 "**§ 7B-1104. Petition or motion.**

24 The petition, or motion pursuant to G.S. 7B-1102, shall be verified by the petitioner or
25 movant and shall be entitled "In Re (last name of juvenile), a minor juvenile", who shall be a
26 party to the action, and shall set forth such of the following facts as are known; and with
27 respect to the facts which are unknown the petitioner or movant shall so state:

28 ...

29 (3) The name and address of the parents of the juvenile. If the name or address
30 of one or both parents is unknown to the petitioner or movant, the petitioner
31 or movant shall set forth with particularity the petitioner's or movant's efforts
32 to ascertain the identity or whereabouts of the parent or parents. The
33 information may be contained in an affidavit attached to the petition or
34 motion and incorporated therein by reference. A person whose actions
35 resulted in a conviction under G.S. 14-27.21, ~~G.S.~~14-27.22, 14-27.23, or
36 ~~G.S.~~14-27.24 and the conception of the juvenile need not be named in the
37 petition.

38 "

39 **SECTION 33.(d)** This section becomes effective December 1, 2015, and applies to
40 petitions filed on or after that date.

41 **SECTION 34.(a)** G.S. 7B-901(c), as enacted by S.L. 2015-136, reads as rewritten:

42 "(c) If the disposition order places a juvenile in the custody of a county department of
43 social services, the court shall direct that reasonable efforts for reunification as defined in
44 G.S. 7B-101 shall not be required if the court makes written findings of fact pertaining to any
45 of the following:

46 (1) A court of competent jurisdiction has determined that aggravated
47 circumstances exist because the parent has committed or encouraged the
48 commission of, or allowed the continuation of, any of the following upon the
49 juvenile:

50 a. Sexual abuse.

51 b. Chronic physical or emotional abuse.

- c. Torture.
- d. Abandonment.
- e. Chronic or toxic exposure to alcohol or controlled substances that causes impairment of or addiction in the juvenile.
- f. Any other act, practice, or conduct that increased the enormity or added to the injurious consequences of the abuse or neglect.

(2) A court of competent jurisdiction has terminated involuntarily the parental rights of the parent to another child of the parent.

(3) A court of competent jurisdiction has determined that (i) the parent has committed murder or voluntary manslaughter of another child of the parent; (ii) has aided, abetted, attempted, conspired, or solicited to commit murder or voluntary manslaughter of the child or another child of the parent; (iii) has committed a felony assault resulting in serious bodily injury to the child or another child of the parent; (iv) has committed sexual abuse against the child or another child of the parent; or (v) has been required to register as a sex offender on any government-administered registry."

SECTION 34.(b) This section becomes effective October 1, 2015.

SECTION 35.(a) G.S. 14-404 is amended by adding a new subsection to read:

"(d1) Nothing in this Article shall apply to a State probation or parole officer receiving or purchasing a weapon pursuant to G.S. 20-187.2."

SECTION 35.(b) G.S. 20-187.2 is amended by adding a new subsection to read:

"(c) For purposes of this section, law enforcement officers shall include State probation and parole officers."

SECTION 36.(a) G.S. 14-415.12A(a1), as enacted by S.L. 2015-105, reads as rewritten:

"(a1) An individual who is a qualified retired law enforcement officer and has met the standards, as approved by the North Carolina Criminal Justice Education and Training Standards Commission, for handgun qualification for active law enforcement officers within the last 12 months is deemed to have satisfied the requirement under G.S. 14-415.12(a)(4) that an applicant successfully complete an approved firearms safety and training course."

SECTION 36.(b) This section becomes effective October 1, 2015.

SECTION 37.(a) G.S. 17C-10.1, as enacted by S.L. 2015-49, reads as rewritten:

"§ 17C-10.1. Certification of military service members and veterans with law enforcement training and experience.

(a) Notwithstanding any other provision of law, the Commission shall waive an applicant's completion of the Commission-accredited training course and issue probationary certification to a current or honorably discharged former military police officer provided the Commission, upon evaluating the individual applicant's combined training and-or experience or both pursuant to G.S. 93B-15.1(a), determines that the applicant's combined training and experience is substantially equivalent to or exceeds the minimum expectations for employment as a law enforcement officer and the applicant satisfies all of the following conditions:

...

(c) The Commission shall issue certification to a current or honorably discharged former military police officer whose combined training and-or experience or both is not substantially equivalent to or does not exceed the minimum expectations for employment as a law enforcement officer if the applicant meets all of the following requirements:

...

(5) Successfully completes any supplementary high-liability training as deemed necessary by the Commission, not to exceed an additional 180 hours. Supplementary training required by the Commission pursuant to this subsection shall be made on a case-by-case basis and based only on

1 documented deficiencies in training and experience related to each block of
2 supplementary training required.

3"

4 **SECTION 37.(b)** Not later than April 1, 2016, the Criminal Justice Education and
5 Training Standards Commission shall provide a compliance report on the implementation of
6 G.S. 17C-10.1 to the cochairs of the Joint Legislative Oversight Committee on Justice and
7 Public Safety and to the cochairs of the House Homeland Security, Military, and Veterans
8 Affairs Committee.

9 **SECTION 38.(a)** G.S. 20-28(a2) reads as rewritten:

10 "(a2) Driving Without Reclaiming License. – A person convicted under ~~subsection~~
11 ~~(a)subsection (a) or (a1) of this section~~ shall be punished as if the person had been convicted of
12 driving without a license under G.S. 20-35 if the person demonstrates to the court that either
13 ~~subdivisions (1) and (2), or subdivision (3) of this subsection of the following~~ is true:

14 (1) At the time of the offense, the person's license was revoked solely under
15 ~~G.S. 20-16.5; and G.S. 20-16.5~~ and one of the following applies:

- 16 (2) a. The offense occurred more than 45 days after the effective date of a
17 revocation order issued under G.S. 20-16.5(f) and the period of
18 revocation was 45 days as provided under subdivision (3) of that
19 subsection; or
20 b. The offense occurred more than 30 days after the effective date of the
21 revocation order issued under any other provision of ~~G.S. 20-16.5;~~
22 ~~or G.S. 20-16.5.~~

23 (3) At the time of the offense the person had met the requirements of
24 G.S. 50-13.12, or G.S. 110-142.2 and was eligible for reinstatement of the
25 person's drivers license privilege as provided therein.

26 In addition, a person punished under this subsection shall be treated for drivers license and
27 insurance rating purposes as if the person had been convicted of driving without a license under
28 G.S. 20-35, and the conviction report sent to the Division must indicate that the person is to be
29 so treated."

30 **SECTION 38.(b)** G.S. 20-179(c) reads as rewritten:

31 "(c) Determining Existence of Grossly Aggravating Factors. – At the sentencing hearing,
32 based upon the evidence presented at trial and in the hearing, the judge, or the jury in superior
33 court, must first determine whether there are any grossly aggravating factors in the case.
34 Whether a prior conviction exists under subdivision (1) of this subsection, or whether a
35 conviction exists under subdivision (d)(5) of this section, shall be matters to be determined by
36 the judge, and not the jury, in district or superior court. If the sentencing hearing is for a case
37 remanded back to district court from superior court, the judge shall determine whether the
38 defendant has been convicted of any offense that was not considered at the initial sentencing
39 hearing and impose the appropriate sentence under this section. The judge must impose the
40 Aggravated Level One punishment under subsection (f3) of this section if it is determined that
41 three or more grossly aggravating factors apply. The judge must impose the Level One
42 punishment under subsection (g) of this section if it is determined that the grossly aggravating
43 factor in subdivision (4) of this subsection applies or two of the other grossly aggravating
44 factors apply. If the judge does not find that the aggravating factor at subdivision (4) of this
45 subsection applies, then the judge must impose the Level Two punishment under subsection (h)
46 of this section if it is determined that only one of the other grossly aggravating factors applies.
47 The grossly aggravating factors are:

48 (1) A prior conviction for an offense involving impaired driving if:

- 49 a. The conviction occurred within seven years before the date of the
50 offense for which the defendant is being sentenced; or

- 1 b. The conviction occurs after the date of the offense for which the
2 defendant is presently being sentenced, but prior to or
3 contemporaneously with the present sentencing; or
4 c. The conviction occurred in district court; the case was appealed to
5 superior court; the appeal has been withdrawn, or the case has been
6 remanded back to district court; and a new sentencing hearing has
7 not been held pursuant to G.S. 20-38.7.

8 Each prior conviction is a separate grossly aggravating factor.

- 9 (2) Driving by the defendant at the time of the offense while his driver's license
10 was revoked ~~under G.S. 20-28(a1), and the revocation was an impaired~~
11 ~~driving revocation under G.S. 20-28.2(a)-pursuant to G.S. 20-28(a1).~~

12 ...

13 In imposing an Aggravated Level One, a Level One, or a Level Two punishment, the judge
14 may consider the aggravating and mitigating factors in subsections (d) and (e) in determining
15 the appropriate sentence. If there are no grossly aggravating factors in the case, the judge must
16 weigh all aggravating and mitigating factors and impose punishment as required by subsection
17 (f)."

18 **SECTION 38.(c)** This section becomes effective December 1, 2015, and applies to
19 convictions on or after that date. Prosecutions for offenses committed before the effective date
20 of this section are not abated or affected by this section, and the statutes that would be
21 applicable but for this section remain applicable to those prosecutions.

22 **SECTION 39.(a)** G.S. 20-38.7(c)(3), as enacted by Section 5 of S.L. 2015-150,
23 reads as rewritten:

- 24 "(3) If the appeal is withdrawn and remanded pursuant to
25 ~~G.S. 15A-1341(h),~~G.S. 15A-1431(h), the prosecutor has certified to the
26 clerk, in writing, that the prosecutor consents to the withdrawal and remand
27 and has no new sentencing factors to offer the court."

28 **SECTION 39.(b)** This section becomes effective December 1, 2015.

29 **SECTION 40.** G.S. 20-58.4A(i) reads as rewritten:

30 "(i) Mandatory Participation. – Beginning ~~January 1,~~ July 1, 2016, all individuals and
31 lienholders who are normally engaged in the business or practice of financing motor vehicles,
32 and who conduct at least five transactions annually, shall utilize the electronic lien system
33 implemented in subsection (a) of this section to record information concerning the perfection
34 and release of a security interest in a vehicle."

35 **SECTION 41.** G.S. 20-116 is amended by adding a new subsection to read:

36 "(o) Notwithstanding any provision of this section to the contrary, the following may
37 operate on the highways of this State without an oversize permit for the purpose of Department
38 snow removal and snow removal training operations:

- 39 (1) Truck supporting snow plows with blades not exceeding 12 feet in width. A
40 truck operated pursuant to this subdivision shall have adequate illumination
41 when the plow is in the up and the down positions; visible signal lights; and
42 a plow that is angled so that the minimum width is exposed to oncoming
43 traffic during periods of travel between assignments.
44 (2) Motor graders not exceeding 102 inches in width, measured from the outside
45 edge of the tires. A motor grader operated pursuant to this subdivision shall
46 have adequate illumination when the moldboard is in the up and down
47 positions; visible signal lights; and a moldboard that is angled not to exceed
48 102 inches during periods of travel between assignments."

49 **SECTION 42.(a)** G.S. 20-286(10), as amended by Section 8 of S.L. 2015-125 and
50 by Section 1.2 of S.L. 2015-232, reads as rewritten:

1 "(10) Motor vehicle. – Any motor propelled vehicle, trailer or semitrailer, required
2 to be registered under the laws of this State. This term does not include
3 mopeds, as that term is defined in G.S. 20-4.01.

4 a. "New motor vehicle" means a motor vehicle that has never been the
5 subject of a completed, successful, or conditional sale that was
6 subsequently approved other than between new motor vehicle
7 dealers, or between a manufacturer and a new motor vehicle dealer of
8 the same franchise. For purposes of this subdivision, the use of a new
9 motor vehicle by a new motor vehicle dealer for demonstration or
10 service loaner purposes does not render the new motor vehicle a used
11 motor vehicle, notwithstanding (i) the commencement of ~~(i)~~ the
12 manufacturer's original warranty as a result of the franchised dealer's
13 use of the vehicle for demonstration or loaner ~~purposes~~ purposes, or
14 (ii) the dealer's receipt of incentive or warranty compensation or
15 other reimbursement or consideration from a manufacturer, factory
16 branch, distributor, distributor branch or ~~(ii)~~ from a third-party
17 warranty, maintenance, or service contract company relating to the
18 use of a vehicle as a demonstrator or service loaner.

19 b. "Used motor vehicle" means a motor vehicle other than described in
20 paragraph (10)a above."

