

**STATE OF NORTH CAROLINA**

---

**SESSION LAWS AND RESOLUTIONS**

**PASSED BY THE**

**2001 GENERAL ASSEMBLY**

**AT ITS**

**EXTRA SESSION 2002**

**BEGINNING ON**

**TUESDAY, THE FOURTEENTH DAY OF  
MAY, A.D. 2002**

**AND AT ITS**

**REGULAR SESSION 2002**

**BEGINNING ON**

**WEDNESDAY, THE TWENTY-EIGHTH DAY OF  
MAY, A.D. 2002**

**HELD IN THE CITY OF RALEIGH**

---

**ISSUED BY**

**SECRETARY OF STATE ELAINE F. MARSHALL**

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**PUBLISHED BY AUTHORITY**

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# STATE OF NORTH CAROLINA

## PRESIDING OFFICERS OF THE 2001 GENERAL ASSEMBLY

BEVERLY E. PERDUE (D).....President of the Senate..... Craven  
JAMES B. BLACK (D).....Speaker of the House ..... Mecklenburg

### EXECUTIVE BRANCH

(Offices established by the Constitution, filled by  
election and comprising the Council of State)

MICHAEL F. EASLEY (D).....Governor ..... Wake  
BEVERLY E. PERDUE (D).....Lieutenant Governor ..... Craven  
ELAINE F. MARSHALL (D).....Secretary of State ..... Harnett  
RALPH CAMPBELL, JR (D).....Auditor ..... Wake  
RICHARD H. MOORE (D).....Treasurer ..... Vance  
MICHAEL E. WARD (D).....Superintendent of Public Instruction ..... Wake  
ROY A. COOPER, III (D).....Attorney General..... Nash  
MEG SCOTT PHIPPS (D).....Commissioner of Agriculture ..... Alamance  
CHERIE K. BERRY (R) .....Commissioner of Labor ..... Catawba  
JAMES E. LONG (D).....Commissioner of Insurance ..... Alamance

The political affiliation of each legislator and member of the Council of State listed on this and the following pages is designated Democrat by the abbreviation "D" and designated Republican by the abbreviation "R".

G.S. 147-16.1 authorizes publication of Executive Orders of the Governor in the Session Laws of North Carolina. Executive Orders from Governor Easley are carried in this volume.

## SENATE OFFICERS

| <i>Name</i>                 | <i>Position</i>                 | <i>Address</i>           |
|-----------------------------|---------------------------------|--------------------------|
| BEVERLY E. PERDUE .....     | President .....                 | New Bern, Craven County  |
| MARC BASNIGHT .....         | President Pro Tempore .....     | Manteo, Dare County      |
| FRANK W. BALLANCE, JR. .... | Deputy President Pro Tempore .. | Warrenton, Warren County |
| JANET B. PRUITT .....       | Principal Clerk .....           | Raleigh, Wake County     |
| LEROY CLARK, JR. ....       | Reading Clerk .....             | Wendell, Wake County     |
| CECIL GOINS .....           | Sergeant-at-Arms .....          | Raleigh, Wake County     |

## SENATORS

| <b>District</b> | <b>Name</b>                    | <b>Party</b> | <b>County</b>     | <b>Address</b>   |
|-----------------|--------------------------------|--------------|-------------------|------------------|
| 1               | MARC BASNIGHT .....            | D            | Dare .....        | Manteo           |
| 2               | FRANK W. BALLANCE, JR. ....    | D            | Warren .....      | Warrenton        |
| 3               | SCOTT THOMAS .....             | D            | Craven .....      | New Bern         |
| 4               | PATRICK J. BALLANTINE .....    | R            | New Hanover ..... | Wilmington       |
| 5               | CHARLES W. ALBERTSON .....     | D            | Duplin .....      | Beulaville       |
| 6               | R.L. MARTIN .....              | D            | Pitt .....        | Bethel           |
| 7               | * KEVER CLARK .....            | D            | Onslow .....      | Jacksonville     |
| 8               | JOHN H. KERR III .....         | D            | Wayne .....       | Goldsboro        |
| 9               | ED N. WARREN .....             | D            | Pitt .....        | Greenville       |
| 10              | A.B. SWINDELL IV .....         | D            | Nash .....        | Nashville        |
| 11              | ALLEN H. WELLONS .....         | D            | Johnston .....    | Smithfield       |
| 12              | PHILIP E. BERGER .....         | R            | Rockingham .....  | Eden             |
| 12              | VIRGINIA FOXX .....            | R            | Watauga .....     | Banner Elk       |
| 13              | WIB GULLEY .....               | D            | Durham .....      | Durham           |
| 13              | JEANNE HOPKINS LUCAS .....     | D            | Durham .....      | Durham           |
| 14              | BRAD MILLER .....              | D            | Wake .....        | Raleigh          |
| 14              | ERIC MILLER REEVES .....       | D            | Wake .....        | Raleigh          |
| 15              | OSCAR N. HARRIS .....          | D            | Johnston .....    | Benson           |
| 16              | ELEANOR KINNAIRD .....         | D            | Orange .....      | Carrboro         |
| 16              | HOWARD N. LEE .....            | D            | Orange .....      | Chapel Hill      |
| 17              | AARON W. PLYLER .....          | D            | Union .....       | Monroe           |
| 17              | WILLIAM R. PURCELL .....       | D            | Scotland .....    | Laurinburg       |
| 18              | R.C. SOLES, JR. ....           | D            | Columbus .....    | Tabor City       |
| 19              | ROBERT G. SHAW .....           | R            | Guilford .....    | Greensboro       |
| 20              | HAMILTON C. HORTON, JR. ....   | R            | Forsyth .....     | Winston-Salem    |
| 20              | LINDA GARROU .....             | D            | Forsyth .....     | Winston-Salem    |
| 21              | HUGH WEBSTER .....             | R            | Alamance .....    | Burlington       |
| 22              | FLETCHER L. HARTSELL, JR. .... | R            | Cabarrus .....    | Concord          |
| 23              | CAL CUNNINGHAM .....           | D            | Davidson .....    | Lexington        |
| 24              | ANTHONY E. RAND .....          | D            | Cumberland .....  | Fayetteville     |
| 25              | DAVID W. HOYLE .....           | D            | Gaston .....      | Dallas           |
| 26              | AUSTIN M. ALLRAN .....         | R            | Catawba .....     | Hickory          |
| 27              | JOHN A. GARWOOD .....          | R            | Wilkes .....      | North Wilkesboro |
| 27              | KENNETH R. MOORE .....         | R            | Caldwell .....    | Lenoir           |
| 28              | STEVE METCALF .....            | D            | Buncombe .....    | Asheville        |
| 28              | CHARLES CARTER .....           | D            | Buncombe .....    | Asheville        |
| 29              | DAN ROBINSON .....             | D            | Jackson .....     | Cullowhee        |
| 30              | DAVID F. WEINSTEIN .....       | D            | Robeson .....     | Lumberton        |
| 31              | WILLIAM N. MARTIN .....        | D            | Guilford .....    | Greensboro       |
| 32              | KAY R. HAGAN .....             | D            | Guilford .....    | Greensboro       |
| 33              | CHARLIE SMITH DANNELLY .....   | D            | Mecklenburg ..... | Charlotte        |
| 34              | T. LAFONTINE ODOM, SR. ....    | D            | Mecklenburg ..... | Charlotte        |
| 35              | ROBERT A. RUCHO .....          | R            | Mecklenburg ..... | Matthews         |
| 36              | JOHN H. CARRINGTON .....       | R            | Wake .....        | Raleigh          |
| 37              | WALTER DALTON .....            | D            | Rutherford .....  | Rutherfordton    |
| 38              | STAN BINGHAM .....             | R            | Davidson .....    | Denton           |
| 39              | JAMES FORRESTER .....          | R            | Gaston .....      | Stanley          |
| 40              | DANIEL G. CLODFELTER .....     | D            | Mecklenburg ..... | Charlotte        |
| 41              | LARRY SHAW .....               | D            | Cumberland .....  | Fayetteville     |
| 42              | ROBERT C. CARPENTER .....      | R            | Macon .....       | Franklin         |

\* Appointed June 10, 2002 to replace Luther Henry Jordan, Jr. who died April 23, 2002.

## HOUSE OFFICERS

| <i>Name</i>            | <i>Position</i>          | <i>Address</i>                |
|------------------------|--------------------------|-------------------------------|
| JAMES B. BLACK.....    | Speaker.....             | Matthews, Mecklenburg County  |
| JOE HACKNEY.....       | Speaker Pro Tempore..... | Chapel Hill, Orange County    |
| DENISE G. WEEKS.....   | Principal Clerk.....     | Willow Springs, Wake County   |
| ROBERT R. SAMUELS..... | Sergeant-at-Arms.....    | Charlotte, Mecklenburg County |

## REPRESENTATIVES

| <b>District</b> | <b>Name</b>                  | <b>Party</b> | <b>County</b>    | <b>Address</b>   |
|-----------------|------------------------------|--------------|------------------|------------------|
| 1               | WILLIAM C. OWENS, JR. ....   | D.....       | Pasquotank.....  | Elizabeth City   |
| 2               | ZENO L. EDWARDS, JR. ....    | D.....       | Beaufort.....    | Washington       |
| 3               | ALICE GRAHAM UNDERHILL ..... | D.....       | Craven.....      | New Bern         |
| 4               | JEAN R. PRESTON.....         | R.....       | Carteret.....    | Emerald Isle     |
| 4               | RONALD L. SMITH.....         | D.....       | Carteret.....    | Newport          |
| 5               | HOWARD J. HUNTER, JR. ....   | D.....       | Northampton..... | Winton           |
| 6               | R. EUGENE ROGERS.....        | D.....       | Martin.....      | Williamston      |
| 7               | JOHN D. HALL.....            | D.....       | Halifax.....     | Scotland Neck    |
| 8               | EDITH D. WARREN.....         | D.....       | Pitt.....        | Farmville        |
| 9               | MARIAN N. MCLAWHORN .....    | D.....       | Pitt.....        | Grifton          |
| 10              | RUSSELL E. TUCKER.....       | D.....       | Duplin.....      | Pink Hill        |
| 11              | PHILIP A. BADDOUR, JR. ....  | D.....       | Wayne.....       | Goldsboro        |
| 12              | NURHAM O. WARWICK.....       | D.....       | Sampson.....     | Clinton          |
| 13              | DANIEL F. MCCOMAS.....       | R.....       | New Hanover..... | Wilmington       |
| 14              | DEWEY L. HILL.....           | D.....       | Columbus.....    | Whiteville       |
| 14              | E. DAVID REDWINE.....        | D.....       | Brunswick.....   | Ocean Isle Beach |
| 15              | J. SAMUEL ELLIS.....         | R.....       | Wake.....        | Raleigh          |
| 16              | DOUGLAS Y. YONGUE.....       | D.....       | Scotland.....    | Laurinburg       |
| 17              | MARVIN W. LUCAS.....         | D.....       | Cumberland.....  | Spring Lake      |
| 17              | MARY E. MCALLISTER.....      | D.....       | Cumberland.....  | Fayetteville     |
| 18              | JOHN W. HURLEY.....          | D.....       | Cumberland.....  | Fayetteville     |
| 18              | MIA MORRIS.....              | R.....       | Cumberland.....  | Fayetteville     |
| 19              | A. LESLIE COX, JR. ....      | D.....       | Lee.....         | Sanford          |
| 19              | DONALD S. DAVIS.....         | R.....       | Harnett.....     | Erwin            |
| 20              | BILLY J. CREECH.....         | R.....       | Johnston.....    | Clayton          |
| 21              | DANIEL T. BLUE, JR. ....     | D.....       | Wake.....        | Raleigh          |
| 22              | GORDON P. ALLEN.....         | D.....       | Person.....      | Roxboro          |
| 22              | JAMES W. CRAWFORD, JR. ....  | D.....       | Granville.....   | Oxford           |
| 23              | PAUL LUEBKE.....             | D.....       | Durham.....      | Durham           |
| 23              | HENRY M. MICHAUX, JR. ....   | D.....       | Durham.....      | Durham           |
| 23              | PAUL MILLER.....             | D.....       | Durham.....      | Durham           |
| 24              | JOE HACKNEY.....             | D.....       | Orange.....      | Chapel Hill      |
| 24              | VERLA C. INSKO.....          | D.....       | Orange.....      | Chapel Hill      |
| 25              | CARY D. ALLRED.....          | R.....       | Alamance.....    | Burlington       |
| 25              | E. NELSON COLE.....          | D.....       | Rockingham.....  | Reidsville       |
| 25              | *** W.B. TEAGUE, JR. ....    | R.....       | Alamance.....    | Liberty          |
| 26              | ALMA S. ADAMS.....           | D.....       | Guilford.....    | Greensboro       |
| 27              | JOHN M. BLUST.....           | R.....       | Guilford.....    | Greensboro       |
| 28              | FLOSSIE BOYD-MCINTYRE .....  | D.....       | Guilford.....    | Jamestown        |
| 29              | JOANNE W. BOWIE.....         | R.....       | Guilford.....    | Greensboro       |
| 30              | ARLIE F. CULP.....           | R.....       | Randolph.....    | Ramseur          |
| 31              | RICHARD T. MORGAN.....       | R.....       | Moore.....       | Eagle Springs    |
| 32              | G. WAYNE GOODWIN.....        | D.....       | Richmond.....    | Rockingham       |
| 33              | PRYOR A. GIBSON, III.....    | D.....       | Montgomery.....  | Troy             |
| 34              | FERN SHUBERT.....            | R.....       | Union.....       | Marshville       |
| 35              | LORENE T. COATES.....        | D.....       | Rowan.....       | Salisbury        |
| 36              | JAMES B. BLACK.....          | D.....       | Mecklenburg..... | Matthews         |
| 37              | L. HUGH HOLLIMAN.....        | D.....       | Davidson.....    | Lexington        |
| 38              | HAROLD J. BRUBAKER.....      | R.....       | Randolph.....    | Asheboro         |
| 39              | LYONS GRAY.....              | R.....       | Forsyth.....     | Winston-Salem    |
| 40              | REX L. BAKER.....            | R.....       | Stokes.....      | King             |
| 40              | WILLIAM S. HIATT.....        | R.....       | Surry.....       | Mount Airy       |
| 40              | W. EUGENE WILSON.....        | R.....       | Watauga.....     | Boone            |
| 41              | GEORGE M. HOLMES.....        | R.....       | Yadkin.....      | Hamptonville     |
| 41              | R. TRACY WALKER.....         | R.....       | Wilkes.....      | Wilkesboro       |
| 42              | W. FRANKLIN MITCHELL.....    | R.....       | Iredell.....     | Olin             |

|    |                            |   |              |                |
|----|----------------------------|---|--------------|----------------|
| 43 | MITCHELL S. SETZER         | R | Catawba      | Catawba        |
| 44 | DANIEL W. BAREFOOT         | R | Lincoln      | Lincolnton     |
| 45 | MARK HILTON                | R | Catawba      | Conover        |
| 45 | JOE L. KISER               | R | Lincoln      | Vale           |
| 46 | CHARLES F. BUCHANAN        | R | Mitchell     | Green Mountain |
| 46 | GREGORY J. THOMPSON        | R | Mitchell     | Spruce Pine    |
| 47 | WALTER G. CHURCH, SR.      | R | Burke        | Valdese        |
| 48 | DEBBIE A. CLARY            | R | Cleveland    | Cherryville    |
| 48 | ANDREW DEDMON              | R | Cleveland    | Earl           |
| 48 | JOHN WEATHERLY             | R | Cleveland    | Kings Mountain |
| 49 | MITCH GILLESPIE            | R | McDowell     | Marion         |
| 50 | ** LARRY T. JUSTUS         | R | Henderson    | Hendersonville |
| 51 | MARK F. CRAWFORD           | R | Buncombe     | Black Mountain |
| 51 | MARTIN L. NESBITT, JR.     | D | Buncombe     | Asheville      |
| 51 | WILMA M. SHERRILL          | R | Buncombe     | Asheville      |
| 52 | MARGARET "MARGE" CARPENTER | R | Haywood      | Waynesville    |
| 52 | R. PHILLIP HAIRE           | D | Jackson      | Sylva          |
| 53 | ROGER WEST                 | R | Cherokee     | Marble         |
| 54 | DREW P. SAUNDERS           | D | Mecklenburg  | Huntersville   |
| 55 | W. EDWIN MCMAHAN           | R | Mecklenburg  | Charlotte      |
| 56 | MARTHA B. ALEXANDER        | D | Mecklenburg  | Charlotte      |
| 57 | CONSTANCE K. WILSON        | R | Mecklenburg  | Charlotte      |
| 58 | RUTH M. EASTERLING         | D | Mecklenburg  | Charlotte      |
| 59 | W. PETE CUNNINGHAM         | D | Mecklenburg  | Charlotte      |
| 60 | BEVERLY M. EARLE           | D | Mecklenburg  | Charlotte      |
| 61 | ART POPE                   | R | Wake         | Raleigh        |
| 62 | DAVID M. MINER             | R | Wake         | Cary           |
| 63 | JENNIFER WEISS             | D | Wake         | Cary           |
| 64 | ROBERT J. HENSLEY, JR.     | D | Wake         | Raleigh        |
| 65 | RICK EDDINS                | R | Wake         | Raleigh        |
| 66 | LARRY W. WOMBLE            | D | Forsyth      | Winston-Salem  |
| 67 | WARREN C. OLDHAM           | D | Forsyth      | Winston-Salem  |
| 68 | TRUDI WALEND               | R | Transylvania | Brevard        |
| 69 | JIM GULLEY                 | R | Mecklenburg  | Matthews       |
| 70 | * SHELLY M. WILLINGHAM     | D | Edgecombe    | Rocky Mount    |
| 71 | JOE P. TOLSON              | D | Edgecombe    | Pinetops       |
| 72 | GENE G. ARNOLD             | R | Nash         | Rocky Mount    |
| 73 | P. WAYNE SEXTON, SR.       | R | Rockingham   | Stoneville     |
| 74 | JULIA CRAVEN HOWARD        | R | Davie        | Mocksville     |
| 75 | ALEX WARNER                | D | Cumberland   | Hope Mills     |
| 76 | MICHAEL HARRINGTON         | R | Gaston       | Gastonia       |
| 77 | CAROLYN B. RUSSELL         | R | Wayne        | Goldsboro      |
| 78 | STANLEY H. FOX             | D | Granville    | Oxford         |
| 79 | WILLIAM L. WAINWRIGHT      | D | Craven       | Havelock       |
| 80 | W. ROBERT GRADY            | R | Onslow       | Jacksonville   |
| 81 | JEFF BARNHART              | R | Cabarrus     | Concord        |
| 82 | BOBBY H. BARBEE, SR.       | R | Stanly       | Locust         |
| 83 | W. EUGENE MCCOMBS          | R | Rowan        | Faith          |
| 84 | MICHAEL P. DECKER          | R | Forsyth      | Walkertown     |
| 85 | RONNIE N. SUTTON           | D | Robeson      | Pembroke       |
| 86 | WILLIAM T. CULPEPPER, III  | D | Chowan       | Edenton        |
| 87 | DONALD A. BONNER           | D | Robeson      | Rowland        |
| 88 | THERESA H. ESPOSITO        | R | Forsyth      | Winston-Salem  |
| 89 | MARY L. JARRELL            | D | Guilford     | High Point     |
| 89 | MAGGIE M. JEFFUS           | D | Guilford     | Greensboro     |
| 90 | LINDA P. JOHNSON           | R | Cabarrus     | Kannapolis     |
| 91 | EDGAR V. STARNES           | R | Caldwell     | Granite Falls  |
| 92 | J. RUSSELL CAPPS           | R | Wake         | Raleigh        |
| 93 | JOHN M. RAYFIELD           | R | Gaston       | Belmont        |
| 94 | JERRY C. DOCKHAM           | R | Davidson     | Denton         |
| 95 | N. LEO DAUGHTRY            | R | Johnston     | Smithfield     |
| 96 | EDD NYE                    | D | Bladen       | Elizabethtown  |
| 97 | LARRY M. BELL              | D | Sampson      | Clinton        |
| 98 | THOMAS E. WRIGHT           | D | New Hanover  | Wilmington     |

\* Appointed January 28, 2002 to replace Toby Fitch.  
\*\* Deceased. Carolyn Justus was appointed on November 8, 2002.  
\*\*\* Resigned on December 2, 2002.

# LEGISLATIVE SERVICES COMMISSION

SENATE PRESIDENT PRO TEMPORE MARC BASNIGHT, *COCHAIR*

HOUSE SPEAKER JAMES B. BLACK, *COCHAIR*

SEN. JOHN H. CARRINGTON  
SEN. WALTER DALTON  
SEN. VIRGINIA FOXX  
SEN. R.L. "BOB" MARTIN  
SEN. BRAD MILLER  
SEN. ERIC REEVES  
SEN. LARRY SHAW

REP. GORDON P. ALLEN  
REP. FLOSSIE BOYD-MCINTYRE  
REP. WILLIAM T. CULPEPPER, III  
REP. STANLEY H. FOX  
REP. MARIAN N. MCLAWHORN  
REP. WILMA M. SHERRILL  
REP. JOE P. TOLSON

## LEGISLATIVE SERVICES STAFF DIRECTORS

|                           |  |
|---------------------------|--|
| GEORGE R. HALL, JR. ....  | Legislative Services Officer                 |
| GERRY F. COHEN .....      | Director of the Bill Drafting Division       |
| JAMES D. JOHNSON .....    | Director of the Fiscal Research Division     |
| DENNIS W. MCCARTY .....   | Director of the Information Systems Division |
| TONY C. GOLDMAN .....     | Director of the Administrative Division      |
| TERRENCE D. SULLIVAN..... | Director of the Research Division            |



**SESSION LAWS**  
**OF THE**  
**STATE OF NORTH CAROLINA**

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**EXTRA SESSION 2002**  
**REGULAR SESSION 2002**

---

**H.B. 4**

**Session Law 2002-1**

**2002 Extra Session**

AN ACT TO ESTABLISH HOUSE DISTRICTS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 120-2(a) is rewritten to read:

"(a) For the purpose of nominating and electing members of the North Carolina House of Representatives in 2002 and periodically thereafter; the State of North Carolina shall be divided into the following districts with each district electing one Representative:

District 1: Camden County, Currituck County, Pasquotank County, Gates County: Precinct DISTRICT 4, Precinct DISTRICT 5.

District 2: Chowan County, Dare County, Perquimans County, Tyrrell County, Gates County: Precinct DISTRICT 1, Precinct DISTRICT 2, Precinct DISTRICT 3.

District 3: Pamlico County, Craven County: Precinct TRENT WOODS, Precinct RHEMS: Tract 9604: Block Group 7: Block 7000, Block 7001, Block 7002, Block 7999; Precinct RIVER BEND, Precinct BRIDGETON, Precinct GRANTHAM, Precinct CROATAN: Tract 9610: Block Group 7: Block 7028; Tract 9611: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1037, Block 1038, Block 1039, Block 1040, Block 1997, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2004; Precinct WEST HAVELOCK: Tract 9611: Block Group 1: Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1996; Block Group 2: Block 2029, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2051, Block 2052, Block 2053, Block 2054, Block 2059, Block 2060, Block 2061, Block 2062, Block 2063; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block

3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3998, Block 3999; Tract 9612: Block Group 1: Block 1012, Block 1013, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1995, Block 1996, Block 1997; Tract 9613: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1999; Block Group 4: Block 4001, Block 4023, Block 4024; Block Group 5: Block 5016; Precinct FAIRFIELD HARBOUR, Precinct BRICES CREEK, Precinct EAST HAVELOCK: Tract 9612: Block Group 1: Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019; Tract 9613: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016; Block Group 4: Block 4000, Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, Block 4010, Block 4011, Block 4012, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4025, Block 4026, Block 4027, Block 4028, Block 4029; Block Group 5: Block 5012, Block 5013, Block 5018, Block 5019, Block 5020, Block 5021, Block 5022, Block 5023, Block 5024, Block 5025, Block 5026, Block 5027, Block 5028, Block 5029, Block 5030, Block 5031, Block 5032, Block 5033, Block 5034, Block 5035, Block 5036, Block 5037, Block 5038, Block 5039, Block 5040, Block 5041, Block 5042, Block 5043, Block 5044, Block 5045, Block 5046, Block 5047, Block 5048, Block 5049, Block 5050, Block 5051, Block 5052, Block 5053, Block 5054, Block 5055, Block 5056, Block 5057, Block 5058, Block 5059; Precinct GEORGE STREET: Tract 9604: Block Group 1: Block 1000, Block 1001, Block 1027, Block 1040, Block 1041, Block 1042, Block 1043, Block 1051, Block 1052, Block 1053, Block 1054, Block 1062, Block 1995, Block 1998, Block 1999; Tract 9609: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1007, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1994, Block 1995, Block 1996, Block 1997, Block 1998, Block 1999; Block Group 2: Block 2000, Block 2003, Block 2004, Block 2005, Block 2012, Block 2013, Block 2014; Block Group 3: Block 3000, Block 3001, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3997, Block 3998, Block 3999; Precinct GROVER C FIELDS: Tract 9605: Block Group 4: Block 4009, Block 4010, Block 4011, Block 4012, Block 4013, Block 4014, Block 4032; Tract 9606: Block Group 2: Block 2000, Block 2005, Block 2006; Block Group 3: Block 3006, Block 3007, Block 3008, Block



3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3026, Block 3039, Block 3040, Block 3041; Block Group 4: Block 4013, Block 4014, Block 4018, Block 4019, Block 4020, Block 4021, Block 4026, Block 4027, Block 4028, Block 4029, Block 4030, Block 4031, Block 4032, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037; Tract 9607: Block Group 1: Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023; Block Group 2: Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2023, Block 2024; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020; Precinct H J McDONALD: Tract 9606: Block Group 1: Block 1008, Block 1009, Block 1010; Precinct GLENBURNIE PARK: Tract 9605: Block Group 3: Block 3000, Block 3001, Block 3997, Block 3999; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4008, Block 4015, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026, Block 4027, Block 4028, Block 4029, Block 4030, Block 4031, Block 4033, Block 4034, Block 4998, Block 4999; Tract 9606: Block Group 3: Block 3000; Tract 9608: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1998, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2012, Block 2017, Block 2018, Block 2019; Block Group 3: Block 3000; Precinct WEST NEW BERN: Tract 9604: Block Group 2: Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036; Block Group 3: Block 3000, Block 3001, Block 3002; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4008; Block Group 5: Block 5000, Block 5001, Block 5002, Block 5003, Block 5004, Block 5005, Block 5006, Block 5007, Block 5008, Block 5009, Block 5017, Block 5018, Block 5019, Block 5020, Block 5021, Block 5022, Block 5023, Block 5024, Block 5025, Block 5026, Block 5027, Block 5028, Block 5029, Block 5030, Block 5031, Block 5036, Block 5037, Block 5038, Block 5039, Block 5040, Block 5041, Block 5042, Block 5043, Block 5044, Block 5045, Block 5046, Block 5047, Block 5048, Block 5049, Block 5050; Block Group 6: Block 6000, Block 6001, Block 6002, Block 6003, Block 6004, Block 6005, Block 6012, Block 6013, Block 6016, Block 6017, Block 6018, Block 6019, Block 6020, Block 6995, Block 6999; Tract 9606: Block Group 1: Block 1007; Block Group 2: Block 2001, Block 2002, Block 2003, Block 2004, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014; Tract 9607: Block Group 3: Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014.

District 4: Craven County: Precinct CLARKS: Tract 9603: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1998, Block 1999; Tract 9605: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1009, Block 1020, Block 1021, Block 1022, Block 1028, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034; Block Group 3: Block 3016, Block 3017, Block 3021, Block 3022, Block 3023, Block 3025,

Block 3026, Block 3994, Block 3995, Block 3996; Precinct JASPER: Tract 9603: Block Group 1: Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1996, Block 1997; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2033, Block 2034, Block 2035, Block 2036; Precinct FORT BARNWELL, Precinct TRUITT, Precinct ERNUL, Precinct VANCEBORO, Precinct EPWORTH; Martin County: Precinct JAMESVILLE, Precinct WILLIAMS, Precinct BEARGRASS, Precinct CROSS ROADS, Precinct GRIFFINS, Precinct POPLAR POINT, Precinct WILLIAMSTON 1, Precinct WILLIAMSTON 2; Pitt County: Precinct 5.01, Precinct 6.01, Precinct 11.01, Precinct 12.01, Precinct 13.01, Precinct 14.02, Precinct 11.02A, Precinct 11.02B, Precinct 15.10B.

District 5: Bertie County, Hertford County, Northampton County.

District 6: Beaufort County, Hyde County, Washington County.

District 7: Halifax County: Precinct BUTTERWOOD, Precinct CONOCONNARA, Precinct HALIFAX, Precinct HOBGOOD, Precinct HOLLISTER, Precinct PALMYRA, Precinct ROSENEATH, Precinct ROANOKE RAPIDS 7, Precinct ROANOKE RAPIDS 8, Precinct ROANOKE RAPIDS 9, Precinct SCOTLAND NECK 1, Precinct SCOTLAND NECK 2, Precinct ENFIELD 1, Precinct ENFIELD 2, Precinct ENFIELD 3, Precinct LITTLETON 1, Precinct RINGWOOD, Precinct WELDON 1, Precinct WELDON 2, Precinct WELDON 3, Precinct FAUCETT; Nash County: Precinct ROCKY MOUNT 1, Precinct ROCKY MOUNT 2, Precinct ROCKY MOUNT 3, Precinct ROCKY MOUNT 4, Precinct ROCKY MOUNT 6, Precinct ROCKY MOUNT 10; Tract 106: Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3021, Block 3022, Block 3025, Block 3026; Tract 107: Block Group 3: Block 3004, Block 3028, Block 3029, Block 3030, Block 3031, Block 3032, Block 3033, Block 3999; Precinct GRIFFINS, Precinct SOUTH WHITAKERS: Tract 106: Block Group 3: Block 3023, Block 3024, Block 3027; Tract 107: Block Group 2: Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3034, Block 3035, Block 3998; Precinct NORTH WHITAKERS 1.

District 8: Greene County, Edgecombe County: Precinct 3-1; Martin County: Precinct GOOSE NEST, Precinct HAMILTON, Precinct HASSELL, Precinct ROBERSONVILLE 1, Precinct ROBERSONVILLE 2; Pitt County: Precinct 1.01: Tract 16: Block Group 1: Block 1008, Block 1009; Tract 18: Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004; Precinct 3.01, Precinct 4.01, Precinct 7.01: Tract 6: Block Group 4: Block 4012; Tract 17: Block Group 1: Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1996; Tract 19: Block Group 1: Block 1000, Block 1001, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024,

Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1998, Block 1999; Block Group 2: Block 2000; Precinct 9.01, Precinct 15.01, Precinct 15.03, Precinct 15.04: Tract 6: Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3011, Block 3012, Block 3013, Block 3014, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3999; Block Group 4: Block 4005, Block 4006, Block 4010, Block 4011, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026, Block 4027, Block 4028, Block 4029, Block 4030, Block 4031, Block 4032, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037, Block 4038, Block 4039, Block 4048, Block 4059, Block 4060; Tract 7.01: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044; Tract 7.02: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024; Precinct 8.00A, Precinct 8.00B, Precinct 15.05A: Tract 6: Block Group 3: Block 3007, Block 3008, Block 3009, Block 3010, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3034, Block 3035, Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044, Block 3045, Block 3046, Block 3047; Precinct 15.05B.

District 9: Pitt County: Precinct 1.01: Tract 6: Block Group 2: Block 2018, Block 2021; Tract 16: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1020; Block Group 2: Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2049, Block 2050, Block 2054; Block Group 3: Block 3005, Block 3006; Tract 17: Block Group 1: Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1058, Block 1059, Block 1060, Block 1061, Block 1062, Block 1066, Block 1067, Block 1068, Block 1069, Block 1070, Block 1071, Block 1072, Block 1073, Block 1074, Block 1075, Block 1076, Block 1077; Precinct 7.01: Tract 6: Block Group 4: Block 4004; Tract 17: Block Group 1: Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008,

Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1019, Block 1020, Block 1021, Block 1022, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1047, Block 1048, Block 1063, Block 1064, Block 1065, Block 1082, Block 1994, Block 1995, Block 1997, Block 1998; Precinct 10.01, Precinct 15.04: Tract 6: Block Group 3: Block 3015, Block 3025, Block 3032, Block 3036, Block 3037, Block 3038; Block Group 4: Block 4007, Block 4008, Block 4009, Block 4040, Block 4041, Block 4042, Block 4043, Block 4044, Block 4045, Block 4046, Block 4047, Block 4049, Block 4050, Block 4051, Block 4052, Block 4053, Block 4054, Block 4055, Block 4056, Block 4057, Block 4058, Block 4061, Block 4062, Block 4063, Block 4064, Block 4065, Block 4066, Block 4067; Tract 16: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013; Tract 17: Block Group 1: Block 1043, Block 1044, Block 1045, Block 1046; Precinct 15.06, Precinct 15.09, Precinct 2.00A, Precinct 2.00B, Precinct 14.03A, Precinct 14.03B, Precinct 15.05A: Tract 6: Block Group 3: Block 3033; Precinct 15.07A, Precinct 15.07B, Precinct 15.07C, Precinct 15.08A, Precinct 15.08B, Precinct 15.10A, Precinct 15.11A, Precinct 15.11B, Precinct 15.12A, Precinct 15.12B.

District 10: Duplin County: Precinct ALBERTSON, Precinct BEULAVILLE, Precinct CYPRESS CREEK, Precinct CEDAR FORK, Precinct CHARITY, Precinct CHINQUAPIN, Precinct FAISON: Tract 9902: Block Group 3: Block 3000, Block 3001, Block 3002, Block 3008, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034, Block 3035, Block 3036; Precinct GLISSON, Precinct HALLSVILLE, Precinct KENANSVILLE: Tract 9901: Block Group 2: Block 2049; Tract 9904: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2011, Block 2012, Block 2013, Block 2019; Precinct LOCKLIN, Precinct ROSE HILL, Precinct SMITH CABIN, Precinct WALLACE, Precinct WOLFSCRAPE; Lenoir County: Precinct INSTITUTE, Precinct NEUSE, Precinct WOODINGTON, Precinct FALLING CREEK, Precinct KINSTON 3: Tract 107: Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3033, Block 3038, Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044, Block 3045, Block 3046; Precinct KINSTON 4, Precinct KINSTON 9, Precinct MOSELEY HALL, Precinct TRENT 1, Precinct TRENT 2, Precinct PINK HILL 1, Precinct PINK HILL 2.

District 11: Wayne County: Precinct Precinct 1: Tract 1: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block

1052, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1058, Block 1059, Block 1060; Tract 2: Block Group 1: Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050; Block Group 2: Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040; Precinct Precinct 2: Tract 2: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1027; Block Group 2: Block 2000, Block 2001; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034, Block 3035, Block 3036, Block 3037, Block 3038, Block 3039, Block 3040; Tract 3.01: Block Group 1: Block 1000, Block 1001, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1052, Block 1053, Block 1054, Block 1055; Block Group 3: Block 3000, Block 3001, Block 3010, Block 3011, Block 3012; Precinct Precinct 6: Tract 3.01: Block Group 3: Block 3013, Block 3014, Block 3015, Block 3017; Tract 3.02: Block Group 1: Block 1001, Block 1002; Tract 13: Block Group 1: Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1044, Block 1045; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003; Precinct Precinct 7, Precinct Precinct 10: Tract 12: Block Group 1: Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1039, Block 1090, Block 1091; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015; Precinct Precinct 11: Tract 12: Block Group 1: Block 1001, Block 1002, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1058, Block 1059, Block 1060, Block 1061, Block 1062, Block 1063, Block 1065, Block 1071, Block 1072, Block 1073, Block 1074, Block 1075, Block 1076, Block 1077, Block 1078, Block 1079, Block 1080, Block 1082; Tract 18: Block Group

1: Block 1000; Tract 19: Block Group 1: Block 1007, Block 1008, Block 1009, Block 1010, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1047, Block 1049, Block 1050; Block Group 2: Block 2001; Precinct Precinct 12, Precinct Precinct 13, Precinct Precinct 14, Precinct Precinct 15, Precinct Precinct 16, Precinct Precinct 17: Tract 5: Block Group 1: Block 1003, Block 1004; Tract 13: Block Group 3: Block 3066, Block 3067; Precinct Precinct 18: Tract 14: Block Group 1: Block 1012, Block 1031; Block Group 2: Block 2005, Block 2006, Block 2007, Block 2008, Block 2009; Tract 19: Block Group 1: Block 1024, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032; Block Group 3: Block 3010; Precinct Precinct 19: Tract 5: Block Group 1: Block 1002; Tract 14: Block Group 5: Block 5000, Block 5001; Precinct Precinct 20, Precinct Precinct 21, Precinct Precinct 22, Precinct Precinct 23, Precinct Precinct 24, Precinct Precinct 25, Precinct Precinct 26: Tract 6.01: Block Group 3: Block 3005, Block 3006, Block 3007, Block 3010, Block 3011, Block 3012; Tract 6.02: Block Group 1: Block 1014, Block 1016, Block 1017; Tract 9: Block Group 5: Block 5041, Block 5042, Block 5995; Block Group 7: Block 7004, Block 7005, Block 7006, Block 7007, Block 7018, Block 7019; Precinct Precinct 27: Tract 6.01: Block Group 1: Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1007, Block 1998; Precinct Precinct 28, Precinct Precinct 29, Precinct Precinct 30: Tract 7: Block Group 2: Block 2000, Block 2002, Block 2012; Block Group 3: Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3022, Block 3023; Tract 8: Block Group 1: Block 1000, Block 1001; Block Group 3: Block 3026.

District 12: Jones County, Craven County: Precinct RHEMS: Tract 9604: Block Group 5: Block 5010, Block 5012, Block 5051, Block 5052, Block 5053, Block 5063, Block 5064, Block 5065, Block 5066, Block 5067, Block 5068, Block 5069, Block 5070, Block 5071, Block 5072, Block 5075, Block 5076; Block Group 6: Block 6014, Block 6015, Block 6021, Block 6022, Block 6023; Block Group 7: Block 7048, Block 7049, Block 7051, Block 7052, Block 7053, Block 7054, Block 7992; Precinct CLARKS: Tract 9604: Block Group 5: Block 5054, Block 5055, Block 5056, Block 5057, Block 5058, Block 5059, Block 5060, Block 5061, Block 5062; Tract 9605: Block Group 1: Block 1018, Block 1019, Block 1023, Block 1024, Block 1025, Block 1026; Precinct JASPER: Tract 9603: Block Group 2: Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2032, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2051, Block 2052, Block 2053, Block 2054, Block 2055; Block Group 3: Block 3000, Block 3037; Block Group 4: Block 4053; Precinct COVE CITY, Precinct DOVER, Precinct CROATAN: Tract 9610: Block Group 7: Block 7007, Block 7013, Block 7014, Block 7015, Block 7016, Block 7017, Block 7018, Block 7019, Block 7020, Block 7021, Block 7022, Block 7023, Block 7024, Block 7025, Block 7026, Block 7027, Block 7029, Block 7030, Block 7031, Block 7032, Block 7033, Block 7034, Block 7035, Block 7036, Block 7037, Block 7038, Block 7039, Block 7999; Tract 9611: Block Group 2: Block 2003, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2016, Block 2017, Block 2018, Block 2019, Block 2030, Block 2031; Precinct WEST HAVELOCK: Tract 9611: Block Group 2: Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025,

Block 2026, Block 2027, Block 2028, Block 2032, Block 2033, Block 2055, Block 2056, Block 2057, Block 2058, Block 2064, Block 2065, Block 2066, Block 2067, Block 2068, Block 2069, Block 2070, Block 2071, Block 2072, Block 2073, Block 2074, Block 2075, Block 2076, Block 2077, Block 2078, Block 2079, Block 2080, Block 2081, Block 2082, Block 2083, Block 2084, Block 2085, Block 2086, Block 2087, Block 2088, Block 2997, Block 2998, Block 2999; Tract 9612: Block Group 1: Block 1000, Block 1001, Block 1020, Block 1021, Block 1032, Block 1033, Block 1992, Block 1993, Block 1998, Block 1999; Tract 9613: Block Group 5: Block 5015, Block 5017; Block Group 6: Block 6047, Block 6048, Block 6049, Block 6050; Precinct HARLOWE, Precinct EAST HAVELOCK: Tract 9613: Block Group 2: Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032; Block Group 3: Block 3009, Block 3010, Block 3017, Block 3018; Block Group 5: Block 5005, Block 5006, Block 5007, Block 5010, Block 5011, Block 5014, Block 5060, Block 5061, Block 5062, Block 5063; Precinct GEORGE STREET: Tract 9607: Block Group 1: Block 1000; Tract 9608: Block Group 3: Block 3023, Block 3024, Block 3025, Block 3026, Block 3051; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004; Block Group 6: Block 6000, Block 6003, Block 6004, Block 6005, Block 6006, Block 6007, Block 6008, Block 6009, Block 6010, Block 6011, Block 6012, Block 6013, Block 6014, Block 6015, Block 6016; Tract 9609: Block Group 1: Block 1005, Block 1006, Block 1008, Block 1040, Block 1041, Block 1042; Block Group 2: Block 2001, Block 2002, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011; Block Group 3: Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018; Precinct FORT TOTTEN, Precinct GROVER C FIELDS: Tract 9606: Block Group 3: Block 3024, Block 3025, Block 3027, Block 3028, Block 3029; Block Group 4: Block 4001, Block 4015, Block 4016, Block 4017; Precinct H J McDONALD: Tract 9605: Block Group 1: Block 1008, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1027, Block 1029, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055, Block 1056; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010; Block Group 3: Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3018, Block 3019, Block 3020, Block 3024, Block 3027, Block 3028, Block 3029, Block 3030, Block 3993, Block 3998; Tract 9606: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006; Precinct GLENBURNIE PARK: Tract 9606: Block Group 3: Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034, Block 3035, Block 3036, Block 3037, Block 3038; Block Group 4: Block 4000, Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4022, Block 4023, Block 4024, Block 4025; Tract 9608: Block Group 2: Block 2010, Block 2011, Block 2013, Block 2014, Block 2015, Block 2016, Block 2020, Block 2021, Block 2022; Block Group 3: Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block

3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3033, Block 3034, Block 3035, Block 3036, Block 3037, Block 3038, Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3048; Block Group 6: Block 6001, Block 6002; Precinct WEST NEW BERN: Tract 9604: Block Group 4: Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023; Block Group 5: Block 5011, Block 5013, Block 5014, Block 5015, Block 5016, Block 5032, Block 5033, Block 5034, Block 5035; Lenoir County: Precinct CONTENTNEA, Precinct VANCE, Precinct KINSTON 1, Precinct KINSTON 2, Precinct KINSTON 3: Tract 106: Block Group 2: Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034; Block Group 4: Block 4015, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026; Tract 107: Block Group 1: Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021; Block Group 2: Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2047, Block 2048, Block 2049, Block 2056, Block 2996; Block Group 3: Block 3031, Block 3032, Block 3034, Block 3035, Block 3036, Block 3037; Precinct KINSTON 5, Precinct KINSTON 6, Precinct KINSTON 7, Precinct KINSTON 8, Precinct SAND HILL, Precinct SOUTHWEST.

District 13: Carteret County, Onslow County: Precinct HUBERT: Tract 1.01: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016; Tract 1.02: Block Group 1: Block 1004, Block 1005, Block 1006, Block 1007, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1036, Block 1998; Block Group 4: Block 4032, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037; Tract 5: Block Group 1: Block 1000; Tract 25: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2999; Precinct MORTONS, Precinct SWANSBORO.

District 14: Onslow County: Precinct BRYNN MARR, Precinct EAST NORTHWOODS: Tract 17: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2022, Block 2023; Precinct JACKSONVILLE: Tract 5: Block Group 1: Block 1003, Block 1004, Block 1005; Tract 6: Block Group 1: Block 1000, Block 1001,



Block 1002, Block 1998, Block 1999; Tract 7: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1994, Block 1995, Block 1996, Block 1997, Block 1999; Tract 8: Block Group 1: Block 1003, Block 1004; Tract 9: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1993, Block 1994, Block 1998, Block 1999; Tract 10: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1004, Block 1997, Block 1998; Tract 11: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1997, Block 1998, Block 1999; Block Group 2: Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2996, Block 2998, Block 2999; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014; Tract 17: Block Group 2: Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2999; Tract 18: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1999; Block Group 2: Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2039, Block 2040, Block 2041, Block 2042, Block 2996, Block 2997, Block 2998, Block 2999; Tract 19: Block Group 2: Block 2011, Block 2012; Tract 24: Block Group 4: Block 4995; Precinct NORTHEAST, Precinct NEW RIVER, Precinct Voting Districts not defined: Tract 6: Block Group 1: Block 1003, Block 1997; Tract 7: Block Group 1: Block 1998; Tract 9: Block Group 1: Block 1996, Block 1997.

District 15: Onslow County: Precinct BEAR CREEK, Precinct CATHERINES LAKE, Precinct CROSS ROADS, Precinct EAST NORTHWOODS: Tract 1.03: Block Group 1: Block 1050, Block 1051; Tract 13: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, Block 4010, Block 4011, Block 4012, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026; Tract 14: Block Group 1: Block 1007; Tract 15: Block Group 1: Block 1000, Block 1001, Block

1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2009, Block 2010, Block 2011; Tract 17: Block Group 1: Block 1005; Precinct FOLKSTONE, Precinct GUM BRANCH, Precinct HALF MOON, Precinct HAWS RUN, Precinct HOLLY RIDGE, Precinct HUBERT: Tract 1.01: Block Group 2: Block 2005, Block 2006, Block 2007, Block 2008; Precinct JACKSONVILLE: Tract 18: Block Group 1: Block 1028; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2994; Precinct MILLS, Precinct NINE MILE, Precinct RICHLANDS, Precinct SNEADS FERRY, Precinct TAR LANDING, Precinct VERONA, Precinct WEST NORTHWOODS, Precinct Voting Districts not defined: Tract 0: Block Group 0: Block 0997, Block 0998; Tract 1.01: Block Group 3: Block 3995, Block 3996, Block 3997, Block 3998; Tract 1.03: Block Group 1: Block 1029, Block 1030, Block 1032, Block 1043, Block 1044, Block 1052; Block Group 2: Block 2011, Block 2012; Tract 2: Block Group 6: Block 6001, Block 6003, Block 6006, Block 6007, Block 6009; Tract 3: Block Group 3: Block 3026, Block 3027; Tract 4: Block Group 1: Block 1992, Block 1993, Block 1995, Block 1997, Block 1999; Block Group 2: Block 2020, Block 2997; Block Group 5: Block 5003, Block 5996, Block 5997, Block 5998; Tract 5: Block Group 1: Block 1001, Block 1002, Block 1006, Block 1007, Block 1008, Block 1011, Block 1012, Block 1013, Block 1014, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1024, Block 1987, Block 1988, Block 1989, Block 1991, Block 1992, Block 1993, Block 1994, Block 1995, Block 1996, Block 1997, Block 1998; Tract 9: Block Group 1: Block 1003, Block 1995; Tract 10: Block Group 1: Block 1003, Block 1999; Tract 18: Block Group 2: Block 2995.

District 16: Pender County, New Hanover County: Precinct HARNETT 4: Tract 119.01: Block Group 2: Block 2000; Block Group 3: Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015; Precinct HARNETT 5: Tract 116.01: Block Group 1: Block 1000, Block 1038, Block 1039, Block 1040, Block 1053; Tract 117.01: Block Group 1: Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1011, Block 1012, Block 1027; Block Group 2: Block 2000; Precinct HARNETT 6: Tract 116.01: Block Group 1: Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1041, Block 1042, Block 1043, Block 1044; Precinct HARNETT 7: Tract 116.04: Block Group 2: Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2028, Block 2029, Block 2030, Block 2032, Block 2033, Block 2036, Block 2037; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3007, Block 3008, Block 3009, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3035, Block 3036, Block 3037, Block 3038, Block 3039, Block 3040, Block 3041, Block 3042, Block 3044, Block 3045, Block 3046, Block 3047, Block 3048, Block 3049, Block 3050, Block 3051, Block 3052, Block 3053, Block 3054, Block 3055, Block 3056, Block 3057, Block 3058, Block 3059, Block 3060, Block 3061, Block 3062, Block 3063, Block 3064, Block 3065; Precinct WILMINGTON 13, Precinct WILMINGTON 17, Precinct WILMINGTON 22:

Tract 105.02: Block Group 1: Block 1006, Block 1007, Block 1008, Block 1009, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014; Precinct WILMINGTON 23, Precinct WILMINGTON 24, Precinct CAPE FEAR 2: Tract 115: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1059, Block 1992, Block 1993, Block 1994, Block 1997, Block 1998, Block 1999; Block Group 5: Block 5984, Block 5985; Tract 116.03: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1005, Block 1006, Block 1007, Block 1999; Tract 116.04: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005.

District 17: Brunswick County: Precinct FRYING PAN, Precinct GRISSETTOWN, Precinct TOWN CREEK, Precinct BELVILLE: Tract 201: Block Group 4: Block 4015, Block 4016, Block 4024, Block 4032, Block 4033, Block 4034, Block 4035; Block Group 5: Block 5000, Block 5001, Block 5002, Block 5003, Block 5004, Block 5005, Block 5006, Block 5007, Block 5008, Block 5009, Block 5010, Block 5011, Block 5012, Block 5013, Block 5014, Block 5015, Block 5016, Block 5017, Block 5018, Block 5019, Block 5020, Block 5021, Block 5022, Block 5023, Block 5024, Block 5025, Block 5026, Block 5027, Block 5028, Block 5029, Block 5030, Block 5031, Block 5032, Block 5033, Block 5034, Block 5035, Block 5036, Block 5037, Block 5038, Block 5039, Block 5040, Block 5041, Block 5042, Block 5043, Block 5044, Block 5051, Block 5052, Block 5053; Block Group 6: Block 6010, Block 6011, Block 6012, Block 6013, Block 6014, Block 6015, Block 6016, Block 6017, Block 6018, Block 6019, Block 6020, Block 6021, Block 6022, Block 6023, Block 6024, Block 6025, Block 6026, Block 6027; Tract 202: Block Group 1: Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1996, Block 1997; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2024, Block 2025, Block 2041, Block 2042, Block 2999; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3029, Block 3032, Block 3033, Block 3996, Block 3999; Precinct BOLIVIA, Precinct

BOILING SPRING LAKES, Precinct LONGWOOD, Precinct MOSQUITO, Precinct OAK ISLAND 1, Precinct OAK ISLAND 2, Precinct OAK ISLAND 3, Precinct SOUTHPORT 1, Precinct SOUTHPORT 2, Precinct SHINGLETREE 1, Precinct SHINGLETREE 2, Precinct SUPPLY, Precinct WACCAMAW, Precinct SECESSION 1, Precinct SECESSION 2, Precinct SHALLOTTE.

District 18: Brunswick County: Precinct HOODS CREEK: Tract 201: Block Group 1: Block 1058, Block 1059, Block 1060, Block 1061, Block 1062, Block 1063, Block 1064, Block 1065, Block 1066, Block 1067, Block 1068, Block 1069, Block 1070, Block 1071, Block 1072, Block 1073, Block 1074, Block 1075, Block 1076, Block 1084, Block 1085, Block 1086, Block 1087, Block 1088, Block 1089, Block 1090, Block 1091, Block 1092, Block 1996; Block Group 7: Block 7031, Block 7032, Block 7033, Block 7034, Block 7035, Block 7036, Block 7037, Block 7038; Tract 206: Block Group 5: Block 5000, Block 5001, Block 5002, Block 5003, Block 5004, Block 5005, Block 5006, Block 5007, Block 5008, Block 5009, Block 5010, Block 5011, Block 5012, Block 5013, Block 5014, Block 5015, Block 5016, Block 5017, Block 5018, Block 5019, Block 5020, Block 5021, Block 5022, Block 5023; Precinct WOODBURN: Tract 201: Block Group 1: Block 1998; Block Group 3: Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3028, Block 3029, Block 3992, Block 3993, Block 3994, Block 3995, Block 3996; Precinct LELAND: Tract 201: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1051, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1077, Block 1078, Block 1079, Block 1080, Block 1081, Block 1082, Block 1083, Block 1995, Block 1997, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2018, Block 2019, Block 2023, Block 2024, Block 2025, Block 2026; Block Group 3: Block 3991; Block Group 7: Block 7000, Block 7010, Block 7014, Block 7015, Block 7016; Columbus County: Precinct BOLTON: Tract 9901: Block Group 2: Block 2017, Block 2018, Block 2019, Block 2020, Block 2055, Block 2056, Block 2057, Block 2058, Block 2065, Block 2066, Block 2068, Block 2069, Block 2070, Block 2071, Block 2072, Block 2073; Block Group 3: Block 3019, Block 3021, Block 3022; Tract 9902: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1058, Block 1059, Block 1060, Block 1061, Block 1062, Block 1063, Block 1064, Block 1065, Block 1066, Block 1067, Block 1068, Block 1069, Block 1070, Block 1071, Block 1072, Block 1073,

Block 1074, Block 1075, Block 1076, Block 1077, Block 1078, Block 1079, Block 1080, Block 1081, Block 1082, Block 1083, Block 1084, Block 1085, Block 1086, Block 1087, Block 1088, Block 1089, Block 1090, Block 1091, Block 1092, Block 1093, Block 1094, Block 1095, Block 1096, Block 1098, Block 1100, Block 1101, Block 1113, Block 1114, Block 1115, Block 1116, Block 1117, Block 1118, Block 1119, Block 1120, Block 1121, Block 1122, Block 1123, Block 1124, Block 1125, Block 1126, Block 1127, Block 1128, Block 1129, Block 1130, Block 1131, Block 1134, Block 1135, Block 1142, Block 1144, Block 1290, Block 1291; Precinct RANSOM: Tract 9901: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1998, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2051, Block 2052, Block 2053, Block 2054, Block 2059, Block 2060, Block 2061, Block 2062, Block 2063, Block 2064, Block 2067, Block 2074, Block 2075, Block 2076, Block 2077, Block 2078, Block 2079, Block 2080, Block 2081, Block 2082, Block 2083, Block 2084, Block 2085, Block 2086, Block 2087, Block 2088, Block 2089, Block 2090, Block 2091, Block 2092, Block 2093, Block 2094, Block 2095, Block 2096, Block 2097, Block 2098, Block 2099, Block 2100, Block 2101, Block 2102, Block 2103, Block 2104, Block 2105, Block 2106, Block 2107, Block 2108, Block 2109, Block 2110, Block 2111, Block 2112, Block 2113, Block 2114, Block 2115, Block 2116, Block 2117, Block 2118; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3020, Block 3030, Block 3031, Block 3032, Block 3038, Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044, Block 3045, Block 3046, Block 3047, Block 3048, Block 3049, Block 3050, Block 3051, Block 3066, Block 3067, Block 3068, Block 3069, Block 3070, Block 3071, Block 3072, Block 3073; Precinct SOUTH WHITEVILLE: Tract 9909: Block Group 1: Block 1000; Tract 9910: Block Group 1: Block 1012, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1054; Precinct WACCAMAW: Tract 9903: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block

1034, Block 1039, Block 1040, Block 1041, Block 1072, Block 1073, Block 1074, Block 1075, Block 1076, Block 1077, Block 1078, Block 1079, Block 1080, Block 1081, Block 1082, Block 1083, Block 1084, Block 1085, Block 1086, Block 1087, Block 1088, Block 1089, Block 1090, Block 1091, Block 1095, Block 1096, Block 1097, Block 1098, Block 1997, Block 1998, Block 1999; Tract 9904: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003; Block Group 2: Block 2000, Block 2003, Block 2004, Block 2007, Block 2008; Precinct WHITEVILLE 2, Precinct WEST WHITEVILLE: Tract 9908: Block Group 2: Block 2006; Precinct WESTERN PRONG, Precinct TATUM, Precinct WELCHES CREEK; New Hanover County: Precinct HARNETT 1, Precinct HARNETT 4: Tract 119.01: Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021; Precinct HARNETT 5: Tract 116.01: Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3040; Tract 117.01: Block Group 1: Block 1010; Tract 119.01: Block Group 3: Block 3004; Precinct HARNETT 6: Tract 116.01: Block Group 1: Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052; Precinct HARNETT 7: Tract 116.04: Block Group 3: Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3034, Block 3043; Precinct WILMINGTON 1, Precinct WILMINGTON 2, Precinct WILMINGTON 3, Precinct WILMINGTON 4, Precinct WILMINGTON 6, Precinct WILMINGTON 7, Precinct WILMINGTON 8, Precinct WILMINGTON 9, Precinct WILMINGTON 10, Precinct WILMINGTON 15, Precinct WILMINGTON 19: Tract 109: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1019, Block 1020, Block 1021, Block 1022; Block Group 2: Block 2001, Block 2002, Block 2003, Block 2004, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040; Precinct WILMINGTON 22: Tract 105.02: Block Group 1: Block 1010, Block 1011, Block 1012, Block 1013; Precinct CAPE FEAR 1, Precinct CAPE FEAR 2: Tract 115: Block Group 1: Block 1033, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047; Block Group 2: Block 2000, Block 2001, Block 2002; Tract 116.03: Block Group 1: Block 1003, Block 1004, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027; Block Group 2: Block 2000, Block 2001; Precinct CAPE FEAR 3.

District 19: New Hanover County: Precinct WRIGHTSVILLE BEACH, Precinct HARNETT 2, Precinct HARNETT 3, Precinct HARNETT 4: Tract 119.01: Block Group 1: Block 1017, Block 1018, Block 1019, Block 1024, Block 1025; Block Group 2: Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008; Block Group 4: Block 4007, Block 4008, Block 4009, Block 4010, Block 4011, Block 4012, Block 4013; Tract 119.02: Block Group 1: Block 1003, Block 1004, Block 1005; Block Group 2: Block 2009, Block 2010, Block 2011, Block 2012, Block 2015, Block 2016, Block 2017, Block 2018; Precinct HARNETT 5: Tract 117.01: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block

1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026; Block Group 2: Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020; Precinct HARNETT 8, Precinct HARNETT 9, Precinct MASONBORO 2, Precinct MASONBORO 4, Precinct MASONBORO 5, Precinct WILMINGTON 16, Precinct WILMINGTON 18, Precinct FEDERAL POINT 1, Precinct FEDERAL POINT 2, Precinct FEDERAL POINT 3, Precinct FEDERAL POINT 4, Precinct FEDERAL POINT 5.

District 20: Brunswick County: Precinct HOODS CREEK: Tract 201: Block Group 7: Block 7020, Block 7021, Block 7022, Block 7030, Block 7039, Block 7040, Block 7041, Block 7042; Tract 206: Block Group 5: Block 5024, Block 5025, Block 5026, Block 5027, Block 5028, Block 5029, Block 5030, Block 5031, Block 5032, Block 5033, Block 5034, Block 5035, Block 5036, Block 5037, Block 5038, Block 5039, Block 5040, Block 5041, Block 5042, Block 5043, Block 5044, Block 5045, Block 5049, Block 5050, Block 5051, Block 5052, Block 5053, Block 5054, Block 5070, Block 5071, Block 5072, Block 5073, Block 5074, Block 5075, Block 5076, Block 5088, Block 5089, Block 5090, Block 5091, Block 5092, Block 5093, Block 5094, Block 5095, Block 5096, Block 5099, Block 5100, Block 5194, Block 5195; Precinct WOODBURN: Tract 201: Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3988, Block 3989, Block 3990, Block 3997, Block 3998, Block 3999; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, Block 4010, Block 4011, Block 4012, Block 4013, Block 4014, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4025, Block 4026, Block 4027, Block 4028, Block 4029, Block 4030, Block 4031, Block 4036, Block 4997, Block 4998, Block 4999; Precinct BELVILLE: Tract 202: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1998, Block 1999; Precinct LELAND: Tract 201: Block Group 1: Block 1049, Block 1050, Block 1052; Block Group 2: Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2020, Block 2021, Block 2022; Block Group 3: Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034; Block Group 5: Block 5045, Block 5046, Block 5047, Block 5048, Block 5049, Block 5050; Block Group 6: Block 6000, Block 6001, Block 6002, Block 6003, Block 6004, Block 6005, Block 6006, Block 6008, Block 6009; Block Group 7: Block 7001, Block 7002, Block 7003, Block 7004, Block 7005, Block 7006, Block 7007, Block 7008, Block 7009, Block 7011, Block 7012, Block 7013, Block 7017, Block 7018, Block 7019, Block 7023, Block 7024, Block 7025, Block 7026, Block 7027, Block 7028, Block 7029; Tract 206: Block Group 5: Block 5097, Block 5098; Columbus County: Precinct CERRO GORDO, Precinct FAIR BLUFF, Precinct BOLTON: Tract 9902: Block Group 1: Block 1097, Block 1099, Block 1102, Block 1103, Block 1104, Block 1105, Block 1106, Block 1107, Block 1108, Block 1109, Block 1110, Block 1111, Block 1112, Block 1136, Block 1137, Block 1138, Block 1139, Block 1140, Block 1141, Block 1143, Block 1145, Block 1146, Block 1147, Block 1148, Block 1149, Block 1150, Block 1151, Block 1152, Block 1153, Block 1154, Block 1155, Block 1156, Block 1157, Block 1158, Block

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District 22: Bladen County, Sampson County: Precinct AUTRYVILLE, Precinct EAST CLINTON: Tract 9701: Block Group 6: Block 6014, Block 6015, Block 6016, Block 6017; Tract 9707: Block Group 1: Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1017, Block 1018, Block 1023, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031; Block Group 5: Block 5010, Block 5011; Precinct CLEMENT, Precinct SOUTHWEST CLINTON, Precinct WEST CLINTON: Tract 9705: Block Group 1: Block 1018, Block 1019, Block 1020, Block 1021, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1041; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4010, Block 4011, Block 4012, Block 4013, Block 4014, Block 4015, Block 4016; Tract 9706: Block Group 1: Block 1021, Block 1022, Block 1023, Block 1047, Block 1048; Block Group 2: Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041; Tract 9708: Block Group 2: Block 2016; Block Group 3: Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3999; Tract 9709: Block Group 1: Block 1000, Block 1012, Block 1013, Block 1014; Precinct GARLAND: Tract 9709: Block Group 1: Block 1020, Block 1032; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2015, Block 2039; Block Group 3: Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007; Precinct GIDDENSVILLE: Tract 9701: Block Group 4: Block 4011, Block 4012; Tract 9702: Block Group 1: Block 1031, Block 1032, Block 1033, Block 1034; Precinct HERRING, Precinct INGOLD: Tract 9708: Block Group 3: Block 3026, Block 3027, Block 3028; Tract 9709: Block Group 1: Block 1016, Block 1017, Block 1018, Block 1019, Block 1033, Block 1034, Block 1035; Tract 9710: Block Group 2: Block 2018, Block 2019, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2051, Block 2052, Block 2053, Block 2054, Block 2055, Block 2056, Block 2065, Block 2066; Block Group 3: Block 3021, Block 3022;

Precinct KEENER: Tract 9701: Block Group 5: Block 5008, Block 5009, Block 5015, Block 5016, Block 5017, Block 5018, Block 5019, Block 5020, Block 5021, Block 5022, Block 5023, Block 5024, Block 5998, Block 5999; Block Group 6: Block 6002, Block 6003, Block 6004, Block 6005, Block 6006, Block 6007, Block 6008, Block 6009, Block 6010, Block 6011, Block 6012, Block 6013, Block 6018, Block 6019, Block 6020, Block 6999; Tract 9706: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003; Tract 9707: Block Group 1: Block 1000, Block 1001; Precinct KITTY FORK, Precinct LAKEWOOD, Precinct MINGO, Precinct NEWTON GROVE, Precinct PLAINVIEW, Precinct ROSEBORO, Precinct SALEMBURG, Precinct WESTBROOK.

District 23: Edgecombe County: Precinct 1-1, Precinct 1-2, Precinct 1-3, Precinct 1-4, Precinct 2-1, Precinct 4-1, Precinct 8-1, Precinct 9-1, Precinct 10-1, Precinct 11-1; Wilson County: Precinct BLACK CREEK, Precinct CROSSROADS, Precinct GARDNERS, Precinct OLD FIELDS, Precinct SARATOGA, Precinct SPRINGHILL, Precinct STANTONSBURG, Precinct TAYLORS, Precinct TOISNOT: Tract 13: Block Group 2: Block 2005, Block 2006; Block Group 4: Block 4004, Block 4005, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017; Block Group 5: Block 5000, Block 5001, Block 5002, Block 5003, Block 5004, Block 5005, Block 5006, Block 5007, Block 5008, Block 5009, Block 5010, Block 5011, Block 5012, Block 5013, Block 5014, Block 5015, Block 5016, Block 5017, Block 5018, Block 5019, Block 5020, Block 5021, Block 5024, Block 5025, Block 5028, Block 5030, Block 5048, Block 5049, Block 5050, Block 5051, Block 5052; Precinct WILSON I, Precinct WILSON L, Precinct WILSON M, Precinct WILSON P.

District 24: Edgecombe County: Precinct 5-1, Precinct 6-1, Precinct 7-1, Precinct 12-1, Precinct 12-2, Precinct 12-3, Precinct 12-4, Precinct 12-5, Precinct 13-1, Precinct 14-1; Wilson County: Precinct TOISNOT: Tract 12: Block Group 1: Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008; Tract 13: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034, Block 3035, Block 3036, Block 3037, Block 3038, Block 3039, Block 3040, Block 3041, Block 3048, Block 3049, Block 3050; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4006, Block 4007, Block 4008, Block 4009, Block 4010, Block 4011, Block 4012; Block Group 5: Block 5022, Block 5023, Block 5026, Block 5027, Block 5029, Block 5031, Block 5032, Block 5033, Block 5034, Block 5035, Block 5036, Block 5037, Block 5038, Block 5039,

Block 5040, Block 5041, Block 5042, Block 5043, Block 5044, Block 5045, Block 5046, Block 5047, Block 5053, Block 5054; Precinct WILSON A, Precinct WILSON B, Precinct WILSON C, Precinct WILSON D, Precinct WILSON E, Precinct WILSON F, Precinct WILSON G, Precinct WILSON H, Precinct WILSON J, Precinct WILSON K, Precinct WILSON N, Precinct WILSON Q.

District 25: Nash County: Precinct STONY CREEK, Precinct ROCKY MOUNT 5, Precinct ROCKY MOUNT 7, Precinct ROCKY MOUNT 8, Precinct ROCKY MOUNT 9, Precinct NASHVILLE, Precinct ROCKY MOUNT 10: Tract 106: Block Group 1: Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017; Block Group 2: Block 2002, Block 2003, Block 2004, Block 2005, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037; Block Group 3: Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3030, Block 3031, Block 3032, Block 3034, Block 3035, Block 3036, Block 3037, Block 3038, Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044, Block 3045, Block 3046, Block 3047, Block 3048, Block 3049, Block 3050, Block 3051, Block 3052; Precinct JACKSONS, Precinct MANNINGS 1, Precinct MANNINGS 2, Precinct SOUTH WHITAKERS: Tract 106: Block Group 3: Block 3006, Block 3007, Block 3008; Tract 107: Block Group 2: Block 2018, Block 2047, Block 2048, Block 2049; Block Group 3: Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3041; Tract 108: Block Group 4: Block 4000, Block 4001, Block 4008, Block 4009, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026, Block 4027, Block 4028, Block 4029, Block 4030, Block 4032, Block 4033, Block 4034, Block 4039, Block 4997, Block 4999; Precinct BAILEY, Precinct CASTALIA, Precinct COOPERS, Precinct DRYWELLS, Precinct FERRELLS, Precinct NORTH WHITAKERS 2, Precinct OAK LEVEL, Precinct RED OAK.

District 26: Johnston County: Precinct NORTH BEULAH, Precinct SOUTH BEULAH, Precinct NORTH BOON HILL, Precinct SOUTH BOON HILL, Precinct EAST CLAYTON: Tract 409: Block Group 1: Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1048, Block 1051; Block Group 5: Block 5004, Block 5005, Block 5006, Block 5007, Block 5008, Block 5009, Block 5010, Block 5011, Block 5012, Block 5013, Block 5014, Block 5015; Tract 410: Block Group 4: Block 4043, Block 4044, Block 4045, Block 4046, Block 4047, Block 4048, Block 4049, Block 4050, Block 4051, Block 4052, Block 4060, Block 4061; Precinct MICRO, Precinct NORTH O'NEALS, Precinct SOUTH O'NEALS, Precinct PINE LEVEL, Precinct EAST SELMA, Precinct WEST SELMA, Precinct WILDERS, Precinct WILSON'S MILLS, Precinct SOUTH CLAYTON: Tract 409: Block Group 1: Block 1034, Block 1035, Block 1036, Block



1043, Block 1999; Tract 410: Block Group 4: Block 4062, Block 4063, Block 4064, Block 4999; Block Group 5: Block 5025, Block 5026, Block 5034, Block 5035, Block 5062, Block 5063; Tract 411: Block Group 1: Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2019, Block 2022, Block 2023, Block 2024, Block 2999; Wayne County: Precinct Precinct 1: Tract 1: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2051, Block 2052, Block 2053, Block 2054, Block 2055, Block 2056, Block 2057, Block 2999; Precinct Precinct 2: Tract 3.01: Block Group 1: Block 1006, Block 1007, Block 1020, Block 1051; Block Group 3: Block 3002, Block 3003, Block 3004; Block Group 4: Block 4000, Block 4005, Block 4006, Block 4007, Block 4008, Block 4009; Precinct Precinct 3, Precinct Precinct 4, Precinct Precinct 5, Precinct Precinct 6: Tract 3.01: Block Group 3: Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3016, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027; Precinct Precinct 8: Tract 9: Block Group 1: Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1993; Tract 11: Block Group 1: Block 1008, Block 1009, Block 1010, Block 1011, Block 1012; Block Group 2: Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2030, Block 2031, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045; Block Group 5: Block 5013, Block 5014, Block 5015, Block 5016, Block 5017, Block 5018, Block 5019, Block 5020, Block 5996; Precinct Precinct 11: Tract 12: Block Group 1: Block 1000, Block 1003, Block 1004, Block 1005, Block 1064, Block 1066, Block 1067, Block 1068, Block 1069, Block 1070; Tract 19: Block Group 1: Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006.

District 27: Granville County: Precinct ANTIOCH, Precinct BEREAS, Precinct EAST OXFORD, Precinct OAK HILL, Precinct SALEM, Precinct SASSAFRAS FORK, Precinct SOUTH OXFORD, Precinct WEST OXFORD ELEMENTARY; Vance County: Precinct EAST HENDERSON 1, Precinct EAST HENDERSON 2, Precinct NORTH HENDERSON 1, Precinct NORTH HENDERSON 2, Precinct SOUTH HENDERSON 1, Precinct SOUTH HENDERSON 2, Precinct WEST HENDERSON 2, Precinct DABNEY, Precinct MIDDLEBURG, Precinct SANDY SCREEK, Precinct TOWNSVILLE, Precinct WILLIAMSBORO; Warren County: Precinct SIX POUND, Precinct HAWTREE, Precinct SMITH CREEK, Precinct NUTBUSH, Precinct SANDY CREEK, Precinct SHOCCO, Precinct WEST WARRETON, Precinct NORLINA, Precinct EAST WARRENTON.

District 28: Johnston County: Precinct NORTH BANNER, Precinct SOUTH BANNER, Precinct WEST BANNER, Precinct BENTONVILLE, Precinct EAST CLAYTON: Tract 410: Block Group 4: Block 4038; Precinct NORTH CLAYTON, Precinct WEST CLAYTON, Precinct NORTH CLEVELAND, Precinct NORTH ELEVATION, Precinct SOUTH ELEVATION, Precinct EAST INGRAMS, Precinct WEST INGRAMS, Precinct NORTH MEADOW, Precinct SOUTH MEADOW, Precinct PLEASANT GROVE, Precinct EAST SMITHFIELD, Precinct NORTH SMITHFIELD, Precinct SOUTH SMITHFIELD, Precinct SOUTH CLEVELAND, Precinct SOUTH CLAYTON: Tract 410: Block Group 5: Block 5000, Block 5001, Block 5002, Block 5003, Block 5004, Block 5005, Block 5006, Block 5007, Block 5008, Block 5009, Block 5010, Block 5011, Block 5012, Block 5013, Block 5014, Block 5015, Block 5016, Block 5017, Block 5018, Block 5019, Block 5020, Block 5021, Block 5022, Block 5023, Block 5024, Block 5027, Block 5028, Block 5029, Block 5030, Block 5031, Block 5032, Block 5033, Block 5036, Block 5037, Block 5038, Block 5039, Block 5040, Block 5041, Block 5042, Block 5043, Block 5044, Block 5049, Block 5059, Block 5060, Block 5061.

District 29: Durham County: Precinct 7: Tract 5: Block Group 1: Block 1015, Block 1016, Block 1018, Block 1019; Block Group 2: Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012; Tract 7: Block Group 1: Block 1004; Precinct 8, Precinct 9, Precinct 10, Precinct 11, Precinct 12, Precinct 13, Precinct 16, Precinct 17, Precinct 27, Precinct 36, Precinct 38, Precinct 39, Precinct 40, Precinct 41, Precinct 42, Precinct 48, Precinct 49, Precinct 51, Precinct 53.

District 30: Durham County: Precinct 1, Precinct 2, Precinct 3, Precinct 4, Precinct 5, Precinct 6, Precinct 7: Tract 3.02: Block Group 3: Block 3003, Block 3004, Block 3007, Block 3008, Block 3009, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3019, Block 3020; Tract 5: Block Group 1: Block 1000, Block 1011, Block 1012, Block 1013, Block 1014; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003; Tract 7: Block Group 1: Block 1001, Block 1002, Block 1003, Block 1009, Block 1010; Tract 8.01: Block Group 1: Block 1009, Block 1010, Block 1011, Block 1012, Block 1013; Tract 8.02: Block Group 1: Block 1007, Block 1008, Block 1009, Block 1010, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050; Precinct 21, Precinct 22: Tract 17.09: Block Group 3: Block 3006, Block 3007, Block 3008, Block 3009, Block 3011, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029; Precinct 23, Precinct 24, Precinct 37, Precinct 43, Precinct 45, Precinct 46, Precinct 50.

District 31: Durham County: Precinct 14, Precinct 15, Precinct 18, Precinct 19, Precinct 30, Precinct 31, Precinct 32, Precinct 33, Precinct 34, Precinct 35, Precinct 47, Precinct 52, Precinct 54.

District 32: Durham County: Precinct 20, Precinct 22: Tract 1.01: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1020, Block 1021, Block 1022, Block 1023, Block 1027, Block 1030, Block 1031, Block 1032; Block Group 2: Block 2000, Block 2002, Block 2003, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023,

Block 2024, Block 2025, Block 2026; Tract 1.02: Block Group 1: Block 1000; Tract 17.09: Block Group 1: Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1009, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004; Tract 18.01: Block Group 3: Block 3030, Block 3031, Block 3036, Block 3037, Block 3038, Block 3039; Precinct 25, Precinct 26, Precinct 28, Precinct 29, Precinct 44; Granville County: Precinct BRASSFIELD, Precinct BUTNER, Precinct CORINTH, Precinct CREDLE, Precinct CREEDMOOR, Precinct TALLY HO; Vance County: Precinct WEST HENDERSON 1, Precinct HILLTOP, Precinct KITTRELL, Precinct WATKINS.

District 33: Wake County: Precinct 01-18, Precinct 01-19, Precinct 01-20, Precinct 01-22, Precinct 01-26, Precinct 01-34, Precinct 01-38, Precinct 01-40, Precinct 13-01, Precinct 17-01, Precinct 17-03, Precinct 17-05, Precinct 17-07.

District 34: Wake County: Precinct 01-04, Precinct 01-10, Precinct 01-11, Precinct 01-12, Precinct 01-13, Precinct 01-15, Precinct 01-16, Precinct 01-17, Precinct 01-28, Precinct 01-29, Precinct 01-30, Precinct 01-33, Precinct 01-36, Precinct 01-37, Precinct 01-39, Precinct 01-43, Precinct 01-44, Precinct 01-46, Precinct 01-51, Precinct 13-02: Tract 540.10: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1058, Block 1059, Block 1060, Block 1061, Block 1062, Block 1063, Block 1064, Block 1065, Block 1066, Block 1067, Block 1068, Block 1069, Block 1070, Block 1071, Block 1072, Block 1073, Block 1074, Block 1075, Block 1076, Block 1077, Block 1078, Block 1079, Block 1080, Block 1081, Block 1082, Block 1083, Block 1084, Block 1085, Block 1086, Block 1087, Block 1088, Block 1089, Block 1090, Block 1091, Block 1092, Block 1093, Block 1094, Block 1095, Block 1096, Block 1997, Block 1998, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2025, Block 2026, Block 2027, Block 2028; Precinct 13-03.

District 35: Wake County: Precinct 01-01, Precinct 01-02, Precinct 01-23, Precinct 01-31, Precinct 01-32, Precinct 01-41, Precinct 01-48, Precinct 01-49, Precinct 04-01, Precinct 04-02, Precinct 04-03, Precinct 04-04, Precinct 04-05, Precinct 04-08, Precinct 04-11, Precinct 04-17, Precinct 04-18.

District 36: Wake County: Precinct 03-00, Precinct 04-06, Precinct 04-07, Precinct 04-09, Precinct 04-10, Precinct 04-13: Tract 534.07: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1025, Block 1026, Block 1027; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2053; Precinct 04-14, Precinct 04-15, Precinct 04-16, Precinct 04-19, Precinct 05-00, Precinct 08-03: Tract 537.03: Block Group 1: Block 1043, Block 1044, Block 1045, Block

1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1077, Block 1078, Block 1079, Block 1080, Block 1081, Block 1082, Block 1083, Block 1084, Block 1085, Block 1086, Block 1098, Block 1099, Block 1100, Block 1101, Block 1102, Block 1103, Block 1104, Block 1105, Block 1106, Block 1107; Precinct 20-02, Precinct 20-04, Precinct 20-06, Precinct 20-10.

District 37: Wake County: Precinct 04-12, Precinct 04-13: Tract 534.07: Block Group 2: Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2030, Block 2032, Block 2033, Block 2035, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050; Precinct 06-01, Precinct 06-02, Precinct 06-03, Precinct 12-01, Precinct 12-02, Precinct 12-03, Precinct 12-04, Precinct 12-06, Precinct 18-03, Precinct 18-08, Precinct 20-01, Precinct 20-03, Precinct 20-05.

District 38: Wake County: Precinct 01-03, Precinct 01-05, Precinct 01-06, Precinct 01-07, Precinct 01-09, Precinct 01-14, Precinct 01-21, Precinct 01-25, Precinct 01-27, Precinct 01-35, Precinct 16-02, Precinct 16-03, Precinct 16-05, Precinct 16-06, Precinct 16-07, Precinct 18-01, Precinct 18-02, Precinct 18-04, Precinct 18-05, Precinct 18-06.

District 39: Wake County: Precinct 09-01, Precinct 09-02, Precinct 10-01, Precinct 10-02, Precinct 10-03, Precinct 10-04, Precinct 15-01, Precinct 15-02, Precinct 16-01, Precinct 16-04, Precinct 17-02, Precinct 17-04, Precinct 17-06.

District 40: Wake County: Precinct 01-42, Precinct 01-47, Precinct 02-01, Precinct 02-02, Precinct 02-03, Precinct 02-04, Precinct 02-05, Precinct 02-06, Precinct 08-04, Precinct 08-08, Precinct 13-02: Tract 540.09: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2051, Block 2052, Block 2053, Block 2054, Block 2055, Block 2056, Block 2057, Block 2058, Block 2059, Block 2060, Block 2061, Block 2079, Block 2080, Block 2081, Block 2999; Tract 542.01: Block Group 5: Block 5999; Precinct 14-01, Precinct 14-02, Precinct 19-01, Precinct 19-02, Precinct 19-03, Precinct 19-04, Precinct 19-05, Precinct 19-06, Precinct 19-07, Precinct 19-08.

District 41: Cumberland County: Precinct CROSS CREEK 2, Precinct CROSS CREEK 4, Precinct CROSS CREEK 6, Precinct CROSS CREEK 7, Precinct CROSS CREEK 8, Precinct PEARCES MILL 3: Tract 2: Block Group 3: Block 3032, Block 3033, Block 3034, Block 3035, Block 3036, Block 3041, Block 3042, Block 3043, Block 3044, Block 3045, Block 3046, Block 3047, Block 3054, Block 3055, Block 3060, Block 3061, Block 3062, Block 3063, Block 3066; Tract 5: Block Group 1: Block 1007, Block 1009, Block 1011, Block 1012, Block 1013, Block 1014, Block 1029, Block 1030, Block 1032, Block 1034, Block 1035, Block 1043; Tract 15: Block Group 1: Block 1000, Block 1001, Block 1003, Block 1013, Block 1999; Precinct BLACK RIVER, Precinct CROSS CREEK 10, Precinct CROSS CREEK 11, Precinct CROSS CREEK 15, Precinct CROSS CREEK 18: Tract 4: Block Group 1: Block 1037, Block 1038, Block 1039, Block 1040, Block 1043; Tract 7: Block Group 2: Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2023, Block

2025, Block 2026; Precinct CROSS CREEK 20, Precinct CROSS CREEK 22, Precinct CROSS CREEK 23: Tract 25.02: Block Group 2: Block 2001, Block 2002, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2998; Tract 25.03: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1998, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2033, Block 2999; Tract 25.04: Block Group 1: Block 1003, Block 1004, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011; Block Group 2: Block 2000, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2029, Block 2996, Block 2997, Block 2998, Block 2999; Tract 37: Block Group 1: Block 1096; Precinct CROSS CREEK 30, Precinct EASTOVER, Precinct LINDEN, Precinct LONG HILL: Tract 25.02: Block Group 1: Block 1001; Block Group 2: Block 2000, Block 2003, Block 2004, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2999; Block Group 3: Block 3014, Block 3999; Tract 25.04: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1005, Block 1006, Block 1012, Block 1013, Block 1014, Block 1015, Block 1999; Block Group 2: Block 2001, Block 2030; Tract 37: Block Group 1: Block 1086, Block 1090, Block 1091, Block 1092, Block 1093, Block 1094, Block 1095, Block 1097, Block 1098, Block 1099, Block 1100, Block 1101, Block 1996, Block 1997; Block Group 2: Block 2004, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2024, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2040, Block 2041, Block 2042, Block 2993, Block 2994, Block 2996, Block 2997; Precinct WADE; Harnett County: Precinct DUKE1, Precinct DUKE2, Precinct LILLINGTON, Precinct STEWARTS CREEK.