21 **SECTION 42.(b)** G.S. 20-79(d), as amended by Section 1.4(a) of S.L. 2015-232,
22 reads as rewritten:

23 "(d) Restrictions on Use. – A dealer license plate may be displayed only on a motor
24 vehicle that meets all of the following requirements:

- 25 (1) Is part of the inventory of the dealer.
26 (2) Is not consigned to the dealer.
27 (3) Is covered by liability insurance that meets the requirements of Article 9A of
28 this Chapter.
29 (4) Is not used by the dealer in another business in which the dealer is engaged.
30 (5) Is driven on a highway by a person who meets one of the following
31 descriptions:
32 a. Has a demonstration permit to test-drive the motor vehicle and
33 carries the demonstration permit while driving the motor vehicle.
34 b. Is an officer or sales representative of the dealer and is driving the
35 vehicle for a business purpose of the dealer.
36 c. Is an employee of the dealer and is driving the vehicle in the course
37 of employment.
38 d. Is an employee of the dealer or of a contractor of the dealer and is
39 driving the vehicle within a 20-mile radius of a place where the
40 vehicle is being repaired or otherwise prepared for sale.
41 e. Is an employee of the dealer or of a contractor of the dealer and is
42 transporting the vehicle to or from a vehicle auction or to the dealer's
43 established salesroom.
44 f. Is an officer, sales representative, or other employee of a franchised
45 motor vehicle dealer or is an immediate family member of an officer,
46 sales representative, or other employee of a franchised motor vehicle
47 dealer.
48 (6) A copy of the registration card for the dealer plate issued to the dealer is
49 carried by the person operating the motor vehicle or, if the person is
50 operating the motor vehicle in this State, the registration card is maintained
51 on file at the dealer's address listed on the registration card, and the

1 registration card must be able to be produced within 24 hours upon request
2 of any law enforcement officer.

3 A dealer may issue a demonstration permit for a motor vehicle to a person licensed to drive
4 that type of motor vehicle. A demonstration permit authorizes each person named in the permit
5 to drive the motor vehicle described in the permit for up to 96 hours after the time the permit is
6 issued. A dealer may, for good cause, renew a demonstration permit for one additional 96-hour
7 period. A franchised motor vehicle dealer is not prohibited from using a demonstration permit
8 pursuant to this subsection by reason of the dealer's receipt of ~~(i)~~incentive or warranty
9 compensation or other reimbursement or consideration from a manufacturer, factory branch,
10 distributor, distributor branch or ~~(ii)~~from a third-party warranty, maintenance, or service
11 contract company relating to the use of the vehicle as a demonstrator or service loaner."

12 **SECTION 43.** G.S. 45-91(5) reads as rewritten:

13 "(5) The obligations of mortgage servicers set forth in
14 G.S. 53-243.11, G.S. 53-244.110."

15 **SECTION 44.(a)** G.S. 48-3-605 is amended by adding a new subsection to read:

16 "(g) The office of the clerk of superior court, the district court, and the superior court
17 shall each be a court of competent jurisdiction for the purposes of (i) judicial proceedings for
18 accepting voluntary consents to adoption under 25 U.S.C. § 1913, (ii) making determinations as
19 to whether there is good cause to deviate from placement preferences under 25 U.S.C. §
20 1915(a), or (iii) judicial proceedings for voluntary consent to adoption in conformance with the
21 laws of any state."

22 **SECTION 44.(b)** G.S. 48-3-702(b) reads as rewritten:

23 "(b) The provisions of G.S. 48-3-605(b), (e), ~~and~~(f), and (g) also apply to a
24 relinquishment executed under this Part."

25 **SECTION 44.5.** Article 36 of Chapter 58 of the General Statutes is amended by
26 adding a new section to read:

27 "**§ 58-36-87. Affiliate transfer of policies.**

28 Delivery by an insurer of a policy superseding a policy previously issued by the insurer at
29 the end of the previously issued policy period is not a refusal to renew when it is delivered by:

30 (1) The same insurer; or

31 (2) An affiliate or subsidiary, as those terms are defined in G.S. 58-19-5, that
32 has a financial strength rating, issued by an industry-recognized independent
33 insurance rating company, which financial strength rating is at least as good
34 as the insurer issuing the superseded policy. The provisions of
35 G.S. 58-36-110 and G.S. 58-36-85 apply to the affiliate or subsidiary as if it
36 were the same insurer issuing the policy."

37 **SECTION 45.(a)** G.S. 58-71-1 is amended by adding a new subdivision to read:

38 "(1b) Approved provider. – A person or entity that has been issued a Certificate of
39 Authority by the Commissioner to provide either bail bond continuing
40 education or prelicensing courses in this State in accordance with
41 G.S. 58-71-72 as of May 15, 2015. The Certificate of Authority issued by
42 the Commissioner to any such person or entity is not transferable or
43 assignable to any other person or entity, nor are the benefits or any part
44 thereof transferable or assignable to any other person or entity."

45 **SECTION 45.(b)** G.S. 58-71-71 reads as rewritten:

46 "**§ 58-71-71. Examination; educational requirements; penalties.**

47 (a) In order to be eligible to take the examination required to be licensed as a runner or
48 bail bondsman under G.S. 58-71-70, each person shall complete at least 12 hours of education
49 as provided by ~~the North Carolina Bail Agents Association~~an approved provider in subjects
50 pertinent to the duties and responsibilities of a runner or bail bondsman, including all laws and
51 regulations related to being a runner or bail bondsman.

1 (b) Each year every licensee shall complete at least three hours of continuing education
2 as provided by ~~the North Carolina Bail Agents Association~~ an approved provider in subjects
3 related to the duties and responsibilities of a runner or bail bondsman before renewal of the
4 license. This continuing education shall not include a written or oral examination. A person
5 who receives his first license on or after January 1 of any year does not have to comply with
6 this subsection until the period between his first and second license renewals.

7 (c) Any person licensed as a runner or bail bondsman before January 1, 1994, is not
8 subject to the prelicensing education requirement of this section, but is subject to the continuing
9 education requirement of this section. A licensed runner or bail bondsman who is 65 years of
10 age or older and who has been licensed as a runner or bail bondsman for 15 years or more is
11 exempt from both the prelicensing education and continuing education requirements of this
12 section.

13 (d) Educational courses offered by ~~the North Carolina Bail Agents Association~~
14 approved providers under this section must be approved by the Commissioner before they may
15 be offered. Before approving a course, the Commissioner must be satisfied that the course will
16 enhance the professional competence and professional responsibility of bail bondsmen and
17 runners. ~~The North Carolina Bail Agents Association~~ Approved providers shall not offer,
18 sponsor, or conduct any course under this section unless the Commissioner has given
19 authorization to do so.

20 (e) The license of any person who fails to comply with the continuing education
21 requirements under this section shall lapse. The Commissioner may, for good cause shown,
22 grant extensions of time to licensees to comply with these requirements. Any licensee who,
23 after obtaining an extension under this subsection, offers evidence satisfactory to the
24 Commissioner that the licensee has satisfactorily completed the required continuing
25 professional education courses is in compliance with this section.

26 (f) The Commissioner may adopt rules for the effective administration of this section."

27 **SECTION 45.(c)** G.S. 58-71-71(d), as amended by subsection (b) of this section,
28 reads as rewritten:

29 "(d) Educational courses offered by approved providers under this section must be
30 approved by the Commissioner before they may be offered. Before approving a course, the
31 Commissioner must be satisfied that the course will enhance the professional competence and
32 professional responsibility of bail bondsmen and runners. Approved providers shall not offer,
33 sponsor, or conduct any course under this section unless the Commissioner has given
34 authorization to do so. The Commissioner shall not authorize educational courses offered solely
35 online."

36 **SECTION 46.** G.S. 62A-41(2) reads as rewritten:

37 "(2) Six members appointed by the General Assembly upon the recommendation
38 of the Speaker of the House of Representatives as follows:

- 39 a. An individual who is a sheriff, appointed upon the recommendation
40 of the North Carolina Sheriffs' Association, Inc.
- 41 b. An individual who represents CMRS providers operating in North
42 Carolina.
- 43 c. An individual who represents the North Carolina chapter of the
44 Association of Public Safety Communications Officials (APCO).
- 45 d. Two individuals who represent local exchange carriers operating in
46 North Carolina, one of whom represents a local exchange carrier
47 with less than 50,000 access lines.
- 48 e. A fire chief with experience operating or supervising a PSAP or a
49 director/manager of a fire-based PSAP, appointed upon the
50 recommendation of the North Carolina Firemen's Association."

51 **SECTION 47.** G.S. 84-24 reads as rewritten:

1 "§ 84-24. Admission to practice.

2 For the purpose of examining applicants and providing rules and regulations for admission
3 to the Bar including the issuance of license therefor, there is hereby created the Board of Law
4 Examiners, which shall consist of 11 members of the Bar, elected by the Council, who need not
5 be members of the Council. No teacher in any law school, however, shall be eligible. The
6 members of the Board of Law Examiners elected from the Bar shall each hold office for a term
7 of three years.

8 The Board of Law Examiners shall elect a member of the Board as chair thereof, and the
9 Board may employ an executive secretary and provide such assistance as may be required to
10 enable the Board to perform its duties promptly and properly. The chair and any employees
11 shall serve for a period of time determined by the Board.

12 The examination shall be held in the manner and at the times as the Board of Law
13 Examiners may determine.

14 The Board of Law Examiners shall have full power and authority to make or cause to be
15 made such examinations and investigations as may be deemed by it necessary to satisfy it that
16 the applicants for admission to the Bar possess the qualifications of character and general
17 fitness requisite for an attorney and counselor-at-law and to this end the Board of Law
18 Examiners shall have the power of subpoena and to summons and examine witnesses under
19 oath and to compel their attendance and the production of books, papers and other documents
20 and writings deemed by it to be necessary or material to the inquiry and shall also have
21 authority to employ and provide assistance as may be required to enable it to perform its duties
22 promptly and properly. Records, papers, and other documents containing information collected
23 and compiled by the Board or its members or employees as a result of investigations, inquiries,
24 or interviews conducted in connection with examinations or licensing matters, are not public
25 records within the meaning of Chapter 132 of the General Statutes.

26 All applicants for admission to the Bar shall be fingerprinted to determine whether the
27 applicant has a record of criminal conviction in this State or in any other state or jurisdiction.
28 The information obtained as a result of the fingerprinting of an applicant shall be limited to the
29 official use of the Board of Law Examiners in determining the character and general fitness of
30 the applicant.

31 The Department of Public Safety may provide a criminal record check to the Board of Law
32 Examiners for a person who has applied for a license through the Board. The Board shall
33 provide to the Department of Public Safety, along with the request, the fingerprints of the
34 applicant, any additional information required by the Department of Public Safety, and a form
35 signed by the applicant consenting to the check of the criminal record and to the use of the
36 fingerprints and other identifying information required by the State or national repositories. The
37 applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of
38 the State's criminal history record file, and the State Bureau of Investigation shall forward a set
39 of the fingerprints to the Federal Bureau of Investigation for a national criminal history check.
40 The Board shall keep all information pursuant to this subsection privileged, in accordance with
41 applicable State law and federal guidelines, and the information shall be confidential and shall
42 not be a public record under Chapter 132 of the General Statutes.

43 The Department of Public Safety may charge each applicant a fee for conducting the checks
44 of criminal history records authorized by this section.

45 The Board of Law Examiners, subject to the approval of the Council, shall by majority
46 vote, from time to time, make, alter, and amend such rules and regulations for admission to the
47 Bar as in their judgment shall promote the welfare of the State and the profession: Provided,
48 that ~~any~~ no change in the educational requirements for admission to the Bar that establishes an
49 additional or greater requirement shall ~~not~~ become effective within ~~until~~ two years from ~~after~~
50 the date of the adoption of the change.

1 All rules and regulations, and modifications, alterations and amendments thereof, shall be
2 recorded and promulgated as provided in G.S. 84-21 in relation to the certificate of
3 organization and the rules and regulations of the Council.

4 Whenever the Council shall order the restoration of license to any person as authorized by
5 G.S. 84-32, it shall be the duty of the Board of Law Examiners to issue a written license to the
6 person, noting thereon that the license is issued in compliance with an order of the Council,
7 whether the license to practice law was issued by the Board of Law Examiners or the Supreme
8 Court in the first instance.

9 Appeals from the Board shall be had in accordance with rules or procedures as may be
10 approved by the Supreme Court as may be submitted under G.S. 84-21 or as may be
11 promulgated by the Supreme Court."