District 42: Cumberland County: Precinct AUMAN: Tract 33.02: Block Group 1: Block 1011, Block 1012, Block 1998; Tract 33.07: Block Group 1: Block 1004; Block Group 2: Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2026, Block 2027; Precinct BRENTWOOD: Tract 32.03: Block Group 1: Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1011, Block 1012, Block 1013, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1034, Block 1049, Block 1050, Block 1998; Tract 32.04: Block Group 1: Block 1000, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1999; Precinct CROSS CREEK 17, Precinct CROSS CREEK 27: Tract 33.07: Block Group 2: Block 2000; Tract 33.08: Block Group 2: Block 2015, Block 2016, Block 2017; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3014; Precinct CROSS CREEK 28, Precinct CROSS CREEK 32, Precinct CLIFFDALE WEST, Precinct

LAKE RIM, Precinct MANCHESTER: Tract 34: Block Group 1: Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2017, Block 2018, Block 2020, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2053, Block 2054, Block 2055, Block 2056, Block 2057, Block 2058, Block 2059, Block 2060, Block 2061, Block 2062, Block 2063, Block 2064, Block 2065, Block 2066, Block 2067, Block 2068, Block 2074, Block 2087, Block 2088, Block 2089, Block 2090, Block 2092, Block 2093, Block 2094, Block 2095, Block 2096, Block 2097, Block 2098, Block 2099, Block 2100, Block 2997, Block 2998, Block 2999; Tract 35: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1009, Block 1013; Block Group 2: Block 2000, Block 2007, Block 2008, Block 2009; Tract 36: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1030, Block 1031, Block 1032, Block 1993, Block 1994, Block 1995, Block 1997, Block 1998, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2012, Block 2013, Block 2017, Block 2031, Block 2037, Block 2038, Block 2047, Block 2048, Block 2049, Block 2054, Block 2055, Block 2056, Block 2057, Block 2058, Block 2059, Block 2060, Block 2061, Block 2062, Block 2995, Block 2996, Block 2998, Block 2999; Block Group 4: Block 4000, Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, Block 4010, Block 4011, Block 4012, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026, Block 4028, Block 4029, Block 4030, Block 4031, Block 4032, Block 4033, Block 4034, Block 4037, Block 4039, Block 4043, Block 4044, Block 4045, Block 4046, Block 4998; Tract 37: Block Group 2: Block 2021, Block 2022, Block 2023, Block 2025, Block 2026, Block 2043, Block 2995; Precinct SPRING LAKE, Precinct WEST AREA: Tract 24: Block Group 1: Block 1008, Block 1009, Block 1015, Block 1999; Block Group 3: Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010; Block Group 4: Block 4014, Block 4015, Block 4016, Block 4017; Harnett County: Precinct ANDERSON CREEK: Tract 712: Block Group 1: Block 1022, Block 1023, Block 1024, Block 1025, Block 1028, Block 1029, Block 1998; Block Group 4: Block 4005, Block 4006, Block 4007, Block 4009, Block 4010, Block 4011, Block 4012, Block 4013, Block 4014, Block 4015, Block 4017, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026, Block 4999; Tract 713: Block Group 2: Block 2023; Tract 714: Block Group 2: Block 2071, Block 2072, Block 2073; Precinct BARBECUE: Tract 713: Block Group 2: Block 2022, Block 2028, Block 2044, Block 2049, Block 2050; Precinct JOHNSONVILLE.

District 43: Cumberland County: Precinct CROSS CREEK 1, Precinct CROSS CREEK 3: Tract 22: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block

1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2023, Block 2024; Tract 23: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020; Block Group 9: Block 9001, Block 9002, Block 9003, Block 9998; Precinct CROSS CREEK 5, Precinct CROSS CREEK 9, Precinct CROSS CREEK 13, Precinct CROSS CREEK 16, Precinct CROSS CREEK 19, Precinct CROSS CREEK 21, Precinct CROSS CREEK 23; Tract 25.01: Block Group 1: Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1011; Block Group 9: Block 9074, Block 9075; Precinct CROSS CREEK 26; Tract 33.04: Block Group 2: Block 2000, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3010; Precinct CROSS CREEK 33, Precinct LONG HILL; Tract 25.04: Block Group 2: Block 2002, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028; Precinct MANCHESTER; Tract 34: Block Group 2: Block 2021, Block 2022, Block 2023, Block 2051, Block 2052, Block 2069, Block 2070, Block 2071, Block 2072, Block 2073, Block 2075, Block 2076, Block 2077, Block 2078, Block 2079, Block 2080, Block 2081, Block 2082, Block 2083, Block 2084, Block 2085, Block 2086, Block 2091; Precinct WEST AREA; Tract 24: Block Group 1: Block 1007; Block Group 2: Block 2000, Block 2001; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, Block 4010, Block 4011, Block 4012, Block 4013, Block 4018, Block 4019; Block Group 5: Block 5004, Block 5005, Block 5006, Block 5007, Block 5008, Block 5011; Tract 25.01: Block Group 1: Block 1000, Block 1001, Block 1008, Block 1009, Block 1010, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034; Block Group 9: Block 9000, Block 9001, Block 9002, Block 9003, Block 9004, Block 9006, Block 9010, Block 9011, Block 9016, Block 9017, Block 9018, Block 9019, Block 9020, Block 9024, Block 9044, Block 9076, Block 9077; Tract 25.02: Block Group 1: Block 1008, Block 1010, Block 1011, Block 1012, Block 1013, Block 1015, Block 1016, Block 1017, Block 1019, Block 1022, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1034, Block 1035, Block 1036, Block 1997; Block Group 3: Block 3007, Block 3010, Block 3011, Block 3012, Block 3997; Tract 25.03: Block Group 2: Block 2027, Block 2028, Block 2029, Block 2030; Tract 25.04: Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023.

District 44: Cumberland County: Precinct CROSS CREEK 3: Tract 20: Block Group 1: Block 1001, Block 1002, Block 1003; Tract 22: Block Group 2: Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030; Precinct

CUMBERLAND 2, Precinct MORGANTON ROAD, Precinct ARRAN HILLS, Precinct AUMAN: Tract 32.01: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1027, Block 1029, Block 1030, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1997; Tract 32.05: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009; Block Group 2: Block 2002, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3999; Precinct BRENTWOOD: Tract 32.03: Block Group 1: Block 1016, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1999; Precinct CROSS CREEK 12, Precinct CROSS CREEK 14, Precinct CROSS CREEK 18: Tract 7: Block Group 2: Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2019, Block 2020, Block 2021, Block 2022, Block 2024; Block Group 3: Block 3035, Block 3036; Block Group 4: Block 4007, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018, Block 4023, Block 4035, Block 4036, Block 4038, Block 4039, Block 4040, Block 4041, Block 4042, Block 4043, Block 4044, Block 4045, Block 4046, Block 4047, Block 4048; Precinct CROSS CREEK 24, Precinct CROSS CREEK 25, Precinct CROSS CREEK 26: Tract 20: Block Group 2: Block 2997, Block 2998, Block 2999; Tract 33.04: Block Group 3: Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3999; Tract 33.09: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1999; Block Group 2: Block 2999; Precinct CROSS CREEK 27: Tract 20: Block Group 2: Block 2996; Tract 33.08: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043; Tract 33.09: Block Group 2: Block 2998; Precinct CROSS CREEK 29, Precinct CROSS CREEK 31, Precinct CROSS CREEK 34, Precinct MONTIBELLO, Precinct STONEY POINT.

District 45: Cumberland County: Precinct CUMBERLAND 1, Precinct CUMBERLAND 3, Precinct HOPE MILLS 1, Precinct HOPE MILLS 2, Precinct HOPE MILLS 3, Precinct PEARCES MILL 2, Precinct PEARCES MILL 3: Tract 15: Block Group 1: Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block



1009, Block 1010, Block 1011, Block 1012, Block 1016, Block 1017, Block 1018, Block 1019, Block 1025, Block 1026, Block 1027, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1058, Block 1059, Block 1060, Block 1061, Block 1062, Block 1063, Block 1064, Block 1065, Block 1066, Block 1067, Block 1068, Block 1069, Block 1070, Block 1071, Block 1072, Block 1073, Block 1074, Block 1075, Block 1076, Block 1077, Block 1078, Block 1079, Block 1080, Block 1081, Block 1082, Block 1083, Block 1084, Block 1085, Block 1086, Block 1087, Block 1088, Block 1089, Block 1090, Block 1091, Block 1092, Block 1093, Block 1094, Block 1095, Block 1096, Block 1097, Block 1098, Block 1099, Block 1100, Block 1101, Block 1988, Block 1989, Block 1990, Block 1991, Block 1992, Block 1993, Block 1994, Block 1995, Block 1996, Block 1997, Block 1998; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2030, Block 2031, Block 2033, Block 2034; Precinct PEARCES MILL 4, Precinct ALDERMAN, Precinct BEAVER DAM, Precinct CEDAR CREEK, Precinct JUDSON/VANDER, Precinct SHERWOOD, Precinct STEDMAN.

District 46: Hoke County: Precinct BUCHAN, Precinct McCAIN: Tract 9701: Block Group 5: Block 5003, Block 5004, Block 5005; Tract 9702: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1045, Block 1994; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2045, Block 2087, Block 2088, Block 2089, Block 2090, Block 2091, Block 2092, Block 2093, Block 2094, Block 2095, Block 2096, Block 2097, Block 2098, Block 2099, Block 2100, Block 2101, Block 2102, Block 2103, Block 2104, Block 2105, Block 2106, Block 2107, Block 2108, Block 2109, Block 2110, Block 2111, Block 2112, Block 2113, Block 2114, Block 2115, Block 2116, Block 2117, Block 2118, Block 2119, Block 2120, Block 2121, Block 2122, Block 2123, Block 2124, Block 2125, Block 2126, Block 2127, Block 2128, Block 2129, Block 2130, Block 2131, Block 2132, Block 2133, Block 2134, Block 2135, Block 2136, Block 2137, Block 2138, Block 2139, Block 2140, Block 2141, Block 2142, Block 2143, Block 2144, Block 2145, Block 2146, Block 2147, Block 2148, Block 2149, Block 2150; Block Group 3: Block 3002, Block 3003, Block 3004, Block 3005, Block 3047, Block 3050, Block 3051, Block 3052, Block 3053, Block 3054, Block 3055, Block 3056, Block 3057; Precinct PUPPY CREEK, Precinct ROCKFISH, Precinct STONEWALL: Tract 9704: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1030, Block 1034, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044,

Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1058, Block 1059, Block 1060, Block 1061, Block 1062, Block 1063, Block 1064, Block 1065, Block 1066, Block 1067, Block 1074, Block 1075, Block 1076, Block 1077, Block 1078, Block 1079, Block 1095, Block 1998, Block 1999; Precinct Voting Districts not defined; Robeson County: Precinct EAST HOWELLSVILLE, Precinct WEST HOWELLSVILLE, Precinct LUMBERTON 3, Precinct LUMBERTON 4, Precinct PARKTON, Precinct NORTH ST PAULS, Precinct SOUTH ST PAULS: Tract 9601: Block Group 1: Block 1031, Block 1033, Block 1034; Block Group 3: Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3027, Block 3069, Block 3070, Block 3071, Block 3072, Block 3073, Block 3074, Block 3075, Block 3076, Block 3077, Block 3078, Block 3079, Block 3080, Block 3081, Block 3082, Block 3083, Block 3999; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004, Block 4005, Block 4011, Block 4012, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026, Block 4027, Block 4028, Block 4029, Block 4030, Block 4031, Block 4032, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037, Block 4038, Block 4039, Block 4040, Block 4041, Block 4042, Block 4043, Block 4044, Block 4045, Block 4046, Block 4047, Block 4048, Block 4049, Block 4050, Block 4051, Block 4052, Block 4053, Block 4054, Block 4055, Block 4056, Block 4057, Block 4058, Block 4059, Block 4060, Block 4061, Block 4065, Block 4066; Block Group 5: Block 5000, Block 5001, Block 5002, Block 5004, Block 5005, Block 5006, Block 5007, Block 5008, Block 5009, Block 5010, Block 5011, Block 5012, Block 5013, Block 5019, Block 5020, Block 5021, Block 5022, Block 5023, Block 5024, Block 5025, Block 5026, Block 5027, Block 5028, Block 5029, Block 5031, Block 5032, Block 5033, Block 5041; Tract 9602: Block Group 3: Block 3062, Block 3063, Block 3066, Block 3067, Block 3068; Block Group 5: Block 5999; Tract 9614: Block Group 2: Block 2005, Block 2006, Block 2007, Block 2008, Block 2009; Precinct WISHARTS; Scotland County: Precinct 3, Precinct 4, Precinct 5, Precinct 6: Tract 103: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1020, Block 1021, Block 1022, Block 1024, Block 1025, Block 1026, Block 1027; Block Group 2: Block 2000, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2040; Tract 104: Block Group 1: Block 1044, Block 1045, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1058, Block 1059, Block 1060, Block 1063, Block 1064, Block 1065, Block 1066, Block 1067, Block 1068, Block 1069, Block 1070, Block 1071, Block 1074, Block 1075, Block 1078, Block 1997, Block 1998, Block 1999; Precinct 8, Precinct 9, Precinct 10.

District 47: Hoke County: Precinct ANTIOCH, Precinct STONEWALL: Tract 9704: Block Group 1: Block 1023, Block 1024, Block 1026, Block 1027, Block 1028, Block 1029, Block 1031, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1068, Block 1069, Block 1070, Block 1071, Block 1072, Block 1073, Block 1080, Block 1081, Block 1082, Block 1083, Block 1084, Block 1085, Block 1087, Block 1088, Block 1089, Block 1090, Block 1091, Block 1092, Block 1093,

Block 1094, Block 1997; Block Group 2: Block 2000; Robeson County: Precinct BLACK SWAMP: Tract 9605: Block Group 5: Block 5000, Block 5001, Block 5002, Block 5003, Block 5040; Tract 9608: Block Group 1: Block 1062, Block 1063, Block 1064, Block 1065, Block 1066, Block 1067, Block 1068, Block 1069, Block 1070, Block 1071, Block 1072, Block 1073, Block 1074, Block 1075, Block 1079, Block 1080, Block 1081, Block 1082, Block 1083, Block 1084, Block 1085, Block 1086, Block 1087, Block 1088, Block 1092, Block 1093, Block 1094, Block 1095, Block 1096, Block 1097, Block 1098, Block 1099, Block 1999; Block Group 4: Block 4042, Block 4043, Block 4044, Block 4045, Block 4046, Block 4087, Block 4088, Block 4089, Block 4090, Block 4091; Tract 9618: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2014, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2998, Block 2999; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, Block 4010, Block 4011, Block 4012, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026, Block 4027, Block 4028, Block 4029, Block 4030, Block 4031, Block 4032, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037, Block 4038, Block 4039, Block 4040, Block 4041, Block 4042, Block 4043, Block 4044, Block 4045, Block 4049, Block 4050, Block 4051; Precinct BURNT SWAMP, Precinct FAIRMONT 2: Tract 9617: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2009, Block 2010, Block 2030, Block 2036, Block 2037, Block 2038, Block 2039, Block 2057, Block 2058, Block 2060, Block 2061, Block 2062, Block 2063, Block 2065; Block Group 3: Block 3047, Block 3048; Precinct LUMBER BRIDGE, Precinct LUMBERTON 1, Precinct LUMBERTON 2, Precinct LUMBERTON 7, Precinct LUMBERTON 8, Precinct NORTH PEMBROKE, Precinct SOUTH PEMBROKE, Precinct PHILADEPLUS, Precinct RAFT SWAMP, Precinct RENNERT, Precinct SADDLETREE, Precinct SOUTH ST PAULS: Tract 9601: Block Group 5: Block 5014, Block 5015, Block 5016, Block 5017, Block 5018, Block 5030, Block 5034, Block 5035, Block 5036, Block 5042, Block 5043, Block 5044, Block 5045, Block 5046, Block 5047, Block 5048, Block 5049; Tract 9602: Block Group 5: Block 5000, Block 5001, Block 5029, Block 5031; Precinct SHANNON, Precinct OXENDINE, Precinct PROSPECT, Precinct SMYRNA: Tract 9616: Block Group 1: Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012; Block Group 2: Block 2010; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3032, Block 3033; Precinct THOMPSON, Precinct UNION.

District 48: Hoke County: Precinct ALLENDALE, Precinct BLUE SPRINGS, Precinct McCAIN: Tract 9702: Block Group 3: Block 3001, Block 3058, Block 3059, Block 3060, Block 3061, Block 3062; Precinct RAEFORD 1, Precinct RAEFORD 2,

Precinct RAEFORD 3, Precinct RAEFORD 4, Precinct RAEFORD 5; Robeson County: Precinct ALFORDSVILLE, Precinct BLACK SWAMP: Tract 9618: Block Group 2: Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2015; Precinct BRITTS, Precinct FAIRMONT 1, Precinct FAIRMONT 2: Tract 9617: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1999; Block Group 2: Block 2005, Block 2006, Block 2007, Block 2008, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2051, Block 2052, Block 2053, Block 2054, Block 2055, Block 2056, Block 2064, Block 2066, Block 2067; Precinct GADDY, Precinct LUMBERTON 5, Precinct LUMBERTON 6, Precinct MAXTON, Precinct ORRUM, Precinct RED SPRINGS 1, Precinct RED SPRINGS 2, Precinct ROWLAND, Precinct SMYRNA: Tract 9608: Block Group 4: Block 4051, Block 4052, Block 4055, Block 4056, Block 4057, Block 4058, Block 4059, Block 4060, Block 4061, Block 4062, Block 4063, Block 4064, Block 4065, Block 4066, Block 4067, Block 4068, Block 4069, Block 4070, Block 4071, Block 4072; Tract 9616: Block Group 1: Block 1006; Block Group 2: Block 2011; Block Group 3: Block 3020, Block 3035, Block 3036, Block 3037, Block 3038; Precinct STERLINGS, Precinct WHITEHOUSE; Scotland County: Precinct 1, Precinct 2, Precinct 6: Tract 103: Block Group 2: Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2041; Tract 104: Block Group 1: Block 1003, Block 1004, Block 1005, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1046, Block 1047, Block 1048, Block 1049, Block 1061, Block 1062, Block 1079, Block 1080, Block 1081, Block 1082, Block 1083, Block 1084, Block 1085, Block 1086, Block 1087, Block 1088, Block 1089, Block 1090, Block 1091, Block 1092, Block 1093, Block 1094, Block 1095, Block 1096, Block 1097, Block 1098, Block 1099, Block 1100, Block 1101, Block 1102, Block 1107, Block 1111, Block 1112, Block 1121, Block 1122, Block 1123, Block 1124, Block 1125, Block 1126, Block 1127, Block 1128, Block 1129, Block 1130, Block 1131, Block 1132, Block 1133, Block 1134, Block 1135, Block 1136, Block 1137; Precinct 7.

District 49: Franklin County, Halifax County: Precinct ROANOKE RAPIDS 1, Precinct ROANOKE RAPIDS 2, Precinct ROANOKE RAPIDS 3, Precinct ROANOKE RAPIDS 4, Precinct ROANOKE RAPIDS 5, Precinct ROANOKE RAPIDS 6, Precinct

LITTLETON 2, Precinct ROANOKE RAPIDS 10, Precinct ROANOKE RAPIDS 11; Warren County: Precinct RIVER, Precinct FISHING CREEK, Precinct JUDKINS, Precinct FORK, Precinct ROANOKE.

District 50: Wake County: Precinct 01-45, Precinct 07-01, Precinct 07-02, Precinct 07-03, Precinct 07-04, Precinct 07-05, Precinct 07-06, Precinct 07-07, Precinct 07-09, Precinct 07-10, Precinct 07-11, Precinct 07-12, Precinct 08-01, Precinct 08-02, Precinct 08-03; Tract 537.03: Block Group 1: Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1087, Block 1088, Block 1089, Block 1090, Block 1091, Block 1092, Block 1093, Block 1094, Block 1095, Block 1096, Block 1097; Precinct 08-05, Precinct 08-06, Precinct 11-01, Precinct 11-02.

District 51: Lee County, Harnett County: Precinct BARBECUE: Tract 713: Block Group 1: Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1038, Block 1039, Block 1040, Block 1041, Block 1998; Block Group 2: Block 2006; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034, Block 3035, Block 3036, Block 3037, Block 3038, Block 3046, Block 3047, Block 3048, Block 3997; Precinct UPPER LITTLE RIVER 2; Moore County: Precinct CAMERON, Precinct CARTHAGE.

District 52: Moore County: Precinct BENSLEM, Precinct EAST ABERDEEN, Precinct EUREKA, Precinct EASTWOOD, Precinct KNOLLWOOD, Precinct LITTLE RIVER, Precinct NORTH SOUTHERN PINES, Precinct PINEBLUFF, Precinct PINEDENE, Precinct ROBBINS, Precinct SEVEN LAKES, Precinct SOUTH SOUTHERN PINES, Precinct TAYLORTOWN, Precinct VASS, Precinct WEST ABERDEEN, Precinct WEST MOORE, Precinct WEST END, Precinct PINEHURST A, Precinct PINEHURST B, Precinct PINEHURST C, Precinct D-H-R.

District 53: Harnett County: Precinct ANDERSON CREEK: Tract 706: Block Group 1: Block 1002, Block 1008, Block 1009, Block 1034, Block 1035, Block 1038, Block 1053, Block 1058, Block 1059, Block 1060, Block 1061, Block 1062, Block 1063, Block 1064, Block 1996, Block 1997; Tract 712: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1026, Block 1027, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2024, Block 2025, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041,

Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2051, Block 2052, Block 2053, Block 2054, Block 2055, Block 2056, Block 2057, Block 2058, Block 2059, Block 2060, Block 2061, Block 2062, Block 2999; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034, Block 3035, Block 3036, Block 3037, Block 3038, Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044, Block 3045, Block 3046, Block 3047, Block 3048, Block 3049, Block 3050, Block 3051, Block 3052, Block 3053, Block 3054, Block 3055, Block 3056, Block 3057, Block 3058, Block 3059, Block 3060, Block 3061, Block 3062, Block 3063, Block 3064, Block 3065, Block 3066, Block 3067, Block 3068, Block 3069, Block 3070, Block 3999; Block Group 4: Block 4000, Block 4008, Block 4016, Block 4018, Block 4019, Block 4020; Precinct AVERASBORO 1, Precinct AVERASBORO 2, Precinct AVERASBORO 3, Precinct AVERASBORO 4, Precinct AVERASBORO 5, Precinct BARBECUE: Tract 712: Block Group 4: Block 4001, Block 4002, Block 4003, Block 4004; Tract 713: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2024, Block 2025, Block 2026, Block 2027, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2043, Block 2065, Block 2066, Block 2067, Block 2068, Block 2069, Block 2070, Block 2071, Block 2072, Block 2073, Block 2074, Block 2075, Block 2076, Block 2077, Block 2078, Block 2079, Block 2080, Block 2081, Block 2082, Block 2083, Block 2084, Block 2085, Block 2086, Block 2087, Block 2088, Block 2089, Block 2090, Block 2091, Block 2092, Block 2093, Block 2094, Block 2095, Block 2096, Block 2097, Block 2098, Block 2099, Block 2992, Block 2993, Block 2994, Block 2995, Block 2996, Block 2997, Block 2998, Block 2999; Block Group 3: Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044, Block 3045, Block 3049, Block 3050, Block 3051, Block 3052, Block 3053, Block 3054, Block 3055, Block 3056, Block 3057, Block 3058, Block 3059, Block 3060, Block 3061, Block 3062, Block 3063, Block 3064, Block 3065, Block 3066, Block 3067, Block 3068, Block 3069, Block 3070, Block 3071, Block 3998, Block 3999; Precinct BLACK RIVER, Precinct BUCKHORN, Precinct DUKE3, Precinct GROVE 1, Precinct GROVE 2, Precinct HECTORS CREEK, Precinct NEILLS CREEK 1, Precinct NEILLS CREEK 2, Precinct UPPER LITTLE RIVER 1.

District 54: Chatham County, Orange County: Precinct DOGWOOD ACRES, Precinct GLENWOOD, Precinct KINGS MILL, Precinct OWASA, Precinct ST. JOHNS, Precinct WHITE CROSS, Precinct WESTWOOD, Precinct DAMASCUS 1, Precinct DAMASCUS 2.

District 55: Person County, Orange County: Precinct ENO, Precinct HILLSBOROUGH, Precinct CEDAR GROVE, Precinct CAMERON PARK, Precinct

CALDWELL, Precinct CHEEKS, Precinct EFLAND, Precinct GRADY BROWN, Precinct ST. MARYS, Precinct TOLARS, Precinct WEST HILLSBOROUGH, Precinct CARR.

District 56: Orange County: Precinct CARRBORO, Precinct BOOKER CREEK, Precinct BATTLE PARK, Precinct COUNTRY CLUB, Precinct CEDAR FALLS, Precinct COKER HILLS, Precinct COLONIAL HEIGHTS, Precinct COLES STORE, Precinct EAST FRANKLIN, Precinct ESTES HILLS, Precinct EASTSIDE, Precinct GREENWOOD, Precinct LIONS CLUB, Precinct LINCOLN, Precinct MASON FARM, Precinct NORTH CARRBORO, Precinct NORTHSIDE, Precinct ORANGE GROVE, Precinct PATTERSON, Precinct RIDGEFIELD, Precinct TOWN HALL, Precinct WEAVER DAIRY, Precinct WEAVER DAIRY SATELLITE.

District 57: Guilford County: Precinct Greene, Precinct Center Grove 1, Precinct Center Grove 2, Precinct Greensboro 16, Precinct Greensboro 27, Precinct Greensboro 28, Precinct Greensboro 30, Precinct Greensboro 31, Precinct Greensboro 32, Precinct Greensboro 33, Precinct Greensboro 34, Precinct Greensboro 35, Precinct Gibsonville, Precinct High Point 6, Precinct Pleasant Garden 2, Precinct Rock Creek 1: Tract 152: Block Group 2: Block 2009, Block 2010; Block Group 3: Block 3016, Block 3017, Block 3024, Block 3025, Block 3026, Block 3033, Block 3034, Block 3035; Block Group 4: Block 4010, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022; Tract 153: Block Group 1: Block 1009, Block 1010, Block 1011, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055; Precinct Rock Creek 2, Precinct Fentress 2, Precinct Greensboro 40B: Tract 160.02: Block Group 2: Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022; Precinct Jamestown 3, Precinct Jamestown 4, Precinct Jamestown 5, Precinct Monroe 3, Precinct North Center Grove: Tract 155: Block Group 1: Block 1046; Tract 156: Block Group 1: Block 1002, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1055, Block 1056, Block 1057, Block 1058, Block 1059, Block 1060, Block 1998, Block 1999; Block Group 2: Block 2012, Block 2013, Block 2014, Block 2039, Block 2040, Block 2041, Block 2042; Tract 157.02: Block Group 1: Block 1002, Block 1003, Block 1998; Precinct North Madison, Precinct Sumner 3, Precinct Sumner 4, Precinct North Clay, Precinct North Washington, Precinct South Clay, Precinct South Washington.

District 58: Guilford County: Precinct Greensboro 1, Precinct Greensboro 2, Precinct Greensboro 3, Precinct Greensboro 4, Precinct Greensboro 5, Precinct Greensboro 6, Precinct Greensboro 7, Precinct Greensboro 9, Precinct Greensboro 10, Precinct Greensboro 11: Tract 109: Block Group 2: Block 2006, Block 2007, Block 2008, Block 2010, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018; Precinct Greensboro 67, Precinct Greensboro 68, Precinct Greensboro 70, Precinct Greensboro 71, Precinct Greensboro 72, Precinct Greensboro 74, Precinct Greensboro 75, Precinct Greensboro 8, Precinct Pleasant Garden 1, Precinct Rock Creek 1: Tract 153: Block Group 1: Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048; Block Group 3: Block 3002, Block 3003, Block 3005, Block 3009, Block 3010, Block 3011, Block 3012; Precinct Fentress 1, Precinct Jefferson 1, Precinct Jefferson 2, Precinct Jefferson 3, Precinct Jefferson 4, Precinct South Madison, Precinct Sumner 2.

District 59: Guilford County: Precinct Center Grove 3, Precinct Greensboro 11: Tract 107.01: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1031; Tract 108.01: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027; Tract 108.02: Block Group 1: Block 1005, Block 1006, Block 1007, Block 1008, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036; Tract 109: Block Group 2: Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2009, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024; Precinct Greensboro 12, Precinct Greensboro 13, Precinct Greensboro 14, Precinct Greensboro 15, Precinct Greensboro 17, Precinct Greensboro 18, Precinct Greensboro 19, Precinct Greensboro 20, Precinct Greensboro 21, Precinct Greensboro 22, Precinct Greensboro 23, Precinct Greensboro 24, Precinct Greensboro 25, Precinct Greensboro 26, Precinct Greensboro 29, Precinct Greensboro 36, Precinct Greensboro 37, Precinct Greensboro 38, Precinct Greensboro 44, Precinct Greensboro 45, Precinct Greensboro 48, Precinct Greensboro 49, Precinct Greensboro 63, Precinct Monroe 1, Precinct Monroe 2.

District 60: Guilford County: Precinct Greensboro 46, Precinct Greensboro 52, Precinct Greensboro 53, Precinct Greensboro 54, Precinct Greensboro 55, Precinct Greensboro 57, Precinct Greensboro 60, Precinct Greensboro 61, Precinct Greensboro 65, Precinct Greensboro 66: Tract 164.02: Block Group 1: Block 1000; Tract 165.04: Block Group 1: Block 1028, Block 1036, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043; Precinct Greensboro 69, Precinct Greensboro 73, Precinct High Point 4, Precinct High Point 5, Precinct High Point 7, Precinct High Point 8, Precinct High Point 9, Precinct High Point 10, Precinct High Point 11, Precinct Jamestown 1, Precinct Jamestown 2, Precinct Sumner 1.

District 61: Guilford County: Precinct HP: Tract 162.02: Block Group 1: Block 1041, Block 1042, Block 1043, Block 1045; Tract 163.02: Block Group 2: Block 2002, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2014, Block 2015, Block 2016, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2054, Block 2055, Block 2056, Block 2057; Tract 164.02: Block Group 1: Block 1083, Block 1084, Block 1085, Block 1086; Tract 164.03: Block Group 1: Block 1013, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1030, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1062, Block 1063, Block 1064, Block 1073, Block 1074, Block 1075, Block 1078, Block 1079, Block 1080, Block 1081, Block 1082, Block 1083, Block 1084, Block 1085, Block 1086, Block 1087, Block 1088, Block 1089, Block 1090, Block 1091, Block 1092, Block 1093, Block 1094, Block 1095, Block 1096, Block 1998, Block 1999; Tract 164.04: Block Group 1: Block 1032,



Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1058, Block 1059, Block 1060, Block 1061, Block 1062, Block 1063; Precinct Friendship 3, Precinct Friendship 4, Precinct Friendship 5, Precinct Greensboro 41, Precinct High Point 14, Precinct High Point 15, Precinct High Point 16, Precinct High Point 20, Precinct High Point 21, Precinct High Point 22, Precinct High Point 23, Precinct High Point 24, Precinct High Point 25, Precinct High Point 26, Precinct High Point 27, Precinct Oak Ridge 1, Precinct Oak Ridge 2, Precinct Summerfield 1, Precinct Summerfield 2, Precinct Summerfield 3, Precinct Summerfield 4, Precinct Greensboro 40A, Precinct Greensboro 40B: Tract 125.06: Block Group 1: Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1051, Block 1052, Block 1053; Tract 160.02: Block Group 2: Block 2013, Block 2014, Block 2015, Block 2016; Precinct North Center Grove: Tract 156: Block Group 1: Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054; Tract 158: Block Group 1: Block 1002; Block Group 3: Block 3000, Block 3001, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034, Block 3049, Block 3050, Block 3051, Block 3052, Block 3996, Block 3998, Block 3999; Precinct North Deep River, Precinct South Deep River, Precinct Stokesdale.

District 62: Guilford County: Precinct HP: Tract 163.02: Block Group 2: Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2051, Block 2052, Block 2997, Block 2998, Block 2999; Tract 164.02: Block Group 1: Block 1022, Block 1024, Block 1025, Block 1026, Block 1061, Block 1062, Block 1063, Block 1069, Block 1070, Block 1071, Block 1072, Block 1075, Block 1076, Block 1077, Block 1078, Block 1079, Block 1080, Block 1081, Block 1082, Block 1087, Block 1088, Block 1089, Block 1999; Tract 164.03: Block Group 1: Block 1009, Block 1031, Block 1050, Block 1051, Block 1052, Block 1058, Block 1059, Block 1060, Block 1061, Block 1065, Block 1066, Block 1067, Block 1068, Block 1069, Block 1070, Block 1071, Block 1072, Block 1076, Block 1077; Tract 164.04: Block Group 1: Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1033, Block 1064, Block 1065, Block 1066, Block 1067, Block 1068, Block 1098, Block 1099, Block 1100, Block 1101, Block 1102, Block 1103, Block 1104, Block 1106, Block 1999; Precinct Friendship 1, Precinct Friendship 2, Precinct Greensboro 39, Precinct Greensboro 42, Precinct Greensboro 43, Precinct Greensboro 47, Precinct Greensboro 50, Precinct Greensboro 51, Precinct Greensboro 56, Precinct Greensboro 58, Precinct Greensboro 59, Precinct Greensboro 62, Precinct Greensboro 64, Precinct Greensboro 66: Tract 165.04: Block

Group 1: Block 1010, Block 1011, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1029, Block 1030, Block 1031, Block 1032, Block 1035, Block 1081, Block 1082, Block 1998; Precinct High Point 1, Precinct High Point 2, Precinct High Point 3, Precinct High Point 12, Precinct High Point 13, Precinct High Point 17, Precinct High Point 18, Precinct High Point 19.

District 63: Alamance County: Precinct PLEASANT GROVE, Precinct HAW RIVER, Precinct CENTRAL BOONE, Precinct GRAHAM 3, Precinct EAST GRAHAM, Precinct NORTH GRAHAM, Precinct WEST GRAHAM, Precinct MELVILLE 3, Precinct NORTH MELVILLE, Precinct SOUTH MELVILLE, Precinct BURLINGTON 4, Precinct BURLINGTON 7, Precinct BURLINGTON 8, Precinct EAST BURLINGTON, Precinct NORTH BURLINGTON, Precinct SOUTH BURLINGTON, Precinct WEST BURLINGTON.

District 64: Alamance County: Precinct PATTERSON, Precinct COBLE, Precinct MORTON, Precinct FAUCETTE, Precinct ALBRIGHT, Precinct BOONE 5, Precinct NORTH BOONE, Precinct SOUTH BOONE, Precinct WEST BOONE, Precinct GRAHAM 4, Precinct SOUTH GRAHAM, Precinct NORTH NEWLIN, Precinct SOUTH NEWLIN, Precinct NORTH THOMPSON, Precinct SOUTH THOMPSON, Precinct BURLINGTON 5, Precinct BURLINGTON 6, Precinct BURLINGTON 9, Precinct BURLINGTON 10.

District 65: Caswell County, Rockingham County: Precinct HOGANS, Precinct IRONWORKS, Precinct MAYFIELD, Precinct NEW BETHEL, Precinct OREGON HILL, Precinct RUFFIN, Precinct SIMPSONVILLE, Precinct WILLIAMSBURG, Precinct REIDSVILLE 1, Precinct REIDSVILLE 2, Precinct REIDSVILLE 3, Precinct REIDSVILLE 4, Precinct REIDSVILLE 5, Precinct REIDSVILLE 6.

District 66: Forsyth County: Precinct 021, Precinct 061, Precinct 062, Precinct 064, Precinct 066; Rockingham County: Precinct BETHLEHEM, Precinct CENTRAL AREA, Precinct DRAPER, Precinct DAN VALLEY, Precinct HUNTSVILLE, Precinct MAYODAN, Precinct MARTINS, Precinct PRICE, Precinct SHILOH, Precinct STONEVILLE, Precinct WENTWORTH, Precinct LEAKSVILLE 1, Precinct LEAKSVILLE 2, Precinct LEAKSVILLE 3, Precinct MADISON 1, Precinct MADISON 2, Precinct SPRAY 1.

District 67: Randolph County: Precinct ASHEBORO ARMORY, Precinct ASHEBORO EASTSIDE, Precinct ASHEBORO LINDLEY PARK, Precinct ASHEBORO McCRARY, Precinct ASHEBORO NORTH 1, Precinct ASHEBORO NORTH 2, Precinct BROWER, Precinct COLERIDGE, Precinct FALLS, Precinct FRANKLINVILLE, Precinct GRANT, Precinct LIBERTY, Precinct PLEASANT GROVE, Precinct PROVIDENCE 1, Precinct PROVIDENCE 2, Precinct RAMSEUR, Precinct RANDLEMAN EAST, Precinct RANDLEMAN WEST, Precinct RICHLAND, Precinct STALEY.

District 68: Richmond County, Stanly County: Precinct East Albemarle, Precinct East Center, Precinct New London, Precinct West Center: Tract 9911: Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3033, Block 3057, Block 3061, Block 3062, Block 3063, Block 3064, Block 3065, Block 3066; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, Block 4010, Block 4011, Block 4012, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4021, Block 4022, Block 4023, Block 4025, Block 4026, Block 4027; Block Group 5: Block 5041, Block 5042, Block 5043, Block 5044, Block 5045, Block

5048, Block 5049, Block 5050, Block 5051, Block 5052, Block 5053, Block 5997; Precinct Big Lick 2: Tract 9907: Block Group 2: Block 2042, Block 2043; Tract 9908: Block Group 1: Block 1000, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1057, Block 1058; Tract 9909: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2043, Block 2044, Block 2047, Block 2068, Block 2069, Block 2070, Block 2071, Block 2072, Block 2073; Block Group 3: Block 3008, Block 3009; Precinct Ridenhour, Precinct Endy, Precinct Palmerville, Precinct Richfield, Precinct Badin, Precinct Almond.

District 69: Anson County, Montgomery County, Union County: Precinct 07, Precinct 19, Precinct 21, Precinct 23: Tract 205: Block Group 5: Block 5012, Block 5013, Block 5014, Block 5015, Block 5016, Block 5017, Block 5018, Block 5019, Block 5020, Block 5021, Block 5022, Block 5023, Block 5024, Block 5025, Block 5026, Block 5027, Block 5028, Block 5029, Block 5030, Block 5031, Block 5032, Block 5034, Block 5035, Block 5036, Block 5037, Block 5038, Block 5039, Block 5040; Tract 209.02: Block Group 1: Block 1001, Block 1002, Block 1003, Block 1004; Precinct 24: Tract 209.01: Block Group 2: Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2999; Block Group 3: Block 3030, Block 3031, Block 3032, Block 3039, Block 3040; Tract 209.02: Block Group 1: Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031; Block Group 2: Block 2012, Block 2014, Block 2015, Block 2016, Block 2017, Block 2027, Block 2028, Block 2029; Block Group 3: Block 3000, Block 3001; Precinct 25: Tract 207: Block Group 4: Block 4012, Block 4013, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037, Block 4048, Block 4049, Block 4050, Block 4051, Block 4055, Block 4056, Block 4057, Block 4058, Block 4059, Block 4060, Block 4061, Block 4062, Block 4066, Block 4999; Tract 209.01: Block Group 3: Block 3015, Block 3016, Block 3017, Block 3033, Block 3034, Block 3035, Block 3036, Block 3037, Block 3038; Precinct 26, Precinct 27.

District 70: Stanly County: Precinct Albemarle 1, Precinct Albemarle 2, Precinct Albemarle 6, Precinct Albemarle 7, Precinct Albemarle 8, Precinct Furr 1, Precinct Furr 2, Precinct North Albemarle, Precinct South Albemarle, Precinct West Center: Tract 9911: Block Group 3: Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block

3030, Block 3031, Block 3032, Block 3034, Block 3035, Block 3036, Block 3037, Block 3038, Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044, Block 3045, Block 3046, Block 3047, Block 3048, Block 3049, Block 3050, Block 3051, Block 3052, Block 3053, Block 3054, Block 3055, Block 3056, Block 3058, Block 3059, Block 3060, Block 3067; Block Group 4: Block 4018, Block 4019, Block 4020, Block 4024, Block 4028, Block 4029, Block 4030, Block 4031, Block 4032, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037, Block 4038, Block 4039; Block Group 5: Block 5046, Block 5047; Precinct Albemarle 10, Precinct Albemarle 11, Precinct Big Lick 1, Precinct Big Lick 2: Tract 9909: Block Group 4: Block 4027, Block 4028, Block 4029, Block 4030, Block 4031, Block 4032, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037, Block 4038, Block 4039, Block 4040, Block 4041, Block 4042, Block 4043, Block 4044, Block 4045, Block 4046, Block 4047, Block 4048, Block 4049, Block 4050, Block 4058; Precinct Tyson; Union County: Precinct 01, Precinct 02, Precinct 03, Precinct 04, Precinct 08, Precinct 09, Precinct 10, Precinct 11, Precinct 23: Tract 205: Block Group 5: Block 5033; Tract 206: Block Group 4: Block 4029, Block 4030, Block 4031, Block 4032, Block 4033, Block 4041, Block 4042, Block 4043, Block 4044, Block 4045, Block 4046, Block 4047, Block 4048, Block 4049, Block 4051, Block 4994, Block 4995, Block 4996; Precinct 24: Tract 209.01: Block Group 3: Block 3005, Block 3006, Block 3007, Block 3008, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029; Tract 209.02: Block Group 1: Block 1000; Precinct 25: Tract 206: Block Group 4: Block 4028, Block 4034, Block 4035, Block 4036, Block 4038, Block 4039, Block 4040, Block 4997, Block 4998, Block 4999; Block Group 5: Block 5034, Block 5036, Block 5037, Block 5038, Block 5039, Block 5040, Block 5041; Tract 207: Block Group 3: Block 3025, Block 3026, Block 3027, Block 3028, Block 3038, Block 3039; Block Group 4: Block 4004, Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, Block 4010, Block 4011, Block 4038, Block 4039, Block 4040, Block 4041, Block 4042, Block 4043, Block 4044, Block 4045, Block 4046, Block 4047, Block 4998; Tract 209.01: Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024; Precinct 34, Precinct 36, Precinct 43.

District 71: Forsyth County: Precinct 031: Tract 28.07: Block Group 2: Block 2021, Block 2022, Block 2023, Block 2024, Block 2025; Precinct 033: Tract 27.02: Block Group 1: Block 1000, Block 1001, Block 1012; Tract 28.05: Block Group 2: Block 2027, Block 2028; Tract 28.06: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2008, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024; Tract 28.07: Block Group 1: Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021; Tract 29.01: Block Group 2: Block 2005, Block 2006, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2022, Block 2023, Block 2024, Block 2029, Block 2030, Block 2031, Block 2033; Precinct 043: Tract 33.03: Block Group 3: Block 3032, Block 3033, Block 3034, Block 3035, Block 3036,

Block 3037, Block 3038, Block 3039; Tract 34.01: Block Group 1: Block 1000, Block 1001, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1033, Block 1034, Block 1035, Block 1036, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1056, Block 1057, Block 1058; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034; Tract 34.02: Block Group 1: Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026; Block Group 2: Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2022, Block 2032, Block 2033, Block 2034, Block 2036, Block 2037; Precinct 081, Precinct 082, Precinct 083, Precinct 301, Precinct 306, Precinct 401, Precinct 402, Precinct 403, Precinct 404, Precinct 405, Precinct 501, Precinct 502, Precinct 503, Precinct 504, Precinct 505; Tract 19.01: Block Group 1: Block 1042, Block 1043, Block 1044, Block 1045; Tract 20.01: Block Group 1: Block 1023, Block 1024, Block 1025, Block 1034, Block 1035, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042; Tract 35: Block Group 1: Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1015, Block 1016, Block 1017; Block Group 2: Block 2000, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3007, Block 3008, Block 3009; Precinct 507, Precinct 606; Tract 20.01: Block Group 1: Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033; Block Group 2: Block 2000, Block 2001, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013; Tract 20.02: Block Group 1: Block 1008, Block 1009, Block 1010, Block 1011; Block Group 2: Block 2000, Block 2005, Block 2006, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015.

District 72: Forsyth County: Precinct 101: Tract 28.04: Block Group 3: Block 3013, Block 3014, Block 3015, Block 3016, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022; Precinct 122: Tract 37: Block Group 4: Block 4042, Block 4043, Block 4044, Block 4045, Block 4046, Block 4082, Block 4083, Block 4087; Precinct 201, Precinct 203, Precinct 204, Precinct 205, Precinct 206, Precinct 207, Precinct 302, Precinct 303, Precinct 304, Precinct 305, Precinct 601, Precinct 603, Precinct 604, Precinct 605, Precinct 606; Tract 20.01: Block Group 2: Block 2002; Tract 20.02: Block Group 1: Block 1000, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007; Block Group 2: Block 2001; Precinct 607, Precinct 701: Tract 11: Block Group 3: Block 3006, Block 3007, Block 3008, Block 3012, Block 3013, Block 3014; Precinct 704, Precinct 901: Tract 2: Block Group 1: Block 1016, Block 1017, Block 1022, Block 1023, Block 1057, Block 1058; Tract 11: Block Group 1: Block

1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1017, Block 1018, Block 1019; Block Group 3: Block 3000, Block 3001, Block 3002; Tract 12: Block Group 2: Block 2021, Block 2022; Precinct 902, Precinct 903, Precinct 904, Precinct 905.

District 73: Union County: Precinct 05, Precinct 06, Precinct 12, Precinct 13, Precinct 14, Precinct 15, Precinct 16, Precinct 17, Precinct 18, Precinct 20, Precinct 22, Precinct 28, Precinct 29, Precinct 30, Precinct 31, Precinct 32, Precinct 33, Precinct 35, Precinct 37, Precinct 38, Precinct 39, Precinct 40, Precinct 41, Precinct 42.

District 74: Cabarrus County: Precinct 0101, Precinct 0102, Precinct 0103, Precinct 0104, Precinct 0201, Precinct 0202, Precinct 0203, Precinct 0204, Precinct 0205, Precinct 0206, Precinct 0207, Precinct 0407, Precinct 0408, Precinct 0410, Precinct 0900, Precinct 1000, Precinct 1101, Precinct 1209, Precinct 1211, Precinct 1212.

District 75: Cabarrus County: Precinct 0300, Precinct 0401, Precinct 0402, Precinct 0403, Precinct 0404, Precinct 0405, Precinct 0406, Precinct 0409, Precinct 0500, Precinct 0600, Precinct 0700, Precinct 0800, Precinct 1102, Precinct 1201, Precinct 1202, Precinct 1203, Precinct 1204, Precinct 1205, Precinct 1206, Precinct 1207, Precinct 1208, Precinct 1210.

District 76: Rowan County: Precinct Barnhardt Mill, Precinct Bostian Crossroads, Precinct North China Grove, Precinct South Locke, Precinct East Enochville, Precinct Faith, Precinct Rock Grove, Precinct Granite Quarry, Precinct Hatters Shop, Precinct West Kannapolis, Precinct East Kannapolis, Precinct East Landis, Precinct North Locke, Precinct Morgan I, Precinct Morgan II, Precinct Rockwell, Precinct Gold Knob, Precinct Sumner, Precinct Bostian School, Precinct West Enochville.

District 77: Rowan County: Precinct Blackwelder Park, Precinct Bradshaw, Precinct South China Grove, Precinct Cleveland, Precinct Franklin, Precinct Milford Hills County, Precinct East Spencer, Precinct West Landis, Precinct Mount Ulla, Precinct Scotch Irish, Precinct Spencer, Precinct Steele, Precinct Trading Ford, Precinct Unity, Precinct West Ward II, Precinct West Ward I, Precinct South Ward, Precinct North Ward I, Precinct East Ward I, Precinct West Innes, Precinct North Ward II, Precinct Milford Hills City, Precinct West Ward III, Precinct East Ward II.

District 78: Randolph County: Precinct ARCHDALE 1, Precinct ARCHDALE 2, Precinct ARCHDALE 3, Precinct ASHEBORO LOFLIN, Precinct ASHEBORO SOUTHPOINTE, Precinct ASHEBORO WESTSIDE, Precinct BACK CREEK, Precinct CEDAR GROVE EAST, Precinct CEDAR GROVE WEST, Precinct CONCORD, Precinct LEVEL CROSS, Precinct NEW HOPE, Precinct NEW MARKET NORTH, Precinct NEW MARKET SOUTH, Precinct PROSPECT, Precinct TABERNACLE, Precinct TRINITY EAST, Precinct TRINITY TABERNACLE, Precinct TRINITY WEST, Precinct UNION.

District 79: Davie County, Davidson County: Precinct ARCADIA, Precinct LEXINGTON 3, Precinct NORTH DAVIDSON: Tract 603: Block Group 2: Block 2006, Block 2007, Block 2008, Block 2010; Precinct REEDS YADKIN COLLEGE, Precinct REEDY CREEK, Precinct WEST ARCADIA; Iredell County: Precinct Concord: Tract 610: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1025, Block 1028, Block 1029; Block Group 2: Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2011, Block 2012,

Block 2013, Block 2014, Block 2015; Block Group 6: Block 6011; Tract 611: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003; Precinct Eagle Mills, Precinct New Hope, Precinct Sharpesburg, Precinct Union Grove.

District 80: Davidson County: Precinct ABBOTTS CREEK, Precinct DENTON, Precinct EMMONS, Precinct GUMTREE, Precinct HEALING SPRINGS, Precinct HOLLY GROVE, Precinct LIBERTY, Precinct MIDWAY, Precinct NORTH DAVIDSON: Tract 602: Block Group 5: Block 5012, Block 5015, Block 5016, Block 5017, Block 5018, Block 5021, Block 5022, Block 5023, Block 5024, Block 5025, Block 5026, Block 5027, Block 5028, Block 5029, Block 5030, Block 5031, Block 5032, Block 5033; Tract 603: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049; Tract 604: Block Group 1: Block 1006, Block 1007, Block 1008, Block 1011, Block 1012; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2025, Block 2026, Block 2027, Block 2029, Block 2030, Block 2031, Block 2039, Block 2040, Block 2041; Precinct SILVER VALLEY, Precinct SOUTH DAVIDSON, Precinct THOMASVILLE 1, Precinct THOMASVILLE 5: Tract 607: Block Group 1: Block 1031, Block 1032; Tract 610: Block Group 1: Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048; Block Group 2: Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3018, Block 3019, Block 3020, Block 3021, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029; Tract 611: Block Group 1: Block 1000, Block 1005; Block Group 2: Block 2001, Block 2002, Block 2004, Block 2005; Precinct THOMASVILLE 8, Precinct THOMASVILLE 9, Precinct THOMASVILLE 10, Precinct WALLBURG, Precinct WELCOME.

District 81: Davidson County: Precinct BOONE, Precinct CENTRAL, Precinct COTTON GROVE, Precinct LEXINGTON 1, Precinct LEXINGTON 2, Precinct LEXINGTON 4, Precinct WARD 1, Precinct WARD 2, Precinct WARD 3, Precinct WARD 4, Precinct WARD 5, Precinct WARD 6, Precinct SILVER HILL, Precinct SOUTHMONT, Precinct THOMASVILLE 2, Precinct THOMASVILLE 3, Precinct THOMASVILLE 4, Precinct THOMASVILLE 5: Tract 610: Block Group 2: Block 2019, Block 2020, Block 2021; Block Group 3: Block 3017, Block 3022, Block 3023, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034, Block 3035, Block 3036, Block 3045, Block 3046, Block 3047, Block 3048, Block 3049, Block 3050, Block 3051, Block 3052, Block 3053, Block 3054, Block 3055, Block 3056, Block 3057, Block 3058, Block 3059; Precinct THOMASVILLE 7, Precinct TYRO.

District 82: Ashe County, Watauga County.

District 83: Wilkes County.

District 84: Avery County, Mitchell County, Caldwell County: Precinct Gamewell 1, Precinct Gamewell 2, Precinct Hudson 2, Precinct Globe Johns River, Precinct Lenoir 1, Precinct Lenoir 2, Precinct Lenoir 3, Precinct Lenoir 4, Precinct Mulberry, Precinct Patterson, Precinct Wilson Creek, Precinct Yadkin Valley, Precinct North Catawba 1, Precinct North Catawba 2.

District 85: McDowell County, Burke County: Precinct Icard 1, Precinct Icard 2, Precinct Icard 3, Precinct Icard 4, Precinct Icard 5, Precinct Lower Fork, Precinct Silver Creek 2: Tract 213.02: Block Group 2: Block 2033, Block 2034, Block 2036; Precinct Silver Creek 3: Tract 203.02: Block Group 3: Block 3009; Tract 213.02: Block Group 2: Block 2022, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2035, Block 2999; Precinct Upper Fork; Caldwell County: Precinct Lovelady Rhodiss.

District 86: Burke County: Precinct Drexel 1, Precinct Drexel 3, Precinct Jonas Ridge, Precinct Linville 1, Precinct Linville 2, Precinct Lovelady 1, Precinct Lovelady 2, Precinct Lovelady 4, Precinct Lower Creek, Precinct Morganton 1, Precinct Morganton 4, Precinct Morganton 5, Precinct Morganton 6, Precinct Morganton 7, Precinct Morganton 8, Precinct Morganton 9, Precinct Morganton 10, Precinct Quaker Meadows 1, Precinct Quaker Meadows 2, Precinct Silver Creek 1, Precinct Silver Creek 2: Tract 203.01: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1019, Block 1021, Block 1022, Block 1023, Block 1024; Block Group 2: Block 2003, Block 2004, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012; Tract 203.02: Block Group 3: Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3013, Block 3014, Block 3015, Block 3017, Block 3018; Precinct Silver Creek 3: Tract 203.01: Block Group 1: Block 1018, Block 1020; Tract 203.02: Block Group 1: Block 1033; Block Group 2: Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017; Block Group 3: Block 3000, Block 3001, Block 3007, Block 3008, Block 3010, Block 3011, Block 3012, Block 3016; Block Group 4: Block 4004, Block 4005, Block 4006, Block 4007, Block 4020, Block 4021; Tract 213.02: Block Group 1: Block 1009, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023; Block Group 2: Block 2023; Precinct Smoky Creek, Precinct Upper Creek.

District 87: Alexander County, Caldwell County: Precinct Hudson 1, Precinct Kings Creek, Precinct Little River, Precinct Lower Creek 1, Precinct Lower Creek 2, Precinct Lower Creek 3, Precinct Lower Creek 4, Precinct Sawmills 1, Precinct Sawmills 2, Precinct Lovelady 1, Precinct Lovelady 2.

District 88: Catawba County: Precinct Brookford, Precinct Conover West, Precinct College Park, Precinct Kenworth, Precinct Greenmont, Precinct Oakwood, Precinct Ridgeview, Precinct Highlands, Precinct Longview North, Precinct Longview South, Precinct Oakland Heights, Precinct St Stephens 1, Precinct St Stephens 2, Precinct Sandy Ridge, Precinct Springs, Precinct Sweetwater: Tract 110: Block Group 2: Block 2018, Block 2024, Block 2025, Block 2026, Block 2028, Block 2029, Block 2030, Block 2031; Block Group 3: Block 3002, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3032, Block 3033; Block Group 4: Block 4016, Block 4017, Block 4018, Block 4019,



Block 4021, Block 4022, Block 4023, Block 4024, Block 4029, Block 4030, Block 4031; Precinct Viewmont 1, Precinct Viewmont 2, Precinct Falling Creek, Precinct Northwest.

District 89: Catawba County: Precinct Balls Creek: Tract 114: Block Group 2: Block 2034, Block 2035, Block 2036, Block 2037; Block Group 3: Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020; Block Group 4: Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018; Tract 115.01: Block Group 2: Block 2015, Block 2016, Block 2017, Block 2018, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2037; Precinct Banoak, Precinct Blackburn, Precinct Catawba, Precinct Claremont, Precinct Conover East, Precinct East Newton, Precinct Maiden, Precinct Mt Olive, Precinct Mtn View 1, Precinct Mtn View 2, Precinct North Newton, Precinct Oxford, Precinct South Newton, Precinct Startown, Precinct Sweetwater: Tract 109: Block Group 2: Block 2000, Block 2025, Block 2026, Block 2027, Block 2028, Block 2030, Block 2031, Block 2032, Block 2033; Tract 110: Block Group 3: Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3035, Block 3036, Block 3037, Block 3038, Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044, Block 3045, Block 3046, Block 3047, Block 3048, Block 3049, Block 3050, Block 3051, Block 3052, Block 3053, Block 3054, Block 3055, Block 3056, Block 3057, Block 3058; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, Block 4010, Block 4011, Block 4012, Block 4013, Block 4014, Block 4015, Block 4020, Block 4025, Block 4026, Block 4027, Block 4028, Block 4032, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037, Block 4038, Block 4039, Block 4040, Block 4041, Block 4042, Block 4043, Block 4044, Block 4045, Block 4046, Block 4047, Block 4048, Block 4049, Block 4050, Block 4051, Block 4052, Block 4053, Block 4054, Block 4055, Block 4056, Block 4057, Block 4058, Block 4059, Block 4060, Block 4061, Block 4062, Block 4063, Block 4064, Block 4065, Block 4066, Block 4067, Block 4068, Block 4069, Block 4070, Block 4071, Block 4072, Block 4073, Block 4074, Block 4075, Block 4076, Block 4077, Block 4078, Block 4079, Block 4080, Block 4081, Block 4082, Block 4083, Block 4084; Tract 111.02: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1007, Block 1008, Block 1009, Block 1010, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1021; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2081, Block 2082, Block 2083, Block 2086, Block 2087; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034, Block 3035, Block 3036, Block 3037, Block 3038, Block 3041; Tract 117.01: Block Group 1: Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026; Precinct West Newton.

District 90: Alleghany County, Surry County: Precinct Bryan, Precinct Dobson 1, Precinct Dobson 2, Precinct Dobson 3, Precinct Elkin 1, Precinct Elkin 2, Precinct Elkin

3, Precinct Franklin, Precinct Marsh, Precinct Mount Airy 1, Precinct Mount Airy 2, Precinct Mount Airy 7, Precinct Mount Airy 8, Precinct Mount Airy 9, Precinct Pilot 1, Precinct Pilot 2, Precinct Rockford, Precinct Shoals, Precinct Siloam, Precinct Stewarts Creek 1, Precinct Stewarts Creek 2, Precinct Mount Airy 3.

District 91: Stokes County, Forsyth County: Precinct 092; Surry County: Precinct Eldora, Precinct Long Hill, Precinct Mount Airy 4, Precinct Mount Airy 5, Precinct Mount Airy 6, Precinct North Westfield, Precinct South Westfield.

District 92: Yadkin County, Forsyth County: Precinct 055, Precinct 071, Precinct 072, Precinct 073, Precinct 075, Precinct 091, Precinct 131, Precinct 133.

District 93: Forsyth County: Precinct 042, Precinct 051, Precinct 052, Precinct 053, Precinct 054, Precinct 074, Precinct 122: Tract 37: Block Group 2: Block 2041, Block 2042, Block 2043; Block Group 4: Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026, Block 4027, Block 4028, Block 4029, Block 4030, Block 4031, Block 4032, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037, Block 4038, Block 4039, Block 4040, Block 4041, Block 4047, Block 4048, Block 4049, Block 4050, Block 4051, Block 4052, Block 4053, Block 4054, Block 4055, Block 4056, Block 4057, Block 4058, Block 4059, Block 4060, Block 4061, Block 4062, Block 4063, Block 4064, Block 4065, Block 4066, Block 4067, Block 4068, Block 4069, Block 4070, Block 4071, Block 4072, Block 4073, Block 4074, Block 4075, Block 4076, Block 4077, Block 4078, Block 4079, Block 4080, Block 4081, Block 4084, Block 4085, Block 4086, Block 4088, Block 4089, Block 4090, Block 4091, Block 4092, Block 4093, Block 4094, Block 4095, Block 4096, Block 4097, Block 4098, Block 4099, Block 4100, Block 4101, Block 4102, Block 4103, Block 4104, Block 4105, Block 4106, Block 4107, Block 4108, Block 4109, Block 4110, Block 4111, Block 4112, Block 4113, Block 4114, Block 4115, Block 4116, Block 4117, Block 4118, Block 4119, Block 4120, Block 4121, Block 4997, Block 4998, Block 4999; Tract 38.03: Block Group 2: Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2025, Block 2026, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034; Precinct 123, Precinct 505: Tract 35: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1014; Block Group 3: Block 3004, Block 3005, Block 3006, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023; Precinct 506, Precinct 602, Precinct 701: Tract 22: Block Group 2: Block 2000, Block 2002, Block 2003, Block 2004, Block 2005, Block 2013; Block Group 5: Block 5000, Block 5001, Block 5002; Tract 25.01: Block Group 3: Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3033, Block 3034, Block 3035; Tract 25.02: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020; Precinct 702, Precinct 703, Precinct 705, Precinct 706, Precinct 707, Precinct 708, Precinct 709, Precinct 803, Precinct 804, Precinct 805, Precinct 806, Precinct 807, Precinct 808, Precinct 809, Precinct 901: Tract 11: Block Group 3: Block 3003, Block 3004, Block 3005, Block 3009; Tract 12: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2023, Block

2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034.

District 94: Forsyth County: Precinct 011, Precinct 012, Precinct 013, Precinct 014, Precinct 015, Precinct 031: Tract 28.07: Block Group 1: Block 1000, Block 1001, Block 1011, Block 1012, Block 1022, Block 1023, Block 1024, Block 1025; Block Group 2: Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2026, Block 2027, Block 2028, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2999; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3012, Block 3013, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027; Precinct 032, Precinct 033: Tract 28.06: Block Group 2: Block 2005, Block 2006, Block 2007, Block 2009, Block 2010, Block 2011; Precinct 034, Precinct 043: Tract 34.02: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035; Block Group 2: Block 2003, Block 2004, Block 2005, Block 2006, Block 2021, Block 2023, Block 2024, Block 2025, Block 2026, Block 2029, Block 2030, Block 2031, Block 2035; Precinct 063, Precinct 065, Precinct 067, Precinct 068, Precinct 101: Tract 28.01: Block Group 3: Block 3028, Block 3029, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034, Block 3035, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044, Block 3045, Block 3046, Block 3047, Block 3048, Block 3061, Block 3062, Block 3063; Tract 28.04: Block Group 1: Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1999; Block Group 2: Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3011, Block 3017, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030; Tract 28.05: Block Group 3: Block 3063; Block Group 4: Block 4013, Block 4014, Block 4015, Block 4016, Block 4019; Precinct 111, Precinct 112, Precinct 132, Precinct 801, Precinct 802, Precinct 906, Precinct 907, Precinct 908, Precinct 909.

District 95: Catawba County: Precinct Balls Creek: Tract 115.01: Block Group 2: Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2036; Tract 116: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2009, Block 2010, Block 2011; Block Group 3: Block 3004, Block 3005, Block 3006, Block 3007; Block Group 4: Block 4000, Block 4004, Block 4005, Block 4006; Precinct East Maiden, Precinct Monogram, Precinct Sherrills Ford, Precinct Lake Norman; Iredell County: Precinct Bethany, Precinct Coddle Creek 1, Precinct Coddle Creek 4, Precinct Concord: Tract 610: Block Group 1: Block 1024, Block 1026, Block 1027; Block Group 4: Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, Block 4077, Block 4078, Block 4079, Block 4080, Block 4081, Block 4082, Block 4083, Block 4084, Block 4096, Block 4097, Block 4098, Block 4099, Block 4100; Block Group 5: Block 5002, Block 5003, Block 5004, Block 5005, Block 5006, Block 5008; Block Group 6: Block 6000, Block 6001, Block 6002, Block 6003, Block 6004, Block 6005, Block 6006, Block 6007, Block 6008, Block 6009, Block 6010, Block 6012, Block 6013, Block 6014, Block 6015, Block 6016, Block

6017, Block 6018, Block 6019, Block 6020, Block 6021, Block 6022, Block 6023, Block 6025, Block 6026, Block 6027, Block 6028, Block 6029, Block 6030, Block 6031; Tract 611: Block Group 2: Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2029, Block 2030, Block 2031, Block 2999; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3025, Block 3026, Block 3029, Block 3030, Block 3031, Block 3032, Block 3033, Block 3034, Block 3035, Block 3036, Block 3037, Block 3038, Block 3039, Block 3057, Block 3058, Block 3059, Block 3060; Precinct Davidson 1, Precinct Davidson 2, Precinct Fallstown: Tract 611: Block Group 5: Block 5031, Block 5032, Block 5033; Tract 612: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1998, Block 1999; Block Group 2: Block 2017, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032; Block Group 3: Block 3047, Block 3048, Block 3049, Block 3050, Block 3051, Block 3052, Block 3053; Block Group 5: Block 5005, Block 5006, Block 5007, Block 5016, Block 5020, Block 5021, Block 5022, Block 5023, Block 5030, Block 5031, Block 5999; Block Group 6: Block 6001, Block 6002, Block 6006, Block 6007, Block 6008, Block 6009, Block 6011, Block 6023, Block 6024, Block 6025, Block 6030, Block 6034, Block 6035, Block 6036, Block 6037, Block 6038, Block 6039, Block 6040, Block 6041, Block 6042, Block 6043, Block 6044, Block 6045, Block 6998, Block 6999; Block Group 7: Block 7000, Block 7001, Block 7002, Block 7003, Block 7004, Block 7005, Block 7006, Block 7007, Block 7008, Block 7009, Block 7010, Block 7011, Block 7012, Block 7013, Block 7014, Block 7015, Block 7016, Block 7017, Block 7018, Block 7019, Block 7020, Block 7021, Block 7022, Block 7023, Block 7024, Block 7025, Block 7026, Block 7027, Block 7028, Block 7029, Block 7030, Block 7031, Block 7032, Block 7033, Block 7034, Block 7035, Block 7036, Block 7037, Block 7038, Block 7039, Block 7040, Block 7041, Block 7042, Block 7043, Block 7044, Block 7045, Block 7046, Block 7047, Block 7048, Block 7049, Block 7050, Block 7051, Block 7052, Block 7053, Block 7054, Block 7055, Block 7995, Block 7996, Block 7997, Block 7998, Block 7999; Block Group 8: Block 8000, Block 8001, Block 8002, Block 8003, Block 8004, Block 8005, Block 8006, Block 8007, Block 8009, Block 8010, Block 8048, Block 8049, Block 8053, Block 8054, Block 8996, Block 8999; Block Group 9: Block 9002, Block 9003, Block 9004, Block 9005, Block 9006, Block 9007, Block 9008, Block 9009, Block 9010, Block 9011; Precinct Olin, Precinct Shiloh.

District 96: Iredell County: Precinct Barringer, Precinct Coddle Creek 2, Precinct Coddle Creek 3, Precinct Chambersburg, Precinct Cool Springs, Precinct Fallstown: Tract 612: Block Group 3: Block 3037, Block 3040, Block 3043, Block 3044, Block 3045, Block 3046; Block Group 4: Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, Block 4010, Block 4011, Block 4012, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4027, Block 4028, Block 4030, Block 4031, Block 4032; Block Group 5: Block 5008, Block 5009, Block 5010, Block 5011, Block 5012, Block 5013, Block 5014, Block 5015; Block Group 6: Block

6000, Block 6003, Block 6004, Block 6005, Block 6010, Block 6012, Block 6013, Block 6014, Block 6015, Block 6016, Block 6017, Block 6018, Block 6019, Block 6020, Block 6021, Block 6022, Block 6026, Block 6027, Block 6028, Block 6029, Block 6031, Block 6032, Block 6033; Precinct Statesville 1, Precinct Statesville 2, Precinct Statesville 3, Precinct Statesville 4, Precinct Statesville 5, Precinct Statesville 6, Precinct Turnersburg.

District 97: Lincoln County.

District 98: Mecklenburg County: Precinct 127, Precinct 128, Precinct 230, Precinct 238, Precinct 240, Precinct 241: Tract 62.07: Block Group 2: Block 2000, Block 2001, Block 2075, Block 2076, Block 2080, Block 2081; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3036, Block 3037, Block 3038, Block 3039, Block 3040, Block 3042, Block 3043, Block 3044, Block 3045, Block 3046, Block 3047; Tract 63.02: Block Group 1: Block 1020, Block 1021, Block 1025, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1999; Block Group 2: Block 2034, Block 2035, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046; Precinct 242, Precinct 133, Precinct 134, Precinct 142, Precinct 143, Precinct 200, Precinct 202, Precinct 206, Precinct 208, Precinct 209, Precinct 214, Precinct 223, Precinct 224.

District 99: Mecklenburg County: Precinct 060, Precinct 082, Precinct 105, Precinct 107, Precinct 126, Precinct 237, Precinct 239, Precinct 241: Tract 63.02: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1022, Block 1023, Block 1024, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1053; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2036, Block 2037, Block 2038; Precinct 132, Precinct 141, Precinct 204, Precinct 205, Precinct 207, Precinct 212.

District 100: Mecklenburg County: Precinct 006, Precinct 007, Precinct 017, Precinct 033, Precinct 034, Precinct 045, Precinct 062, Precinct 063, Precinct 064, Precinct 083, Precinct 084, Precinct 094, Precinct 099, Precinct 102, Precinct 116, Precinct 117, Precinct 125, Precinct 130, Precinct 217.

District 101: Mecklenburg County: Precinct 011, Precinct 013, Precinct 026, Precinct 027, Precinct 054, Precinct 055, Precinct 056, Precinct 079, Precinct 080, Precinct 081, Precinct 089, Precinct 135, Precinct 210, Precinct 211, Precinct 213, Precinct 222.

District 102: Mecklenburg County: Precinct 001, Precinct 002: Tract 24: Block Group 1: Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1016; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3011, Block 3012, Block 3013; Precinct 003, Precinct 004, Precinct 005, Precinct 014, Precinct 028, Precinct 029, Precinct 030, Precinct 042, Precinct 043, Precinct 044: Tract 12: Block

Group 1: Block 1001, Block 1002; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018; Tract 13: Block Group 1: Block 1028, Block 1029, Block 1030, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039; Precinct 046, Precinct 061, Precinct 095, Precinct 104, Precinct 108, Precinct 123, Precinct 124.

District 103: Mecklenburg County: Precinct 091, Precinct 112, Precinct 113, Precinct 115, Precinct 118, Precinct 227, Precinct 233, Precinct 234, Precinct 235, Precinct 236, Precinct 136, Precinct 201, Precinct 203, Precinct 215, Precinct 216, Precinct 218, Precinct 219, Precinct 220, Precinct 221.

District 104: Mecklenburg County: Precinct 018, Precinct 035, Precinct 036, Precinct 047, Precinct 048, Precinct 065, Precinct 066, Precinct 067, Precinct 068, Precinct 069, Precinct 070, Precinct 071, Precinct 085, Precinct 090, Precinct 093, Precinct 096, Precinct 100, Precinct 103, Precinct 106, Precinct 111, Precinct 119, Precinct 121, Precinct 232, Precinct 131, Precinct 137, Precinct 144.

District 105: Mecklenburg County: Precinct 008: Tract 27: Block Group 4: Block 4005, Block 4006, Block 4007, Block 4008, Block 4009; Block Group 5: Block 5013, Block 5014; Precinct 019, Precinct 057, Precinct 058, Precinct 072, Precinct 073, Precinct 074, Precinct 075, Precinct 076, Precinct 086, Precinct 087, Precinct 088, Precinct 092, Precinct 101, Precinct 110, Precinct 114, Precinct 226, Precinct 231, Precinct 129, Precinct 139, Precinct 140.

District 106: Mecklenburg County: Precinct 002: Tract 24: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008; Tract 25: Block Group 2: Block 2013, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035; Tract 26: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006; Precinct 008: Tract 27: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006; Block Group 3: Block 3000, Block 3001, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3015; Block Group 4: Block 4000; Block Group 5: Block 5000, Block 5001, Block 5002, Block 5006, Block 5007, Block 5008, Block 5009, Block 5010, Block 5011; Precinct 009, Precinct 010, Precinct 015, Precinct 020, Precinct 021, Precinct 022, Precinct 032, Precinct 037, Precinct 038, Precinct 044: Tract 12: Block Group 3: Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3019, Block 3020, Block 3023, Block 3024; Tract 13: Block Group 2: Block 2005, Block 2006, Block 2007, Block 2008, Block 2014, Block 2015, Block 2016, Block 2017; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3013, Block 3014; Precinct 049, Precinct 050, Precinct 051, Precinct 052, Precinct 059, Precinct 077: Tract 38.04: Block Group 1: Block 1022; Block Group 2: Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2012; Tract 58.06: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005,

Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1068, Block 1069, Block 1071, Block 1072, Block 1073, Block 1074, Block 1077, Block 1079, Block 1999; Tract 59.05: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008; Precinct 097, Precinct 098, Precinct 109, Precinct 120.

District 107: Mecklenburg County: Precinct 012, Precinct 016, Precinct 023, Precinct 024, Precinct 025, Precinct 031, Precinct 039, Precinct 040, Precinct 041, Precinct 053, Precinct 077; Tract 59.05: Block Group 2: Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050; Precinct 078, Precinct 122, Precinct 225, Precinct 228, Precinct 229, Precinct 243, Precinct 138.

District 108: Gaston County: Precinct Gaston Day, Precinct Belmont 1, Precinct Belmont 2, Precinct Belmont 3, Precinct Catawba Heights, Precinct Southpoint, Precinct Cramerton, Precinct New Hope, Precinct Union, Precinct High Shoals, Precinct Alexis, Precinct Dallas 2, Precinct Lucia, Precinct Stanley 1, Precinct Stanley 2, Precinct Mt Holly 1, Precinct Mt Holly 2.

District 109: Gaston County: Precinct York Chester, Precinct Victory, Precinct Pleasant Ridge, Precinct Health Center, Precinct Myrtle, Precinct Highland, Precinct Wood Hill, Precinct Grier, Precinct Sherwood, Precinct Armstrong, Precinct Flint Grove, Precinct Ranlo, Precinct Gardner Park, Precinct Ashbrook; Tract 325.03: Block Group 1: Block 1003; Tract 326: Block Group 1: Block 1020; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004; Precinct Lowell, Precinct Tryon, Precinct Landers Chapel, Precinct Cherryville 1, Precinct Cherryville 2, Precinct Cherryville 3, Precinct Dallas 1.

District 110: Cleveland County: Precinct Waco, Precinct Casar, Precinct Mulls, Precinct Oak Grove, Precinct Bethware, Precinct Fallston, Precinct Polkville; Tract 9501: Block Group 5: Block 5003, Block 5008, Block 5009, Block 5010, Block 5011; Block Group 6: Block 6072; Gaston County: Precinct Forest Heights, Precinct Robinson 1, Precinct Robinson 2, Precinct Ashbrook; Tract 313.02: Block Group 4: Block 4026, Block 4027, Block 4028, Block 4029, Block 4030, Block 4031, Block 4032, Block 4033; Tract 322: Block Group 2: Block 2013, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036; Tract 325.03: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1004, Block 1005, Block 1006, Block 1009; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006; Block Group 3: Block 3006, Block 3007, Block 3008, Block 3009, Block 3010; Tract 325.04: Block Group 2: Block 2001, Block 2002, Block 2003, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018; Tract 326: Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3011, Block 3012, Block 3013, Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021; Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004, Block 4011, Block 4012, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025; Precinct South Gastonia, Precinct Bessemer City 1, Precinct Bessemer City 2, Precinct Crowders Mountain, Precinct McAdenville.

District 111: Cleveland County: Precinct Shelby 1, Precinct Shelby 2, Precinct Shelby 3, Precinct Shelby 4, Precinct Shelby 5, Precinct Shelby 6, Precinct Shelby 7, Precinct Shelby 8, Precinct Kings Mountain 1, Precinct Kings Mountain 2, Precinct Kings Mountain 3, Precinct Kings Mountain 4, Precinct Lattimore, Precinct Boiling Springs, Precinct Rippy, Precinct Grover, Precinct Hot Springs, Precinct MRB-YO, Precinct Shanghai.

District 112: Rutherford County, Cleveland County: Precinct Kingstown, Precinct Lawndale, Precinct Polkville: Tract 9501: Block Group 3: Block 3048, Block 3049, Block 3062, Block 3063, Block 3064, Block 3065, Block 3067; Block Group 4: Block 4002, Block 4003, Block 4004, Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, Block 4011, Block 4012, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026, Block 4027, Block 4028, Block 4029, Block 4030, Block 4031, Block 4032, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037, Block 4038, Block 4039, Block 4040, Block 4041, Block 4042, Block 4043, Block 4044, Block 4045, Block 4046, Block 4047, Block 4048, Block 4049, Block 4050, Block 4051, Block 4052, Block 4053, Block 4054, Block 4055, Block 4056, Block 4057, Block 4058, Block 4059, Block 4060, Block 4061, Block 4062, Block 4064, Block 4065, Block 4066, Block 4067, Block 4071, Block 4072, Block 4073, Block 4074, Block 4075, Block 4076, Block 4077, Block 4078, Block 4079, Block 4080; Block Group 5: Block 5007, Block 5013, Block 5015, Block 5016, Block 5017, Block 5018, Block 5019, Block 5020, Block 5021, Block 5022, Block 5023, Block 5024, Block 5025, Block 5026, Block 5027, Block 5028, Block 5029, Block 5030, Block 5031, Block 5032, Block 5033, Block 5034, Block 5035, Block 5036, Block 5037, Block 5038, Block 5039, Block 5040, Block 5041, Block 5042, Block 5043, Block 5044, Block 5045, Block 5046, Block 5047, Block 5048, Block 5049, Block 5050, Block 5051, Block 5052, Block 5053, Block 5054, Block 5055, Block 5056, Block 5057; Tract 9502: Block Group 4: Block 4007, Block 4008, Block 4009, Block 4022, Block 4023, Block 4039, Block 4040, Block 4054; Tract 9513: Block Group 1: Block 1005; Tract 9514: Block Group 1: Block 1000, Block 1001, Block 1005, Block 1006, Block 1007, Block 1011; Block Group 2: Block 2001, Block 2002, Block 2003, Block 2006, Block 2009.

District 113: Polk County, Henderson County: Precinct Armory, Precinct Atkinson, Precinct Bat Cave, Precinct Clear Creek, Precinct Edneyville, Precinct East Flat Rock, Precinct Flat Rock, Precinct Grimesdale, Precinct Moores Grove, Precinct North Blue Ridge, Precinct Northeast, Precinct Northwest, Precinct South Blue Ridge, Precinct Southeast, Precinct Southwest, Precinct Hendersonville 1, Precinct Hendersonville 2, Precinct Hendersonville 3.

District 114: Buncombe County: Precinct Asheville 2, Precinct Asheville 3, Precinct Asheville 4, Precinct Asheville 6, Precinct Asheville 10, Precinct Asheville 11, Precinct Asheville 12, Precinct Asheville 13, Precinct Asheville 14, Precinct Asheville 15, Precinct Asheville 16, Precinct Asheville 21, Precinct Asheville 22, Precinct Asheville 23, Precinct Asheville 24, Precinct Flat Creek (40), Precinct Hazel 1 (42), Precinct Hazel 2 (43), Precinct North Buncombe (58), Precinct Reems Creek (59), Precinct Weaverville (67), Precinct Woodland Hills (71), Precinct Asheville 28, Precinct Asheville 27, Precinct Ivy CRU (50, 51).

District 115: Buncombe County: Precinct Asheville 1, Precinct Asheville 7, Precinct Asheville 8, Precinct Asheville 9, Precinct Asheville 17, Precinct Asheville 18, Precinct Asheville 19, Precinct Asheville 20, Precinct Asheville 25, Precinct Black



Mountain 1 (32), Precinct Black Mountain 2 (33), Precinct Black Mountain 3 (34), Precinct Black Mountain 5 (36), Precinct Broad River (37), Precinct Fairview 1 (38), Precinct Fairview 2 (39), Precinct Limestone 4 (57), Precinct Reynolds (60), Precinct Swannanoa 1 (64), Precinct Black Mountain 4 (35), Precinct Asheville 29, Precinct Riceville Swannanoa CRU 2 (62, 66), Precinct Riceville Swannanoa 2 CRU (61, 65).

District 116: Buncombe County: Precinct Asheville 5, Precinct Averys Creek (30), Precinct Biltmore (31), Precinct French Broad (41), Precinct Lower Hominy 1 (44), Precinct Lower Hominy 2 (45), Precinct Lower Hominy 3 (46), Precinct Upper Hominy 2 (48), Precinct Leicester 1 (52), Precinct Limestone 1 (54), Precinct Limestone 2 (55), Precinct Limestone 3 (56), Precinct West Buncombe 1 (68, 681), Precinct West Buncombe 2 (69), Precinct Woodfin (70), Precinct Upper Hominy CRU (47, 49), Precinct Leicester Sandy Mush CRU (63, 53).

District 117: Transylvania County, Henderson County: Precinct Brickton, Precinct Crab Creek, Precinct Etowah South, Precinct Etowah Valley, Precinct Fletcher, Precinct Green River, Precinct Hoopers Creek, Precinct Horseshoe, Precinct Long John Mountain, Precinct Laurel Park, Precinct North Mills River, Precinct Park Ridge, Precinct Pisgah View, Precinct Rugby, Precinct Raven Rock, Precinct South Mills River.

District 118: Madison County, Yancey County, Haywood County: Precinct Crabtree, Precinct Center Waynesville, Precinct East Waynesville, Precinct Saunook, Precinct Beaverdam 1, Precinct Beaverdam 2, Precinct Beaverdam 3, Precinct Beaverdam 4, Precinct Beaverdam 7, Precinct Center Pigeon, Precinct Fines Creek 1, Precinct Fines Creek 2, Precinct North Clyde, Precinct South Clyde, Precinct South Waynesville 1, Precinct South Waynesville 2, Precinct Beaverdam 5-6.

District 119: Jackson County, Swain County, Haywood County: Precinct Allens Creek, Precinct Big Creek, Precinct Cecil, Precinct East Fork, Precinct Hazelwood, Precinct Iron Duff, Precinct Ivy Hill, Precinct Jonathan Creek, Precinct Lake Junaluska, Precinct Pigeon, Precinct White Oak, Precinct West Waynesville; Macon County: Precinct Cowee.

District 120: Cherokee County, Clay County, Graham County, Macon County: Precinct North Franklin, Precinct South Franklin, Precinct East Franklin, Precinct Iotla, Precinct Union, Precinct Millshoal, Precinct Ellijay, Precinct Sugarfork, Precinct Highlands, Precinct Flats, Precinct Smithbridge, Precinct Cartoogechaye, Precinct Nantahala, Precinct Burningtown."

**SECTION 2.** G.S. 120-2(b) reads as rewritten:

"(b) The names and boundaries of precincts (voting tabulation districts), tracts, block groups, and blocks specified in this section are as they were legally defined and recognized in the 2000 United States Census. Boundaries are as shown on the Redistricting Census 2000 TIGER Files, with modifications made by the Legislative Services Office on its computer database as of May 1, 2001, to reflect precincts divided or renamed as outlined in subsection (c) of this section. However, in Robeson County PHILADEPLUS is, in fact, PHILADELPHUS, and in Vance County SANDY SCREEK is, in fact, SANDY CREEK. If the boundary line between Iredell and Mecklenburg Counties in the Redistricting Census 2000 TIGER Files conflicts with that provided by Section 1 of Session Law 1998-15 as rewritten by Session Law 2001-429, Section 1 of Session Law 1998-15 as rewritten by Session Law 2001-429 prevails to the extent of the conflict. However, the boundary corner between Forsyth, Stokes, and Rockingham Counties is as established by Chapter 23, Public Laws of 1848-49."

**SECTION 3.** The plan adopted by Section 1 of this act is effective for the elections for the years 2002, 2004, 2006, 2008, and 2010 unless the United States Supreme Court reverses the decision holding unconstitutional G.S. 120-2 as it existed prior to the enactment of this act (or the decision is otherwise enjoined, made inoperable or ineffective), and in any such case the prior version of G.S. 120-2 is again effective.

**SECTION 3.1** G.S. 120-1(a) is rewritten to read:

"(a) For the purpose of nominating and electing members of the Senate in 2002 and every two years thereafter, senatorial districts are established and seats in the Senate are apportioned among those districts so that each District elects one Senator, and the composition of each district is as follows:

District 1: Camden County, Chowan County, Currituck County, Dare County, Hyde County, Pasquotank County, Perquimans County, Tyrrell County, Carteret County: Precinct ATLANTIC BEACH, Precinct ATLANTIC, Precinct BETTIE, Precinct BEAUFORT 1, Precinct BEAUFORT 2, Precinct CEDAR ISLAND, Precinct DAVIS, Precinct HARKERS ISLAND, Precinct HARLOWE, Precinct MILL CREEK, Precinct MERRIMON, Precinct MOREHEAD 1, Precinct MOREHEAD 2, Precinct MOREHEAD 3, Precinct NEWPORT 1, Precinct NEWPORT 2, Precinct NORTH RIVER, Precinct SEALEVEL, Precinct STACY, Precinct WILDWOOD, Precinct WILLISTON, Precinct WIREGRASS, Precinct MARSHALLBERG, Precinct OTWAY STRAITS CRU, Precinct SMYRNA.

District 2: Bertie County, Gates County, Halifax County, Hertford County, Northampton County, Warren County, Vance County: Precinct MIDDLEBURG, Precinct TOWNSVILLE, Precinct WILLIAMSBORO.

District 3: Beaufort County, Craven County, Jones County, Pamlico County.

District 4: Onslow County, Carteret County: Precinct PINE KNOLL SHORES, Precinct BOGUE, Precinct BROAD CREEK, Precinct CEDAR POINT, Precinct EMERALD ISLE, Precinct INDIAN BEACH, Precinct MOREHEAD 4, Precinct PELETIER, Precinct SALTER PATH, Precinct STELLA, Precinct CAPE CARTERET.

District 5: Duplin County, Lenoir County, Sampson County.

District 6: Wake County: Precinct 01-19, Precinct 01-20, Precinct 01-22, Precinct 01-25, Precinct 01-26, Precinct 01-35, Precinct 01-40, Precinct 09-01, Precinct 09-02, Precinct 10-01, Precinct 10-02, Precinct 10-03, Precinct 10-04, Precinct 13-02: Tract 540.09: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2051, Block 2052, Block 2053, Block 2054, Block 2055, Block 2056, Block 2057, Block 2058, Block 2059, Block 2060, Block 2061, Block 2079, Block 2080, Block 2081, Block 2999; Tract 540.10: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040,

Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1048, Block 1049, Block 1051, Block 1054, Block 1055, Block 1058, Block 1059; Tract 542.01: Block Group 5: Block 5999; Precinct 13-03: Tract 540.09: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026; Block Group 2: Block 2062, Block 2063, Block 2064, Block 2065, Block 2066, Block 2067, Block 2068, Block 2069, Block 2070, Block 2071, Block 2072, Block 2073, Block 2074, Block 2075, Block 2076, Block 2077, Block 2078, Block 2082, Block 2083, Block 2084, Block 2085, Block 2086, Block 2087, Block 2088, Block 2089, Block 2090, Block 2091, Block 2092, Block 2093, Block 2094, Block 2095, Block 2096, Block 2097, Block 2098, Block 2100; Precinct 15-01, Precinct 16-01, Precinct 16-03, Precinct 16-04, Precinct 16-05, Precinct 16-07, Precinct 17-02, Precinct 17-03, Precinct 17-04, Precinct 17-06, Precinct 17-07, Precinct 19-01, Precinct 19-02, Precinct 19-03, Precinct 19-04, Precinct 19-07, Precinct 19-08.

District 7: New Hanover County.

District 8: Greene County, Wayne County, Pitt County: Precinct 6.01, Precinct 10.01, Precinct 13.01, Precinct 2.00A, Precinct 2.00B, Precinct 11.02B.

District 9: Edgecombe County, Martin County, Washington County, Nash County: Precinct ROCKY MOUNT 1, Precinct ROCKY MOUNT 2, Precinct ROCKY MOUNT 3, Precinct ROCKY MOUNT 4; Pitt County: Precinct 3.01, Precinct 4.01, Precinct 5.01, Precinct 11.01, Precinct 12.01, Precinct 15.01, Precinct 15.03, Precinct 15.04, Precinct 15.06, Precinct 15.05A, Precinct 15.05B, Precinct 15.07A: Tract 1: Block Group 3: Block 3049, Block 3068, Block 3069; Tract 4: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018; Precinct 15.11B.

District 10: Wilson County, Nash County: Precinct ROCKY MOUNT 5, Precinct ROCKY MOUNT 7, Precinct ROCKY MOUNT 9, Precinct NASHVILLE, Precinct OAK LEVEL; Pitt County: Precinct 1.01, Precinct 7.01, Precinct 9.01, Precinct 14.02, Precinct 15.09, Precinct 8.00A, Precinct 8.00B, Precinct 11.02A, Precinct 14.03A, Precinct 14.03B, Precinct 15.07A: Tract 2: Block Group 2: Block 2013, Block 2014, Block 2015, Block 2016; Block Group 3: Block 3014, Block 3015, Block 3016, Block 3017, Block 3018, Block 3021, Block 3022, Block 3023, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3032; Precinct 15.07B, Precinct 15.07C, Precinct 15.08A, Precinct 15.08B, Precinct 15.10A, Precinct 15.10B, Precinct 15.11A, Precinct 15.12A, Precinct 15.12B.

District 11: Franklin County, Johnston County: Precinct BENTONVILLE, Precinct NORTH BEULAH, Precinct SOUTH BEULAH, Precinct NORTH BOON HILL, Precinct SOUTH BOON HILL, Precinct EAST INGRAMS, Precinct WEST INGRAMS, Precinct MICRO, Precinct NORTH O'NEALS, Precinct SOUTH O'NEALS, Precinct PINE LEVEL, Precinct EAST SELMA, Precinct WEST SELMA, Precinct EAST SMITHFIELD, Precinct NORTH SMITHFIELD, Precinct SOUTH SMITHFIELD, Precinct WILSON'S MILLS; Nash County: Precinct STONY CREEK, Precinct ROCKY MOUNT 6, Precinct ROCKY MOUNT 8, Precinct ROCKY MOUNT 10, Precinct GRIFFINS, Precinct JACKSONS, Precinct MANNINGS 1, Precinct MANNINGS 2, Precinct SOUTH WHITAKERS, Precinct BAILEY, Precinct CASTALIA, Precinct COOPERS, Precinct DRYWELLS, Precinct FERRELLS,

Precinct NORTH WHITAKERS 1, Precinct NORTH WHITAKERS 2, Precinct RED OAK.

District 12: Durham County: Precinct 1, Precinct 2, Precinct 3, Precinct 4, Precinct 5, Precinct 6, Precinct 7, Precinct 8, Precinct 9, Precinct 16, Precinct 20, Precinct 21, Precinct 24, Precinct 25, Precinct 26, Precinct 27, Precinct 28, Precinct 30, Precinct 31, Precinct 32, Precinct 33, Precinct 35, Precinct 36, Precinct 37, Precinct 38, Precinct 39, Precinct 40, Precinct 43, Precinct 44, Precinct 45, Precinct 46, Precinct 48, Precinct 50, Precinct 51, Precinct 53, Precinct 54.

District 13: Granville County, Durham County: Precinct 10, Precinct 11, Precinct 12, Precinct 13, Precinct 14, Precinct 15, Precinct 17, Precinct 18, Precinct 19, Precinct 22, Precinct 23, Precinct 29, Precinct 34, Precinct 41, Precinct 42, Precinct 47, Precinct 49, Precinct 52; Vance County: Precinct EAST HENDERSON 1, Precinct EAST HENDERSON 2, Precinct NORTH HENDERSON 1, Precinct NORTH HENDERSON 2, Precinct SOUTH HENDERSON 1, Precinct SOUTH HENDERSON 2, Precinct WEST HENDERSON 1, Precinct WEST HENDERSON 2, Precinct DABNEY, Precinct HILLTOP, Precinct KITTRELL, Precinct SANDY SCREEK, Precinct WATKINS.

District 14: Wake County: Precinct 01-01, Precinct 01-02, Precinct 01-05, Precinct 01-06, Precinct 01-07, Precinct 01-14, Precinct 01-21, Precinct 01-23, Precinct 01-27, Precinct 01-31, Precinct 01-32, Precinct 01-41, Precinct 01-48, Precinct 01-49, Precinct 04-01, Precinct 04-02, Precinct 04-03, Precinct 04-04, Precinct 04-05, Precinct 04-06, Precinct 04-08, Precinct 04-09: Tract 535.07: Block Group 1: Block 1000, Block 1001, Block 1002; Block Group 4: Block 4000; Tract 535.10: Block Group 1: Block 1020, Block 1023, Block 1024, Block 1032, Block 1033; Tract 535.13: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023; Tract 535.14: Block Group 1: Block 1076, Block 1077, Block 1078; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2006, Block 2026, Block 2027, Block 2030, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2051, Block 2052, Block 2053, Block 2054, Block 2055, Block 2056, Block 2997, Block 2998; Tract 535.15: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033; Precinct 04-10, Precinct 04-11, Precinct 04-12, Precinct 04-13, Precinct 04-14, Precinct 04-15, Precinct 04-16, Precinct 04-17, Precinct 04-18, Precinct 04-19, Precinct 07-10, Precinct 16-02, Precinct 16-06, Precinct 18-01, Precinct 18-06, Precinct 20-01: Tract 534.03: Block Group 5: Block 5010, Block 5011, Block 5012, Block 5013, Block 5020, Block 5021; Tract 534.04: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1063,

Block 1064, Block 1065, Block 1066, Block 1067, Block 1068, Block 1069, Block 1074, Block 1075, Block 1076, Block 1077, Block 1078, Block 1080, Block 1081, Block 1082, Block 1112, Block 1113; Block Group 2: Block 2080, Block 2081, Block 2082, Block 2083, Block 2084, Block 2085, Block 2086, Block 2087, Block 2088, Block 2089, Block 2090, Block 2091, Block 2092, Block 2093, Block 2094, Block 2095, Block 2096, Block 2097, Block 2098, Block 2099, Block 2100, Block 2101, Block 2102, Block 2103, Block 2104, Block 2105, Block 2106, Block 2107, Block 2108, Block 2109, Block 2110, Block 2111, Block 2112, Block 2113, Block 2114, Block 2115, Block 2116, Block 2117, Block 2118, Block 2119, Block 2139, Block 2140; Precinct 20-03, Precinct 20-06: Tract 534.03: Block Group 1: Block 1043; Block Group 4: Block 4074, Block 4075, Block 4076, Block 4104, Block 4105, Block 4106, Block 4107, Block 4108, Block 4109, Block 4110, Block 4111, Block 4112, Block 4113, Block 4114, Block 4115, Block 4116, Block 4117, Block 4118, Block 4119, Block 4120, Block 4121, Block 4122, Block 4123, Block 4124, Block 4125, Block 4126, Block 4127, Block 4128, Block 4129, Block 4130, Block 4131, Block 4132, Block 4133, Block 4134, Block 4135, Block 4136, Block 4137, Block 4138, Block 4139, Block 4140, Block 4141, Block 4142, Block 4143, Block 4144, Block 4145, Block 4146, Block 4149, Block 4150; Block Group 5: Block 5022, Block 5023, Block 5024, Block 5025, Block 5026, Block 5027, Block 5028, Block 5029, Block 5030, Block 5031, Block 5032, Block 5033, Block 5034, Block 5035, Block 5036, Block 5037, Block 5038; Tract 534.04: Block Group 1: Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054, Block 1055, Block 1056, Block 1057, Block 1058, Block 1059, Block 1060, Block 1061, Block 1062, Block 1108, Block 1109, Block 1110, Block 1111.

District 15: Harnett County, Johnston County: Precinct NORTH BANNER, Precinct SOUTH BANNER, Precinct WEST BANNER, Precinct EAST CLAYTON, Precinct NORTH CLAYTON, Precinct WEST CLAYTON, Precinct NORTH CLEVELAND, Precinct NORTH ELEVATION, Precinct SOUTH ELEVATION, Precinct NORTH MEADOW, Precinct SOUTH MEADOW, Precinct PLEASANT GROVE, Precinct WILDERS, Precinct SOUTH CLEVELAND, Precinct SOUTH CLAYTON.

District 16: Orange County, Person County.

District 17: Anson County, Richmond County, Scotland County, Stanly County.

District 18: Brunswick County, Columbus County, Pender County.

District 19: Alamance County, Caswell County.

District 20: Forsyth County: Precinct 071, Precinct 072, Precinct 074, Precinct 123, Precinct 201, Precinct 203, Precinct 204, Precinct 205, Precinct 206, Precinct 207, Precinct 301, Precinct 302, Precinct 303, Precinct 304, Precinct 305, Precinct 306, Precinct 401, Precinct 402, Precinct 403, Precinct 404, Precinct 405, Precinct 501, Precinct 502, Precinct 503, Precinct 505, Precinct 601, Precinct 603, Precinct 604, Precinct 605, Precinct 606, Precinct 607, Precinct 701, Precinct 702, Precinct 703, Precinct 704, Precinct 705; Tract 21: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013; Block Group 3: Block 3002, Block 3003; Tract 22: Block Group 5: Block 5026, Block 5027, Block 5033, Block 5034, Block 5035, Block 5036, Block 5037, Block 5038, Block 5039, Block 5040, Block 5041; Tract 38.02: Block Group 1: Block 1004, Block 1005, Block 1006,

Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1030, Block 1050; Tract 38.04: Block Group 1: Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016; Precinct 706, Precinct 707, Precinct 801, Precinct 803, Precinct 806, Precinct 807, Precinct 808, Precinct 901, Precinct 902, Precinct 903, Precinct 904, Precinct 905, Precinct 906, Precinct 907, Precinct 908, Precinct 909.

District 21: Chatham County, Lee County, Montgomery County, Moore County: Precinct CAMERON, Precinct EAST ABERDEEN, Precinct LITTLE RIVER, Precinct NORTH SOUTHERN PINES, Precinct PINEBLUFF, Precinct PINEDENE, Precinct SEVEN LAKES, Precinct SOUTH SOUTHERN PINES, Precinct TAYLORTOWN, Precinct VASS, Precinct WEST ABERDEEN, Precinct WEST END.

District 22: Cabarrus County, Mecklenburg County: Precinct 127, Precinct 240, Precinct 242, Precinct 133, Precinct 142, Precinct 143: Tract 62.06: Block Group 1: Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1037, Block 1050, Block 1051, Block 1052, Block 1053, Block 1054; Precinct 202, Precinct 206, Precinct 207, Precinct 208.

District 23: Davidson County, Guilford County: Precinct High Point 13, Precinct High Point 14, Precinct High Point 15, Precinct High Point 16, Precinct High Point 23, Precinct High Point 24, Precinct High Point 25, Precinct High Point 26, Precinct High Point 27.

District 24: Bladen County, Cumberland County: Precinct CROSS CREEK 2, Precinct CROSS CREEK 7, Precinct CROSS CREEK 8, Precinct CUMBERLAND 1, Precinct CUMBERLAND 2, Precinct CUMBERLAND 3, Precinct HOPE MILLS 1, Precinct HOPE MILLS 2, Precinct HOPE MILLS 3, Precinct PEARCES MILL 2, Precinct PEARCES MILL 3, Precinct PEARCES MILL 4, Precinct ALDERMAN, Precinct ARRAN HILLS, Precinct BEAVER DAM, Precinct CROSS CREEK 10, Precinct CROSS CREEK 11, Precinct CROSS CREEK 12, Precinct CROSS CREEK 14, Precinct CROSS CREEK 15, Precinct CROSS CREEK 18, Precinct CROSS CREEK 20, Precinct CROSS CREEK 24, Precinct CROSS CREEK 26, Precinct CROSS CREEK 27, Precinct CROSS CREEK 29, Precinct CROSS CREEK 30, Precinct CROSS CREEK 31, Precinct CROSS CREEK 34, Precinct CEDAR CREEK, Precinct EASTOVER, Precinct JUDSON/VANDER, Precinct SHERWOOD, Precinct STEDMAN, Precinct WADE.

District 25: Gaston County: Precinct York Chester, Precinct Victory, Precinct Pleasant Ridge, Precinct Forest Heights, Precinct Health Center, Precinct Myrtle, Precinct Highland, Precinct Wood Hill, Precinct Grier, Precinct Sherwood, Precinct Armstrong, Precinct Flint Grove, Precinct Ranlo, Precinct Gardner Park, Precinct Robinson 1, Precinct Gaston Day, Precinct Robinson 2, Precinct Ashbrook, Precinct South Gastonia, Precinct Bessemer City 1, Precinct Bessemer City 2, Precinct Crowders Mountain, Precinct Belmont 1, Precinct Belmont 2, Precinct Belmont 3, Precinct Catawba Heights, Precinct Southpoint, Precinct Cramerton, Precinct New Hope, Precinct McAdenville, Precinct Union, Precinct Lowell, Precinct Tryon, Precinct Landers Chapel, Precinct Cherryville 1, Precinct Cherryville 2, Precinct Cherryville 3, Precinct High Shoals, Precinct Dallas 1, Precinct Dallas 2.

District 26: Randolph County, Moore County: Precinct BENSALEM, Precinct CARTHAGE, Precinct EUREKA, Precinct EASTWOOD, Precinct KNOLLWOOD,

Precinct ROBBINS, Precinct WEST MOORE, Precinct PINEHURST A, Precinct PINEHURST B, Precinct PINEHURST C, Precinct D-H-R.

District 27: Alexander County, Wilkes County, Catawba County: Precinct Brookford, Precinct College Park, Precinct Kenworth, Precinct Greenmont, Precinct Oakwood, Precinct Ridgeview, Precinct Highlands, Precinct Longview North, Precinct Longview South, Precinct Oakland Heights, Precinct Oxford, Precinct St Stephens 1, Precinct St Stephens 2, Precinct Sandy Ridge, Precinct Springs, Precinct Viewmont 1, Precinct Viewmont 2, Precinct Falling Creek, Precinct Northwest.

District 28: Buncombe County: Precinct Asheville 1, Precinct Asheville 2, Precinct Asheville 3, Precinct Asheville 4, Precinct Asheville 5, Precinct Asheville 6, Precinct Asheville 7, Precinct Asheville 8, Precinct Asheville 9, Precinct Asheville 10, Precinct Asheville 11, Precinct Asheville 12, Precinct Asheville 13, Precinct Asheville 14, Precinct Asheville 15, Precinct Asheville 16, Precinct Asheville 17, Precinct Asheville 20, Precinct Asheville 21, Precinct Asheville 22, Precinct Asheville 23, Precinct Asheville 24, Precinct Asheville 25, Precinct Averys Creek (30), Precinct Black Mountain 1 (32), Precinct Black Mountain 2 (33), Precinct Black Mountain 3 (34), Precinct Black Mountain 5 (36), Precinct Flat Creek (40), Precinct French Broad (41), Precinct Hazel 1 (42), Precinct Hazel 2 (43), Precinct Lower Hominy 1 (44), Precinct Lower Hominy 2 (45), Precinct Lower Hominy 3 (46), Precinct Upper Hominy 2 (48), Precinct Leicester 1 (52), Precinct North Buncombe (58), Precinct Reems Creek (59), Precinct Swannanoa 1 (64), Precinct Weaverville (67), Precinct West Buncombe 1 (68, 681), Precinct West Buncombe 2 (69), Precinct Woodfin (70), Precinct Woodland Hills (71), Precinct Asheville 28, Precinct Asheville 27, Precinct Black Mountain 4 (35), Precinct Upper Hominy CRU (47, 49), Precinct Ivy CRU (50, 51), Precinct Leicester Sandy Mush CRU (63, 53), Precinct Riceville Swannanoa CRU 2 (62, 66), Precinct Riceville Swannanoa 2 CRU (61, 65).

District 29: Cherokee County, Clay County, Graham County, Haywood County, Madison County, Swain County, Jackson County: Precinct Barkers Creek, Precinct Canada, Precinct Caney Fork, Precinct Cullowhee, Precinct Dillsboro, Precinct Greens Creek, Precinct Hamburg, Precinct Mountain, Precinct Qualla, Precinct River, Precinct Savannah, Precinct Sylva North Ward, Precinct Sylva South Ward, Precinct Webster, Precinct Scotts Creek CRU.

District 30: Hoke County, Robeson County.

District 31: Guilford County: Precinct HP, Precinct Friendship 2, Precinct Greensboro 3, Precinct Greensboro 4, Precinct Greensboro 5, Precinct Greensboro 6, Precinct Greensboro 46, Precinct Greensboro 52, Precinct Greensboro 53, Precinct Greensboro 55, Precinct Greensboro 57, Precinct Greensboro 64, Precinct Greensboro 67, Precinct Greensboro 68, Precinct Greensboro 69, Precinct Greensboro 70, Precinct Greensboro 71, Precinct Greensboro 72, Precinct Greensboro 73, Precinct Greensboro 74, Precinct Greensboro 75, Precinct High Point 1, Precinct High Point 2, Precinct High Point 3, Precinct High Point 4, Precinct High Point 5, Precinct High Point 6, Precinct High Point 7, Precinct High Point 8, Precinct High Point 9, Precinct High Point 10, Precinct High Point 11, Precinct High Point 12, Precinct High Point 17, Precinct High Point 18, Precinct High Point 19, Precinct High Point 20, Precinct High Point 21, Precinct High Point 22, Precinct Pleasant Garden 1, Precinct Rock Creek 1, Precinct Fentress 1, Precinct Jamestown 1, Precinct Jamestown 2, Precinct Jamestown 3, Precinct Jefferson 1, Precinct Jefferson 2, Precinct Jefferson 3, Precinct Monroe 3, Precinct North Madison, Precinct South Madison, Precinct Sumner 1, Precinct Sumner 2.

District 32: Guilford County: Precinct Center Grove 2, Precinct Center Grove 3, Precinct Friendship 1, Precinct Greensboro 1, Precinct Greensboro 2, Precinct Greensboro 7, Precinct Greensboro 9, Precinct Greensboro 10, Precinct Greensboro 11, Precinct Greensboro 12, Precinct Greensboro 13, Precinct Greensboro 14, Precinct Greensboro 15, Precinct Greensboro 16, Precinct Greensboro 17, Precinct Greensboro 18, Precinct Greensboro 19, Precinct Greensboro 20, Precinct Greensboro 21, Precinct Greensboro 22, Precinct Greensboro 23, Precinct Greensboro 24, Precinct Greensboro 25, Precinct Greensboro 26, Precinct Greensboro 27, Precinct Greensboro 28, Precinct Greensboro 29, Precinct Greensboro 30, Precinct Greensboro 31, Precinct Greensboro 32, Precinct Greensboro 33, Precinct Greensboro 34, Precinct Greensboro 35, Precinct Greensboro 36, Precinct Greensboro 37, Precinct Greensboro 38, Precinct Greensboro 39: Tract 125.06: Block Group 3: Block 3007; Tract 161.01: Block Group 1: Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012; Precinct Greensboro 41, Precinct Greensboro 42, Precinct Greensboro 43, Precinct Greensboro 44, Precinct Greensboro 45, Precinct Greensboro 47, Precinct Greensboro 48, Precinct Greensboro 49, Precinct Greensboro 50, Precinct Greensboro 51, Precinct Greensboro 54, Precinct Greensboro 56, Precinct Greensboro 58, Precinct Greensboro 59, Precinct Greensboro 60, Precinct Greensboro 61, Precinct Greensboro 62, Precinct Greensboro 63, Precinct Greensboro 65, Precinct Greensboro 66, Precinct Greensboro 8, Precinct Monroe 1, Precinct Monroe 2.

District 33: Mecklenburg County: Precinct 011, Precinct 012, Precinct 013, Precinct 014, Precinct 016, Precinct 022, Precinct 023, Precinct 024, Precinct 025, Precinct 027, Precinct 030, Precinct 031, Precinct 037, Precinct 041, Precinct 042, Precinct 050, Precinct 052, Precinct 054, Precinct 055, Precinct 056, Precinct 058, Precinct 059, Precinct 076, Precinct 077, Precinct 082, Precinct 087, Precinct 097, Precinct 098, Precinct 114, Precinct 120, Precinct 128, Precinct 225, Precinct 238, Precinct 129, Precinct 135, Precinct 210, Precinct 211, Precinct 213, Precinct 214.

District 34: Mecklenburg County: Precinct 003, Precinct 026, Precinct 039, Precinct 040, Precinct 053, Precinct 060, Precinct 078, Precinct 079, Precinct 080, Precinct 081, Precinct 089, Precinct 104, Precinct 105, Precinct 107, Precinct 122, Precinct 123, Precinct 126, Precinct 228, Precinct 229, Precinct 230, Precinct 237, Precinct 239, Precinct 241, Precinct 243, Precinct 132, Precinct 134, Precinct 138, Precinct 141, Precinct 143: Tract 62.06: Block Group 1: Block 1016, Block 1021, Block 1022, Block 1036, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045; Tract 62.07: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1998, Block 1999; Block Group 2: Block 2013, Block 2014; Precinct 200, Precinct 204, Precinct 209, Precinct 212, Precinct 222, Precinct 223, Precinct 224.

District 35: Mecklenburg County: Precinct 001, Precinct 008, Precinct 018, Precinct 019, Precinct 032, Precinct 036, Precinct 047, Precinct 048, Precinct 057, Precinct 065, Precinct 067, Precinct 068, Precinct 069, Precinct 070, Precinct 071, Precinct 072, Precinct 073, Precinct 074, Precinct 075, Precinct 085, Precinct 086, Precinct 088, Precinct 090, Precinct 091, Precinct 092, Precinct 093, Precinct 096, Precinct 100, Precinct 101, Precinct 103, Precinct 110, Precinct 111, Precinct 112, Precinct 113, Precinct 118, Precinct 119, Precinct 121, Precinct 226, Precinct 227, Precinct 231, Precinct 232, Precinct 233, Precinct 131, Precinct 136, Precinct 137, Precinct 139, Precinct 140, Precinct 144, Precinct 215, Precinct 217.

District 36: Wake County: Precinct 01-42, Precinct 01-47, Precinct 02-01, Precinct 02-02, Precinct 02-03, Precinct 02-04, Precinct 02-05, Precinct 02-06, Precinct 03-00,



Precinct 04-07, Precinct 04-09: Tract 535.14: Block Group 2: Block 2025; Precinct 05-00, Precinct 06-01, Precinct 06-02, Precinct 06-03, Precinct 08-03, Precinct 08-04, Precinct 08-05, Precinct 08-08, Precinct 12-01, Precinct 12-02, Precinct 12-03, Precinct 12-04, Precinct 12-06, Precinct 14-01, Precinct 14-02, Precinct 15-02, Precinct 18-02, Precinct 18-03, Precinct 18-04, Precinct 18-05, Precinct 18-08, Precinct 19-05, Precinct 19-06, Precinct 20-01: Tract 534.02: Block Group 2: Block 2031, Block 2032, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048; Tract 534.03: Block Group 4: Block 4016, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026, Block 4027, Block 4028, Block 4031, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037, Block 4038, Block 4054, Block 4055, Block 4056, Block 4057, Block 4058, Block 4059, Block 4060, Block 4061, Block 4062, Block 4063, Block 4064, Block 4065, Block 4079, Block 4082, Block 4083, Block 4084, Block 4085, Block 4086, Block 4087, Block 4088, Block 4089, Block 4090, Block 4091, Block 4092, Block 4093, Block 4094, Block 4095, Block 4097, Block 4098, Block 4099, Block 4100, Block 4101, Block 4102, Block 4103, Block 4999; Block Group 5: Block 5001, Block 5002, Block 5003, Block 5004, Block 5005, Block 5006, Block 5007, Block 5008, Block 5014, Block 5015, Block 5016, Block 5017, Block 5018, Block 5019; Precinct 20-02, Precinct 20-04, Precinct 20-05, Precinct 20-06: Tract 534.03: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1077, Block 1078, Block 1079, Block 1080; Block Group 2: Block 2053, Block 2058, Block 2059, Block 2060, Block 2061, Block 2062, Block 2063, Block 2064, Block 2065, Block 2066, Block 2067, Block 2068, Block 2069, Block 2070, Block 2071, Block 2072; Block Group 4: Block 4012, Block 4013, Block 4014, Block 4015, Block 4017, Block 4039, Block 4040, Block 4041, Block 4042, Block 4043, Block 4044, Block 4045, Block 4046, Block 4047, Block 4048, Block 4049, Block 4050, Block 4051, Block 4052, Block 4053, Block 4066, Block 4067, Block 4068, Block 4069, Block 4070, Block 4071, Block 4072, Block 4073, Block 4077, Block 4078, Block 4080, Block 4081, Block 4147, Block 4148; Precinct 20-10.

District 37: Cleveland County, Rutherford County.

District 38: Davie County, Rowan County.

District 39: Lincoln County, Catawba County: Precinct Balls Creek, Precinct Banoak, Precinct Blackburn, Precinct Catawba, Precinct Claremont, Precinct Conover West, Precinct Conover East, Precinct East Maiden, Precinct East Newton, Precinct Maiden, Precinct Monogram, Precinct Mt Olive, Precinct Mtn View 1, Precinct Mtn View 2, Precinct North Newton, Precinct Sherrills Ford, Precinct South Newton, Precinct Startown, Precinct Sweetwater, Precinct West Newton, Precinct Lake Norman; Gaston County: Precinct Alexis, Precinct Lucia, Precinct Stanley 1, Precinct Stanley 2, Precinct Mt Holly 1, Precinct Mt Holly 2.

District 40: Mecklenburg County: Precinct 002, Precinct 004, Precinct 005, Precinct 006, Precinct 007, Precinct 009, Precinct 010, Precinct 015, Precinct 017, Precinct 020, Precinct 021, Precinct 028, Precinct 029, Precinct 033, Precinct 034, Precinct 035, Precinct 038, Precinct 043, Precinct 044, Precinct 045, Precinct 046, Precinct 049, Precinct 051, Precinct 061, Precinct 062, Precinct 063, Precinct 064, Precinct 066,

Precinct 083, Precinct 084, Precinct 094, Precinct 095, Precinct 099, Precinct 102, Precinct 106, Precinct 108, Precinct 109, Precinct 115, Precinct 116, Precinct 117, Precinct 124, Precinct 125, Precinct 234, Precinct 235, Precinct 130.

District 41: Cumberland County: Precinct CROSS CREEK 1, Precinct CROSS CREEK 3, Precinct CROSS CREEK 4, Precinct CROSS CREEK 5, Precinct CROSS CREEK 6, Precinct CROSS CREEK 9, Precinct MORGANTON ROAD, Precinct AUMAN, Precinct BLACK RIVER, Precinct BRENTWOOD, Precinct CROSS CREEK 13, Precinct CROSS CREEK 16, Precinct CROSS CREEK 17, Precinct CROSS CREEK 19, Precinct CROSS CREEK 21, Precinct CROSS CREEK 22, Precinct CROSS CREEK 23, Precinct CROSS CREEK 25, Precinct CROSS CREEK 28, Precinct CROSS CREEK 32, Precinct CROSS CREEK 33, Precinct CLIFFDALE WEST, Precinct LINDEN, Precinct LONG HILL, Precinct LAKE RIM, Precinct MANCHESTER, Precinct MONTIBELLO, Precinct SPRING LAKE, Precinct STONEY POINT, Precinct WEST AREA.

District 42: Henderson County, Macon County, Polk County, Transylvania County, Jackson County: Precinct Cashiers.

District 43: Rockingham County, Guilford County: Precinct Greene, Precinct Center Grove 1, Precinct Friendship 3, Precinct Friendship 4, Precinct Friendship 5, Precinct Greensboro 39: Tract 125.06: Block Group 1: Block 1065, Block 1067; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005; Tract 161.01: Block Group 1: Block 1005, Block 1013, Block 1014, Block 1015, Block 1016; Precinct Gibsonville, Precinct Oak Ridge 1, Precinct Oak Ridge 2, Precinct Pleasant Garden 2, Precinct Rock Creek 2, Precinct Summerfield 1, Precinct Summerfield 2, Precinct Summerfield 3, Precinct Summerfield 4, Precinct Fentress 2, Precinct Greensboro 40A, Precinct Greensboro 40B, Precinct Jamestown 4, Precinct Jamestown 5, Precinct Jefferson 4, Precinct North Center Grove, Precinct North Deep River, Precinct South Deep River, Precinct Stokesdale, Precinct Sumner 3, Precinct Sumner 4, Precinct North Clay, Precinct North Washington, Precinct South Clay, Precinct South Washington.

District 44: Wake County: Precinct 01-03, Precinct 01-04, Precinct 01-09, Precinct 01-10, Precinct 01-11, Precinct 01-12, Precinct 01-13, Precinct 01-15, Precinct 01-16, Precinct 01-17, Precinct 01-18, Precinct 01-28, Precinct 01-29, Precinct 01-30, Precinct 01-33, Precinct 01-34, Precinct 01-36, Precinct 01-37, Precinct 01-38, Precinct 01-39, Precinct 01-43, Precinct 01-44, Precinct 01-45, Precinct 01-46, Precinct 01-51, Precinct 07-01, Precinct 07-02, Precinct 07-03, Precinct 07-04, Precinct 07-05, Precinct 07-06, Precinct 07-07, Precinct 07-09, Precinct 07-11, Precinct 07-12, Precinct 08-01, Precinct 08-02, Precinct 08-06, Precinct 11-01, Precinct 11-02, Precinct 13-01, Precinct 13-02: Tract 540.10: Block Group 1: Block 1046, Block 1047, Block 1050, Block 1052, Block 1053, Block 1056, Block 1057, Block 1060, Block 1061, Block 1062, Block 1063, Block 1064, Block 1065, Block 1066, Block 1067, Block 1068, Block 1069, Block 1070, Block 1071, Block 1072, Block 1073, Block 1074, Block 1075, Block 1076, Block 1077, Block 1078, Block 1079, Block 1080, Block 1081, Block 1082, Block 1083, Block 1084, Block 1085, Block 1086, Block 1087, Block 1088, Block 1089, Block 1090, Block 1091, Block 1092, Block 1093, Block 1094, Block 1095, Block 1096, Block 1997, Block 1998, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2025, Block 2026, Block 2027, Block 2028; Precinct 13-03: Tract 540.09: Block Group 1: Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036; Block Group 2: Block 2099, Block 2101, Block 2102, Block 2103, Block 2104,

Block 2105, Block 2106, Block 2107, Block 2108, Block 2109, Block 2110, Block 2111, Block 2112, Block 2113, Block 2114, Block 2115, Block 2116, Block 2117, Block 2118, Block 2119, Block 2120, Block 2121, Block 2122, Block 2123, Block 2124, Block 2125, Block 2126, Block 2127, Block 2128, Block 2129, Block 2130; Precinct 17-01, Precinct 17-05.

District 45: Alleghany County, Ashe County, Stokes County, Surry County, Watauga County: Precinct Bald Mtn, Precinct North Fork, Precinct Stony Fork.

District 46: Forsyth County: Precinct 011, Precinct 012, Precinct 013, Precinct 014, Precinct 015, Precinct 021, Precinct 031, Precinct 032, Precinct 033, Precinct 034, Precinct 042, Precinct 043, Precinct 051, Precinct 052, Precinct 053, Precinct 054, Precinct 055, Precinct 061, Precinct 062, Precinct 063, Precinct 064, Precinct 065, Precinct 066, Precinct 067, Precinct 068, Precinct 073, Precinct 075, Precinct 081, Precinct 082, Precinct 083, Precinct 091, Precinct 092, Precinct 101, Precinct 111, Precinct 112, Precinct 122, Precinct 131, Precinct 132, Precinct 133, Precinct 504, Precinct 506, Precinct 507, Precinct 602, Precinct 705: Tract 38.02: Block Group 1: Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1046, Block 1047, Block 1048, Block 1049, Block 1997, Block 1998, Block 1999; Block Group 3: Block 3000; Precinct 708, Precinct 709, Precinct 802, Precinct 804, Precinct 805, Precinct 809.

District 47: Avery County, Caldwell County, Mitchell County, Yancey County, Watauga County: Precinct Beaverdam, Precinct Blowing Rock, Precinct Blue Ridge, Precinct Boone1, Precinct Boone2, Precinct Brushy Fork, Precinct Cove Creek, Precinct Elk, Precinct Laurel Creek, Precinct Meat Camp, Precinct Boone3, Precinct New River 1, Precinct New River 2, Precinct New River 3, Precinct Shawneehaw, Precinct Watauga, Precinct Beech Mtn.

District 48: Burke County, McDowell County, Buncombe County: Precinct Asheville 18, Precinct Asheville 19, Precinct Biltmore (31), Precinct Broad River (37), Precinct Fairview 1 (38), Precinct Fairview 2 (39), Precinct Limestone 1 (54), Precinct Limestone 2 (55), Precinct Limestone 3 (56), Precinct Limestone 4 (57), Precinct Reynolds (60), Precinct Asheville 29.

District 49: Iredell County, Yadkin County.

District 50: Union County, Mecklenburg County: Precinct 236, Precinct 201, Precinct 203, Precinct 205, Precinct 216, Precinct 218, Precinct 219, Precinct 220, Precinct 221.

**SECTION 3.2** The plan adopted by Section 3.1 of this act is effective for the elections for the years 2002, 2004, 2006, 2008, and 2010 unless the United States Supreme Court reverses the decision holding unconstitutional G.S. 120-1 as it existed prior to the enactment of this act (or the decision is otherwise enjoined, made inoperable or ineffective), and in any such case the prior version of G.S. 120-1 is again effective.

**SECTION 3.3.** If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable. Specifically, the provisions of this act adopting a districting plan for the House of Representatives are severable from the provisions of this act adopting a districting plan for the Senate.

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 17<sup>th</sup> day of May, 2002.

Became law upon approval of the Governor at 9:27 a.m. on the 20<sup>th</sup> day of May, 2002.

**S.B. 3****Session Law 2002-2****2002 Extra Session**

## AN ACT TO CORRECT 2002 HOUSE DISTRICTS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Districts 8 and 23 as set out in G.S. 120-2(a), as rewritten by S.L. 2002-1 Extra Session, read as rewritten:

"District 8: Greene County, ~~Edgecombe County~~; ~~Precinct 3-1~~; Martin County: Precinct GOOSE NEST, Precinct HAMILTON, Precinct HASSELL, Precinct ROBERSONVILLE 1, Precinct ROBERSONVILLE 2; Pitt County: Precinct 1.01: Tract 16: Block Group 1: Block 1008, Block 1009; Tract 18: Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004; Precinct 3.01, Precinct 4.01, Precinct 7.01: Tract 6: Block Group 4: Block 4012; Tract 17: Block Group 1: Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1996; Tract 19: Block Group 1: Block 1000, Block 1001, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1998, Block 1999; Block Group 2: Block 2000; Precinct 9.01, Precinct 15.01, Precinct 15.03, Precinct 15.04: Tract 6: Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3011, Block 3012, Block 3013, Block 3014, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3999; Block Group 4: Block 4005, Block 4006, Block 4010, Block 4011, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026, Block 4027, Block 4028, Block 4029, Block 4030, Block 4031, Block 4032, Block 4033, Block 4034, Block 4035, Block 4036, Block 4037, Block 4038, Block 4039, Block 4048, Block 4059, Block 4060; Tract 7.01: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005; Block Group 3: Block 3000, Block 3001, Block 3002, Block 3003, Block 3004, Block 3005, Block 3006, Block 3007, Block 3008, Block 3009, Block 3010, Block 3011, Block 3012, Block 3016, Block 3017, Block 3018, Block 3019, Block 3020, Block 3021, Block 3022, Block 3023, Block 3024, Block 3025, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044; Tract 7.02: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2003, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018,

Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024; Precinct 8.00A, Precinct 8.00B, Precinct 15.05A: Tract 6: Block Group 3: Block 3007, Block 3008, Block 3009, Block 3010, Block 3026, Block 3027, Block 3028, Block 3029, Block 3030, Block 3031, Block 3034, Block 3035, Block 3039, Block 3040, Block 3041, Block 3042, Block 3043, Block 3044, Block 3045, Block 3046, Block 3047; Precinct 15.05B.

District 23: Edgecombe County: Precinct 1-1, Precinct 1-2, Precinct 1-3, Precinct 1-4, Precinct 2-1, Precinct 3-1, Precinct 4-1, Precinct 8-1, Precinct 9-1, Precinct 10-1, Precinct 11-1; Wilson County: Precinct BLACK CREEK, Precinct CROSSROADS, Precinct GARDNERS, Precinct OLD FIELDS, Precinct SARATOGA, Precinct SPRINGHILL, Precinct STANTONSBURG, Precinct TAYLORS, Precinct TOISNOT: Tract 13: Block Group 2: Block 2005, Block 2006; Block Group 4: Block 4004, Block 4005, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017; Block Group 5: Block 5000, Block 5001, Block 5002, Block 5003, Block 5004, Block 5005, Block 5006, Block 5007, Block 5008, Block 5009, Block 5010, Block 5011, Block 5012, Block 5013, Block 5014, Block 5015, Block 5016, Block 5017, Block 5018, Block 5019, Block 5020, Block 5021, Block 5024, Block 5025, Block 5028, Block 5030, Block 5048, Block 5049, Block 5050, Block 5051, Block 5052; Precinct WILSON I, Precinct WILSON L, Precinct WILSON M, Precinct WILSON P."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21<sup>st</sup> day of May, 2002.

Became law on the date it was ratified.

### H.B. 3

### Session Law 2002-3

### 2002 Extra Session

AN ACT TO DEFER UNTIL THE GENERAL ELECTION THE VOTE ON A CONSTITUTIONAL AMENDMENT THAT HAD BEEN ON THE 2002 PRIMARY BALLOT.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 4 of S.L. 1999-268, as amended by Section 3 of S.L. 2001-217, reads as rewritten:

"Section 4. The amendment set out in Section 3 of this act shall be submitted to the qualified voters of the State at the ~~next statewide primary election~~, statewide general election in 2002, which election shall be conducted under the laws then governing elections in the State. Ballots, voting systems, or both may be used in accordance with Chapter 163 of the General Statutes. The question to be used in the voting systems and ballots shall be:

[ ] FOR      [ ] AGAINST

Constitutional amendment making a technical correction to allow dedication and acceptance of property into the State Nature and Historic Preserve by the General Assembly by enactment of a bill rather than a joint resolution.' "

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21<sup>st</sup> day of May, 2002.

Became law on the date it was ratified.

AN ACT TO IMPROVE AIR QUALITY IN THE STATE BY IMPOSING LIMITS ON THE EMISSION OF CERTAIN POLLUTANTS FROM CERTAIN FACILITIES THAT BURN COAL TO GENERATE ELECTRICITY AND TO PROVIDE FOR RECOVERY BY ELECTRIC UTILITIES OF THE COSTS OF ACHIEVING COMPLIANCE WITH THOSE LIMITS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Article 21B of Chapter 143 of the General Statutes is amended by adding a new section to read:

**"§ 143-215.107D. Emissions of oxides of nitrogen (NOx) and sulfur dioxide (SO2) from certain coal-fired generating units.**

- (a) As used in this section:
- (1) 'Coal-fired generating unit' means a coal-fired generating unit, as defined by 40 Code of Federal Regulations § 96.2 (1 July 2001 Edition), that is located in this State and has the capacity to generate 25 or more megawatts of electricity.
  - (2) 'Investor-owned public utility' means an investor-owned public utility, as defined in G.S. 62-3.
- (b) An investor-owned public utility that owns or operates coal-fired generating units that collectively emitted more than 75,000 tons of oxides of nitrogen (NOx) in calendar year 2000:
- (1) Shall not collectively emit from the coal-fired generating units that it owns or operates more than 35,000 tons of oxides of nitrogen (NOx) in any calendar year beginning 1 January 2007.
  - (2) Shall not collectively emit from the coal-fired generating units that it owns or operates more than 31,000 tons of oxides of nitrogen (NOx) in any calendar year beginning 1 January 2009.
- (c) An investor-owned public utility that owns or operates coal-fired generating units that collectively emitted 75,000 tons or less of oxides of nitrogen (NOx) in calendar year 2000 shall not collectively emit from the coal-fired generating units that it owns or operates more than 25,000 tons of oxides of nitrogen (NOx) in any calendar year beginning 1 January 2007.
- (d) An investor-owned public utility that owns or operates coal-fired generating units that collectively emitted more than 225,000 tons of sulfur dioxide (SO2) in calendar year 2000:
- (1) Shall not collectively emit from the coal-fired generating units that it owns or operates more than 150,000 tons of sulfur dioxide (SO2) in any calendar year beginning 1 January 2009.
  - (2) Shall not collectively emit from the coal-fired generating units that it owns or operates more than 80,000 tons of sulfur dioxide (SO2) in any calendar year beginning 1 January 2013.
- (e) An investor-owned public utility that owns or operates coal-fired generating units that collectively emitted 225,000 tons or less of sulfur dioxide (SO2) in calendar year 2000:
- (1) Shall not collectively emit from the coal-fired generating units that it owns or operates more than 100,000 tons of sulfur dioxide (SO2) in any calendar year beginning 1 January 2009.

(2) Shall not collectively emit from the coal-fired generating units that it owns or operates more than 50,000 tons of sulfur dioxide (SO<sub>2</sub>) in any calendar year beginning 1 January 2013.

(f) Each investor-owned public utility to which this section applies may determine how it will achieve the collective emissions limitations imposed by this section. Compliance with the emissions limitations set out in this section does not alter the obligation of any person to comply with any other federal or State law, regulation, or rule related to air quality or visibility. This subsection shall not be construed to limit the authority of the Commission to impose specific limitations on the emission of oxides of nitrogen (NO<sub>x</sub>) and sulfur dioxide (SO<sub>2</sub>) from an individual coal-fired generating unit owned or operated by an investor-owned public utility.

(g) A coal-fired generating unit that is subject to the collective emissions limitations set out in this section on 1 July 2002 shall remain subject to the collective emissions limitations whether or not it thereafter continues to be owned or operated by an investor-owned public utility.

(h) The Commission shall require that any permit or modified permit issued for a coal-fired generating unit that is subject to this section include conditions that provide for testing, monitoring, record keeping, and reporting adequate to assure compliance with the requirements of this section.

(i) The Governor may enter into an agreement with an investor-owned public utility under which the investor-owned public utility voluntarily agrees to transfer to the State any emissions allowances acquired or that may be acquired by the investor-owned public utility pursuant to 42 U.S.C. §§ 7651-7651o, as implemented by 40 Code of Federal Regulations §§ 73.1 through 73.90 (1 July 2001 Edition); 42 U.S.C. 7410(a)(2)(D)(i)(I), as implemented by 40 Code of Federal Regulations § 51.121 (1 July 2001 Edition), related federal regulations, and the associated State Implementation Plan; 42 U.S.C. § 7426, as implemented by 40 Code of Federal Regulations § 52.34 (1 July 2001 Edition) and related federal regulations; or any similar program established under federal law that result from compliance with the emissions limitations set out in this section. An agreement entered into pursuant to this subsection shall be binding and shall be enforceable by specific performance. If the Governor enters into an agreement that provides for the transfer of emissions allowances to the State, the Governor shall file verified copies of the agreement with the Attorney General, the Secretary of State, the State Treasurer, the Secretary of Environment and Natural Resources, and the Utilities Commission. The State Treasurer shall hold all emissions allowances that are transferred to the State as provided in this subsection in trust for the people of this State and shall sell, trade, transfer, or otherwise dispose of the emissions allowances only as the General Assembly shall provide by law.

(j) An investor-owned public utility that is subject to the emissions limitations set out in this section shall submit to the Utilities Commission and to the Department on or before 1 April of each year a verified statement pursuant to subsection (i) of G.S. 62-133.6."

**SECTION 2.** G.S. 143-215.108 reads as rewritten:

**"§ 143-215.108. Control of sources of air pollution; permits required.**

(a) ~~After the effective date applicable to any air quality or emission control standards established pursuant to G.S. 143-215.107 and except~~ Except as provided in subsections (a1) and (a2) of this section, no person shall do any of the following things or carry out any of the following activities which contravene or will be likely to contravene ~~such~~ standards established pursuant to G.S. 143-215.107 or set out in G.S.

~~143-215.107D until or unless such that person shall have applied for and shall have received~~ has obtained from the Commission a permit therefor and ~~shall have~~ has complied with ~~such conditions, if any, as are prescribed by such~~ any conditions of this permit:

- (1) Establish or operate any air contaminant source;
- (2) Build, erect, use or operate any equipment which may result in the emission of air contaminants or which is likely to cause air pollution;
- (3) Alter or change the construction or method of operation of any equipment or process from which air contaminants are or may be emitted;
- (4) Enter into an irrevocable contract for the construction and installation of any air-cleaning device, or allow or cause such device to be constructed, installed, or operated.

(a1) The Commission may by rule establish procedures that meet the requirements of section 502(b)(10) of Title V (42 U.S.C. § 7661a(b)(10)) and 40 Code of Federal Regulations § 70.4(b)(12) (1 July 1993 Edition) to allow a permittee to make changes within a permitted facility without requiring a revision of the permit.

(a2) The Commission may adopt rules that provide for a minor modification of a permit. At a minimum, rules that provide for a minor modification of a permit shall meet the requirements of 40 Code of Federal Regulations § 70.7(e)(2) (1 July 1993 Edition). If the Commission adopts rules that provide for a minor modification of a permit, a permittee shall not make a change in the permitted facility while the application for the minor modification is under review unless the change is authorized under the rules adopted by the Commission.

(b) The Commission shall act upon all applications for permits so as to effectuate the ~~purpose~~ purposes of this ~~section~~, Article by reducing existing air pollution and preventing, so far as reasonably possible, any increased pollution of the air from any additional or enlarged sources.

(c) The Commission shall have the power:

- (1) To grant and renew a permit with ~~such~~ any conditions attached ~~as that~~ the Commission believes necessary to achieve the purposes of this ~~section~~ Article or the requirements of the Clean Air Act and implementing regulations adopted by the United States Environmental Protection Agency;

...."

**SECTION 3.** G.S. 143-215.107(a)(8) reads as rewritten:

"(8) To develop and adopt standards and plans necessary to implement programs to control acid deposition and to regulate the use of sulfur dioxide (SO<sub>2</sub>) allowances and ~~nitrogen~~ oxides of nitrogen (NO<sub>x</sub>) emissions in accordance with Title IV and implementing regulations adopted by the United States Environmental Protection Agency."

**SECTION 4.** G.S. 143-215.114A(a) reads as rewritten:

"(a) A civil penalty of not more than ten thousand dollars (\$10,000) may be assessed by the Secretary against any person who:

- (1) Violates any classification, standard or limitation established pursuant to ~~G.S. 143-215.107~~; G.S. 143-215.107.
- (2) Is required but fails to apply for or to secure a permit required by G.S. 143-215.108 or who violates or fails to act in accordance with the terms, conditions, or requirements of such ~~permit~~; permit.



- (3) Violates or fails to act in accordance with the terms, conditions, or requirements of any special order or other appropriate document issued pursuant to ~~G.S. 143-215.110~~; G.S. 143-215.110.
- (4) Fails to file, submit, or make available, as the case may be, any documents, data or reports required by this Article or Parts 1 or 7 of Article 21 of this ~~Chapter~~; Chapter.
- (5) Violates a rule of the Commission or a local governing body implementing this Article or Parts 1 or 7 of ~~Article 21~~; Article 21.
- (6) Violates the offenses set out in G.S. 143-215.114B.
- (7) Violates the emissions limitations set out in G.S. 143-215.107D."

**SECTION 5.** G.S. 143-215-114A is amended by adding a new subsection to read:

"(b1) The Secretary may assess a civil penalty of not more than ten thousand dollars (\$10,000) per day for a violation of the emissions limitations set out in G.S. 143-215.107D as provided in this subsection. If at the end of any calendar year, an investor-owned public utility has violated an emissions limitation set out in G.S. 143-215.107D, the violation shall be considered to be continuous from the day that the collective emissions first exceeded the emissions limitation set out in G.S. 143-215.107D through the end of the calendar year and the Secretary may assess a separate civil penalty for each day."

**SECTION 6.** G.S. 143-215.114B(f) reads as rewritten:

"(f) Any person who negligently violates any classification, standard or limitation established pursuant to ~~G.S. 143-215.107~~; G.S. 143-215.107 or by G.S. 143-215.107D any term, condition, or requirement of a permit issued pursuant to G.S. 143-215.108 or of a special order or other appropriate document issued pursuant to G.S. 143-215.110 or any rule of the Commission implementing any of the said section, shall be guilty of a Class 2 misdemeanor which may include a fine not to exceed fifteen thousand dollars (\$15,000) per day of violation, provided that such fine shall not exceed a cumulative total of two hundred thousand dollars (\$200,000) for each period of 30 days during which a violation continues."

**SECTION 7.** G.S. 143-215.114B(g) reads as rewritten:

"(g) Any person who knowingly and willfully violates any classification, standard, or limitation established in the rules of the Commission pursuant to ~~G.S. 143-215.107~~ or G.S. 143-215.107; the emissions limitations set out in G.S. 143-215.107D; any term, condition, or requirement of a permit issued pursuant to ~~G.S. 143-215.108~~ G.S. 143-215.108; or of a special order or other appropriate document issued pursuant to G.S. 143-215.110, shall be guilty of a Class H felony, which may include a fine not to exceed one hundred thousand dollars (\$100,000) per day of violation, provided that this fine shall not exceed a cumulative total of five hundred thousand dollars (\$500,000) for each period of 30 days during which a violation continues. For the purposes of this subsection, the phrase "knowingly and willfully" shall mean intentionally and consciously as the courts of this State, according to the principles of common law, interpret the phrase in the light of reason and experience."

**SECTION 8.** G.S. 143-215.114B(h)(1) reads as rewritten:

- "(1) Any person who knowingly violates any classification, standard, or limitation established in the rules of the Commission pursuant to ~~G.S. 143-215.107~~ or G.S. 143-215.107; the emissions limitations set out in G.S. 143-215.107D; any term, condition, or requirement of a permit issued pursuant to ~~G.S. 143-215.108~~ G.S. 143-215.108; or of a special

order or other appropriate document issued pursuant to G.S. 143-215.110 and who knows at that time that he thereby places another person in imminent danger of death or serious bodily injury shall be guilty of a Class C felony, which may include a fine not to exceed two hundred fifty thousand dollars (\$250,000) per day of violation, provided that this fine shall not exceed a cumulative total of one million dollars (\$1,000,000) for each period of 30 days during which a violation continues."

**SECTION 9.** Article 7 of Chapter 62 of the General Statutes is amended by adding a new section to read:

**"§ 62-133.6. Environmental compliance costs recovery.**

(a) As used in this section:

- (1) 'Coal-fired generating unit' means a coal-fired generating unit, as defined by 40 Code of Federal Regulations § 96.2 (1 July 2001 Edition), that is located in this State and has the capacity to generate 25 or more megawatts of electricity.
- (2) 'Environmental compliance costs' means only those capital costs incurred by an investor-owned public utility to comply with the emissions limitations set out in G.S. 143-215.107D that exceed the costs required to comply with 42 U.S.C. § 7410(a)(2)(D)(i)(I), as implemented by 40 Code of Federal Regulations § 51.121 (1 July 2001 Edition), related federal regulations, and the associated State or Federal Implementation Plan, or with 42 U.S.C. § 7426, as implemented by 40 Code of Federal Regulations § 52.34 (1 July 2001 Edition) and related federal regulations. The term 'environmental compliance costs' does not include:
  - a. Costs required to comply with a final order or judgment rendered by a state or federal court under which an investor-owned public utility is found liable for a failure to comply with any federal or state law, rule, or regulation for the protection of the environment or public health.
  - b. The net increase in costs, above those proposed by the investor-owned public utility as part of its plan to achieve compliance with the emissions limitations set out in G.S. 143-215.107D, that are necessary to comply with a settlement agreement, consent decree, or similar resolution of litigation arising from any alleged failure to comply with any federal or state law, rule, or regulation for the protection of the environment or public health.
  - c. Any criminal or civil fine or penalty, including court costs imposed or assessed for a violation by an investor-owned public utility of any federal or state law, rule, or regulation for the protection of the environment or public health.
  - d. The net increase in costs, above those proposed by the investor-owned public utility as part of its plan to achieve the emissions limitations set out in G.S. 143-215.107D, that are necessary to comply with any limitation on emissions of oxides of nitrogen (NOx) or sulfur dioxide (SO2) that are imposed on an individual coal-fired generating unit by the Environmental

Management Commission or the Department of Environment and Natural Resources to address any nonattainment of an air quality standard in any area of the State.

(3) 'Investor-owned public utility' means an investor-owned public utility, as defined in G.S. 62-3.

(b) The investor-owned public utilities shall be allowed to accelerate the cost recovery of their estimated environmental compliance costs over a seven-year period, beginning 1 January 2003 and ending 31 December 2009. For purposes of this subsection, an investor-owned public utility subject to the provisions of subsections (b) and (d) of G.S. 143-215.107D shall amortize environmental compliance costs in the amount of one billion five hundred million dollars (\$1,500,000,000) and an investor-owned public utility subject to the provisions of subsections (c) and (e) of G.S. 143-215.107D shall amortize environmental compliance costs in the amount of eight hundred thirteen million dollars (\$813,000,000). During the rate freeze period established in subsection (e) of this section, the investor-owned public utilities shall, at a minimum, recover through amortization seventy percent (70%) of the environmental compliance costs set out in this subsection. The maximum amount for each investor-owned public utility's annual accelerated cost recovery during the rate freeze period shall not exceed one hundred fifty percent (150%) of the annual levelized environmental compliance costs set out in this subsection. The amounts to be amortized pursuant to this subsection are estimates of the environmental compliance costs that may be adjusted as provided in this section. The General Assembly makes no judgment as to whether the actual environmental compliance costs will be greater than, less than, or equal to these estimated amounts. These estimated amounts do not define or limit the scope of the expenditures that may be necessary to comply with the emissions limitations set out in G.S. 143-215.107D.

(c) The investor-owned public utilities shall file their compliance plans, including initial cost estimates, with the Commission and the Department of Environment and Natural Resources not later than 10 days after the date on which this section becomes effective. The Commission shall consult with the Secretary of Environment and Natural Resources and shall consider the advice of the Secretary as to whether an investor-owned public utility's proposed compliance plan is adequate to achieve the emissions limitations set out in G.S. 143-215.107D.

(d) Subject to the provisions of subsection (f) of this section, the Commission shall hold a hearing to review the environmental compliance costs set out in subsection (b) of this section. The Commission may modify and revise those costs as necessary to ensure that they are just, reasonable, and prudent based on the most recent cost information available and determine the annual cost recovery amounts that each investor-owned public utility shall be required to record and recover during calendar years 2008 and 2009. In making its decisions pursuant to this subsection, the Commission shall consult with the Secretary of Environment and Natural Resources to receive advice as to whether the investor-owned public utility's actual and proposed modifications and permitting and construction schedule are adequate to achieve the emissions limitations set out in G.S. 143-215.107D. The Commission shall issue an order pursuant to this subsection no later than 31 December 2007.

(e) Notwithstanding G.S. 62-130(d) and G.S. 62-136(a), the base rates of the investor-owned public utilities shall remain unchanged from the date on which this section becomes effective through 31 December 2007. The Commission may, however, consistent with the public interest:

- (1) Allow adjustments to base rates, or deferral of costs or revenues, due to one or more of the following conditions occurring during the rate freeze period:
  - a. Governmental action resulting in significant cost reductions or requiring major expenditures including, but not limited to, the cost of compliance with any law, regulation, or rule for the protection of the environment or public health, other than environmental compliance costs.
  - b. Major expenditures to restore or replace property damaged or destroyed by force majeure.
  - c. A severe threat to the financial stability of the investor-owned public utility resulting from other extraordinary causes beyond the reasonable control of the investor-owned public utility.
  - d. The investor-owned public utility persistently earns a return substantially in excess of the rate of return established and found reasonable by the Commission in the investor-owned public utility's last general rate case.
- (2) Approve any reduction in a rate or rates applicable to a customer or class of customers during the rate freeze period, if requested to do so by an investor-owned public utility that is subject to the emissions limitations set out in G.S. 143-215.107D.

(f) In any general rate case initiated to adjust base rates effective on or after 1 January 2008, the investor-owned public utility shall be allowed to recover its actual environmental compliance costs in accordance with Article 7 of this Chapter less the cumulative amount of accelerated cost recovery recorded pursuant to subsection (b) of this section.

(g) Consistent with the public interest, the Commission is authorized to approve proposals submitted by an investor-owned public utility to implement optional, market-based rates and services, provided the proposal does not increase base rates during the period of time referred to in subsection (e) of this section.

(h) Nothing in this section shall prohibit the Commission from taking any actions otherwise appropriate to enforce investor-owned public utility compliance with applicable statutes or Commission rules or to order any appropriate remedy for such noncompliance allowed by law.

(i) An investor-owned public utility that is subject to the emissions limitations set out in G.S. 143-215.107D shall submit to the Commission and to the Department of Environment and Natural Resources on or before 1 April of each year a verified statement that contains all of the following:

- (1) A detailed report on the investor-owned public utility's plans for meeting the emissions limitations set out in G.S. 143-215.107D.
- (2) The actual environmental compliance costs incurred by the investor-owned public utility in the previous calendar year, including a description of the construction undertaken and completed during that year.
- (3) The amount of the investor-owned public utility's environmental compliance costs amortized in the previous calendar year.
- (4) An estimate of the investor-owned public utility's environmental compliance costs and the basis for any revisions of those estimates when compared to the estimates submitted during the previous year.

- (5) A description of all permits required in order to comply with the provisions of G.S. 143-215.107D for which the investor-owned public utility has applied and the status of those permits or permit applications.
- (6) A description of the construction related to compliance with the provisions of G.S. 143-215.107D that is anticipated during the following year.
- (7) A description of the applications for permits required in order to comply with the provisions of G.S. 143-215.107D that are anticipated during the following year.
- (8) The results of equipment testing related to compliance with G.S. 143-215.107D.
- (9) The number of tons of oxides of nitrogen (NOx) and sulfur dioxide (SO2) emitted during the previous calendar year from the coal-fired generating units that are subject to the emissions limitations set out in G.S. 143-215.107D.
- (10) The emissions allowances described in G.S. 143-215.107D(i) that are acquired by the investor-owned public utility that result from compliance with the emissions limitations set out in G.S. 143-215.107D.
- (11) Any other information requested by the Commission or the Department of Environment and Natural Resources.

(j) The Secretary shall review the information submitted pursuant to subsection (i) of this section and determine whether the investor-owned public utility's actual and proposed modifications and permitting and construction schedule are adequate to achieve the emissions limitations set out in G.S. 143-215.107D and shall advise the Commission as to the Secretary's findings and recommendations.

(k) Any information, advice, findings, recommendations, or determinations provided by the Secretary pursuant to this section shall not constitute a final agency decision within the meaning of Chapter 150B of the General Statutes and shall not be subject to review under that Chapter."

**SECTION 10.** It is the intent of the General Assembly that the State use all available resources and means, including negotiation, participation in interstate compacts and multistate and interagency agreements, petitions pursuant to 42 U.S.C. § 7426, and litigation to induce other states and entities, including the Tennessee Valley Authority, to achieve reductions in emissions of oxides of nitrogen (NOx) and sulfur dioxide (SO2) comparable to those required by G.S. 143-215.107D, as enacted by Section 1 of this act, on a comparable schedule. The State shall give particular attention to those states and other entities whose emissions negatively impact air quality in North Carolina or whose failure to achieve comparable reductions would place the economy of North Carolina at a competitive disadvantage.

**SECTION 11.** The Environmental Management Commission shall study the desirability of requiring and the feasibility of obtaining reductions in emissions of oxides of nitrogen (NOx) and sulfur dioxide (SO2) beyond those required by G.S. 143-215.107D, as enacted by Section 1 of this act. The Environmental Management Commission shall consider the availability of emissions reduction technologies, increased cost to consumers of electric power, reliability of electric power supply, actions to reduce emissions of oxides of nitrogen (NOx) and sulfur dioxide (SO2) taken by states and other entities whose emissions negatively impact air quality in North

Carolina or whose failure to achieve comparable reductions would place the economy of North Carolina at a competitive disadvantage, and the effects that these reductions would have on public health, the environment, and natural resources, including visibility. In its conduct of this study, the Environmental Management Commission may consult with the Utilities Commission and the Public Staff. The Environmental Management Commission shall report its findings and recommendations to the General Assembly and the Environmental Review Commission annually beginning 1 September 2005.

**SECTION 12.** The General Assembly anticipates that measures implemented to achieve the reductions in emissions of oxides of nitrogen (NO<sub>x</sub>) and sulfur dioxide (SO<sub>2</sub>) required by G.S. 143-215.107D, as enacted by Section 1 of this act, will also result in significant reductions in the emissions of mercury from coal-fired generating units. The Division of Air Quality of the Department of Environment and Natural Resources shall study issues related to monitoring emissions of mercury and the development and implementation of standards and plans to implement programs to control emissions of mercury from coal-fired generating units. The Division shall evaluate available control technologies and shall estimate the benefits and costs of alternative strategies to reduce emissions of mercury. The Division shall annually report its interim findings and recommendations to the Environmental Management Commission and the Environmental Review Commission beginning 1 September 2003. The Division shall report its final findings and recommendations to the Environmental Management Commission and the Environmental Review Commission no later than 1 September 2005. The costs of implementing any air quality standards and plans to reduce the emission of mercury from coal-fired generating units below the standards in effect on the date this act becomes effective, except to the extent that the emission of mercury is reduced as a result of the reductions in the emissions of oxides of nitrogen (NO<sub>x</sub>) and sulfur dioxide (SO<sub>2</sub>) required to achieve the emissions limitations set out in G.S. 143-215.107D, as enacted by Section 1 of this act, shall not be recoverable pursuant to G.S. 62-133.6, as enacted by Section 9 of this act.

**SECTION 13.** The Division of Air Quality of the Department of Environment and Natural Resources shall study issues related to the development and implementation of standards and plans to implement programs to control emissions of carbon dioxide (CO<sub>2</sub>) from coal-fired generating units and other stationary sources of air pollution. The Division shall evaluate available control technologies and shall estimate the benefits and costs of alternative strategies to reduce emissions of carbon dioxide (CO<sub>2</sub>). The Division shall annually report its interim findings and recommendations to the Environmental Management Commission and the Environmental Review Commission beginning 1 September 2003. The Division shall report its final findings and recommendations to the Environmental Management Commission and the Environmental Review Commission no later than 1 September 2005. The costs of implementing any air quality standards and plans to reduce the emission of carbon dioxide (CO<sub>2</sub>) from coal-fired generating units below the standards in effect on the date this act becomes effective, except to the extent that the emission of carbon dioxide (CO<sub>2</sub>) is reduced as a result of the reductions in the emissions of oxides of nitrogen (NO<sub>x</sub>) and sulfur dioxide (SO<sub>2</sub>) required to achieve the emissions limitations set out in G.S. 143-215.107D, as enacted by Section 1 of this act, shall not be recoverable pursuant to G.S. 62-133.6, as enacted by Section 9 of this act.

**SECTION 14.** On or before 1 June of each year, the Department of Environment and Natural Resources and the Utilities Commission shall report on the

implementation of this act to the Environmental Review Commission and the Joint Legislative Utility Review Committee. The first report required by this section shall be submitted no later than 1 June 2003.

**SECTION 15.** If any section or provision of this act is declared unconstitutional or invalid by the courts, the unconstitutional or invalid section or provision does not affect the validity of this act as a whole or any part of this act other than the part declared to be unconstitutional or invalid.

**SECTION 16.** This act is effective when it becomes law except that G.S. 143-215.107D(i), as enacted by Section 1 of this act, is effective retroactively to 1 June 2002.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of June, 2002.

Became law upon approval of the Governor at 11:30 a.m. on the 20<sup>th</sup> day of June, 2002.

**S.B. 1220**

**Session Law 2002-5**

AN ACT TO EXTEND THE SUNSET EXEMPTING DARE COUNTY FROM CERTAIN REQUIREMENTS FOR PUBLIC CONTRACTS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 2 of S.L. 1999-40 reads as rewritten:

"Section 2. This act is effective when it becomes law and expires ~~July 1, 2002.~~ July 1, 2003."

**SECTION 2.** This act applies to Dare County only.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of June, 2002.

Became law on the date it was ratified.

**H.B. 1482**

**Session Law 2002-6**

AN ACT TO REMOVE A DESCRIBED AREA FROM THE CORPORATE LIMITS OF THE CITY OF SALUDA.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The corporate limits of the City of Saluda are reduced by removing the following described area:

All the following tract that was not already located within the corporate limits of the City of Saluda on December 5, 1988:

BEGINNING on an iron rod which is the terminus of the fifth call from the beginning as shown in the description of the deed from Robert L. Alexander and Wife, Elizabeth M. Alexander, to Theodore V. Zachman and Wife, Thelma R. Zachman, dated October 15, 1974 and recorded in Book 161, Page 1108 of the Polk County Registry; and running thence from said beginning iron rod and with the Zachman line South 16 degrees 07 minutes 45 seconds West, crossing an iron rod in line at 103.01 feet, a total distance of 212.05 feet to an iron rod located in the Northeastern margin of Divide Street; thence running with the Northeastern margin of Divide Street two calls as follows: South 29 degrees 32 minutes 20 seconds East 100.21 feet to an iron pin; and

South 71 degrees 43 minutes 05 seconds East 55.68 feet to an iron pin; thence running with the Northeastern margin of Divide Street, North 78 degrees 45 minutes 30 seconds West 74.77 feet to an iron pin at or near the center of said Divide Street; thence with or near the center of said Divide Street North 28 degrees 35 minutes 35 seconds West 159.28 feet to an iron rod in the center of said street; thence continuing with or near the center of Divide Street six calls as follows: North 27 degrees 47 minutes West 156.54 feet to an iron rod; North 29 degrees 57 minutes 40 seconds West 121.92 feet to an iron pin; North 29 degrees 58 minutes 30 seconds West 167.01 feet to an iron pin; North 53 degrees 22 minutes West 55.11 feet to an iron pin; North 30 degrees 56 minutes 20 seconds West 39.86 feet to an iron pin; and North 55 degrees 03 minutes 15 seconds West 127.38 feet to an iron rod; thence leaving Divide Street and running with the Frank A. Ewbank line three calls as follows: North 34 degrees 35 minutes 15 seconds East 63.63 feet to an iron rod; North 7 degrees 02 minutes 15 seconds East 565.41 feet to an iron pin; and North 40 degrees 11 minutes 50 seconds East 523.44 feet to an iron rod; thence with the line of Duke Power Company South 89 degrees 44 minutes 10 seconds East 912.75 feet to an iron pin; thence with the Baumberger line South 54 degrees 22 minutes 15 seconds East 652.00 feet to an iron pin at a Maple tree; and South 69 degrees 40 minutes 30 seconds East 123.12 feet to an iron rod; thence with the line of Laurel Mountain Subdivision (Section II) six calls as follows: South 50 degrees 03 minutes West 216.07 feet to an iron rod; South 23 degrees 03 minutes 10 seconds East 21.23 feet to an iron rod; South 56 degrees 02 minutes 50 seconds West 135.05 feet to an iron rod; North 89 degrees 07 minutes 50 seconds West 243.39 feet to an iron rod; South 58 degrees 21 minutes 45 seconds West, crossing an iron rod in line at 125.00 feet, a total distance of 342.06 feet to an iron rod; and South 12 degrees 21 minutes 45 seconds West 434.10 feet to an iron pin in the Zachman line; thence with the Zachman line four calls as follows: South 68 degrees 10 minutes 15 seconds West 272.23 feet to an iron rod; North 46 degrees 49 minutes 45 seconds West 181.64 feet to an iron pin; South 63 degrees 10 minutes 15 seconds West 194.44 feet to an iron rod and South 40 degrees 02 minutes 40 seconds West 82.67 feet to the point and place of the BEGINNING, containing 40.34 acres, more or less.

**SECTION 2.** This act becomes effective June 30, 2002.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of June, 2002.

Became law on the date it was ratified.

## H.B. 1510

## Session Law 2002-7

AN ACT TO ALLOW THE ICARD FIRE DISTRICT TO LEVY AN AD VALOREM TAX AT THE GENERAL LAW RATE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The Board of Commissioners of Burke County may levy a tax under Article 3A of Chapter 69 of the General Statutes in the Icard Fire District at a rate not exceeding fifteen cents (15¢) on the one hundred dollar (\$100.00) valuation of property, for the purpose of providing fire protection in that district.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of June, 2002.

Became law on the date it was ratified.



**H.B. 1587****Session Law 2002-8****AN ACT TO ANNEX DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FARMVILLE.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The corporate limits of the Town of Farmville are extended to include the following described area:

BEING a parcel of land in Farmville Township, Pitt County, North Carolina and being bounded on the north by JBL Investors, on the east by Pitt-Greene EMC, on the south and west by Charter Oaks Section 2 and being more particularly described as follows:

Commencing at a concrete monument, North Carolina Geodetic Survey Station "City Limit" (x=2,417,289.209 feet y = 680,459.294 feet, North Carolina Coordinate System, North American Datum of 1927) and running thence S 21-56-54 E 1199.58 feet to an existing concrete monument in the north line of Carolina Power and Light Company and in the existing Town of Farmville Corporate Limit line; the point of beginning; thence from said beginning point along the existing Town of Farmville Corporate Limit line S 17-26-45 E 13.07 feet to an existing iron pipe in the existing Town of Farmville Corporate Limit line; thence along the existing Town of Farmville Corporate Limit line S 12-36-32 W 249.79 feet to an existing iron pipe in the existing Town of Farmville Corporate Limit line; thence along the existing Town of Farmville Corporate Limit line S 77-23-01 E 28.23 feet to a point; thence along the existing Town of Farmville Corporate Limit line S 12-39-16 W 130.59 feet to an existing iron pipe, the northeastern corner of Charter Oaks Section 2 subdivision; thence along the Town of Farmville Corporate Limit line and along the northern line of Charter Oaks Section 2 subdivision N 77-28-44 W 330.47 feet to an iron pipe in the existing Town of Farmville Corporate Limit line and Charter Oaks Section 2 subdivision; thence continuing along the existing Town of Farmville Corporate Limit line and Charter Oaks Section 2 subdivision line N 12-38-42 E 266.44 feet to an existing iron pipe; thence leaving the existing Town of Farmville Corporate Limit line with the western line of Carolina Power & Light Company and the JBL Investors tract N 12-38-42 E 125.26 feet to an existing concrete monument at the northwestern corner of Carolina Power & Light Company tract; thence along the northern line of Carolina Power & Light Company and JBL Investors S 77-29-21 E 295.55 feet to the point of beginning, containing 2.80 acres according to a map by McDavid Associates, Inc. entitled "Annexation Plat for Town of Farmville being the CP&L Substation Tract Deed Book K-26 page 57" dated January 19, 2002.

**SECTION 2.** This act becomes effective June 30, 2002.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of June, 2002.

Became law on the date it was ratified.