12 **SECTION 48.(a)** G.S. 90-94(3), as amended by S.L. 2015-162, reads as rewritten:

13 "(3) Synthetic cannabinoids. – Any quantity of any synthetic chemical compound
14 that (i) is a cannabinoid receptor agonist and mimics the pharmacological
15 effect of naturally occurring substances or (ii) has a stimulant, depressant, or
16 hallucinogenic effect on the central nervous system that is not listed as a
17 controlled substance in Schedule I through V, and is not an FDA-approved
18 drug. Synthetic cannabinoids include, but are not limited to, the substances
19 listed in sub-subdivisions a. through j.p. of this subdivision and any
20 substance that contains any quantity of their salts, isomers (whether optical,
21 positional, or geometric), homologues, and salts of isomers and homologues,
22 unless specifically excepted, whenever the existence of these salts, isomers,
23 homologues, and salts of isomers and homologues is possible within the
24 specific chemical designation. The following substances are examples of
25 synthetic cannabinoids and are not intended to be inclusive of the substances
26 included in this Schedule:

27"

28 **SECTION 48.(b)** This section becomes effective December 1, 2015.

29 **SECTION 49.** G.S. 97-2(2) reads as rewritten:

30 **"§ 97-2. Definitions.**

31 When used in this Article, unless the context otherwise requires:

32 ...
33 (2) Employee. – The term "employee" means every person engaged in an
34 employment under any appointment or contract of hire or apprenticeship,
35 express or implied, oral or written, including aliens, and also minors,
36 whether lawfully or unlawfully employed, but excluding persons whose
37 employment is both casual and not in the course of the trade, business,
38 profession, or occupation of his employer, and as relating to those so
39 employed by the State, the term "employee" shall include all officers and
40 employees of the State, including such as are elected by the people, or by the
41 General Assembly, or appointed by the Governor to serve on a per diem,
42 part-time or fee basis, either with or without the confirmation of the Senate;
43 as relating to municipal corporations and political subdivisions of the State,
44 the term "employee" shall include all officers and employees thereof,
45 including such as are elected by the people. The term "employee" shall
46 include members of the North Carolina National Guard while on State active
47 duty under orders of the Governor and members of the North Carolina State
48 Defense Militia while on State active duty under orders of the Governor. The
49 term "employee" shall include deputy sheriffs and all persons acting in the
50 capacity of deputy sheriffs, whether appointed by the sheriff or by the
51 governing body of the county and whether serving on a fee basis or on a

1 salary basis, or whether deputy sheriffs serving upon a full-time basis or a
2 part-time basis, and including deputy sheriffs appointed to serve in an
3 emergency, but as to those so appointed, only during the continuation of the
4 emergency. The sheriff shall furnish to the board of county commissioners a
5 complete list of all deputy sheriffs named or appointed by him immediately
6 after their appointment and notify the board of commissioners of any
7 changes made therein promptly after such changes are made. Any reference
8 to an employee who has been injured shall, when the employee is dead,
9 include also the employee's legal representative, dependents, and other
10 persons to whom compensation may be payable: Provided, further, that any
11 employee, as herein defined, of a municipality, county, or of the State of
12 North Carolina, while engaged in the discharge of the employee's official
13 duty outside the jurisdictional or territorial limits of the municipality, county,
14 or the State of North Carolina and while acting pursuant to authorization or
15 instruction from any superior officer, shall have the same rights under this
16 Article as if such duty or activity were performed within the territorial
17 boundary limits of their employer.

18 ~~Every~~ Except as otherwise provided herein, every executive officer
19 elected or appointed and empowered in accordance with the charter and
20 bylaws of a corporation shall be considered as an employee of such
21 corporation under this Article.

22 Any such executive officer of a corporation may, notwithstanding any
23 other provision of this Article, be exempt from the coverage of the
24 corporation's insurance contract by such corporation's specifically excluding
25 such executive officer in such contract of insurance, and the exclusion to
26 remove such executive officer from the coverage shall continue for the
27 period such contract of insurance is in effect, and during such period such
28 executive officers thus exempted from the coverage of the insurance contract
29 shall not be employees of such corporation under this Article.

30 All county agricultural extension service employees who do not receive
31 official federal appointments as employees of the United States Department
32 of Agriculture and who are field faculty members with professional rank as
33 designated in the memorandum of understanding between the North
34 Carolina Agricultural Extension Service, North Carolina State University, A
35 & T State University, and the boards of county commissioners shall be
36 deemed to be employees of the State of North Carolina. All other county
37 agricultural extension service employees paid from State or county funds
38 shall be deemed to be employees of the county board of commissioners in
39 the county in which the employee is employed for purposes of workers'
40 compensation.

41 The term "employee" shall also include members of the Civil Air Patrol
42 currently certified pursuant to G.S. 143B-1031(a) when performing duties in
43 the course and scope of a State-approved mission pursuant to Subpart C of
44 Part 5 of Article 13 of Chapter 143B of the General Statutes.

45 "Employee" shall not include any person performing voluntary service as
46 a ski patrolman who receives no compensation for such services other than
47 meals or lodging or the use of ski tow or ski lift facilities or any combination
48 thereof.

49 "Employee" shall not include any person elected or appointed and
50 empowered as an executive officer, director, or committee member under the
51 charter, articles, or bylaws of a nonprofit corporation subject to Chapter

1 47A, 47C, 47F, 55A, or 59B of the General Statutes, or any organization
2 exempt from federal income tax under section 501(c)(3) of the Internal
3 Revenue Code, who performs only voluntary service for the nonprofit
4 corporation, provided that the person receives no remuneration for the
5 voluntary service other than reasonable reimbursement for expenses incurred
6 in connection with the voluntary service. When a nonprofit corporation as
7 described herein employs one or more persons who do receive remuneration
8 other than reasonable reimbursement for expenses, then any volunteer
9 officers, directors, or committee members excluded from the definition of
10 "employee" by operation of this paragraph shall be counted as employees for
11 the sole purpose of determining the number of persons regularly employed
12 in the same business or establishment pursuant to G.S. 97-2(1). Other than
13 for the limited purpose of determining the number of persons regularly
14 employed in the same business or establishment, such volunteer nonprofit
15 officers, directors, or committee members shall not be "employees" under
16 the Act. Nothing herein shall prohibit a nonprofit corporation as described
17 herein from voluntarily electing to provide for workers' compensation
18 benefits in the manner provided in G.S. 97-93 for volunteer officers,
19 directors, or committee members excluded from the definition of
20 "employee" by operation of this paragraph. This paragraph shall not apply to
21 any volunteer firefighter, volunteer member of an organized rescue squad, an
22 authorized pickup firefighter when that individual is engaged in emergency
23 fire suppression activities for the North Carolina Forest Service, a duly
24 appointed and sworn member of an auxiliary police department organized
25 pursuant to G.S. 160A-282, or a senior member of the State Civil Air Patrol
26 functioning under Subpart C of Part 5 of Article 13 of Chapter 143B of the
27 General Statutes, even if such person is elected or appointed and empowered
28 as an executive officer, director, or committee member under the charter,
29 articles, or bylaws of a nonprofit corporation as described herein.

30 Any sole proprietor or partner of a business or any member of a limited
31 liability company may elect to be included as an employee under the
32 workers' compensation coverage of such business if he is actively engaged in
33 the operation of the business and if the insurer is notified of his election to
34 be so included. Any such sole proprietor or partner or member of a limited
35 liability company shall, upon such election, be entitled to employee benefits
36 and be subject to employee responsibilities prescribed in this Article.

37 ~~Employee~~—"Employee" shall include an authorized pickup firefighter of
38 the North Carolina Forest Service of the Department of Agriculture and
39 Consumer Services when that individual is engaged in emergency fire
40 suppression activities for the North Carolina Forest Service. As used in this
41 section, "authorized pickup firefighter" means an individual who has
42 completed required fire suppression training as a wildland firefighter and
43 who is available as needed by the North Carolina Forest Service for
44 emergency fire suppression activities, including immediate dispatch to
45 wildfires and standby for initial attack on fires during periods of high fire
46 danger.

47 It shall be a rebuttable presumption that the term "employee" shall not include any person
48 performing services in the sale of newspapers or magazines to ultimate consumers under an
49 arrangement whereby the newspapers or magazines are to be sold by that person at a fixed price
50 and the person's compensation is based on the retention of the excess of the fixed price over the
51 amount at which the newspapers or magazines are charged to the person."

1 **SECTION 50.** G.S. 97-87(c)(5) reads as rewritten:

2 "(5) If any party disputes the decision of the Commission entered under
3 subdivision (c)(4) of this section, the party may appeal to the full
4 Commission within 10 days of the entry of the decision of the Commission.
5 The nonappealing party may file a response within 10 days of receiving
6 notice of appeal. The notice of appeal shall request one of the following:

7 a. The Commission reconsider the decision entered based on the record
8 and any additional evidence that parties submit with the notice and
9 response.

10 b. A de novo evidentiary hearing before the ~~full~~ Commission."

11 **SECTION 51.** G.S. 97-92 reads as rewritten:

12 "**§ 97-92. Employer's record and report of accidents; records of Commission not open to
13 public; supplementary report upon termination of disability; penalty for
14 refusal to make report; when insurance carrier liable.**

15 ...

16 (d) The said report shall contain the name, nature, and location of the business of the
17 employer and name, age, sex, ~~and wages~~ wages, if available, and occupation of the injured
18 employee, and shall state the date and hour of the accident causing injury, the nature and cause
19 of the injury, and such other information as may be required by the Commission.

20 "

21 **SECTION 52.** G.S. 97-101 reads as rewritten:

22 "**§ 97-101. Collection of fines and penalties.**

23 The Industrial Commission shall have the power by civil action brought in its own name to
24 enforce the collection of any fines or penalties provided by this ~~Article, and fines or penalties~~
25 ~~collected by the Commission shall become a part of the maintenance fund referred to in~~
26 ~~subsection (j) of G.S. 97-100.~~ Article."

27 **SECTION 53.** G.S. 97-200(a) reads as rewritten:

28 "**§ 97-200. Claims administration.**

29 (a) A self-insurer shall not utilize any claims adjuster unless the adjuster is licensed
30 under ~~G.S. 58-33-25,~~ G.S. 58-33-26."

31 **SECTION 54.(a)** G.S. 104E-5, as amended by Section 14.30(v) of S.L. 2015-241,
32 reads as rewritten:

33 "**§ 104E-5. Definitions.**

34 Unless a different meaning is required by the context, the following terms as used in this
35 Chapter shall have the meanings hereinafter respectively ascribed to them:

36 (1) "Agreement materials" means those materials licensed by the State under
37 agreement with the United States Nuclear Regulatory Commission and
38 which include by-product, source or special nuclear materials in a quantity
39 not sufficient to form a critical mass, as defined by the Atomic Energy Act
40 of 1954 as amended.

41 ...

42 (14b) "Secretary" means the Secretary of ~~Environmental Quality, Health and~~
43 Human Resources.

44 "

45 **SECTION 54.(b)** G.S. 104E-7(a), as amended by Section 14.30(u) of S.L.
46 2015-241, reads as rewritten:

47 "**§ 104E-7. Radiation Protection Commission – Creation and powers.**

48 (a) There is hereby created the North Carolina Radiation Protection Commission of the
49 ~~Department of Environmental Quality~~ Department of Health and Human Services with the
50 power to promulgate rules and regulations to be followed in the administration of a radiation
51 protection program. All rules and regulations for radiation protection that were adopted by the

1 Commission for Public Health and are not inconsistent with the provisions of this Chapter shall
2 remain in full force and effect unless and until repealed or superseded by action of the
3 Radiation Protection Commission. The Radiation Protection Commission is authorized:

4"

5 **SECTION 54.(c)** G.S. 104E-15(b), as amended by Section 14.30(u) of S.L.
6 2015-241, reads as rewritten:

7 "**§ 104E-15. Transportation of radioactive materials.**

8 ...

9 (b) The Department is authorized to enter into agreements with the respective federal
10 agencies designed to avoid conflict or duplication of effort ~~and/or conflict~~ in enforcement and
11 inspection activities so that:

- 12 (1) Rules and regulations adopted by the Commission pursuant to this section of
13 this Chapter may be enforced, within their respective jurisdictions, by any
14 authorized representatives of the ~~Department of Environmental~~
15 ~~Quality~~ Department of Health and Human Services and the Department of
16 Transportation, according to mutual understandings between such
17 departments of their respective responsibilities and authorities.

18"

19 **SECTION 54.(d)** G.S. 104E-17, as amended by Section 14.30(v) of S.L. 2015-241,
20 reads as rewritten:

21 "**§ 104E-17. Payments to State and local agencies.**

22 Upon completion of any project or activity stated in G.S. 104E-16(a)(1), and from time to
23 time during any project or activity stated in G.S. 104E-16(a)(2), each State and local agency
24 that has participated by furnishing personnel, equipment or material shall deliver to the
25 Department a record of the expenses incurred by the agency. The amount of incurred expenses
26 shall be disbursed by the Secretary of ~~Environmental Quality~~ Health and Human Resources
27 to each such agency from the Radiation Protection Fund. Upon completion of any project or
28 activity stated in G.S. 104E-16(a)(1), and from time to time during any project or activity stated
29 in G.S. 104E-16(a)(2), the Secretary of ~~Environmental Quality~~ Health and Human Resources
30 shall prepare a statement of all expenses and costs of the project or activity expended by the
31 State and shall make demand for payment upon the person having control over the radioactive
32 materials or the release thereof which necessitated said project or activity. Any person having
33 control over the radioactive materials or the release thereof and any other person causing or
34 contributing to an incident necessitating any project or activity stated in G.S. 104E-16 shall be
35 directly liable to the State for the necessary expenses incurred thereby and the State shall have a
36 cause of action to recover from any or all such persons. If the person having control over the
37 radioactive materials or the release thereof shall fail or refuse to pay the sum expended by the
38 State, the Secretary of ~~Environmental Quality~~ Health and Human Resources shall refer the
39 matter to the Attorney General of North Carolina, who shall institute an action in the name of
40 the State in the Superior Court of Wake County, or in his discretion, in the superior court of the
41 county in which the project or activity was undertaken by the State, to recover such cost and
42 expenses.

43 In any action instituted by the Attorney General under this section, a verified and itemized
44 statement of the expenses incurred by the State in any project or activity stated in G.S. 104E-16
45 shall be filed with the complaint and shall constitute prima facie the amount due the State; and
46 any judgment for the State thereon shall be for such amount in the absence of allegation and
47 proof on the part of the defendant or defendants that the statement of expenses incurred by and
48 the amount due the State is not correct because of an error in:

- 49 (1) Calculating the amount due, or
50 (2) Not properly crediting the account with any cash payment or payments or
51 other satisfaction which may have been made thereon."

1 **SECTION 54.(e)** G.S. 104E-24, as amended by Section 14.30(u) of S.L. 2015-241,
2 reads as rewritten:

3 **"§ 104E-24. Administrative penalties.**

4 (a) The Department may impose an administrative penalty on any person:

- 5 (1) Who fails to comply with this Chapter, any order issued hereunder, or any
6 rules adopted pursuant to this Chapter;
7 (2) Who refuses to allow an authorized representative of the Radiation
8 Protection Commission or the ~~Department of Environmental Quality Health~~
9 and Human Resources a right of entry as provided for in G.S. 104E-11 or
10 impounding materials as provided for in G.S. 104E-14.

11 (b) Each day of a continuing violation shall constitute a separate violation. Such penalty
12 shall not exceed ten thousand dollars (\$10,000) per day. In determining the amount of the
13 penalty, the Department shall consider the degree and extent of the harm caused by the
14 violation. Any person assessed a penalty shall be notified of the assessment by registered or
15 certified mail, and the notice shall specify the reasons for the assessment.

16 (c) Any person wishing to contest a penalty or order issued under this section shall be
17 entitled to an administrative hearing and judicial review in accordance with the procedures
18 outlined in Articles 3, 3A, and 4 of Chapter 150B of the General Statutes.

19 (d) The Secretary may bring a civil action in the superior court of the county in which
20 such violation is alleged to have occurred to recover the amount of administrative penalty
21 whenever a person:

- 22 (1) Who has not requested an administrative hearing fails to pay the penalty
23 within 60 days after being notified of such penalty, or
24 (2) Who has requested an administrative hearing fails to pay the penalty within
25 60 days after service of a written copy of the decision as provided in
26 G.S. 150B-36.

27 (e) The clear proceeds of penalties imposed pursuant to this section shall be remitted to
28 the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

29 **SECTION 55.** G.S. 110-90.2(a1) reads as rewritten:

30 "(a1) No person shall be a child care provider or uncompensated child care provider who
31 has been any of the following:

- 32 (1) Convicted of a misdemeanor or a felony crime involving child neglect or
33 child abuse.
34 (2) Adjudicated a "responsible individual" under
35 ~~G.S. 7B-807(a1)~~-G.S. 7B-311(b).
36 (3) Convicted of a "reportable conviction" as defined under G.S. 14-208.6(4)."

37 **SECTION 56.(a)** G.S. 110-105.5(c), as enacted by S.L. 2015-123, reads as
38 rewritten:

39 "(c) Individuals whose names are listed on the Registry shall not be a caregiver as
40 defined in ~~G.S. 110-105.3(b)(2)~~-G.S. 110-105.3(b)(1) at any licensed child care facility or
41 religious-sponsored child care facility."

42 **SECTION 56.(b)** This section becomes effective January 1, 2016.

43 **SECTION 57.(a)** If House Bill 334, 2015 Regular Session, becomes law,
44 G.S. 115C-112.6(c), as amended by Section 10(a) of that act, reads as rewritten:

45 "(c) Student Continuing Eligibility. – After an eligible student's initial receipt of a
46 scholarship, the Authority shall ensure that the student's continuing eligibility is assessed at
47 least every three years by one of the following:

- 48 (1) The local educational agency. – The local school educational agency shall
49 ~~assess~~offer the opportunity for a three-year reevaluation to determine if the
50 child continues to be a child with a disability who requires special education
51 and verify the outcome on a form to be provided to the Authority. If a parent

1 refuses the opportunity for a three-year reevaluation, the parent shall comply
2 with the LEA's process for opting out of a reevaluation and formally opt out
3 in writing, pursuant to federal law.

- 4 (2) A licensed psychologist with a school psychology focus. – The psychologist
5 shall assess, after review of appropriate medical and educational records, if
6 the education and related services received by the student in the nonpublic
7 school setting have improved the child's educational performance and if the
8 student would continue to benefit from placement in the nonpublic school
9 setting. The psychologist shall verify the outcome of the assessment on a
10 form to be provided to the Authority."

11 **SECTION 57.(b)** This section applies to students required to be assessed on or
12 after January 1, 2015.

13 **SECTION 58.(a)** Article 9C of Chapter 115C of the General Statutes is amended
14 by adding a new section to read:

15 **"§ 115C-150.15. Local superintendent to report deaf and blind children.**

16 It shall be the duty of the local superintendents to report the names and addresses of
17 parents, guardians, or custodians of any deaf or blind children residing within their respective
18 local school administrative units to the directors of the Governor Morehead School for the
19 Blind, the Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf,
20 and the Department of Public Instruction."

21 **SECTION 58.(b)** This section is effective when it becomes law. Local
22 superintendents shall make the first report required under subsection (a) of this section no later
23 than February 1, 2016.

24 **SECTION 59.(a)** G.S. 115C-174.11(c)(4) reads as rewritten:

- 25 "(4) To the extent funds are made available, the State Board of Education shall
26 ~~plan for and require the administration of the ACT test for use a competitive~~
27 ~~bid process to select a nationally norm-referenced college admission test to~~
28 ~~administer to all students in the eleventh grade unless the student has already~~
29 ~~taken a comparable test and scored at or above a level set by the State Board.~~
30 The State Board of Education shall require the administration of an alternate
31 to the ~~ACT-selected nationally norm-referenced college admissions test or~~
32 ~~an alternate to the PLAN-precursor test to the ACT~~ to a student who (i)
33 exhibits severe and pervasive delays in all areas of conceptual, linguistic,
34 and academic development and in adaptive behaviors, including
35 communication, daily living skills, and self-care, (ii) is following the
36 extended content standards of the Standard Course of Study as provided in
37 G.S. 115C-81, or is following a course of study that, upon completing high
38 school, may not lead to admission into a college-level course of study
39 resulting in a college degree, and (iii) has a written parental request for an
40 alternate assessment.

41 The State Board of Education shall ensure that parents of students
42 enrolled in all public schools, including charter and regional schools, have
43 the necessary information to make informed decisions regarding
44 participation in the ~~ACT and the PLAN-precursor test to the ACT-selected~~
45 ~~national norm-referenced test and precursor test.~~

46 ~~Alternate assessment and ACT assessment results~~ Nationally
47 norm-referenced college admissions test and alternate assessment results of
48 students with disabilities shall be included in school accountability reports,
49 including charter and regional schools, provided by the State Board of
50 Education."

51 **SECTION 59.(b)** G.S. 115C-174.22 reads as rewritten:

1 **"§ 115C-174.22. Tools for student learning.**

2 To the extent funds are made available for this purpose, and except as otherwise provided in
3 G.S. 115C-174.11(c)(4), the State Board shall plan for and require the administration of
4 diagnostic tests in the eighth and tenth grades that align to the ACT-nationally norm-referenced
5 college admissions test in order that is selected through a competitive bid process. The results
6 of the tests will be used to help diagnose student learning and provide for students an indication
7 of whether they are on track to be remediation-free at a community college or university."

8 **SECTION 59.(c)** The State Board of Education shall solicit bids through a
9 competitive bid process for a nationally norm-referenced college admission test and precursor
10 test, as required by G.S. 115C-174.11(c)(4), as amended by this section, and G.S. 115C-174.22,
11 as amended by this section. The State Board of Education shall report on the results of the
12 competitive bid process to the Joint Legislative Education Oversight Committee and the Fiscal
13 Research Division no later than February 1, 2016.

14 **SECTION 60.** G.S. 115C-174.26(h) reads as rewritten:

15 "(h) Beginning ~~October 15~~ November 15, 2014, the State Board of Education shall
16 report annually to the Joint Legislative Education Oversight Committee on advanced courses in
17 North Carolina. The report shall include, at a minimum, the following information:

- 18 (1) The North Carolina Advanced Placement Partnership's report to the
19 Department of Public Instruction as required by subsection (g) of this section
20 and the State Board's assessment of that report.
- 21 (2) Number of students enrolled in advanced courses and participating in
22 advanced course examinations, including demographic information by
23 gender, race, and free and reduced-price lunch status.
- 24 (3) Student performance on advanced course examinations, including
25 information by course, local school administrative unit, and school.
- 26 (4) Number of students participating in 10th grade PSAT/NMSQT testing.
- 27 (5) Number of teachers attending summer institutes offered by the North
28 Carolina Advanced Placement Partnership.
- 29 (6) Distribution of funding appropriated for advanced course testing fees and
30 professional development by local school administrative unit and school.
- 31 (7) Status and efforts of the North Carolina Advanced Placement Partnership.
- 32 (8) Other trends in advanced courses and examinations."

33 **SECTION 61.(a)** If House Bill 334, 2015 Regular Session, becomes law,
34 G.S. 115C-218.15 as enacted by Section 6(a) of House Bill 334, reads as rewritten:

35 **"§ 115C-218.15. Charter school operation.**

36 (a) A charter school that is approved by the State shall be a public school within the
37 local school administrative unit in which it is located. All charter schools shall be accountable
38 to the State Board for ensuring compliance with applicable laws and the provisions of their
39 charters.

40 (b) A charter school shall be operated by a private nonprofit corporation that shall have
41 received federal tax-exempt status no later than 24 months following final approval of the
42 application. The board of directors of the charter schools shall adopt a conflict of interest and
43 anti-nepotism policy that includes, at a minimum, the following:

- 44 (1) The requirements of Chapter 55A of the General Statutes related to conflicts
45 of interest.
- 46 (2) A requirement that before any immediate family, as defined in
47 G.S. 115C-12.2, of any member of the board of directors or a charter school
48 employee with supervisory authority shall be employed or engaged as an
49 employee, independent contractor, or otherwise by the board of directors in
50 any capacity, employee or independent contractor, such proposed
51 employment or engagement shall be (i) disclosed to the board of directors

1 and (ii) approved by the board of directors in a duly called open-session
2 meeting. ~~The burden of disclosure of such a conflict of interest shall be on~~
3 ~~the applicable board member or employee with supervisory authority. The~~
4 board of directors shall require prospective employees or independent
5 contractors to disclose relationships to any immediate family member
6 employed by the charter school or board of directors or serving on the board
7 of directors. If the requirements of this subsection are complied with, the
8 charter school may employ immediate family of any member of the board of
9 directors or a charter school employee with supervisory authority. ~~For the~~
10 purposes of this section, an independent contractor is an individual who
11 derives a direct benefit from the contract in one of the following ways: (i)
12 has more than a ten percent (10%) ownership or other interest in an entity
13 that is a party to the contract; (ii) derives any income or commission directly
14 from the contract; or (iii) acquires property under the contract.

- 15 (3) A requirement that a person shall not be disqualified from serving as a
16 member of a charter school's board of directors because of the existence of a
17 conflict of interest, so long as the person's actions comply with the school's
18 conflict of interest policy established as provided in this subsection and
19 applicable law.