**H.B. 1613****Session Law 2002-9****AN ACT TO REVISE THE BOUNDARIES OF THE HARTSEASE AND HARRISON FIRE TAX DISTRICTS IN EDGEcombe COUNTY.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 1 of Chapter 187 of the 1995 Session Laws reads as rewritten:

"Section 1. The boundaries of the Heartsease Fire Tax District in Edgecombe County are as follows:

**HEARTSEASE FIRE TAX DISTRICT**

~~BEGINNING at point (1) on N. C. Highway 97, 1.0 miles east of its intersection with S.R. 1404 (New Hope Church Road) and said beginning point also being in the common boundary of Heartsease Volunteer Fire Department Fire Tax District and the Leggett Volunteer Fire Department Fire Tax District and thence running southwesterly with the line of the existing Leggett Volunteer Fire Department Fire Tax District and following the Tar River to point (2) where the Tar River intersects with the Town of Tarboro Corporate Limits; thence running Southwesterly with the Town of Tarboro Corporate Limits to point (3) at the intersection of U.S. Highway 64 Alternate and N.C. Highway 33; thence running along and with the Town of Tarboro Corporate Limits westerly to point (4) on U.S. Highway 64 Alternate 1.1 miles west of its intersection with S.R. 1207 (McNair Road); thence running southerly along and with the Town of Tarboro Corporate Limits and line of the Princeville Volunteer Fire Department Fire Tax District to point (5) at the intersection of S.R. 1207 (McNair Road) and S.R. 1208 (Howard Avenue Extension); thence running in a westerly direction following the centerline of S.R. 1208 (Howard Avenue Extension) and along the line of the Princeville Volunteer Fire Department Fire Tax District to point (6) on S.R. 1208 (Howard Avenue Extension), 0.3 miles southwest of its intersection with S.R. 1225 (Kingsboro Road); thence continuing with the line of the Princeville Volunteer Fire Department Fire Tax District northwesterly to point (7) on S.R. 1223 (Antioch Road), a point which is 1.3 miles southwest of its intersection with S.R. 1225 (Kingsboro Road) and also being a point in the line of the West Edgecombe Volunteer Fire Department Fire Tax District; thence running northwesterly with the line of the West Edgecombe Volunteer Fire Department Fire Tax District to point (8), on S.R. 1226 (Melton Road), 0.7 miles south of its intersection with U. S. Highway 64 Alternate; thence continuing with the line of the West Edgecombe Volunteer Fire Department Fire Tax District in a southwesterly direction to point (9) on U. S. Highway 64 Alternate, 0.4 miles west of its intersection with S.R. 1226 (Melton Road); thence running in a northerly direction continuing with the line of the West Edgecombe Volunteer Fire Department Fire Tax District to and with Tar River to point (10) on N. C. Highway 97, 0.2 miles northwest with its intersection with Leggett Road and also being in the line of the Battleboro Volunteer Fire Department Harrison Fire Tax District; thence running northeasterly along and with the line of the Battleboro Volunteer Fire Department Harrison Fire Tax District to point 11 on S.R. 1407 (Battleboro Leggett Road), 1.2 miles northwest of its intersection with S.R. 1408 (New Hope Church Road); thence continuing with the Battleboro Volunteer Fire Department Harrison Fire Tax District northerly and southerly to the line of the Leggett Volunteer Fire Department Fire Tax District and along the Leggett Volunteer Fire Department Fire Tax District line to point (12) of S.R. 1407 (Battleboro Leggett Road), 0.4 miles southeast of its intersection with S.R. 1208 (New Hope Church Road) and thence continuing along and with the Leggett Volunteer Fire Department Fire Tax District southeasterly to point (1) the point of beginning, all as the same appears on a map on file in the Office of the Emergency Services Coordinator of Edgecombe County in the Edgecombe County Administrative Offices at 201 St. Andrews Street in Tarboro, North Carolina and which has been signed and dated~~

~~by the Edgecombe County Emergency Services Coordinator, the Chief of the Heartsease Volunteer Fire Department and the President of the Edgecombe County Association of Volunteer Fire Departments. Beginning at point (1) on NC Highway 97, 1.0 miles east of its intersection with S.R. 1408 (New Hope Church Road) and said beginning point also being in the common boundary of Heartsease Volunteer Fire Department Fire Tax District and the Leggett Volunteer Fire Department Tax District and thence running southeasterly with the line of the existing Leggett Volunteer Fire Department Fire Tax District and following the Tar River to point (2) where the Tar River intersects with the Town of Tarboro Corporate Limits; thence running Southwesterly and Westerly with the Town of Tarboro Corporate Limits to point (3) on US Highway 64 Alternate 1.1 miles west of its intersection with SR 1207 (McNair Road); thence running southerly along and with the Town of Tarboro Corporate Limits and line of the Princeville Volunteer Fire Department Fire Tax District to point (4) at the intersection of SR 1207 (McNair Road) and SR 1208 (Howard Avenue Extension); thence running in a westerly direction following the centerline of SR 1208 (Howard Avenue Extension) and along the line of the Princeville Volunteer Fire Department Fire Tax District to point (5) on SR 1208 (Howard Avenue Extension), 0.3 miles southwest of its intersection with SR 1225 (Kingsboro Road); thence continuing with the line of the Princeville Volunteer Fire Department Fire Tax District northwesterly to point (6) on SR 1223 (Antioch Road), a point which is 1.3 miles southwest of its intersection with SR 1225 (Kingsboro Road), and also being a point in the line of the West Edgecombe Volunteer Fire Department Fire Tax District; thence running northwesterly with the line of the West Edgecombe Volunteer Fire Department Fire Tax District to point (7) on SR 1226 (Melton Road), 0.7 miles south of its intersection with US Highway 64 Alternate; thence continuing with the line of the West Edgecombe Volunteer Fire Department Fire Tax District in a southwesterly direction to point (8) on US Highway 64 Alternate, 0.4 miles west of its intersection with SR 1226 (Melton Road); thence running in a northerly direction continuing with the line of the West Edgecombe Volunteer Fire Department Fire Tax District to and with Tar River to point (9) on NC Highway 97, 0.2 miles east of its intersection with Leggett Road and also being in the line of the Battleboro Volunteer Fire Department Harrison Fire Tax District; thence running northeasterly along and with the line of the Battleboro Volunteer Fire Department Harrison Fire Tax District to point (10) on SR 1407 (Battleboro-Leggett Road), 0.3 miles west of its intersection with SR 1408 (New Hope Church Road); thence easterly to point (11), on SR 1407 (Battleboro-Leggett Road), 0.4 mile southeast of its intersection with SR 1408 (New Hope Church Road) including all property between this and the preceding point; thence Southeasterly to point (1), the beginning."~~

**SECTION 2.** Section 2 of Chapter 187 of the 1995 Session Laws reads as rewritten:

"Sec. 2. The boundaries of the Harrison Fire Tax District in Edgecombe County are as follows:

**HARRISON FIRE TAX DISTRICT  
EDGECOMBE COUNTY**

~~BEGINNING at point (1) at the common intersection of the Edgecombe County line, the centerline of the CSX Railroad and the Davenport Volunteer Fire Department Fire Tax District which intersection is 1.5 miles along the CSX Railroad north from the corporate limits of Battleboro; thence running in a southeasterly direction along and with the Davenport Volunteer Fire Department Fire Tax District line to point (2), on~~

~~S.R. 1404 (Seven Bridges Road) 0.1 mile northeast of its intersection with S.R. 1411 (Marriott Road); thence continuing with the line of the Davenport Volunteer Fire Department Fire Tax District line in a southeasterly direction 2.4 miles to point (3) at its intersection with the Leggett Volunteer Fire Department Fire Tax District line; thence running in a southerly direction along and with the Leggett Volunteer Fire Department Tax District line to its intersection with the Heartsease Volunteer Fire Department Fire Tax District line; and thence running along and with the Heartsease Volunteer Fire Department Fire Tax District line in a northeasterly direction and southerly direction to point (4), on S.R. 1407 (Battleboro Leggett Road), 0.6 miles west of its intersection with S.R. 1415 (Morningstar Church Road); thence continuing with the line of Heartsease Volunteer Fire Department Fire Tax District in a southeasterly direction to point (5), on N.C. Highway 97, 0.2 miles south of its intersection with S.R. 1406 (Coolspring Road), thence continuing with the line of the Heartsease Volunteer Fire Department Fire Tax District line in a southeasterly direction to Tar River, a corner with the Heartsease Volunteer Fire Department Fire Tax District line and the West Edgecombe Volunteer Fire Department Fire Tax District line and then continuing with the Tar River and the West Edgecombe Volunteer Fire Tax District line in and to its intersection with the corporate limits of the City of Rocky Mount; and thence running northeasterly and following the corporate limits of the City of Rocky Mount, the Edgecombe County and Nash County lines and CSX Railroad to point (1), the beginning point, all as shown on a map on file in the Office of the Emergency Services Coordinator of Edgecombe County in the Edgecombe County Administrative Offices at 201 St. Andrews Street in Tarboro, North Carolina and which has been signed and dated by the Edgecombe County Emergency Services Coordinator, the Chief of the Battleboro Volunteer Fire Department and the President of the Edgecombe County Association of Volunteer Fire Departments. The Harrison Fire Tax District within a part of Edgecombe County is described as being that portion of Edgecombe County bounded by a line beginning at Point (1) at the intersection of the Edgecombe County line and the CSX Railroad line, 1.5 mile north of the Battleboro City limits; thence southeast to Point (2), on SR 1404 (Seven Bridges Road), 0.1 mile northeast of its intersection with SR 1411 (Marriott Road); thence southeasterly 2.4 mile to Point (3), at its intersection with the Leggett Fire Protection District; line to Point (4), on SR 1407 (Battleboro-Leggett Road), 1.5 mile east of its intersection with SR 1415 (Morning Star Church Road); thence southwesterly to Point (5), on NC Highway 97, 0.2 miles east of its intersection with Leggett Road and the Heartsease Fire Protection District line; thence southwesterly following the Tar River to Point (6), where the Tar River intersects with the Rocky Mount City limits; thence northeasterly following the Rocky Mount City limits, Edgecombe, Nash County lines and CSX Railroad to Point (1), to the beginning."~~

**SECTION 3.** This act becomes effective June 30, 2002.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of June, 2002.

Became law on the date it was ratified.

**H.B. 1578**

**Session Law 2002-10**

AN ACT TO REMOVE THE SUNSET ON THE SCRAP TIRE DISPOSAL TAX.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 9 of Chapter 548 of the 1993 Session Laws, as amended by Chapter 209 of the 1997 Session Laws, reads as rewritten:

"Sec. 9. Section 4 of this act becomes effective January 1, 1994. Section 8 of this act becomes effective June 30, 1997. All other sections of this act become effective October 1, 1993. ~~Section 1 of this act expires June 30, 2002.~~ Section 7 of this act expires June 30, 1995. ~~The expiration of the additional tax imposed by Section 1 of this act does not affect the rights or liabilities of the State, a taxpayer, or another person that arise during the time the additional tax is in effect.~~ The first quarterly report required by G.S. 130A-309.63(e), as enacted by this act, is due within 60 days after the quarter that ends on December 31, 1993."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of June, 2002.

Became law upon approval of the Governor at 1:30 p.m. on the 27<sup>th</sup> day of June, 2002.

### **H.B. 1487**

### **Session Law 2002-11**

AN ACT TO EXTEND EXPIRATION OF THE REQUIREMENT THAT JUST COMPENSATION BE PAID FOR THE REMOVAL BY LOCAL AUTHORITIES OF BILLBOARDS ON INTERSTATE AND FEDERAL-AID PRIMARY HIGHWAYS, AS REQUIRED BY FEDERAL LAW.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 2 of Chapter 1147 of the 1981 Session Laws, as amended by Chapter 318 of the 1983 Session Laws, Chapter 1024 of the 1987 Session Laws, Section 1 of Chapter 166 of the 1989 Session Laws, Section 1 of Chapter 725 of the 1993 Session Laws, Section 7 of S.L. 1998-23, and Section 27.5 of S.L. 1998-212, reads as rewritten:

"Sec. 2. This act is effective upon ratification, but shall expire ~~June 30, 2002,~~ upon amendment to or repeal of 23 U.S.C. § 131(g), and shall have no force or effect after that date."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of June, 2002.

Became law upon approval of the Governor at 1:31 p.m. on the 27<sup>th</sup> day of June, 2002.

### **S.B. 1111**

### **Session Law 2002-12**

AN ACT TO CONTINUE CURRENT DIRECTIONS AND LIMITATIONS ON THE EXPENDITURES OF STATE FUNDS, TO AUTHORIZE THE USE OF THE SAVINGS RESERVE ACCOUNT TO BALANCE THE BUDGET, TO PROVIDE THAT THERE BE NO AUTOMATIC STEP INCREASES FOR STATE AND PUBLIC SCHOOL EMPLOYEES, TO SET THE CONTRIBUTION RATE TO THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, TO APPROPRIATE FUNDS FOR HEALTH AND HUMAN SERVICES BLOCK GRANTS, NATURAL AND ECONOMIC RESOURCES BLOCK GRANTS, AND

FOR WORKER TRAINING TRUST FUND PROGRAMS, AND TO MAINTAIN  
2001-2002 PARTICIPATION LEVELS IN THE AIDS DRUG ASSISTANCE  
PROGRAM.

*The General Assembly of North Carolina enacts:*

**DIRECTIONS AND LIMITATIONS ON EXPENDITURES OF STATE FUNDS**

**SECTION 1.(a)** The appropriations and the authorizations to allocate and spend funds, which are set out in this act, shall remain in effect until the Current Operations and Capital Improvements Appropriations Act of 2002 becomes law, at which time that act shall become effective and shall govern appropriations and expenditures. When the Current Operations and Capital Improvements Appropriations Act of 2002 becomes law, the Director of the Budget shall adjust allocations to give effect to that act from July 1, 2002.

Except as otherwise provided by this act, the limitations and directions for the 2002-2003 fiscal year in S.L. 2001-424, S.L. 2001-457, S.L. 2001-514, S.L. 2001-513, S.L. 2001-496, and S.L. 2001-487 remain in effect. Session laws that applied to appropriations to particular agencies or for particular purposes apply to the funds appropriated and authorized for expenditure under this act.

**SECTION 1.(b)** If the provisions of either Senate Bill 1115, 3rd Edition or Senate Bill 1115, as it passes the House of Representatives; or both, direct that funds shall not revert, the funds shall not revert on June 30, 2002. Unless these funds are encumbered on or before June 30, 2002, these funds shall not be expended after June 30, 2002, except as provided by a statute that becomes effective after June 30, 2002.

**SECTION 1.(c)** Subsection (b) of this section becomes effective June 30, 2002.

**USE OF SAVINGS RESERVE ACCOUNT TO BALANCE BUDGET**

**SECTION 2.** G.S. 143-15.3(b) prohibits the Director of the Budget from using funds in the Savings Reserve Account unless the use has been approved by an act of the General Assembly. The General Assembly hereby authorizes the Director of the Budget to use funds that were credited to the Savings Reserve Account on or before June 30, 2002, to the extent necessary to balance the State budget for the 2001-2002 fiscal year, and funds are hereby appropriated from the Savings Reserve Account for this purpose.

**NO AUTOMATIC STEP INCREASES FOR STATE AND PUBLIC SCHOOL EMPLOYEES**

**SECTION 3.** State employees subject to G.S. 7A-102(c), 7A-171.1, or 20-187.3 shall not move up on salary schedules or receive automatic increases, including automatic step increases, until authorized by the General Assembly.

Public school employees paid on the teacher salary schedule or the school-based administrator salary schedule shall not move up on salary schedules or receive automatic step increases until authorized by the General Assembly.

**RETIREMENT CONTRIBUTION RATE**

**SECTION 4.** Section 32.21(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 32.21.(b)** The State's employer contribution rates budgeted for retirement and related benefits as percentage of covered salaries for the ~~2001-2002 fiscal year and the~~ 2002-2003 fiscal year are (i) ~~five percent (5.00%)~~ three and three

~~hundredths percent (3.03%)~~ – Teachers and State Employees; (ii) ~~ten percent (10.00%)~~ eight and three hundredths percent (8.03%) – State Law Enforcement Officers; (iii) nine and seventy-one hundredths percent (9.71%) – University Employees’ Optional Retirement System; (iv) nine and seventy-one hundredths percent (9.71%) – Community College Optional Retirement Program; (v) ~~sixteen and forty hundredths percent (16.40%)~~ thirteen and sixty-seven hundredths percent (13.67%) – Consolidated Judicial Retirement System; and (vi) ~~twenty-five and fifty-five hundredths percent (25.55%)~~ two and thirty-five hundredths percent (2.35%) – Legislative Retirement System. Each of the foregoing contribution rates includes two and thirty-five hundredths percent (2.35%) for hospital and medical benefits. The rate for Teachers and State Employees, State Law Enforcement Officers, Community College Optional Retirement Program, and for the University Employees’ Optional Retirement Program includes fifty-two hundredths percent (0.52%) for the Disability Income Plan. The rates for Teachers and State Employees and State Law Enforcement Officers include sixteen-hundredths percent (0.16%) for the Death Benefits Plan. The rate for State Law Enforcement Officers includes five percent (5%) for Supplemental Retirement Income."

**DHHS BLOCK GRANTS**

**SECTION 5.(a)** Appropriations from federal block grant funds are made for the fiscal year ending June 30, 2003, according to the following schedule:

**COMMUNITY SERVICES BLOCK GRANT**

|   |   |                      |
|---|---|----------------------|
| 01.   | Community Action Agencies   | \$ 14,160,375        |
| 02.   | Limited Purpose Agencies  | 979,017              |
| 03.   | Department of Health and Human Services<br>to administer and monitor<br>the activities of the<br>Community Services Block Grant | 500,000              |
| <b>TOTAL COMMUNITY SERVICES BLOCK GRANT</b> |   | <b>\$ 15,639,392</b> |

**SOCIAL SERVICES BLOCK GRANT**

|  |   |                      |
|--|---|----------------------|
| 01.                                      | County departments of social services   | \$ 22,895,663        |
| 02.                                      | Allocation for in-home services provided<br>by county departments of<br>social services                                     | 2,101,113            |
| 03.                                      | Adult day care services   | 2,155,301            |
| 04.                                      | Department of Administration<br>for the N.C. State Commission of Indian Affairs<br>In-Home Services Program for the Elderly | 203,198              |
| <b>TOTAL SOCIAL SERVICES BLOCK GRANT</b> |   | <b>\$ 27,355,275</b> |

## LOW-INCOME ENERGY BLOCK GRANT

|                                     |   |               |
|-------------------------------------|---|---------------|
| 01.                                 | Energy Assistance Programs  | \$ 8,092,113  |
| 02.                                 | Crisis Intervention   | 5,795,825     |
| 03.                                 | Administration  | 1,984,934     |
| 04.                                 | Weatherization Program  | 2,684,116     |
| 05.                                 | Department of Administration –<br>N.C. State Commission of Indian Affairs | 39,765        |
| 06.                                 | Heating Air Repair and Replacement Program                                | 1,252,588     |
| TOTAL LOW-INCOME ENERGY BLOCK GRANT |   | \$ 19,849,342 |

## MENTAL HEALTH SERVICES BLOCK GRANT

|  |   |              |
|--|---|--------------|
| 01.                                      | Provision of community-based<br>services for severe and persistently<br>mentally ill adults | \$ 5,192,826 |
| 02.                                      | Provision of community-based<br>services to children  | 2,378,540    |
| 03.                                      | Comprehensive Treatment Services<br>Program for Children                                    | 1,500,000    |
| 04.                                      | Administration  | 783,911      |
| TOTAL MENTAL HEALTH SERVICES BLOCK GRANT |   | \$ 9,855,277 |

SUBSTANCE ABUSE PREVENTION  
AND TREATMENT BLOCK GRANT

|     |  |               |
|-----|--|---------------|
| 01. | Provision of community-based<br>alcohol and drug abuse services,<br>tuberculosis services, and services<br>provided by the Alcohol and Drug Abuse<br>Treatment Centers | \$ 14,501,711 |
| 02. | Continuation of services for<br>pregnant women and women<br>with dependent children  | 6,007,303     |
| 03. | Continuation of services to<br>IV drug abusers and others at risk<br>for HIV diseases  | 5,209,934     |



|   |  |               |
|---|--|---------------|
| 04.   | Provision of services to children and adolescents  | 6,839,190     |
| 05.   | Juvenile Services – Family Focus   | 774,414       |
| 06.   | Comprehensive Treatment Services Program   | 700,000       |
| 07.   | Administration   | 2,423,049     |
| TOTAL SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT      |  | \$ 36,455,601 |
| CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT                     |  |               |
| 01.   | Child care subsidies   | \$148,343,839 |
| 02.   | Quality and availability initiatives   | 17,259,661    |
| TOTAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT               |  | \$165,603,500 |
| TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) BLOCK GRANT       |  |               |
| 01.   | Work First Cash Assistance   | \$114,181,958 |
| 02.   | Work First County Block Grants   | 92,018,855    |
| TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) BLOCK GRANT |  | \$206,200,813 |
| MATERNAL AND CHILD HEALTH BLOCK GRANT                           |  |               |
| 01.   | Healthy Mothers/Healthy Children Block Grants to Local Health Departments  | 9,838,074     |
| 02.   | High-Risk Maternity Clinic Services, Perinatal Education and Training, Childhood Injury Prevention, Public Information and Education, and Technical Assistance to Local Health Departments | 2,012,102     |
| 03.   | Services to Children With Special Health Care Needs  | 5,078,647     |
| TOTAL MATERNAL AND CHILD HEALTH BLOCK GRANT                     |  | \$ 16,928,823 |

## PREVENTIVE HEALTH SERVICES BLOCK GRANT

|  |             |
|--|-------------|
| 01. Statewide Health Promotion Programs      | \$3,061,182 |
| TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT | \$3,061,182 |

**SECTION 5.(b)** Decreases in Federal Fund Availability. – If the United States Congress reduces federal fund availability in the Social Services Block Grant below the amounts appropriated in this section, then the Department of Health and Human Services shall allocate these decreases giving priority first to those direct services mandated by State or federal law, then to those programs providing direct services that have demonstrated effectiveness in meeting the federally and State-mandated services goals established for the Social Services Block Grant. The Department shall not include transfers from TANF for specified purposes in any calculations of reductions to the Social Services Block Grant.

If the United States Congress reduces the amount of TANF funds below the amounts appropriated in this section after the effective date of this act, then the Department shall allocate the decrease in funds after considering any underutilization of the budget and the effectiveness of the current level of services. Any TANF Block Grant fund changes shall be reported to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

Decreases in federal fund availability shall be allocated for the Maternal and Child Health and Preventive Health Services federal block grants by the Department of Health and Human Services after considering the effectiveness of the current level of services.

**SECTION 5.(c)** Changes to the budgeted allocations to the block grants appropriated in this act and new allocations from the block grants not specified in this act shall be submitted to the Joint Legislative Commission on Governmental Operations for review prior to the change and shall be reported immediately to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

**SECTION 5.(d)** The appropriations and the authorizations to allocate and spend funds, which are set out in this section, shall remain in effect until the Current Operations and Capital Improvements Appropriations Act of 2002 becomes law, at which time that act shall become effective and shall govern appropriations and expenditures. When the Current Operations and Capital Improvements Appropriations Act of 2002 becomes law, the Director of the Budget shall adjust allocations to give effect to that act from July 1, 2002.

**MAINTAIN AIDS DRUG ASSISTANCE PROGRAM (ADAP)**

**SECTION 6.** Notwithstanding Section 21.90 of S.L. 2001-424, eligibility for participation in the Aids Drug Assistance Program between July 1, 2002, and August 1, 2002, shall continue at the levels established for the 2001-2002 fiscal year in S.L. 2001-424.

**NER BLOCK GRANT PROVISIONS**

**SECTION 7.** The Director of the Budget shall continue to allocate federal

block grant funds at the levels provided in Section 5.2 of S.L. 2001-424 and as otherwise provided by law, and appropriations from federal block grants are hereby made.

#### **WORKER TRAINING TRUST FUND APPROPRIATIONS**

**SECTION 8.** The Director of the Budget shall appropriate funds from the Worker Training Trust Fund at the levels provided in Section 20.6 of S.L. 2001-424 and as otherwise provided by law. If the funds available for appropriation from the Worker Training Trust Fund in the 2002-2003 fiscal year are less than those appropriated from the Fund in the 2001-2002 fiscal year, then every program receiving an appropriation from the Fund in the 2001-2002 fiscal year shall receive an appropriation in the 2002-2003 fiscal year that is reduced by the same percentage as the reduction availability in the Fund.

#### **EFFECTIVE DATE**

**SECTION 9.** Except as otherwise provided in this act, this act becomes effective July 1, 2002, and expires July 31, 2002.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of June, 2002.

Became law upon approval of the Governor at 1:33 p.m. on the 27<sup>th</sup> day of June, 2002.

#### **H.B. 1530**

#### **Session Law 2002-13**

AN ACT TO ALLOW THE TOWN OF TABOR CITY TO LEVY SPECIAL ASSESSMENTS FOR STREET OR SIDEWALK IMPROVEMENTS WITHOUT PETITION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 160A-217(a) and (c) do not apply to the Town of Tabor City. The remaining provisions of Article 10 of Chapter 160A of the General Statutes apply to the Town when making special assessments for street or sidewalk improvements.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of July, 2002.

Became law on the date it was ratified.

#### **S.B. 641**

#### **Session Law 2002-14**

AN ACT AUTHORIZING THE NORTH CAROLINA UTILITIES COMMISSION TO ADOPT RULES TO EXPAND THE DEFINITION OF UNIVERSAL SERVICE TO INCLUDE STATEWIDE INTERNET ACCESS AND OTHER TECHNOLOGICAL TELECOMMUNICATIONS ADVANCES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 62-110(f1) reads as rewritten:

"(f1) Except as provided in subsection (f2) of this section, the Commission is authorized, following notice and an opportunity for interested parties to be heard, to

issue a certificate to any person applying to provide local exchange or exchange access services as a public utility as defined in G.S. 62-3(23)a.6., without regard to whether local telephone service is already being provided in the territory for which the certificate is sought, provided that the person seeking to provide the service makes a satisfactory showing to the Commission that (i) the person is fit, capable, and financially able to render such service; (ii) the service to be provided will reasonably meet the service standards that the Commission may adopt; (iii) the provision of the service will not adversely impact the availability of reasonably affordable local exchange service; (iv) the person, to the extent it may be required to do so by the Commission, will participate in the support of universally available telephone service at affordable rates; and (v) the provision of the service does not otherwise adversely impact the public interest. In its application for certification, the person seeking to provide the service shall set forth with particularity the proposed geographic territory to be served and the types of local exchange and exchange access services to be provided. Except as provided in G.S. 62-133.5(f), any person receiving a certificate under this section shall, until otherwise determined by the Commission, file and maintain with the Commission a complete list of the local exchange and exchange access services to be provided and the prices charged for those services, and shall be subject to such reporting requirements as the Commission may require.

Any certificate issued by the Commission pursuant to this subsection shall not permit the provision of local exchange or exchange access service until July 1, 1996, unless the Commission shall have approved a price regulation plan pursuant to G.S. 62-133.5(a) for a local exchange company with an effective date prior to July 1, 1996. In the event a price regulation plan becomes effective prior to July 1, 1996, the Commission is authorized to permit the provision of local exchange or exchange access service by a competing local provider in the franchised area of such local exchange company.

The Commission is authorized to adopt rules it finds necessary (i) to provide for the reasonable interconnection of facilities between all providers of telecommunications services; (ii) to determine when necessary the rates for such interconnection; (iii) to provide for the reasonable unbundling of essential facilities where technically and economically feasible; (iv) to provide for the transfer of telephone numbers between providers in a manner that is technically and economically reasonable; (v) to provide for the continued development and encouragement of universally available telephone service at reasonably affordable rates; and (vi) to carry out the provisions of this subsection in a manner consistent with the public interest, which will include a consideration of whether and to what extent resale should be permitted. In adopting rules to establish an appropriate definition of universal service, the Commission shall consider evolving trends in telecommunications services and the need for consumers to have access to high-speed communications networks, the Internet, and other services to the extent that those services provide social benefits to the public at a reasonable cost.

Local exchange companies and competing local providers shall negotiate the rates for local interconnection. In the event that the parties are unable to agree within 90 days of a bona fide request for interconnection on appropriate rates for interconnection, either party may petition the Commission for determination of the appropriate rates for interconnection. The Commission shall determine the appropriate rates for interconnection within 180 days from the filing of the petition.

Each local exchange company shall be the universal service provider in the area in which it is certificated to operate on July 1, 1995, until otherwise determined by the

Commission. In continuing this State's commitment to universal service, the Commission shall, by December 31, 1996, adopt interim rules that designate the person that should be the universal service provider and to determine whether universal service should be funded through interconnection rates or through some other funding mechanism. By July 1, 2001, the Commission shall complete an investigation and adopt final rules concerning the provision of universal services, the person that should be the universal service provider, and whether universal service should be funded through interconnection rates or through some other funding mechanism.

The Commission shall make the determination required pursuant to this subsection in a manner that furthers this State's policy favoring universally available telephone service at reasonable rates."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 3:27 p.m. on the 11<sup>th</sup> day of July, 2002.

**H.B. 1557**

**Session Law 2002-15**

AN ACT TO EXTEND THE MORATORIUM ON ISSUING NEW SHELLFISH CULTIVATION LEASES IN CORE SOUND AND TO DIRECT THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE TO STUDY VARIOUS MARINE FISHERIES ISSUES, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 3 of Chapter 547 of the 1995 Session Laws, Regular Session 1996, as amended by subsection (b) of Section 1 of Chapter 633 of the 1995 Session Laws, Regular Session 1996; Section 27.33 of Chapter 18 of the 1996 Session Laws, Second Extra Session; Section 12 of S.L. 1997-256; Section 8 of S.L. 1997-347; Section 6.14 of S.L. 1997-400; Section 15 of S.L. 1998-23; Section 1 of S.L. 1998-56; Section 1 of S.L. 1999-209; and Section 4 of S.L. 2001-213, reads as rewritten:

"Sec. 3. Notwithstanding G.S. 113-202, a moratorium on new shellfish cultivation leases shall be imposed in the remaining area of Core Sound not described in Section 1 of this act. During the moratorium, a comprehensive study of the shellfish lease program shall be conducted. The moratorium established under this section covers that part of Core Sound bounded by a line beginning at a point on Cedar Island at 35°00'39"N - 76°17'48"W, thence 109°(M) to a point in Core Sound 35°00'00"N - 76°12'42"W, thence 229°(M) to Marker No. 37 located 0.9 miles off Bells Point at 34°43'30"N - 76°29'00"W, thence 207°(M) to the Cape Lookout Lighthouse at 34°37'24"N - 76°31'30"W, thence 12°(M) to a point at Marshallberg at 34°43'07"N - 76°31'12"W, thence following the shoreline in a northerly direction to the point of beginning except that the highway bridges at Salters Creek, Thorofare Bay, and the Rumley Bay ditch shall be considered shoreline. The moratorium shall expire ~~October 1, 2002~~ July 1, 2003."

**SECTION 2.** The Joint Legislative Commission on Seafood and Aquaculture shall review the statutory changes recommended by the Marine Fisheries Commission in the August 2001, Hard Clam Fishery Management Plan and the August

2001, Oyster Fishery Management Plan. The Joint Legislative Commission on Seafood and Aquaculture shall report its findings and recommendations, if any, including any legislative proposals, to the 2003 General Assembly.

**SECTION 3.** The Joint Legislative Commission on Seafood and Aquaculture shall review recommendations of the Marine Fisheries Commission regarding the moratorium on issuing new shellfish cultivation leases in Core Sound and the shellfish cultivation program. The Joint Legislative Commission on Seafood and Aquaculture shall report its findings and recommendations, if any, including any legislative proposals, to the 2003 General Assembly.

**SECTION 4.** The Joint Legislative Commission on Seafood and Aquaculture shall study the process by which the Department of Health and Human Services develops and issues fish consumption advisories. The Joint Legislative Commission on Seafood and Aquaculture shall report its findings and recommendations, if any, including any legislative proposals, to the 2003 General Assembly.

**SECTION 5.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 3:28 p.m. on the 11<sup>th</sup> day of July, 2002.

## H.B. 1521

## Session Law 2002-16

AN ACT TO CONFORM SOURCING OF MOBILE TELECOMMUNICATIONS SERVICES TO THE FEDERAL MOBILE TELECOMMUNICATIONS SOURCING ACT AND TO CODIFY THE SOURCING PRINCIPLES FOR OTHER TELECOMMUNICATIONS SERVICES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 105-164.3 is amended by adding a new subdivision to read:

**"§ 105-164.3. Definitions.**

The following definitions apply in this Article:

...

(26a) Place of primary use. – The street address representative of where the use of a customer's telecommunications service primarily occurs. The street address must be the customer's residential street address or primary business street address. For mobile telecommunications service, the street address must be within the licensed service area of the service provider. If the customer who contracted with the telecommunications provider for the telecommunications service is not the end user of the service, the end user is considered the customer for the purpose of determining the place of primary use."

**SECTION 2.** G.S. 105-164.3(27) reads as rewritten:

"(27) Prepaid telephone calling ~~arrangement.~~ Service. – A right that meets all of the following requirements:

- a. Authorizes the exclusive purchase of telecommunications service.
- b. Must be paid for in advance.

- c. Enables the origination of calls by means of an access number, authorization code, or another similar means, regardless of whether the access number or authorization code is manually or electronically dialed.
- d. Is sold in units or dollars whose number or dollar value declines with use and is known on a continuous basis."

**SECTION 3.** G.S. 105-164.3(39) is repealed.

**SECTION 4.** G.S. 105-164.4(a)(4d) reads as rewritten:

"(4d) The sale or recharge of prepaid telephone calling ~~arrangements~~ service is taxable at the general rate of tax. The tax applies regardless of whether tangible personal property, such as a card or a telephone, is transferred. Prepaid telephone calling ~~arrangements~~ service is taxable at the point of sale instead of at the point of use and is sourced in accordance with G.S. 105-164.4B. Prepaid telephone calling service taxed under this subdivision ~~are~~ is not subject to tax as a telecommunications service.

~~Prepaid telephone calling arrangements are taxable at the point of sale instead of at the point of use. If the sale or recharge of a prepaid telephone calling arrangement does not take place at a retailer's place of business, the sale or recharge is considered to have taken place at one of the following:~~

- ~~a. The customer's shipping address, if an item of tangible personal property is shipped to the customer as part of the transaction.~~
- ~~b. The customer's billing address or, for mobile telecommunications service, the customer's service address, if no tangible personal property is shipped to the customer as part of the transaction."~~

**SECTION 5.** G.S. 105-164.4B(a)(3) reads as rewritten:

"(a) Principles. – The following principles apply in determining where to source the sale of a product. These principles apply regardless of the nature of the product.

...

- (3) Delivery address unknown. – When a seller of a product does not know the address where a product is received, the sale is sourced to the first address or location listed in this ~~subsection~~ subdivision that is known to the seller:
  - a. The business or home address of the purchaser.
  - b. The billing address of the ~~purchaser~~ purchaser or, if the product is a prepaid telephone calling service that authorizes the purchase of mobile telecommunications service, the location associated with the mobile telephone number.
  - c. The address of the seller."

**SECTION 6.** G.S. 105-164.4C(a) reads as rewritten:

"(a) General. – The gross receipts derived from providing telecommunications service in this State are taxed at the rate set in G.S. 105-164.4(a)(4c). ~~Mobile telecommunications service is provided in this State if the customer's service address is in this State and the call originates or terminates in this State.~~ Telecommunications service is provided in this State if the service is sourced to this State under the sourcing principles set out in subsections (a1) and (a2) of this section. The definitions and

provisions of the federal Mobile Telecommunications Sourcing Act apply to the sourcing and taxation of mobile telecommunications services."

**SECTION 7.** G.S. 105-164.4C(b)(1) reads as rewritten:

"(b) Included in Gross Receipts. – Gross receipts derived from telecommunications service include the following:

- (1) Receipts from ~~local, intrastate, interstate, toll, private, and mobile telecommunications service.~~ flat rate service, service provided on a call-by-call basis, mobile telecommunications service, and private telecommunications service.

..."

**SECTION 8.** G.S. 105-164.4C(c)(2) reads as rewritten:

"(c) Excluded From Gross Receipts. – Gross receipts derived from telecommunications service do not include any of the following:

- (2) Telecommunications services that are resold as part of a prepaid telephone calling ~~arrangement.~~ service.

..."

**SECTION 9.** G.S. 105-164.4C is amended by adding two new subsections to read:

"(a1) General Sourcing Principles. – The following general sourcing principles apply to telecommunications services. If a service falls within one of the exceptions set out in subsection (a2) of this section, the service is sourced in accordance with the exception instead of the general principle.

- (1) Flat rate. – A telecommunications service that is not sold on a call-by-call basis is sourced to this State if the place of primary use is in this State.
- (2) General call-by-call. – A telecommunications service that is sold on a call-by-call basis and is not a postpaid calling service is sourced to this State in the following circumstances:
  - a. The call both originates and terminates in this State.
  - b. The call either originates or terminates in this State and the telecommunications equipment from which the call originates or terminates and to which the call is charged is located in this State. This applies regardless of where the call is billed or paid.
- (3) Postpaid. – A postpaid calling service is sourced in accordance with either of the following principles, at the election of the seller:
  - a. The principle set out in subdivision (a1)(2) of this section for call-by-call service.
  - b. The origination point of the telecommunications signal as first identified by either the seller's telecommunications system or, if the system used to transport the signal is not the seller's system, by information the seller receives from its service provider.

(a2) Sourcing Exceptions. – The following telecommunications services and products are sourced in accordance with the principles set out in this subsection:

- (1) Mobile. – Mobile telecommunications service is sourced to the place of primary use, unless the service is authorized by a prepaid telephone calling service or is air-to-ground radiotelephone service. Air-to-ground radiotelephone service is a postpaid calling service that is offered by an aircraft common carrier to passengers on its aircraft and



enables a telephone call to be made from the aircraft. The sourcing principle in this subdivision applies to a service provided as an adjunct to mobile telecommunications service if the charge for the service is included within the term 'charges for mobile telecommunications services' under the federal Mobile Telecommunications Sourcing Act.

- (2) Prepaid. – Prepaid telephone calling service is sourced in accordance with G.S. 105-164.4B.
- (3) Private. – Private telecommunications service is sourced in accordance with subsection (e) of this section."

**SECTION 10.** G.S. 105-164.4C(e) reads as rewritten:

"(e) ~~Interstate-Private Line.~~ – The gross receipts derived from ~~interstate-private~~ telecommunications service are ~~taxable-sourced~~ as follows:

- (1) ~~One hundred percent (100%) of the charge imposed at each channel termination point in this State. If all the customer's channel termination points are located in this State, the service is sourced to this State.~~
- (2) ~~One hundred percent (100%) of the charge imposed for the total channel mileage between each channel termination point in this State. If all the customer's channel termination points are not located in this State and the service is billed on the basis of channel termination points, the charge for each channel termination point located in this State is sourced to this State.~~
- (3) ~~Fifty percent (50%) of the charge imposed for the total channel mileage between the first channel termination point in this State and the nearest channel termination point outside this State. If all the customer's channel termination points are not located in this State and the service is billed on the basis of channel mileage, the following applies:~~
  - a. ~~A charge for a channel segment between two channel termination points located in this State is sourced to this State.~~
  - b. ~~Fifty percent (50%) of a charge for a channel segment between a channel termination point located in this State and a channel termination point located in another state is sourced to this State.~~
- (4) ~~If all the customer's channel termination points are not located in this State and the service is not billed on the basis of channel termination points or channel mileage, a percentage of the charge for the service is sourced to this State. The percentage is determined by dividing the number of channel termination points in this State by the total number of channel termination points."~~

**SECTION 11.** G.S. 105-164.4C(h) reads as rewritten:

"(h) ~~Definitions.~~ – The following definitions apply in this section:

- (1) ~~Call center. – Defined in G.S. 105-164.27A.~~
- (2) ~~Interstate telecommunications service. – Telecommunications service that originates or terminates in this State, but does not both originate and terminate in this State, and is charged to a service address in this State.~~
- (3) ~~Intrastate telecommunications service. – Telecommunications service that both originates and terminates in this State.~~

- (4) ~~Local telecommunications service. – Telecommunications service that provides access to a local telephone network and enables a user to communicate with substantially everyone who has a telephone or radiotelephone station that is part of the local telephone network.~~
- (5) ~~Mobile telecommunications service. – Defined in G.S. 105-164.3.~~
- (6) ~~Private telecommunications service. – Telecommunications service that entitles a subscriber of the service to exclusive or priority use of a communications channel or group of channels.~~
- (7) ~~Service address. – Defined in G.S. 105-164.3.~~
- (8) ~~Telecommunications service. – Defined in G.S. 105-164.3.~~
- (9) ~~Toll telecommunications service. – Any of the following:~~
  - a. ~~A service for which there is a toll charge that varies in amount with the distance or elapsed transmission time of each individual communication.~~
  - b. ~~A service that entitles the subscriber, upon payment of a periodic charge, determined as a flat amount or on the basis of total elapsed transmission time, to an unlimited number of communications to or from all or a substantial portion of those who have a telephone or radiotelephone station in an area outside the local telephone network.~~
- (1) Call-by-call basis. – A method of charging for a telecommunications service whereby the price of the service is measured by individual calls.
- (2) Call center. – Defined in G.S. 105-164.27A.
- (3) Mobile telecommunications service. – Defined in G.S. 105-164.3.
- (4) Place of primary use. – Defined in G.S. 105-164.3.
- (5) Postpaid calling service. – A telecommunications service that is charged on a call-by-call basis and is obtained by making payment at the time of the call either through the use of a credit or payment mechanism, such as a bank card, travel card, credit card, or debit card, or by charging the call to a telephone number that is not associated with the origination or termination of the telecommunications service. A postpaid calling service includes a service that meets all the requirements of a prepaid telephone calling service, except the exclusive use requirement.
- (6) Prepaid telephone calling service. – Defined in G.S. 105-164.3.
- (7) Private telecommunications service. – Telecommunications service that entitles a subscriber of the service to exclusive or priority use of a communications channel or group of channels.
- (8) Telecommunications service. – Defined in G.S. 105-164.3."

**SECTION 12.** G.S. 105-467(b)(6) reads as rewritten:

"(6) The sales price of prepaid telephone calling ~~arrangements~~ service taxed as tangible personal property under G.S. 105-164.4(a)(4d)."

**SECTION 13.** Subdivision (6) of the first paragraph of Section 4 of Chapter 1096 of the 1967 Session Laws reads as rewritten:

"(6) The sales price of prepaid telephone calling ~~arrangements~~ service taxed as tangible personal property under G.S. 105-164.4(a)(4d)."

**SECTION 14.** G.S. 105-164.4C(a1)(3), as enacted by this act, reads as rewritten:

"(3) ~~Post-paid~~Postpaid. – A ~~post-paid~~postpaid calling service is sourced in accordance with either of the following principles, at the election of the seller:

a. ~~The principle set out in subdivision (a1)(2) of this section for call-by-call service.~~

b. ~~The~~  
to the origination point of the telecommunications signal as first identified by either the seller's telecommunications system or, if the system used to transport the signal is not the seller's system, by information the seller receives from its service provider."

**SECTION 15.** G.S. 62A-21(4) reads as rewritten:

"(4) "CMRS connection" means each mobile handset telephone number assigned to a CMRS customer with a ~~billing address~~place of primary use in North Carolina."

**SECTION 16.** G.S. 105-164.4C(e)(4), as enacted by Section 10 of this act, and Section 14 of this act become effective January 1, 2004, and apply to taxable services reflected on bills dated on or after January 1, 2004. The remainder of this act becomes effective August 1, 2002, and applies to taxable services reflected on bills dated after August 1, 2002.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of July, 2002.

Became law upon approval of the Governor at 3:30 p.m. on the 11<sup>th</sup> day of July, 2002.

#### **H.B. 1493**

#### **Session Law 2002-17**

AN ACT TO ABOLISH THE OFFICE OF CORONER IN GRANVILLE COUNTY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The office of coroner in Granville County is abolished.

**SECTION 2.** Chapter 152 of the General Statutes is not applicable to Granville County.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

#### **H.B. 1597**

#### **Session Law 2002-18**

AN ACT TO REPEAL TERM LIMITS FOR MEMBERS OF THE HAYWOOD COUNTY BOARD OF EDUCATION, EDENTON-CHOWAN COUNTY BOARD OF EDUCATION, AND IREDELL-STATESVILLE BOARD OF EDUCATION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Notwithstanding Section 4 of Chapter 126 of the 1963 Session Laws and Section 3 of Chapter 30 of the 1967 Session Laws, members of the Haywood County Board of Education and the Edenton-Chowan County Board of Education may serve for more than two consecutive terms.

**SECTION 2.** As allowed by G.S. 115C-67, Section 3(d) of the Plan of Merger of the Iredell County and Statesville City Schools is amended by deleting the sentence "No member shall serve more than two (2) consecutive terms."

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**S.B. 1288****Session Law 2002-19**

AN ACT ALLOWING THE TOWN OF BETHEL TO EXTEND ITS EXTRATERRITORIAL JURISDICTION OVER AN AREA EXTENDING TWO MILES BEYOND ITS LIMITS SUBJECT TO THE APPROVAL OF THE PITT COUNTY BOARD OF COMMISSIONERS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Notwithstanding G.S. 160A-360, the Town of Bethel may exercise the extraterritorial jurisdiction powers granted by Article 19 of Chapter 160A of the General Statutes within a defined area extending not more than two miles beyond the corporate limits, provided that the Pitt County Board of Commissioners shall have final approval authority of any extraterritorial jurisdiction beyond one mile.

**SECTION 2.** This act applies to the Town of Bethel and to Pitt County only.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**H.B. 1517****Session Law 2002-20**

AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF LITTLETON.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The Charter of the Town of Littleton is revised and consolidated to read as follows:

"THE CHARTER OF THE TOWN OF LITTLETON.

"ARTICLE I. INCORPORATION, CORPORATE POWERS AND BOUNDARIES.

"Section 1.1. **Incorporation.** The Town of Littleton, North Carolina in Halifax County and the inhabitants thereof shall continue to be a municipal body politic and corporate, under the name of the 'Town of Littleton,' hereinafter at times referred to as the 'Town.'

"Section 1.2. **Powers.** The Town shall have and may exercise all of the powers, duties, rights, privileges and immunities conferred upon the Town of Littleton specifically by this Charter or upon municipal corporations by general law. The term 'general law' is employed herein as defined in G.S. 160A-1.

"Section 1.3. **Corporate Limits.** The corporate limits shall be those existing at the time of ratification of this Charter, as set forth on the official map of the Town, and as

they may be altered from time to time in accordance with law. An official map of the Town, showing the current municipal boundaries, shall be maintained permanently in the office of the Town Clerk and shall be available for public inspection. Upon alteration of the corporate limits pursuant to law, the appropriate changes to the official map shall be made and copies shall be filed in the office of the Secretary of State, the Halifax County Register of Deeds, and the appropriate board of elections.

"ARTICLE II. GOVERNING BODY.

"Section 2.1. **Town Governing Body.** The Board of Commissioners, hereinafter referred to as the 'Board,' and the Mayor shall be the governing body of the Town.

"Section 2.2. **Board of Commissioners; Composition; Terms of Office.** The Board shall be composed of five members, to be elected by all the qualified voters of the Town, for staggered terms of four years or until their successors are elected and qualified.

"Section 2.3. **Mayor; Term of Office; Duties.** The Mayor shall be elected by all the qualified voters of the Town for a term of four years or until his or her successor is elected and qualified. The Mayor shall be the official head of the Town government and shall preside at meetings of the Board. He shall have the right to vote only when there is an equal division on any question or matter before the Board, and shall exercise the powers and duties conferred by law or as directed by the Board.

"Section 2.4. **Mayor Pro Tempore.** In accordance with general law, the Board shall elect one of its members to act as Mayor Pro Tempore to perform the duties of the Mayor during his or her absence or disability.

"Section 2.5. **Meetings.** In accordance with general law, the Board shall establish a suitable time and place for its regular meetings. Special and emergency meetings may be held as provided by general law.

"Section 2.6. **Quorum; Voting.** Official actions of the Board and all votes shall be taken in accordance with the applicable provisions of general law, particularly G.S. 160A-75. The quorum provisions of G.S. 160A-74 shall apply.

"Section 2.7. **Compensation; Qualifications for Office; Vacancies.** The compensation and qualifications of the Mayor and Commissioners shall be in accordance with general law. Vacancies that occur in any elective office of the Town shall be filled by majority vote of the remaining members of the Board and shall be filled for the remainder of the unexpired term, notwithstanding the contrary provisions of G.S. 160A-63.

"ARTICLE III. ELECTIONS.

"Section 3.1. **Regular Municipal Elections.** Regular municipal elections shall be held in each odd-numbered year in accordance with the uniform municipal election laws of North Carolina. Elections shall be conducted on a nonpartisan basis and the results determined by a plurality as provided in G.S. 163-292.

"Section 3.2. **Election of Mayor.** At the regular municipal election in 2001, and quadrennially thereafter, a Mayor shall be elected to serve a term of four years.

"Section 3.3. **Election of Commissioners.** At the municipal election to be held in 1999, the three candidates for Commissioner who receive the highest number of votes shall be elected for four-year terms and the two candidates who receive the next highest number of votes shall be elected for two-year terms. At the regular municipal election in 2001, and quadrennially thereafter, two Commissioners shall be elected to four-year terms. At the regular municipal election in 2003, and quadrennially thereafter, three Commissioners shall be elected to four-year terms.

"Section 3.4. **Special Elections and Referenda.** Special elections and referenda

may be held only as provided by general law or applicable local acts of the General Assembly.

"ARTICLE IV. ORGANIZATION AND ADMINISTRATION.

"Section 4.1. **Form of Government.** The Town shall operate under the mayor-council form of government as provided in Part 3 of Article 7 of Chapter 160A of the General Statutes.

"Section 4.2. **Town Attorney.** The Board shall appoint a Town Attorney licensed to practice law in North Carolina. It shall be the duty of the Town Attorney to represent the Town, advise Town officials, and perform other duties required by law or as the Board may direct.

"Section 4.3. **Town Clerk.** The Board shall appoint a Town Clerk to keep a journal of the proceedings of the Board, to maintain official records and documents, to give notice of meetings, and to perform such other duties required by law or as the Board may direct.

"Section 4.4. **Tax Collector.** The Board shall appoint a Tax Collector to collect all taxes owed to the Town and perform those duties specified in G.S. 105-350 and such other duties as prescribed by law or assigned by the Board.

"Section 4.5. **Other Administrative Officers and Employees.** The Board may authorize other positions to be filled by appointment and may organize the Town government as deemed appropriate, subject to the requirements of general law."

**SECTION 2.** The purpose of this act is to revise the Charter of the Town of Littleton and to consolidate certain acts concerning the property, affairs, and government of the Town. It is intended to continue without interruption those provisions of prior acts that are expressly consolidated into this act so that all rights and liabilities that have accrued are preserved and may be enforced.

**SECTION 3.** This act does not repeal or affect any acts concerning the property, affairs, or government of public schools in the Town, or any acts validating, confirming, approving, or legalizing official actions, proceedings, contracts, or obligations of any kind.

**SECTION 4.** The following acts, having served the purposes for which they were enacted or having been consolidated into this act, are expressly repealed:

Chapter 175 of the Public Laws of 1876-77.

Chapter 126 of the Private Laws of 1883.

Chapter 171 of the Private Laws of 1893.

Chapter 465 of the Public Laws of 1905.

Chapter 30 of the Private Laws of 1905, except sections 1, 2, and 3.

Chapter 56 of the Public Laws of 1907.

Chapter 153 of the Private Laws of 1907.

Chapter 138 of the Public Laws of 1909.

Chapter 116 of the Private Laws of 1911.

Chapter 120 of the Private Laws of 1921, Extra Session.

Chapter 939 of the 1947 Session Laws.

Chapter 763 of the 1953 Session Laws.

Chapter 399 of the 1965 Session Laws.

Chapter 106 of the 1969 Session Laws.

Chapter 601 of the 1973 Session Laws.

S.L. 1998-11.

**SECTION 5.** The Mayor and Commissioners serving on the date of ratification of this act shall serve until the expiration of their terms or until their

successors are elected and qualified. Thereafter those offices shall be filled as provided in Articles II and III of the Charter contained in Section 1 of this act.

**SECTION 6.** This act does not affect any rights or interests that arose under any provisions repealed by this act.

**SECTION 7.** All existing ordinances, resolutions, and other provisions of the Town of Littleton not inconsistent with the provisions of this act shall continue in effect until repealed or amended.

**SECTION 8.** No action or proceeding pending on the effective date of this act by or against the Town or any of its departments or agencies shall be abated or otherwise affected by this act.

**SECTION 9.** If any provision of this act or application thereof is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

**SECTION 10.** Whenever a reference is made in this act to a particular provision of the General Statutes, and that provision is later amended, superseded, or recodified, the reference shall be deemed amended to refer to the amended General Statute, or to the General Statute that most clearly corresponds to the statutory provision that is superseded or recodified.

**SECTION 11.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**S.B. 2**

**Session Law 2002-21**

**2002 Extra Session**

AN ACT TO SET THE DATE FOR THE 2002 PRIMARY AS SEPTEMBER 10, 2002, TO ALLOW THE STATE BOARD OF ELECTIONS TO ISSUE TEMPORARY ORDERS, GUIDELINES, AND DIRECTIVES FOR THE 2002 PRIMARIES AND ELECTIONS, TO PROVIDE THAT IN 2002 ONLY THERE SHALL NOT BE A SECOND PRIMARY, AND RELATING TO OTHER ELECTIONS THAT HAD BEEN ON THE 2002 PRIMARY BALLOT.

*The General Assembly of North Carolina enacts:*

**SECTION 1.(a)** Notwithstanding G.S. 163-1(b), the date of the primary election in 2002 shall be September 10, 2002.

**SECTION 1.(b)** In order to accommodate the scheduling of the 2002 primary on September 10, 2002, and in order to comply with the requirements of Section 5 of the Voting Rights Act of 1965 and any court orders, and in order to comply with any objections interposed under Section 5, the State Board of Elections may issue temporary orders that may change, modify, delete, amend, or add to any statute contained in Chapter 163 of the General Statutes, any rules contained in Title 8 of the North Carolina Administrative Code, or any other election regulation or guideline that may affect the 2002 primaries and general elections. These temporary orders are only effective for the 2002 primary and 2002 general election. These orders shall include a primary election schedule.

**SECTION 1.(c)** Notwithstanding G.S. 163-111 or any local act, in 2002 only, the result of the primary shall be determined by a plurality and no second primary shall be held. Any runoff election for local office that might by local act have been held

on the date of the second primary shall instead be held on the date of the general election. If there is a tie in a primary in 2002, the result shall be determined in accordance with G.S. 163-111(f) under the same rule as if there had been a tie in a second primary.

**SECTION 1.(d)** The authority to adopt orders also extends to any elections originally scheduled to be held on May 7, 2002, any elections ordered by the State Board of Elections to be held on the date of a county primary that were originally scheduled to be held on May 7, 2002, or any elections to be held on the date of the second primary. If any municipality had its election scheduled under G.S. 160A-23.1(d)(2) to be on the date of the second primary in 2002, the election shall instead be held on the date of the general election in 2002.

**SECTION 1.(e)** The orders shall provide for candidate filing for member of the State Senate and State House of Representatives to open as soon as practicable.

**SECTION 1.(f)** The State Board of Elections may set a period of time for unaffiliated candidates who wish to obtain ballot access by petition, under the provisions of G.S. 163-122, for legislative races in districts used in new legislative filings, to obtain and submit signed petitions for such purpose. Any unaffiliated candidate for a legislative seat, in a district used under a previously approved legislative redistricting plan, who had submitted a petition in a timely manner under the provisions of G.S. 163-122, shall have the right under any State Board plan to have any valid voter signatures contained in the previously approved petition, that meet the residency requirements of the new district, to be considered a part of any new petition to obtain ballot access for a legislative seat in that new district.

**SECTION 1.(g)** The authority granted by this section shall be exercised only when needed to ensure the orderly and timely operations of the electoral process, the public good, and any valid interest of voters, candidates, and officeholders in order to accommodate the compressed schedule necessitated by holding the primary elections at such a late date. All orders of the State Board issued under this section shall be presumed to be reasonable and to serve the public interest.

**SECTION 1.(h)** Orders issued under this section are not rules subject to the provisions of Chapter 150B of the General Statutes. Orders issued under this section shall, however, be published in the North Carolina Register as quickly as possible.

**SECTION 1.(i)** The times to publish notice of a bond referendum required by G.S. 159-61(c) shall not apply to any bond referendum held on the date of the 2002 statewide primary. The local government unit holding the bond referendum on that date shall comply with the times to publish notice of the election prescribed by the State Board of Elections pursuant to this section.

**SECTION 1.(j)** The provisions of G.S. 159-61(b) that provide that a bond referendum may not be held within 30 days before or 10 days after a statewide primary, election, or referendum shall not apply to any bond referendum previously called to be conducted on a date that is within 30 days before or 10 days after the date selected as the date for the 2002 statewide primary.

**SECTION 1.(k)** As used in this section, "order" also includes guidelines and directives.

**SECTION 1.(l)** Any orders issued under this section become void 10 days after the final certification of all elections that were originally scheduled to be held in 2002. This section expires 10 days after the final certification of all elections that were originally scheduled to be held in 2002.



**SECTION 1.1.** Notwithstanding G.S. 163-106(h), any person who filed a notice of candidacy under G.S. 163-106(c) during the filing period in 2002 for an office other than member of the State Senate or member of the State House of Representatives and did not withdraw that notice of candidacy before the filing deadline may not file a notice of candidacy as a member of the State Senate or member of the State House of Representatives unless either of the following applies:

- (1) If that person was declared the nominee of the party under G.S. 163-110, that person resigns the nomination (in which case the vacancy in nomination shall be filled in accordance with G.S. 163-114).
- (2) If that person is in a contested primary, that person withdraws the notice of candidacy. That notice of candidacy may be withdrawn notwithstanding the requirements of G.S. 163-106(e) that it be withdrawn prior to the filing deadline for that office. In the case of any such withdrawal, the appropriate board of election shall reopen filing for three days under the usual procedures of G.S. 163-112 notwithstanding the time of and reason for the withdrawal.

**SECTION 2.** If any members of any county board of education are elected at the primary election and take office under a local act in July after the primary, in 2002 only, they shall instead take office on the same day in December after the primary, and the terms of any such member which would otherwise expire in July of 2002 are extended accordingly.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 3:01 p.m. on the 16<sup>th</sup> day of July, 2002.

## H.B. 1614

## Session Law 2002-22

### AN ACT TO CLARIFY RESIDENCE REQUIREMENTS FOR THE CITY OF LINCOLNTON SEAT ON THE LINCOLN COUNTY BOARD OF EDUCATION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 3 of Chapter 876 of the 1973 Session Laws reads as rewritten:

"Sec. 3. The newly constituted and established Lincoln County Board of Education shall consist of seven members, and each of said members shall be residents and qualified voters ~~of the townships of the districts~~ according to the membership allocations hereinafter made ~~to said townships~~ as follows:

- (1) North Brook Township,
- (2) The area of Howard's Creek Township, Township outside the city limits of Lincolnton,
- (3) ~~that~~ The area of Lincolnton Township presently outside the ~~present~~ city limits of Lincolnton,
- (4) ~~that~~ The area of Lincolnton Township presently inside the city limits of Lincolnton,
- (5) The area of Ironton Township, Township outside the city limits of Lincolnton, and

## (6) Catawba Springs Township.

Each district shall each be entitled to one member on the Lincoln County Board of Education. For the purpose of this section, the city limits of the City of Lincolnton are as of the opening of candidate filing.

One member shall be elected from the county at large, without regard to township."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 18<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**H.B. 1616****Session Law 2002-23**

AN ACT TO ESTABLISH A NO-WAKE ZONE AROUND EAGLE POINT NATURE PRESERVE ON HIGH ROCK RESERVOIR IN ROWAN COUNTY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** It is unlawful to operate a vessel at greater than no-wake speed on the waters of High Rock Lake Reservoir within 200 feet of the boundaries designated as Eagle Point Nature Preserve in Rowan County. No-wake speed is idle speed or a slow speed creating no appreciable wake.

**SECTION 2.** It is unlawful to operate any motorboat or other vessel that produces its power through gasoline combustion within the no-wake zone established in Section 1 of this act, unless the vessel is under the power of an electric motor or hand or foot power while in the no-wake zone.

**SECTION 3.** It is unlawful to discharge firearms or fireworks or to create noise using mechanical apparatus while in the no-wake zone.

**SECTION 4.** With regard to marking the no-wake speed zone established in Section 1 of this act, Rowan County or its designee may place and maintain markers in accordance with the Uniform Waterway Marking System and any supplementary standards for that system adopted by the Wildlife Resources Commission. All markers of the no-wake speed zone shall be buoys or floating signs placed in the water and shall be sufficient in number and size so as to give adequate warning of the no-wake speed zone to vessels approaching from various directions.

**SECTION 5.** This act is enforceable under G.S. 75A-17 as if it were a provision of Chapter 75A of the General Statutes.

**SECTION 6.** Violation of this act is an infraction punishable by a fine of not more than fifty dollars (\$50.00) for a first offense, and punishable for a second or subsequent offense as a Class 3 misdemeanor.

**SECTION 7.** This act applies only to Rowan County.

**SECTION 8.** This act is effective when it becomes law and is enforceable after markers complying with Section 4 of this act are placed in the water.

In the General Assembly read three times and ratified this the 18<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**H.B. 1584****Session Law 2002-24**

AN ACT TO MAKE THE STATE DEADLINE FOR APPROVAL OF HAZARD MITIGATION PLANS CONSISTENT WITH THE FEDERAL DEADLINE FOR

APPROVAL OF THESE PLANS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, AND TO EXTEND THE DATE BY WHICH CERTAIN SMALL MUNICIPAL WASTE COMBUSTION UNITS MUST ACHIEVE COMPLIANCE WITH CERTAIN REQUIREMENTS RELATED TO THE EMISSION OF AIR POLLUTANTS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 166A-6.01(b)(2) reads as rewritten:

- "(2) Public assistance. – State disaster assistance in the form of public assistance grants may be made available to eligible entities located within the disaster area on the following terms and conditions:
- a. Eligible entities shall meet the following qualifications:
    1. The eligible entity suffers a minimum of ten thousand dollars (\$10,000) in uninsurable losses;
    2. The eligible entity suffers uninsurable losses in an amount equal to or exceeding one-half percent (0.5%) of the annual operating budget;
    3. For a state of disaster proclaimed pursuant to G.S. 166A-6(a) after ~~August 1, 2002~~, November 1, 2003, the eligible entity shall have a hazard mitigation plan approved pursuant to the Stafford Act; and
    4. For a state of disaster proclaimed pursuant to G.S. 166A-6(a) after August 1, 2002, the eligible entity shall be participating in the National Flood Insurance Program in order to receive public assistance for flooding damage.
  - b. Eligible entities shall be required to provide non-State matching funds equal to twenty-five percent (25%) of the eligible costs of the public assistance grant.
  - c. An eligible entity that receives a public assistance grant pursuant to this subsection may use the grant for the following purposes only:
    1. Debris clearance.
    2. Emergency protective measures.
    3. Roads and bridges.
    4. Crisis counseling.
    5. Assistance with public transportation needs."

**SECTION 2.** Notwithstanding the provisions of Section 3.4 of S.L. 2001-440 to the contrary, rules adopted by the Environmental Management Commission pursuant to Section 3.4 of S.L. 2001-440 shall include a compliance schedule that requires existing small municipal waste combustion units to achieve final compliance with the rules on and after 1 December 2004. The Environmental Management Commission shall amend rules adopted pursuant to Section 3.4 of S.L. 2001-440 to conform to the requirements of this section.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 12:19 p.m. on the 18<sup>th</sup> day of July, 2002.

**H.B. 1488**

**Session Law 2002-25**

AN ACT TO EXTEND THE SUNSET ON THE LAW GOVERNING TRANSPORTATION OF OPEN CONTAINERS OF ALCOHOLIC BEVERAGES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 21 of Session Law 2000-155 reads as rewritten:

"Section 21. Section 4 of this act is effective September 1, 2000, and expires September 30, ~~2002-2006~~. Sections 19 and 20 of this act are effective when those sections become law. The remainder of this act becomes effective September 1, 2000, and applies to offenses committed on or after that date."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 1:40 p.m. on the 22<sup>nd</sup> day of July, 2002.

**H.B. 1504**

**Session Law 2002-26**

AN ACT TO REPEAL AN OBSOLETE ATTESTATION REQUIREMENT THAT CONVEYANCES BY BANKS MUST BE EXECUTED BY THE SECRETARY OR THE CASHIER AND TO VALIDATE CONVEYANCES BY BANKS THAT OTHERWISE COMPLY WITH THE STATUTE ON EXECUTION OF CORPORATE CONVEYANCES, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 47-42 reads as rewritten:

**"§ 47-42. Attestation of bank conveyances by secretary or cashier.**

(a) ~~In all forms of proof and certificates for deeds and conveyances executed by banking corporations, either the secretary or the cashier of said banking corporation shall attest such instruments.~~

(b) All deeds and conveyances executed prior to February 14, 1939, by banking corporations, where the cashier of said banking corporation has attested said instruments, which deeds and conveyances are otherwise regular, are hereby validated.

(c) All deeds and conveyances executed by a banking corporation on or after October 1, 1999, that complied with G.S. 47-18.3 are hereby validated."

**SECTION 2.** This act is effective when it becomes law. This act does not apply to litigation pending on that date or to any instrument directly or indirectly involved in litigation pending on that date.

In the General Assembly read three times and ratified this the 11<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 1:41 p.m. on the 22<sup>nd</sup> day of July, 2002.

**H.B. 1505**

**Session Law 2002-27**

AN ACT TO AMEND THE VOTING REQUIREMENT FOR MEMBER APPROVAL OF AMENDMENTS TO BYLAWS TO CONFORM TO THE VOTING

REQUIREMENT FOR MEMBER APPROVAL OF AMENDMENTS TO ARTICLES OF INCORPORATION, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 55A-10-21(a) reads as rewritten:

"(a) If the corporation has members entitled to vote thereon, then, unless this Chapter, the articles of incorporation, bylaws, the members (acting pursuant to subsection (b) of this section), or the board of directors (acting pursuant to subsection (c) of this section) require a greater vote or voting by class, an amendment to a corporation's bylaws to be adopted shall be approved:

- (1) By the board or in lieu thereof in writing by the number or proportion of members entitled under G.S. 55A-7-02(a)(2) to call a special meeting to consider such amendment;
- (2) By the members ~~by~~ entitled to vote thereon by two-thirds of the votes cast or a majority of the votes entitled to be cast on the amendment; amendment, whichever is less; and
- (3) In writing by any person or persons whose approval is required by a provision of the articles of incorporation authorized by G.S. 55A-10-30."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 1:44 p.m. on the 22<sup>nd</sup> day of July, 2002.

**H.B. 1513**

**Session Law 2002-28**

AN ACT TO CLARIFY THAT THE RECENT ESTABLISHMENT OF A ROLLING UPSET BID PROCEDURE FOR JUDICIAL AND EXECUTION SALES DID NOT AFFECT THE REQUIREMENT THAT SALES BE CONFIRMED BY THE APPROPRIATE JUDICIAL OFFICIAL, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 1-339.25(a) reads as rewritten:

"(a) An upset bid is an advanced, increased, or raised bid in a public sale by auction whereby a person offers to purchase real property theretofore sold for an amount exceeding the reported sale price or the last upset bid by a minimum of five percent (5%) thereof, but in any event with a minimum increase of seven hundred fifty dollars (\$750.00). Subject to the provisions of subsection (b) of this section, an upset bid shall be made by delivering to the clerk of superior court, with whom the report of the sale or the last notice of upset bid was filed, a deposit in cash or by certified check or cashier's check satisfactory to the clerk in an amount greater than or equal to five percent (5%) of the amount of the upset bid but in no event less than seven hundred fifty dollars (\$750.00). The deposit required by this section shall be filed with the clerk of the superior court with whom the report of sale or the last notice of upset bid was filed, by the close of normal business hours on the tenth day after the filing of the report of sale or the last notice of upset bid, and if the tenth day falls upon a Sunday or legal holiday

or upon a day in which the office of the clerk is not open for the regular dispatch of its business, the deposit may be made and the notice of upset bid may be filed on the day following when the office is open for the regular dispatch of its business. Except as provided in G.S. 1-339.27A and G.S. 1-339.30, there shall be no resales; however, there may be successive upset bids, each of which shall be followed by a period of 10 days for a further upset bid. If a timely motion for resale is filed under G.S. 1-339.27A, no upset bids may be filed while the motion is pending. ~~If an upset bid or a motion for resale under G.S. 1-339.27A is not filed within 10 days following a sale, resale, or prior upset bid, the rights of the parties to the sale or resale become fixed."~~

**SECTION 2.** G.S. 1-339.64(a) reads as rewritten:

"(a) An upset bid is an advanced, increased, or raised bid whereby a person offers to purchase real property theretofore sold for an amount exceeding the reported sale price or last upset bid by a minimum of five percent (5%) thereof, but in any event with a minimum increase of seven hundred fifty dollars (\$750.00). Subject to the provisions of subsection (b) of this section, an upset bid shall be made by delivering to the clerk of superior court, with whom the report of sale or the last notice of upset bid was filed, a deposit in cash or by certified check or cashier's check satisfactory to the clerk in an amount greater than or equal to five percent (5%) of the amount of the upset bid but in no event less than seven hundred fifty dollars (\$750.00). The deposit required by this section shall be filed with the clerk of the superior court, with whom the report of sale or the last notice of upset bid was filed, by the close of normal business hours on the tenth day after the filing of the report of sale or the last notice of upset bid and if the tenth day falls upon a Sunday or legal holiday or upon a day in which the office of the clerk is not open for the regular dispatch of its business, the deposit may be made and the notice of upset bid may be filed on the day following when the office is open for the regular dispatch of its business. Except as provided in G.S. 1-339.66A and G.S. 1-339.69, there shall be no resales; however, there may be successive upset bids, each of which shall be followed by a period of 10 days for a further upset bid. If a timely motion for resale is filed under G.S. 1-339.66A, no upset bids may be filed while the motion is pending. ~~If an upset bid or a motion for resale under G.S. 1-339.66A is not filed within 10 days following a sale, resale, or prior upset bid, the rights of the parties to the sale or resale become fixed."~~

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 1:45 p.m. on the 22<sup>nd</sup> day of July, 2002.

## H.B. 1539

## Session Law 2002-29

AN ACT TO REPEAL AN OBSOLETE PROHIBITION ON THE ESTABLISHMENT OF AUTOMATED TELLER MACHINES OR OTHER INFORMATION-PROCESSING DEVICES OR MACHINES BY OUT-OF-STATE FINANCIAL INSTITUTIONS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 53-62(dl) reads as rewritten:

"(dl) Subject to such rules and regulations as may be prescribed by the State

Banking Commission with regard to their use, maintenance and supervision, any bank may establish off the premises of any principal office, branch or limited service facility a customer-bank communications terminal, point-of-sale terminal, automated teller machine, automated banking facility or other direct or remote information-processing device or machine, whether manned or unmanned, through or by means of which information relating to any financial service or transaction rendered to the public is stored and transmitted, instantaneously or otherwise, to or from a bank or other nonbank terminal; and the establishment and use of such a device or machine shall not be deemed a branch or limited service facility, and the capital requirements and standards for approval of a branch or limited service facility, all as set forth in subsections (b) and (c) ~~above, of this section,~~ shall not be applicable to the establishment of any such off-premises terminal device or ~~machine; provided, however, that no bank, savings and loan association, savings bank, credit union or any other financial institution which is not domiciled in North Carolina may establish in North Carolina any information processing device or machine described in this subsection.~~ machine."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 1:46 p.m. on the 22<sup>nd</sup> day of July, 2002.

**H.B. 893**

**Session Law 2002-30**

AN ACT REQUIRING THE WILDLIFE RESOURCES COMMISSION TO REPORT ON ITS EFFORTS TO ENSURE COMPLIANCE WITH LOCAL HUNTING LAWS BY DEER HUNTERS USING DOGS IN MOORE COUNTY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The Wildlife Resources Commission shall report to the Chairs of the House Wildlife Resources Committee and the Senate Agriculture, Environment, and Natural Resources Committee by March 1, 2003, on its efforts to ensure compliance with local hunting laws in Moore County. The report shall enumerate and evaluate the results of the Commission's efforts to ensure hunters' compliance with local laws and may include any recommendations the Commission may have for amending those laws or for other actions that may be taken to regulate hunting with dogs consistent with improving protection of the rights of landowners in Moore County.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 1:47 p.m. on the 22<sup>nd</sup> day of July, 2002.

**H.B. 1609**

**Session Law 2002-31**

AN ACT RELATING TO INVESTMENTS BY THE CITY OF DURHAM.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The City of Durham, or any governing body, agency, person, corporation or other entity that contracts with the City for the investment, care or administration of monies held by the City in its fiduciary funds, may invest and reinvest monies in such funds in one or more of the types of securities or other investments as authorized by State law for the State Treasurer in G.S. 147-69.2.

**SECTION 2.** This act shall apply only to monies in the City's fiduciary funds. The City Council may adopt limitations on investment and reinvestments of monies in the City's fiduciary funds, provided that not more than fifty percent (50%) of the monies held in these funds may be invested in common or preferred stocks.

**SECTION 3.** This act, insofar as it authorizes certain investments, amends G.S. 159-30 with regard to the investment of the City of Durham fiduciary funds.

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22<sup>nd</sup> day of July, 2002.

Became law on the date it was ratified.

## H.B. 1653

## Session Law 2002-32

AN ACT TO AMEND THE CHARTER OF THE CITY OF CHARLOTTE TO REPEAL CERTAIN OPTIONAL RIGHTS OF THE CITY MANAGER, TO AUTHORIZE THE CITY MANAGER TO ACCEPT PROPERTY OFFERED FOR PUBLIC DEDICATION, TO REPEAL THE SECTION THAT PROHIBITS THE CITY MANAGER FROM AWARDING CONTRACTS THAT EXCEED FIFTY THOUSAND DOLLARS, AND TO MOVE A CERTAIN SECTION FROM CHAPTER FOUR TO CHAPTER EIGHT FOR ORGANIZATIONAL PURPOSES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 4.06 of the Charter of the City of Charlotte, being S.L. 2000-26, as amended, reads as rewritten:

"Section 4.06. **Optional Rights.** The City Manager may:

- (1) Approve the:
  - a. ~~Acquisition by the City of real property having a value of ten thousand dollars (\$10,000) or less.~~
  - b. ~~Acquisition or sale by the City of real property having a value of more than ten thousand dollars (\$10,000), when the City Manager certifies to the Council that the property is being acquired or sold for the purpose of increasing the supply of affordable housing available to low or moderate income persons. The Manager shall, within 10 days of any transaction authorized by this subdivision, report the details to the Council.~~
- (2) ~~Approve certain contracts as provided in Section 8.86 of this Charter.~~
- (3) ~~Approve agreements permitting encroachments into setbacks and rights of way.~~
- (4) ~~Accept dedicated streets for City maintenance.~~ Manager or his or her designee may accept property offered for public dedication."

**SECTION 2.** Section 8.22 of the Charter of the City of Charlotte, being S.L. 2000-26, as amended, is amended by adding the following new subsection:



"(e) The City Manager may approve the sale by the City of real property having a value of more than ten thousand dollars (\$10,000) when the City Manager certifies to the Council that the property is being sold for the purpose of increasing the supply of affordable housing available to low- or moderate-income persons. The City Manager shall within 10 days of any transaction authorized by this subsection report the details to the Council."

**SECTION 3.** Section 8.86 of the Charter of the City of Charlotte, being S.L. 2000-26, as amended, is repealed.

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22<sup>nd</sup> day of July, 2002.

Became law on the date it was ratified.

## H.B. 1654

## Session Law 2002-33

AN ACT TO PERMIT THE CITY OF CHARLOTTE TO DESIGNATE SOMEONE OTHER THAN THE CITY CLERK TO ISSUE CLOSING-OUT SALE LICENSES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 66-77 reads as rewritten:

**"§ 66-77. License required; contents of applications; inventory required; fees; bond; extension of licenses; records; false statements.**

(a) No person shall advertise or offer for sale a stock of goods, wares or merchandise under the description of closing-out sale, or a sale of goods, wares or merchandise damaged by fire, smoke, water or otherwise, or a distress sale unless he shall have obtained a license to conduct such sale from the clerk of the city or town in which he proposes to conduct such a sale (or from another officer designated by the City Council) or from the officer designated by the Board of County Commissioners if the sale is conducted in an unincorporated area. The applicant for such a license shall make to such clerk or officer an application therefor, in writing and under oath at least seven days prior to the opening date of sale, showing all the facts relating to the reasons and character of such sale, including the opening and terminating dates of the proposed sale, the opening and terminating dates of any previous distress sale or closing-out sale held by the applicant within that county during the preceding 12 months, a complete inventory of the goods, wares or merchandise actually on hand in the place whereat such sale is to be conducted, and all details necessary to locate exactly and identify fully the goods, wares or merchandise to be sold. Provided, the seller in a distress sale need not file an inventory.

(b) If such clerk or other officer shall be satisfied from said application that the proposed sale is of the character which the applicant desires to advertise and conduct, the clerk or other officer shall issue a license, upon the payment of a fee of fifty dollars (\$50.00) therefor, together with a bond, payable to the city or town or county in the penal sum of five hundred dollars (\$500.00), conditioned upon compliance with this Article, to the applicant authorizing him to advertise and conduct a sale of the particular kind mentioned in the application. The license fee provided for herein shall be good for a period of 30 days from its date, and if the applicant shall not complete said sale within said 30-day period then the applicant shall make application to such clerk or other officer for a license for a new permit, which shall be good for an additional period of 30

days, and shall pay therefor the sum of fifty dollars (\$50.00), and a second extension period of 30 days may be similarly applied for and granted by the clerk or other officer upon payment of an additional fee of fifty dollars (\$50.00) and upon the clerk or other officer being satisfied that the applicant is holding a bona fide sale of the kind contemplated by this Article and is acting in a bona fide manner; provided, however, that the clerk or other officer may not grant an extension period as provided in this subsection if (i) the applicant conducted a distress sale immediately preceding the current sale for which the extension is applied for and (ii) the period of the extension applied for, when added to the period of the preceding sale and the period of the current sale, will exceed 120 days. No additional bond shall be required in the event of one or more extensions as herein provided for. Any merchant who shall have been conducting a business in the same location where the sale is to be held for a period of not less than one year, prior to the date of holding such sale, or any merchant who shall have been conducting a business in one location for such period but who shall, by reason of the building being untenable or by reason of the fact that said merchant shall have no existing lease or ownership of the building and shall be forced to hold such sale at another location, shall be exempted from the payment of the fees and the filing of the bond herein provided for.

(c) Every city or town or county to whom application is made shall endorse upon such application the date of its filing, and shall preserve the same as a record of his office, and shall make an abstract of the facts set forth in such application, and shall indicate whether the license was granted or refused.

(d) Any person making a false statement in the application provided for in this section shall, upon conviction, be deemed guilty of perjury."

**SECTION 2.** This act applies to the City of Charlotte only.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22<sup>nd</sup> day of July, 2002.

Became law on the date it was ratified.

#### **H.B. 1689**

#### **Session Law 2002-34**

AN ACT TO CHANGE THE NAME OF THE PEARLAND FIRE DISTRICT IN CALDWELL COUNTY TO THE SAWMILLS RURAL FIRE DISTRICT.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The name of the Pearland Fire District is changed to be the Sawmills Rural Fire District.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22<sup>nd</sup> day of July, 2002.

Became law on the date it was ratified.

#### **H.B. 1714**

#### **Session Law 2002-35**

AN ACT TO PERMIT THE CARTERET COUNTY BOARD OF EDUCATION TO LEASE PROPERTY TO THE BOYS AND GIRLS CLUB.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Notwithstanding the provisions of G.S. 115C-518 and G.S. 160A-272, the Carteret County Board of Education may lease to the Boys and Girls Club all or part of their interest in land on Morehead Elementary at Camp Glenn campus in the Carteret County School System for terms of not more than 30 years.

**SECTION 2.** This act applies only to the Carteret County Board of Education.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22<sup>nd</sup> day of July, 2002.

Became law on the date it was ratified.

**S.B. 1357**

**Session Law 2002-36**

**AN ACT TO MAKE CHANGES TO DURHAM COUNTY OCCUPANCY TAX PROVISIONS.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 7(a) of S.L. 2001-480 reads as rewritten:

"**SECTION 7.(a)** If a plan for financing a Performing Arts Theater has not been approved by the Durham City Council and has been disapproved by the Durham County Commissioners within 42 months after the levy of the one percent (1%) tax authorized under Section 6(c) of this act, the county's authority to levy the one percent (1%) tax described under Section 6(c) of this act and the levy of the one percent (1%) tax described in this subsection are repealed on the first day of the second month following the 42-month period.

If construction on the Performing Arts Theater has not begun within 42 months after the levy of the one percent (1%) tax authorized under Section 6(c) of this act, the county's authority to levy the one percent (1%) tax described in Section 6(c) of this act and the levy of the one percent (1%) tax described in Section 6(c) of this act are repealed on the first day of the second month following the 42-month period.

It is the goal of the General Assembly that a plan for financing the Performing Arts Theater shall be adopted within 12 months after the levy of the one percent (1%) tax authorized under Section 6(c) of this act, and construction of the Performing Arts Theater shall begin within 24 months of the levy of the one percent (1%) tax described in Section 6(c) of this act.

Any funds collected but not spent before the repeal date shall be redistributed to the Durham ~~Tourism Development Authority~~ Convention and Visitors Bureau to promote travel and tourism."

**SECTION 2.** Section 9(c) of S.L. 2001-480 reads as rewritten:

"**SECTION 9.(c)** Use of Proceeds From Additional Two Percent (2%) Tax. – Durham County shall, on a monthly basis, remit the net proceeds of the tax levied under Section 6(b) of this act to the Durham ~~Tourism Development Authority~~ created by Convention and Visitors Bureau as set out in Section 10 of this act.

The ~~Authority~~ Bureau may use the funds remitted to it under this subsection only to promote travel, tourism, and conventions in Durham County.

**SECTION 3.** Section 9(d) of S.L. 2001-480 reads as rewritten:

"**SECTION 9.(d)** Use of Proceeds From Additional One Percent (1%) Tax During First 24 Months. – Durham County shall, on a monthly basis, remit the net proceeds of

the occupancy tax levied under Section 6(c) of this act to the Durham ~~Tourism Development Authority created by~~ Convention and Visitors Bureau as set out in Section 10 of this act. During the first 24 months that the tax is levied under Section 6(c) of this act, the ~~Authority Bureau~~ shall distribute and use these net proceeds in the following priority order:

- (1) To Durham County, up to the first two hundred thousand dollars (\$200,000) collected to fund the development of a Cultural Arts Master Plan.
- (2) The ~~Authority Bureau~~ shall use the next seven hundred thousand dollars (\$700,000) collected to promote travel, tourism, and conventions in Durham County.
- (3) To the City of Durham, the next two hundred forty-eight thousand dollars (\$248,000) collected. The city shall use these funds for the design and engineering costs associated with the construction of a Performing Arts Theater.
- (4) To Durham County, the next four hundred thousand dollars (\$400,000) collected for improvements to the Museum of Life and Science. This may include the financing of debt service.
- (5) To Durham County, the next five hundred thousand dollars (\$500,000) collected. These funds shall be credited into an Arts Reserve Fund and used to implement the Cultural Arts Master Plan developed under subdivision (1) of this subsection.
- (6) The ~~Authority Bureau~~ shall use any net proceeds collected in excess of two million forty-eight thousand dollars (\$2,048,000) to promote travel, tourism, and conventions in Durham County."

**SECTION 4.** Section 9(e) of S.L. 2001-480 reads as rewritten:

**"SECTION 9.(e)** Use of Proceeds From Additional One Percent (1%) Tax After First 24 Months. – The net proceeds of the tax collected under Section 6(c) of this act after the first 24 months that the tax is levied shall be remitted monthly to the Durham ~~Tourism Development Authority created by~~ Convention and Visitors Bureau as set out in Section 10 of this act. The ~~Authority Bureau~~ shall use and distribute these net proceeds in the following priority order:

- (1) To the City of Durham, the first one million four hundred thousand dollars (\$1,400,000) collected annually to finance the debt service associated with the construction of the Performing Arts Theater. Until those funds are distributed to the City of Durham for that purpose, they shall be held by the Durham ~~Tourism Development Authority~~ Convention and Visitors Bureau in a capital reserve fund as provided by Part 2 of Article 3 of Chapter 159 of the General Statutes except they may be expended as provided by the last sentence of Section 7(a) of this act if the tax is repealed as provided by Section 7(a) of this act. Any interest earned by that fund shall be credited to the fund.
- (2) Thirty-two years after the levy of the tax authorized under Section 6(c) of this act, instead of the allocation under subdivision (1) of this subsection, the first one million four hundred thousand dollars (\$1,400,000) collected annually shall be used by the ~~Authority Bureau~~ to promote travel and tourism or for tourism related expenditures.

- (3) To Durham County, the next five hundred thousand dollars (\$500,000) collected annually to be used for improvements to the Museum of Life and Science. This may include the financing of debt service. Any of these funds that are not needed for this purpose shall be returned to the ~~Authority~~ Bureau and used to promote travel and tourism.
- (4) The ~~Authority~~ Bureau shall use any net proceeds in excess of that provided by subdivisions (1), (2), and (3) of this subsection to promote travel, tourism, and conventions in Durham County.

As used in this subsection, "annually" means the 12-month period beginning after the first 24 months that the tax authorized under Section 6(c) of this act is levied."

**SECTION 5.** Section 9(f) of S.L. 2001-480 reads as rewritten:

**"SECTION 9.(f)** Definitions. – For the purpose of this Part:

- (1) "Promote travel and tourism" means to advertise or market an area or activity, to publish and distribute pamphlets and other materials, to conduct market research, and to engage in similar promotional activities that attract tourists or business travelers to the area, and also includes administrative expenses incurred in engaging in these activities.
- (2) "Promote travel, tourism, and conventions" means to advertise or market an area or activity, to publish and distribute pamphlets and other materials, to conduct market research, and to engage in similar promotional activities that attract tourists, business travelers, or conventioners to the area, and also includes administrative expenses incurred in engaging in these activities.
- (3) "Tourism related expenditures" are those that, in the judgment of the ~~Durham Tourism Development Authority~~, Convention and Visitors Bureau, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in the county by attracting tourists or business travelers to the county, and includes capital expenditures related to that purpose."

**SECTION 6.** Section 10(a) of S.L. 2001-480 reads as rewritten:

**"SECTION 10.(a)** Establishment ~~and Membership~~ of the Durham Convention and Visitors Bureau as a Tourism Development Authority. – ~~There is created the Durham Tourism Development Authority, which shall be a~~ The Durham Convention and Visitors Bureau, created on January 17, 1989, in an interlocal agreement between Durham County and the City of Durham to meet provisions of Chapter 969 of the 1985 Session Laws, shall act as a tourism development authority, which is a public authority under the Local Government Budget and Fiscal Control Act."

**SECTION 7.** Section 10(b) of S.L. 2001-480 reads as rewritten:

**"SECTION 10.(b)** ~~From March 1, 2002, through June 30, 2004, the~~ The members of the board of directors of the Durham Convention and Visitors Bureau and the members of the advisory board of the Durham Convention and Visitors Bureau shall together be ~~ex officio~~ the board of directors of the ~~Authority~~ Durham Convention and Visitors Bureau. The transition to a board membership which meets the criteria established in Section 10.(c) of this act shall be completed prior to July 1, 2004."

**SECTION 8.** Section 10(c) of S.L. 2001-480 reads as rewritten:

**"SECTION 10.(c)** ~~Beginning July 1, 2004, the~~ The membership of the ~~Durham Tourism Development Authority~~ board of directors of the Durham Convention and Visitors Bureau shall be as specified in an interlocal cooperation agreement between

Durham County and the City of Durham. The agreement shall provide for the number of members, terms of office, who shall appoint the membership, and such other provisions as may reasonably be necessary. The interlocal agreement ~~must be entered into prior to May 1, 2002, but may thereafter~~ be amended as provided by its terms.

At least three-fourths of the membership of the ~~Durham Tourism Development Authority~~ Durham Convention and Visitors Bureau must be, at the time of appointment, active in the promotion of travel, tourism, or conventions in Durham County. One-third of the membership must be affiliated with organizations that collect the tax imposed by Section 6 of this act. If the interlocal cooperation agreement is terminated, the directors of the Durham Convention and Visitors Bureau shall continue to serve until the appointment of their successors pursuant to further action by the City of Durham and the County of Durham or by the General Assembly."

**SECTION 9.** Section 10(d) of S.L. 2001-480 reads as rewritten:

"**SECTION 10.(d)** Duties. – The ~~Authority~~ Durham Convention and Visitors Bureau shall expend the net proceeds of the taxes levied under Section 6 of this act only for the purposes provided in this act. The ~~Authority~~ Bureau shall promote travel, tourism, and conventions in the county."

**SECTION 10.** Section 10(e) of S.L. 2001-480 reads as rewritten:

"**SECTION 10.(e)** Reports. – The ~~Authority~~ Durham Convention and Visitors Bureau shall file a copy of its audit report with the Durham County Board of Commissioners and the Durham City Council following the close of each fiscal year."

**SECTION 11.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 24<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

## S.B. 861

## Session Law 2002-37

AN ACT TO INCREASE THE NUMBER OF QUALIFIED DENTAL PRACTITIONERS IN THE STATE BY AUTHORIZING THE BOARD OF DENTAL EXAMINERS TO LICENSE BY CREDENTIALS PERSONS WHO ARE LICENSED TO PRACTICE DENTISTRY OR DENTAL HYGIENE IN OTHER STATES AND WHO OTHERWISE MEET STATE REQUIREMENTS FOR LICENSE BY CREDENTIALS, TO ISSUE A LIMITED VOLUNTEER DENTAL LICENSE, TO ISSUE AN INSTRUCTOR'S LICENSE, AND TO IMPOSE APPLICATION AND RENEWAL FEES FOR LICENSURE AUTHORIZED UNDER THIS ACT.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Article 14 of Chapter 130A of the General Statutes is amended by adding the following new section to read:

**"§ 130A-367. Dental providers for problem access areas.**

The State's dental public health program shall encourage the expansion of current educational and training programs for dentists, dental hygienists, and dental assistants targeted to serve citizens' unmet needs, particularly in the rural and low-income areas that have traditionally had problems in accessing dental care. The program shall also

promote and encourage the recruitment of in-State and out-of-state private sector dental personnel to work in these dental health professional shortage areas."

**SECTION 2.** G.S. 90-36 reads as rewritten:

**"§ 90-36. Licensing practitioners of other states.**

~~The North Carolina State Board of Dental Examiners may, in its discretion, issue a license to practice dentistry in this State without an examination other than clinical to a legal and ethical practitioner of dentistry who moves into North Carolina from another state or territory of the United States, whose standard of requirements is equal to that of the State of North Carolina and in which such applicant has conducted a legal and ethical practice of dentistry for at least five years, next preceding his or her removal and who has not, during his period of practice, been found guilty by the state regulatory agency charged with the responsibility therefor of the violation of the ethics of his profession, nor found guilty by a court of competent jurisdiction of the violation of the laws of the state which issued license to him or of the criminal laws of the United States, nor whose license to practice dentistry has been revoked or suspended by a duly constituted authority.~~

~~Application for license to be issued under the provisions of this section shall be accompanied by a certificate from the dental board or like board of the state from which said applicant removed, certifying that the applicant is the legal holder of a license to practice dentistry in that state, and for a period of five years immediately preceding the application has engaged in the practice of dentistry; is of good moral character and that during the period of his practice no charges have been filed with said board against the applicant for the violation of the laws of the state or of the United States, or for the violation of the ethics of the profession of dentistry.~~

~~Application for a license under this section shall be made to the North Carolina State Board of Dental Examiners within the six months of the date of the issuance of the certificate hereinbefore required, and said certificate shall be accompanied by the diploma or other evidence of the graduation from a reputable, recognized and approved dental college, school or dental department of a college or university.~~

~~Any license issued upon the application of any dentist from any other state or territory shall be subject to all of the provisions of this Article with reference to the license issued by the North Carolina State Board of Dental Examiners upon examination of applicants and the rights and privileges to practice the profession of dentistry under any license so issued shall be subject to the same duties, obligations, restrictions and the conditions as imposed by this Article on dentists originally examined by the North Carolina State Board of Dental Examiners.~~

(a) The North Carolina State Board of Dental Examiners may issue a license by credentials to an applicant who has been licensed to practice dentistry in any state or territory of the United States if the applicant produces satisfactory evidence to the Board that the applicant has the required education, training, and qualifications, is in good standing with the licensing jurisdiction, has passed satisfactory examinations of proficiency in the knowledge and practice of dentistry as determined by the Board, and meets all other requirements of this section and rules adopted by the Board. The Board may conduct examinations and interviews to test the qualifications of the applicant and may require additional information that would affect the applicant's ability to render competent dental care. The Board may, in its discretion, refuse to issue a license by credentials to an applicant who the Board determines is unfit to practice dentistry.

(b) The applicant for licensure by credentials shall be of good moral character and shall have graduated from and have a DDS or DMD degree from a program of

dentistry in a school or college accredited by the Commission on Dental Accreditation of the American Dental Association and approved by the Board.

(c) The applicant must meet all of the following conditions:

- (1) Has been actively practicing dentistry, as defined in G.S. 90-29(b)(1) through (b)(9), for a minimum of five years immediately preceding the date of application.
- (2) Has not been the subject of final or pending disciplinary action in the military, in any state or territory in which the applicant is or has ever been licensed to practice dentistry, or in any state or territory in which the applicant has held any other professional license.
- (3) Presents evidence that the applicant has no felony convictions and that the applicant has no other criminal convictions that would affect the applicant's ability to render competent dental care.
- (4) Has not failed an examination conducted by the North Carolina State Board of Dental Examiners.

(d) The applicant for licensure by credentials shall submit an application to the North Carolina State Board of Dental Examiners, the form of which shall be determined by the Board, pay the fee required by G.S. 90-39, successfully complete examinations in Jurisprudence and Sterilization and Infection Control, and meet the criteria or requirements established by the Board.

(e) The holder of a license issued under this section shall establish a practice location and actively practice dentistry, as defined in G.S. 90-29(b)(1) through (b)(9), in North Carolina within one year from the date the license is issued. The license issued under this section shall be void upon a finding by the Board that the licensee fails to limit the licensee's practice to North Carolina or that the licensee no longer actively practices dentistry in North Carolina."

**SECTION 3.** Article 16 of Chapter 90 of the General Statutes is amended by adding a new section to read:

**"§ 90-224.1. Licensure by credentials.**

(a) The Board may issue a license by credentials to an applicant who has been licensed to practice dental hygiene in any state or territory of the United States if the applicant produces satisfactory evidence to the Board that the applicant has the required education, training, and qualifications; is in good standing with the licensing jurisdiction; has passed the National Board Dental Hygiene Examination administered by the Joint Commission on National Dental Examinations; has passed satisfactory examinations of proficiency in the knowledge and practice of dental hygiene as determined by the Board; and meets all other requirements of this section and rules adopted by the Board. The Board may, in its discretion, refuse to issue a license by credentials to an applicant who the Board determines is unfit to practice dental hygiene.

(b) The applicant for licensure shall be of good moral character, have graduated from an accredited high school or hold a high school equivalency certificate duly issued by a governmental agency or authorized unit, and have graduated from a dental hygiene program or school accredited by the Commission on Dental Accreditation of the American Dental Association and approved by the Board.

(c) The applicant must meet all of the following conditions:

- (1) Has been actively practicing dental hygiene, as defined in G.S. 90-221, under the supervision of a licensed dentist for a minimum of two years immediately preceding the date of application.
- (2) Has no history of disciplinary action or pending disciplinary action in



the military or in any state or territory in which the applicant is or has ever been licensed.

(3) Has no felony convictions and has no other criminal convictions that would affect the applicant's ability to render competent dental hygiene care.

(4) Has not failed a licensure examination administered by the North Carolina State Board of Dental Examiners.

(d) The applicant for licensure by credentials shall submit an application, the form of which shall be determined by the Board, pay the fee required by G.S. 90-232, successfully complete examinations in Jurisprudence and Sterilization and Infection Control, and meet other criteria or requirements established by the Board, which may include an examination or interview before the Board or its authorized agents.

(e) This section shall not be construed to include licensure by reciprocity, which is prohibited."

**SECTION 4.** Article 2 of Chapter 90 of the General Statutes is amended by adding a new section to read:

**"§ 90-37.1. Limited volunteer dental license.**

(a) The North Carolina State Board of Dental Examiners may issue to an applicant a 'Limited Volunteer Dental License' to practice dentistry only in nonprofit health care facilities serving low-income populations in the State. Holders of a limited volunteer dental license may volunteer their professional services, without compensation, only for the purpose of helping to meet the dental health needs of these persons served by these facilities. The Board may issue a limited license to an applicant under this section who:

(1) Has an out-of-state current or expired license, or an expired license in this State, or is authorized to treat veterans or personnel enlisted in the United States armed services; and

(2) Has actively practiced dentistry, as defined in G.S. 90-29(b)(1) through (b)(9), within the past five years.

(b) The limited license may be issued to an applicant who produces satisfactory evidence to the Board that the applicant has the required education, training, and qualifications; is in good standing with the licensing jurisdiction; has passed satisfactory examinations of proficiency in the knowledge and practice of dentistry as determined by the Board; and meets all other requirements of this section and rules adopted by the Board. The Board may conduct examinations and interviews to test the qualifications of the applicant and may require additional information that would affect the applicant's ability to render competent dental care. The Board may, in its discretion, refuse to issue a 'limited volunteer dental license' to an applicant who the Board determines is unfit to practice dentistry.

(c) The applicant shall be of good moral character and shall have graduated from and have a DDS or DMD degree from a program of dentistry in a school or college accredited by the Commission on Dental Accreditation of the American Dental Association and approved by the Board.

(d) The applicant shall meet all of the following conditions:

(1) Show that the applicant has actively practiced dentistry, as defined in G.S. 90-29(b)(1) through (b)(9), for a minimum of five years.

(2) Show that the applicant has not been the subject of final or pending disciplinary action in any state in which the applicant has ever been

licensed to practice dentistry or in any state in which the applicant has held any other professional license.

- (3) Present evidence that the applicant has no felony convictions and that the applicant has no other criminal convictions that would affect the applicant's ability to render competent care.
- (4) Present evidence that the applicant has no pending Veterans Administration or military disciplinary actions or any history of such disciplinary action.
- (5) Show that the applicant has not failed an examination conducted by the North Carolina State Board of Dental Examiners.

(e) The applicant shall submit an application, the form of which shall be determined by the Board, pay the fee required under G.S. 90-39, and successfully complete examinations in Jurisprudence and Sterilization and Infection Control. The Board may charge and collect fees for license application and annual renewal as required under G.S. 90-39, except that credentialing fees applicable under G.S. 90-39(13) are waived for holders of a limited volunteer dental license.

(f) Holders of a limited volunteer dental license shall comply with the continuing dental education requirements adopted by the Board including CPR training.

(g) The holder of a limited license under this section who practices dentistry other than as authorized in this section shall be guilty of a Class 1 misdemeanor with each day's violation constituting a separate offense. Upon proof of practice other than as authorized in this section, the Board may suspend or revoke the limited license after notice to the licensee. For violations of the dental practice act or rules adopted under the act that are applicable to a limited license practice, the Board has the same authority to investigate and impose sanctions on limited license holders as it has for those holding an unlimited license.

(h) The Board shall maintain a nonexclusive list of nonprofit health care facilities serving the dental health needs of low-income populations in the State. Upon request, the Board shall consider adding other facilities to the list.

(i) The Board may adopt rules in accordance with Chapter 150B of the General Statutes to implement this section."

**SECTION 5.** G.S. 90-39 reads as rewritten:

**"§ 90-39. Fees.**

In order to provide the means of carrying out and enforcing the provisions of this Article and the duties devolving upon the North Carolina State Board of Dental Examiners, it is authorized to charge and collect fees established by its rules ~~and regulations~~ not exceeding the following:

- (1) Each application for general dentistry examination..... \$500.00
- (2) Each general dentistry license renewal, which fee shall be annually fixed by the Board and not later than November 30 of each year it shall give written notice of the amount of the renewal fee to each dentist licensed to practice in this State by mailing such notice to the last address of record with the board of each such dentist ..... 140.00
- (2a) Penalty for late renewal of any license or permit..... 50.00
- (3) Each provisional license..... 150.00
- (4) Each intern permit or renewal thereof..... 150.00
- (5) Each certificate of license to a resident dentist desiring to change to another state or territory ..... 30.00
- (6) Repealed by Session Laws 1995, (Reg. Sess., 1996), c. 584, s. 1.

- (7) Each license to resume the practice issued to a dentist who has retired from and returned to this State ..... 300.00
- (8) Each instructor's license or renewal thereof..... 140.00
- (9) With each renewal of a dentistry license, an annual fee to help fund special peer review organizations for impaired dentists ..... 50.00
- (10) Each duplicate of any license, permit, or certificate issued by the Board ..... 25.00
- (11) Each office inspection for general anesthesia and parenteral sedation permits..... 350.00
- (12) Each general anesthesia and parenteral sedation permit application or renewal of permit.....~~50.00~~50.00
- (13) Each application for license by credentials ..... 2,000.00
- (14) Each application for limited volunteer dental license ..... 100.00
- (15) Each limited volunteer dental license annual renewal ..... 25.00."

**SECTION 6.** G.S. 90-232 reads as rewritten:

**"§ 90-232. Fees.**

In order to provide the means of carrying out and enforcing the provisions of this Article and the duties devolving upon the North Carolina State Board of Dental Examiners, it is authorized to charge and collect fees established by its rules ~~and regulations~~ not exceeding the following:

- (1) Each applicant for examination..... \$125.00
- (2) Each renewal certificate, which fee shall be annually fixed by the Board and not later than November 30 of each year it shall give written notice of the amount of the renewal fee to each dental hygienist licensed to practice in this State by mailing such notice to the last address of record with the Board of each such dental hygienist.. 60.00
- (3) Each restoration of license ..... 60.00
- (4) Each provisional license..... 60.00
- (5) Each certificate of license to a resident dental hygienist desiring to change to another state or territory..... 25.00
- (6) Annual fee to be paid upon license renewal to assist in funding programs for impaired dental hygienists..... ~~40.00~~ 40.00
- (7) Each license by credentials..... 1,000.00.

In no event may the annual fee imposed on dental hygienists to fund the impaired dental hygienists program exceed the annual fee imposed on dentists to fund the impaired dentist program. All fees shall be payable in advance to the Board and shall be disposed of by the Board in the discharge of its duties under this Article."

**SECTION 7.** G.S. 90-29.5 reads as rewritten:

**"§ 90-29.5. Instructor's license.**

~~The Board may issue an instructor's license to a person who is not otherwise licensed to practice dentistry in the State, but whom the Board finds to be qualified by professional training and experience and upon the same examination as that offered to licensed dentists in North Carolina plus an oral examination. An instructor's license will authorize him to teach and to practice dentistry in or on behalf of a dental school or college offering a doctoral degree in dentistry, operated and conducted in this State and approved by the North Carolina State Board of Dental Examiners, but only within the confines of the principal facility of the school or college and of any teaching hospital adjacent thereto. Application for an instructor's license shall be made in accordance with rules and regulations of the North Carolina State Board of Dental Examiners. A person~~

~~holding an instructor's license shall have, within the scope of his authorized practice, all the duties and responsibilities of any dentist who has been licensed upon examination by the North Carolina State Board of Dental Examiners, and shall be subject to those various disciplinary measures and penalties set forth in G.S. 90-41 upon a determination by the Board that he has violated any of the terms or provisions of this Article. An instructor's license shall be subject to annual renewal by the North Carolina State Board of Dental Examiners, as provided in G.S. 90-31.~~

(a) The Board may issue an instructor's license to a person who is not otherwise licensed to practice dentistry in this State if the person meets both of the following conditions:

- (1) Is licensed to practice dentistry anywhere in the United States or in any country, territory, or other recognized jurisdiction.
- (2) Has met or been approved under the credentialing standards of a dental school or an academic medical center with which the person is to be affiliated; such dental school or academic medical center shall be accredited by the American Dental Association's Commission on Accreditation or the Joint Commission on Accreditation of Health Care Organizations.

(b) The holder of an instructor's license may teach and practice dentistry:

- (1) In or on behalf of a dental school or college offering a doctoral degree in dentistry operated and conducted in this State and approved by the North Carolina State Board of Dental Examiners;
- (2) In connection with an academic medical center; and
- (3) At any teaching hospital adjacent to a dental school or an academic medical center.

(c) Application for an instructor's license shall be made in accordance with the rules of the North Carolina State Board of Dental Examiners. On or after January 1, 2003, all dentists previously practicing under G.S. 90-29(c)(3) shall be granted an instructor's license upon application to the Board and payment of the required fee. The holder of an instructor's license shall be subject to the provisions of this Article."

**SECTION 8.** G.S. 90-29(c)(3) reads as rewritten:

"(3) The teaching or practice of dentistry, in dental schools or colleges operated and conducted in this State and approved by the North Carolina State Board of Dental Examiners, by any person or persons licensed to practice dentistry anywhere in the United States or in any country, territory or other recognized jurisdiction; jurisdiction until December 31, 2002. On or after January 1, 2003, all dentists previously practicing under G.S. 90-29(c)(3) shall be granted an instructor's license upon application to the Board and payment of the required fee."

**SECTION 9.** G.S. 90-41(f) reads as rewritten:

"(f) As used in this section the term "licensee" includes licensees, provisional licensees and holders of intern permits, and the term "license" includes license, provisional license, instructor's license, and intern permit."

**SECTION 10.** G.S. 90-29.4(1) reads as rewritten:

"(1) An intern permit shall be valid for no more than one year from the date of issue thereof; provided, however, that the Board may, in its discretion, renew such permit for not more than ~~three~~ five additional one-year periods; and, provided, further, that no person shall be

granted an intern permit or intern permits embracing or covering an aggregate time span of more than ~~48~~ 72 calendar months;"

**SECTION 11.** If any section of this act is declared to be unconstitutional, preempted, or otherwise invalid by the courts, except where a contrary intent is clearly indicated by the text of the section, it shall not affect the validity of the act as a whole or any part other than the section declared to be invalid, and any previous statutory law replaced or modified by the section declared invalid shall be reinstated as if the previous law had not been changed. If any part of a numbered section of this act is declared invalid, the whole section shall fail.

**SECTION 12.** This act becomes effective January 1, 2003.

In the General Assembly read three times and ratified this the 18<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 5:35 p.m. on the 29<sup>th</sup> day of July, 2002.

**H.B. 1484**

**Session Law 2002-38**

AN ACT REPEALING THE SECTION OF THE CHARTER OF THE CITY OF TRINITY THAT PROHIBITS THE CITY COUNCIL FROM HOLDING CLOSED SESSIONS AS AUTHORIZED UNDER THE GENERAL LAW.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 6-1 of the Charter of the City of Trinity, being Chapter 44 of the 1997 Session Laws, is repealed.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**H.B. 1486**

**Session Law 2002-39**

AN ACT TO ESTABLISH A NO-WAKE ZONE IN THE VICINITY OF THE ROANOKE RIVER BRIDGE ON HIGHWAY 17 IN BERTIE COUNTY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** It is unlawful to operate a vessel at greater than no-wake speed on the waters of the Roanoke River within 50 yards of either side of the Highway 17 bridge in Bertie County. No-wake speed is idle speed or a slow speed creating no appreciable wake.

**SECTION 2.** With regard to marking the no-wake speed zone established in Section 1 of this act, Bertie County or its designee may place and maintain markers in accordance with the Uniform Waterway Marking System and any supplementary standards for that system adopted by the Wildlife Resources Commission. All markers of the no-wake speed zone shall be buoys or floating signs placed in the water or signs placed on pilings and shall be sufficient in number and size so as to give adequate warning of the no-wake speed zone to vessels approaching from various directions.

**SECTION 3.** This act is enforceable under G.S. 75A-17 as if it were a provision of Chapter 75A of the General Statutes.

**SECTION 4.** Violation of this act is a Class 3 misdemeanor.

**SECTION 5.** This act applies only to Bertie County.

**SECTION 6.** This act is effective when it becomes law and is enforceable after markers complying with Section 2 of this act are placed in the water.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**H.B. 1599**

**Session Law 2002-40**

AN ACT TO CHANGE THE COMPOSITION OF THE TOWN OF ANGIER BOARD OF ALCOHOLIC CONTROL FROM THREE TO FIVE MEMBERS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Notwithstanding any other provision of law, the local alcoholic beverage control board regulating the sale of alcoholic beverages in the Town of Angier is increased from three to five members. To provide for the transition from three to five members, the governing body of the Town of Angier shall appoint two new members with terms to coincide with the terms of the two present members whose terms expire on November 30, 2003, and November 30, 2004. Successors shall serve three-year terms.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**H.B. 1607**

**Session Law 2002-41**

AN ACT TO REPEAL THE LINCOLNTON FIREMEN'S SUPPLEMENTAL RETIREMENT FUND.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 2 of Article V of the Charter of Lincolnton, as revised and consolidated by Section 1 of Chapter 341 of the 1979 Session Laws, is repealed.

**SECTION 2.** All funds remaining in the Lincolnton Firemen's Supplemental Retirement Fund are transferred to the Board of Trustees of the Firemen's Local Relief Fund of the City of Lincolnton, to be held and administered as provided in Article 84 of Chapter 58 of the General Statutes.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**H.B. 1615**

**Session Law 2002-42**

AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF CHINA GROVE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The Charter of the Town of China Grove is revised and consolidated to read as follows:

"THE CHARTER OF THE TOWN OF CHINA GROVE.

"ARTICLE I. INCORPORATION, CORPORATE POWERS, AND BOUNDARIES.

"Section 1.1. **Incorporation.** The Town of China Grove, North Carolina, in Rowan County and the inhabitants thereof shall continue to be a municipal body politic and corporate, under the name of the 'Town of China Grove', hereinafter at times referred to as the 'Town'.

"Section 1.2. **Powers.** The Town shall have and may exercise all of the powers, duties, rights, privileges, and immunities conferred upon the Town of China Grove specifically by this Charter or upon municipal corporations by general law. The term 'general law' is employed herein as defined in G.S. 160A-1.

"Section 1.3. **Corporate Limits.** The corporate limits shall be those existing at the time of ratification of this Charter, as set forth on the official map of the Town and as they may be altered from time to time in accordance with law. An official map of the Town, showing the current municipal boundaries, shall be maintained permanently in the office of the Town Clerk and shall be available for public inspection. Upon alteration of the corporate limits pursuant to law, the appropriate changes to the official map shall be made and copies shall be filed in the office of the Secretary of State, the office of the Rowan County Register of Deeds, and the appropriate board of elections.

"ARTICLE II. GOVERNING BODY.

"Section 2.1. **Town Governing Body; Composition.** The Town Board of Aldermen, hereinafter referred to as the 'Board', and the Mayor shall be the governing body of the Town.

"Section 2.2. **Town Board of Aldermen; Composition; Terms of Office.** The Town Board shall be composed of five members, to be elected by all the qualified voters of the Town, for staggered terms of four years or until their successors are elected and qualified.

"Section 2.3. **Mayor; Term of Office; Duties.** The Mayor shall be elected by all the qualified voters of the Town for a term of four years or until his or her successor is elected and qualified. The Mayor shall be the official head of the Town government and preside at meetings of the Town Board, shall have the right to vote only when there is an equal division on any question or matter before the Town Board, and shall exercise the powers and duties conferred by law or as directed by the Town Board.

"Section 2.4. **Mayor Pro Tempore.** The Town Board shall elect one of its members as Mayor Pro Tempore to perform the duties of the Mayor during his or her absence or disability, in accordance with general law. The Mayor Pro Tempore shall serve in such capacity at the pleasure of the Town Board.

"Section 2.5. **Meetings.** In accordance with general law, the Town Board shall establish a suitable time and place for its regular meetings. Special and emergency meetings may be held as provided by general law.

"Section 2.6. **Quorum; Voting.** Official actions of the Town Board and all votes shall be taken in accordance with the applicable provisions of general law, particularly G.S. 160A-75. The quorum provisions of G.S. 160A-74 shall apply.

"Section 2.7. **Compensation; Qualifications for Office; Vacancies.** The compensation and qualifications of the Mayor and Aldermen shall be in accordance with general law. Vacancies shall be filled as provided in G.S. 160A-63.

"ARTICLE III. ELECTIONS.

"Section 3.1. **Regular Municipal Elections.** Regular municipal elections shall be held in each odd-numbered year in accordance with the uniform municipal election laws of North Carolina. Elections shall be conducted on a nonpartisan basis and the results determined using the nonpartisan plurality method as provided in G.S. 163-292.

"Section 3.2. **Election of Aldermen.** The Town shall continue to have staggered terms for its Aldermen. Two Aldermen shall be elected at the regular municipal election in 2003 to four-year terms and quadrennially thereafter. Three Aldermen shall be elected at the regular municipal election in 2005 to four-year terms and quadrennially thereafter.

"Section 3.3. **Election of Mayor.** A Mayor shall be elected in the regular municipal election in 2003 and quadrennially thereafter.

"Section 3.4. **Special Elections and Referenda.** Special elections and referenda may be held only as provided by general law or applicable local acts of the General Assembly.

"ARTICLE IV. TOWN MANAGER.

"Section 4.1. **Form of Government.** The Town shall operate under the council-manager form of government, in accordance with Part 2 of Article 7 of Chapter 160A of the North Carolina General Statutes.

"Section 4.2. **Town Manager; Appointment; Powers and Duties.** The Town Board shall appoint a Town Manager who shall be responsible for the administration of all departments of the Town government. The Town Manager shall have all the powers and duties conferred by general law, except as expressly limited by the provisions of this Charter, and the additional powers and duties conferred by the Town Board, so far as authorized by general law.

"ARTICLE V. ADMINISTRATIVE OFFICERS AND EMPLOYEES.

"Section 5.1. **Town Attorney.** The Town Board shall appoint a Town Attorney licensed to practice law in North Carolina. It shall be the duty of the Town Attorney to represent the Town, advise Town officials, and perform other duties required by law or as the Town Board may direct.

"Section 5.2. **Town Clerk.** The Town Manager shall appoint a Town Clerk to keep a journal of the proceedings of the Town Board, to maintain official records and documents, to give notice of meetings, and to perform such other duties required by law or as the Town Manager may direct.

"Section 5.3. **Tax Collector.** The Town shall have a Tax Collector to collect all taxes owed to the Town and perform those duties specified in G.S. 105-350 and such other duties as prescribed by law or assigned by the Town Manager. Notwithstanding the contrary provisions of G.S. 105-349, the Town Manager is authorized to appoint the Tax Collector.

"Section 5.4. **Other Administrative Officers and Employees.** The Town Board may authorize other positions to be filled by appointment by the Town Manager and may organize the Town government as deemed appropriate, subject to the requirements of general law.

"Section 5.5. **Town Manager's Authority; Role of Elected Officials.** As chief administrator, the Town Manager shall have the power to appoint, suspend, and remove all nonelected officers, department heads, and employees of the Town, except the Town Attorney, who shall be appointed as provided in Section 5.1 of this Charter. Neither the Mayor nor the Town Board nor any of its committees or members shall take part in the appointment or removal of officers, department heads, and employees in the



administrative service of the Town, except as provided by this Charter. Except for the purpose of inquiry, or for consultation with the Town Attorney, the Mayor and the Town Board and its members shall deal with officers and employees in the administrative service of the Town only through the Town Manager, Acting Manager, or Interim Manager, and neither the Mayor nor the Town Board nor any of its members shall give orders or directions to any subordinate of the Town Manager, Acting Manager, or Interim Manager, either publicly or privately."

**SECTION 2.** The purpose of this act is to revise the Charter of the Town of China Grove and to consolidate certain acts concerning the property, affairs, and government of the Town. It is intended to continue without interruption those provisions of prior acts which are expressly consolidated into this act, so that all rights and liabilities which have accrued are preserved and may be enforced.

**SECTION 3.** This act does not repeal or affect any acts concerning the property, affairs, or government of public schools or any acts validating official actions, proceedings, contracts, or obligations of any kind.

**SECTION 4.** The following acts, having served the purposes for which they were enacted or having been consolidated into this act, are expressly repealed:

Chapter 180, Private Laws of 1889  
 Chapter 292, Private Laws of 1901  
 Chapter 309, Private Laws of 1903  
 Chapter 190, Private Laws of 1909  
 Chapter 68, Private Laws of 1925  
 Chapter 278, Public-Local Laws of 1937  
 Chapter 2, Public-Local Laws of 1939  
 Chapter 433, Session Laws of 1983  
 S.L. 1999-7  
 S.L. 2000-10.

**SECTION 5.** The Mayor and Aldermen serving on the date of ratification of this act shall serve until the expiration of their terms or until their successors are elected and qualified. Thereafter, those offices shall be filled as provided in Articles II and III of the Charter of the Town of China Grove as contained in Section I of this act.

**SECTION 6.** This act does not affect any rights or interests that arose under any provisions repealed by this act.

**SECTION 7.** All existing ordinances, resolutions, and other provisions of the Town of China Grove not inconsistent with the provisions of this act shall continue in effect until repealed or amended.

**SECTION 8.** No action or proceeding pending on the effective date of this act by or against the Town or any of its departments or agencies shall be abated or otherwise affected by this act.

**SECTION 9.** If any provision of this act or application thereof is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

**SECTION 10.** Whenever a reference is made in this act to a particular provision of the North Carolina General Statutes, and the provision is later amended, superseded, or recodified, the reference shall be deemed amended to refer to the amended law or the law which most clearly corresponds to the statutory provision that is amended, superseded, or recodified.

**SECTION 11.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**H.B. 1666****Session Law 2002-43**

**AN ACT TO AMEND THE LAW ESTABLISHING THE CHARLOTTE FIREMEN'S RETIREMENT SYSTEM.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Subdivision (9) of Section 2 of Chapter 926 of the 1947 Session Laws, as rewritten by Section 1 of Chapter 830 of the 1991 Session Laws, as amended by Chapter 171 of the 1995 Session Laws, Chapter 640 of the 1993 Session Laws, S.L. 1999-100, and S.L. 2001-22, reads as rewritten:

"(9) 'Compensation' means the remuneration reportable on Form W-2 earned by a Member for services performed as an employee of the Charlotte Fire Department prior to any reductions pursuant to sections 125, 401(k), 402(k), 402(e)(3), 414(h)(2), and 457 of the Internal Revenue Code. Compensation shall include payments for unused sick and vacation days, longevity payments, bonus payments, and merit increases. For the purpose of calculating a Member's Final Average Salary, (i) payments for unused sick and vacation days shall be included as Compensation to the extent that the vacation and sick days for which payments are made could have accrued during two Plan Years of the Member's last five years of Membership Service, and (ii) payments for longevity shall be included as Compensation to the extent such payments were made during two Plan Years of the Member's last five years of Membership Service. Effective July 1, 2002, for purposes of applying the limitations described in Section 51 of this Act, compensation paid or made available during such limitation years shall also include elective amounts that are not includible in the gross estate of the Member by reason of section 132(f)(4) of the Internal Revenue Code.

~~In addition to the other applicable limitations set forth in this Act, and notwithstanding any other provision of this Act to the contrary, for Plan Years beginning on or after January 1, 1996, the annual Compensation of each Member taken into account under the Act shall not exceed the OBRA '93 annual compensation limit. The OBRA '93 annual compensation limit is one hundred fifty thousand dollars (\$150,000), as adjusted by the Commissioner for increases in the cost of living in accordance with section 401(a)(17)(B) of the Internal Revenue Code. The cost of living adjustment in effect for a calendar year applies to any period not exceeding 12 months over which Compensation is determined ('the determination period') beginning in each calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12. If Compensation for any prior determination period is taken into account~~

~~in determining a Member's benefits accruing in the current Plan Year, the Compensation for that prior determination period is subject to the OBRA '93 annual compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first Plan Year beginning on or after January 1, 1996, the OBRA '93 annual compensation limit is one hundred fifty thousand dollars (\$150,000). January 1, 2002, the annual Compensation of each Member taken into account under the Act shall not exceed two hundred thousand dollars (\$200,000), the annual compensation limit under section 401(a)(17) of the Internal Revenue Code, as amended by section 611(c) of the Economic Growth and Tax Relief Reconciliation Act of 2001. Annual compensation means compensation during the Plan Year or such other 12-month period over which Compensation is otherwise determined (the 'determination period'). If a determination period consists of fewer than 12 months, the annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12. For purposes of determining benefit accruals in a plan year, beginning after December 31, 2001, the compensation limit for any prior determination period shall be two hundred thousand dollars (\$200,000). The two hundred thousand dollars (\$200,000) limit on annual compensation shall be adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the Code."~~

**SECTION 2.** Section 7 of Chapter 926 of the 1947 Session Laws, as rewritten by Section 1 of Chapter 830 of the 1991 Session Laws, as amended by Chapter 171 of the 1995 Session Laws, Chapter 640 of the 1993 Session Laws, S.L. 1999-100, and S.L. 2001-22, reads as rewritten:

"Sec. 7. **Purchase of Membership Service Credit for Prior Active Military Duty. Credit.**

(a) Military Service. – Effective July 1, 1999, Membership Service Credit for prior active military duty may be purchased upon the completion of five years of Membership Service Credit by any Member who served on active duty in the Armed Forces of the United States of America prior to his employment with the Charlotte Fire Department. Such Membership Credit shall be purchased by the Member before termination of membership or retirement. The amount of Membership Service Credit that may be purchased by a Member will be equal to the actual active military duty by the Member not to exceed five years and shall be credited upon the payment of the required contributions as determined by the Administrator, provided that the Membership Service to be so credited shall not be credited in any other retirement system, except the national guard or any reserve component of the Armed Forces of the United States. The required contributions shall be an amount equal to the annualized Compensation rate the Member earned when he first entered membership in the Retirement System, multiplied by the sum of the Member and the City of Charlotte contribution rates in effect at the time when he first entered membership in the Retirement System, increased by five percent (5%) compounded per annum from the date of membership to the date of the payment of the required contributions and multiplied by the number of years and days of Membership Service to be credited. Membership Service Credit purchased pursuant to this section cannot be used to meet

the minimum service requirements for a nonduty disability retirement benefit or an early service retirement benefit, but may be used to meet the minimum service requirements for a service retirement benefit and to compute the amount of any retirement benefit.

(b) Local, State, and Federal Government Service. – Membership Service Credit for prior public employment may be purchased upon completion of five years of Membership Service Credit by any Member who was employed by any state, governmental subdivision of any state, or the federal government prior to his current employment with the Charlotte Fire Department. Such Membership Service Credit shall be purchased by the Member before termination of membership or retirement. A Member may purchase one year of Membership Service Credit for every two years of prior government service. The maximum amount of Membership Service Credit that may be purchased is five years. The purchased Membership Service Credit shall be credited upon the payment of the required contributions, provided that the Membership Service to be so credited shall not be credited in any other retirement system. The required contributions shall be the full actuarial cost as determined by the System's actuary. Membership Service Credit purchased pursuant to this section cannot be used to meet the minimum service requirements for a nonduty disability retirement benefit or an early service retirement benefit, but may be used to meet the minimum service requirements for a service retirement benefit and to compute the amount of any retirement benefit.

(c) Withdrawn Service. – Any Member who withdrew his contributions in accordance with the provisions of this Act and who subsequently returns to service, may upon completion of five years of Membership Service Credit, purchase the withdrawn service. Such Membership Service Credit shall be purchased by the Member before termination of membership or retirement. The maximum amount of Membership Service Credit that may be purchased by a Member is equal to the prior years of service with the Charlotte Fire Department and shall be credited upon the payment of the required contributions, provided that the Membership Service Credit to be so credited shall not be credited in any other retirement system. The required contributions shall be the full actuarial cost as determined by the System's actuary. Membership Service Credit purchased pursuant to this section cannot be used to meet the minimum service requirements for a nonduty disability retirement benefit or an early service retirement, but may be used to meet the minimum service requirements for a service retirement benefit and to compute the amount of any retirement benefit."

**SECTION 3.** Section 13.1 of Chapter 926 of the 1947 Session Laws, as rewritten by Section 1 of Chapter 830 of the 1991 Session Laws, as amended by Chapter 171 of the 1995 Session Laws, Chapter 640 of the 1993 Session Laws, S.L. 1999-100, and S.L. 2001-22, reads as rewritten:

"Sec. 13.1. **Direct Rollover of Eligible Rollover Distributions.** (a) This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) Definitions.

- (1) Eligible rollover distribution. An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal

periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and any hardship distribution described in section 401(k)(2)(B)(i)(IV); and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities)-section 401(k)(2)(B)(i)(IV). A portion of a distribution shall not fail to be an eligible rollover distribution merely because a portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

- (2) Eligible retirement plan. An eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. ~~However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.~~ With respect to distributions made after December 31, 2001, an eligible retirement plan shall also mean (i) an annuity contract described in section 403(b) of the Code and (ii) an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code.
- (3) Distributee. A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.
- (4) Direct rollover. A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee."

**SECTION 4.** Chapter 926 of the 1947 Session Laws, as rewritten by Section 1 of Chapter 830 of the 1991 Session Laws, as amended by Chapter 171 of the

1995 Session Laws, Chapter 640 of the 1993 Session Laws, S.L. 1999-100, and S.L. 2001-22, is amended by adding a new section to read:

**"Sec. 13.2. Acceptance of Rollovers and Transfers From Other Plans.**

(a) Effective January 1, 2002, and subject to the provisions of federal law, the Retirement System may accept an eligible rollover distribution, as defined in Section 13.1, or a direct trustee-to-trustee transfer of funds from an eligible retirement plan, as defined in Section 13.1, for the purchase of Membership Service Credit pursuant to Section 7. The amount of the rollover distribution or trustee-to-trustee transfer accepted by the Retirement System shall not exceed the cost of service to be purchased.

(b) In order to authorize the rollover or transfer of funds described in this section, a Member shall provide or cause to be provided to the Retirement System information sufficient for the Retirement System to reasonably conclude that the contribution is a valid rollover or direct trustee-to-trustee transfer as permitted under federal tax law. If the Retirement System later determines that a contribution was an invalid rollover or trustee-to-trustee transfer or otherwise not permitted under federal tax law, the Retirement System may take any action appropriate or required by the Internal Revenue Code or regulations issued there under, including a return of the invalid contribution and cancellation of any credit purchased with the returned amounts.

(c) The Retirement System shall construe and administer this section in a manner such that the Retirement System plan will be considered a qualified plan under section 401(a) of the Internal Revenue Code."

**SECTION 5.** Section 51 of Chapter 926 of the 1947 Session Laws, as rewritten by Section 1 of Chapter 830 of the 1991 Session Laws, as amended by Chapter 171 of the 1995 Session Laws, Chapter 640 of the 1993 Session Laws, S.L. 1999-100, and S.L. 2001-22, reads as rewritten:

"Sec. 51. **Restrictions.** Notwithstanding any provision of this act to the contrary:

- (1) No part of the funds contributed to the Retirement System, or the income thereon, may be used for, or diverted to, purposes other than for the exclusive benefit of the Participants of the Retirement System as authorized by the provisions of this act, provided that in the event of the termination of the Retirement System, the City shall receive any surplus funds or assets after all liabilities of the Retirement System are satisfied.
- (2) Upon termination of the Retirement System or upon complete discontinuance of contributions to the Retirement System, the rights of all Participants of the Retirement System to benefits accrued to the date of the termination or discontinuance, to the extent then funded, are nonforfeitable.
- (3) Forfeitures under the Retirement System may not be applied to increase the benefits that any Participant would otherwise receive under the Retirement System.
- (4) Notwithstanding any provision of the Retirement System to the contrary, the maximum annual benefit payable in the form of a straight life annuity from the Retirement System on behalf of a Participant, when combined with any benefits from another qualified benefit plan maintained by the City, shall not exceed the amount permitted by section 415 of the Internal Revenue Code.
- (5) Any benefit payable to a Participant pursuant to Section 4 of this act shall commence not later than the April 1 immediately following the

calendar year in which the Participant attains age 70 1/2 or, if later, the April 1 immediately following the calendar year in which the Participant terminates service. Additionally, the distribution of any such benefit must satisfy the minimum distribution requirements set forth in this paragraph and must be consistent with Treasury Regulations, as of the required beginning date. The minimum distribution for a calendar year equals the Participant's nonforfeitable Accrued Benefit at the beginning of the year divided by the Participant's life expectancy or, if applicable, the joint and last survivor expectancy of the participant and his Designated Beneficiary. The minimum distribution shall be computed by using the life expectancy multiples under Treasury Regulation 1.72-9. The minimum distribution for a calendar year subsequent to the first calendar year for which a minimum distribution is required may be computed by redetermining the applicable life expectancy. However, there shall be no redetermination of the joint life and last survivor expectancy of the Participant and a nonspouse Designated Beneficiary in a manner which takes into account any adjustment to a life expectancy other than the Participant's life expectancy. A distribution to the Participant in the form of a life annuity, joint and survivor annuity, or an annuity over a fixed period will satisfy the minimum distribution requirements of this paragraph if the method of distribution provides non-increasing payments or otherwise satisfies Treasury Regulations. If the Participant dies after the payment of his benefit has commenced, the death benefit provided by this act shall be paid over a period which does not exceed the payment period which had commenced. If a Participant dies prior to the time the payment of his benefit commences, the death benefit provided by this act shall be paid over a period not exceeding: (i) five years after the date of the Participant's death; or (ii) if the Beneficiary is a Designated Beneficiary, over the Designated Beneficiary's life or life expectancy. No payment of benefit over a period described in (ii) shall be permitted, unless the payment of such benefit to the Designated Beneficiary will commence no later than one year after the date of the Participant's death, or, if later, and the Designated Beneficiary is the Participant's surviving spouse, the date the Participant would have attained age 70 1/2. The life expectancy multiples under Treasury Regulation 1.72-9 shall be used for purposes of applying this paragraph. The life expectancy of a Participant's surviving spouse may be recalculated not more frequently than annually, but the life expectancy of a nonspouse Designated Beneficiary may not be recalculated after the commencement of payment of benefits to the Designated Beneficiary. Any amount paid to a Participant's child, which becomes payable to the Participant's surviving spouse upon the child's attaining the age of majority, shall be treated as paid to the Participant's surviving spouse for purposes of applying this paragraph.

With respect to distributions under the Act made for calendar years beginning on or after January 1, 2001, the minimum distribution requirements of section 401(a)(9) of the Internal Revenue Code will be

applied in accordance with the regulations under section 401(a)(9) that were proposed on January 17, 2001, notwithstanding any provision of the Act to the contrary. These regulations shall be followed until the end of the last calendar year beginning before the effective date of final regulations under section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service."

**SECTION 6.** This act applies only to the City of Charlotte.

**SECTION 7.** This act becomes effective July 1, 2002.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

## H.B. 1683

### Session Law 2002-44

#### AN ACT TO PROVIDE FOR STAGGERED TERMS FOR THE SEVEN SEPARATE SEATS ON THE WAYNE COUNTY BOARD OF COMMISSIONERS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The Board of Commissioners of Wayne County is currently composed of seven members, six of whom are elected from single-member districts, and one of whom is elected from the county at large. All terms are currently for four years, and the terms of all seven members come up at the same time.

**SECTION 2.** In 2004, four of the members of the Board of Commissioners of Wayne County shall be elected for four-year terms, and three of the members of the Board of Commissioners of Wayne County shall be elected for two-year terms. The Board of Commissioners of Wayne County shall, prior to January 1, 2003, designate which seats shall be elected in 2004 for four-year terms, and which shall be elected in 2004 for two-year terms. Successors to all seven seats elected in 2004 shall be elected to four-year terms.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

## H.B. 1684

### Session Law 2002-45

#### AN ACT TO REMOVE CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE CITY OF THOMASVILLE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The following described property is removed from the corporate limits of the City of Thomasville:

BEGINNING at the centerline intersection of Hunt's Fork Creek and Hasty Creek; thence in a northern and eastern direction with the centerline of Hasty Creek approximately 940 feet to a point in the said creek centerline, said point being the northeast corner of Tax Lot 54A, Tax Map 322, said point also being in the western line of Tax Lot 22A; thence in a southern direction with the western line of Tax Lot 22A and the eastern line of Tax Lots 54A, 44, and 45 approximately 825 feet to a point on the



southern side of Hunt's Fork Creek said point being the southeastern corner of Tax Lot 45 and the southeastern corner of Tax Lot 56 in the northern line of Tax Lot 7, Tax Map 324; thence in a western direction with the southern line of Tax Lot 56, Tax Map 322 and Tax Lot 54, Tax Map 322 and the northern line of Tax Lot 7, Tax Map 324 to a point, said point being the southwestern corner of Tax Lot 54, Tax Map 322 in the northern line of Tax Lot 7, Tax Map 324; thence in a northern direction with the western line of Tax Lot 54, Tax Map 322 approximately 110 feet to a point in the centerline of Hunt's Fork Creek; thence in an eastern direction with said creek approximately 445 feet to the point of beginning containing 4.42 acres more or less. Reference is made to plat recorded in Plat Book 35 Page 71 in the Office of the Register of Deeds of Davidson County.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

## **H.B. 1690**

## **Session Law 2002-46**

AN ACT TO ANNEX CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF CANDOR, AND OTHER DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF NORWOOD.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The corporate limits of the Town of Candor are increased by adding the following described area:

Beginning at a concrete monument in the north right-of-way of NC Highway 211, said monument being the southwest corner of H. David Bruton and wife Frieda Bryant Bruton as recorded in Deed Book 338, page 155 of the Montgomery County Registry, a corner with McNeill Sandhills Properties as recorded in Deed Book 224, page 433 of the Montgomery County Registry and NCSR 1573; running thence N 21 degrees 30 minutes 50 seconds W 233.70 feet with the west side of NCSR 1573; thence N 22 degrees 03 minutes 05 seconds W 162.05 feet; thence N 22 degrees 03 minutes 05 seconds W 60.95 feet; thence N 21 degrees 48 minutes 41 seconds W 108.11 feet; thence N 21 degrees 51 minutes 25 seconds W 551.58 feet; thence N 21 degrees 47 minutes 15 seconds W 837.98 feet to a 2" iron pipe; thence N 69 degrees 13 minutes 21 seconds E 29.17 feet to a railroad spike in the center of NCSR 1573; thence N 21 degrees 53 minutes 53 seconds W 154.25 feet; thence N 22 degrees 56 minutes 49 seconds W 158.81 feet; thence N 23 degrees 01 minutes 27 seconds W 100.46 feet to a spike in the center of NCSR 1573; thence S 89 degrees 26 minutes 15 seconds E 2027.84 feet to a concrete monument on the west edge of NCSR 1508; thence S 03 degrees 48 minutes 42 seconds W 1670.15 feet to an existing iron pipe the northeast corner of the Montgomery County Water System tank property recorded in Deed Book 224 Page 577; thence along the east line of the Montgomery County Water System tank property S 03 degrees 48 minutes 42 seconds W 127.77 feet to an existing iron pin, the southeast corner of the Montgomery County Water System tank property; thence S 03 degrees 48 minutes 42 seconds W 88.66 feet to a spike in the center of N.C. Highway 211; thence along the south line of Bruton S 68 degrees 02 minutes 01 seconds W 832.28 feet to a spike in the center of the road; thence a curve to the right with the following data: R=4200.17, A=252.39, D=3 degrees, 26 minutes, 35 seconds, chord bearing and

distance S 69 degrees 45 minutes 19 seconds W 252.35 feet; thence N 21 degrees 30 minutes 50 seconds W 100.99 feet to the beginning containing 75.0 +/- acres including NC Highway 211, N.C.S.R. 1573, and N.C.S.R. 1508 rights-of-way and being the properties of H. David Bruton and wife Frieda Bryant Bruton, Montgomery County Water System, and the North Carolina Department of Transportation.

**SECTION 2.** The corporate limits of the Town of Norwood are increased by adding the following described area:

#### AREA 1 – TOWN PARK AREA

The Town Park Area encompasses that 16.24 acre tract owned by the Town of Norwood located northeast of the intersection of North Main Street (US 52) and Stanly School Road adjoining the Town of Norwood, Stanly County, North Carolina and is more fully described as follows:

BEGINNING AT A CORNER on the existing municipal boundary line for the Town of Norwood as described in House Bill 800 - Chapter 468 of the 1991 Session of the North Carolina General Assembly which was ratified July 1, 1991, said corner being the easternmost corner of Tax Record Lot 14932 and being located North 60-56-52 East 1734.25 feet from the centerline intersection of Mary – Branch Road and North Main Street (US 52) in the Town of Norwood, Stanly County, North Carolina; thence southerly with said municipal boundary and the eastern boundaries for Tax Record Lot 4981 the following calls: South 47-12-26 East 10.10 feet, South 47-08-55 East 157.65 feet, South 29-07-23 West 492.50 feet, South 18-13-45 West 1067.41 feet, South 38-28-24 West 41.99 feet, South 37-38-15 West 38.28 feet, and South 39-48-20 West 23.43 feet to the southernmost corner for Tax Record Lot 4981, said corner being on the northern right of way for North Main Street (US 52); thence westerly continuing with the northern right of way for North Main Street (US 52) and said municipal boundary North 51-57-31 West 492.81 feet to the westernmost corner for Tax Record Lot 4981; thence northerly leaving the northern right of way for North Main Street (US 52) and following the western boundary for Tax Record Lot 4981 and said existing municipal boundary North 31-03-32 East 135.92 feet to the westernmost corner for Tax Record Lot 22723, said corner being on said existing municipal boundary; thence northerly leaving said existing municipal boundary and following the northern and western boundaries for Tax Record Lot 4981 the following calls: North 31-04-08 East 12.11 feet, North 31-01-48 East 130.70 feet, North 31-02-03 East 157.11 feet, North 35-49-50 West 61.28 feet, North 35-53-37 West 141.57 feet, North 43-18-10 East 7.47 feet, North 43-19-59 East 139.71 feet, North 36-20-35 East 268.93 feet, North 36-17-26 East 170.43 feet, North 37-06-11 East 46.03 feet, North 36-32-31 East 250.62 feet, North 37-19-43 East 97.95 feet, North 37-06-21 East 150.84 feet, and South 47-33-07 East 147.36 feet, to the POINT OF BEGINNING. The tract described above encompasses 16.24 acres more or less.

#### AREA 2 - ANCHOR ROAD AREA

The Anchor Road Area encompasses all (100.319 acres) of the unincorporated tracts south of properties fronting Island Cove Road, east of Oak Road, north of parcels fronting the northern portion of Acorn Acres Road, and west of Lake Tillery adjoining

the town of Norwood, Stanly County, North Carolina and is more fully described as follows:

BEGINNING AT A CORNER on the existing municipal boundary line for the Town of Norwood as described in Ordinance No. 87 entitled Annexation Area 98-A which was adopted on February 2, 1998, and recorded in Deed Book 667 at Page 976 of the Stanly County Register of Deeds Office, said corner being on the eastern right of way for Anchor Road and being located South 08-22-16 West 376.12 feet from the centerline intersection of Anchor Road and Island Cove Road in the Town of Norwood, Stanly County, North Carolina; thence leaving said municipal boundary and following the eastern right of way for Anchor Road South 42-16-35 West 17.49 feet to the westernmost corner of Tax Record Lot 12095; thence southerly following the boundaries for Tax Record Lots 12905, 13017, 2629, 9270, 17630, 29626, 11682, 14401, 12526, 28823, 28822, 13591, 14542, 32565, 926, 4775, 6722, and 11733 as they front the western boundary for Lake Tillery the following calls: South 61-19-07 East 12.92 feet, South 61-19-07 East 120.18 feet, South 59-18-38 East 88.05 feet, South 83-41-13 East 87.65 feet, North 69-08-48 East 7.35 feet, North 69-09-03 East 17.11 feet, South 74-57-12 East 53.59 feet, South 74-57-22 East 12.59 feet, South 41-32-28 East 39.87 feet, South 25-30-39 East 43.34 feet, South 02-01-15 East 69.56 feet, South 19-32-52 West 81.81 feet, South 61-50-31 West 48.94 feet, South 27-15-29 West 96.07 feet, South 28-29-32 East 14.31 feet, South 28-29-31 East 59.74 feet, South 56-09-07 East 73.48 feet, South 56-09-07 East 42.73 feet, South 36-43-24 East 32.13 feet, South 10-33-49 West 90.96 feet, South 10-33-47 West 27.24 feet, South 11-49-01 West 33.98 feet, South 11-48-55 West 26.99 feet, South 49-53-48 West 67.62 feet, South 52-50-24 West 16.15 feet, South 52-50-24 West 16.27 feet, South 51-31-14 West 122.40 feet, South 51-31-16 West 123.12 feet, South 51-31-16 West 16.22 feet, South 53-36-17 West 7.92 feet, South 84-46-51 West 103.03 feet, South 84-46-19 West 114.26 feet, South 84-45-53 West 48.32 feet, South 61-11-33 West 68.60 feet, South 60-46-53 West 91.78 feet, South 84-44-45 West 27.81 feet, South 84-11-37 West 57.52 feet, South 84-04-38 West 66.63 feet, South 27-51-19 East 32.50 feet, South 67-15-07 East 134.58 feet, and South 36-03-01 East 102.08 feet to the easternmost corner for Tax Record Lot 11733, said corner being on the western boundary for Lake Tillery and on the existing municipal boundary line for the Town of Norwood as described in Ordinance No. 88 entitled Annexation Area 98-B which was adopted on February 2, 1998, and recorded in Deed Book 667 at Page 983 of the Stanly County Register of Deeds Office; thence westerly with said municipal boundary the following calls: South 77-06-58 West 35.69 feet, North 73-21-53 West 29.61 feet, South 45-50-34 West 151.52 feet, South 47-30-26 West 16.25 feet, South 17-53-32 West 242.26 feet, South 35-34-44 West 132.50 feet, South 35-28-51 West 24.34 feet, South 35-28-55 West 13.36 feet, South 35-39-06 West 0.18 feet, South 35-43-54 West 207.54 feet, North 69-16-36 West 5.38 feet, North 69-15-01 West 12.29 feet, North 69-27-36 West 10.17 feet, North 69-27-34 West 58.22 feet, North 69-36-28 West 77.16 feet, North 68-12-40 West 77.75 feet, North 68-17-53 West 18.79 feet, North 68-17-52 West 78.11 feet, North 66-49-27 West 59.64 feet, North 67-42-38 West 5.01 feet, South 69-38-55 West 234.76 feet, South 74-17-21 West 197.76 feet, South 76-02-35 West 205.44 feet, North 05-48-08 West 105.10 feet, and South 83-50-12 West 196.76 feet to a corner on the existing municipal boundary for the Town of Norwood as described in House Bill 800 - Chapter 468 of the 1991 Session of the North Carolina General Assembly which was ratified July 1, 1991, said corner being the northwestern corner for Tax Record Lot 32621 and on the eastern right of way for

Oak Road; thence northerly with said existing municipal boundary and the eastern right of way for Oak Road the following calls: North 08-09-33 West 155.44 feet, North 08-09-32 West 279.52 feet, North 08-09-33 West 58.02 feet, North 01-44-40 East 193.57 feet, North 08-36-53 West 198.59 feet, North 06-26-45 West 109.09 feet, North 10-19-19 West 101.16 feet, North 19-20-23 West 237.79 feet, North 20-35-22 West 90.64 feet, North 20-32-59 West 107.19 feet, and North 20-58-01 West 43.31 feet to the easternmost corner for Tax Record Lot 4785, said corner being a corner on the existing municipal boundary line for the Town of Norwood as described in an annexation ordinance entitled Annexation Area 98-A (see above for reference); thence easterly with said existing municipal boundary the following calls: North 45-54-36 East 199.97 feet, North 45-46-31 East 357.41 feet, North 45-35-57 East 371.08 feet, North 45-35-57 East 11.21 feet, South 70-40-27 East 9.26 feet, South 65-12-44 East 21.34 feet, South 61-31-59 East 17.77 feet, South 65-40-46 East 19.48 feet, South 61-58-30 East 20.96 feet, South 58-12-37 East 34.12 feet, South 58-12-37 East 39.85 feet, South 59-53-19 East 88.14 feet, North 33-16-25 East 109.36 feet, North 33-51-48 East 100.75 feet, North 33-51-48 East 218.59 feet, North 31-34-09 East 180.62 feet, North 80-42-28 East 49.01 feet, North 81-00-11 East 27.68 feet, South 63-38-23 East 79.36 feet, South 62-43-23 East 33.27 feet, South 62-43-20 East 16.43 feet, South 54-42-50 East 23.20 feet, South 54-23-54 East 88.58 feet, South 54-57-24 East 30.61 feet, South 56-12-18 East 14.01 feet, South 56-12-15 East 25.21 feet, South 71-45-25 East 56.02 feet, South 71-41-55 East 56.89 feet, South 71-51-59 East 12.03 feet, and South 25-53-25 East 49.17 feet, South 25-24-35 East 109.47 feet, South 25-30-05 East 59.87 feet, South 71-47-10 East 58.70 feet, South 71-31-27 East 99.16 feet, South 37-20-15 East 74.02 feet, South 37-18-57 East 141.77 feet, South 37-18-52 East 11.14 feet, South 60-47-35 East 32.33 feet, South 60-47-28 East 35.03 feet, South 60-47-34 East 16.92 feet, and South 82-00-59 East 60.70 feet to the POINT OF BEGINNING. The tract described above encompasses 100.319 acres more or less.

**SECTION 3.** This act is effective when it becomes law. Territory annexed by this act is subject to taxation in the initial year as provided by the rules under G.S. 160A-58.10.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

## **H.B. 1698**

## **Session Law 2002-47**

AN ACT AUTHORIZING THE DEPARTMENT OF CULTURAL RESOURCES TO ERECT A SECOND HISTORICAL MARKER COMMEMORATING AN INDIVIDUAL.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Notwithstanding G.S. 121-4(7), any rule, or other provision of law, the Department of Cultural Resources, Division of Archives and History, shall have the Department of Transportation erect a second historical marker commemorating an individual who has been honored previously with a marker provided that the marker is in a location different than the first marker and the information on the second marker is accurate. Notwithstanding G.S. 136-42.3, all costs associated with erecting a second marker shall be borne by private entities.

**SECTION 2.** This acts applies to the Town of Lillington only.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**H.B. 1723**

**Session Law 2002-48**

AN ACT TO AMEND THE CARRBORO TOWN CHARTER TO AUTHORIZE THE BOARD OF ALDERMEN TO ABOLISH A TRUST FUND SPECIFICALLY AUTHORIZED BY STATUTE TO BE CREATED BY A CITY UPON CONDITION THAT THE TOWN APPROPRIATES ALL FUNDS CONTAINED THEREIN FOR THE PURPOSE OR PURPOSES FOR WHICH THE FUND WAS ESTABLISHED.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Article 4 of the Carrboro Town Charter, being Chapter 476 of the 1987 Session Laws, is amended by adding thereto a new section to read as follows:

"Section 4-3. **Specifically Authorized Statutory Trust Funds.** Notwithstanding any other provisions of law, the board of aldermen may by resolution abolish any trust fund specifically authorized by statute to be created by a city that the board of aldermen has established. Notwithstanding the temporary or perpetual nature of a trust fund abolished under this section, any funds (including principal and interest) previously held in the trust fund so abolished may thereafter be appropriated by the board of aldermen only for the purpose or purposes for which the trust fund was established."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**S.B. 1132**

**Session Law 2002-49**

AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE TOWN OF ELLENBORO.

Whereas, an annexation to the Town of Ellenboro occurred by legislative act in 1917;

Whereas, there is no evidence that said annexation was ever honored by the Town and there is no evidence that the residents of the area annexed have ever been billed for town taxes, nor have they paid town taxes, nor have they received any town services regarding said annexation;

Whereas, although the 1917 local act was repealed as part of the Ellenboro Charter consolidation under Chapter 425, Session Laws of 1983, that 1983 act directed that it was not to change the boundaries of the town; and

Whereas, the Town Council desires to deannex this property effective as of the year 1917 with the final effect being that this area will be treated as never having been annexed into the Town; Now, therefore,

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 178 of the Private Laws of 1917 is repealed.

**SECTION 2.** This act becomes effective March 5, 1917.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**S.B. 1300**

**Session Law 2002-50**

**AN ACT CONCERNING A VOLUNTARY SATELLITE ANNEXATION OF CERTAIN DESCRIBED PROPERTY BY THE CITY OF NEWTON.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 160A-58.1(b)(2) does not apply to the annexation of the following described property by the City of Newton:

BEGINNING at an existing iron pin in the southeastern corner of property owned by L. & B. Development, LLC and running thence with a property line of L & B Development, LLC South 61 degrees 34 minutes 37 seconds west 74.95 feet to an existing iron pin in the line of L & B Development; and running thence with a property line of L & B Development south 66 degrees 06 minutes 57 seconds west 434.25 feet to an iron pin in the line of L & B Development; and running thence with a property line of L & B Development south 55 degrees 44 minutes 03 seconds west 270.55 feet to an iron pin in the line of L & B Development; and running thence with a property line of L & B Development south 74 degrees 39 minutes 55 seconds west 232.00 feet to an iron pin in the line of L & B Development; and running thence with a property line of L & B Development north 27 degrees 19 minutes 47 seconds west 282.63 feet to an iron pin in the line of L & B Development; and running thence with a property line of L & B Development LLC north 63 degrees 58 minutes 24 seconds east 232.82 feet to an iron pin in the line of L & B Development LLC; and running thence a property line of L & B Development LLC, north 17 degrees 17 minutes 44 seconds west 215.08 feet to an iron pin in the line of L & B Development LLC; and running thence with the satellite corporate limits of the City of Newton, north 68 degrees 03 minutes 05 seconds east 153.64 feet to a point in the line of the satellite corporate limits of the City of Newton; and running thence with the satellite corporate limits of the City of Newton south 71 degrees 04 minutes 48 seconds east 60.66 feet to a point in the line of the satellite corporate limits of the City of Newton; and running thence with the satellite corporate limits of the City of Newton north 65 degrees 32 minutes 16 seconds east 222.64 feet to a point in the line of the satellite corporate limits of the City of Newton; and running thence with the satellite corporate limits of the City of Newton south 51 degrees 26 minutes 35 seconds east 72.13 feet to a point in the line of the satellite corporate limits of the City of Newton; and running thence with the satellite corporate limits of the City of Newton north 76 degrees 23 minutes 23 seconds east 177.23 feet to a point in the line of the satellite corporate limit of the City of Newton; and running thence with the satellite corporate limits of the City of Newton south 48 degrees 34 minutes 45 seconds east 74.01 feet to a point in the satellite corporate limits of the City of Newton; and running thence with the satellite corporate limits north 85 degrees 36 minutes 14 seconds east to an iron pin in the line of L&B Development LLC; and running thence with a property line of L&B Development LLC south 13 degrees 36 minutes 37 seconds east to the point of BEGINNING.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**H.B. 1533**

**Session Law 2002-51**

AN ACT TO AUTHORIZE CERTAIN COUNTIES TO REQUIRE THE PAYMENT OF DELINQUENT PROPERTY TAXES BEFORE RECORDING DEEDS CONVEYING PROPERTY AND TO MODIFY THE TIMETABLE FOR STOKES COUNTY OR ANY OF ITS MUNICIPALITIES TO ADOPT A SCHEDULE OF DISCOUNTS FOR PREPAYMENT OF PROPERTY TAXES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 161-31 reads as rewritten:

"§ 161-31. **Tax certification.**

(a) Tax Certification. – The board of commissioners of a county may, by resolution, require the register of deeds not to accept any deed transferring real property for registration unless the county tax collector has certified that no delinquent ad valorem county taxes, ad valorem municipal taxes, or other taxes with which the collector is charged are a lien on the property described in the deed. The county commissioners may describe the form the certification must take in its resolution.

(b) Applicability. – This section applies only to Alleghany, Anson, Beaufort, Bertie, Cabarrus, Camden, Carteret, Cherokee, Chowan, Clay, Cleveland, Currituck, Davidson, Durham, Forsyth, Gaston, Graham, Granville, Harnett, Haywood, Henderson, Hertford, Iredell, Jackson, Lee, Macon, Madison, Martin, Montgomery, Northampton, Pasquotank, Perquimans, Person, Pitt, Polk, Rockingham, Rowan, Rutherford, Stanly, Swain, Transylvania, Vance, Warren, Washington, and Yadkin Counties."

**SECTION 2.** Notwithstanding G.S. 105-360(c), the governing body of Stokes County or any of its municipalities may provide by resolution or ordinance, without the approval of the Department of Revenue, a schedule of discounts to be applied to taxes paid prior to November 1, 2002, or such lesser time as the governing body may direct. The governing body of Stokes County or any of its municipalities shall send a certified copy of any resolution adopted pursuant to this act to the Department of Revenue and it shall publish the discount schedule at least once in some newspaper having general circulation in the taxing unit.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**H.B. 1589**

**Session Law 2002-52**

AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF PRINCETON.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The Charter of the Town of Princeton is revised and consolidated to read as follows:

"THE CHARTER OF THE TOWN OF PRINCETON.

"ARTICLE I. INCORPORATION, CORPORATE POWERS, AND BOUNDARIES.

"Section 1.1. **Incorporation.** The Town of Princeton in the County of Johnston, and the inhabitants thereof, shall continue to be a municipal body politic and corporate, under the name and style of the 'Town of Princeton,' hereinafter at times referred to as the 'Town'.

"Section 1.2. **Powers.** The Town of Princeton shall have and may exercise all of the powers, duties, rights, privileges, and immunities, which are now, or hereafter may be conferred, either expressly or by implication, upon the Town of Princeton, specifically, or upon municipal corporations, generally, by this Charter, by the North Carolina Constitution, or by general or local law.

"Section 1.3. **Corporate Limits.** The corporate limits of the Town of Princeton shall be those existing at the time of ratification of this Charter, as the same are set forth on the official map of the Town, and as the same may be altered from time to time in accordance with law. An official map or description showing the current Town boundaries shall be maintained permanently in the office of the Town Clerk, and shall be available for public inspection. Immediately upon alteration of the corporate limits made pursuant to law, the appropriate changes to the official map or description of the Town shall be made.

"ARTICLE II. MAYOR AND BOARD OF COMMISSIONERS.

"Section 2.1. **Governing Body.** The Mayor and Board of Commissioners, elected and constituted as herein set forth, shall be the governing body of the Town. On behalf of the Town, and in conformity with applicable laws, the Mayor and Board may provide for the exercise of all municipal powers, and shall be charged with the general government of the Town.

"Section 2.2. **Board of Commissioners; Composition; Terms of Office.** The Board of Commissioners shall be composed of four members, each of whom shall be elected for terms of four years in the manner provided by Article III of this Charter, provided, they shall serve until their successors are elected and qualified.

"Section 2.3. **Election of the Mayor; Term of Office; Duties.** The Mayor shall be elected by voters of the Town in the manner provided by Article III of this Charter for a term of two years; provided, the Mayor shall serve until his successor is elected and qualified. The Mayor shall be the official head of the Town government and shall preside at all meetings of the Board of Commissioners. He shall have the right to vote only if there are equal numbers of votes in the affirmative and the negative on any matter before the Board. The Mayor shall exercise such powers and perform such duties as presently are or hereafter may be conferred upon him by the General Statutes, by this Charter, and by the ordinances of the Town.

"Section 2.4 **Mayor Pro Tempore.** In accordance with applicable State laws, the Board of Commissioners shall appoint one of its members to act as Mayor Pro Tempore to perform the duties of the Mayor in the Mayor's absence or disability. In the event of a vacancy in the office of Mayor, the Mayor Pro Tempore shall perform the duties of the Mayor until the vacancy is filled. The Mayor Pro Tempore as such shall have no fixed term of office, but shall serve in such capacity at the pleasure of the remaining members of the Board.

"ARTICLE III. ELECTIONS.

"Section 3.1. **Regular Municipal Elections; Conduct and Method of Election.** Regular municipal elections shall be held in the Town every two years in odd-numbered years, and shall be conducted in accordance with the uniform municipal election laws of



North Carolina. The Mayor and members of the Board of Commissioners shall be elected according to the nonpartisan plurality method of election, as provided by G.S. 164-292.

"Section 3.2. **Election of the Board of Commissioners; Election of Mayor.** At the regular municipal election in 2003 and every two years thereafter, there shall be elected two Commissioners and a Mayor to fill the seats of the Commissioners and Mayor whose terms are then expiring.

"ARTICLE IV. ORGANIZATION AND ADMINISTRATION.

"Section 4.1. **Form of Government.** The Town shall operate under the Mayor-Board of Commissioners form of government, in accordance with Part 3 of Article 7 of Chapter 160A of the General Statutes.

"Section 4.2. **Town Attorney.** The Board of Commissioners shall appoint a Town Attorney who shall be licensed to engage in the practice of law in the State of North Carolina. It shall be the duty of the Town Attorney to prosecute and defend suits against the Town and to advise the Mayor, Board of Commissioners and other Town officials with respect to the affairs of the Town.

"Section 4.3. **Town Clerk.** The Board of Commissioners shall appoint a Town Clerk to keep a journal of the proceedings of the Board, to maintain in a safe place all records and documents pertaining to the affairs of the Town, and to perform such other duties as may be required by law or as the Board of Commissioners may direct.

"Section 4.4. **Town Tax Collector.** The Board of Commissioners shall appoint a Town Tax Collector to collect all taxes, licenses, fees, and other moneys belonging to the Town, subject to the General Statutes, the provisions of this Charter and the ordinances of the Town. The Town Tax Collector shall diligently comply with and enforce all the laws of North Carolina relating to the collection of taxes by municipalities.

"Section 4.5. **Town Finance Officer.** The Board of Commissioners shall appoint a Town Treasurer or Finance Officer to perform the duties of the finance officer as required by the Local Government Budget and Fiscal Control Act, and to perform such other duties as may be required by the Board.

"Section 4.6. **Consolidation of Functions.** The Board of Commissioners may consolidate any two or more positions of Town Clerk, Town Tax Collector, and Town Finance Officer, or may assign the functions of any one or more of these positions to the holder or holders of any other of these positions, subject to the Local Government Budget and Fiscal Control Act.

"Section 4.7. **Other Administrative Officers and Employees.** Consistent with applicable State laws, the Board of Commissioners may establish other positions, provide for the appointment of other administrative officers and employees, and generally organize the Town government in order to promote the orderly and efficient administration of the affairs of the Town."

**SECTION 2.** The purpose of this act is to revise the Charter of the Town of Princeton and to consolidate herein certain acts concerning the property, affairs, and government of the Town.

**SECTION 3.** The following acts or portions of acts, having served the purposes for which they were enacted, or having been consolidated into this act, are hereby repealed:

Chapter 161, Private Laws of 1860-61

Chapter 19, Private Laws of 1872-73

Chapter 113, Private Laws of 1873-74

Chapter 234, Private Laws of 1923  
 Chapter 486, Session Laws of 1951  
 Chapter 150, Session Laws of 1955  
 Chapter 1289, Session Laws of 1957  
 Chapter 1025, Session Laws of 1961  
 Chapter 356, Session Laws of 1967.

**SECTION 4.** No provision of this act is intended, nor shall be construed, to affect in any way, any rights or interests (whether public or private):

- (1) Now vested or accrued, in whole or in part, the validity of which might be sustained or preserved by reference to any provisions of law repealed by this act;
- (2) Derived from, or which might be sustained or preserved in reliance upon, action heretofore taken pursuant to or within the scope of any provisions of law repealed by this act.

**SECTION 5.** No law heretofore repealed expressly or by implication, and no law granting authority which has been exhausted, shall be revived by:

- (1) The repeal herein of any act repealing such law, or
- (2) Any provision of this act that disclaims an intention to repeal or affect enumerated or designated laws.

**SECTION 6.** All existing ordinances and resolutions of the Town of Princeton and all existing rules or regulations of departments or agencies of the Town of Princeton, not inconsistent with the provisions of this act, shall continue in full force and effect until repealed, modified, or amended.

**SECTION 7.** No action or proceeding of any nature (whether civil or criminal, judicial or administrative, or otherwise) pending at the effective date of this act by or against the Town of Princeton or any of its departments or agencies, shall be abated or otherwise affected by the adoption of this act.

**SECTION 8.** If any of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

**SECTION 9.** Whenever a reference is made in this act to a particular provision of the General Statutes, and such provision is later amended, repealed or superseded, the reference shall be deemed amended to refer to the amended General Statute, or to the General Statute which most nearly corresponds to the statutory provision, which is repealed or superseded.

**SECTION 10.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

## H.B. 1629

## Session Law 2002-53

### AN ACT AUTHORIZING THE CITY OF THOMASVILLE TO CONVEY CERTAIN PROPERTY AT A PRIVATE SALE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Notwithstanding Article 12 of Chapter 160A of the General Statutes, the City of Thomasville may convey by private negotiation and sale, with or

without monetary consideration, any or all of its right, title, and interest in the following described property to the Central United Methodist Church of Thomasville under the terms and conditions that the City Council deem appropriate:

Lying and being in Thomasville Township, Davidson County, North Carolina, more particularly described as follows:

BEGINNING at a point in the south line of the property of the Central United Methodist Church as described in Deed Book 536 at Page 182, Davidson County Registry, the northwest corner of Tract 2 in the deed from Hi-Toms Broadcasting, Inc. to Radio Crusade Incorporated recorded in Deed Book 643 at Page 185, Davidson County Registry; said beginning point being located North 83° 17' 48" West 150.34 feet from an existing iron pipe at the southeast corner of the Central United Methodist Church property; thence from said beginning point along the south line of Central United Methodist Church North 83° 17' 48" West 150.40 feet to an existing iron pipe, corner with Thomasville Housing Authority; thence along the line of Thomasville Housing Authority North 83° 15' 39" West 344.39 feet to a new iron pipe; thence South 05° 36' 49" West 633.01 feet to a new iron pipe; thence South 86° 02' 37" East 525.14 feet to a point, the southwest corner of Tract 2 in the deed to Radio Crusade Incorporated recorded in Book 643, Page 185, Davidson County Register thence along the line of Radio Crusade incorporated North 02° 46' 08" East 608.9 feet to the point and place of Beginning, containing approximately 7.264 acres and being designated as Tract D on a survey by Davis-Martin-Powell & Associates, Inc. dated 6-4-85, Job No. S-21753.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of July, 2002.

Became law on the date it was ratified.

**S.B. 1112**

**Session Law 2002-54**

AN ACT TO CONTINUE THE LAW MAKING CERTAIN MODIFICATIONS TO THE APPROPRIATIONS ACT OF 2001.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 9 of S.L. 2002-12 reads as rewritten:

"**SECTION 9.** Except as otherwise provided in this act, this act becomes effective July 1, 2002, and expires ~~July 31, 2002~~ August 31, 2002."

**SECTION 2.** This act becomes effective July 31, 2002.

In the General Assembly read three times and ratified this the 25<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 1:58 p.m. on the 31<sup>st</sup> day of July, 2002.

**S.B. 1271**

**Session Law 2002-55**

AN ACT TO REGULATE THE USE OF CENTER-FIRE WEAPONS IN SCOTLAND COUNTY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 1143 of the 1959 Session Laws, as amended by Chapter 11 of the 1995 Session Laws, is repealed.

**SECTION 2.** It is unlawful to hunt with the use of a center-fire rifle or any firearm capable of firing a center-fire projectile, unless the person is positioned in a stationary and elevated position at least 10 feet above the ground.

**SECTION 3.** For purposes of this act, the term "center-fire" refers to ammunition of .22 caliber or larger and does not refer to shotgun slug ammunition or straight-walled ammunition fired from a handgun. The term "center-fire" does not refer to the use of muzzle-loading firearms.

**SECTION 4.** Violation of this act is a Class 3 misdemeanor.

**SECTION 5.** This act is enforceable by officers of the Wildlife Resources Commission, by sheriffs and deputy sheriffs, and by peace officers with general subject matter jurisdiction.