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

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

28 (e) The board of directors of the private nonprofit corporation operating the charter
29 school may have members who reside outside of the State. However, the State Board of
30 Education may require by policy that a majority of the board of directors and all officers of the
31 board of directors reside within the State."

32 **SECTION 61.(b)** If House Bill 334, 2015 Regular Session, becomes law,
33 G.S. 115C-47(17a), as enacted by Section 6.(b) of House Bill 334, reads as rewritten:

34 "(17a) To adopt anti-nepotism policies. – Local boards of education shall adopt
35 policies requiring that before any immediate family, as defined in
36 G.S. 115C-12.2, of any board of education ~~member or central office staff~~
37 ~~administrator, including directors, supervisors, specialists, staff officers,~~
38 ~~assistant superintendents, area superintendents, superintendents, or~~
39 ~~principals, member, superintendent, principal, or individual paid on the~~
40 salary schedule for central office administrators shall be employed or
41 engaged as an employee, independent contractor, or otherwise by the board
42 of education in any capacity, employee or independent contractor, such
43 proposed employment or engagement shall be (i) disclosed to the board of
44 education and (ii) approved by the board of education in a duly called
45 open-session meeting. ~~The burden of disclosure of such a conflict of interest~~
46 shall be on the applicable board member or central office staff
47 administrator. Local boards of education shall require prospective employees
48 or independent contractors to disclose relationships to any immediate family
49 member employed by or serving on the local board of education. For the
50 purposes of this subdivision, an independent contractor is an individual who
51 derives a direct benefit from a contract in excess of fifty thousand dollars

1 (\$50,000) in one of the following ways: (i) has more than a ten percent
2 (10%) ownership or other interest in an entity that is a party to the contract;
3 (ii) derives any income or commission directly from the contract; or (iii)
4 acquires property under the contract."

5 **SECTION 62.(a)** G.S. 115C-333.1(a) reads as rewritten:

6 "(a) **(Effective until June 30, 2018)** Annual Evaluations. – All teachers who are
7 ~~assigned to schools that are not designated as low performing and who have not been employed~~
8 ~~for at least three consecutive years shall be observed at least three times annually by the~~
9 ~~principal or the principal's designee and at least once annually by a teacher and hold a Standard~~
10 Professional II License shall be observed at least once by the principal or the principal's
11 designee and evaluated at least once annually by a principal. All teachers with career status or
12 on a four year contract who are assigned to schools that are not designated as low performing
13 shall be evaluated annually unless a local board adopts rules that allow teachers with career
14 status or on a four year contract to be evaluated more or less frequently, provided that such
15 rules are not inconsistent with State or federal requirements. All teachers who do not hold a
16 Standard Professional II License shall be observed at least three times by the principal or the
17 principal's designee and at least once annually by a teacher and shall be evaluated once
18 annually by a principal. Local boards also may adopt rules requiring the annual evaluation of
19 nonlicensed employees. A local board shall use the performance standards and criteria adopted
20 by the State Board and may adopt additional evaluation criteria and standards. All other
21 provisions of this section shall apply if a local board uses an evaluation other than one adopted
22 by the State Board."

23 **SECTION 62.(b)** G.S. 115C-333.1(a), as amended by subsection (a) of this
24 section, reads as rewritten:

25 "(a) **(Effective June 30, 2018)** Annual Evaluations. – All teachers who hold a Standard
26 Professional II License shall be observed at least once by the principal or the principal's
27 designee and evaluated once annually by a principal. ~~Who have been employed for three or~~
28 ~~more years employed for three or more years~~ All teachers who do not hold a Standard
29 Professional II License shall be observed at least three times by the principal or the principal's
30 designee and at least once annually by a teacher and shall be evaluated once annually by a
31 principal. Local boards also may adopt rules requiring the annual evaluation of nonlicensed
32 employees. A local board shall use the performance standards and criteria adopted by the State
33 Board and may adopt additional evaluation criteria and standards. All other provisions of this
34 section shall apply if a local board uses an evaluation other than one adopted by the State
35 Board."

36 **SECTION 62.(c)** Subsection (b) of this section becomes effective June 30, 2018.

37 **SECTION 63.(a)** G.S. 115D-12(a), as amended by S.L. 2015-167, reads as
38 rewritten:

39 "(a) Each community college established or operated pursuant to this Chapter shall be
40 governed by a board of trustees consisting of 13 members, or of additional members if selected
41 according to the special procedure prescribed by the third paragraph of this subsection, who
42 shall be selected by the following agencies. No member of the General Assembly may be
43 appointed to a local board of trustees for a community college.

44 Group One – four trustees, elected by the board of education of the public school
45 administrative unit located in the ~~administrative service~~ area of the institution. If there are two
46 or more public school administrative units, whether city or county units, or both, located within
47 the ~~administrative service~~ area, the trustees shall be elected jointly by all of the boards of
48 education of those units, each board having one vote in the election of each trustee, except as
49 provided in G.S. 115D-59. No board of education shall elect a member of the board of
50 education or any person employed by the board of education to serve as a trustee, however, any

1 such person currently serving on a board of trustees shall be permitted to fulfill the unexpired
2 portion of the trustee's current term.

3 Group Two – four trustees, elected by the board of commissioners of the county in
4 which the main campus of the institution is located. Provided, also, if the ~~administrative service~~
5 area of the institution is composed of two or more counties, the board of trustees of the
6 institution may authorize the county commissioners of any county in which the main campus is
7 not located to elect an additional board member. Provided, also, the county commissioners of
8 the county in which the community college has established a satellite campus may elect an
9 additional two members if the board of trustees of the community college agrees. No more than
10 one trustee from Group Two may be a member of a board of county commissioners. Should the
11 boards of education or the boards of commissioners involved be unable to agree on one or more
12 trustees the senior resident superior court judge in the superior court district or set of districts as
13 defined in G.S. 7A-41.1 where the institution is located shall fill the position or positions by
14 appointment.

15 Group Three – four trustees, appointed by the Governor.

16 Group Four – the president of the student government or the chairman of the executive
17 board of the student body of each community college established pursuant to this Chapter shall
18 be an ex officio nonvoting member of the board of trustees of each said institution."

19 **SECTION 63.(b)** This section applies only to Beaufort County Community
20 College.

21 **SECTION 64.** G.S. 115D-39.1(a) reads as rewritten:

22 "(a) Notwithstanding the provisions of ~~G.S. 115D-39.1(a)~~, G.S. 115D-39(a), a
23 community college may, with the approval of the State Board of Community Colleges:

- 24 (1) Implement a tuition surcharge of up to thirty-three and one-third percent (33
25 1/3%) of the statewide tuition rate to fund a new instructional program that
26 is necessary to attract industry to the area, and
- 27 (2) Use the proceeds of an endowed scholarship, consistent with the terms of the
28 endowment, to offset the cost of the tuition charge."

29 **SECTION 65.** G.S. 116-11 is amended by adding a new subsection to read:

30 "**§ 116-11. Powers and duties generally.**

31 The powers and duties of the Board of Governors shall include the following:

32 ...

33 (13b) The Board of Governors or the President may, notwithstanding G.S. 114-2.3,
34 G.S. 147-17, or any other provision of law, engage the services of and fix the compensation for
35 private counsel with pertinent expertise in any matter in which The University of North
36 Carolina or one or more of the constituent institutions is interested, including any case or
37 proceeding in or before any court or agency of this State or any other state or the United States,
38 so long as the Attorney General concurs that the University would benefit from the assistance
39 of private counsel. The President may enter into such agreements with the Attorney General as
40 may be necessary or appropriate to the representation of the University's interests in litigation,
41 including agreements providing for authority to resolve litigation. Private counsel engaged
42 under this provision shall be paid from the University's existing resources and the President
43 shall annually report the costs of engagements of private counsel authorized by this subsection
44 to the Board. The provisions of this subsection shall be implemented consistent with policies
45 established by the Board of Governors."

46 **SECTION 66.(a)** G.S. 116-209.52 reads as rewritten:

47 "**§ 116-209.52. Definitions.**

48 The following definitions apply in this Part:

- 49 (a)(1) Academic Year. – Any period of 365 days beginning with the first day of
50 enrollment for a course of instruction. The annual enrollment period used by
51 the Authority.

1 ~~(a1) Business or Trade School. — Any school within the State of North Carolina which is~~
2 ~~licensed by the State Board of Education and listed by that Board as an approved private~~
3 ~~business school or an approved private trade school.~~

4 ~~(b)(2)~~ Private Educational Institutions. — Any junior college, senior college or
5 university which is operated and governed by private interests not under the
6 control of the federal, State or any local government, which is located within
7 and licensed by the State of North Carolina, which does not operate for
8 profit, whose curriculum is primarily directed toward the awarding of
9 associate, baccalaureate or graduate degrees, which agrees to the applicable
10 administration and funding provisions of this Part.

11 (3) Proprietary School. — An educational institution that is (i) defined as a
12 proprietary school in G.S. 115D-87(2), (ii) licensed by the State Board of
13 Community Colleges, and (iii) listed by the North Carolina State Approving
14 Agency for Veterans and Military Education as an approved proprietary
15 school for purposes of this Part.

16 ~~(c) Repealed by Session Laws 2010-31, s. 17.3(c), effective July 1, 2010.~~

17 ~~(d)(4)~~ State Educational Institutions. — Any of the constituent institutions of the
18 University of North Carolina, or any community college operated under the
19 provisions of Chapter 115D of the General Statutes of North Carolina.

20 ~~(e) Repealed by Session Laws 2008-94, s. 2, effective July 1, 2008.~~

21 ~~(f)(5)~~ Student Loan. — A loan or loans made to eligible students or parents of
22 students to aid in attaining an education beyond the high school level."

23 **SECTION 66.(b)** G.S. 116-209.54 reads as rewritten:

24 "**§ 116-209.54. Eligibility.**

25 (a) Active members of the North Carolina National Guard who are enrolled or who
26 shall enroll in any ~~business or trade school, proprietary school,~~ private educational institution, or
27 State educational institution shall be eligible to apply for this tuition assistance benefit:
28 Provided, that the applicant has a minimum obligation of two years remaining as a member of
29 the North Carolina National Guard from the end of the academic period for which tuition
30 assistance is provided or that the applicant commit himself or herself to extended membership
31 for at least two additional years from the end of that academic period.

32 (b) This tuition assistance benefit shall be applicable to students in the following
33 categories:

- 34 (1) Students seeking to achieve completion of their secondary school education
35 at a community college or technical institute.
- 36 (2) Students seeking trade or vocational training or education.
- 37 (3) Students seeking to achieve a two-year associate degree.
- 38 (4) Students seeking to achieve a four-year baccalaureate degree.
- 39 (5) Students seeking to achieve a graduate degree.
- 40 (6) Students enrolled in a program granting a graduate certificate.

41 (c) The following persons shall be eligible to apply for disbursements to pay
42 outstanding student loans pursuant to G.S. 116-209.55(g):

- 43 (1) Persons described in subsections (a) and (b) of this section.
- 44 (2) Active members of the North Carolina National Guard who were previously
45 enrolled in any ~~business or trade school, proprietary school,~~ private
46 educational institution, or State educational institution, but only if:
 - 47 a. The applicant has a minimum obligation of two years remaining as a
48 member of the North Carolina National Guard from the time of the
49 application; or
 - 50 b. The applicant commits himself or herself to extended membership
51 for at least two additional years from the time of the application."

1 **SECTION 66.(c)** G.S. 116-209.55 reads as rewritten:

2 "**§ 116-209.55. Administration and funding.**

3 (a) The Authority is charged with the administration of the tuition assistance program
4 under this Part.

5 (b) The Authority shall determine the eligibility of applicants, select the benefit
6 recipients, establish the effective date of the benefit, and may suspend or revoke the benefit if
7 the Authority finds that the recipient does not maintain an adequate academic status, or if the
8 recipient engages in riots, unlawful demonstrations, the seizure of educational buildings, or
9 otherwise engages in disorderly conduct, breaches of the peace, or unlawful assemblies. The
10 Authority shall maintain such records and shall promulgate such rules and regulations as the
11 Authority deems necessary for the orderly administration of this program. The Authority may
12 require of ~~business or trade schools~~ proprietary schools or State or private educational
13 institutions such reports and other information as the Authority may need to carry out the
14 provisions of this Part and the Authority shall disburse benefit payments for recipients upon
15 certification of enrollment by the enrolling institutions.

16 (c) All tuition benefit disbursements shall be made to the ~~business or trade school~~
17 proprietary school or State or private educational institution concerned, for credit to the tuition
18 account of each recipient. Funds disbursed pursuant to subsection (g) of this section shall be
19 made to the student loan creditor concerned to be applied against the outstanding student loans
20 of each North Carolina National Guard member beneficiary.