**SECTION 6.** This act applies only to Scotland County.

**SECTION 7.** This act becomes effective October 1, 2002, and applies to all offenses occurring on or after that date.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of August, 2002.

Became law on the date it was ratified.

## H.B. 1525

## Session Law 2002-56

### AN ACT TO INCORPORATE THE TOWN OF RED CROSS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** A Charter for the Town of Red Cross is enacted to read:

"CHARTER OF THE TOWN OF RED CROSS.

"ARTICLE I. INCORPORATION AND CORPORATE POWERS.

"Section 1.1. **Incorporation and Corporate Powers.** The inhabitants of the Town of Red Cross are a body corporate and politic under the name 'Town of Red Cross'. The Town of Red Cross has all the powers, duties, rights, privileges, and immunities conferred and imposed on cities by the general law of North Carolina.

"ARTICLE II. CORPORATE BOUNDARIES.

"Section 2.1. **Town Boundaries.** Until modified in accordance with the law, the boundaries of the town of Red Cross are as follows:

BEGINNING at the northwest corner of the property having pin number 559500704616, said point also being located on the boundary of the southern right-of-way of Lakewood Road, thence from said point of beginning along the southern right-of-way of Lakewood Road in a southwesterly direction approximately 1263 feet to the intersect of the boundary of the eastern right-of-way of NC 205 highway and the boundary of the southern right-of-way of Lakewood Road to a point, thence in a southerly direction with the eastern right-of-way of NC 205 Highway to the intersect of the boundary of the eastern right-of-way of NC 205 Highway and the boundary of the extended southern right-of-way of Hatley Burris Road to a point, thence in a southwesterly direction to the northeastern corner of the property having pin number 559400693440, said corner also being located on the boundary of the southern right-of-way of Hatley Burris Road, thence in a southwesterly direction with the southern right-of-way of Hatley Burris Road to the northwestern corner of the property having pin number 559400585598, said point also being located on the boundary of the southern right-of-way of Hatley Burris Road, thence in a northwesterly direction to the southeastern corner of the property having pin number 559400583812, said point also

being located on the boundary of the northern right-of-way of Hatley Burris Road, thence in a northwesterly direction to the northwestern corner of the above said property, thence in a northeasterly direction along the northeastern property lines of the properties having pin numbers 559400583812, 559400585948, 559400595151, and 559400597149 to the northeastern corner of the property having pin number 559400597149, thence in a northwesterly direction along the property line of the property having pin number 559400595534 to the northwestern corner of the above said property, thence in a northerly direction along the western property lines of the properties having pin numbers 559400594700 and 559400595534 to the southeastern corner of the property having pin number 559400591934, thence in a westerly direction along the southern property line of the above said property to the southwestern corner of the above said property, thence in a northerly direction along the property line of the above said property to the northern corner of the above said property, said corner also being located on the boundary of the southern right-of-way of Hilltop Road, thence in a southwesterly direction with the southern right-of-way of Hilltop Road to the northeastern corner of the property having pin number 559400499069, said corner also being located on the boundary of the southern right-of-way of Hilltop Road, thence in a southerly, the southwesterly, direction following the eastern and southeastern property lines of the above said property to the most southeastern corner of the above said property, thence in a northwesterly direction along the property line of the above said property to the southwestern corner of the above said property, thence in a northeasterly direction along the property lines of the above said property to the northwestern corner of the above said property, said corner also being located on the southern right-of-way of Hilltop Road, thence in a southwesterly direction with the southern right-of-way of Hilltop Road to the northeastern corner of the property having pin number 559400492694, said point also being located on the boundary of the southern right-of-way of Hilltop Road, thence in a southerly direction along the eastern property lines of the properties having pin numbers 559400492694, 559400493309, and 559400493102 to the northern most point of the property having pin number 559400483960, thence in a southeasterly direction along the property line of the above said property to the eastern most corner of the above said property, thence in a southwesterly direction along the southern property lines of the properties having pin numbers 559400483960 and 559400481784, thence in a northwesterly direction along the western property lines of the properties having pin numbers 559400481784, 559400480989, 559400490224, and 559400399466 to the northwestern corner of the property having pin number 559400399466, said corner also being located on the boundary of the southern right-of-way of Hilltop Road, thence in a northerly direction with the extended western property line of the property having pin number 559400399466 to a point on the boundary of the northern right-of-way of Hilltop Road, thence in a northeasterly direction with the northern right-of-way of Hilltop Road to the southwestern corner of the property having pin number 559400492854, said corner also being located on the boundary of the northern right-of-way of Hilltop Road, thence in a northerly direction with the western property lines of the properties having pin numbers 559400492854 and 559500402236 to the northwestern corner of the property having pin number 559500402236, thence in a westerly direction with the southern property line of the property having pin number 559500402988 to the southwestern corner of the above said property, thence in a northerly direction along the western property line of the above said property to the southeastern corner of the property having pin number 559500410214, thence in a westerly direction along the southern property line of the

above said property to the southwestern corner of the above said property, thence in a northerly direction along the western property line of the above said property to the northwestern corner of the above said property, said corner also being located on the boundary of the southern right-of-way of Peachtree Road, thence in a westerly direction along the southern right-of-way of Peachtree Road to the northeastern corner of the property having pin number 559500313054, said corner also being located on the boundary of the southern right-of-way of Peachtree Road, thence in a southerly direction along the eastern property line of the above said property to the southeastern corner of the above said property, thence in a westerly direction along the southern property line of the above said property to the southwestern corner of the above said property, thence in a southwesterly, and then southeasterly, direction along the property line of the property having pin number 559500216320 to the southeastern corner of the property having pin number 559500216320, thence in a southwesterly direction along the southeastern property lines of the properties having pin numbers 559500216320 and 559500106395 to the southwestern corner of the property having pin number 559500106395, thence in a northwesterly direction along the western property line of the above said property to the southeastern corner of the property having pin number 559500103284, thence in a southeasterly direction along the southeastern property lines of the properties having pin numbers 559500103284 and 559500102204 to the southwestern corner of the property having pin number 559500102204, thence in a southeasterly direction along the northeastern property lines of the properties having pin numbers 559400099666 and 559400190449 to the southeastern corner of the property having pin number 559400190449, thence in a southwesterly direction along the property line of the above said property to the southwestern corner of the above said property, said corner also being located on the boundary of the eastern right-of-way of Hilltop Road, thence in a southwesterly direction along the extended southeastern property line of the above said property to a point on the boundary of the western right-of-way of Hilltop Road, thence in a northwesterly direction along the western right-of-way of Hilltop Road to a point where the extended northern property line of the property having pin number 559500002971 intersects on the boundary of the western right-of-way of Hilltop Road, thence in an easterly direction with the northern property line of the property having pin number 559500002971 to the northeastern corner of the above said property, thence in a southeasterly direction along the property line of the above said property to the southeastern corner of the above said property, thence in an easterly direction along the northern property lines of the properties having pin numbers 559500005607 and 559500006628 to the northeastern corner of the property having pin number 559500006628, thence in a southerly direction along the eastern property lines of the properties having pin numbers 559500006628 and 559500007506 to the southeastern corner of the property having pin number 559500007506, said corner also being located on boundary of the northern right-of-way of Peachtree Road, thence in a northeasterly direction with the northern right-of-way of Peachtree Road to the southwestern corner of the property having pin number 559500100870, said corner also being located on the boundary of the northern right-of-way of Peachtree Road, thence in a northwesterly direction along the property line of the above said property to the northwestern corner of the above said property, thence in a northeasterly direction along the property line of the above said property to the northeastern corner of the above said property, thence in a southeasterly direction along the property line of the above said property to the southeastern corner of the above said property, said corner also being located on the boundary of the northern

right-of-way of Peachtree Road, thence in an easterly direction with the northern right-of-way of Peachtree Road to the southwestern corner of the property having pin number 559500113363, said corner also being located on the boundary of the northern right-of-way of Peachtree Road, thence in a northwesterly direction along the western property line of the above said property to the northwest corner of the above said property, thence with the northern property lines of the above said property and the property having pin number 559500115329 to the northeastern corner of the property having pin number 559500115329, thence in a southwesterly, and then southeasterly, direction along the eastern property line of the above said property to the southeastern corner of the above said property, said corner also being located on the boundary of the northern right-of-way of Peachtree Road, thence in a northeasterly direction with the northern right-of-way of Peachtree Road to the southwestern corner of the property having pin number 559500210443, said corner also being located on the boundary of the northern right-of-way of Peachtree Road, thence in a northwesterly direction along the western property line of the above said property to the northwest corner of the above said property, thence in a northeasterly direction with the northwestern property lines above said property and the property line of the property having pin number 559500212612 to the northeastern corner of the property having pin number 559500212612, thence in an easterly direction with the northeastern property line of the above said property to the eastern corner of the above said property, said corner also being located on the boundary of the northern right-of-way of Peachtree Road, thence in a northeasterly, then easterly, direction with the northern right-of-way of Peachtree Road to the southwestern corner of the property having pin number 559500313054, thence in a northeasterly direction along the northwestern property line of the above said property to the northwestern corner of the above said property, thence in an easterly direction with the northern property lines of the above said property and the property having pin number 559500319621 to the intersect of the property having pin number 559500412899, thence in a northerly direction along the western property line of the above said property to the northwestern corner of the above said property, thence in an easterly direction along the northern property lines of the properties having pin numbers 559500412899 and 559500511577 to the northwestern corner of the property having pin number 559500513793, thence in a northeasterly direction along the northwestern property line of the above said property to the northeastern corner of the above said property, said corner also being located on the boundary of the western right-of-way of NC 205 Highway, thence in a northerly direction with the western right-of-way of NC 205 Highway to the southeastern corner of the property having pin number 559500437527, said corner also being located on the boundary of the western right-of-way of NC 205 Highway, thence in a westerly direction along the southern property line of the above said property to the southwestern corner of the above said property, thence in a northeasterly along the northwestern property line of the above said property to the northwestern corner of the above said property, thence in a northerly direction with the western property line of the property having pin number 559500433884 to the northwestern corner of the above said property, thence in an easterly direction with the northern property line of the above said property to the northeastern corner of the above said property, thence in a westerly direction with the southern property line of the property having pin number 559500442720 to the southwestern corner of the above said property, thence in a westerly, and then southerly, direction with the southeastern property line of the property having pin number 559500341479 to the southeastern corner of the above said property, thence in a

westerly direction along the southern property line of the above said property to the southwestern corner of the above said property, thence in a northerly, and then westerly, direction with the southwestern property line of the above said property to the southeastern corner of the property having pin number 559500251010, thence in a westerly direction following the southern property lines of the properties having pin numbers 559500146881, 559500145737, 559500145901, 559500143857, and 559500141931 to the southeastern corner of the property having pin number 559500049896, thence in a southwesterly direction along the southern property lines of the properties having pin numbers 559500049896, 559500047693, 559500046581, 559500046414, 559500045318, 559500044202, and 559500043112 to the intersect of the property having pin number 559500043112, thence in a southeasterly direction along the property line of the property having pin number 559500043915 to the southeastern corner of the property having pin number 559500043915, thence in a southwesterly direction to the southern corner of the above described property, thence with the property line of the above described property to the southeastern corner of the property having pin number 558500955410, thence in a westerly direction along the southern property lines of the properties having pin numbers 558500955410, 558500952160, 558500951303, and 558500856241 to the southwestern corner of the property having pin number 558500856241, thence in a northerly direction to the southeastern corner of the property having pin number 558500748984, thence in a westerly direction to the southwestern corner of the above said property, said corner also being located on the boundary of the eastern right-of-way of Pless Mill Road, thence with the eastern right-of-way of Pless Mill Road to the northwest corner of the property having pin number 558500844115, said corner also being located on the boundary of the eastern right-of-way of Pless Mill Road, thence in a southeasterly direction with the northern property lines of the above said property and the property having pin number 558500835789 to the southeastern corner of the property having pin number 558500835789, thence in a southwesterly direction along the eastern property line of the above said property to the southern corner of the above said property, said corner also being located on the boundary of the eastern right-of-way of Pless Mill Road, thence in a southerly direction with the eastern right-of-way of Pless Mill and then the eastern right-of-way of Hilltop Road to the northwest corner of the property having pin number 558500927048, said corner also being located on the boundary of the eastern right-of-way of Hilltop Road, thence in a northwesterly direction to the southeastern corner of the property having pin number 558500828710, said corner also being located on the boundary of the western right-of-way of Hilltop Road, thence in a westerly direction along the southern property line of the above said property to the southwestern corner of the above said property, said corner also located on the boundary of the eastern right-of-way of Pless Mill Road, thence in a northwesterly direction to the southeastern corner of the property having pin number 558500825910, said corner also being located on the boundary of the western right-of-way of Pless Mill Road, thence with the southwest, then western, then northwestern property line of the above said property to the northeastern corner of the above said property, said corner also being located on the boundary of the western right-of-way of Pless Mill Road, thence in a northerly direction with the western right-of-way of Pless Mill Road to the southeastern corner of the property having pin number 558500840628, said corner also being located on the boundary of the western right-of-way of Pless Mill Road, thence in a northwesterly direction along the southwesterly property lines of the properties having pin numbers 558500840628 and 558500748984 to the northwestern corner of the



property having pin number 558500748984, said corner also being located on the boundary of the southern right-of-way of NC 24/27 Highway, thence in a northwesterly direction with the extended western property line of the above said property to a point on the boundary of the northern right-of-way of NC 24/27 Highway, also said point being the southwestern corner of the property having pin number 558500755321, thence in an easterly direction with the northern right-of-way of NC 24/27 Highway to a point where the northern boundary of the right-of-way of NC 24/27 Highway intersects with the western boundary of Running Creek Church Road, thence in a northerly direction with the western right-of-way of Running Creek Church Road to the point where the boundary of the western right-of-way of Running Creek Church Road intersects with the boundary of the northern right-of-way of Bethel Church Road, thence in an easterly direction along the northern right-of-way of Bethel Church Road to the southeastern corner of the property having pin number 558500874785, said corner also being located on the boundary of the northern right-of-way of Bethel Church Road, thence in a northerly direction along the eastern property line of the property having pin number 558500874785 to the northeastern corner of the above said property, thence in a northeasterly direction along the western property lines of the properties having pin numbers 558500971822, 558500982130, and 558500982395 to the northwestern corner of the property having pin number 558500982395, said corner also being located on the boundary of the southern right-of-way of Smith Grove Road, thence in a northerly direction with the northerly extended property line of the above said property to a point on the boundary of the northern right-of-way of Smith Grove Road, thence in an easterly, then southerly, direction with the northern, and then eastern, right-of-way of Smith Grove Road to a point where the boundary of the eastern right-of-way of Smith Grove Road intersects with the boundary of the northern right-of-way of Bethel Church Road, thence in a westerly direction to the eastern corner of the property having pin number 558500875287, thence in a westerly direction along the southern property line of the properties having pin numbers 558500875287 and 558500872269 to the northeastern corner of the property having pin number 558500856992, thence in a southerly direction along the eastern property line of the above said property to the southeastern corner of the above said property, said corner also being located on the boundary of the northern right-of-way of NC 24/27 Highway, thence in an easterly direction along the northern right-of-way of NC 24/27 Highway to the southwestern corner of the property having pin number 558500954995, thence in a northerly direction along the western property line of the above said property to the northwestern corner of the above said property, thence in an easterly direction along the northern property line of the above said property to the northeastern corner of the above said property, thence in a southerly direction along the eastern property lines of the properties having pin numbers 558500954995 and 558500956841 to the southeastern corner of the property having pin number 558500956841, said corner also being located on the boundary of the northern right-of-way of NC 24/27 Highway, thence in an easterly direction with the northern right-of-way of NC 24/27 Highway to a point where the boundary of the northern right-of-way of NC 24/27 Highway intersects with the boundary of the western right-of-way of Bethel Church Road, thence in a northwestern direction with the western right-of-way of Bethel Church Road to a point in the boundary of the western right-of-way of Bethel Church Road intersects with the westerly extended northern property line of the property having pin number 559500056889, thence in a northeasterly direction with the extended northern property line of the above said property to the northwestern corner of the above said property, said point also being

located on the boundary of the northeastern right-of-way of Bethel Church Road, thence in a northeasterly direction along the northern property line of the above said property to the northeastern corner of the above said property, thence in a southeasterly direction with the northeastern property lines of the above said property and the property having pin number 559500058626 to the southeastern corner of the property having pin number 559500058626, thence in a southwesterly direction to the southwestern corner of the property having pin number 559500250908, said point also being located on the boundary of the northern right-of-way of NC 24/27 Highway and on the boundary of the northeastern right-of-way of Bethel Church Road, thence in an easterly direction with the northern right-of-way of NC 24/27 Highway to the southwestern corner of the property having pin number 559500256728, said corner also being located on the boundary of the northern right-of-way of NC 24/27 Highway, thence in a northerly direction along the western property line of the above said property to the northwestern corner of the above said property, thence in a northeasterly direction along the northwestern property line to the northeastern corner of the above said property, thence in a southeasterly direction along the northern property lines of the properties having pin numbers 559500258785 and 559500352901 to the northeastern corner of the property having pin number 559500352901, said point also being located on the boundary of the western right-of-way of Smith Grove Road, thence in a northerly direction with the western right-of-way of Smith Grove Road to the extended northwestern corner of the northern property line of the property having pin number 559500357853, said corner also located on the boundary of the western right-of-way of Smith Grove Road, thence in an easterly direction to the northwestern corner of the property having pin number 559500357853, said corner also being located on the boundary of the eastern right-of-way of Smith Grove Road, thence in a southeasterly direction along the northern property line of the above said property to the northeastern corner of the above said property, thence in a northeasterly direction along the northwestern property line of the property having pin number 559500355598 to the southeastern corner of the property having pin number 559500464329, thence in a northwesterly direction along the property line of the above said property to the western corner of the above said property, said corner also being located on the boundary of the eastern right-of-way of Smith Grove Road, thence in a southerly direction with the eastern right-of-way of Smith Grove Road to a point where the southerly extended southern property line of the property having pin number 559500363695 intersects with the boundary of the eastern right-of-way of Smith Grove Road, thence in a westerly direction to the southeastern corner of the above said property, said corner also being located on the boundary of the western right-of-way of Smith Grove Road, thence in a northwesterly direction along the southwestern property line of the above said property to the western most corner of the above said property, thence in a northeasterly direction along the northern property lines of the above said property and the property having pin number 559500366724 to the northeastern corner of the property having pin number 559500366724, thence in a southeasterly direction along the northeastern property line of the above said property to the intersect of the property having pin number 559500378012, thence in a northerly, then northeasterly, direction along the northern property line of the above said property to the northeastern corner of the above said property, said corner also being located on the boundary of the western right-of-way of Smith Grove Road, thence in a northeasterly direction with the extended northern property line to a point where the extended northern property line intersects with the boundary of the eastern right-of-way of Smith Grove Road, thence in a southerly

direction with the eastern right-of-way of Smith Grove Road to the northwestern corner of the property having pin number 559500465989, said corner also being located on the boundary of the eastern right-of-way of Smith Grove Road, thence in a northeasterly direction with the northwestern property line of the above said property to the northeastern corner of the above said property, thence in a southerly, then northeasterly direction with the northeastern property line of the above said property to the intersect of the property having pin number 559500571799, thence in a northwesterly direction with the southwestern property line of the above said property and the property having pin number 559500487387 to the southeastern corner of the property having pin number 559500486524, thence in a southwesterly direction along the southern property line of the above said property to the southwestern corner of the above said property, thence in a northerly direction along the property line of the above said property to the southeastern corner of the property having pin number 559500388126, thence in a westerly direction with the southern property line of the above said property to the southwestern corner of the above said property, said corner also being located on the boundary of the eastern right-of-way of Smith Grove Road, thence in a westerly direction with the westerly extended southern property line of the above said property to a point on the western boundary of the right-of-way of Smith Grove Road, thence in a northerly direction with the western right-of-way of Smith Grove Road to the intersect with the property having pin number 559500383023, said corner also being located on the boundary of the western right-of-way of Smith Grove Road, thence in a southwesterly direction along the eastern property line of the above said property to the southern most corner of the above said property, thence in a northwesterly direction along the southern property line of the above said property to the southwestern corner of the above said property, thence in a northeasterly direction along the western property line of the above said property to the southeastern corner of the property having pin number 559500382108, thence in a northwesterly direction along the southern property line of the above said property to the southwestern corner of the above said property, thence in a northeasterly direction along the western property line of the above said property to the southeastern corner of the property having pin number 559500380268, thence in a northwesterly direction to the southwestern corner of the above said property, thence in a northerly direction to the northwestern corner of the above said property, said corner also located on the boundary of the southern right-of-way of Smith Grove Road, thence in a northeasterly direction with the northerly extended western property line of the above said property to a point where the extended property line intersects with the boundary of the northern right-of-way of Smith Grove Road, thence in an easterly direction with the northern right-of-way of Smith Grove Road to the intersect with the property having pin number 559500388126, said corner also being located on the boundary of the northern right-of-way of Smith Grove Road, thence in a northeasterly direction along the northwestern property lines of the above said property and the property having pin number 559500486524 to the northwestern corner of the property having pin number 559500486524, thence in an easterly direction along the northern property lines of the properties having pin numbers 559500486524, 559500483868, 559500487884, 559500581817, and 559500584879 to the northeastern corner of the property having pin number 559500584879, said corner also being located on the boundary of the western right-of-way of Jacob Road, thence in an easterly direction with the extended northern property line of the above said property to the extended northeastern corner located on the boundary of the eastern right-of-way of Jacob Road, thence in a southerly direction with the eastern right-of-way of Jacob Road

to the intersect of the boundary of the eastern right-of-way of Jacob Road and the boundary of the western right-of-way of Ridgecrest Road, thence in an easterly direction to the northwestern corner of the property having pin number 559500671304, said corner also being located on the boundary of the eastern right-of-way of Ridgecrest Road, thence in an easterly direction with the northern property lines of the properties having pin numbers 559500671304, 559500674219, 559500676214, 559500677223, and 559500678232 to the northeastern corner of the property having pin number 559500678232, thence in a southeasterly direction along the eastern property lines of the properties having pin numbers 559500679146, 559500770005, and 559500761927 to the southeastern corner of the property having pin number 559500761927, said corner also being located on the boundary of the northwestern right-of-way of Gaddis Road, thence in a northeasterly direction with the northwestern right-of-way of Gaddis Road to a point where the northwesterly extended northern property line of the property having pin number 559500765865 intersects with the boundary of the northwestern right-of-way of Gaddis Road, thence in a southeasterly direction to the northeastern corner of the property having pin number 559500765865, said corner also being located on the boundary of the southeastern right-of-way of Gaddis Road, thence in a southeasterly direction with the northern property line of the above said property to the southeastern corner of the above said property, thence in a southwesterly direction with the southeastern property of the above said property to the northeastern corner of the property having pin number 559500669099, thence in a southerly direction along the eastern property line of the above said property to the northwestern corner of the property having pin number 559500756605, thence in an easterly direction along the northern property lines of the properties having pin numbers 559500756605 and 559500758790 to the southwestern corner of the property having pin number 559500850878, thence in a northerly direction along the eastern property line of the above said property to the northwestern corner of the above said property, thence in an easterly direction along the northern property line of the above said property to the northeastern corner of the above said property, thence in a southerly direction along the eastern property line of the above said property to the southeastern corner of the above said property, thence in an easterly direction along the northern property lines of the properties having pin numbers 559500853711, 559500855722, 559500857713, and 559500859773 to the southwestern corner of the property having pin number 559500952932, thence in a northerly direction along the western property line of the above said property to the northwestern corner of the above said property, thence in an easterly direction along the northern property line of the above said property to the northeastern corner of the above said property, thence in a southerly direction along the eastern property line of the above said property to the southeastern corner of the above said property, thence in an easterly direction to the northeastern corner of the property having pin number 559500953703, thence in a southerly direction to the southeastern corner of the above said property, said corner also being located on the boundary of the northern right-of-way of NC 24/27 Highway, thence in an easterly direction with the northern right-of-way of NC 24/27 Highway to the southwestern corner of the property having pin number 559500957855, said corner also being located on the boundary of the northern right-of-way of NC 24/27 Highway, thence in a northerly direction along the western property lines of the above said property and the property having pin number 559500967325 to the northern corner of the property having pin number 559500967325, thence in a southerly direction with the eastern property lines of the above said property and the property having pin number 559500957855 to the

southeastern corner of the property having pin number 559500957855, said corner also being located on the boundary of the northern right-of-way of NC 24/27 Highway, thence in an easterly direction with the northern right-of-way of NC 24/27 Highway to the southwestern corner of the property having pin number 650500056704, said corner also being located on the boundary of the northern right-of-way of NC 24/27 Highway, thence in a northerly direction along the western property lines of the properties having pin numbers 650500056704 and 650500058931 to the northwestern corner of the property having pin number 650500058931, thence in an easterly direction to the northeastern corner of the above said property, thence in a southerly direction to the southeastern corner of the above said property, said corner also being located on the boundary of the northern right-of-way of NC 24/27 Highway, thence in an easterly direction along the northern right-of-way of NC 24/27 Highway to the southwestern corner of the property having pin number 650500262275, said corner also being located on the boundary of the northern right-of-way of NC 24/27 Highway, thence in a northerly direction along the western property line of the above said property to the northwestern corner of the above said property, thence in an easterly direction along the northern property lines of the properties having pin numbers 650500262275, 650500265371, and 650500268540 to the northeastern corner of the property having pin number 650500268540, thence in a southerly direction along the eastern property line of the above said property to the southeastern corner of the above said property, thence in an easterly direction along the northern property line of the property having pin number 650500360392 to the northeastern corner of the above said property, thence in a northerly direction along the western property line of the property having pin number 650500361593 to the northwestern corner of the property having pin number 650500361593, thence in an easterly direction to the northeastern corner of the above said property, thence in a southerly direction to the southeastern corner of the above said property, said corner also being located on the boundary of the northern right-of-way of NC 24/27 Highway, thence in a southerly direction with the extended eastern property line of the above said property to the extended southeastern corner located on the boundary of the southern right-of-way of NC 24/27 Highway, thence in a westerly direction with the southern right-of-way of NC 24/27 Highway to the northeastern corner of the property having pin number 650500351705, said corner also being located on the boundary of the southern right-of-way of NC 24/27 Highway, thence in a southerly direction with the eastern property line of the above said property to the southeastern corner of the above said property, thence in a westerly direction along the southern property line of the above said property to the southwestern corner of the above said property, thence in a northerly direction along the western property line of the above said property to the northwestern corner of the above said property, said corner also being located on the boundary of the southern right-of-way of NC 24/27 Highway, thence in a westerly direction with the southern right-of-way of NC 24/27 Highway to the northeastern corner of the property having pin number 650500254762, said corner also being located on the boundary of the southern right-of-way of NC 24/27 Highway, thence in a southerly direction with the eastern property line of the above said property to the southeastern corner of the above said property, thence in a westerly direction with the southern property line of the above said property to the southwestern corner of the above said property, thence in a northerly direction with the property line of the above said property to the southeastern corner of the property having pin number 650500252734, thence in a westerly direction with the southern property line of the above said property to the southwestern corner of the above said property, thence in a

northerly direction with the western property line of the above said property to the northwestern corner of the above said property, said corner also being located on the boundary of the southern right-of-way of NC 24/27 Highway, thence in a westerly direction with the southern right-of-way of NC 24/27 Highway to the northeastern corner of the property having pin number 650500159460, said corner also being located on the boundary of the southern right-of-way of NC 24/27 Highway, thence in a southerly direction with the eastern property line of the above said property to the southeastern corner of the above said property, thence in a westerly direction along the southern property lines of the properties having pin numbers 650500159460, 650500162556, and 650500151160 to the point where the property having pin number 650500151160 intersects with the boundary of the eastern right-of-way of Lakewood Road, thence in a southerly, and then southwesterly, direction along the eastern right-of-way of Lakewood Road to the intersect with the property having pin number 650500141160, said point also being located on the boundary of the southern right-of-way of Lakewood Road, thence in a southerly direction to the southeastern corner of the property having pin number 650500151160, thence in a westerly direction with the southern property lines of the properties having pin numbers 650500151160, 650500048958, and 650500045993 to the southwestern corner of the property having pin number 650500045993, thence in a southerly direction with the eastern property line of the above said property to the southeastern corner of the property having pin number 559500952193, thence in a northwesterly direction along the southern property line of the above said property to the northeastern corner of the property having pin number 559500844105, thence in a southerly direction along the eastern property line of the above said property to the southeastern corner of the above said property, thence in a westerly direction along the southern property line of the above said property to the southwestern corner of the above said property, thence in a northerly direction with the western property line of the above said property to the northwestern corner of the above said property, thence in a westerly direction along the southern property line of the property having pin number 559500743314 to the southwestern corner of the above said property, thence with the western property lines of the properties having pin numbers 559500743314 and 559500741963 to the northwestern corner of the property having pin number 559500741963, said corner also being located on the boundary of the southern right-of-way of NC 24/27 Highway, thence in a westerly direction with the southern right-of-way of NC 24/27 Highway to the northeastern corner of the property having pin number 559500548819, said corner also being located on the boundary of the southern right-of-way of NC 24/27 Highway, thence in a southerly direction along the eastern property lines of the properties having pin numbers 559500548819 and 559500547794 to the southeastern corner of the property having pin number 559500547794, thence in a westerly direction along the southern property line of the above property to the southwestern corner of the property having pin number 559500547794, thence in a southerly direction along the eastern property line of the property having pin number 559500546608 to the southeastern corner of the above said property, thence in an easterly direction along the property lines of the above said property and the property having pin number 559500549324 to the eastern corner of the property having pin number 559500549324, thence in a southwesterly direction along the southern property line of the above said property to the northeastern corner of the property having pin number 559500545073, thence in a southerly direction along the eastern property lines of the properties having pin numbers 559500545073, 559500535863, 559500545073, and 559500425859 to the southeastern corner of the property having pin number

559500425859, thence in an easterly direction along the northern property line of the property having pin number 559500527774 to the northeastern corner of the above said property, thence in a southerly direction along the eastern property lines of the properties having pin numbers 559500527774 and 559500620269 to the southeastern corner of the property having pin number 559500620269, thence in an easterly direction along the northern property line of the property having pin number 559500710159 to the northeastern corner of the above said property, thence in a southeasterly direction along the eastern property line of the above said property to the southeastern corner of the above said property, said corner being on the boundary of the northern right-of-way of Lakewood Road, thence in a northeasterly direction with the northern right-of-way of Lakewood Road to a point where the northerly extended eastern property line of the property having pin number 559500706769 intersects on the boundary of the northern right-of-way of Lakewood Road, thence in a southeasterly direction with the northerly extended eastern property line of the above said property to the northeastern corner of the above said property, said corner also being located on the boundary of the southern right-of-way of Lakewood Road, thence in a southeasterly direction with the northeastern property line of the above said property to the southeastern corner of the above said property, thence in a westerly direction along the southern property lines of the properties having pin numbers 559500706769 and 559500704616 to the southwestern corner of the property having pin number 559500704616, thence in a northerly direction along the western property line of the above said property to the northwestern corner of the above said property, said corner also being located on the boundary of the southern right-of-way of Lakewood Road, said corner also being the point of beginning.

EXCEPTED from the above-described track are the following internal parcels:

- (1) Property having pin number 559500553885.
- (2) Property having pin number 559500561490.
- (3) Property having pin number 559500552596.
- (4) Property having pin number 559500476425.
- (5) Property having pin number 559500475814.
- (6) Property having pin number 559500470701.
- (7) Property having pin number 559500611552.
- (8) Property having pin number 559500612263.
- (9) Property having pin number 559500614021.
- (10) Those parcels of land in Arbor Heights subdivision, and road right-of-ways of Redwood Drive and Birchwood Court recorded in Plat Book 17 Page 386 and previously annexed into the town of Oakboro, NC. By parcels, these properties being identified by the following pin numbers.
  - (10.1) That property having pin number 659503418442
  - (10.2) That property having pin number 559503418373
  - (10.3) That property having pin number 559503419204
  - (10.4) That property having pin number 559503349155
  - (10.5) That property having pin number 559504510006
  - (10.6) That property having pin number 559504500948
  - (10.7) That property having pin number 559504500889
  - (10.8) That property having pin number 559504501820
  - (10.9) That property having pin number 559504501751
  - (10.10) That property having pin number 559504502740

- (10.11) That property having pin number 559504504639
- (10.12) That property having pin number 559504505639
- (10.13) That property having pin number 559504506685
- (10.14) That property having pin number 559504506851
- (10.15) That property having pin number 559504505942
- (10.16) That property having pin number 559504503889
- (10.17) That property having pin number 559504514060
- (10.18) That property having pin number 559504502986
- (10.19) That property having pin number 559504515101
- (10.20) That property having pin number 559504514210
- (10.21) That property having pin number 559504512019
- (10.22) That property having pin number 559504513108
- (10.23) That property having pin number 559504511169
- (10.24) That property having pin number 559504511218
- (10.25) That property having pin number 559504511318
- (10.26) That property having pin number 559504503740
- (10.27) That drive by the name of Redwood
- (10.28) That drive by the name of Birchwood

"ARTICLE III. GOVERNING BODY.

"Section 3.1. **Structure of Governing Body.** The governing body of the Town of Red Cross shall be the Town Council, which shall have four members and the Mayor.

"Section 3.2. **Temporary Officers.** Until the initial elections of 2003 provided for by Section 4.1 of this Charter, C. J. Barbee, Heath Hahn, J. D. Hinson, Raeford Quick, and Larry Wayne Smith are hereby appointed to the Town Council of the Town of Red Cross. They shall possess and exercise the powers granted to the governing body until their successors are elected or appointed and qualified pursuant to this Charter. The temporary officers shall elect a person from among the members of the temporary governing body to serve as interim mayor. If any person named in this section is unable to serve, the remaining temporary officers shall, by majority vote, appoint a person to serve until the regular municipal elections are held in 2003.

"Section 3.3. **Manner of Electing Town Council; Term of Office.** The qualified voters of the entire Town shall elect the members of the Town Council and, except as provided in this section, they shall be elected to four-year terms. In 2003, the two candidates receiving the highest number of votes shall be elected to four-year terms and the two candidates receiving the next highest number of votes shall be elected to two-year terms. In 2005, and biennially thereafter, two members shall be elected to four-year terms.

"Section 3.4. **Manner of Electing Mayor; Term of Office; Duties.** The qualified voters of the entire Town shall elect the Mayor. In 2003, and quadrennially thereafter, the Mayor shall be elected for a term of four years.

"Section 3.5. **Residence of Governing Body Members.** All members of the governing body of the Town of Red Cross, whether elected or appointed, must be qualified voters who reside within the corporate limits of the Town of Red Cross in order to qualify to take, hold, and continue in any such office.

"ARTICLE IV. ELECTIONS.

"Section 4.1. **Conduct of Town Elections.** Elections shall be conducted on a nonpartisan basis and results determined by a plurality as provided in G.S. 163-292.



## "ARTICLE V. ADMINISTRATION.

"Section 5.1. **Town to Operate Under Mayor-Council Plan.** The Town of Red Cross will operate under the Mayor-Council form of government as provided in Part 3 of Article 7 of Chapter 160A of the General Statutes."

**SECTION 2.** From and after the effective date of this act, the citizens and property in the Town of Red Cross shall be subject to municipal taxes levied for the year beginning July 1, 2002, and for that purpose, the Town shall obtain from Stanly County a record of property in the area incorporated in Section 1 of this act that was listed for taxes as of January 1, 2002. The Town may adopt a budget ordinance for fiscal year 2002-2003 without following the timetable in the Local Government Budget and Fiscal Control Act, but shall follow the sequence of actions in the spirit of the act insofar as is practical. For fiscal year 2002-2003, ad valorem taxes may be paid at par or face amount within 90 days of adoption of the budget ordinance and thereafter in accordance with the schedule in G.S. 105-360. If the effective date of incorporation is prior to July 1, 2002, the Town may adopt a budget ordinance for fiscal year 2001-2002 without following the timetable in the Local Government Budget and Fiscal Control Act, but shall follow the sequence of actions in the spirit of the act insofar as is practical.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of August, 2002.

Became law on the date it was ratified.

**H.B. 1648****Session Law 2002-57**

AN ACT TO AUTHORIZE THE COLLEGE OF THE ALBEMARLE AND GUILFORD TECHNICAL COMMUNITY COLLEGE TO ENTER INTO LEASE AGREEMENTS WITH THE YMCAS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Notwithstanding the provisions of G.S. 115D-15 or any other provision of law, the Board of Trustees of the College of the Albemarle may:

- (1) Lease, with or without monetary compensation, approximately four and one-half acres of vacant land that is located north of the Elizabeth City Campus to the Young Men's Christian Association of South Hampton Roads, Inc.
- (2) Provide in that lease, on terms the Board of Trustees deems appropriate, that the Young Men's Christian Association of South Hampton Roads, Inc., will construct a facility on that property. The college and the Young Men's Christian Association of South Hampton Roads, Inc., shall jointly own that facility.

The facility shall contain a YMCA that is maintained and operated by the Young Men's Christian Association of South Hampton Roads, Inc., and a college health sciences center consisting of college classrooms, office space, and labs that is maintained and operated by the College of the Albemarle.

The provisions of G.S. 143-341(3)a. and Section 2 of S.L. 2001-66 apply to the construction of the facility.

**SECTION 2.** Notwithstanding the provisions of G.S. 115D-15 or any other provision of law, the Board of Trustees of Guilford Technical Community College may:

- (1) Lease, with or without monetary compensation, approximately 14 acres of vacant land that is located on the Jamestown campus of Guilford Technical Community College in Guilford County to the YMCA of Greensboro, Inc.
- (2) Provide in that lease, on terms the Board of Trustees deems appropriate, that the YMCA of Greensboro, Inc. will construct a facility on that property. The facility shall contain a YMCA that is maintained and operated by the YMCA of Greensboro, Inc. and facilities therein for use by Guilford Technical Community College, consisting of one or more college classrooms, office space and certain other facilities.
- (3) The provisions of G.S. 143-341(3)a. apply to the construction of the facility.
- (4) The construction contract for the construction of the facility shall not be subject to the provisions of Article 8 of Chapter 143 of the General Statutes.

**SECTION 3.** This act is effective when it becomes law and expires December 31, 2005.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of August, 2002.

Became law on the date it was ratified.

## H.B. 1503

## Session Law 2002-58

AN ACT TO AMEND THE LAW RELATING TO SPECIAL MEETINGS OF SHAREHOLDERS UNDER THE NORTH CAROLINA BUSINESS CORPORATION ACT, TO AMEND THE LAW RELATING TO DISSENTERS' RIGHTS UNDER THE NORTH CAROLINA BUSINESS CORPORATION ACT, TO CLARIFY THAT A GENERAL PARTNER MUST EXECUTE DOCUMENTS FOR FILING BY THE SECRETARY OF STATE, AND TO CLARIFY THE LAW RELATING TO REGISTRATION OF GENERAL PARTNERSHIPS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 55-7-02(a) reads as rewritten:

"(a) A corporation shall hold a special meeting of shareholders:

- (1) On call ~~by~~of its board of directors or ~~by one or more officers of the corporation authorized to do so by the articles of incorporation or bylaws or, in the case of a corporation that is not a public corporation, by any other~~ the person or persons authorized to do so by the articles of incorporation or the bylaws; or
- (2) ~~Within~~In the case of a corporation that is not a public corporation, within 30 days after the holders of at least ten percent (10%) of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the corporation's secretary one or more written demands for the meeting describing the

~~purpose or purposes for which it is to be held; except however that, unless otherwise provided in the articles of incorporation, the call of a special meeting by shareholders is not available to the shareholders of a public corporation held. The written demand shall cease to be effective on the sixty-first day after the date of signature appearing on the demand unless prior to the sixty-first day the corporation has received effective written demands from holders sufficient to call the special meeting."~~

**SECTION 2.** G.S. 55-13-20(b) reads as rewritten:

"(b) If corporate action creating dissenters' rights under G.S. 55-13-02 is taken without a vote of shareholders or is taken by shareholder action without meeting under G.S. 55-7-04, the corporation shall no later than 10 days thereafter notify in writing all shareholders entitled to assert dissenters' rights that the action was taken and send them the dissenters' notice described in G.S. 55-13-22. A shareholder who consents to shareholder action taken without meeting under G.S. 55-7-04 approving a corporate action is not entitled to payment for the shareholder's shares under this Article with respect to that corporate action."

**SECTION 3.** G.S. 55-13-22(a) reads as rewritten:

"(a) If proposed corporate action creating dissenters' rights under G.S. 55-13-02 is approved at a shareholders' meeting, the corporation shall mail by registered or certified mail, return receipt requested, a written dissenters' notice to all shareholders who satisfied the requirements of G.S. 55-13-21. ~~If proposed corporate action creating dissenters' rights under G.S. 55-13-02 is approved by shareholder action without meeting pursuant to G.S. 55-7-04, the corporation shall mail by registered or certified mail, return receipt requested, a written dissenters' notice to each shareholder entitled to assert dissenters' rights. A shareholder who consents to such action taken without meeting pursuant to G.S. 55-7-04 approving a proposed corporate action is not entitled to payment for the shareholder's shares under this Article with respect to that corporate action."~~

**SECTION 4.** G.S. 59-35.1(b) reads as rewritten:

"(b) A document submitted ~~under this Act~~ for filing by the Secretary of State on behalf of a general partnership must be executed by a general partner of the partnership."

**SECTION 5.** G.S. 59-84.2 is amended by adding the following new subsection to read:

"(k) If a registered limited liability partnership is dissolved but its business is continued by some of its partners with or without others in a new partnership under the same name, then (i) the new partnership shall automatically succeed to the registration of the dissolved original partnership as a registered limited liability partnership and (ii) the dissolved original partnership shall be deemed to be registered as a registered limited liability partnership until the winding up of its affairs is completed."

**SECTION 6.** Sections 2, 3, and 4 of this act are effective January 1, 2002. Section 5 of this act is effective October 1, 1993. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 23<sup>rd</sup> day of July, 2002.

Became law upon approval of the Governor at 11:40 a.m. on the 1<sup>st</sup> day of August, 2002.

AN ACT TO AUTHORIZE THE BOARD OF CHIROPRACTIC EXAMINERS TO COLLECT A FEE FOR THE ANNUAL RECERTIFICATION OF CHIROPRACTIC DIAGNOSTIC IMAGING TECHNICIANS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 90-143.2 reads as rewritten:

**"§ 90-143.2. Certification of diagnostic imaging technicians.**

(a) The State Board of Chiropractic Examiners shall certify the competence of any person employed by a licensed chiropractor practicing in the State if the employee's duties include the production of diagnostic images, whether by X ray or other imaging technology. Applicants for certification must demonstrate proficiency in the following subjects:

- (1) Physics and equipment of radiographic imaging;
- (2) Principles of radiographic exposure;
- (3) Radiographic protection;
- (4) Anatomy and physiology;
- (5) Radiographic positioning and procedure.

The State Board of Chiropractic Examiners may adopt rules pertaining to initial educational requirements, examination of applicants, and continuing education requirements as are reasonably required to enforce this provision.

(b) Any person seeking to renew a certification of competence previously issued by the Board shall pay to the secretary of the Board a fee as prescribed and set by the Board which fee shall not be more than fifty dollars (\$50.00)."

**SECTION 2.** This act becomes effective August 1, 2002.

In the General Assembly read three times and ratified this the 25<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 11:40 a.m. on the 1<sup>st</sup> day of August, 2002.

AN ACT TO ALLOW THE DEPARTMENT OF TRANSPORTATION TO USE THE DESIGN-BUILD METHOD OF CONTRACTING FOR THE MULTILANING OF US HIGHWAY 601 FROM THE SOUTH CAROLINA STATE LINE TO US HIGHWAY 74 IN UNION COUNTY.

Whereas, the segment of US Highway 601 from the South Carolina State line to US Highway 74 in Union County is one of the most hazardous in the State, with numerous fatalities; and

Whereas, using the design-build method can speed up the multilaning of this segment by several years, as well as saving money; and

Whereas, the Department of Transportation is currently limited in the number of design-build contracts it can award; Now, therefore,

*The General Assembly of North Carolina enacts:*

**SECTION 1.** In addition to the authority granted by G.S. 136-28.11, the Department of Transportation may award contracts by the design-build method for the

multilaning of US Highway 601 from the South Carolina State line to US Highway 74 in Union County.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 11:41 a.m. on the 1<sup>st</sup> day of August, 2002.

## H.B. 1515

## Session Law 2002-61

AN ACT PERTAINING TO THE MEMBERSHIP OF THE COMMISSION FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 143B-148, as amended by Section 1.21(b) of S.L. 2001-437, and by Section 90.5 of S.L. 2001-487, reads as rewritten:

**"§ 143B-148. Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services – members; selection; quorum; compensation.**

(a) The Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services shall consist of ~~29 members~~; 30 members, as follows:

- (1) ~~Six of whom~~ shall be appointed by the General Assembly, three upon the recommendation of the Speaker of the House of Representatives, and three upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. ~~These members shall be individuals who are concerned about the needs of individuals for mental health, developmental disabilities, and substance abuse services. Members shall serve for two-year terms beginning July 1 of odd-numbered years. A member shall serve not more than three consecutive two-year terms. In recommending appointments under this section, the Speaker of the House of Representatives and the President Pro Tempore of the Senate shall give consideration to ensuring a balance of appointments that represent those who may have knowledge and expertise in adult issues and those who may have knowledge and expertise in children's issues. Of the three appointments recommended by the President Pro Tempore of the Senate, one shall be a physician licensed to practice medicine in North Carolina, with preference given to a psychiatrist, and two shall be members of the public. Of the three appointments recommended by the Speaker of the House of Representatives, one shall be a physician licensed to practice medicine in North Carolina who has expertise and experience in the field of developmental disabilities, or a professional holding a Ph.D. with experience in the field of developmental disabilities, and two shall be members of the public.~~ Vacancies in appointments made by the General Assembly shall be filled in accordance with G.S. ~~120-122~~; 120-122.
- (2) ~~Twenty-three of whom~~ Twenty-four shall be appointed by the Governor, one from each congressional district in the State in

- accordance with G.S. 147-12(3)b, and the remainder at-large members.
- a. ~~Of these 23 members, three shall have a special interest in mental health, three shall have a special interest in mental retardation, three shall have a special interest in developmental disabilities other than mental retardation, three shall have a special interest in alcohol abuse and alcoholism and three shall have a special interest in drug abuse. Each group of three shall be made up of one member who is a consumer representative; one other who is a representative of a local or State citizen organization or association; and one other who is a professional in the field.~~
  - b. ~~The remaining eight members shall be appointed from the general public, other citizen groups, area mental health, developmental disabilities, and substance abuse authorities, or from other related agencies.~~
  - c. ~~Of these 23 appointments, at least one shall be a licensed physician and at least one other shall be a licensed attorney.~~
  - d. ~~The terms of all Commission members appointed or reappointed by the Governor on or after July 1, 2002, shall be two years. All Commission members shall serve their designated terms and until their successors are duly appointed and qualified. All Commission members may succeed themselves. A member shall serve not more than three consecutive terms.~~

The Governor's appointees shall represent the following categories of appointment:

- a. Three professionals licensed or certified under Chapter 90 or Chapter 90B of the General Statutes who are practicing, teaching, or conducting research in the field of mental health.
- b. Four consumers or immediate family members of consumers of mental health services. Of these four, at least one shall be a consumer and at least one shall be an immediate family member of a consumer. No more than two of the consumers or immediate family members shall be selected from nominations submitted by the Coalition 2001 or its successor organization.
- c. Two professionals licensed or certified under Chapter 90 or Chapter 90B of the General Statutes who are practicing, teaching, or conducting research in the field of developmental disabilities, and one individual who is a 'qualified professional' as that term is defined in G.S. 122C-3(31) who has experience in the field of developmental disabilities.
- d. Four consumers or immediate family members of consumers of developmental disabilities services. Of these four, at least one shall be a consumer and at least one shall be an immediate family member of a consumer. No more than two of the consumers or immediate family members shall be selected from nominations submitted by the Coalition 2001 or its successor organization.

- e. Two professionals licensed or certified under Chapter 90 of the General Statutes who are practicing, teaching, or conducting research in the field of substance abuse, and one professional who is a certified prevention specialist or who specializes in the area of addiction education.
- f. An individual knowledgeable and experienced in the field of controlled substances regulation and enforcement. The controlled substances appointee shall be selected from recommendations made by the Attorney General of North Carolina.
- g. A physician licensed to practice medicine in North Carolina who has expertise and experience in the field of substance abuse with preference given to a physician that is certified by the American Society of Addiction Medicine (ASAM).
- h. Four consumers or immediate family members of consumers of substance abuse services. Of these four, at least one shall be a consumer and at least one shall be an immediate family member of a consumer. No more than two of the consumers or immediate family members shall be selected from nominations submitted by the Coalition 2001 or its successor organization.
- i. A licensed attorney.

The appointments of professionals licensed or certified under Chapter 90 or Chapter 90B of the General Statutes made in accordance with this subdivision, and physicians appointed in accordance with subdivision (1) of this subsection shall be selected from nominations submitted to the appointing authority by the respective professional associations.

- (2a) The terms of all Commission members appointed or reappointed on or after July 1, 2002, shall be three years. All Commission members shall serve their designated terms and until their successors are duly appointed and qualified. All Commission members may succeed themselves. A member appointed on and after July 1, 2002, shall not serve more than two consecutive terms.

- (3) All appointments shall be made pursuant to current federal rules and regulations, when not inconsistent with State law, which prescribe the selection process and demographic characteristics as a necessary condition to the receipt of federal aid.

(b) Except as otherwise provided in this section, the provisions of G.S. 143B-13 through 143B-20 relating to appointment, qualifications, terms and removal of members shall apply to all members of the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services.

(c) Commission members shall receive per diem, travel and subsistence allowances in accordance with G.S. 138-5 and G.S. 138-6, as appropriate.

(d) A majority of the Commission shall constitute a quorum for the transaction of business.

(e) All clerical and other services required by the Commission shall be supplied by the Secretary of the Department of Health and Human Services. To ensure effective and efficient coordination of rules and policies adopted by the Commission and the Secretary, the Secretary shall assign an individual who is knowledgeable about and

experienced in the rule-making processes of the Commission and the Secretary and in the fields of mental health, developmental disabilities, and substance abuse to assist the Commission in carrying out its duties and responsibilities."

**SECTION 2.** This act is effective when it becomes law. Compliance with the categories of appointment to the Commission under G.S. 143B-148(a), as amended by this act, shall be phased-in as follows. Upon expiration of the term of an initial appointment or reappointment made prior to July 1, 2002, the original appointing authority shall appoint an individual who most closely represents the appointment category delegated to that appointing authority under G.S. 143B-148(a), as amended by this act.

In the General Assembly read three times and ratified this the 22<sup>nd</sup> day of July, 2002.

Became law upon approval of the Governor at 11:41 a.m. on the 1<sup>st</sup> day of August, 2002.

**H.B. 1538****Session Law 2002-62**

AN ACT TO AMEND THE LAW RELATING TO DISTRIBUTION TO KNOWN BUT UNLOCATED DEVISEES OR HEIRS TO CONFORM TO THE NORTH CAROLINA UNCLAIMED PROPERTY ACT, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 28A-22-9 reads as rewritten:

**"§ 28A-22-9. Distribution to known but unlocated devisees or heirs.**

(a) If there are known but unlocated devisees or ~~heirs~~, heirs of property held by the personal representative, the personal representative may deliver the share of such devisee or heir to the clerk of superior court immediately prior to filing of the final account. If the devisee or heir is located after the final account has been filed, he may present a claim for the share to the clerk. If the clerk determines that the claimant is entitled to the share, he shall deliver the share to the devisee or claimant. If the clerk denies the claim, the claimant may take an appeal as in a special proceeding.

(b) The clerk shall hold the share without liability for profit or interest. If no claim has been presented within a period of ~~five years~~ one year after the filing of the final account, the clerk shall deliver the share to the State Treasurer as abandoned property.

(c) The clerk shall not be required to publish any notice to such devisee or heir and shall not be required to report such share to the State Treasurer. If the devisee or heir is located, the clerk shall inform the devisee or heir that he is entitled to file a claim with the State Treasurer for the share under the provisions of ~~G.S. 116B-38(a)~~. G.S. 116B-67."

**SECTION 2.** This act becomes effective October 1, 2002.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 11:42 a.m. on the 1<sup>st</sup> day of August, 2002.



**H.B. 1552****Session Law 2002-63**

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO DELAY THE EFFECTIVE DATE OF THE LOCKSMITH LICENSING ACT AND TO ALLOW THE LOCKSMITH LICENSING BOARD TO ADOPT TEMPORARY RULES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 3 of S.L. 2001-369 reads as rewritten:

"**SECTION 3.** G.S. 74F-5 and G.S. 74F-6, as enacted in Section 1 of this act, and Section 3 of this act are effective when the act becomes law. The remainder of the act becomes effective ~~July 1, 2002~~. January 1, 2003."

**SECTION 2.** Notwithstanding G.S. 150B-21.1(a)(2), the North Carolina Locksmith Licensing Board may adopt temporary rules to implement S.L. 2001-369 until January 1, 2003.

**SECTION 3.** Section 1 of this act becomes effective August 16, 2001. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 11:42 a.m. on the 1<sup>st</sup> day of August, 2002.

**H.B. 1583****Session Law 2002-64**

AN ACT TO ESTABLISH THE LEGAL EFFECT OF THE USE OF ELECTRONIC TECHNOLOGY IN CRIMINAL PROCESS AND PROCEDURE, AS RECOMMENDED BY THE NORTH CAROLINA COURTS COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Article 1 of Chapter 15A of the General Statutes is amended by adding a new section to read:

**"§ 15A-101.1. Electronic technology in criminal process and procedure.**

As used in this Chapter, in Chapter 7A of the General Statutes, in Chapter 15 of the General Statutes, and in all other provisions of the General Statutes that deal with criminal process or procedure:

- (1) "Copy" means all identical versions of a document created or existing in paper form, including the original and all other identical versions of the document in paper form.
- (2) "Document" means any pleading, criminal process, subpoena, complaint, motion, application, notice, affidavit, commission, waiver, consent, dismissal, order, judgment, or other writing intended in a criminal or contempt proceeding to authorize or require an action, to record a decision or to communicate or record information. The term does not include search warrants. A document may be created and exist in paper form or in electronic form or in both forms. Each document shall contain the legible, printed name of the person who signed the document.

- (3) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, Internet, or similar capabilities.
- (4) "Electronic Repository" means an automated electronic repository for criminal process created and maintained pursuant to G.S. 15A-301.1.
- (5) "Electronic signature" means any electronic method of signing a document that meets each of the following requirements:
  - a. Identifies and authenticates a particular person as the signer of the document, is unique to the person using it, is capable of certification, and is under the sole control of the person using it.
  - b. Is attached to or logically associated with the document in such a manner that if the document is altered in any way without authorization of the signer, the signature is invalidated.
  - c. Indicates that person's intent to issue, enter or otherwise authenticate the document.
- (6) "Entered" means signed and filed in the office of the clerk of superior court of the county in which the document is to be entered. A document may be entered in either paper form or electronic form.
- (7) "Filing" or "filed" means:
  - a. When the document is in paper form, delivering the original document to the office where the document is to be filed. Filing is complete when the original document is received in the office where the document is to be filed.
  - b. When the document is in electronic form, creating and saving the document, or transmitting it, in such a way that it is unalterably retained in the electronic records of the office where the document is to be filed. A document is "unalterably retained" in an electronic record when it may not be edited or otherwise altered except by a person with authorization to do so. Filing is complete when the document has first been unalterably retained in the electronic records of the office where the document is to be filed.
- (8) "Issued" applies to documents in either paper form or electronic form. A document that is first created in paper form is issued when it is signed. A document that is first created in electronic form is issued when it is signed, filed in the office of the clerk of superior court of the county for which it is to be issued, and retained in the Electronic Repository.
- (9) "Original" means:
  - a. A document first created and existing only in paper form, bearing the original signature of the person who signed it. The term also includes each copy in paper form that is printed through the facsimile transmission of the copy bearing the original signature of the person who signed it.
  - b. A document existing in electronic form, including the electronic form of the document and any copy that is printed from the electronic form.
- (10) "Signature" means any symbol, including, but not limited to, the name of an individual, which is executed by that individual, personally or

through an authorized agent, with the intent to authenticate or to effect the issuance or entry of a document. The term includes an electronic signature. A document may be signed by the use of any manual, mechanical or electronic means that causes the individual's signature to appear in or on the document. Any party challenging the validity of a signature shall have the burden of pleading, producing evidence, and proving the following:

- a. The signature was not the act of the person whose signature it appears to be.
- b. If the signature is an electronic signature, the requirements of subdivision (5) of this section have not been met."

**SECTION 2.** Article 17 of Chapter 15A of the General Statutes is amended by adding a new section to read:

**"§ 15A-301.1. Electronic Repository.**

(a) The Administrative Office of the Courts shall create and maintain, in cooperation with State and local law enforcement agencies, an automated electronic repository for criminal process (hereinafter referred to as the Electronic Repository), which shall comprise a secure system of electronic data entry, storage, and retrieval that provides for creating, signing, issuing, entering, filing, and retaining criminal process in electronic form, and that provides for the following with regard to criminal process in electronic form:

- (1) Tracking criminal process.
- (2) Accessing criminal process through remote electronic means by all authorized judicial officials and employees and all authorized law enforcement officers and agencies that have compatible electronic access capacity.
- (3) Printing any criminal process in paper form by any authorized judicial official or employee or any authorized law enforcement officer or agency.

The Administrative Office of the Courts shall assure that all electronic signatures effected through use of the system meet the requirements of G.S. 15A-101.1(5).

(b) Any criminal process may be created, signed, and issued in electronic form, filed electronically in the office of a clerk of superior court, and retained in electronic form in the Electronic Repository.

(c) Any process that was first created, signed, and issued in paper form may subsequently be filed in electronic form and entered in the Electronic Repository by the judicial official who issued the process or by any person authorized to enter it on behalf of the judicial official. All copies of the process in paper form are then subject to the provisions of subsections (i) and (k) of this section.

(d) Any criminal process in the Electronic Repository shall be part of the official records of the clerk of superior court of the county for which it was issued and shall be maintained in the office of that clerk as required by G.S. 15A-301(a).

(e) Any criminal process in the Electronic Repository may, at any time and at any place in this State, be printed in paper form and delivered to a law enforcement agency or officer by any judicial official, law enforcement officer, or other authorized person.

(f) When printed in paper form pursuant to subsection (e) of this section, any copy of a criminal process in the Electronic Repository confers the same authority and

has the same force and effect for all other purposes as the original of a criminal process that was created and exists only in paper form.

(g) Service of any criminal process in the Electronic Repository may be effected by delivering to the person to be served a copy of the process that was printed in paper form pursuant to subsection (e) of this section.

(h) The tracking information specified in subsection (i) of this section shall promptly be entered in the Electronic Repository when one or both of the following occurs:

(1) A process is first created, signed, and issued in paper form and subsequently entered in electronic form in the Electronic Repository as provided in subsection (c) of this section.

(2) A copy of a process in the Electronic Repository is printed in paper form pursuant to subsection (e) of this section.

(i) The following tracking information shall be entered in the Electronic Repository in accordance with subsections (c) and (h) of this section:

(1) The date and time when the process was printed in paper form.

(2) The name of the law enforcement agency by or for which the process was printed in paper form.

(3) If available, the name and identification number of the law enforcement officer to whom any copy of the process was delivered.

(j) The service requirements set forth in subsection (k) of this section shall apply to:

(1) Each copy of a criminal process that is first created in paper form and subsequently entered into the Electronic Repository as provided in subsection (c) of this section.

(2) Each copy of a criminal process in the Electronic Repository that is printed in paper form pursuant to subsection (e) of this section.

(k) Service Requirements for Process Entered in the Electronic Repository. – The copy of the process shall be served not later than 24 hours after it has been printed. The date, time, and place of service shall promptly be recorded in the Electronic Repository and shall be part of the official records of the court. If the process is not served within 24 hours, that fact shall promptly be recorded in the Electronic Repository and all copies of the process in paper form shall be destroyed. The process may again be printed in paper form at later times and at the same or other places. Subsection (f) of this section applies to each successively printed copy of the process. When service of the warrant is no longer being actively pursued, that fact shall be promptly recorded in the Electronic Repository.

(l) A law enforcement officer or agency that does not have compatible remote access to the Electronic Repository shall promptly communicate, by any reasonable means, the information required by subsection (k) of this section to the clerk of superior court of the county in which the process was issued or to any other person authorized to enter information into the Electronic Repository, and the information shall promptly be entered in the Electronic Repository.

(m) Failure to enter any information as required by subsection (i) or (k) of this section does not invalidate the process, nor does it invalidate service or execution made after the period specified in subsection (k) of this section.

(n) A warrant created and existing only in paper form is returned within the meaning of G.S. 132-1.4(k) when it is returned as provided in G.S. 15A-301(d). A warrant that exists only in electronic form in the Electronic Repository is returned

within the meaning of G.S. 132-1.4(k), when it has been served or when service of the warrant is no longer being actively pursued, as either fact is entered in the Electronic Repository pursuant to subsection (k) of this section."

**SECTION 3.** G.S. 15A-301 reads as rewritten:

**"§ 15A-301. Criminal process generally.**

(a) Formal Requirements. –

- (1) A record of each criminal process issued in the trial division of the General Court of Justice must be maintained in the office of the ~~clerk~~ clerk in either paper form or in electronic form in the Electronic Repository as provided in G.S. 15A-301.1.
- (2) Criminal process, other than a citation, must be signed and dated by the justice, judge, magistrate, or clerk who issues it. The citation must be signed and dated by the law-enforcement officer who issues it.

(b) To Whom Directed. – Warrants for arrest and orders for arrest must be directed to a particular officer, a class of officers, or a combination thereof, having authority and territorial jurisdiction to execute the process. A criminal summons must be directed to the person summoned to appear and must be delivered to and may be served by any law-enforcement officer having authority and territorial jurisdiction to make an arrest for the offense charged, except that in those instances where the defendant is called into a law-enforcement agency to receive a summons, any employee so designated by the agency's chief executive officer may serve a criminal summons at the agency's office. The citation must be directed to the person cited to appear.

(c) Service. –

- (1) A law-enforcement officer or other employee designated as provided in subsection (b) receiving ~~criminal process~~ for service or execution a criminal process that was first created and exists only in paper form must note thereon the date and time of its receipt. A law enforcement officer receiving a copy of a criminal process that was printed in paper form as provided in G.S. 15A-301.1 shall cause the date of receipt to be recorded as provided in that section. Upon execution or service, a copy of the process must be delivered to the person arrested or served.
- (2) A corporation may be served with criminal summons as provided in G.S. 15A-773.

(d) Return. –

- (1) The officer or other employee designated as provided in subsection (b) who serves or executes a criminal process that was first created and exists only in paper form must enter the date and time of the service or execution on the process and return it to the clerk of court in the county in which issued. The officer or other employee designated as provided in subsection (b) of this section who serves or executes a copy of a criminal process that was printed in paper form as provided in G.S. 15A-301.1 shall promptly cause the date of the service or execution to be recorded as provided in that section.
- (2) If criminal process that was created and exists only in paper form is not served or executed within a number of days indicated below, it must be returned to the clerk of court in the county in which it was issued, with a reason for the failure of service or execution noted thereon.

a. Warrant for arrest – 180 days.

- b. Order for arrest – 180 days.
- c. Criminal summons – 90 days or the date the defendant is directed to appear, whichever is earlier.
- (3) Failure to return the process to the clerk as required by subdivision (2) of this subsection does not invalidate the process, nor does it invalidate service or execution made after the period specified in subdivision (2).
- (4) The clerk to which return of a criminal process that was created and exists only in paper form is made may redeliver the process to a law-enforcement officer or other employee designated as provided in subsection (b) for further attempts at service. If the process is a criminal summons, he may reissue it only upon endorsement of a new designated time and date of appearance.
- (e) Copies to Be Made by Clerk. –
  - (1) The clerk may make a certified copy of any criminal process that was created and exists only in paper form filed in his office pursuant to subsection (a) when the original process has been lost or when the process has been returned pursuant to subdivision (d)(2). The copy may be executed as effectively as the original process whether or not the original has been redelivered as provided in G.S. 15A-301(d)(4).
  - (2) When criminal process is returned to the clerk pursuant to subdivision (d)(1) and it appears that the appropriate venue is in another county, the clerk must make and retain a certified copy of the process and transmit the original process to the clerk in the appropriate county.
  - (3) Upon request of a defendant, the clerk must make and furnish to him without charge one copy of every criminal process filed against him.
  - (4) Nothing in this section prevents the making and retention of uncertified copies of process for information purposes under G.S. 15A-401(a)(2) or for any other lawful purpose.
- (f) Protection of Process Server. – An officer or other employee designated as provided in subsection (b), and serving process as provided in subsection (b), receiving under this section or under G.S. 15A-301.1 criminal process which is complete and regular on its face may serve the process in accordance with its terms and need not inquire into its regularity or continued validity, nor does he incur criminal or civil liability for its due service.
- (g) Recall of Process – Authority. – A criminal process that has not been served on the defendant, other than a citation, shall be recalled by a judicial official or by a person authorized to act on behalf of a judicial official as follows:
  - (1) A warrant or criminal summons shall be recalled by the issuing judicial official when that official determines that probable cause did not exist for its issuance.
  - (2) Any criminal process other than a warrant or criminal summons may be recalled for good cause by any judicial official of the trial division in which it was issued. Good cause includes, without limitation, the fact that:
    - a. A copy of the process has been served on the defendant.
    - b. All charges on which the process is based have been disposed.
    - c. The person named as the defendant in the process is not the person who committed the charged offense.

- d. It has been determined that grounds for the issuance of an order for arrest did not exist, no longer exist or have been satisfied.
- (3) The disposition of all charges on which a process is based shall effect the recall, without further action by the court, of that process and of all other outstanding process issued in connection with the charges, including all orders for arrest issued for the defendant's failure to appear to answer the charges.

When the process was first created and exists only in paper form, the recall shall promptly be communicated by any reasonable means to each law enforcement agency known to be in possession of the original or a copy of the process, and each agency shall promptly return the process to the court, unserved. When the process is in the Electronic Repository, the recall shall promptly be entered in the Electronic Repository, and no further copies of the process shall be printed in paper form. The recall shall also be communicated by any reasonable means to each agency that is known to be in possession of a copy of the process in paper form and that does not have remote electronic access to the Electronic Repository."

**SECTION 4.** This act becomes effective January 1, 2003, and applies to all acts done on and after that date.

In the General Assembly read three times and ratified this the 24<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 11:43 a.m. on the 1<sup>st</sup> day of August, 2002.

**S.B. 1133**

**Session Law 2002-65**

**AN ACT TO MODIFY THE DISTRIBUTIONS FROM THE TOWN OF RUTHERFORDTON BOARD OF ALCOHOLIC BEVERAGE CONTROL.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 1 of S.L. 2001-188 reads as rewritten:

"Section 1. Section 5.4 of Chapter 350 of the 1979 Session Laws reads as rewritten:

"Section 5.4. Alcoholic Beverage Control Stores. A. The governing body of the Town of Rutherfordton may, on its own motion, and shall, upon receipt of petition signed by qualified voters of the Town equal in number to fifteen percent (15%) of the votes cast for Mayor in the most recent regular town election, call and conduct a special election in the Town upon the question of whether Alcoholic Beverage Control stores shall be established in the Town and/or whether 'off-premises' sales of malt beverages shall be permitted. Such election or elections may be held notwithstanding the provisions of G.S. 18A-52(d)(h) and (i). No new registration of voters shall be necessary for such special election, and all qualified voters of the town who are registered prior to the registration period for such special election, and all who register during such period shall be eligible and entitled to vote in such special election. Except as otherwise provided herein, if a special election is called, the special election authorized shall be conducted under the same statutes, rules and regulations applicable to general elections for the Town of Rutherfordton. The governing body shall cause public notice of any such special election to be posted at the Town Hall and published in a newspaper having general circulation in the town at least 15 days preceding the day of the election.

B. At such special election, ballots shall be provided which contain the words, 'For Town Alcoholic Beverage Control Stores' and 'Against Town Alcoholic Beverage Control Stores' and/or, 'For off-premises sales of malt beverages' and 'Against off-premises sales of malt beverages'. The Town Council shall determine whether both questions are to be included on the same ballot or separate ballots. Appropriate squares shall be printed to the left of each phrase so that each voter may designate with an 'X' his preference. The cost of conducting the election shall be appropriated from the General Fund of the Town of Rutherfordton.

C. If a majority of the votes cast at any such special election authorized under this section shall be cast 'For Town Alcoholic Beverage Control Stores' then it shall thereafter be lawful for such store or stores to be established and operated within the town, and the Town Council will then immediately create and appoint the Town of Rutherfordton Alcoholic Beverage Control Board, to be composed of a chairman and two other members. The member designated chairman by the Town Council shall serve for a term of three years; one member for a term of two years; and one member for a term of one year. After serving the initial terms, successors shall be appointed for terms of three years. Any vacancy on such board shall be filled by the Town Council for the unexpired term. Compensation of the members of the Board shall be fixed by the Town Council. If a majority of the votes cast in any such election authorized under this section shall be cast 'For off-premises sales of malt beverages' then the off-premises sale of malt beverages shall thereafter be lawful in the Town of Rutherfordton.

D. The Town of Rutherfordton Alcoholic Beverage Control Board shall have all the powers granted to, and duties imposed upon, county alcoholic control boards by G.S. 18A-17, except that G.S. 18A-17 (14) shall not apply to the Rutherfordton Board of Alcoholic Beverage Control, and shall be subject to the powers and authority of the State Board of Alcoholic Beverage Control as granted by G.S. 18A-15; provided, however, that the location of stores and the purchase or lease of real property shall be subject to the approval of the Town Council.

The Rutherfordton Board of Alcoholic Beverage Control on a quarterly basis shall, after retaining a sufficient and proper working capital and making payment of salaries and expenses, distribute the net profits out of the operation of said alcoholic beverage control store(s) in the following manner, and none other:

Five percent (5%) to the Rutherford County Department of Mental Health to be specifically used for alcohol and drug rehabilitation programs.

~~Twelve and one-half percent (12.5%)~~ Eleven percent (11%) to the Rutherford County Board of Education for specific use in meeting capital outlay needs at Rutherfordton-Spindale High School.

~~Six and one-quarter percent (6.25%)~~ Five and one-half percent (5.5%) to the Rutherford County Board of Education for specific use in meeting the capital outlay needs at Rutherfordton Elementary School.

~~Six and one-quarter percent (6.25%)~~ Five and one-half percent (5.5%) to the Rutherford County Board of Education for specific use in meeting the capital outlay needs at Rutherfordton-Spindale Middle School.

Three percent (3%) to the Rutherford County Board of Education for specific use in meeting the capital outlay needs of Rutherford Opportunity Center.

Twenty percent (20%) to the Town of Rutherfordton Parks and Recreation Commission to be used for capital improvements, maintenance and programs in its Recreational activities.



Twenty-five percent (25%) to the Town Council of Rutherfordton for use in law enforcement through the Town Police Department.

Twenty-five percent (25%) to the Town Council of Rutherfordton to be used for any lawful purposes the board may deem necessary and essential.

All agencies outside of the government of the Town of Rutherfordton which receive net proceeds from the Town Alcoholic Beverage Control Board, shall be required to file an annual report to the Town Council, specifying how all proceeds were expended.

E. Subsequent elections on Alcoholic Beverage Control stores or off-premises sales of malt beverages shall not be held within two years of any previous election on the question, provided an election on one question shall not prevent an election on the other question.

If a subsequent election is held and the majority of the votes are cast 'Against Town Alcoholic Beverage Control Stores' the Town of Rutherfordton Alcoholic Beverage Control Board shall, within three months of certification of such election, dispose of all alcoholic beverages on hand and all of the assets under the control of said board, and convert the same into cash and turn the same over to the Town Treasurer. If a subsequent election is held and the majority of the votes are cast 'Against off-premises sales of malt beverages' then the off-premises sale of malt beverages shall cease to be lawful in the Town of Rutherfordton."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

**S.B. 1371**

**Session Law 2002-66**

**AN ACT TO AMEND CHAPTER 707 OF THE 1963 SESSION LAWS RELATED TO CURRENT EXPENSE EXPENDITURES FROM LOCAL FUNDS FOR THE SCOTLAND COUNTY SCHOOLS.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 707 of the 1963 Session Laws is amended by adding the following new sections:

"Sec. 9.1. For the 2002-2003 fiscal year only, current expense expenditures from local funds for the Scotland County Schools shall be eight million seven hundred thousand dollars (\$8,700,000) and said sum shall be appropriated by the Scotland County Board of Commissioners from local funds, including both general and supplemental tax revenues, and not including fines and forfeitures or restricted use sales taxes authorized by Article 40 or 42 of Chapter 105 of the General Statutes.

Sec. 9.2. Beginning with the 2003-2004 fiscal year, the base amount of funding for current expense expenditures from local funds shall include the previous years' level of current expense expenditures (for example, eight million seven hundred thousand dollars (\$8,700,000) in 2002-2003), multiplied by the average percentage change in current expense school expenditures for the most recent available fiscal year for low-wealth counties in North Carolina (all local expenditures shall include local current expense expenditures incurred by charter schools within the appropriate districts), as determined by the Superintendent of Public Instruction or that person's designee. The resulting product shall then be multiplied by a ratio consisting of the Average Daily Membership used to distribute State funding for the succeeding fiscal year as provided

by the Department of Public Instruction, divided by the Average Daily Membership used to distribute funding for the current fiscal year, as determined by the Superintendent of Public Instruction, or that person's designee. The resulting number shall be added to or subtracted from the previous year's amount of current expense expenditures from local funds. This sum shall be the required level of current expense funding to be appropriated by the Board of Commissioners from any local sources, including both general and supplemental tax revenues, and not including fines and forfeitures or restricted use sales taxes authorized by Article 40 or 42 of Chapter 105 of the General Statutes.

Sec. 9.3. Notwithstanding the provisions of Sections 9.1 and 9.2 of this act, the Scotland County Board of Commissioners and the Scotland County Board of Education may, in extraordinary economic circumstances, jointly set a level of current expense expenditures for a fiscal year. This deviation from Sections 9.1 and 9.2 of this act shall be valid only if approved by resolution of both boards."

**SECTION 2.** The remainder of Chapter 707 of the 1963 Session Laws is not changed by this act except to the extent any previously enacted provisions for the establishment and funding of current expense expenditures are inconsistent with the provisions of this act.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

## H.B. 1662

## Session Law 2002-67

AN ACT ADDING CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE CITY OF ROANOKE RAPIDS AND TO ANNEX OTHER DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF BRUNSWICK.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The following described property is added to the corporate limits of the City of Roanoke Rapids:

Being all that certain tract or parcel of land situate in Weldon Township, Halifax County, North Carolina, more particularly described as follows: Beginning at a point; said point being the southwest corner of property belonging to Wilbur C. Overton as described in deed book 1637, page 401, Halifax Public Registry; said point also being the northwest corner of Lot Number One of Roanoke Square Subdivision, Phase One, as shown on plat recorded in Plat Cabinet 6, Slide 2-H, Halifax County Public Registry; said point also being N 73-74-35 E, 558.22 feet from North Carolina Geodetic Survey Station Patrol; said point also being located on the eastern right of way line of N.C. Route Number 125; thence from said point of beginning along the lines dividing this property and property of Wilbur C. Overton the following course and distances: N 74-20-19 E 250 feet, N 29-57-41 W 292.29 feet, and S 58-45-14 W 250.00 feet, to the eastern right of way of N.C. Route Number 125; thence along the eastern right of way of N.C. Route Number 125 the following course and distances: N 31-58-28 W 149.02 feet, N 31-35-11 W 160.95 feet, N 31-12-51 W 28.63 feet, N 28-35-06 W 102.11 feet, and N 24-05-27 W 162.57 feet to a point dividing this property and property now or formerly belonging to Robert Taylor Wilson, Sr. Et Ux; thence along the line dividing

his property and the property of Robert Taylor Wilson, Sr. Et Ux N 69-25-55 E 329.96 feet; thence along the lines dividing this property and property of D & D Land Sales the following course and distances: S 62-04-06 E 37.20 feet, S 70-52-21 E 337.00 feet, N 19-23-23 E 149.00 feet, S 70-49-43 E 410.52 feet, N 19-10-17 E 200 feet, S 70-49-43 E 230.91 feet, and S 75-57-42 E 87.66 feet to the western right of way of Interstate 95; thence along the western right of way of Interstate 95 the following course and distances: S 23-09-41 W 77.55 feet, S 23-57-37 W 290.42 feet, S 29-39-19 W 67.95 feet, S 31-50-15 W 46.87 feet, S 33-56-11 W 46.95 feet, S 35-52-35 W 46.79 feet, S 37-57-54 W 46.80 feet, S 39-57-28 W 46.82 feet, S 41-41-22 W 46.66 feet, S 43-51-09 W 47.04 feet, S 45-26-54 W 37.36 feet, S 50-27-48 W 290.80 feet, S 52-27-32 W 63.19 feet, S 52-27-32 W 146.59 feet, and N 89-41-04 W 102.36 feet to the eastern right of way of N.C. Route Number 125; thence along the eastern right of way of N.C. Route Number 125 the following course and distances: N 39-59-49 W 197.80 feet, and N 32-26-52 W 45.39 feet to the point and place of beginning; said tract or parcel of land containing 19.26 Acres more or less and being all of Roanoke Square, Phase One and Phase Two, as shown on plats recorded in Plat Cabinet 6, Slide 2-H and Plat Cabinet 6, Slide 20-P, Halifax Public Registry, to which reference is hereby had and made as part of this description.

**SECTION 2.** The following described property is added to the corporate limits of the Town of Brunswick:

TRACT ONE: Beginning at the intersection of the west edge of the right of way of U.S. Highway No. 701 (said right of way extending 75 feet west of the centerline) with the north edge of the right of way of the public highway formerly known as the Jackson and Danville Public Road leading westward from New Hope (said right of way extending 30 feet North of the centerline) and running westwardly with the north edge of the right of way public highway 140 feet; thence northwardly and parallel with Highway No. 701 a distance of 158 feet; thence eastwardly and parallel with said public highway 140 feet to the west edge of the right of way of U.S. Highway 701; thence with the west edge of the right of way of U.S. Highway No. 701 southwardly 158 feet to the beginning.

TRACT TWO: Beginning at a point in the west edge of the right of way of U.S. Highway 701 (said right of way extending 75 feet west of the centerline) said beginning point being 158 feet measured northwardly from the north edge of the right of way of public highway formerly known as the Jackson and Danville Public Road leading westward from New Hope (said right of way of said public highway extending 30 feet north of the centerline) and running westwardly parallel with the said public highway 140 feet; thence northwardly and parallel with U.S. Highway No. 701 a distance of 125 feet to the north boundary of the 2.91 acre tract hereinafter referred to; thence eastwardly with the said north boundary of the 2.91 acre tract 140 feet to the west edge of the right of way of U.S. Highway No. 701; thence southwardly with the west edge of said right of way 125 feet to the beginning, being a portion of the 2.91 acre tract of land described in Deed dated 21 February, 1956, from Jesse C. Fisher, Jr. and wife, Gaye Sanders Fisher, to Roland Hinson and wife, Clarice P. Hinson, recorded in Deed Book 207, at Page 616, Columbus County Registry.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

AN ACT TO AMEND THE PROCESS BY WHICH A VARIANCE MAY BE GRANTED BY THE COASTAL RESOURCES COMMISSION UNDER THE COASTAL AREA MANAGEMENT ACT, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 113A-120.1 reads as rewritten:

**"§ 113A-120.1. Variances.**

(a) Any person may petition the Commission for a variance granting permission to use ~~his~~the person's land in a manner otherwise prohibited by ~~rules, standards, or limitations~~rules or standards prescribed by the Commission, or orders issued by the Commission, pursuant to this Article. ~~When it finds that~~ To qualify for a variance, the petitioner must show all of the following:

(i) ~~(1) practical difficulties or unnecessary~~ Unnecessary hardships would result from strict application of the ~~guidelines, rules, standards, or orders~~ or other restrictions applicable to the property,

(ii) ~~(2) such difficulties or~~ The hardships result from conditions ~~which that~~ are peculiar to the property, such as the location, size, or topography of the property to the property involved,

(iii) ~~(3) The hardships did not result from actions taken by the petitioner. such conditions could not reasonably have been anticipated when the applicable guidelines, rules, standards, or restrictions were adopted or amended, the Commission may vary or modify the application of the restrictions to the property so that~~

(4) The requested variance is consistent with the spirit, purpose, and intent of the rules, standards, or orders; will secure public safety and welfare; and will preserve substantial justice. ~~restrictions are preserved, public safety and welfare secured, and substantial justice preserved. In granting a variance, the~~

(b) The Commission may impose reasonable and appropriate conditions and safeguards upon any permit it issues. variance it grants. ~~The Commission may conduct a hearing within 45 days from the receipt of the petition and shall notify such persons and agencies that may have an interest in the subject matter of the time and place of the hearing."~~

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of July, 2002.

Became law upon approval of the Governor at 10:03 p.m. on the 8<sup>th</sup> day of August, 2002.