21 (d) The participation by any ~~business or trade school~~ proprietary school or private
22 educational institution in this program shall be subject to the applicable provisions of this Part
23 and to examination by the State Auditor of the accounts of the benefit recipients attending or
24 having attended such private schools or institutions. The Authority may defer making an award
25 or may suspend an award in any ~~business or trade school~~ proprietary school or private
26 educational institution which does not comply with the provisions of this Part relating to said
27 institutions. The manner of payment to any ~~business or trade school~~ proprietary school or
28 private educational institution shall be as prescribed by the Authority.

29 (e) Irrespective of other provisions of this Part, the Authority may prescribe special
30 procedures for adjusting the accounts of benefit recipients who, for reasons of illness, physical
31 inability to attend classes or for other valid reason satisfactory to the Authority, may withdraw
32 from any ~~business or trade school~~ proprietary school or State or private educational institution
33 prior to the completion of the term, semester, quarter or other academic period being attended
34 at the time of withdrawal.

35 (f) Any balance of the monetary educational assistance grant up to the maximum for
36 the academic year remaining after tuition is paid pursuant to subsection (c) of this section may
37 be disbursed to the recipient as reimbursement for required course books and materials. The
38 manner of obtaining the reimbursement payment for these required books and materials shall
39 be as prescribed by the Authority.

40 (g) Any funds not needed to accomplish the other purposes of this Part may be used to
41 help members of the North Carolina National Guard repay outstanding student loans in
42 accordance with rules to be adopted by the Authority. These rules shall provide that the length
43 of a member's deployment may be considered in determining whether or not, and in what
44 amount, a member receives assistance pursuant to this subsection. There shall be no
45 reimbursement under this subsection for payments already made on student loans, and funds
46 shall not be provided under this subsection for the purpose of paying student loans obtained for
47 courses from which the member withdrew or for which the member did not receive a passing
48 grade. Payments for outstanding loans shall not exceed the maximum benefit available under
49 G.S. 116-209.53."

50 **SECTION 67.(a)** Article 29 of Chapter 116 of the General Statutes is amended by
51 adding a new section to read:

1 **"§ 116-235.5. Advanced courses.**

2 (a) Students enrolled in the North Carolina School of Science and Mathematics or in
3 high school courses at the North Carolina School of the Arts shall have access to and shall be
4 encouraged to enroll in and successfully complete more rigorous advanced courses to enable
5 success in postsecondary education. For the purposes of this section, an advanced course is an
6 Advanced Placement or International Baccalaureate Diploma Programme course.

7 (b) To attain this goal, to the extent funds are made available for this purpose, students
8 shall be exempt from paying any fees for administration of examinations for advanced courses
9 and registration fees for advanced courses in which the student is enrolled regardless of the
10 score the student achieves on an examination.

11 (c) If funds are appropriated for advanced courses, the State Board of Education shall
12 reimburse The University of North Carolina for fees for advanced courses for students enrolled
13 in the North Carolina School of Science and Mathematics or in high school courses at the North
14 Carolina School of the Arts as provided in subsection (b) of this section."

15 **SECTION 67.(b)** G.S. 116-69 reads as rewritten:

16 **"§ 116-69. Purpose of school program.**

17 The primary purpose of the school shall be the professional training, as distinguished from
18 liberal arts instruction, of talented students in the fields of music, drama, the dance, and allied
19 performing arts, at both the high school and college levels of instruction, with emphasis placed
20 upon performance of the arts, and not upon academic studies of the arts. The said school may
21 also offer high school and college instruction in academic subjects, including advanced courses
22 as provided in G.S. 116-235.5, and such other programs as are deemed necessary to meet the
23 needs of its students and of the State, consistent with appropriations made and gifts received
24 therefor, and may cooperate, if it chooses, with other schools which provide such courses of
25 instruction. The school, on occasion, may accept elementary grade students of rare talent, and
26 shall arrange for such students, in cooperation with an elementary school, a suitable educational
27 program."

28 **SECTION 68.** G.S. 120-11.1 reads as rewritten:

29 **"§ 120-11.1. Time of meeting.**

30 The regular session of the Senate and House of Representatives shall be held biennially
31 beginning at 9:00 A.M. 12:00 noon on the second Wednesday in January next after their
32 election, and on that day they shall meet solely to elect officers, adopt rules, and otherwise
33 organize the session. When they adjourn that day, they stand adjourned until 12:00 noon on the
34 third Wednesday after the second Monday in January next after their election."

35 **SECTION 69.(a)** G.S. 120-76(10) is repealed.

36 **SECTION 69.(b)** Subdivision (4) of Section 1.2(a) of S.L. 2011-291 is repealed.

37 **SECTION 70.** G.S. 130A-33.31 reads as rewritten:

38 **"§ 130A-33.31. Commission of Anatomy – Members; selection; term; chairman; quorum;**
39 **meetings.**

40 (a) The Commission of Anatomy shall consist of ~~five~~six members, one representative
41 from the field of mortuary science, and one each from The University of North Carolina School
42 of Medicine, East Carolina University School of Medicine, Duke University School of
43 Medicine, ~~and~~ Bowman Gray School of ~~Medicine~~Medicine, and Campbell University School
44 of Osteopathic Medicine. The dean of each school shall make recommendations and the
45 Secretary shall appoint from such recommendations a member to the Commission. The
46 president of the State Board of Funeral Service shall appoint the representative from the field of
47 mortuary science to the Commission. The members shall serve terms of four years except two
48 of the original members shall serve a term of one year, one shall serve a term of two years, one
49 shall serve a term of three years, and one shall serve a term of four years. The Secretary shall
50 determine the terms of the original members.

1 (b) Any appointment to fill a vacancy on the Commission created by the resignation,
2 dismissal, death, or disability of a member shall be for the balance of the unexpired term.

3 (c) The Secretary shall remove any member of the Commission from office for
4 misfeasance, malfeasance or nonfeasance.

5 (d) The Commission shall elect a chair annually from its own membership.

6 (e) A majority of the Commission shall constitute a quorum for the transaction of
7 business.

8 (f) The Commission shall meet at any time and place within the State at the call of the
9 chair or upon the written request of three members.

10 (g) All clerical and other services required by the Commission shall be supplied by the
11 Secretary."

12 **SECTION 71.** G.S. 131E-21 reads as rewritten:

13 **"§ 131E-21. Conflict of interest.**

14 (a) No commissioner or employee of the hospital authority or that person's spouse shall
15 do either of the following:

16 (1) Acquire any interest, direct or indirect, in any hospital facility or in any
17 property included or planned to be included in a hospital facility.

18 (2) Have any interest, direct or indirect, in any contract or proposed contract for
19 materials or services to be furnished or used in connection with any hospital
20 facility, except an employment contract for an employee. The foregoing
21 restriction shall not apply to any contract, undertaking, or other transaction
22 with a bank or banking institution, savings and loan association or public
23 utility in the regular course of its business; Provided that any such contract,
24 undertaking, or other transaction shall be authorized by the commissioners
25 by specific resolution on which no commissioner having an interest, direct or
26 indirect, shall vote.

27 (b) The fact that a person or that person's spouse owns ten percent (10%) or less stock
28 of a corporation or has a ten percent (10%) or less ownership in any other business entity or is
29 an employee of that corporation or other business entity does not make the person have an
30 "interest, direct or indirect" as this phrase is used in subsection (a) of this section; provided that,
31 in order for the exception to apply, the contract, undertaking or other transaction shall be
32 authorized by the commissioners by specific resolution on which no commissioner or employee
33 having an interest, direct or indirect, shall vote.

34 (c) If a commissioner or employee of an authority or that person's spouse owns or
35 controls an interest, direct or indirect, in any property included or planned to be included in any
36 hospital facility, the commissioner or employee shall immediately disclose the same in writing
37 to the authority and the disclosure shall be entered upon the minutes of the authority. Failure to
38 disclose shall constitute misconduct in office and shall be grounds for a commissioner's
39 removal from office under G.S. 131E-22.

40 (c1) Subsection (a) of this section shall not apply if the commissioner or employee is not
41 involved in making or administering the contract. A commissioner or employee is involved in
42 administering a contract if the commissioner or employee oversees the performance of or
43 interprets the contract. A commissioner or employee is involved in making a contract if the
44 commissioner or employee participates in the development of specifications or terms or in the
45 preparation or award of the contract. A commissioner or employee is not involved in making or
46 administering a contract solely because of the performance of ministerial duties related to the
47 contract. A commissioner is also involved in making a contract if the hospital authority takes
48 action on the contract, whether or not the commissioner actually participates in that action,
49 unless the contract is approved under an exception to this section under which the
50 commissioner is allowed to benefit and is prohibited from voting.

1 (d) Subsection (a) of this section shall not apply to any commissioner of a hospital
2 authority if (i) the undertaking or contract or series of undertakings or contracts between the
3 hospital authority and one of its officials is approved by specific resolution of the governing
4 body adopted in an open and public meeting and recorded in its minutes and the amount does
5 not exceed twelve thousand five hundred dollars (\$12,500) for medically related services and
6 twenty-five thousand dollars (\$25,000) for other goods or services within a 12-month period;
7 and (ii) the official entering into the contract or undertaking with the hospital authority does not
8 in an official capacity participate in any way or vote.

9 (e) Subsection (a) of this section shall not apply to any employment relationship
10 between a hospital authority and the spouse of a commissioner of the hospital authority.

11 (f) A contract entered into in violation of this section is void. A contract that is void
12 under this section may continue in effect until an alternative can be arranged when: (i)
13 immediate termination would result in harm to the public health or welfare, and (ii) the
14 continuation is approved as provided in this subsection. A hospital authority that is a party to
15 the contract may request approval to continue contracts under this subsection from the
16 chairman of the Local Government Commission. Approval of continuation of contracts under
17 this subsection shall be given for the minimum period necessary to protect the public health or
18 welfare."

19 **SECTION 72.(a)** G.S. 136-200.2(k) reads as rewritten:

20 "(k) All individuals with voting authority serving on an MPO who are members of the
21 Board of Transportation shall comply with Chapter 138A of the General Statutes and
22 ~~G.S. 143A-350~~ G.S. 143B-350 while serving on the MPO."

23 **SECTION 72.(b)** G.S. 136-211(k) reads as rewritten:

24 "(k) All individuals with voting authority serving on a rural transportation planning
25 organization who are members of the Board of Transportation shall comply with Chapter 138A
26 of the General Statutes and ~~G.S. 143A-350~~ G.S. 143B-350 while serving on the rural
27 transportation planning organization."

28 **SECTION 73.** G.S. 136-222 reads as rewritten:

29 "**§ 136-222. Commission established; appointment and terms of members;**
30 **~~chairman;cochairs; reports; commission funds; staff.~~**

31 (a) Commission established. – The Virginia-North Carolina High-Speed Rail Compact
32 Commission is hereby established as a regional instrumentality and a common agency of each
33 signatory party, empowered in a manner hereinafter to carry out the purposes of the Compact.

34 (b) Members, terms. – The Virginia members of the Commission shall be appointed as
35 follows: three members of the House of Delegates, appointed by the Speaker of the House of
36 Delegates, and two members of the Senate, appointed by the Senate Committee on Rules. The
37 North Carolina members of the Commission shall be composed of five members as follows:
38 two members of the Senate appointed by the General Assembly upon recommendation of the
39 President Pro Tempore of the Senate, two members of the House of Representatives appointed
40 by the General Assembly upon recommendation of the Speaker of the House of
41 Representatives, and one appointed by the Governor.

42 (c) ~~Chair. – The chair of the Commission shall be chosen by the members of the~~
43 ~~Commission from among its membership for a term of one year and shall alternate between the~~
44 ~~member states.~~ Cochairs. – A cochair to the Commission shall be chosen by the Virginia
45 members of the Commission from among its Virginia membership for a term of one year. A
46 cochair to the Commission shall be chosen by the North Carolina members of the Commission
47 from among its North Carolina membership for a term of one year.

48 (d) Meetings and reports. – The Commission shall meet at least twice each year, at least
49 once in Virginia and once in North Carolina, and shall issue a report of its activities each year.

1 (e) Funds. – The Commission may utilize, for its operation and expenses, funds
2 appropriated to it therefore by the legislatures of Virginia and North Carolina, or received from
3 federal sources.

4 (f) Expenses of Members. – Virginia members of the Commission shall receive
5 compensation and reimbursement for expenses in accordance with the applicable laws of that
6 state. North Carolina members of the Commission shall receive per diem, subsistence, and
7 travel allowances in accordance with G.S. 120-31, 138-5, or 138-6, as appropriate.

8 (g) Staff. – Primary staff to the Commission shall be provided by the Virginia
9 Department of Rail and Public Transportation and the North Carolina Department of
10 Transportation."

11 **SECTION 74.** G.S. 140-5.13(b) reads as rewritten:

12 "(b) The Board of Trustees of the North Carolina Museum of Art shall consist of 25
13 members, chosen as follows:

14 (1) The Governor shall appoint 13 members, one from each congressional
15 district in the State in accordance with ~~G.S. 147-12(3b);~~G.S. 147-12(3b).

16 (2) Repealed by Session Laws 2012-120, s. 1(e), effective October 1, 2012.

17 (3) The North Carolina Museum of Art Foundation, Incorporated, shall elect
18 four ~~members;~~members.

19 (4) The Board of Trustees of the North Carolina Museum of Art shall elect four
20 ~~members;~~members.

21 (5) The General Assembly shall appoint four members, two upon the
22 recommendation of the Speaker of the House of Representatives, and two
23 upon the recommendation of the President Pro Tempore of the Senate in
24 accordance with ~~G.S. 120-121;~~G.S. 120-121.

25 (6) Repealed by Session Laws 1981 (Regular Session, 1982), c. 1191, s. 49.

26 All regular appointments or elections except those by the General Assembly shall be for terms
27 of six years, except that each member shall serve until the member's successor is chosen and
28 qualifies. No person may be appointed or elected to more than two consecutive terms of six
29 years. All regular appointments by the General Assembly shall be for ~~the then current~~
30 ~~legislative term, and no appointee of the General Assembly may be appointed to more than two~~
31 ~~consecutive terms of two four years."~~

32 **SECTION 75.(a)** G.S. 143-136(c), as enacted by S.L. 2015-145, reads as rewritten:

33 "(c) Residential Code Committee Created; Duties. – Within the Building Code Council,
34 there is hereby created a Residential Code for One- and Two-Family Dwellings Committee
35 composed of seven members of the Building Code Council, specifically the licensed general
36 contractor specializing in residential construction who shall serve as chairman of this
37 committee; the licensed general contractor specializing in coastal residential construction; the
38 licensed engineer practicing structural engineering; the licensed plumbing and heating
39 contractor; the fire service representative; the municipal or county building inspector; and the
40 licensed electrical contractor. This committee shall meet upon the call of its chairman to review
41 any proposal for revision or amendment to the North Carolina State Building Code: Residential
42 Code for One- and Two-Family Dwellings, including provisions applicable to One- and
43 Two-Family Dwellings from the NC Energy Code, NC Electrical Code, NC Fuel Gas Code,
44 NC Plumbing Code, the NC Mechanical Code, and the NC Existing Building Code, and no
45 revision or amendment to any of these codes applicable to residential construction may be
46 considered by the Building Code Council unless recommended by this committee. This
47 committee shall also oversee the process by which the Council conducts its revision pursuant to
48 G.S. 143-138(d). ~~This committee shall also consider any appeal or interpretation arising under~~
49 ~~G.S. 143-141 pertaining to North Carolina State Building Code: Residential Code for One- and~~
50 ~~Two-Family Dwellings and make a recommendation to the Building Code Council for~~
51 ~~disposition of the appeal or interpretation.~~ In considering the recommendations of the

1 committee related to revisions and amendments of the Building Code, nothing in this
2 subsection shall prevent the Building Code Council from accepting, rejecting, or amending the
3 recommendation, provided that any amendment to the recommendation must be germane."

4 **SECTION 75.(b)** G.S. 143-136(d), as enacted by S.L. 2015-145, reads as
5 rewritten:

6 "(d) Building Code Committee Created; Duties. – Within the Building Code Council,
7 there is hereby created a Building Code Committee for all structures except those subject to the
8 North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings.
9 The committee shall be composed of the following nine members of the Building Code
10 Council:

- 11 (1) One of the licensed architects appointed by the chairman of the Building
12 Code Council.
- 13 (2) The licensed engineer practicing mechanical engineering.
- 14 (3) The licensed engineer practicing electrical engineering.
- 15 (4) The licensed engineer practicing structural engineering.
- 16 (5) The municipal elected official.
- 17 (6) The fire service representative.
- 18 (7) The municipal or county building inspector.
- 19 (8) The State agency engineer.
- 20 (9) The licensed general contractor.

21 The chairman of the Building Code Council shall call the first meeting of the Committee, at
22 which meeting the Committee shall elect a chairman from among the members of the
23 Committee as the first order of business. Thereafter, the Committee shall meet upon the call of
24 the chairman to review any proposal for revision or amendment to the North Carolina State
25 Building Code, including provisions applicable to the North Carolina Energy Code, the North
26 Carolina Electrical Code, the North Carolina Fuel Gas Code, the North Carolina Plumbing
27 Code, the North Carolina Mechanical Code, and the North Carolina Existing Building Code,
28 and no revision or amendment to any of these codes applicable to commercial or multi-family
29 construction may be considered by the Building Code Council unless recommended by this
30 committee. This committee shall also oversee the process by which the Council conducts its
31 revision of the codes applicable to commercial or multi-family construction pursuant to
32 G.S. 143-138(d). ~~This committee shall also consider any appeal or interpretation arising under~~
33 ~~G.S. 143-141 pertaining to codes applicable to commercial or multi-family construction and~~
34 ~~make a recommendation to the Building Code Council for disposition of the appeal or~~
35 ~~interpretation.~~ In considering the recommendations of the committee related to revisions and
36 amendments of the Building Code, nothing in this subsection shall prevent the Building Code
37 Council from accepting, rejecting, or amending the recommendation, provided that any
38 amendment to the recommendation must be germane."

39 **SECTION 75.(c)** This section becomes effective October 1, 2015.

40 **SECTION 76.** G.S. 143-166.13 reads as rewritten:

41 "**§ 143-166.13. Persons entitled to benefits under Article.**

42 (a) The following persons who are subject to the Criminal Justice Training and
43 Standards Act are entitled to benefits under this Article:

44 ...

- 45 (20) Sworn State Law-Enforcement Officers with the power of arrest, Industrial
46 Commission Fraud Investigators, Department of Commerce.

47"

48 **SECTION 77.** G.S. 143-548(d1) reads as rewritten:

49 "(d1) Terms of Appointment. –

- 50 (1) Length of Term. – Each member of the Council shall serve for a term of not
51 more than three years, except that:

- 1 a. A member appointed to fill a vacancy occurring prior to the
 2 expiration of the term for which a predecessor was appointed shall be
 3 appointed for the remainder of that ~~term;~~term.
 4 b. The terms of service of the members initially appointed are as
 5 specified by the appointing authority for a fewer number of years as
 6 will provide for the expiration of terms on a staggered basis and shall
 7 include the members of the existing Council to the extent possible
 8 with appropriate adjustments to their ~~terms;~~terms.
 9 c. The appointing authority shall have the power to remove any
 10 member of the Council from office in accordance with the provisions
 11 of ~~G.S. 143B-16; and~~G.S. 143B-16.
 12 d. A member may continue to serve until a successor for the position is
 13 ~~appointed;~~appointed.

14 (2) ~~Number of Terms.—No member of the Council other than the representative~~
 15 ~~of the Client Assistance Program and the representative of the directors of~~
 16 ~~projects carried out under section 121 of the Rehabilitation Act of 1973, 29~~
 17 ~~U.S.C. § 741, as amended, may serve more than two consecutive full terms."~~

18 **SECTION 78.** G.S. 143B-168.12(a)(1) reads as rewritten:

- 19 "(1) The North Carolina Partnership shall have a Board of Directors consisting of
 20 the following 26 members:
 21 a. The Secretary of Health and Human Services, ex officio, or the
 22 Secretary's ~~designee;~~designee.
 23 b. Repealed by Session Laws 1997, c. 443, s. 11A.105.
 24 c. The Superintendent of Public Instruction, ex officio, or the
 25 Superintendent's ~~designee;~~designee.
 26 d. The President of the Community Colleges System, ex officio, or the
 27 President's ~~designee;~~designee.
 28 e. Three members of the public, including one child care provider, one
 29 other who is a parent, and one other who is a board chair of a local
 30 partnership serving on the North Carolina Partnership local
 31 partnership advisory committee, appointed by the General Assembly
 32 upon recommendation of the President Pro Tempore of the
 33 ~~Senate;~~Senate.
 34 f. Three members of the public, including one who is a parent, one
 35 other who is a representative of the faith community, and one other
 36 who is a board chair or designee of the board chair of a local
 37 partnership serving on the North Carolina Partnership local
 38 partnership advisory committee, appointed by the General Assembly
 39 upon recommendation of the Speaker of the House of
 40 ~~Representatives;~~Representatives.
 41 g. Twelve members, appointed by the Governor. Three of these 12
 42 members shall be members of the party other than the Governor's
 43 party, appointed by the Governor. Seven of these 12 members shall
 44 be appointed as follows: one who is a child care provider, one other
 45 who is a pediatrician, one other who is a health care provider, one
 46 other who is a parent, one other who is a member of the business
 47 community, one other who is a member representing a philanthropic
 48 agency, and one other who is an early childhood ~~educator;~~educator.
 49 h. Repealed by Session Laws 1998-212, s. 12.37B(a), effective October
 50 30, 1998.

- 1 h1. The Chair of the North Carolina Partnership Board shall be appointed
2 by the ~~Governor~~; Governor.
- 3 i. Repealed by Session Laws 1998-212, s. 12.37B(a), effective October
4 30, 1998.
- 5 j. One member of the public appointed by the General Assembly upon
6 recommendation of the Majority Leader of the ~~Senate~~; Senate.
- 7 k. One member of the public appointed by the General Assembly upon
8 recommendation of the Majority Leader of the House of
9 ~~Representatives~~; Representatives.
- 10 l. One member of the public appointed by the General Assembly upon
11 recommendation of the Minority Leader of the ~~Senate~~; Senate.
- 12 m. One member of the public appointed by the General Assembly upon
13 recommendation of the Minority Leader of the House of
14 ~~Representatives~~; and Representatives.
- 15 n. The Director of the More at Four Pre-Kindergarten Program, or the
16 Director's designee.

17 All members appointed to succeed the initial members and members
18 appointed thereafter shall be appointed for three-year terms. Members may
19 succeed themselves.

20 All appointed board members shall avoid conflicts of interests and the
21 appearance of impropriety. Should instances arise when a conflict may be
22 perceived, any individual who may benefit directly or indirectly from the
23 North Carolina Partnership's disbursement of funds shall abstain from
24 participating in any decision or deliberations by the North Carolina
25 Partnership regarding the disbursement of funds.

26 All ex officio members are voting members. Each ex officio member
27 may be represented by a designee. These designees shall be voting members.
28 No members of the General Assembly shall serve as members.

29 The North Carolina Partnership may establish a nominating committee
30 and, in making their recommendations of members to be appointed by the
31 General Assembly or by the Governor, the President Pro Tempore of the
32 Senate, the Speaker of the House of Representatives, the Majority Leader of
33 the Senate, the Majority Leader of the House of Representatives, the
34 Minority Leader of the Senate, the Minority Leader of the House of
35 Representatives, and the Governor shall consult with and consider the
36 recommendations of this nominating committee.

37 The North Carolina Partnership may establish a policy on members'
38 attendance, which policy shall include provisions for reporting absences of
39 at least three meetings immediately to the appropriate appointing authority.

40 Members who miss more than three consecutive meetings without
41 excuse or members who vacate their membership shall be replaced by the
42 appropriate appointing authority, and the replacing member shall serve either
43 until the General Assembly and the Governor can appoint a successor or
44 until the replaced member's term expires, whichever is earlier.

45 The North Carolina Partnership shall establish a policy on membership
46 of the local boards. No member of the General Assembly shall serve as a
47 member of a local board. Within these requirements for local board
48 membership, the North Carolina Partnership shall allow local partnerships
49 that are regional to have flexibility in the composition of their boards so that
50 all counties in the region have adequate representation.

1 All appointed local board members shall avoid conflicts of interests and
 2 the appearance of impropriety. Should instances arise when a conflict may
 3 be perceived, any individual who may benefit directly or indirectly from the
 4 partnership's disbursement of funds shall abstain from participating in any
 5 decision or deliberations by the partnership regarding the disbursement of
 6 funds."

7 **SECTION 79.(a)** G.S. 143B-1100(b)(4) reads as rewritten:

8 "(4) Two public members provided by ~~subdivision~~sub-subdivision (a)(1)d. of
 9 this section shall be appointed by the General Assembly upon
 10 recommendation of the Speaker of the House of Representatives and two
 11 public members provided by ~~subdivisions~~sub-subdivision (a)(1)d. of this
 12 section shall be appointed by the General Assembly upon recommendation
 13 of the President Pro Tempore of the Senate."