AN ACT TO AMEND G.S. 116-19 BY DEFINING THE TERMS "NEEDY NORTH CAROLINA STUDENTS" AND "INSTITUTIONAL METHODOLOGY".

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 116-19(a) reads as rewritten:

"(a) In order to encourage and assist private institutions to continue to educate North Carolina students, the State Education Assistance Authority may enter into contracts with the institutions under the terms of which an institution receiving any funds that may be appropriated pursuant to this section would agree that, during any fiscal year in which such funds were received, the institution would provide and administer scholarship funds for needy North Carolina students in an amount at least equal to the amount paid to the institution, pursuant to this section, during the fiscal year. Under the terms of the contracts the State Education Assistance Authority would agree to pay to the institutions, subject to the availability of funds, a fixed sum of money for each North Carolina student enrolled at the institutions for the regular academic year, said sum to be determined by appropriations that might be made from time to time by the General Assembly pursuant to this section. Funds appropriated pursuant to this section shall be paid by the State Education Assistance Authority to an institution on certification of the institution showing the number of North Carolina students enrolled at the institution as of October 1 of any year for which funds may be appropriated. For purposes of this subsection, "needy North Carolina students" are those eligible students who have financial need as determined by the institution under the institutional methodology or the federal methodology as defined by the State Education Assistance Authority. For purposes of this subsection, "institutional methodology" means a need-analysis formula, developed by College Scholarship Service, that determines the student's and family's capacity to pay for postsecondary education each year."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of August, 2002.

Became law upon approval of the Governor at 3:40 p.m. on the 12<sup>th</sup> day of August, 2002.

**S.B. 1251**

**Session Law 2002-70**

AN ACT TO MERGE THE DIVISION OF RADIATION PROTECTION OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES INTO THE DIVISION OF ENVIRONMENTAL HEALTH OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO CREATE THE RADIATION PROTECTION SECTION OF THE DIVISION OF ENVIRONMENTAL HEALTH, AND TO MAKE CONFORMING STATUTORY CHANGES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 143B-279.3(c) reads as rewritten:

"(c)

- (1) ~~There is created a division within the environmental area of the Department of Environment and Natural Resources to be named the Division of Radiation Protection. All functions, powers, duties, and obligations of the Radiation Protection Section of the Division of Facility Services of the Department of Health and Human Services are transferred in their entirety to the Radiation Protection Division of the Department of Environment and Natural Resources.~~

- (2) There is created a division within the environmental area of the Department of Environment and Natural Resources to be named the Division of Waste Management. All functions, powers, duties, and obligations of the Solid Waste Management Section of the Division of Health Services of the Department of Health and Human Services are transferred in their entirety to the Division of Waste Management of the Department of Environment and Natural Resources.
- (3) There is created a division within the environmental areas of the Department of Environment and Natural Resources to be named the Division of Environmental Health. All functions, powers, duties and obligations of the Division of Environmental Health of the Department of Environment and Natural Resources are transferred in their entirety to the Division of Environmental Health, Department of Environment and Natural Resources. All functions, powers, duties, and obligations of the Division of Radiation Protection of the Department of Environment and Natural Resources are transferred in their entirety to the Division of Environmental Health of the Department of Environment and Natural Resources."

**SECTION 2.** G.S. 104E-8(c) reads as rewritten:

"(c) The 10 ex officio members shall be appointed by the Governor, shall be members or employees of the following State agencies or their successors, and shall serve at the Governor's pleasure:

- (1) The Utilities ~~Commission;~~Commission.
- (2) The Commission for Health ~~Services;~~Services.
- (3) The Environmental Management ~~Commission;~~Commission.
- (4) The Board of ~~Transportation;~~Transportation.
- (5) The Division of Emergency Management of the Department of Crime Control and Public ~~Safety;~~Safety.
- (6) The Division of ~~Radiation Protection~~Environmental Health of the ~~Department;~~Department.
- (7) The Department of ~~Labor;~~Labor.
- (8) The Industrial ~~Commission;~~Commission.
- (9) The Department of ~~Insurance;~~Insurance.
- (10) The Medical Care Commission."

**SECTION 3.** G.S. 104E-9(b) reads as rewritten:

"(b) The ~~Radiation Protection~~Division of Environmental Health of the Department of ~~Environment and Natural Resources~~ shall develop a training program for tanning equipment operators that meets the training rules adopted by the ~~North Carolina Radiation Protection~~ Commission. If the training program is provided by the Department, the Department may charge each person trained a reasonable fee to recover the actual cost of the training program."

**SECTION 4.** G.S. 120-70.33(3) reads as rewritten:

- (3) To evaluate actions of the Radiation Protection Commission, the ~~Division of Radiation Protection~~radiation protection programs administered by the Division of Environmental Health of the Department of Environment and Natural Resources, and of any other board, commission, department, or agency of the State or local government as such actions relate to low-level radioactive waste management;"

**SECTION 5.** G.S. 166A-6.1(b) reads as rewritten:

"(b) Every person, firm, corporation or municipality who is licensed to construct or who is operating a fixed nuclear facility for the production of electricity shall pay to the Department of Crime Control and Public Safety, for the use of the Division of ~~Radiation Protection~~Environmental Health of the Department of Environment and Natural Resources, an annual fee of thirty-six thousand dollars (\$36,000) for each fixed nuclear facility that is located within this State or that has a Plume Exposure Pathway Emergency Planning Zone any part of which ~~any part~~ is located within this State. This fee shall be applied only to the costs of planning and implementing emergency response activities as ~~are~~ required by the Federal Emergency Management Agency for the operation of nuclear facilities. This fee is to be paid no later than 31 July ~~31~~ of each year."

**SECTION 6.** This act becomes effective 1 July 2002.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of August, 2002.

Became law upon approval of the Governor at 3:42 p.m. on the 12<sup>th</sup> day of August, 2002.

**S.B. 1429****Session Law 2002-71**

AN ACT TO MAKE CHANGES IN THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM, AND THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM TO CONFORM WITH THE PROVISIONS OF THE ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 120-4.16 reads as rewritten:**"§ 120-4.16. Repayments and purchases.**

(a) All repayments and purchases of service credit, allowed under this Article, shall be made within two years after the member first becomes eligible to make such repayments and purchases. All such repayments and purchases not made within two years after the member becomes eligible shall equal the full actuarial cost of the additional service credit as defined in G.S. 135-4(m).

(b) Purchase of Service Credits Through Rollover Contributions From Certain Other Plans. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of this Article, may purchase such service credits through rollover contributions to the Annuity Savings Fund from (i) an annuity contract described in Section 403(b) of the Internal Revenue Code, (ii) an eligible plan under Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, (iii) an individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income, or (iv) a qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code. Notwithstanding the foregoing, the Retirement System shall not accept any amount as a rollover contribution unless such amount is eligible to

be rolled over to a qualified trust in accordance with applicable law and the member provides evidence satisfactory to the Retirement System that such amount qualifies for rollover treatment. Unless received by the Retirement System in the form of a direct rollover, the rollover contribution must be paid to the Retirement System on or before the 60<sup>th</sup> day after the date it was received by the member.

Purchase of Service Credits Through Plan-to-Plan Transfers. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of this Article, may purchase such service credits through a direct transfer to the Annuity Savings Fund of funds from (i) an annuity contract described in Section 403(b) of the Internal Revenue Code or (ii) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

(c) Purchase of Service Credits Through Plan-to-Plan Transfers. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of this Article, may purchase such service credits through a direct transfer to the Annuity Savings Fund of funds from (i) the Supplemental Retirement Income Plans A, B, or C of North Carolina or (ii) any other defined contribution plan qualified under Section 401(a) of the Internal Revenue Code which is maintained by the State of North Carolina, a political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state."

**SECTION 2.** G.S. 120-4.31 reads as rewritten:

**"§ 120-4.31. Internal Revenue Code compliance.**

(a) Notwithstanding any other provisions of law to the contrary, compensation for any calendar year after 1988 in which employee or employer contributions are made and for which annual compensation is used for computing any benefit under this Article shall not exceed the higher of two hundred thousand dollars (\$200,000) or the amount determined by the Commissioner of Internal Revenue as the limitation for calendar years after 1989; provided the imposition of the limitation shall not reduce a member's benefit below the amount determined as of December 31, 1988.

Effective January 1, 1996, the annual compensation of a member taken into account for determining all benefits provided under this Article shall not exceed one hundred fifty thousand dollars (\$150,000), as adjusted pursuant to section 401(a)(17)(B) of the Internal Revenue Code and any regulations issued under the Code. However, with respect to a person who became a member of the Retirement System prior to January 1, 1996, the imposition of this limitation on compensation shall not reduce the amount of compensation which may be taken into account for determining the benefits of that member under this Article below the amount of compensation which would have been recognized under the provisions of this Article in effect on July 1, 1993.

Effective January 1, 2002, the annual compensation of a person, who became a member of the Retirement System on or after January 1, 1996, taken into account for determining all benefits accruing under this Article for any plan year after December 31, 2001, shall not exceed two hundred thousand dollars (\$200,000) or the amount otherwise set by the Internal Revenue Code or determined by the Commissioner of Internal Revenue as the limitation for calendar years after 2002.



(b) Notwithstanding any other provisions of law to the contrary, the annual benefit payable on behalf of a member shall, if necessary, be reduced to the extent required by Section 415(b) ~~and (e)~~ and with respect to calendar years commencing prior to January 1, 2000, Section 415(e) of the Internal Revenue Code, as adjusted by the Secretary of the Treasury or his delegate pursuant to Section 415(d) of the Code. If a member is a participant under any qualified defined contributions plan that is required to be taken into account for the purposes of the limitation contained in Section 415 of the Internal Revenue Code, the annual benefit payable under this Article shall be reduced to the extent required by Section 415(e) prior to making any reduction under the defined contribution plan provided by the employer. However, with respect to a member who has benefits accrued under this Article but whose benefit had not commenced as of December 31, 1999, the combined plan limitation contained in Section 415(e) of the Internal Revenue Code shall not be applied to such member for calendar years commencing on or after January 1, 2000.

(c) On and after January 1, 1989, the retirement allowance of a member who has terminated employment shall begin no later than the later of April 1 of the calendar year following the calendar year that the member attains 70 1/2 years of age or April 1 of the calendar year following the calendar year in which the member terminates employment.

(d) This subsection applies to distributions made on or after January 1, 1993. Notwithstanding any other provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article, a distributee may elect, at the time and in the manner prescribed by the Plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. Provided, an eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net realized appreciation with respect to employer securities). Effective as of January 1, 2002, and notwithstanding the preceding sentence, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible. Provided, an eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. ~~However, in case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or an individual retirement annuity.~~ Effective on and after January 1, 2002, an eligible retirement plan shall also mean an annuity contract described in

Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue Code, or a court-ordered equitable distribution of marital property, as provided under G.S. 50-30. Provided, a distributee includes an employee or former employee. ~~In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, or a court ordered equitable distribution of marital property, as provided under G.S. 50-20, whichever may be applicable, are distributees with regard to the interest of the spouse or former spouse. Provided further, a direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.~~"

**SECTION 3.** G.S.128-26 is amended by adding two new subsections to read:

"(t) Purchase of Service Credits Through Rollover Contributions From Certain Other Plans. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of G.S. 128-26, may, subject to such rules and regulations established by the Board of Trustees, purchase such service credits through rollover contributions to the Annuity Savings Fund from (i) an annuity contract described in Section 403(b) of the Internal Revenue Code, (ii) an eligible plan under Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, (iii) an individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income, or (iv) a qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code. Notwithstanding the foregoing, the Retirement System shall not accept any amount as a rollover contribution unless such amount is eligible to be rolled over to a qualified trust in accordance with applicable law and the member provides evidence satisfactory to the Retirement System that such amount qualifies for rollover treatment. Unless received by the Retirement System in the form of a direct rollover, the rollover contribution must be paid to the Retirement System on or before the 60<sup>th</sup> day after the date it was received by the member.

Purchase of Service Credits Through Plan-to-Plan Transfers. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of G.S. 128-26, may, subject to such rules and regulations established by the Board of Trustees, purchase such service credits through a direct transfer to the Annuity Savings Fund of funds from (i) an annuity contract described in Section 403(b) of the Internal Revenue Code or (ii) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

(u) Purchase of Service Credits Through Plan-to-Plan Transfers. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of G.S. 128-26, may, subject to such rules and regulations established by the Board of Trustees, purchase such service credits through a direct transfer to the Annuity Savings Fund of funds from (i) the Supplemental Retirement Income Plans A, B, or C of North Carolina or (ii) any other defined contribution plan qualified under Section 401(a) of the Internal Revenue Code which is maintained by the State of North Carolina, a political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state."

**SECTION 4.** G.S. 128-38.2 reads as rewritten:

**"§ 128-38.2. Internal Revenue Code compliance.**

(a) Notwithstanding any other provisions of law to the contrary, compensation for any calendar year after 1988 in which employee or employer contributions are made and for which annual compensation is used for computing any benefit under this Article shall not exceed the higher of two hundred thousand dollars (\$200,000) or the amount determined by the Commissioner of Internal Revenue as the limitation for calendar years after 1989; provided the imposition of the limitation shall not reduce a member's benefit below the amount determined as of December 31, 1988.

Effective January 1, 1996, the annual compensation of a member taken into account for determining all benefits provided under this Article shall not exceed one hundred fifty thousand dollars (\$150,000), as adjusted pursuant to section 401(a)(17)(B) of the Internal Revenue Code and any regulations issued under the Code. However, with respect to a person who became a member of the Retirement System prior to January 1, 1996, the imposition of this limitation on compensation shall not reduce the amount of compensation which may be taken into account for determining the benefits of that member under this Article below the amount of compensation which would have been recognized under the provisions of this Article in effect on July 1, 1993.

Effective January 1, 2002, the annual compensation of a person, who became a member of the Retirement System on or after January 1, 1996, taken into account for determining all benefits accruing under this Article for any plan year after December 31, 2001, shall not exceed two hundred thousand dollars (\$200,000) or the amount otherwise set by the Internal Revenue Code or determined by the Commissioner of Internal Revenue as the limitation for calendar years after 2002.

(b) Notwithstanding any other provisions of law to the contrary, the annual benefit payable on behalf of a member shall, if necessary, be reduced to the extent required by Section 415(b) ~~and (e)~~ and with respect to calendar years commencing prior to January 1, 2000, Section 415(e) of the Internal Revenue Code, as adjusted by the Secretary of the Treasury or his delegate pursuant to Section 415(d) of the Code. If a member is a participant under any qualified defined contributions plan that is required to be taken into account for the purposes of the limitation contained in Section 415 of the Internal Revenue Code, the annual benefit payable under this Article shall be reduced to the extent required by Section 415(e) prior to making any reduction under the defined contribution plan provided by the employer. However, with respect to a member who has benefits accrued under this Article but whose benefit had not commenced as of December 31, 1999, the combined plan limitation contained in Section 415(e) of the Internal Revenue Code shall not be applied to such member for calendar years commencing on or after January 1, 2000.

(c) On and after January 1, 1989, the retirement allowance of a member who has terminated employment shall begin no later than the later of April 1 of the calendar year following the calendar year that the member attains 70 1/2 years of age or April 1 of the calendar year following the calendar year in which the member terminates employment.

(d) This subsection applies to distributions made on or after January 1, 1993. Notwithstanding any other provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article, a distributee may elect, at the time and in the manner prescribed by the Plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. Provided, an eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net realized appreciation with respect to employer securities). Effective as of January 1, 2002, and notwithstanding the preceding sentence, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible. Provided, an eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. ~~However, in case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or an individual retirement annuity.~~ Effective on and after January 1, 2002, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue Code, or a court-ordered equitable distribution of marital property, as provided under G.S. 50-30. Provided, a distributee includes an employee or former employee. ~~In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, or a court ordered equitable distribution of marital property, as provided under G.S. 50-20, whichever may be applicable, are distributees with regard to the interest of the spouse or former spouse.~~ Provided further, a direct

rollover is a payment by the Plan to the eligible retirement plan specified by the distributee."

**SECTION 5.** G.S. 135-4 is amended by adding two new subsections to read:

"(dd) Purchase of Service Credits Through Rollover Contributions From Certain Other Plans. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of G.S. 135-4, may, subject to such rules and regulations established by the Board of Trustees, purchase such service credits through rollover contributions to the Annuity Savings Fund from (i) an annuity contract described in Section 403(b) of the Internal Revenue Code, (ii) an eligible plan under Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, (iii) an individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income, or (iv) a qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code. Notwithstanding the foregoing, the Retirement System shall not accept any amount as a rollover contribution unless such amount is eligible to be rolled over to a qualified trust in accordance with applicable law and the member provides evidence satisfactory to the Retirement System that such amount qualifies for rollover treatment. Unless received by the Retirement System in the form of a direct rollover, the rollover contribution must be paid to the Retirement System on or before the 60<sup>th</sup> day after the date it was received by the member.

Purchase of Service Credits Through Plan-to-Plan Transfers. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of G.S. 135-4, may, subject to such rules and regulations established by the Board of Trustees, purchase such service credits through a direct transfer to the Annuity Savings Fund of funds from (i) an annuity contract described in Section 403(b) of the Internal Revenue Code or (ii) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

(ee) Purchase of Service Credits Through Plan-to-Plan Transfers. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of G.S. 135-4, may, subject to such rules and regulations established by the Board of Trustees, purchase such service credits through a direct transfer to the Annuity Savings Fund of funds from (i) the Supplemental Retirement Income Plans A, B, or C of North Carolina or (ii) any other defined contribution plan qualified under Section 401(a) of the Internal Revenue Code which is maintained by the State of North Carolina, a political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state."

**SECTION 6.** G.S. 135-18.7 reads as rewritten:

**"§ 135-18.7. Internal Revenue Code compliance.**

(a) Notwithstanding any other provisions of law to the contrary, compensation for any calendar year after 1988 in which employee or employer contributions are made

and for which annual compensation is used for computing any benefit under this Article shall not exceed the higher of two hundred thousand dollars (\$200,000) or the amount determined by the Commissioner of Internal Revenue as the limitation for calendar years after 1989; provided the imposition of the limitation shall not reduce a member's benefit below the amount determined as of December 31, 1988.

Effective January 1, 1996, the annual compensation of a member taken into account for determining all benefits provided under this Article shall not exceed one hundred fifty thousand dollars (\$150,000), as adjusted pursuant to section 401(a)(17)(B) of the Internal Revenue Code and any regulations issued under the Code. However, with respect to a person who became a member of the Retirement System prior to January 1, 1996, the imposition of this limitation on compensation shall not reduce the amount of compensation which may be taken into account for determining the benefits of that member under this Article below the amount of compensation which would have been recognized under the provisions of this Article in effect on July 1, 1993.

Effective January 1, 2002, the annual compensation of a person, who became a member of the Retirement System on or after January 1, 1996, taken into account for determining all benefits accruing under this Article for any plan year after December 31, 2001, shall not exceed two hundred thousand dollars (\$200,000) or the amount otherwise set by the Internal Revenue Code or determined by the Commissioner of Internal Revenue as the limitation for calendar years after 2002.

(b) Notwithstanding any other provisions of law to the contrary, the annual benefit payable on behalf of a member shall, if necessary, be reduced to the extent required by Section 415(b) ~~and (e)~~ and with respect to calendar years commencing prior to January 1, 2000, Section 415(e) of the Internal Revenue Code, as adjusted by the Secretary of the Treasury or his delegate pursuant to Section 415(d) of the Code. If a member is a participant under any qualified defined contributions plan that is required to be taken into account for the purposes of the limitation contained in Section 415 of the Internal Revenue Code, the annual benefit payable under this Article shall be reduced to the extent required by Section 415(e) prior to making any reduction under the defined contribution plan provided by the employer. However, with respect to a member who has benefits accrued under this Article but whose benefit had not commenced as of December 31, 1999, the combined plan limitation contained in Section 415(e) of the Internal Revenue Code shall not be applied to such member for calendar years commencing on or after January 1, 2000.

(c) On and after January 1, 1989, the retirement allowance of a member who has terminated employment shall begin no later than the later of April 1 of the calendar year following the calendar year that the member attains 70 1/2 years of age or April 1 of the calendar year following the calendar year in which the member terminates employment.

(d) This subsection applies to distributions made on or after January 1, 1993. Notwithstanding any other provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article, a distributee may elect, at the time and in the manner prescribed by the Plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. Provided, an eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a

specified period of 10 years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net realized appreciation with respect to employer securities). Effective as of January 1, 2002, and notwithstanding the preceding sentence, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible. Provided, an eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. ~~However, in case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or an individual retirement annuity.~~ Effective on and after January 1, 2002, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue Code, or a court-ordered equitable distribution of marital property, as provided under G.S. 50-30. Provided, a distributee includes an employee or former employee. ~~In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, or a court ordered equitable distribution of marital property, as provided under G.S. 50-20, whichever may be applicable, are distributees with regard to the interest of the spouse or former spouse.~~ Provided further, a direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee."

**SECTION 7.** Article 4 of Chapter 135 of the General Statutes is amended by adding a new section to read:

**"§ 135-56.3. Repayments and Purchases.**

(a) Purchase of Service Credits Through Rollover Contributions From Certain Other Plans. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of this Article, may, subject to such rules and regulations established by the Board of Trustees, purchase such service credits through rollover contributions to the Annuity Savings Fund from (i) an annuity contract described in Section 403(b) of the Internal Revenue Code, (ii) an eligible plan under Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, (iii) an individual

retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income, or (iv) a qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code. Notwithstanding the foregoing, the Retirement System shall not accept any amount as a rollover contribution unless such amount is eligible to be rolled over to a qualified trust in accordance with applicable law and the member provides evidence satisfactory to the Retirement System that such amount qualifies for rollover treatment. Unless received by the Retirement System in the form of a direct rollover, the rollover contribution must be paid to the Retirement System on or before the 60<sup>th</sup> day after the date it was received by the member.

Purchase of Service Credits Through Plan-to-Plan Transfers. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of this Article, may, subject to such rules and regulations established by the Board of Trustees, purchase such service credits through a direct transfer to the Annuity Savings Fund of funds from (i) an annuity contract described in Section 403(b) of the Internal Revenue Code or (ii) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

(b) Purchase of Service Credits Through Plan-to-Plan Transfers. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of this Article, may, subject to such rules and regulations established by the Board of Trustees, purchase such service credits through a direct transfer to the Annuity Savings Fund of funds from (i) the Supplemental Retirement Income Plans A, B, or C of North Carolina or (ii) any other defined contribution plan qualified under Section 401(a) of the Internal Revenue Code which is maintained by the State of North Carolina, a political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state."

**SECTION 8.** G.S. 135-74 reads as rewritten:

**"§ 135-74. Internal Revenue Code compliance.**

(a) Notwithstanding any other provisions of law to the contrary, compensation for any calendar year after 1988 in which employee or employer contributions are made and for which annual compensation is used for computing any benefit under this Article shall not exceed the higher of two hundred thousand dollars (\$200,000) or the amount determined by the Commissioner of Internal Revenue as the limitation for calendar years after 1989; provided the imposition of the limitation shall not reduce a member's benefit below the amount determined as of December 31, 1988.

Effective January 1, 1996, the annual compensation of a member taken into account for determining all benefits provided under this Article shall not exceed one hundred fifty thousand dollars (\$150,000), as adjusted pursuant to section 401(a)(17)(B) of the Internal Revenue Code and any regulations issued under the Code. However, with respect to a person who became a member of the Retirement System prior to January 1, 1996, the imposition of this limitation on compensation shall not reduce the amount of compensation which may be taken into account for determining the benefits of that member under this Article below the amount of compensation which would have been recognized under the provisions of this Article in effect on July 1, 1993.



Effective January 1, 2002, the annual compensation of a person, who became a member of the Retirement System on or after January 1, 1996, taken into account for determining all benefits accruing under this Article for any plan year after December 31, 2001, shall not exceed two hundred thousand dollars (\$200,000) or the amount otherwise set by the Internal Revenue Code or determined by the Commissioner of Internal Revenue as the limitation for calendar years after 2002.

(b) Notwithstanding any other provisions of law to the contrary, the annual benefit payable on behalf of a member shall, if necessary, be reduced to the extent required by Section 415(b) ~~and (e)~~ and with respect to calendar years commencing prior to January 1, 2000, Section 415(e) of the Internal Revenue Code, as adjusted by the Secretary of the Treasury or his delegate pursuant to Section 415(d) of the Code. If a member is a participant under any qualified defined contributions plan that is required to be taken into account for the purposes of the limitation contained in Section 415 of the Internal Revenue Code, the annual benefit payable under this Article shall be reduced to the extent required by Section 415(e) prior to making any reduction under the defined contribution plan provided by the employer. However, with respect to a member who has benefits accrued under this Article but whose benefit had not commenced as of December 31, 1999, the combined plan limitation contained in Section 415(e) of the Internal Revenue Code shall not be applied to such member for calendar years commencing on or after January 1, 2000.

(c) On and after January 1, 1989, the retirement allowance of a member who has terminated employment shall begin no later than the later of April 1 of the calendar year following the calendar year that the member attains 70 1/2 years of age or April 1 of the calendar year following the calendar year in which the member terminates employment.

(d) This subsection applies to distributions made on or after January 1, 1993. Notwithstanding any other provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article, a distributee may elect, at the time and in the manner prescribed by the Plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. Provided, an eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net realized appreciation with respect to employer securities). Effective as of January 1, 2002, and notwithstanding the preceding sentence, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible. Provided, an eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement

annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. ~~However, in case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or an individual retirement annuity. Effective on and after January 1, 2002, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue Code, or a court-ordered equitable distribution of marital property, as provided under G.S. 50-30. Provided, a distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, or a court ordered equitable distribution of marital property, as provided under G.S. 50-20, whichever may be applicable, are distributees with regard to the interest of the spouse or former spouse. Provided further, a direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee."~~

**SECTION 9.** Sections 1, 3, 5, and 7 of this act become effective January 1, 2003, or the date otherwise specified in the act, except that (i) the changes in G.S. 120-4.31(b), 128-38.2(b), 135-18.7(b) and 135-74(b) become effective January 1, 2000, and (ii) G.S. 120-4.16(c), 128-26(u), 135-4(ee), and 135-56.3(b), as enacted in those sections, become effective the later of January 1, 2003, or the date upon which the Department of State Treasurer receives a ruling from the Internal Revenue Service approving the direct transfers provided for in those subsections. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of August, 2002.

Became law upon approval of the Governor at 3:43 p.m. on the 12<sup>th</sup> day of August, 2002.

## S.B. 1160

## Session Law 2002-72

AN ACT TO MAKE TECHNICAL AND CLARIFYING CHANGES TO THE REVENUE LAWS AND RELATED STATUTES AND TO PROVIDE A ONE-TIME EXTENSION TO THE TIME PERIOD IN WHICH A TAXPAYER MAY SIGN A LETTER OF COMMITMENT WITH THE DEPARTMENT OF COMMERCE TO QUALIFY FOR A LOWER TIER DESIGNATION.

*The General Assembly of North Carolina enacts:*

### **PART I: SUBSTANTIVE CHANGE**

**SECTION 1.** Notwithstanding the provisions of Article 3A of Chapter 105 of the General Statutes to the contrary, if during January or February 2002 a taxpayer signed a letter of commitment with the Department of Commerce under G.S. 105-129.8 to create new jobs at a location or a letter of commitment with the

Department of Commerce under G.S. 105-129.9 to place specific machinery and equipment in service at a location, then the taxpayer may calculate the credit for which the taxpayer qualifies based on the location's enterprise tier designation and development zone designation for 2001.

**PART II: TECHNICAL CHANGES**

**SECTION 2.** Subdivision (5) in the first paragraph of Section 4 of Chapter 1096 of the 1967 Session Laws, as amended, reads as rewritten:

"(5) The sales price of food and other items that are not otherwise exempt from tax pursuant to G.S. 105-164.13 but ~~is~~ are exempt from the State sales and use tax pursuant to G.S. 105-164.13B."

**SECTION 3.** Section 3 of S.L. 2001-264 reads as rewritten:

"**SECTION 3.** Any provision of a local act that conflicts with G.S. 153A-154.1 or G.S. 160A-214.1 is repealed. Any local meals tax penalty in addition to or greater than the corresponding penalty provided in G.S. 153A-154.1 or G.S. 160A-214.1 is repealed."

**SECTION 4.** Section 49 of S.L. 2001-414 reads as rewritten:

"**SECTION 49.** Section ~~47~~ 48 of this act does not derogate any existing powers."

**SECTION 5.** The introductory language of Section 13(a) of S.L. 2001-427 reads as rewritten:

"**SECTION 13.(a)** G.S. ~~405-472(a)~~ 105-472 reads as rewritten:"

**SECTION 6.** G.S. 20-10.1 reads as rewritten:

**"§ 20-10.1. Mopeds.**

It shall be unlawful for any person who is under the age of 16 years to operate a moped as defined in G.S. ~~20-4.01(27)~~ 105-164.3 upon any highway or public vehicular area of this State."

**SECTION 7.** G.S. 20-17.4(a)(1) reads as rewritten:

"(1) A first conviction of G.S. 20-138.1, driving while impaired, that occurred while the person was driving a motor vehicle that is not a commercial motor vehicle."

**SECTION 8.** G.S. 20-87(6) reads as rewritten:

"(6) Private Motorcycles. – The base fee on private passenger motorcycles shall be nine dollars (\$9.00); except that when a motorcycle is equipped with an additional form of device designed to transport persons or property, the base fee shall be sixteen dollars (\$16.00). An additional fee of three dollars (\$3.00) is imposed on each private motorcycle registered under this subdivision in addition to the base fee. The revenue from the additional fee, in addition to any other funds appropriated for this purpose, shall be ~~deposited in~~ used to fund the Motorcycle Safety Instruction Program created in G.S. 115D-72."

**SECTION 9.(a)** G.S. 58-6-25(c) reads as rewritten:

"(c) Returns; When Payable. – ~~The charge levied on each health maintenance organization is payable March 15 following the end of each calendar year. The charge levied on each insurance company other than a health maintenance organization is payable at the time the insurance company remits its premium tax. If the insurance company is required to remit installment payments of premiums tax under G.S. 105-228.5 for a taxable year, it shall also remit installment payments of the charge levied in this section for that taxable year at the same time and on the same basis as the premium tax installment payments. Each installment payment shall be equal to at least~~

thirty-three and one-third percent (33.3%) of the insurance company's regulatory charge liability incurred in the immediately preceding taxable year.

Every insurance company shall, on or before the date the charge levied in this section is due, file a return on a form prescribed by the Secretary of Revenue. The return shall state the company's total North Carolina premiums or presumed premiums for the taxable year and shall be accompanied by any supporting documentation that the Secretary of Revenue may by rule require."

**SECTION 9.(b)** This section becomes effective for taxable years beginning on or after January 1, 2003.

**SECTION 10.** G.S. 105-116(a) reads as rewritten:

- "(a) Tax. – An annual franchise or privilege tax is imposed on the following:
- (1) An electric power company engaged in the business of furnishing electricity, electric lights, current, or power.
  - (2), (2a) Repealed by Session Laws 1998-22, s. 2, effective July 1, 1999.
  - (3) A water company engaged in owning or operating a water system subject to regulation by the North Carolina Utilities Commission.
  - (4) A public sewerage company engaged in owning or operating a public sewerage system.

The tax on an electric power company is three and twenty-two hundredths percent (3.22%) of the company's taxable gross receipts from the business of furnishing electricity, electric lights, current, or power. The tax on a water company is four percent (4%) of the company's taxable gross receipts from owning or operating a water system subject to regulation by the North Carolina Utilities Commission. The tax on a public sewerage company is six percent (6%) of the company's taxable gross receipts from owning or operating a public sewerage company. A company's taxable gross receipts are its gross receipts from business inside the State less the amount of gross receipts from sales reported under subdivision (b)(2). A company that engages in more than one business taxed under this section shall pay tax on each business. ~~A company is allowed a credit against the tax imposed by this section for the company's investments in certain entities in accordance with Part 5 of Article 4 of this Chapter."~~

**SECTION 11.** G.S. 105-127(d) and (e) are repealed.

**SECTION 12.** G.S. 105-129.4(b3) reads as rewritten:

"(b3) Environmental Impact. – A taxpayer is eligible for a credit allowed under this Article only if the taxpayer certifies that, at the time the taxpayer first claims the credit, the taxpayer has no pending administrative, civil, or criminal enforcement action based on alleged significant violations of any program implemented by an agency of the Department of Environment and Natural Resources, and has had no final determination of responsibility for any significant administrative, civil, or criminal violation of any program implemented by an agency of the Department of Environment and Natural Resources within the last five years. A significant violation is a violation or alleged violation that does not satisfy any of the conditions of G.S. 143-215.6B(d). The Secretary of Environment and Natural Resources must notify the Department of Revenue annually of every person that currently has any of these pending actions and every person that has had any of these final determinations within ~~this~~ the last five years."

**SECTION 13.** G.S. 105-129.12A(a) reads as rewritten:

"(a) Credit. – If a taxpayer that has purchased or leased real property in an enterprise tier one or two area begins to use the property in an eligible business during the taxable year, the taxpayer is allowed a credit equal to thirty percent (30%) of the

eligible investment amount if all of the eligibility requirements of G.S. 105-129.4 are met. For the purposes of this section, property is located in an enterprise tier one or two area if the area the property is located in was an enterprise tier one or two area at the time the taxpayer applied for the ~~certification~~ determination required under G.S. 105-129.4(b5). The eligible investment amount is the lesser of (i) the cost of the property and (ii) the amount by which the cost of all of the real property the taxpayer is using in this State in an eligible business on the last day of the taxable year exceeds the cost of all of the real property the taxpayer was using in this State in an eligible business on the last day of the base year. The base year is that year, of the three immediately preceding taxable years, in which the taxpayer was using the most real property in this State in an eligible business. In the case of property that is leased, the cost of the property is not determined as provided in G.S. 105-129.2 but is considered to be the taxpayer's lease payments over a seven-year period, plus any expenditures made by the taxpayer to improve the property before it is used by the taxpayer if the expenditures are not reimbursed or credited by the lessor. The entire credit may not be taken for the taxable year in which the property is first used in an eligible business but shall be taken in equal installments over the seven years following the taxable year in which the property is first used in an eligible business. When part of the property is first used in an eligible business in one year and part is first used in an eligible business in a later year, separate credits may be claimed for the amount of property first used in an eligible business in each year. The basis in any real property for which a credit is allowed under this section shall be reduced by the amount of credit allowable."

**SECTION 14.** G.S. 105-130.5(b)(17) reads as rewritten:

"(b) The following deductions from federal taxable income shall be made in determining State net income:

- ...
- (17) ~~The~~ To the extent included in federal taxable income, the following:
- a. The amount of 911 charges collected under G.S. 62A-5 and remitted to a local government under G.S. ~~62A-6, and the~~ 62A-6.
  - b. The amount of wireless Enhanced 911 service charges collected under G.S. 62A-23 and remitted to the Wireless Fund under G.S. 62A-24."

**SECTION 15.(a)** G.S. 105-130.34(a) reads as rewritten:

"(a) Any corporation that makes a qualified donation of an interest in real property located in North Carolina during the taxable year that is useful for public beach access or use, public access to public waters or trails, fish and wildlife conservation, or other similar land conservation purposes is allowed a credit against the tax imposed by this Part equal to twenty-five percent (25%) of the fair market value of the donated property interest. To be eligible for this credit, the interest in real property must be donated in perpetuity to and accepted by ~~either~~ the State, a local government, or a body that is both organized to receive and administer lands for conservation purposes and qualified to receive charitable contributions pursuant to G.S. 105-130.9. Lands required to be dedicated pursuant to local governmental regulation or ordinance and dedications made to increase building density levels permitted under a regulation or ordinance are not eligible for this credit. The credit allowed under this section may not exceed five hundred thousand dollars (\$500,000). To support the credit allowed by this section, the taxpayer must file with its income tax return, for the taxable year in which the credit is claimed, a certification by the Department of Environment and Natural Resources that

the property donated is suitable for one or more of the valid public benefits set forth in this subsection."

**SECTION 15.(b)** G.S. 105-151.12(a) reads as rewritten:

"(a) A person who makes a qualified donation of an interest in real property located in North Carolina during the taxable year that is useful for (i) public beach access or use, (ii) public access to public waters or trails, (iii) fish and wildlife conservation, or (iv) other similar land conservation purposes is allowed a credit against the tax imposed by this Part equal to twenty-five percent (25%) of the fair market value of the donated property interest. To be eligible for this credit, the interest in property must be donated in perpetuity to and accepted by ~~either~~ the State, a local government, or a body that is both organized to receive and administer lands for conservation purposes and qualified to receive charitable contributions under the Code. Lands required to be dedicated pursuant to local governmental regulation or ordinance and dedications made to increase building density levels permitted under a regulation or ordinance are not eligible for this credit. The credit allowed under this section may not exceed two hundred fifty thousand dollars (\$250,000). To support the credit allowed by this section, the taxpayer must file with the income tax return for the taxable year in which the credit is claimed a certification by the Department of Environment and Natural Resources that the property donated is suitable for one or more of the valid public benefits set forth in this subsection."

**SECTION 16.** G.S. 105-163.7(c) is repealed.

**SECTION 17.** G.S. 105-164.23 reads as rewritten:

**"§ 105-164.23. Consumer must keep records.**

Every consumer shall keep such records, receipts, invoices and other pertinent papers in such form as may be required by the Secretary and all such books, invoices and other records shall be open for examination by the ~~Secretary or any of his duly authorized agents.~~ Department of Revenue. In the event the retailer, user or consumer has imported the tangible personal property and fails to produce an invoice showing the purchase price of the tangible personal property as defined in this Article which is subject to tax or the invoices do not reflect the true or actual cost as defined ~~herein, in this Article,~~ then the Secretary shall ascertain in any manner feasible the true purchase price and assess and collect the tax with interest, plus penalties, if such have accrued, on the true ~~cost price as determined by him.~~ purchase price as determined by the Secretary."

**SECTION 18.** G.S. 105-164.27A(b) reads as rewritten:

"(b) Telecommunications Service. – A direct pay permit for telecommunications service authorizes its holder to purchase telecommunications service without paying tax to the seller and authorizes the seller to not collect any tax on a sale to the permit holder. A person who purchases telecommunications service under a direct pay permit must file a return and pay the tax due monthly to the Secretary. A direct pay permit issued under this subsection does not apply to any tax other than the tax on telecommunications service.

A call center that purchases interstate telecommunications service that originates outside this State and terminates in this State may apply to the Secretary for a direct pay permit for telecommunications service. A call center is a business that is primarily engaged in providing support services to customers by telephone to support products or services of the business. A business is primarily engaged in providing support services by telephone if at least sixty percent (60%) of its calls are incoming.  
~~must be made on a form provided by the"~~

**SECTION 19.(a)** G.S. 105-187.1(4) reads as rewritten:

"(4) ~~Recreational vehicle. – A motorized or towable vehicle that combines transportation and temporary living quarters for travel, recreation, and camping. To qualify as a motorized recreational vehicle, the vehicle must be a camping and travel vehicle built on or as an integral part of a self-propelled motor vehicle chassis. If a towable vehicle is of such size or weight as to require a special highway movement permit, it is not a recreational vehicle. Towable recreational vehicles include travel trailers, fifth-wheel travel trailers, folding camping trailers, and truck campers.~~Defined in G.S. 20-4.01."

**SECTION 19.(b)** G.S. 20-4.01(32a) reads as rewritten:

"(32a) ~~Recreation~~Recreational Vehicle. – A vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use that either has its own motive power or is mounted on, or towed by, another vehicle. The basic entities are camping trailer, fifth-wheel travel trailer, motor home, travel trailer, and truck camper.

- a. Motor home. – As defined in G.S. 20-4.01(27)d2.
- b. Travel trailer. – A vehicular unit mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of a size or weight that does not require a special highway movement permit when towed by a motorized vehicle.
- c. Fifth-wheel trailer. – A vehicular unit mounted on wheels designed to provide temporary living quarters for recreational, camping, or travel use, of a size and weight that does not require a special highway movement permit and designed to be towed by a motorized vehicle that contains a towing mechanism that is mounted above or forward of the tow vehicle's rear axle.
- d. Camping trailer. – A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls that fold for towing by another vehicle and unfold at the campsite to provide temporary living quarters for recreational, camping, or travel use.
- e. Truck camper. – A portable unit that is constructed to provide temporary living quarters for recreational, camping, or travel use, consisting of a roof, floor, and sides and is designed to be loaded onto and unloaded from the bed of a pickup truck."

**SECTION 19.(c)** G.S. 20-116(d) reads as rewritten:

"(d) Maximum Length. – ~~The following maximum lengths apply to vehicles. A single vehicle having two axles shall not exceed 40 feet in length of extreme overall dimensions inclusive of front and rear bumpers. A single vehicle having three axles shall not exceed 40 feet in length overall of dimensions inclusive of front and rear bumpers. Provided, however, trucks transporting unprocessed cotton from farm to gin shall not exceed 48 feet in length overall of dimensions inclusive of front and rear bumpers.~~ A truck-tractor and semitrailer shall be regarded as two vehicles for the purpose of determining lawful length and license taxes.

- (1) Except as otherwise provided in this subsection, a single vehicle having two or three axles shall not exceed 40 feet in length overall of dimensions inclusive of front and rear bumpers.

- (2) Trucks transporting unprocessed cotton from farm to gin shall not exceed 48 feet in length overall of dimensions inclusive of front and rear bumpers.
- (3) ~~Recreation~~-Recreational vehicles shall not exceed 45 feet in length overall, excluding bumpers and mirrors."

**SECTION 19.(d)** G.S. 20-305.2(a)(7) reads as rewritten:

"(7) The ownership, operation, or control of a dealership that sells primarily ~~recreation~~-recreational vehicles as defined in ~~G.S. 20-4.01(32a)~~20-4.01 by a manufacturer, factory branch, distributor, or distributor branch, or subsidiary thereof, if the manufacturer, factory branch, distributor, or distributor branch, or subsidiary thereof, owned, operated, or controlled the dealership as of October 1, 2001."

**SECTION 19.(e)** G.S. 20-305.2(b) reads as rewritten:

"(b) This section ~~shall~~does not apply to manufacturers or distributors of trailers or semitrailers that are not ~~recreation~~-recreational vehicles as defined in ~~G.S. 20-4.01(32a)~~G.S. 20-4.01."

**SECTION 20.** G.S. 105-269.14(b) reads as rewritten:

"(b) Distribution. – The Secretary must distribute ~~one-third~~a portion of the net use tax proceeds collected under this section to counties and ~~cities in proportion to their total distributions under Articles 39, 40, and 42 of this Chapter and Chapter 1096 of the 1967 Session Laws for the most recent period for which data is available~~cities. The portion to be distributed to all counties and cities is the total net use tax proceeds collected under this section multiplied by a fraction. The numerator of the fraction is the local use tax proceeds collected under this section. The denominator of the fraction is the total use tax proceeds collected under this section. The Secretary must distribute this portion to the counties and cities in proportion to their total distributions under Articles 39, 40, 42, 43, and 44 of this Chapter and Chapter 1096 of the 1967 Session Laws for the most recent period for which data are available. The provisions of G.S. 105-472, 105-486, and 105-501 do not apply to tax proceeds distributed under this section."

**SECTION 21.** G.S. 159I-1 reads as rewritten:

"§ 159I-1. **Short title.**

This Chapter may be cited as the ~~North Carolina~~-Solid Waste Management Loan ~~Program~~Program and Local Government Special Obligation Bond Act."

### **PART III: EFFECTIVE DATE**

**SECTION 22.** Except as otherwise provided in this act, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of August, 2002.

Became law upon approval of the Governor at 3:44 p.m. on the 12<sup>th</sup> day of August, 2002.

**H.B. 1546**

**Session Law 2002-73**

### **AN ACT TO PROVIDE CERTAIN OCCUPANCY LIMITATIONS FOR VEHICLES DRIVEN BY LEVEL 2 DRIVERS WITH LIMITED PROVISIONAL LICENSES.**

Whereas, studies have shown that the system of Graduated Drivers Licenses instituted in North Carolina on December 1, 1997, has reduced the number of accidents involving young drivers; and



Whereas, statistics also indicate that when the supervising driver is not present, the risk of accident increases with the presence of passengers who may distract the license holder; and

Whereas, the studies show that the risk of accident increases with the number of passengers in the vehicle driven by the young graduated license holder; and

Whereas, the General Assembly finds that limiting the number of passengers to reduce the likelihood of a young driver having an accident is in the public interest; Now, therefore,

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 20-11(e) reads as rewritten:

"(e) Level 2 Restrictions. – A limited provisional license authorizes the license holder to drive a specified type or class of motor vehicle only under the following conditions:

- (1) The license holder ~~must~~shall be in possession of the license.
- (2) The license holder may drive without supervision in any of the following circumstances:
  - a. From 5:00 a.m. to 9:00 p.m.
  - b. When driving to or from work.
  - c. When driving to or from an activity of a volunteer fire department, volunteer rescue squad, or volunteer emergency medical service, if the driver is a member of the organization.
- (3) The license holder may drive with supervision at any time. When the license holder is driving with supervision, the supervising driver ~~must~~shall be seated beside the license holder in the front seat of the vehicle when it is in motion. The supervising driver need not be the only other occupant of the front seat, but ~~must~~shall be the person seated next to the license holder.
- (4) When the license holder is driving the vehicle and is not accompanied by the supervising driver, there may be no more than one passenger under 21 years of age in the vehicle. This limit does not apply to passengers who are members of the license holder's immediate family or whose primary residence is the same household as the license holder. However, if a family member or member of the same household as the license holder who is younger than 21 years of age is a passenger in the vehicle, no other passengers under 21 years of age, who are not members of the license holder's immediate family or members of the license holder's household, may be in the vehicle.
- (4)(5) Every person occupying the vehicle being driven by the license holder ~~must~~shall have a safety belt properly fastened about his or her body, or be restrained by a child passenger restraint system as provided in G.S. 20-137.1(a), when the vehicle is in motion."

**SECTION 2.** G.S. 20-11(l) reads as rewritten:

"(l) Violations. – It is unlawful for the holder of a limited learner's permit, a temporary permit, or a limited provisional license to drive a motor vehicle in violation of the restrictions that apply to the permit or license. Failure to comply with a restriction concerning the time of driving or the presence of a supervising driver in the vehicle constitutes operating a motor vehicle without a license. Failure to comply with any other restriction, including seating and passenger limitations, is an infraction punishable by a

monetary penalty as provided in G.S. 20-176. Failure to comply with the provisions of subsection (e) of this section shall not constitute negligence per se or contributory negligence by the driver or passenger in any action for the recovery of damages arising out of the operation, ownership or maintenance of a motor vehicle. Any evidence of failure to comply with the provisions of subsection (e) of this section shall not be admissible in any criminal or civil trial, action, or proceeding except in an action based on a violation of this section. No drivers license points or insurance surcharge shall be assessed for failure to comply with seating and occupancy limitations in subsection (e) of this section."

**SECTION 3.** This act becomes effective December 1, 2002, and applies to limited provisional licenses issued on or after that date.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of August, 2002.

Became law upon approval of the Governor at 3:45 p.m. on the 12<sup>th</sup> day of August, 2002.

**S.B. 1346****Session Law 2002-74**

**AN ACT TO ALLOW THE CITY OF EDEN TO NEGOTIATE ANNEXATION CONTRACTS.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The City of Eden may, by contract, provide that certain property described in the contract may not be annexed by the City under Part 2 or 3 of Article 4A of Chapter 160A of the General Statutes prior to December 31, 2013. Nothing in this act impairs the right of the General Assembly to annex any such property by specific local act.

**SECTION 2.** The City of Eden may accept, as consideration for such contract, "Payments in lieu of taxes".

**SECTION 3.** Payments in lieu of taxes under this act shall be annually computed based upon the tax valuations of the properties subject to contracts under Section 1 of this act as determined by the Rockingham County Tax Department, with the formula for making the computation being stated in each contract.

**SECTION 4.** Contracts under Section 1 of this act apply only to the following described properties:

**DUKE POWER**

Tract 1

Beginning at a concrete monument set in the westerly line of S. R. # 1779 (Edgewood Road) and running thence from said beginning point, S 36 deg. 45 min. E 80.6 feet to a stake, thence N 69 deg. 26 min. E 826.6 feet to an iron rod found; thence N 20 deg. 32 min. W 239.7 feet to an iron rod; thence N 69 deg. 28 min. E 97.1 feet to an iron rod found; thence N 20 deg. 39 min. W 180.0 feet to an iron rod found; thence N 69 deg. 18 min. E 54.7 feet to a concrete monument found; thence N 20 deg. 30 min. W 240.4 feet to an iron rod; thence N 69 deg. 30 min. E 87.0 feet to an iron rod found; thence N 20 deg. 35 min. W 180.1 feet to an iron rod found; thence N 69 deg. 27 min. E 515.5 feet to an iron rod and iron pipe found in the westerly boundary of the property of Fieldcrest Mills, Inc.; thence with said property line S 10 deg. 19 min. E 1390.2 feet to a concrete monument found in the southwesterly corner of the property of Fieldcrest Mills, Inc.;

thence with the southerly line of Fieldcrest Mills, Inc., N 79 deg. 03 min. E 161.9 feet to a concrete monument found; thence S 80 deg. 53 min. E 1126.3 feet to an iron rod found in the centerline of the CNW Railroad spur track; thence with the centerline of said Spur track the following courses and distances: S 4 deg. 02 min. E 100.0 feet to a point; S 0 deg. 02 min. E 99.9 feet to a point; S 4 deg. 04 min. W 100.0 feet to a point; S 7 deg. 43 min. W 100.0 feet to a point; S 11 deg. 45 min. W 100.0 feet to a point; S 15 deg. 57 min. W 100.0 feet to a point; S 20 deg. 00 min. W 100.0 feet to a point; S 24 deg. 15 min. W 100.0 feet to a point; S 28 deg. 05 min. W 100.0 feet to a point; S 31 deg. 33 min. W 72.0 feet to a spike found; thence N 88 deg. 54 min. E 623.1 feet to an iron rod found; thence S 18 deg. 36 min. E 367.2 feet to an iron pipe found; thence S 6 deg. 02 min. W 74.9 feet to an iron pipe found; thence S 24 deg. 38 min. E 141.5 feet to a point in the northerly bank of the Dan River; thence with the Dan River the following courses and distances: S 66 deg. 35 min. W 48.8 feet; S 54 deg. 44 min. W 77.0 feet; S 61 deg. 37 min. W 108.8 feet; S 55 deg. 43 min. W 74.6 feet; S 53 deg. 05 min. W 203.1 feet; S 32 deg. 02 min. W 281.5 feet; S 27 deg. 20 min. W 140.7 feet; S 27 deg. 58 min. W 436.3 feet; S 29 deg. 28 min. W 142.1 feet; S 26 deg. 31 min. W 236.2 feet; S 41 deg. 30 min. W 204.0 feet; S 52 deg. 38 min. W 266.5 feet; S 58 deg. 31 min. W 263.2 feet; S 63 deg. 40 min. W 317.8 feet; S 57 deg. 38 min. W 75.4 feet; S 65 deg. 46 min. W 312.0 feet; S 71 deg. 46 min. W 148.1 feet; S 75 deg. 07 min. W 232.9 feet; S 76 deg. 21 min. W 205.8 feet; N 6 deg. 55 min. W 64.0 feet; S 68 deg. 04 min. W 235.4 feet; S 17 deg. 07 min. E 61.4 feet; S 66 deg. 21 min. W 108.2 feet; S 67 deg. 33 min. W 318.2 feet; S 68 deg. 11 min. W 220.3 feet; S 70 deg. 06 min. W 139.5 feet; S 78 deg. 35 min. W 234.8 feet; S 65 deg. 10 min. W 88.2 feet to a point in the southeasterly margin of the property of Fieldcrest Mills, Inc.; thence with the property line of Fieldcrest Mills, Inc.; N 18 deg. 51 min. W 176.4 feet to an iron rod set; thence S 56 deg. 26 min. W 96.7 feet to an iron pipe found; thence N 19 deg. 06 min. W 1090.1 feet to a concrete monument found; thence N 82 deg. 22 min. E 247.0 feet to a point in the westerly bank of a pond; thence with the westerly bank of said pond, eight courses and distances as follows: (1) N 46 deg. 33 min. W 98.7 feet; (2) N 32 deg. 44 min. W 86.0 feet; (3) N 47 deg. 00 min. W 82.7 feet; (4) N 84 deg. 22 min. W 45.6 feet; (5) N 39 deg. 52 min. W 147.9 feet; (6) N 18 deg. 33 min. W 89.6 feet; (7) N 7 deg. 38 min. E 206.9 feet; (8) N 36 deg. 54 min. E 60.4 feet at an intersection of the said pond and Moir Branch; thence with the centerline of Moir Branch the following courses and distances: (1) N 22 deg. 07 min. W 200.2 feet; (2) N 25 deg. 40 min. W 40.5 feet; (3) N 45 deg. 48 min. W 58.0 feet; (4) N 11 deg. 08 min. W 47.0 feet; (5) S 79 deg. 32 min. E 37.3 feet; (6) N 4 deg. 09 min. E 25.0 feet; (7) N 6 deg. 39 min. W 132.1 feet; (8) N 5 deg. 28 min. E 193.7 feet; (9) N 7 deg. 04 min. W 76.1 feet; (10) S 30 deg. 57 min. W 48.8 feet; (11) S 73 deg. 25 min. W 18.4 feet; (12) N 15 deg. 37 min. W 44.9 feet; (13) N 3 deg. 35 min. E 122.1 feet; (14) N 3 deg. 20 min. W 34.8 feet; (15) N 14 deg. 01 min. W 129.2 feet; (16) N 50 deg. 22 min. W 61.7 feet; (17) N 22 deg. 47 min. W 85.8 feet; (18) N 34 deg. 56 min. W 29.7 feet; (19) N 4 deg. 25 min. E 177.2 feet; (20) N 16 deg. 48 min. E 54.7 feet; (21) N 30 deg. 16 min. E 28.2 feet; (22) N 18 deg. 14 min. W 25.5 feet; (23) N 13 deg. 26 min. W 47.0 feet; (24) N 4 deg. 41 min. E 115.3 feet; (25) S 89 deg. 12 min. E 26.5 feet; (26) N 41 deg. 02 min. E 26.5 feet; (27) N 9 deg. 00 min. W 94.8 feet; (28) N 1 deg. 43 min. W 62.0 feet; (29) N 40 deg. 28 min. E 15.7 feet; (30) N 22 deg. 50 min. E 46.8 feet; (31) N 11 deg. 42 min. E 37.1 feet; (32) S 82 deg. 45 min. E 40.0 feet; (33) N 16 deg. 55 min. E 45.3 feet; (34) N 21 deg. 40 min. E 37.9 feet; (35) N 6 deg. 31 min. E 114.3 feet to a point in the southerly line of the property of Fieldcrest Mills, Inc.; thence with the southerly line of said property N 63 deg. 10 min.

E 308.3 feet to an iron pipe found; thence N 63 deg. 14 min. E 523.5 feet to an iron pipe found; thence N 63 deg. 07 min. E 132.1 feet to an iron pipe found; N 63 deg. 20 min. E 171.2 feet to an iron pipe found; thence N 63 deg. 13 min. E 357.6 feet to the point of beginning, containing 371.48 acres.

Tract 2

Beginning at a point on the west bank of Miry Branch at the confluence of Miry Branch and Dan River, thence with the west branch of Miry Branch the following courses and distances: S 33 deg. 39 min. W 85.4 feet; S 57 deg. 48 min. W 80.0 feet; S 30 deg. 56 min. W 51.1 feet; S 14 deg. 24 min. E 36.7 feet; S 43 deg. 41 min. E 74.3 feet; S 1 deg. 31 min. W 72.2 feet; S 6 deg. 51 min. W 117.5 feet; S 5 deg. 17 min. W 37.8 feet; S 45 deg. 12 min. W 74.0 feet; S 41 deg. 15 min. W 117.0 feet; S 31 deg. 11 min. W 36.9 feet; S 15 deg. 35 min. E 72.8 feet; S 31 deg. 08 min. W 52.5 feet; S 24 deg. 33 min. E 44.3 feet; S 24 deg. 09 min. W 94.6 feet; S 7 deg. 15 min. W 35.1 feet; S 36 deg. 54 min. E 71.5 feet to an iron rod; thence S 72 deg. 11 min. W 395.3 feet to a concrete monument found; thence N 2 deg. 25 min. E 917.1 feet to the southerly line of said river; thence with the southerly bank of Dan River three calls as follows: N 70 deg. 00 min. E 336.4 feet; N 69 deg. 52 min. E 115.1 feet; N 79 deg. 21 min. E 154.5 feet to the point of beginning, containing 9.08 acres.

Miller Brewing Company

TRACT I

Being a tract of land 1357.79 acres, more or less, in Leaksville Township, Rockingham County, North Carolina, bounded by Meadow Road (NC State Road #770) and property owned by Spray Cotton Mills, Inc., on the South; Summit Road, property owned by Powell, Henry Raefield on the West; property owned by Herbert Hopper, Joe Scales, and the Virginia State Line on the North; and, Main Street, property owned by Lawson, Lacy Hall, Herman Patterson, Slayton and Cedrick Willard on the East; and more specifically described as follows:

BEGINNING at an iron stake in the North Margin of the right of way of Eastern Street (State Road #1774) at the Southwest corner of property owned by W. Smart, said beginning point also being situate at the Easternmost corner of property conveyed to Spray Cotton Mills, Inc., in Deed Book 694, Page 902, Rockingham County Public Registry; running thence from said beginning point the following calls along the East line of the Spray Cotton Mills property: North 23 deg. 53 min. West 133.01 feet; North 37 deg. 21 min. West 159.23 feet; North 23 deg. 19 min. West 154.10 feet; and North 9 deg. 52 min. West 394.73 feet to a point situated at the Northeast corner of the Spray Cotton Mills, Inc. property; thence with the North line of the Spray Cotton Mills, Inc. property, South 78 deg. 53 min. West 792.12 feet and South 85 deg. 26 min. West 1,281.15 feet to the Northwest corner of the Spray Cotton Mills, Inc. property; thence continuing with the Spray Cotton Mills, Inc. West line, South 0 deg. 52 min. West 867.34 feet to a point; thence South 73 deg. 15 min. West 415.79 feet to a point; thence South 16 deg. 45 min. East 1300 feet to a point in the northern margin of Meadow Road (N.C. State Road 770); thence with the northern margin of Meadow Road the following courses and distances: South 73 deg. 14 min. 40 sec. West 2362.50 feet; South 74 deg. 26 min. 10 sec. West 186.96 feet; South 80 deg. 5 min. 20 sec. West 210.67 feet; South

84 deg. 16 min. 30 sec. West 646.55 feet; and, South 83 deg. 53 min. West 336.01 feet to an iron in the North margin of the right of way of said Meadow Road; thence leaving the North margin of the right of way of Meadow Road and turning in a northern direction, North 3 deg. 37 min. 20 sec. West 605.50 feet to an iron stake in the East line of Jarrett; thence continuing with Jarrett's East line, North 4 deg. 38 min. 50 sec. East 470 feet to an iron; thence North 5 deg. 58 min. 20 sec. East 591 feet to an iron at the Northeast corner of property owned by Jarrett; thence with Jarrett's North line, North 89 deg. 22 min. 50 sec. West 974.50 feet to an iron in the East margin of the right of way of Summit Road, Jarrett's Northwest corner; thence with the East right of way line of Summit Road, North 10 deg. 01 min. 20 sec. West 239.45 feet and North 26 deg. 45 min. 50 sec. West 99.93 feet to a point in the East margin of the right of way of Summit Road at Pulliam's Southwest corner; thence with Pulliam's South line, North 63 deg. 13 min. 10 sec. East 300 feet to an iron stake at Pulliam's Southeast corner; thence with Pulliam's East line, North 26 deg. 46 min. West 129.71 feet to a point at the Southwest corner of property conveyed to Northwestern Engineering Corporation in Book 694, Page 772; thence with the South line of Northwestern Engineering Corporation, North 46 deg. 15 min. 51 sec. East 280 feet to a point; thence with Northwestern Engineering Corporation's East line, North 38 deg. 20 min. West 300 feet to a point in the South right of way of an unnamed street dedicated in Book 685, Page 840, Rockingham County Public Registry; thence with the South right of way line of said unnamed street and with the North line of Northwestern Engineering Corporation, South 47 deg. 6 min. 34 sec. West 280 feet to the northwest corner of the Northwestern Engineering Corporation; thence along the western line of Northwestern Engineering Corporation, South 38 deg. 33 min. East 224.32 feet to a point, corner with Pulliam, thence with the line of Pulliam, South 51 deg. 54 min. West 299.77 feet to a point in the eastern margin of Summit Road; thence with the eastern margin of Summit Road, North 38 deg. 22 min. West 199.30 feet to a point in the southern margin of the unnamed street referred to above; thence continuing along the eastern margin of Summit Road across said unnamed street, North 44 deg. 10 min. West 60.01 feet to a point; thence still with the eastern margin of Summit Road, North 47 deg. 2 min. West 199.18 feet to a point, corner with Powell; thence with the line of Powell, North 44 deg. 38 min. 50 sec. East 293.38 feet to a point, the northwest corner of the property conveyed to Southeastern Warehousing Distribution Center by deed recorded in the Rockingham County Registry in Book 685, Page 841; thence with the line of Southeastern Warehousing Distribution Center, South 46 deg. 51 min. East 211.7 feet to a point in the northern margin of said unnamed street; thence with the northern margin of said unnamed street, North 47 deg. 6 min. 34 sec. East 637.67 feet to a point, the southeast corner of Southeastern Warehousing Distribution Center; thence North 43 deg. 53 min. 26 sec. West 397.68 feet with the East line of the Southeastern Warehousing property to a point; thence North 88 deg. 23 min. 10 sec. West 442.49 feet with the North line of the Southeastern Warehousing property to a point in the East line of property owned by Powell; thence with Powell's East line, North 8 deg. 45 min. West 859.33 feet to an old set stone, corner with property formerly owned by W. B. Light; thence with Light's East line, North 16 deg. 30 min. 10 sec. West 1230.19 feet to an iron & monument; thence North 14 deg. 50 min. 40 sec. West 1082.81 feet to an iron & monument found, corner with Henry Raefield; thence with Raefield's East line, North 16 deg. 01 min. 50 sec. West 336.06 feet to an iron stake; thence turning in an easterly direction, North 80 deg. 33 min. 30 sec. East 317.69 feet to an iron stake; North 80 deg. 48 min. 10 sec. East 267.03 feet to an iron stake; South 87 deg. 59 min. East 265.93 feet to an iron; thence North 2

deg. 1 min. East 581.28 feet to an iron within the right of way line of N.C. State Road #1715; thence a line within the right of way of N.C. State Road #1715, South 87 deg. 58 min. East 520.71 feet to a point and South 81 deg. 3 min. East 203.10 feet to an iron; thence North 81 deg. 47 min. East 508.30 feet to an iron, corner with Herbert Hopper; thence with Hopper's South line, South 40 deg. 59 min. East 242.22 feet to an iron and North 77 deg. 26 min. East 669.10 feet to an iron; thence continuing with Hopper's South line, North 30 deg. East 600.70 feet to an iron stake, Hopper's Southeast corner and Joe Scales' Southwest corner; thence with Scales' South line, North 80 deg. 28 min. 10 sec. East 657.76 feet to a post oak and North 73 deg. 36 min. 40 sec. East 1874.50 feet to an iron stake, corner with Joe Scales; thence with Scales' East line, North 4 deg. 58 min. 20 sec. East 589.17 feet to a white oak; thence North 64 deg. 0 min. 40 sec. East 544 feet to an iron stake; thence North 8 deg. 5 min. 30 sec. West 532 feet to an iron stake, corner with Joe Scales in the North Carolina-Virginia State Line; thence with the North Carolina - Virginia State Line, South 86 deg. 39 min. 10 sec. East 3654.49 feet to an iron stake in said State Line, corner with property owned by Cedrick and Maria P. Willard; thence with Willard's West line, South 4 deg. 27 min. East 1756.47 feet to an iron stake, Slayton's Northeast corner; thence with Slayton and Herman Patterson's North lines, South 85 deg. 33 min. 20 sec. West 497.30 feet to an iron stake; thence South 3 deg. 23 min. 30 sec. West with Herman Patterson's West line, 1313.85 feet to an iron stake; thence with Lacy Hall's West line, South 3 deg. 0 min. 10 sec. West 759.38 feet to an iron stake, Lacy Hall's Southwest corner and Lawson's Northwest corner; thence with Lawson's West line, South 0 deg. 25 min. 20 sec. West 1069.67 feet to an iron stake, Lawson's Southwest corner and Harris' Northwest corner; thence with Harris' West line, South 4 deg. 21 min. 10 sec. East 267 feet to an iron stake in the North right of way line of Findowrie street; thence with the Northern terminus line of Main Street, South 85 deg. 38 min. 50 sec. West 63.16 feet to a point; thence continuing with the West right of way line of Main Street, South 4 deg. 21 min. 10 sec. East 840.03 feet to an iron stake; thence leaving the West right of way line of Main Street, South 85 deg. 34 min. 40 sec. West 300 feet to an iron stake and South 4 deg. 25 min. 20 sec. East 150.23 feet to an iron stake; thence South 85 deg. 34 min. 40 sec. West 125 feet to a point and South 4 deg. 25 min. 20 sec. East 400 feet to an iron stake at W. Smart's Northeast corner; thence with Smart's North line, South 85 deg. 34 min. 10 sec. West 821 feet to an iron stake at Smart's Northwest corner; thence with Smart's West line, South 4 deg. 25 min. 20 sec. East 350 feet to an iron stake in the North right of way line of Eastern Street at the easternmost corner of property conveyed to Spray Cotton Mills, Inc., in Book 694, Page 902, Rockingham County Public Registry, the point and place of BEGINNING, containing 1357.79 acres, more or less, as shown on plat of survey by Shanks and Wilmarth, Engineers & Surveyors, dated December 2, 1975, File No. C-1034, and revised on May 20, 1976, and being the same property shown on Map Book 13, Page 28, Rockingham County Public Registry.

SAVE AND EXCEPT THEREFROM the 5.175 acres conveyed by Miller Brewing Company to Evans Warehouse, Inc. by deed recorded in Book 840, Page 2264, in the Rockingham County Public Registry.

## TRACT II

Being a tract of 7.489 acres, more or less, in Leaksville Township, Rockingham County, North Carolina, and more specifically described as follows:

Commencing at an iron in the easterly margin of Summit Road, which iron is the Southwest corner of Powell and the Northwest corner of Lot I as shown on map hereinafter referred to; thence with the said margin of Summit Road South 47 deg. 01 min. 51 sec. East 199.18 ft. to an iron where said Summit Road is intersected by the northerly margin of a 60 ft. wide unnamed street; thence with said margin of said unnamed street North 47 deg. 06 min. 34 sec. East 300 ft. to a point, the POINT OF BEGINNING; thence leaving the said unnamed street North 46 deg. 54 min. 39 sec. West 220.39 ft., more or less, to Powell's line; thence with Powell's line North 08 deg. 45 min. West 589.63 feet to an iron; thence leaving Powell South 88 deg. 23 min. 10 sec. East 442.49 ft. to an iron; thence South 42 deg. 53 min. 26 sec. East 397.68 ft. to an iron in the northerly margin of the aforementioned unnamed street; thence with the said margin of the said unnamed street, South 47 deg. 06 min. 34 sec. West 631.05 ft. more or less to the point of beginning, containing 7.489 acres, more or less, and being a portion of Lot 2 as shown on Plat of Survey for Homer E. Wright, Jr., dated September 20, 1972, by E. L. Wilmarth, the said survey being recorded with a certain deed from W. P. Bickham, Trustee, et als. to Thomas S. Harrington, Trustee, dated February 6, 1973, which deed was recorded in the office of the Register of Deeds for Rockingham County.

**SECTION 5.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 14<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

#### H.B. 1308

#### Session Law 2002-75

AN ACT TO CONFIRM THE DATE ON WHICH STATE REQUIREMENTS GOVERNING THE CONCENTRATION OF SULFUR IN GASOLINE BECOMES EFFECTIVE AND TO PROVIDE THAT GASOLINE THAT MEETS FEDERAL REQUIREMENTS GOVERNING THE CONCENTRATION OF SULFUR IN GASOLINE SHALL BE DEEMED TO COMPLY WITH STATE REQUIREMENTS GOVERNING THE CONCENTRATION OF SULFUR IN GASOLINE DURING THE TWO-YEAR PERIOD ALLOWED FOR THE TRANSITION TO LOW-SULFUR GASOLINE BY FEDERAL REGULATIONS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 2.2 of S.L. 1999-328 reads as rewritten:

"Section 2.2. ~~Section 2.1 of this act becomes effective as provided in this section. No later than 1 July 2000, the Governor shall determine whether the United States Environmental Protection Agency has adopted, pursuant to the Notice of Proposed Rulemaking published on 13 May 1999 in the Federal Register, Volume 64, Number 92, Page 26003 et seq., regulations applicable to gasoline manufactured, sold, and offered for sale in this State that limit the sulfur content of gasoline to a concentration equal to or less than the concentration set out in Section 2.1 of this act. If the Governor so determines, the Governor shall issue an Executive Order setting out the date on which Section 2.1 of this act becomes effective, which shall be the date on which the federal regulation becomes effective in this State. Otherwise, Section 2.1 of this act becomes effective 1 January 2004. If the United States Environmental Protection Agency promulgates a regulation that imposes a limit on the concentration of sulfur in gasoline other than that set out in G.S. 119-26.2, as enacted by Section 2.1 of this act, it is the~~

~~intention of the General Assembly to review the limit established in G.S. 119-26.2. In that event, the Environmental Review Commission shall review the limit on the concentration of sulfur in gasoline and report its findings and recommendations, if any, to the General Assembly."~~

**SECTION 2.** Gasoline that meets the requirements of Tier 2 Motor Vehicle Emissions Standards and Gasoline Sulfur Control Requirements as set out in 65 Federal Register No. 28 (10 February 2000) pages 6698 through 6870, as codified in 40 Code of Federal Regulations Parts 80, 85, and 96 (1 July 2001 Edition), shall be deemed to comply with the requirements of G.S. 119-26.2.

**SECTION 3.** This act is effective when it becomes law. Section 2 of this act expires 1 January 2006.

In the General Assembly read three times and ratified this the 8<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 7:23 p.m. on the 15<sup>th</sup> day of August, 2002.

**H.B. 148****Session Law 2002-76**

**AN ACT TO ALLOW MORE THAN TWO NONPROFIT WATER CORPORATIONS TO JOIN CERTAIN WATER AND SEWER AUTHORITIES.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 162A-3(a1) reads as rewritten:

"(a1) If an authority is organized by three or more political subdivisions, it may include in its organization ~~up to two~~ nonprofit water corporations. The board of directors of a nonprofit water corporation must signify the corporation's determination to participate in the organization of the authority by adopting a resolution that meets the requirements of subsection (b) of this section. The nonprofit water corporation is not subject to the notice and public hearing requirements of subsection (a) of this section. For all other purposes of this Article, the nonprofit water corporation shall be considered to be a political subdivision."

**SECTION 2.** G.S. 162A-3.1(a1) reads as rewritten:

"(a1) If an authority is organized by three or more political subdivisions, it may include in its organization ~~up to two~~ nonprofit water corporations. The board of directors of a nonprofit water corporation must signify the corporation's determination to participate in the organization of the authority by adopting a resolution that meets the requirements of subsection (b) of this section. The nonprofit water corporation is not subject to the notice and public hearing requirements of subsection (a) of this section. For all other purposes of this Article, the nonprofit water corporation shall be considered to be a political subdivision."

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 7:24 p.m. on the 15<sup>th</sup> day of August, 2002.



## H.B. 622

## Session Law 2002-77

AN ACT TO PROVIDE THAT THE GENERAL ASSEMBLY DECLARE THAT THE LAWFUL DESIGN, MARKETING, MANUFACTURE, DISTRIBUTION, SALE, OR TRANSFER OF FIREARMS OR AMMUNITION TO THE PUBLIC IS NOT AN UNREASONABLY DANGEROUS ACTIVITY AND DOES NOT CONSTITUTE A NUISANCE PER SE; TO PROVIDE THAT THE AUTHORITY TO BRING SUIT AGAINST ANY FIREARM OR AMMUNITION MARKETER, MANUFACTURER, DISTRIBUTOR, DEALER, SELLER, OR TRADE ASSOCIATION BY OR ON BEHALF OF ANY GOVERNMENTAL UNIT FOR REMEDIES RESULTING FROM OR RELATED TO THE LAWFUL DESIGN, MARKETING, MANUFACTURE, DISTRIBUTION, SALE, OR TRANSFER OF FIREARMS OR AMMUNITION TO THE PUBLIC IS RESERVED EXCLUSIVELY TO THE STATE; AND TO PROVIDE THAT ANY SUCH ACTION SHALL BE BROUGHT BY THE ATTORNEY GENERAL ON BEHALF OF THE STATE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 14-409.40 reads as rewritten:

**"§ 14-409.40. Statewide uniformity of local regulation.**

(a) It is declared by the General Assembly that the regulation of firearms is properly an issue of general, statewide concern, and that the entire field of regulation of firearms is preempted from regulation by local governments except as provided by this section.

(a1) The General Assembly further declares that the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is not an unreasonably dangerous activity and does not constitute a nuisance per se and furthermore, that it is the unlawful use of firearms and ammunition, rather than their lawful design, marketing, manufacture, distribution, sale, or transfer that is the proximate cause of injuries arising from their unlawful use. This subsection applies only to causes of action brought under subsection (g) of this section.

(b) Unless otherwise permitted by statute, no county or municipality, by ordinance, resolution, or other enactment, shall regulate in any manner the possession, ownership, storage, transfer, sale, purchase, licensing, or registration of firearms, firearms ammunition, components of firearms, dealers in firearms, or dealers in handgun components or parts.

(c) Notwithstanding subsection (b) of this section, a county or municipality, by zoning or other ordinance, may regulate or prohibit the sale of firearms at a location only if there is a lawful, general, similar regulation or prohibition of commercial activities at that location. Nothing in this subsection shall restrict the right of a county or municipality to adopt a general zoning plan that prohibits any commercial activity within a fixed distance of a school or other educational institution except with a special use permit issued for a commercial activity found not to pose a danger to the health, safety, or general welfare of persons attending the school or educational institution within the fixed distance.

(d) No county or municipality, by zoning or other ordinance, shall regulate in any manner firearms shows with regulations more stringent than those applying to shows of other types of items.

(e) A county or municipality may regulate the transport, carrying, or possession

of firearms by employees of the local unit of government in the course of their employment with that local unit of government.

(f) Nothing contained in this section prohibits municipalities or counties from application of their authority under G.S. 153A-129, 160A-189, 14-269, 14-269.2, 14-269.3, 14-269.4, 14-277.2, 14-415.11, 14-415.23, including prohibiting the possession of firearms in public-owned buildings, on the grounds or parking areas of those buildings, or in public parks or recreation areas, except nothing in this subsection shall prohibit a person from storing a firearm within a motor vehicle while the vehicle is on these grounds or areas. Nothing contained in this section prohibits municipalities or counties from exercising powers provided by law in declared states of emergency under Article 36A of this Chapter.

(g) The authority to bring suit and the right to recover against any firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association by or on behalf of any governmental unit, created by or pursuant to an act of the General Assembly or the Constitution, or any department, agency, or authority thereof, for damages, abatement, injunctive relief, or any other remedy resulting from or relating to the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is reserved exclusively to the State. Any action brought by the State pursuant to this section shall be brought by the Attorney General on behalf of the State. This section shall not prohibit a political subdivision or local governmental unit from bringing an action against a firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association for breach of contract or warranty for defect of materials or workmanship as to firearms or ammunition purchased by the political subdivision or local governmental unit."

**SECTION 2.** The provisions of this act are severable. If any provision of this act is held invalid by a court of competent jurisdiction, the invalidity does not affect other provisions of the act that can be given effect without the invalid provision.

**SECTION 3.** This act is effective when it becomes law and applies to any action pending or filed on or after that date.

In the General Assembly read three times and ratified this the 8<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 7:24 p.m. on the 15<sup>th</sup> day of August, 2002.

## S.B. 759

## Session Law 2002-78

### AN ACT TO PROVIDE LIMITATIONS ON RAIL TRANSPORTATION LIABILITY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Article 26 of Chapter 160A of the General Statutes is amended by adding a new section to read:

**"§ 160A-626. Limitations on rail transportation liability.**

(a) As used in this section:

(1) 'Claim' means a claim, action, suit, or request for damages, whether compensatory, punitive, or otherwise, made by any person or entity against:

a. The Authority, a railroad, or an operating rights railroad; or

b. An officer, director, trustee, employee, parent, subsidiary, or

affiliated corporation as defined in G.S. 105-130.6, or agent of the Authority, a railroad, or an operating rights railroad.

- (2) 'Passenger rail services' means the transportation of rail passengers by or on behalf of the Authority and all services performed by a railroad pursuant to a contract with the Authority in connection with the transportation of rail passengers, including, but not limited to, the operation of trains; the use of right of way, trackage, public or private roadway and rail crossings, equipment, or station areas or appurtenant facilities; the design, construction, reconstruction, operation, or maintenance of rail-related equipment, tracks, and any appurtenant facilities; or the provision of access rights over or adjacent to lines owned by the Authority or a railroad, or otherwise occupied by the Authority or a railroad, pursuant to charter grant, fee-simple deed, lease, easement, license, trackage rights, or other form of ownership or authorized use.
- (3) 'Railroad' means a railroad corporation or railroad company, including a State-Owned Railroad Company as defined in G.S. 124-11, that has entered into any contracts or operating agreements of any kind with the Authority concerning passenger rail services.
- (4) 'Operating rights railroad' means a railroad corporation or railroad company that, prior to January 1, 2001, was granted operating rights by a State-Owned Railroad Company or operated over the property of a State-Owned Railroad Company under a claim of right over or adjacent to facilities used by or on behalf of the Authority.

(b) Contracts Allocating Financial Responsibility Authorized. – The Authority may contract with any railroad to allocate financial responsibility for passenger rail services claims, including, but not limited to, the execution of indemnity agreements, notwithstanding any other statutory, common law, public policy, or other prohibition against same, and regardless of the nature of the claim or the conduct giving rise to such claim.

(c) Insurance Required. –

- (1) If the Authority enters into any contract authorized by subsection (b) of this section, the contract shall require the Authority to secure and maintain, upon and after the commencement of the operation of trains by or on behalf of the Authority, a liability insurance policy covering the liability of the parties to the contract, a State-Owned Railroad Company as defined in G.S. 124-11 that owns or claims an interest in any real property subject to the contract, and any operating rights railroad for all claims for property damage, personal injury, bodily injury, and death arising out of or related to passenger rail services. The policy shall name the parties to the contract, a State-Owned Railroad Company as defined in G.S. 124-11 that owns or claims an interest in any real property subject to the contract, and any operating rights railroad as named insureds and shall have policy limits of not less than two hundred million dollars (\$200,000,000) per single accident or incident, and may include a self-insured retention in an amount of not more than five million dollars (\$5,000,000).
- (2) If the Authority does not enter into any contract authorized by subsection (b) of this section, upon and after the commencement of the

operation of trains by or on behalf of the Authority, the Authority shall secure and maintain a liability insurance policy, with policy limits and a self-insured retention consistent with subdivision (1) of this subsection, for all claims for property damage, personal injury, bodily injury, and death arising out of or related to passenger rail services.

(d) Liability Limit. – The aggregate liability of the Authority, the parties to the contract or contracts authorized by subsection (b) of this section, a State-Owned Railroad Company as defined in G.S. 124-11, and any operating rights railroad for all claims arising from a single accident or incident related to passenger rail services for property damage, personal injury, bodily injury, and death is limited to two hundred million dollars (\$200,000,000) per single accident or incident or to any proceeds available under any insurance policy secured pursuant to subsection (c) of this section, whichever is greater.

(e) Effect on Other Laws. – This section shall not affect the damages that may be recovered under the Federal Employers' Liability Act, 45 U.S.C. § 51, et seq., (1908); or under Article 1 of Chapter 97 of the General Statutes."

**SECTION 2.** Chapter 153A of the General Statutes is amended by adding a new section to read:

**"§ 153A-279. Limitations on rail transportation liability.**

(a) As used in this section:

- (1) 'Claim' means a claim, action, suit, or request for damages, whether compensatory, punitive, or otherwise, made by any person or entity against:
  - a. The County, a railroad, or an operating rights railroad; or
  - b. An officer, director, trustee, employee, parent, subsidiary, or affiliated corporation as defined in G.S. 105-130.6, or agent of: the County, a railroad, or an operating rights railroad.
- (2) 'Passenger rail services' means the transportation of rail passengers by or on behalf of the County and all services performed by a railroad pursuant to a contract with the County in connection with the transportation of rail passengers, including, but not limited to, the operation of trains; the use of right-of-way, trackage, public or private roadway and rail crossings, equipment, or station areas or appurtenant facilities; the design, construction, reconstruction, operation, or maintenance of rail-related equipment, tracks, and any appurtenant facilities; or the provision of access rights over or adjacent to lines owned by the County or a railroad, or otherwise occupied by the County or a railroad, pursuant to charter grant, fee-simple deed, lease, easement, license, trackage rights, or other form of ownership or authorized use.
- (3) 'Railroad' means a railroad corporation or railroad company, including a State-Owned Railroad Company as defined in G.S. 124-11, that has entered into any contracts or operating agreements of any kind with the County concerning passenger rail services.
- (4) 'Operating rights railroad' means a railroad corporation or railroad company that, prior to January 1, 2001, was granted operating rights by a State-Owned Railroad Company or operated over the property of a State-owned railroad company under a claim of right over or adjacent to facilities used by or on behalf of the County.