14 **SECTION 79.(b)** G.S.143B-1100(c) reads as rewritten:

15 "(c) The initial members of the Commission shall be those appointed under subsection
 16 (b) above, which appointments shall be made by March 1, 1977. The terms of the present
 17 members of the Governor's Commission on Law and Order shall expire on February 28, 1977.
 18 Effective March 1, 1977, the Governor shall appoint members, other than those serving by
 19 virtue of their office, to serve staggered terms; seven shall be appointed for one-year terms,
 20 seven for two-year terms, and seven for three-year terms. At the end of their respective terms of
 21 office their successors shall be appointed for terms of three years and until their successors are
 22 appointed and qualified. ~~The Commission members from the House and Senate~~ The public
 23 members appointed pursuant to subdivision (4) of subsection (b) of this section shall serve
 24 two-year terms effective March 1, of each odd-numbered year; ~~and they shall not be~~
 25 ~~disqualified from Commission membership because of failure to seek or attain reelection to the~~
 26 ~~General Assembly, but resignation or removal from office as a member of the General~~
 27 ~~Assembly shall constitute resignation or removal from the Commission.~~ year. Any other
 28 Commission member no longer serving in the office from which ~~he~~the member qualified for
 29 appointment shall be disqualified from ~~membership~~serving on the Commission. Any
 30 appointment to fill a vacancy on the Commission created by the resignation, dismissal, death,
 31 disability, or disqualification of a member shall be for the balance of the unexpired term."

32 **SECTION 80.** Reserved.

33 **SECTION 81.** G.S. 147-86.53(g), as enacted by S.L. 2015-203, reads as rewritten:

34 "(g) Notice for Designated Beneficiary Receiving Medicaid. ~~– Notice of the State's right~~
 35 ~~to file a claim against the estate following the death of a designated beneficiary who received~~
 36 ~~medical assistance must be provided to the personal representative. The notice shall be on a~~
 37 ~~form prescribed by the Department of Health and Human Services, Division of Medical~~
 38 ~~Assistance, and shall explain the following:~~ The ABLÉ account application form approved in
 39 accordance with G.S. 147-86.51(b)(1) shall include notice of the State's right under subsection
 40 (e) of this section to file a claim for payment from a designated beneficiary's ABLÉ account
 41 following the death of a beneficiary who received medical assistance.

42 (1) ~~The types of Medicaid payments subject to a claim against the estate.~~

43 (2) ~~That a claim will not be made if the individual is survived by a legal spouse,~~
 44 ~~a child or children under the age of 21, or a blind or disabled child or~~
 45 ~~children of any age who became blind or disabled before age 21 and still live~~
 46 ~~on the property of the deceased designated beneficiary.~~

47 (3) ~~That a claim against the estate is limited to specified conditions.~~

48 (4) ~~That a claim against the estate may be waived in the case of undue hardship~~
 49 ~~and the procedure for claiming an undue hardship."~~

50 **SECTION 81.5.** If House Bill 373, 2015 Regular Session, becomes law, then
 51 G.S. 163-278.8B, as enacted by Section 3(a) of that act, is rewritten to read:

1 **"§ 163-278.8B. Affiliated party committees.**

2 (a) Each political party caucus of the North Carolina House of Representatives and the
3 North Carolina Senate may establish one separate affiliated party committee to support the
4 election of candidates of that caucus. The affiliated party committee is deemed a political party
5 for purposes of this Article.

6 (b) Each affiliated party committee shall:

7 (1) Adopt bylaws to include, at a minimum, the designation of a treasurer.

8 (2) Conduct campaigns for candidates who are members of the leader's political
9 party or manage daily operations of the affiliated party committee.

10 (3) Establish a bank account.

11 (4) Accept contributions and expend funds.

12 (c) Notwithstanding any other provision of law to the contrary, an affiliated party
13 committee shall be entitled to use the name, abbreviation, and symbol of the political party of
14 its leader.

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

16 (1) "Leader." – Any individual holding any of the following positions until
17 another individual is appointed or elected to fill that position, at which time
18 that newly elected or appointed individual becomes the leader:

19 a. Speaker of the House of Representatives.

20 b. President Pro Tempore of the Senate.

21 c. Minority leader of either house of the General Assembly.

22 d. An individual designated in accordance with the bylaws of the
23 affiliated party committee.

24 (2) "Political party." – As defined in G.S. 163-96."

25 **SECTION 82.** Section 3 of S.L. 2014-15 reads as rewritten:

26 "SECTION 3. Section 2 of this act becomes effective July 1, 2015. The remainder of this
27 act is effective when it becomes law, and the annual identification requirement for local school
28 administrative units applies beginning with the 2015-2016 school year. Beginning in the
29 2016-2017 school year, and annually thereafter, the identification of military-connected
30 students for all local school administrative units shall be completed by January 31 of each
31 school year. Local school administrative units may begin the annual identification of
32 military-connected students using the Uniform Education Reporting System beginning with the
33 2014-2015 school year."

34 **SECTION 83.** Section 9 of S.L. 2014-49 reads as rewritten:

35 "SECTION 9. Section 4 of this act becomes effective July 29, 2013. The remainder of this
36 act is effective when it becomes law, and Sections ~~4 through 7~~ 1, 2, 3, 5, 6, and 7 apply to
37 grants awarded beginning with the 2014-2015 school year."

38 **SECTION 84.** S.L. 2015-13 is amended by adding a new section to read:

39 **"SECTION 3.1. S.L. 1975-95 is repealed."**

40 **SECTION 85.** Section 2 of S.L. 2015-32 reads as rewritten:

41 "SECTION 2. The Joint Legislative ~~Commission~~ Oversight Committee on Justice and
42 Public Safety may study the current State and federal law regarding the authority for State
43 agencies to schedule controlled substances without legislative action and the procedure for that
44 scheduling or rescheduling."

45 **SECTION 86.** Section 7 of S.L. 2015-186 reads as rewritten:

46 "SECTION 7. This act becomes effective December 1, 2015, and applies to ~~convictions~~
47 offenses committed on or after that date. Prosecutions for offenses committed before the
48 effective date of this act are not abated or affected by this act, and the statutes that would be
49 applicable but for this act remain applicable to those prosecutions."

50 **SECTION 86.5.(a)** Section 12A.5(b)(1) of S.L. 2015-241 reads as rewritten:

1 "(1) Beginning immediately upon receipt of the transferred funds, facilitate the
2 following:

3 a. ~~Establishment~~ Establishment, administration, and ongoing support of
4 the successor HIE Network described in subsection (a) of this
5 section. Not later than 30 days after receipt of the transferred funds
6 and notwithstanding any State laws pertaining to contracting
7 procedures or contract review and approval requirements, the State
8 CIO shall negotiate and enter into or amend a contract for services
9 with an effective date no later than 30 days from receipt of the
10 transferred funds. The contract for services shall include provisions
11 to accomplish all of the following:

12 1. The State's transition from the HIE Network established
13 under Article 29A of Chapter 90 of the General Statutes to
14 the successor HIE Network described in subsection (a) of this
15 section.

16 2. Establishment, oversight, administration, and ongoing support
17 for the successor HIE Network described in subsection (a) of
18 this section.

19 3. Initial steps toward implementation of an HIE analytics data
20 warehouse to be used solely for the purposes set forth in
21 G.S. 90-414(a), as enacted by subsection (d) of this section.

22 b. Termination or assignment to the Authority by February 29, 2016, of
23 any contracts pertaining to the HIE Network established under
24 Article 29A of Chapter 90 of the General Statutes (i) between the
25 State and the NC HIE and (ii) between the NC HIE and any third
26 parties.

27 c. Pursuant to G.S. 143B-426.38A, as recodified by Section 7A.2(c) of
28 this act, utilization of existing public-private partnerships and
29 existing data and analytics contracts to do all of the following:

30 1. Ensure the provision of services necessary to accomplish the
31 State's transition from the HIE Network established under
32 Article 29A of Chapter 90 of the General Statutes to the
33 successor HIE Network described in subsection (a) of this
34 section.

35 2. Provide for the integration of health information exchange
36 clinical data, including the implementation of a health
37 information exchange analytics data warehouse, to be used
38 solely for the purposes set forth in G.S. 90-414(a), as enacted
39 by subsection (d) of this section.

40 3. Provide health information exchange stakeholders with access
41 to specific health information exchange analytics in a manner
42 that allows stakeholders to leverage historical and
43 prescriptive data for the purpose of reducing healthcare costs
44 and improving quality and access to care."

45 **SECTION 86.5.(b)** G.S. 90-414.3(9), as enacted by Section 12A.5(d) of S.L.
46 2015-241, reads as rewritten:

47 "(9) HIPAA. – ~~The Sections 261 through 264 of the federal Health Insurance~~
48 Portability and Accountability Act of 1996, P.L. 104-191, as amended, and
49 any federal regulations adopted to implement these sections, as amended."

50 **SECTION 86.5.(c)** G.S. 90-414.9, as enacted by Section 12A.5(d) of S.L.
51 2015-241, reads as rewritten:

1 **"§ 90-414.9. Participation by covered entities.**

2 (a) Each covered entity that ~~elects to participate~~participates in the HIE Network shall
3 enter into a HIPAA compliant business associate agreement described in G.S. 90-414.5(b)(8)
4 and a written participation agreement described in G.S. 90-414.5(b)(6) with the Authority or
5 qualified organization prior to submitting data through or in the HIE Network.

6 (b) Each covered entity that ~~elects to participate~~participates in the HIE Network may
7 authorize its business associates on behalf of the covered entity to submit data through, or
8 access data stored in, the HIE Network in accordance with this Article and at the discretion of
9 the Authority, as provided in G.S. 90-414.5(b)(8).

10 (c) Notwithstanding any State law or regulation to the contrary, each covered entity that
11 ~~elects to participate~~participates in the HIE Network may disclose an individual's protected
12 health information through the HIE Network to other covered entities for any purpose
13 permitted by HIPAA, unless the individual has exercised the right to opt out."

14 **SECTION 86.5.(d)** Section 12A.5 of S.L. 2015-241 is amended by adding a new
15 subsection to read:

16 **"SECTION 12A.5.(f1)** Notwithstanding any provision of this section, covered entities that
17 are required to submit demographic and clinical information through the successor HIE
18 Network described in subsection (a) of this section pursuant to G.S. 90-414.4(b), as enacted by
19 subsection (d) of this section, shall not be required to submit such demographic and clinical
20 information through the successor HIE Network until (i) the State CIO certifies that the HIE
21 Network connection is operational and (ii) the Authority establishes a date for covered entities
22 to begin submitting demographic and clinical information through the operational connection to
23 the HIE Network or by other secure electronic means, as provided in G.S. 90-414.4(b), as
24 enacted by subsection (d) of this section."

25 **SECTION 86.5.(e)** Section 12A.5(g) of S.L. 2015-241 reads as rewritten:

26 **"SECTION 12A.5.(g)** ~~Subsections~~ Except as provided in subsection (f1) of this section,
27 subsections (d) and (e) of this section become effective October 1, 2015. Subsection (f) of this
28 section becomes effective on the date the State Chief Information Officer notifies the Revisor
29 of Statutes that all contracts pertaining to the HIE Network established under Article 29A of
30 Chapter 90 of the General Statutes (i) between the State and the NC HIE, as defined in
31 G.S. 90-413.3, and (ii) between the NC HIE and any third parties have been terminated or
32 assigned to the North Carolina Health Information Exchange Authority established under
33 Article 29B of Chapter 90 of the General Statutes, as enacted by subsection (d) of this section.
34 The remainder of this section becomes effective July 1, 2015."

35 **SECTION 87.(a)** If House Bill 117, 2015 Regular Session, becomes law, Section
36 1(j) of that act reads as rewritten:

37 **"SECTION 1.(j)** Subsections (d) and (h) of this section are effective when this act
38 becomes law. The remainder of this section becomes effective ~~July 1,~~October 1, 2015, and
39 applies to awards made under Part 2G of Article 10 of Chapter 143B of the General Statutes on
40 or after that date."

41 **SECTION 87.(b)** This section is effective when it becomes law.

42 **SECTION 88.** If House Bill 272, 2015 Regular Session, becomes law, Section 2.45
43 of that act reads as rewritten:

44 **"SECTION 2.45.** Michael Walters of ~~Wake~~Robeson County and Franklin Rouse of
45 Brunswick County are appointed to the North Carolina Railroad Company Board of Directors
46 for terms expiring on June 30, 2019."
47

48 **PART III. EFFECTIVE DATE**

49 **SECTION 89.** Except as otherwise provided, this act is effective when it becomes
50 law.