(b) Contracts Allocating Financial Responsibility Authorized. – The County may contract with any railroad to allocate financial responsibility for passenger rail services claims, including, but not limited to, the execution of indemnity agreements, notwithstanding any other statutory, common law, public policy, or other prohibition against same, and regardless of the nature of the claim or the conduct giving rise to such claim.

(c) Insurance Required. –

(1) If the County enters into any contract authorized by subsection (b) of this section, the contract shall require the County to secure and maintain, upon and after the commencement of the operation of trains by or on behalf of the county, a liability insurance policy covering the liability of the parties to the contract, a State-Owned Railroad Company as defined in G.S. 124-11 that owns or claims an interest in any real property subject to the contract, and any operating rights railroad for all claims for property damage, personal injury, bodily injury, and death arising out of or related to passenger rail services. The policy shall name the parties to the contract, a State-Owned Railroad Company as defined in G.S. 124-11 that owns or claims an interest in any real property subject to the contract, and any operating rights railroad as named insureds and shall have policy limits of not less than two hundred million dollars (\$200,000,000) per single accident or incident, and may include a self-insured retention in an amount of not more than five million dollars (\$5,000,000).

(2) If the County does not enter into any contract authorized by subsection (b) of this section, upon and after the commencement of the operation of trains by or on behalf of the County, the County shall secure and maintain a liability insurance policy, with policy limits and a self-insured retention consistent with subdivision (1) of this subsection, for all claims for property damage, personal injury, bodily injury, and death arising out of or related to passenger rail services.

(d) Liability Limit. – The aggregate liability of the County, the parties to the contract or contracts authorized by subsection (b) of this section, a State-Owned Railroad Company as defined in G.S. 124-11, and any operating rights railroad for all claims arising from a single accident or incident related to passenger rail services for property damage, personal injury, bodily injury, and death is limited to two hundred million dollars (\$200,000,000) per single accident or incident or to any proceeds available under any insurance policy secured pursuant to subsection (c) of this section, whichever is greater.

(e) Effect on Other Laws. – This section shall not affect the damages that may be recovered under the Federal Employers' Liability Act, 45 U.S.C. § 51, et seq., (1908); or under Article 1 of Chapter 97 of the General Statutes.

(f) Applicability. – This section shall apply only to counties that have entered into a transit governance interlocal agreement with, among other local governments, a city with a population of more than 500,000 persons."

**SECTION 3.** Chapter 160A of the General Statutes is amended by adding a new section to read:

**"§ 160A-326. Limitations on rail transportation liability.**

(a) As used in this section:

(1) 'Claim' means a claim, action, suit, or request for damages, whether

compensatory, punitive, or otherwise, made by any person or entity against:

- a. The City, a railroad, or an operating rights railroad; or
  - b. An officer, director, trustee, employee, parent, subsidiary, or affiliated corporation as defined in G.S. 105-130.6, or agent of: the City, a railroad, or an operating rights railroad.
- (2) 'Passenger rail services' means the transportation of rail passengers by or on behalf of the City and all services performed by a railroad pursuant to a contract with the City in connection with the transportation of rail passengers, including, but not limited to, the operation of trains; the use of right-of-way, trackage, public or private roadway and rail crossings, equipment, or station areas or appurtenant facilities; the design, construction, reconstruction, operation, or maintenance of rail-related equipment, tracks, and any appurtenant facilities; or the provision of access rights over or adjacent to lines owned by the City or a railroad, or otherwise occupied by the City or a railroad, pursuant to charter grant, fee-simple deed, lease, easement, license, trackage rights, or other form of ownership or authorized use.
- (3) 'Railroad' means a railroad corporation or railroad company, including a State-Owned Railroad Company as defined in G.S. 124-11, that has entered into any contracts or operating agreements of any kind with the City concerning passenger rail services.
- (4) 'Operating rights railroad' means a railroad corporation or railroad company that, prior to January 1, 2001, was granted operating rights by a State-Owned Railroad Company or operated over the property of a State-Owned Railroad Company under a claim of right over or adjacent to facilities used by or on behalf of the City.

(b) Contracts Allocating Financial Responsibility Authorized. – The City may contract with any railroad to allocate financial responsibility for passenger rail services claims, including, but not limited to, the execution of indemnity agreements, notwithstanding any other statutory, common law, public policy, or other prohibition against same, and regardless of the nature of the claim or the conduct giving rise to such claim.

(c) Insurance Required. –

- (1) If the City enters into any contract authorized by subsection (b) of this section, the contract shall require the City to secure and maintain, upon and after the commencement of the operation of trains by or on behalf of the City, a liability insurance policy covering the liability of the parties to the contract, a State-Owned Railroad Company as defined in G.S. 124-11 that owns or claims an interest in any real property subject to the contract, and any operating rights railroad for all claims for property damage, personal injury, bodily injury, and death arising out of or related to passenger rail services. The policy shall name the parties to the contract, a State-Owned Railroad Company as defined in G.S. 124-11 that owns or claims an interest in any real property subject to the contract, and any operating rights railroad as named insureds and shall have policy limits of not less than two hundred million dollars (\$200,000,000) per single accident or incident, and may

include a self-insured retention in an amount of not more than five million dollars (\$5,000,000).

- (2) If the City does not enter into any contract authorized by subsection (b) of this section, upon and after the commencement of the operation of trains by or on behalf of the City, the City shall secure and maintain a liability insurance policy, with policy limits and a self-insured retention consistent with subdivision (1) of this subsection, for all claims for property damage, personal injury, bodily injury, and death arising out of or related to passenger rail services.

(d) Liability Limit. – The aggregate liability of the City, the parties to the contract or contracts authorized by subsection (b) of this section, a State-Owned Railroad Company as defined in G.S. 124-11, and any operating rights railroad for all claims arising from a single accident or incident related to passenger rail services for property damage, personal injury, bodily injury, and death is limited to two hundred million dollars (\$200,000,000) per single accident or incident or to any proceeds available under any insurance policy secured pursuant to subsection (c) of this section, whichever is greater.

(e) Effect on Other Laws. – This section shall not affect the damages that may be recovered under the Federal Employers' Liability Act, 45 U.S.C. § 51, et seq., (1908); or under Article 1 of Chapter 97 of the General Statutes.

(f) Applicability. – This section shall apply only to municipalities with a population of more than 500,000 persons, according to the latest decennial census, or to municipalities that have entered into a transit governance interlocal agreement with, among other local governments, a city with a population of more than 500,000 persons."

**SECTION 4.** If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or applications, and to this end the provisions of this act are severable.

**SECTION 5.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 7:25 p.m. on the 15<sup>th</sup> day of August, 2002.

### S.B. 1394

### Session Law 2002-79

AN ACT PROVIDING THAT THE CITY OF CHARLOTTE MAY BY RESOLUTION DEEM THE CREATION OF A SELF-FUNDED RISK PROGRAM AS THE PURCHASE OF INSURANCE FOR THE PURPOSE OF WAIVING GOVERNMENTAL IMMUNITY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 2(b) of S.L. 1998-200 reads as rewritten:

"(b) This section applies to the ~~City~~ Cities of Charlotte and Raleigh only."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

## H.B. 1600

## Session Law 2002-80

## AN ACT AFFECTING THE REGULATION OF ABANDONMENT OF JUNKED MOTOR VEHICLES IN THE CITY OF ALBEMARLE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 160A-303.2(a) reads as rewritten:

"(a) A municipality may by ordinance regulate, restrain or prohibit the abandonment of junked motor vehicles on public grounds and on private property within the municipality's ordinance-making jurisdiction upon a finding that such regulation, restraint or prohibition is necessary and desirable to promote or enhance community, neighborhood or area appearance, and may enforce any such ordinance by removing or disposing of junked motor vehicles subject to the ordinance according to the procedures prescribed in this section. The authority granted by this section shall be supplemental to any other authority conferred upon municipalities. Nothing in this section shall be construed to authorize a municipality to require the removal or disposal of a motor vehicle kept or stored at a bona fide "automobile graveyard" or "junkyard" as defined in G.S. 136-143.

For purposes of this section, the term "junked motor vehicle" means a vehicle that does not display a current license plate and that:

- (1) Is partially dismantled or wrecked; or
- (2) Cannot be self-propelled or moved in the manner in which it originally was intended to move; or
- (3) Is more than five years old and appears to be worth less than ~~one hundred dollars (\$100.00)~~ five hundred dollars (\$500.00)."

**SECTION 2.** This act applies to the City of Albemarle only.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

## H.B. 1661

## Session Law 2002-81

## AN ACT TO ALLOW THE COUNTY OF LEE TO CONVEY THE GOLDEN POULTRY/GOLD KIST WATER PLANT AND RIVER INTAKE FACILITY AT PRIVATE SALE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Notwithstanding Article 12 of Chapter 160A of the General Statutes, the County of Lee may convey at private sale any or all of its right, title, and interest to some or all of the following described property:

TRACT #1:

ALL THAT CERTAIN TRACT OF LAND, containing 10.066 acres, more or less, being a part of what was known as the "Zimmerman Farm" near the Village of Cumnock, West Sanford Township, Lee County, North Carolina, approximately eight miles northwesterly from the city limits of the City of Sanford and lying easterly from the terminus of Secondary Road No. 1401 and bounded now or formerly as follows: North, East and South by the lands of Golden Poultry Company, Inc., (formerly FCX, Inc.) and West by the lands of T.G. Proctor, Jr., (formerly Upchurch and Cooper); said



tract of land being more particularly described according to a plat prepared by Ragsdale Consultants, P.A., on February 3, 1988, Revised, May 20, 1988, as follows: BEGINNING at a common corner between the lands of T. G. Proctor, Jr. described in deed recorded in Book 377, Page 462, Lee County Registry, and the lands of Golden Poultry Company, Inc., depicted on plat recorded in Plat Cabinet No. 6, Slide 89, Lee County Registry; said beginning point being designated as control corner on the aforesaid map and having the following coordinates on the N. C. State Plane Coordinate System:  $Y = 659,790.3440$  and  $X = 1,930,570.6550$ ; and running thence from said beginning point with line of division between the lands of Proctor and Golden Poultry Company, Inc., North 19 degrees 48 minutes 43 seconds West 872 feet to a point marked by an iron pipe, which point is also located South 19 degrees 48 minutes 42 seconds East 1419.05 feet from an existing iron pipe on the bank of Deep River, the northwesterly corner of Golden Poultry Company Inc.'s tract. thence as a new line, North 71 degrees 02 minutes 18 seconds East 700.00 feet to a point marked by an iron pipe; thence as another new line, South 20 degrees 56 minutes 31 seconds East 372 feet to a point marked by an iron pipe; thence as another new line South 71 degrees 01 minute 42 seconds West 350 feet to a point marked by an iron pipe; thence as another new line, South 18 degrees 58 minutes 18 seconds East 500 feet to a point marked by an iron pipe; thence as another new line, South 71 degrees 01 minute 42 seconds West 350 feet to the point and place of BEGINNING.

TRACT #2:

BEGINNING at an iron pipe on the East side of Deep River, the Southwesterly corner of a 0.34 acre tract with the Northern Right-of-Way of a Utility and Road Easement, as shown and depicted on the map recorded in Plat Cabinet 7, Slide 16-A, Lee County Registry, and running thence from said beginning point, North 25 degrees 38 minutes 44 seconds East 150 feet to an iron pipe; thence South 74 degrees 24 minutes East 100 feet to an iron pipe; thence South 25 degrees 38 minutes 44 seconds West 150 feet to the Northern line of a 30 foot Utility and Road Easement; thence North 74 degrees 24 minutes West 100 feet to the point of BEGINNING, containing 0.34 acres, more or less.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

## **H.B. 1686**

## **Session Law 2002-82**

AN ACT AUTHORIZING THE VILLAGE OF WHISPERING PINES TO REGULATE THE OPERATION OF ELECTRIC GOLF CARTS WITHIN THE VILLAGE AND TO AUTHORIZE THE MOORE COUNTY BOARD OF COMMISSIONERS TO REGULATE THE OPERATION OF ELECTRIC GOLF CARTS WITHIN THE SEVEN LAKES COMMUNITY IN MOORE COUNTY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Notwithstanding the provisions of G.S. 20-50 and G.S. 20-54, the Village of Whispering Pines may, by ordinance, regulate the operation of electric golf carts on any public street or road within the Village. By ordinance, the Village may require the registration of golf carts, specify the persons authorized to operate golf carts, and specify required equipment, load limits, and the hours and methods of operation of the golf carts.

**SECTION 2.** Section 3 of Chapter 13 of the 1995 Session Laws reads as rewritten:

"**Sec. 3.** This act shall not be construed as in any way interfering with the ownership and control of the streets, roadways, and alleys of the Seven Lakes Landowners Association, Inc., or its members as is now vested by law in that association or its members. The speed limits within the Seven Lakes Community shall be the same as those in effect at the time of ratification of this act. Any proposed change in the speed limit shall be submitted to and approved by the Moore County Board of Commissioners. Pursuant to G.S. 20-141, the Moore County Board of Commissioners may authorize by ordinance higher or lower speeds. Notwithstanding the provisions of G.S. 20-50 and G.S. 20-54, the Moore County Board of Commissioners may, by ordinance, regulate the operation of electric golf carts on streets and roads within the confines of the Seven Lakes Community as recommended by the Directors of the Seven Lakes Landowners Association, Inc. By ordinance, the Moore County Board of Commissioners may require the registration of golf carts, specify the persons authorized to operate golf carts, and specify required equipment, load limits, and the hours and methods of operation of the golf carts."

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

#### **H.B. 1691**

#### **Session Law 2002-83**

AN ACT AUTHORIZING THE TROY REDEVELOPMENT COMMISSION TO CONVEY PROPERTY TO A NONPROFIT ORGANIZATION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING IN A REDEVELOPMENT AREA.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Notwithstanding Article 22 of Chapter 160A of the General Statutes, the Troy Redevelopment Commission (hereinafter Commission) may convey by private negotiation and sale, with or without monetary consideration, any or all of its right, title, and interest in property owned by the Commission to a nonprofit organization under the terms and conditions that the Commission deems appropriate for the purpose of providing affordable housing in the Smitherman Village neighborhood, a redevelopment area as defined in G.S. 160A-503(16).

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

#### **H.B. 1697**

#### **Session Law 2002-84**

AN ACT TO PERMIT THE WARREN FIELD AIRPORT COMMISSION TO LEASE PROPERTY FOR MORE THAN TEN YEARS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 160A-272 reads as rewritten:

**"§ 160A-272. Lease or rental of property.**

Any property owned by a city may be leased or rented for such terms and upon such conditions as the council may determine, but not for longer than ~~10~~25 years (except as otherwise provided herein) and only if the council determines that the property will not be needed by the city for the term of the lease. In determining the term of a proposed lease, periods that may be added to the original term by options to renew or extend shall be included. Property may be rented or leased only pursuant to a resolution of the council authorizing the execution of the lease or rental agreement adopted at a regular council meeting upon 10 days' public notice. Notice shall be given by publication describing the property to be leased or rented, stating the annual rental or lease payments, and announcing the council's intent to authorize the lease or rental at its next regular meeting.

No public notice need be given for resolutions authorizing leases or rentals for terms of one year or less, and the council may delegate to the city manager or some other city administrative officer authority to lease or rent city property for terms of one year or less. Leases for terms of more than 10 years shall be treated as a sale of property and may be executed by following any of the procedures authorized for sale of real property."

**SECTION 2.** This act applies only to the Warren Field Airport Commission.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

**S.B. 1367****Session Law 2002-85**

AN ACT TO PROVIDE THAT BERTIE, COLUMBUS, AND GREENE COUNTIES, AND THE TOWN OF WINDSOR MAY PURCHASE AND CONVEY PROPERTY TO THE STATE OF NORTH CAROLINA FOR USE AS CORRECTIONAL FACILITIES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 1 of Chapter 600 of the 1995 Session Laws, as amended by S.L. 2000-31, reads as rewritten:

**"Section 1.(a)** The Counties of Alexander, Anson, Bertie, Columbus, Greene, Scotland, and Stanly have power under general law to acquire real and personal property and convey it to the State under G.S. 160A-274 or other applicable law for use as correctional facilities.

**Section 1.(b)** The Town of Windsor has the power under the general law to acquire real and personal property and convey it to the State under G.S. 160A-274 or other applicable law for use as a correctional facility. It may acquire that property by eminent domain, and such power under this subsection is supplementary to any other power it may have to take property by eminent domain."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22<sup>nd</sup> day of August, 2002.

Became law on the date it was ratified.

## H.B. 1492

## Session Law 2002-86

AN ACT TO REQUIRE THE DEPARTMENT OF TRANSPORTATION TO CONDEMN LAND FOR SECONDARY ROAD PAVING OR MAINTENANCE PROJECTS WHEN THE OWNERS OF THE MAJORITY OF THE ROAD FRONTAGE ADJACENT TO THE PROJECT AGREE TO PROVIDE THE NECESSARY RIGHT-OF-WAY FOR THE PROJECT, AND TO DESIGNATE INTERSTATE HIGHWAY 95 AS THE PURPLE HEART MEMORIAL HIGHWAY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 136-44.7(c) reads as rewritten:

"(c) When it is necessary for the Department of Transportation to acquire a right-of-way in accordance with (a) and (b) of this section in order to pave a secondary road or undertake a maintenance project, the Department shall negotiate the acquisition of the right-of-way for a period of up to six months. At the end of that period, if one or more property owners have not dedicated the necessary right-of-way and at least seventy-five percent (75%) of the property owners adjacent to the project and the owners of ~~seventy-five percent (75%)~~ the majority of the road frontage adjacent to the project have dedicated the necessary property for the right-of-way and have provided funds required by Department rule to the Department to cover the costs of condemning the remaining property, the Department shall initiate condemnation proceedings pursuant to Article 9 of this Chapter to acquire the remaining property necessary for the project."

**SECTION 2.(a)** Chapter 136 of the General Statutes is amended by adding a new section to read:

**"§ 136-18.5A. Purple Heart Memorial Highway.**

Interstate Highway 95 in North Carolina is designated as the 'Purple Heart Memorial Highway' to pay tribute to the many North Carolinians who have been awarded the Purple Heart medal after being wounded or killed in action against the enemy."

**SECTION 2.(b)** The Department of Transportation shall, with the assistance of the Military Order of the Purple Heart and the Division of Veterans Affairs, design and place appropriate signage on Interstate Highway 95 at suitable locations, consistent with State and federal regulations, near the South Carolina and Virginia borders and at the intersection of Interstate Highway 40, implementing Section 2(a) of this act.

**SECTION 2.(c)** The Department of Transportation shall calculate the costs of designing and placing the signs required by Section 2(b) of this act, and the Military Order of the Purple Heart shall pay those costs to the Department prior to the erection of the signs.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 14<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 10:31 p.m. on the 22<sup>nd</sup> day of August, 2002.

## S.B. 1416

## Session Law 2002-87

AN ACT TO IMPROVE THE LOW-INCOME HOUSING TAX CREDIT BY MAKING IT SIMPLER AND LESS COSTLY WHILE PROVIDING THE SAME

LEVEL OF INCENTIVES FOR THE CONSTRUCTION OF LOW-INCOME HOUSING AND TO MODIFY THE FORMULA FOR CALCULATING NORTH CAROLINA ESTATE TAX ON ESTATES WITH PROPERTY IN MORE THAN ONE STATE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 105 of the General Statutes is amended by adding a new Article to read:

"Article 3E.

"Low-Income Housing Tax Credits.

**"§ 105-129.40. Definitions applicable to Article.**

The definitions in section 42 of the Code and the following definitions apply in this Article:

- (1) Housing Finance Agency. – The North Carolina Housing Finance Agency established in G.S. 122A-4.
- (2) Pass-Through Entity. – Defined in G.S. 105-129.35.

**"§ 105-129.41: Reserved.**

**"§ 105-129.42. Credit for low-income housing awarded a federal credit allocation on or after January 1, 2003.**

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

- (1) Qualified Allocation Plan. – The plan governing the allocation of federal low-income housing tax credits for a particular year, as approved by the Governor after a public hearing and publication in the North Carolina Register.
- (2) Qualified North Carolina Low-Income Housing Development. – A qualified low-income project or building that is allocated a federal tax credit under section 42(h)(1) of the Code and is described in subsection (c) of this section.
- (3) Qualified Residential Unit. – A housing unit that meets the requirements of section 42 of the Code.

(b) Credit. – A taxpayer who is allocated a federal low-income housing tax credit under section 42 of the Code to construct or substantially rehabilitate a qualified North Carolina low-income housing development is allowed a credit equal to a percentage of the development's eligible basis, as determined pursuant to section 42(d) of the Code. For the purpose of this section, eligible basis is calculated based on the information contained in the carryover allocation and is not recalculated to reflect subsequent increases or decreases. No credit is allowed for a development that uses tax-exempt bond financing.

(c) Developments and Amounts. – The following table sets out the housing developments that are qualified North Carolina low-income housing developments and are allowed a credit under this section. The table also sets out the percentage of the development's eligible basis for which a credit is allowed. The designation of a county or city as Low Income, Moderate Income, or High Income and determinations of affordability are made by the Housing Finance Agency in accordance with the Qualified Allocation Plan in effect as of the time the federal credit is allocated. A change in the income designation of a county or city after a federal credit is allocated does not affect the percentage of the developer's eligible basis for which a credit is allowed. The affordability requirements set out in the chart apply for the duration of the federal tax

credit compliance period. If in any year a taxpayer fails to meet these affordability requirements, the credit is forfeited under subsection (h) of this section.

| <u>Type of Development</u>   | <u>Percentage of Basis for Which Credit Is Allowed</u> |
|--|--|
| <u>Forty percent (40%) of the qualified residential units are affordable to households whose income is fifty percent (50%) or less of area median income and the units are in a Low-Income county or city.</u>             | <u>Thirty percent (30%)</u>                            |
| <u>Fifty percent (50%) of the qualified residential units are affordable to households whose income is fifty percent (50%) or less of the area median income and the units are in a Moderate-Income county or city.</u>    | <u>Twenty percent (20%)</u>                            |
| <u>Fifty percent (50%) of the qualified residential units are affordable to households whose income is forty percent (40%) or less of the area median income and the units are in a High-Income county or city.</u>        | <u>Ten percent (10%)</u>                               |
| <u>Twenty-five percent (25%) of the qualified residential units are affordable to households whose income is thirty percent (30%) or less of the area median income and the units are in a High-Income county or city.</u> | <u>Ten percent (10%)</u>                               |

(d) Election. – When a taxpayer to whom a federal low-income housing credit is allocated submits to the Housing Finance Agency a request to receive a carryover allocation for that credit, the taxpayer must elect a method for receiving the tax credit allowed by this section. A taxpayer may elect to receive the credit in the form of either a direct tax refund or a loan generated by transferring the credit to the Housing Finance Agency. Neither a direct tax refund nor a loan received as the result of the transfer of the credit is considered taxable income under this Chapter.

Under the direct tax refund method, a taxpayer elects to apply the credit allowed by this section to the taxpayer's liability under Article 4 of this Chapter. If the credit allowed by this section exceeds the amount of tax imposed by Article 4 for the taxable year, reduced by the sum of all other credits allowable, the Secretary must refund the excess. In computing the amount of tax against which multiple credits are allowed, nonrefundable credits are subtracted before this credit. The provisions that apply to an overpayment of tax apply to the refundable excess of a credit allowed under this section.

Under the loan method, a taxpayer elects to transfer the credit allowed by this section to the Housing Finance Agency and receive a loan from that Agency for the amount of the credit. The terms of the loan are specified by the Housing Finance Agency in accordance with the Qualified Allocation Plan.

(e) Exception When No Carryover. – If a taxpayer does not submit to the Housing Finance Agency a request to receive a carryover allocation, the taxpayer must elect the method for receiving the credit allowed by this section when the taxpayer submits to the Agency federal Form 8609. A taxpayer to whom this subsection applies claims the credit for the taxable year in which the taxpayer submits federal Form 8609.

(f) Pass-Through Entity. – Notwithstanding the provisions of G.S. 105-131.8 and G.S. 105-269.15, a pass-through entity that qualifies for the credit provided in this Article does not distribute the credit among any of its owners. The pass-through entity is considered the taxpayer for purposes of claiming the credit allowed by this Article. If a

return filed by a pass-through entity indicates that the entity is paying tax on behalf of the owners of the entity, the credit allowed under this Article does not affect the entity's payment of tax on behalf of its owners.

(g) Return and Payment. – A taxpayer may claim the credit allowed by this section on a return filed for the taxable year in which the taxpayer receives a carryover allocation of a federal low-income housing credit. The return must state the name and location of the qualified low-income housing development for which the credit is claimed.

If a taxpayer chooses the loan method for receiving the credit allowed under this section, the Secretary must transfer to the Housing Finance Agency the amount of credit allowed the taxpayer. The Agency must loan the taxpayer the amount of the credit on terms consistent with the Qualified Allocation Plan. The Housing Finance Agency is not required to make a loan to a qualified North Carolina low-income housing development until the Secretary transfers the credit amount to the Agency.

If the taxpayer chooses the direct tax refund method for receiving the credit allowed under this section, the Secretary must transfer to the Housing Finance Agency the refundable excess of the credit allowed the taxpayer. The Agency holds the refund due the taxpayer in escrow, with no interest accruing to the taxpayer during the escrow period. The Agency must release the refund to the taxpayer upon the occurrence of the earlier of the following:

- (1) The Agency determines that the taxpayer has complied with the Qualified Allocation Plan and has completed at least fifty percent (50%) of the activities included in the development's eligible basis.
- (2) Within 30 days after the development is placed in service date.

(h) Forfeiture. – A taxpayer that receives a credit under this section must immediately report any recapture event under section 42 of the Code to the Housing Finance Agency. If the taxpayer or any of its owners are required under section 42(j) of the Code to recapture all or part of a federal credit with respect to a qualified North Carolina low-income development, the taxpayer forfeits the corresponding part of the credit allowed under this section. This requirement does not apply in the following circumstances:

- (1) When the recapture of part or all of the federal credit is the result of an event that occurs in the sixth or a subsequent calendar year after the calendar year in which the development was awarded a federal credit allocation.
- (2) The taxpayer elected to transfer the credit allowed by this section to the Housing Finance Agency.

(i) Liability From Forfeiture. – A taxpayer that forfeits all or part of the credit allowed under this section is liable for all past taxes avoided and any refund claimed as a result of the credit plus interest at the rate established under G.S. 105-241.1(i). The interest rate is computed from the date the Secretary transferred the credit amount to the Housing Finance Agency. The past taxes, refund, and interest are due 30 days after the date the credit is forfeited. A taxpayer that fails to pay the taxes, refund, and interest by the due date is subject to the penalties provided in G.S. 105-236.

**"§ 105-129.43. Substantiation.**

A taxpayer allowed a credit under this Article must maintain and make available for inspection any information or records required by the Secretary of Revenue or the Housing Finance Agency. The burden of proving eligibility for a credit and the amount of the credit rests upon the taxpayer.

**"§ 105-129.44. Report.**

The Department of Revenue must report to the Revenue Laws Study Committee and the Fiscal Research Division of the General Assembly by May 1 of each year the following information for the 12-month period ending the preceding April 1:

- (1) The number of taxpayers that claimed the credit allowed in this Article.
- (2) The location of each qualified North Carolina low-income building or housing development for which a credit was claimed.
- (3) The total cost to the General Fund of the credits claimed.

**"§ 105-129.45. Sunset.**

This Article is repealed effective January 1, 2006. The repeal applies to developments to which federal credits are allocated on or after January 1, 2006."

**SECTION 2.** G.S. 105-129.16B is recodified as G.S. 105-129.41 and reads as rewritten:

**"§ 105-129.41. Credit for low-income ~~housing~~ housing awarded a federal credit allocation before January 1, 2003.**

(a) ~~(Effective until January 1, 2005)~~ Credit. – A taxpayer that is allowed for the taxable year a federal income tax credit for low-income housing under section 42 of the Code with respect to a qualified North Carolina low-income building, is allowed a credit under this Article equal to a percentage of the total federal credit allowed with respect to that building. For the purposes of this section, the total federal credit allowed is the total allowed during the 10-year federal credit period plus the disallowed first-year credit allowed in the 11th year. For the purposes of this section, the total federal credit is calculated based on qualified basis as of the end of the first year of the credit period and is not recalculated to reflect subsequent increases in qualified basis. For buildings that meet condition (c)(1) or (c)(1a) of this section, the credit percentage is seventy-five percent (75%). For other buildings, the credit percentage is twenty-five percent (25%).

~~(a) (Effective January 1, 2005) Credit. — A taxpayer that is allowed for the taxable year a federal income tax credit for low income housing under section 42 of the Code with respect to a qualified North Carolina low income building, is allowed a credit under this Article equal to a percentage of the total federal credit allowed with respect to that building. For the purposes of this section, the total federal credit allowed is the total allowed during the 10 year federal credit period plus the disallowed first year credit allowed in the 11th year. For the purposes of this section, the total federal credit is calculated based on qualified basis as of the end of the first year of the credit period and is not recalculated to reflect subsequent increases in qualified basis. For buildings that meet condition (c)(1) of this section, the credit percentage is seventy five percent (75%). For other buildings, the credit percentage is twenty five percent (25%).~~

(a1) Tax Election. – The credit allowed in this section is allowed against the franchise tax levied in Article 3 of this Chapter, the income taxes levied in Article 4 of this Chapter, or the gross premiums tax levied in Article 8B of this Chapter. The taxpayer must elect the tax against which the credit will be claimed when filing the return on which the first installment of the credit is claimed. This election is binding. Any carryforwards of the credit must be claimed against the same tax.

(a2) Cap. – The credit allowed in this section may not exceed fifty percent (50%) of the tax against which it is claimed for the taxable year, reduced by the sum of all other credits made by or on behalf of the taxpayer. This limitation applies to the cumulative amount of credit, including carryforwards, claimed by the taxpayer under



this section against each tax for the taxable year. Any unused portion of the credit may be carried forward for the succeeding five years.

(b) Timing. – The credit must be taken in equal installments over the five years beginning in the first taxable year in which the federal credit is claimed for that building. During the first taxable year in which the credit allowed under this section may be taken with respect to a building, the amount of the installment must be multiplied by the applicable fraction under section 42(f)(2)(A) of the Code. Any reduction in the amount of the first installment as a result of this multiplication is carried forward and may be taken in the first taxable year after the fifth installment is allowed under this section.

(b1) Allocation. – Notwithstanding the provisions of G.S. 105-131.8 and G.S. 105-269.15, a pass-through entity that qualifies for the credit provided in this section may allocate the credit among any of its owners in its discretion as long as ~~the amount of credit allocated to an owner does not exceed the owner's adjusted basis in the pass-through entity, as determined under the Code, at the end of the taxable year in which the federal credit is first claimed.~~ an owner's adjusted basis in the pass-through entity, as determined under the Code at the end of the taxable year in which the federal credit is first claimed, is at least forty percent (40%) of the amount of credit allocated to that owner. Owners to whom a credit is allocated are allowed the credit as if they had qualified for the credit directly. A pass-through entity and its owners must include with their tax returns for every taxable year in which an allocated credit is claimed a statement of the allocation made by the pass-through entity and the allocation that would have been required under G.S. 105-131.8 or G.S. 105-269.15.

(c) ~~Definitions. – The definitions in section 42 of the Code apply in this section. In addition, as~~ Qualifying Buildings. – As used in this section the term "qualified North Carolina low-income building" means a qualified low-income building that was allocated a federal credit under section 42(h)(1) of the Code, was not allowed a federal credit under section 42(h)(4) of the Code, and meets any of the following conditions:

- (1) It is located in an area that, at the time the federal credit is allocated to the building, is a tier one or two enterprise area, as defined in G.S. 105-129.3.
- (1a) ~~(Expires January 1, 2005)~~ It is located in a county that, at the time the federal credit is allocated to the building, has been designated as having sustained severe or moderate damage from a hurricane or a hurricane-related disaster, according to the Federal Emergency Management Agency impact map, revised on September 25, 1999. Those counties are Bertie, Beaufort, Bladen, Brunswick, Carteret, Columbus, Craven, Dare, Duplin, Edgecombe, Greene, Halifax, Hertford, Jones, Lenoir, Martin, Nash, New Hanover, Northampton, Onslow, Pasquotank, Pender, Pitt, Washington, Wayne, and Wilson Counties.
- (2) It is located in an area that, at the time the federal credit is allocated to the building, is a tier three or four enterprise area, and forty percent (40%) of its residential units are both rent-restricted and occupied by individuals whose income is fifty percent (50%) or less of area median gross income as defined in the Code.
- (3) It is located in an area that, at the time the federal credit is allocated to the building, is a tier five enterprise area, and forty percent (40%) of its residential units are both rent-restricted and occupied by individuals

whose income is thirty-five percent (35%) or less of area median gross income as defined in the Code.

(d) Expiration. – If, in one of the five years in which an installment of the credit under this section accrues, the taxpayer is no longer eligible for the corresponding federal credit with respect to the same qualified North Carolina low-income building, then the credit under this section expires and the taxpayer may not take any remaining installment of the credit. If, in one of the five years in which an installment of the credit under this section accrues, the building no longer qualifies as a low-income building under subdivision (2) or (3) of subsection (c) of this section because less than forty percent (40%) of its residential units are both rent-restricted and occupied by individuals who meet the income requirements, then the credit under this section expires and the taxpayer may not take any remaining installments of the credit. The taxpayer may, however, take the portion of an installment that accrued in a previous year and was carried forward to the extent permitted under G.S. 105-129.17.

(e) Forfeiture for Disposition. – If the taxpayer is required under section 42(j) of the Code to recapture all or part of a federal credit under that section with respect to a qualified North Carolina low-income building, the taxpayer must report the recapture event to the Secretary and to the Housing Finance Agency. The taxpayer forfeits the corresponding part of the credit allowed under this section with respect to that qualified North Carolina low-income building. If the credit was allocated among the owners of a pass-through entity, the forfeiture applies to the owners in the same proportion that the credit was allocated. This subsection does not apply when the recapture of part or all of the federal credit is the result of an event that occurs after the credit period described in subsection (b) of this section.

(f) Forfeiture for Change in Ownership. – If an owner of a pass-through entity that has qualified for the credit allowed under this section disposes of all or a portion of the owner's interest in the pass-through entity within five years from the date the federal credit is first claimed and the owner's interest in the pass-through entity is reduced to less than two-thirds of the owner's interest in the pass-through entity at the time the federal credit is first claimed, the owner must report the change to the Secretary and to the Housing Finance Agency. The owner forfeits a portion of the credit. The amount forfeited is determined by multiplying the amount of credit by the percentage reduction in ownership and then multiplying that product by the forfeiture percentage. The forfeiture percentage equals the recapture percentage found in the table in section 50(a)(1)(B) of the Code. The remaining allowable credit is allocated equally among the five years in which the credit is claimed. Forfeiture as provided in this subsection is not required if the change in ownership is the result of any of the following:

- (1) The death of the owner.
- (2) A merger, consolidation, or similar transaction requiring approval by the shareholders, partners, or members of the taxpayer under applicable State law, to the extent the taxpayer does not receive cash or tangible property in the merger, consolidation, or other similar transaction.

(g) Liability From Forfeiture. – A taxpayer or an owner of a pass-through entity that forfeits a credit under this section is liable for all past taxes avoided as a result of the credit plus interest at the rate established under G.S. 105-241.1(i), computed from the date the taxes would have been due if the credit had not been allowed. The past taxes and interest are due 30 days after the date the credit is forfeited. A taxpayer or

owner of a pass-through entity that fails to pay the taxes and interest by the due date is subject to the penalties provided in G.S. 105-236."

**SECTION 3.** G.S. 105-129.15(4a) is repealed.

**SECTION 4.** G.S. 105-129.15A reads as rewritten:

"§ 105-129.15A. Sunset.

G.S. 105-129.16 is repealed effective for business property placed in service on or after January 1, 2002. The remainder of this Article is repealed effective January 1, 2006. The repeal of G.S. 105-129.16A applies to renewable energy property placed in service on or after January 1, 2006. ~~The repeal of G.S. 105-129.16B applies to buildings to which federal credits are allocated on or after January 1, 2006. (2000-173, s. 1(d).)~~"

**SECTION 5.** G.S. 105-129.17(a) reads as rewritten:

"(a) Tax Election. – The credits allowed in this Article are allowed against the franchise tax levied in Article 3 of this Chapter or the income taxes levied in Article 4 of this Chapter. ~~In addition, the credit allowed under G.S. 105-129.16B is allowed against the gross premiums tax levied in Article 8B of this Chapter.~~ The taxpayer must elect the tax against which a credit will be claimed when filing the return on which the first installment of the credit is claimed. This election is binding. Any carryforwards of a credit must be claimed against the same tax."

**SECTION 6.** G.S. 105-129.19(2a) is repealed.

**SECTION 7.** G.S. 105-259(b) is amended by adding a new subdivision to read:

"(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

...  
 (28) To exchange information concerning a tax credit claimed under Article 3E of this Chapter with the North Carolina Housing Finance Agency."

**SECTION 8.** G.S. 105-256(a) is amended by adding a new subdivision to read:

"(7) The reports required under G.S. 105-129.19 and G.S. 105-129.44."

**SECTION 9.** G.S. 105-32.2(b) reads as rewritten:

"(b) Amount. – The amount of the estate tax imposed by this section is the maximum credit for state death taxes allowed under section 2011 of the Code. If any property in the estate is located in a state other than North Carolina, the amount of tax payable ~~is the North Carolina percentage of the credit.~~

~~If the decedent was a resident of this State at death, the North Carolina percentage is the net value of the estate that does not have a tax situs in another state, divided by the net value of all property in the estate. If the decedent was not a resident of this State at death, the North Carolina percentage is the net value of real property that is located in North Carolina plus the net value of any personal property that has a tax situs in North Carolina, divided by the net value of all property in the estate, unless the decedent's state of residence uses a different formula to determine that state's percentage. In that circumstance, the North Carolina percentage is the amount determined by the formula used by the decedent's state of residence.~~

The net value of property that is located in or has a tax situs in this State is its gross value reduced by any debt secured by that property. The net value of all the property in the estate is its gross value reduced by any debts and deductions of the estate. depends on whether the decedent was a resident of this State at death. If the decedent was a

resident of this State at death, the amount of tax due under this section is reduced by the lesser of the amount of the death tax paid the other state or an amount computed by multiplying the credit by a fraction, the numerator of which is the gross value of the estate that has a tax situs in another state and the denominator of which is the value of the decedent's gross estate. If the decedent was not a resident of this State at death, the amount of tax due under this section is an amount computed by multiplying the credit by a fraction, the numerator of which is the gross value of real property that is located in North Carolina plus the gross value of any personal property that has a tax situs in North Carolina and the denominator of which is the value of the decedent's gross estate. For purposes of this section, the gross value of property is its gross value as finally determined in the federal estate tax proceedings."

**SECTION 10.** Section 9 of this act is effective on and after January 1, 2002, and applies to the estates of decedents dying on or after that date. The remainder of this act is effective when it becomes law. Section 2 of this act applies to credits for buildings that are awarded a federal credit allocation before January 1, 2003, and for which a federal tax credit is first claimed for a taxable year beginning on or after January 1, 2002.

In the General Assembly read three times and ratified this the 15<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 10:33 p.m. on the 22<sup>nd</sup> day of August, 2002.

**H.B. 1099****Session Law 2002-88**

AN ACT TO PERMIT THE WAIVER OF THE RIGHT OF EQUITY OF REDEMPTION BY FINANCIAL INSTITUTIONS IN CERTAIN SECURITIZED FINANCIAL ASSETS AND TO STUDY ITS APPLICABILITY TO OTHER BUSINESS ENTITIES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 25 of the General Statutes is amended by adding a new Article to read:

"Article 9A.

"Asset-Backed Securities Facilitation.

**"§ 25-9A-101. Definitions.**

The following definitions apply in this Article:

- (1) Beneficial interest. – Debt or equity interests or obligations of any type that are issued by a special purpose entity and entitle the holder of the interest or obligation to receive payments that depend primarily on the cash flow from financial assets owned by the special purpose entity.
- (2) Financial asset. – Cash or a contract or instrument that conveys to an entity a contractual right to receive cash or another financial instrument from another entity.
- (3) Securitization. – The issuance by a special purpose entity of evidences of beneficial interest that meets one of the following criteria:
  - a. Its most senior class at the time of issuance is rated in one of the four highest categories assigned to long-term debt or in an equivalent short-term category (within either of which there may be sub-categories or gradations indicating relative

- standing) by one or more nationally recognized rating organizations.
- b. It is sold in transactions by an issuer not involving any public offering under section 4 of the Securities Act of 1933 (15 U.S.C. 77d), as amended, or in transactions exempt from registration under the Securities Act of 1933 pursuant to Regulation S issued in accordance with the Act, or any successor regulations issued under the Act.
- (4) Special purpose entity. – A trust, corporation, limited liability company, or other entity demonstrably distinct from the transferor that is primarily engaged in acquiring and holding (or transferring to another special purpose entity) financial assets, and in activities related or incidental thereto, in connection with the issuance by the special purpose entity (or by another special purpose entity that acquires financial assets directly or indirectly from the special purpose entity) of evidences of beneficial interests.
- (5) Transferor. – A financial institution insured by the Federal Deposit Insurance Corporation.

**"§ 25-9A-102. Waiver of equity of redemption.**

- (a) Notwithstanding any other provision of law, except to the extent otherwise set forth in the transaction documents relating to a securitization, all of the following apply:
- (1) Any property, assets, or rights purported to be transferred, in whole or in part, in a securitization or in connection with a securitization are considered no longer the property, assets, or rights of the transferor, to the extent purported to be transferred.
- (2) A transferor in the securitization, its creditors, and, in any insolvency proceeding with respect to the transferor or the transferor's property, a bankruptcy trustee, receiver, debtor, debtor in possession, or similar person, to the extent the transfer is governed by State law, has no rights, legal or equitable, to reacquire, reclaim, recover, repudiate, disaffirm, redeem, or recharacterize as property of the transferor any property, assets, or rights purported to be transferred to the special purpose entity, in whole or in part, by the transferor.
- (3) In the event of a bankruptcy, receivership, or other insolvency proceeding with respect to the transferor or the transferor's property, to the extent the transfer of property, assets, and rights are governed by State law, the property, assets, and rights are not considered part of the transferor's property, assets, rights, or estate.
- (b) Nothing in this Article:
- (1) Requires any securitization to be treated as a sale for federal or state tax purposes;
- (2) Precludes the treatment of any securitization as debt for federal or state tax purposes; or
- (3) Changes any applicable laws relating to the perfection and priority of security or ownership interests of persons other than the transferor, any hypothetical lien creditor of the transferor, or, in the event of a bankruptcy, receivership, or other insolvency proceeding with respect to the transferor or its property, a bankruptcy trustee, receiver, debtor, debtor in possession, or other similar person."

**SECTION 2.** The General Statutes Commission is directed to study and report to the 2003 General Assembly on the question of whether the waiver of the equity of redemption, as permitted under this act for certain financial institutions, should be extended to apply to other business entities in other commercial transactions. The report should include any recommended legislation necessary to implement the Commission's recommendations.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 10:35 p.m. on the 22<sup>nd</sup> day of August, 2002.

**H.B. 1545****Session Law 2002-89**

AN ACT TO AUTHORIZE THE ADDITION OF ELK KNOB STATE NATURAL AREA AND BEECH CREEK BOG STATE NATURAL AREA TO THE STATE PARKS SYSTEM, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Whereas, Section 5 of Article XIV of the North Carolina Constitution states that it shall be a proper function of the State of North Carolina to acquire and preserve park, recreational, and scenic areas and, in every other appropriate way, to preserve as a part of the common heritage of this State, its open lands and places of beauty;

Whereas, the General Assembly enacted the State Parks Act in 1987, declaring that the State of North Carolina offers unique archaeological, geological, biological, scenic, and recreational resources, and that such resources are part of the heritage of the people of the State to be preserved and managed by those people for their use and for the use of their visitors and descendants;

Whereas, Elk Knob in Watauga County is a component of a nationally significant ecosystem with many rare species and natural communities, and has been found to possess biological, geological, and scenic resources of statewide significance; and

Whereas, Beech Creek Bog in Watauga County is an excellent example of a Southern Appalachian Bog which is a very rare natural community type in North Carolina, and the bog has been found to possess biological resources of statewide significance; Now, therefore,

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The General Assembly authorizes the Department of Environment and Natural Resources to add Elk Knob State Natural Area to the State Parks System as provided in G.S. 113-44.14(b).

**SECTION 2.** The General Assembly authorizes the Department of Environment and Natural Resources to add Beech Creek Bog State Natural Area to the State Parks System as provided in G.S. 113-44.14(b).

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 10:38 p.m. on the 22<sup>nd</sup> day of August, 2002.

## H.B. 1575

## Session Law 2002-90

AN ACT TO CLARIFY CERTAIN STATUTES RELATED TO LAND-USE RESTRICTIONS AND RECORDATION OF THOSE RESTRICTIONS IN CONNECTION WITH THE CLEANUP OF RELEASES FROM PETROLEUM UNDERGROUND STORAGE TANKS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 143B-279.9(b) reads as rewritten:

"(b) The definitions set out in G.S. 143-215.94A apply to this subsection. A ~~risk-based~~ remedial action plan for the cleanup of environmental damage resulting from a discharge or release of petroleum from an underground storage tank pursuant to Part 2A of Article 21A of Chapter 143 of the General Statutes ~~that will not require that the site meet unrestricted use standards~~ must include an agreement by the owner, operator, or other party responsible for the discharge or release of petroleum to record ~~approved~~ a notice of any applicable land-use restrictions that meet the requirements of this section subsection as provided in G.S. 143B-279.11. All of the provisions of this section shall apply except as specifically modified by this ~~subsection~~ subsection and G.S. 143B-279.11. Any restriction on the current or future use of real property pursuant to this subsection shall be enforceable only with respect to: (i) real property on which the source of contamination is located and (ii) any real property on which contamination is located at the time the remedial action plan is approved and that was owned or controlled by any owner or operator of the underground storage tank or other responsible party at the time the discharge or release of petroleum is discovered or reported or at any time thereafter. No restriction on the current or future use of real property shall apply to any portion of any parcel or tract of land on which contamination is not located. This subsection shall not be construed to require any person to record any notice of restriction on the current or future use of real property other than the real property described in this subsection. For purposes of this subsection and G.S. 143B-279.11, the Secretary may restrict current or future use of real property ~~may be restricted~~ only as set out in any one or more of the following subdivisions:

- (1) Where soil contamination will remain in excess of unrestricted use standards, the property may be used for a primary or secondary residence, school, daycare center, nursing home, playground, park, recreation area, or other similar use only with the approval of the Department.
- (2) Where soil contamination will remain in excess of unrestricted use standards and the property is used for a primary or secondary residence that was constructed before the release of petroleum that resulted in the contamination is discovered or reported, the Secretary may approve alternative restrictions that are sufficient to reduce the risk of exposure to contaminated soils to an acceptable level while allowing the real property to continue to be used for a residence.
- (3) Where groundwater contamination will remain in excess of unrestricted use standards, installation or operation of any well usable as a source of water shall be prohibited.

- (4) Any restriction on the current or future use of the real property that is agreed upon by both the owner of the real property and the Department."

**SECTION 2.** G.S. 143B-279.10(g) reads as rewritten:

"(g) This section does not apply to the cleanup pursuant to a ~~risk-based~~ remedial action plan that addresses environmental damage resulting from a discharge or release of petroleum from an underground storage tank pursuant to Part 2A of Article 21A of Chapter 143 of the General Statutes."

**SECTION 3.** G.S. 143B-279.11(a) reads as rewritten:

"(a) The definitions set out in G.S. 143-215.94A and G.S. 143B-279.9 apply to this section. This section applies only to a cleanup pursuant to a ~~risk-based~~ remedial action plan that addresses environmental damage resulting from a discharge or release of petroleum from an underground storage tank pursuant to Part 2A of Article 21A of Chapter 143 of the General Statutes."

**SECTION 4.** G.S. 143B-279.11(b) reads as rewritten:

"(b) The owner, operator, or other person responsible for a discharge or release of petroleum from an underground storage tank shall prepare and submit to the Department a proposed Notice that meets the requirements of this section. The proposed Notice shall be submitted to the Department (i) before the property is conveyed, or (ii) when the owner, operator, or other person responsible for the discharge or release requests that the Department issue a determination that no further action is required under the remedial action plan, whichever first occurs. The Notice shall be entitled "NOTICE OF RESIDUAL PETROLEUM". The Notice shall include a description that would be sufficient as a description in an instrument of conveyance of the (i) real property on which the source of contamination is located and (ii) any real property on which contamination is located at the time the remedial action plan is approved and that was owned or controlled by any owner or operator of the underground storage tank or other responsible party at the time the discharge or release of petroleum is discovered or reported or at any time thereafter. The Notice shall identify the location of any residual petroleum known to exist on the real property at the time the Notice is prepared. The Notice shall also identify the location of any residual petroleum known, at the time the Notice is prepared, to exist on other real property that is a result of the discharge or release. The Notice shall set out any restrictions on the current or future use of the real property that are imposed by the Secretary pursuant to G.S. 143B-279.9(b) to protect public health, the environment, or users of the property."

**SECTION 5.** G.S. 143B-279.11(d) reads as rewritten:

"(d) The Department shall review the proposed Notice to determine whether the Notice meets the requirements of this section and rules adopted to implement this section and shall provide the owner, operator, or other person responsible for the discharge or release of petroleum from an underground storage tank with a notarized copy of the approved Notice. After the Department approves the Notice, the owner, operator, or other person responsible for the discharge or release of petroleum from an underground storage tank shall file a notarized copy of the approved Notice in the register of deeds office in the county or counties in which the real property is located (i) before the property is conveyed or (ii) within 30 days after the owner, operator, or other person responsible for the discharge or release receives notice from the Department that no further action is required under the remedial action plan, whichever first occurs. If the owner, operator, or other person responsible for the discharge or release fails to file the Notice as required by this section, any determination by the Department that no



further action is required is void. The owner, operator, or other person responsible for the discharge or release, may record the Notice required by this section without the agreement of the owner of the real property. The owner, operator, or other person responsible for the discharge or release shall submit a certified copy of the Notice as filed in the register of deeds office to the Department."

**SECTION 6.** G.S. 143-215.94W(a)(5) reads as rewritten:

"(5) Violates or fails to act in accordance with the terms, conditions, or requirements of any special order or other appropriate document issued pursuant to ~~G.S. 143-215.2~~G.S. 143-215.2 or fails to comply with the requirements of G.S. 143B-279.9 through G.S. 143B-279.11."

**SECTION 7.** G.S. 143-215.94Y reads as rewritten:

**"§ 143-215.94Y. Enforcement procedures; injunctive relief.**

Whenever the Department has reasonable cause to believe that any person has violated or is threatening to violate any of the provisions of this Part, any of the terms of any permit issued pursuant to this Part, or a rule implementing this ~~Part~~Part or has failed to comply with the requirements of G.S. 143B-279.9 through G.S. 143B-279.11, the Department may, either before or after the institution of any other action or proceeding authorized by this Part, request the Attorney General to institute a civil action in the name of the State upon the relation of the Department for injunctive relief to restrain the violation or threatened violation and for such other and further relief in the premises as the court shall deem proper. The Attorney General may institute such action in the superior court of the county in which the violation occurred or may occur or, in his discretion, in the superior court of the county in which the person responsible for the violation or threatened violation resides or has his or its principal place of business. Upon a determination by the court that the alleged violation of the provisions of this ~~Part or Part~~the regulations-rules of the Commission-Commission, or the failure to comply with the requirements of G.S. 143B-279.9 through G.S. 143B-279.11 has occurred or is threatened, the court shall grant the relief necessary to prevent or abate the violation or threatened violation. Neither the institution of the action nor any of the proceedings thereon shall relieve any party to such proceedings from any penalty prescribed for violation of this ~~Part~~Part or for failure to comply with the requirements of G.S. 143B-279.9 through G.S. 143B-279.11."

**SECTION 8.** This act is effective retroactively to 1 September 2001. This act applies retroactively to any cleanup of a discharge or release of petroleum from an underground storage tank pursuant to Part 2A of Article 21A of Chapter 143 of the General Statutes except that land-use restrictions and recordation of residual contamination are not required with respect to a discharge or release of petroleum for which the Department of Environment and Natural Resources issued a determination that no further action is required prior to 1 September 2001.

In the General Assembly read three times and ratified this the 15<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 10:39 p.m. on the 22<sup>nd</sup> day of August, 2002.

**S.B. 1336**

**Session Law 2002-91**

AN ACT TO AMEND THE CHARTER OF THE CITY OF CHARLOTTE TO ESTABLISH A SMALL BUSINESS ENTERPRISE PROGRAM.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The Charter of the City of Charlotte, being Session Law 2000-26, is amended by adding a new section in Article III of Chapter 8 to read:

"Section 8.88. **Small Business Enterprise Program.**

(a) The City may establish a race and gender neutral small business enterprise program to promote the development of small businesses in the Charlotte Metropolitan Statistical Area, and to enhance opportunities for small businesses to participate in City contracts. The City may define the term 'small business enterprise' as appropriate and consistent with the City's contracting practices. The City may establish bid and proposal specifications that include subcontracting goals and good faith efforts requirements to enhance participation by small business enterprises in City contracts. Notwithstanding G.S. 143-129 and G.S. 143-131, the City may consider a bidder's efforts to comply with small business enterprise program requirements in its award of City contracts, and if a bidder is determined to have failed to comply with said requirements, the City may within its discretion, refuse to award a contract to such bidder.

(b) The small business enterprise program authorized by this section is intended to supplement and not replace the requirements of G.S. 143-128.2, 143-131, or 143-135.5. Any goals or efforts established to achieve minority and women business participation consistent with said provisions of law shall take precedence over goals for small business enterprise participation established under the program authorized by this section. A small business enterprise program established pursuant to this section shall be deemed consistent with the public policy of the State of North Carolina to promote and utilize small and underutilized business enterprises as set forth in G.S. 143-128.2, 143-128.3, and 143-135.5."

**SECTION 2.** If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or applications, and to this end the provisions of this act are severable.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

## S.B. 1392

## Session Law 2002-92

### AN ACT TO REDUCE THE REQUIRED STORAGE PERIOD FOR UNCLAIMED PROPERTY HELD BY LAW ENFORCEMENT IN MECKLENBURG COUNTY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 15-12(a) reads as rewritten:

"(a) Unless otherwise provided herein, whenever such articles in the possession of any sheriff or police department have remained unclaimed by the person who may be entitled thereto for a period of ~~180~~ 60 days after such seizure, confiscation, or receipt thereof in any other manner, by such sheriff or police department, the said sheriff or police department in whose possession said articles are may cause to be published one time in some newspaper published in said county a notice to the effect that such articles are in the custody of such officer or department, and requiring all persons who may have or claim any interest therein to make and establish such claim or interest not later than 30 days from the date of the publication of such notice or in default thereof, such

articles will be sold and disposed of. Such notice shall contain a brief description of the said articles and such other information as the said officer or department may consider necessary or advisable to reasonably inform the public as to the kind and nature of the article about which the notice relates."

**SECTION 2.** This act applies only to Mecklenburg County.

**SECTION 3.** This act is effective when it becomes law and applies to property received by the sheriff or police department on or after that date.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

**H.B. 1649**

**Session Law 2002-93**

AN ACT TO EXTEND THE EXPIRATION DATE OF A LOCAL ACT ALLOWING THE CITY OF CHARLOTTE TO CONTRACT WITH PRIVATE PARTIES FOR THE DEVELOPMENT, CONSTRUCTION, AND OCCUPANCY OF CHARLOTTE/DOUGLAS INTERNATIONAL AIRPORT SPECIAL USER PROJECTS AND TO AUTHORIZE JOHNSTON COUNTY TO CONSTRUCT WATER TREATMENT PLANT EXPANSION PROJECTS WITHOUT COMPLYING WITH ARTICLE 8 OF CHAPTER 143 OF THE GENERAL STATUTES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 2 of S.L. 1998-173 reads as rewritten:

"Section 2. This act is effective when it becomes law and expires on January 1, ~~2003~~, 2007. All contracts executed under the authority of this act and any bonds or other debt instruments issued pursuant to this act prior to the expiration date of this act shall remain effective until the contracts are completed or the bonds or other debt instruments are retired."

**SECTION 2.** Johnston County may contract for the design and construction of water treatment plant expansion projects without being subject to the requirements of G.S. 143-128, 143-129, 143-131, 143-133, 143-64.31, and 143-64.32. This authorization includes, if deemed appropriate by the Johnston County Board of County Commissioners, the use of the single-prime contractor method of design and construction, the design-build method of construction, or a request for proposals and negotiation as an alternative design and construction method.

**SECTION 3.** This act is effective when it becomes law, and Section 2 of this act expires on June 30, 2005.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

**S.B. 1195**

**Session Law 2002-94**

AN ACT TO AUTHORIZE THE TOWNS IN AVERY COUNTY TO LEVY AN ADDITIONAL 3% OCCUPANCY TAX.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 16.2 of Chapter 439 of the 2001 Session Laws is

amended by adding a new subsection to read:

**"SECTION 16.2.** Authorization and Scope. – (a) This section applies only to cities in Avery County that are not otherwise authorized to levy a room occupancy tax. The governing body of a city may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the city that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose.

(a1) Additional Occupancy Tax. – In addition to the tax authorized by subsection (a) of this section, the governing body of a city may levy a room occupancy and tourism development tax of up to three percent (3%) of the gross receipts derived from the rental of accommodations taxable under subsection (a) of this section. The levy, collection, administration, and repeal of the tax authorized by this subsection, and the use of tax revenue from a tax levied under this subsection, shall be in accordance with this section. The governing body of a city may not levy a tax under this subsection unless it also levies a tax under subsection (a) of this section."

**SECTION 2.** Section 1 of Chapter 376 of the 1987 Session Laws, as amended by Part XV of Chapter 439 of the 2001 Session Laws and Part V of Chapter 434 of the 2001 Session Laws, reads as rewritten:

**"Section 1.** Occupancy Tax. – (a) Authorization and Scope. – The Town Council of Beech Mountain may levy a room occupancy and tourism development tax of three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation in the Town of Beech Mountain that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax or room occupancy tax. The tax does not apply to sleeping rooms or lodgings furnished by charitable, educational, or religious institutions or nonprofit organizations.

(a1) Additional Occupancy Tax. – In addition to the tax authorized by subsection (a) of this section, the Town Council of Beech Mountain may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of accommodations taxable under that subsection. The town may not levy a tax under this subsection unless it also levies the tax under subsection (a) of this section. The Town of Beech Mountain may not levy a tax under this subsection if a room occupancy tax is levied in Beech Mountain District W under Part VII of Chapter 434 of the 2001 Session Laws."

**SECTION 2.1.** Section 2 of Chapter 376 of the 1987 Session Laws, as amended by Part XV of Chapter 439 of the 2001 Session Laws and Part V of Chapter 434 of the 2001 Session Laws, reads as rewritten:

**"Sec. 2.** Administration of Tax. – (a) A tax levied under this ~~section~~ act shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this act."

**SECTION 3.** Section 1 of Chapter 318 of the 1989 Session Laws, as amended by Chapter 428 of the 1993 Session Laws and Chapter 103 of the 2000 Session Laws, read as rewritten:

**"Section 1.** Occupancy Tax. – (a) Authorization and Scope. – The Town Council of Banner Elk may levy a room occupancy and tourism development tax. The occupancy and tourism development tax that may be levied under this ~~act~~ subsection shall be three

percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation in the Town of Banner Elk that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. The tax shall not apply to any room, lodging, or accommodation supplied to the same person for a period of 90 continuous days or more or to sleeping rooms or lodging furnished by charitable, educational, or religious institutions or by nonprofit organizations.

(a1) Additional Occupancy Tax. – In addition to the tax authorized by subsection (a) of this section, the Town Council of Banner Elk may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of accommodations taxable under that subsection. The town may not levy a tax under this subsection unless it also levies the tax under subsection (a) of this section."

**SECTION 4.** G.S. 160A-215 reads as rewritten:

**"§ 160A-215. Uniform provisions for room occupancy taxes.**

(a) **Scope.** – This section applies only to municipalities the General Assembly has authorized to levy room occupancy taxes. For the purpose of this section, the term "city" means a municipality.

(b) **Levy.** – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) **Collection.** – Every operator of a business subject to a room occupancy tax shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall be collected as part of the charge for furnishing a taxable accommodation. The tax shall be stated and charged separately from the sales records and shall be paid by the purchaser to the operator of the business as trustee for and on account of the taxing city. The tax shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business. The taxing city shall design, print, and furnish to all appropriate businesses and persons in the city the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a business who collects a room occupancy tax may deduct from the amount remitted to the taxing city a discount equal to the discount the State allows the operator for State sales and use tax.

(d) **Administration.** – The taxing city shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the city finance officer in monthly installments on or before the fifteenth day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the fifteenth day of each month, prepare and render a return on a form prescribed by the taxing city. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the city finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) **Penalties.** – A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing city has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(f) Repeal or Reduction. – A room occupancy tax levied by a city may be repealed or reduced by a resolution adopted by the governing body of the city. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

(g) This section applies only to Beech Mountain District ~~W~~, W and Seven Devils District W, to the Cities of Gastonia, Goldsboro, Greensboro, High Point, Kings Mountain, Lexington, Lincolnton, Lumberton, Monroe, Mount Airy, Shelby, Statesville, and Washington, to the Towns of Beech Mountain, Carrboro, Mooresville, North Topsail Beach, Selma, Smithfield, St. Pauls, and Wilkesboro, and to the municipalities in Avery and Brunswick Counties."

**SECTION 5.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

## H.B. 1620

## Session Law 2002-95

### AN ACT TO AUTHORIZE THE TOWN OF JONESVILLE TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Jonesville occupancy tax. – (a) Authorization and Scope. – The Jonesville Town Council may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose.

**SECTION 1.(b)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

**SECTION 1.(c)** Distribution and Use of Tax Revenue. – The Town of Jonesville shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Jonesville Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in the town and shall use the remainder for tourism-related expenditures.

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract

tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in the listed activities.

- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the tourism development authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.

**SECTION 2.** Jonesville Tourism Development Authority. – (a) Appointment and Membership. – When the Jonesville Town Council adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a town Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members must be individuals who are affiliated with businesses that collect the tax in the town and at least three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the town. The town council shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Jonesville shall be the ex officio finance officer of the Authority.

**SECTION 2.(b) Duties.** – The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in Section 1 of this act. The Authority shall promote travel, tourism, and conventions in the town, sponsor tourist-related events and activities in the town, and finance tourist-related capital projects in the town.

**SECTION 2.(c) Reports.** – The Authority shall report quarterly and at the close of the fiscal year to the Jonesville Town Council on its receipts and expenditures for the preceding quarter and for the year in such detail as the town council may require.

**SECTION 3.** Town administrative provisions. – G.S. 160A-215 reads as rewritten:

**"§ 160A-215. Uniform provisions for room occupancy taxes.**

(a) Scope. – This section applies only to municipalities the General Assembly has authorized to levy room occupancy taxes. For the purpose of this section, the term "city" means a municipality.

(b) Levy. – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) Collection. – Every operator of a business subject to a room occupancy tax shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall be collected as part of the charge for furnishing a taxable accommodation. The tax shall be stated and charged separately from the sales records and shall be paid by the purchaser to the operator of the business as trustee for and on account of the taxing city. The tax shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business. The taxing city shall design, print, and furnish to all appropriate businesses and persons in the city the necessary forms for

filing returns and instructions to ensure the full collection of the tax. An operator of a business who collects a room occupancy tax may deduct from the amount remitted to the taxing city a discount equal to the discount the State allows the operator for State sales and use tax.

(d) Administration. – The taxing city shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the city finance officer in monthly installments on or before the fifteenth day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the fifteenth day of each month, prepare and render a return on a form prescribed by the taxing city. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the city finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) Penalties. – A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing city has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(f) Repeal or Reduction. – A room occupancy tax levied by a city may be repealed or reduced by a resolution adopted by the governing body of the city. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

(g) This section applies only to Beech Mountain District W, to the Cities of Gastonia, Goldsboro, Greensboro, High Point, Kings Mountain, Lexington, Lincolnton, Lumberton, Monroe, Mount Airy, Shelby, Statesville, and Washington, to the Towns of Beech Mountain, Carrboro, Jonesville, Mooresville, North Topsail Beach, Selma, Smithfield, St. Pauls, and Wilkesboro, and to the municipalities in Avery and Brunswick Counties."

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

## H.B. 1627

## Session Law 2002-96

AN ACT TO PERMIT THE REMOVAL OF FILED DD FORM 214 AND OTHER DISCHARGE PAPERS OR FOR THE REDACTING OF THE FORM OR FORMS WHEN A COPY IS REQUESTED BY PERSONS OTHER THAN THE FILER OR A MEMBER OF HIS FAMILY IN CRAVEN, NASH, AND PAMLICO COUNTIES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 47 of the General Statutes is amended by adding a new section to read:



**"§ 47-113.1. Removal or review of discharge papers from files of the register of deeds.**

(a) Any veteran of the United States armed forces or his or her widow or widower, attorney-in-fact, personal representative, executor, or court-appointed guardian may request that the register of deeds remove from the official records any of the following forms recorded before, on, or after the effective date of this act, by or on behalf of the requesting veteran: DD-214, DD-215, WD AGO 53, WD AGO 55, WD AGO 53-55, NAVMC 78-PD, and NAVPERS 553. The request shall specify the identification page number of the form to be removed. The request shall be made in person and with appropriate identification to allow determination of the identity of the requester. The register of deeds has no duty to inquire beyond the request to verify the identity of the person requesting the removal. No fee shall be charged for the removal. When the request for removal is made, the register of deeds shall provide a written notice to the requesting party that the removal of the document from the official records is permanent and only microfilm, microfiche, or a similar archived copy of the document remains. Any index of the microfilm, microfiche, or similar archived copy of the document shall be annotated concerning the request for removal.

(b) If any person not authorized to request removal of the discharge documents pursuant to subsection (a) of this section requests a certified copy of any of the discharge documents listed in subsection (a) of this section, the register of deeds shall review the discharge documents and the register of deed's index of archived copies of documents for any annotations required under subsection (a) of this section. Upon retrieving a record of a discharge document which is the subject of an annotation required under subsection (a) of this section, the register of deeds shall make a paper copy of the archived discharge document, redact the personal information on the paper copy before certifying or distributing the document or disclosing to the requester its contents, and provide the redacted certified copy of the record to the requester. For purposes of this section, the term 'personal information' includes the social security number of the veteran. The certification shall indicate the nature of the personal information that was redacted. A request for a certified copy of a veteran's discharge document by a person authorized under subsection (a) of this section to request removal of the document shall be made in person so that the register of deeds may verify the identity of the requester. All documents sent in response to requests for certified copies of discharge documents not made in person shall have personal information redacted. The register of deeds may charge a fee for the actual cost of this procedure.

(c) The words 'register of deeds' appearing in this section shall be interpreted to mean 'register of deeds, assistant register of deeds, or deputy register of deeds'.

**SECTION 2.** These procedures shall apply to the copies of the same records located in the State Archives.

**SECTION 3.** This act applies to Craven, Nash, and Pamlico counties only.

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28<sup>th</sup> day of August, 2002.

Became law on the date it was ratified.

**S.B. 1224**

**Session Law 2002-97**

AN ACT TO IMPLEMENT RECOMMENDATIONS OF THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO ALLOW

THE OFFICE OF ADMINISTRATIVE HEARINGS TO USE THE INTERNET FOR AGENCY PUBLICATIONS AND TO CONFORM THE ADMINISTRATIVE PROCEDURE ACT TO PROVISIONS OF CHAPTER 12 OF THE GENERAL STATUTES RELATING TO RULES WHICH ESTABLISH OR INCREASE FEES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 150B-21.24 reads as rewritten:

**"§ 150B-21.24. ~~Free copies of~~ Access to Register and Code.**

(a) Register. – The Codifier of Rules ~~must distribute copies of the North Carolina Register as soon after publication as practical, without charge, to the following:~~

- (1) ~~A person who receives a free copy of the North Carolina Administrative Code.~~
- (2) Upon request, one copy to each member of the General Assembly shall make available the North Carolina Register on the Internet at no charge. Upon request the Codifier shall provide a free copy of the current volume of the Register to any person who receives a free copy of the North Carolina Administrative Code or any member of the General Assembly.

(b) Code. – The Codifier of Rules shall make available the North Carolina Administrative Code on the Internet at no charge. The Codifier shall ~~must~~ distribute copies of the North Carolina Administrative Code as soon after publication as practical, without charge, to the following:

- (1) One copy to the board of commissioners of each ~~county,~~ county that specifically requests a printed copy, to be placed at the county clerk of court's office or at another place selected by the board of commissioners. The Codifier of Rules is not required to provide a copy of the Administrative Code to any board of county commissioners unless a request is made.
- (2) One copy to the Commission.
- (3) One copy to the Clerk of the Supreme Court and to the Clerk of the Court of Appeals of North Carolina.
- (4) One copy to the Supreme Court Library and one copy to the library of the Court of Appeals.
- (5) One copy to the Administrative Office of the Courts.
- (6) One copy to the Governor.
- (7) ~~Five copies~~ One copy to the Legislative Services Commission for the use of the General Assembly.
- (8) ~~Upon request, one copy to each State official or department to whom or to which copies of the appellate division reports are furnished under G.S. 7A-343.1.~~
- (9) ~~Five copies~~ One copy to the Division of State Library of the Department of Cultural Resources pursuant to G.S. 125-11.7."

**SECTION 2.** G.S. 150B-21.1(a) reads as rewritten:

"(a) Adoption. – An agency may adopt a temporary rule without prior notice or hearing or upon any abbreviated notice or hearing the agency finds practical when it finds that adherence to the notice and hearing requirements of this Part would be contrary to the public interest and that the immediate adoption of the rule is required by one or more of the following:

- (1) A serious and unforeseen threat to the public health, safety, or welfare.
- (2) The effective date of a recent act of the General Assembly or the United States Congress.
- (3) A recent change in federal or State budgetary policy.
- (4) A federal regulation.
- (5) A court order.
- (6) The need for the rule to become effective the same date as the State Medical Facilities Plan approved by the Governor, if the rule addresses a matter included in the State Medical Facilities Plan.

An agency must prepare a written statement of its findings of need for a temporary rule. If the temporary rule establishes a new fee or increases an existing fee, the agency shall include in the written statement that it has complied with the requirements of G.S. 12-3.1. The statement must be signed by the head of the agency adopting the rule."

**SECTION 3.** G.S. 150B-21.1(b) reads as rewritten:

"(b) Review. – When an agency adopts a temporary rule it must submit the rule and the agency's written statement of its findings of the need for the rule to the Codifier of Rules. Within one business day after an agency submits a temporary rule, the Codifier of Rules must review the agency's written statement of findings of need for the rule to determine whether the statement of need meets the criteria listed in subsection (a) or (a1) of this section. In reviewing the statement, the Codifier of Rules may consider any information submitted by the agency or another person. If the Codifier of Rules finds that the statement meets the criteria, the Codifier of Rules must notify the head of the agency and enter the rule in the North Carolina Administrative Code.

If the Codifier of Rules finds that the statement does not meet the criteria, the Codifier of Rules must immediately notify the head of the agency. The agency may supplement its statement of need with additional findings or submit a new statement. If the agency provides additional findings or submits a new statement, the Codifier of Rules must review the additional findings or new statement within one business day after the agency submits the additional findings or new statement. If the Codifier of Rules again finds that the statement does not meet the criteria listed in subsection (a) or (a1) of this section, the Codifier of Rules must immediately notify the head of the agency.

If an agency decides not to provide additional findings or submit a new statement when notified by the Codifier of Rules that the agency's findings of need for a rule do not meet the required criteria, the agency must notify the Codifier of Rules of its decision. The Codifier of Rules must then enter the rule in the North Carolina Administrative Code on the sixth business day after receiving notice of the agency's decision. Notwithstanding any other provision of this subsection, if the agency has not complied with the provisions of G.S. 12-3.1, the Codifier of Rules shall not enter the rule into the Code."

**SECTION 4.** G.S. 150B-21.19 reads as rewritten:

**"§ 150B-21.19. Requirements for including rule in Code.**

To be acceptable for inclusion in the North Carolina Administrative Code, a rule must:

- (1) Cite the law under which the rule is adopted.
- (2) Be signed by the head of the agency or the rule-making coordinator for the agency that adopted the rule.
- (3) Be in the physical form specified by the Codifier of Rules.

- (4) Have been approved by the Commission, if the rule is a permanent rule.
- (5) Have complied with the provisions of G.S. 12-3.1, if the rule establishes a new fee or increases an existing fee."

**SECTION 5.** G.S. 150B-21.3 is amended by adding a new subsection to read:

"(c1) Fees. – Notwithstanding any other provision of this section, a rule that establishes a new fee or increases an existing fee shall not become effective until the agency has complied with the requirements of G.S. 12-3.1."

**SECTION 6.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22<sup>nd</sup> day of August, 2002.

Became law upon approval of the Governor at 2:52 p.m. on the 29<sup>th</sup> day of August, 2002.

## S.B. 1144

## Session Law 2002-98

### AN ACT TO DEFINE AND AUTHORIZE THE USE OF NONTANDEM TWO-WHEELED PERSONAL ASSISTIVE MOBILITY DEVICES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 20-4.01(7a) reads as rewritten:

~~"(7a)~~(7b) Employer. – Any person who owns or leases a commercial motor vehicle or assigns a person to drive a commercial motor vehicle."

**SECTION 2.** G.S. 20-4.01 is amended by adding a new subdivision to read:

"(7a) Electric Personal Assistive Mobility Device. – A self-balancing nontandem two-wheeled device, designed to transport one person, with a propulsion system that limits the maximum speed of the device to 15 miles per hour or less."

**SECTION 3.** G.S. 20-4.01(49) reads as rewritten:

~~"(49)~~ Vehicle. – Every device in, upon, or by which any person or property is or may be transported or drawn upon a highway, excepting devices moved by human power or used exclusively upon fixed rails or tracks; provided, that for the purposes of this Chapter bicycles shall be deemed vehicles and every rider of a bicycle upon a highway shall be subject to the provisions of this Chapter applicable to the driver of a vehicle except those which by their nature can have no application. This term shall not include a device which is designed for and intended to be used as a means of transportation for a person with a mobility impairment, or who uses the device for mobility enhancement, is suitable for use both inside and outside a building, including on sidewalks, and is limited by design to 15 miles per hour when the device is being operated by a person with a mobility impairment, or who uses the device for mobility enhancement. This term shall not include an electric personal assistive mobility device as defined in G.S. 20-4.01(7a)."

**SECTION 4.** G.S. 20-51 is amended by adding a new subdivision to read:

"(14) Electric personal assistive mobility devices as defined in G.S. 20-4.01(7a)."

**SECTION 5.** Article 3 of Chapter 20 of the General Statutes is amended by adding a new Part to read:

"Part 11C. Electric Personal Assistive Mobility Devices.

**"§ 20-175.6. Electric personal assistive mobility devices.**

- (a) Electric Personal Assistive Mobility Device. – As defined in G.S. 20-4.01(7a).
- (b) Exempt From Registration. – As provided in G.S. 20-51.
- (c) Use of Device. – An electric personal assistive mobility device may be operated on public highways with posted speeds of 25 miles per hour or less, sidewalks, and bicycle paths. A person operating an electric personal assistive mobility device on a sidewalk, roadway, or bicycle path shall yield the right-of-way to pedestrians and other human-powered devices. A person operating an electric personal assistive mobility device shall have all rights and duties of a pedestrian, including the rights and duties set forth in Part 11 of this Article.
- (d) Municipal Regulation. – For the purpose of assuring the safety of persons using highways and sidewalks, municipalities having jurisdiction over public streets, sidewalks, alleys, bridges, and other ways of public passage may by ordinance regulate the time, place, and manner of the operation of electric personal assistive mobility devices, but shall not prohibit their use."

**SECTION 6.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 2:53 p.m. on the 29<sup>th</sup> day of August, 2002.

**H.B. 1520**

**Session Law 2002-99**

AN ACT TO EXTEND THE SUNSET ON TAX CREDITS FOR QUALIFIED BUSINESS INVESTMENTS, TO AMEND THE DEFINITION OF QUALIFIED GRANTEE BUSINESS, TO EXTEND THE SUNSET ON THE STATE PORTS TAX CREDIT, AND TO CLARIFY AND AMEND THE NORTH CAROLINA STATE PORTS AUTHORITY'S FEE-SETTING AUTHORITY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 7 of Chapter 443 of the 1993 Session Laws, as amended by Section 29A.15 of S.L. 1998-212, is repealed.

**SECTION 2.** Section 10 of Chapter 443 of the 1993 Session Laws, as amended by Section 29A.15 of S.L. 1998-212, reads as rewritten:

"Sec. 10. Section 6 of this act is effective upon ratification. ~~Section 7 of this act becomes effective for investments made on or after January 1, 2003.~~ The remainder of this act becomes effective for taxable years beginning on or after January 1, 1994.

A business registered as a qualified business venture or a qualified grantee business before January 1, 1994, retains its registration until the renewal date for the registration of that business under Part 5 of Article 4 of Chapter 105 of the General Statutes as in effect before January 1, 1994. The Secretary of State shall not grant renewal of a registration as a qualified business venture or a qualified grantee business unless at the

time of filing the renewal application, the business meets the requirements then in effect for a new registration.

Notwithstanding the provisions of G.S. 105-163.014(a), as amended by this act, a credit under Part 5 of Article 4 of Chapter 105 of the General Statutes for an investment made before January 1, 1994, is not forfeited solely on the grounds that a sibling of the taxpayer provides services for compensation to the business in which the taxpayer invested.

Notwithstanding the provisions of G.S. 105-163.014(d), as amended by this act, a credit under Part 5 of Article 4 of Chapter 105 of the General Statutes for an investment made before January 1, 1994, is not forfeited solely on the grounds that a redemption of the securities received in the investment is made within five years after the investment was made.

The Secretary of State may require a qualified business venture or a qualified grantee business that is unable to renew its registration after January 1, 1994, to file reports the Secretary of State considers appropriate to determine the location of the headquarters and principal business operations of the business until three years after the date of the last investment in the business that qualified for the tax credit allowed under Part 5 of Article 4 of Chapter 105 of the General Statutes."

**SECTION 3.** G.S. 105-163.010(9) reads as rewritten:

**"§ 105-163.010. Definitions.**

The following definitions apply in this Part:

- ...
- (9) Qualified grantee business. – A business that (i) ~~has received during the preceding three years a grant or other funding from the North Carolina Technological Development Authority, the North Carolina Technological Development Authority, Inc., North Carolina First Flight, Inc., the North Carolina Biotechnology Center, the Microelectronics Center of North Carolina, the Kenan Institute for Engineering, Technology and Science, or the Federal Small Business Innovation Research Program,~~ and (ii) is registered with the Secretary of State under G.S. 105-163.013-105-163.013, and (ii) has received during the preceding three years a grant or other funding from a federal agency under the Small Business Innovation Research Program administered by the United States Small Business Administration or from an organization that meets any of the following qualifications:
- a. It is a domestic or foreign corporation that (i) is tax-exempt pursuant to section 501(c)(3) of the Code, (ii) has as its principal purpose the stimulation of the development of the biotechnology industry, and (iii) in furtherance of that purpose has received, or is a successor in interest to an organization that has received, direct appropriations from the State in at least three fiscal years.
  - b. It is a domestic or foreign corporation that (i) is tax-exempt pursuant to section 501(c)(3) of the Code, (ii) has as its principal purpose the stimulation of the development of the microelectronics and communication industries, and (iii) in furtherance of that purpose has received, or is a successor in interest to an organization that has received, direct appropriations from the State in at least three fiscal years.

- c. It is an institute that (i) is administratively located within a constituent institution of The University of North Carolina, (ii) is financed in part by a domestic or foreign corporation that is tax-exempt pursuant to section 501(c)(3) of the Code, (iii) has as a principal purpose the stimulation of economic development based on the advancement of science, engineering, and technology, and (iv) funds, either directly or in collaboration with other entities, small businesses engaging in developing technology."

**SECTION 4.** G.S. 105-163.013(c) reads as rewritten:

"(c) **Qualified Grantee Businesses.** – In order to qualify as a qualified grantee business under this Part, a business must be registered with the Securities Division of the Department of the Secretary of State. To register, the business must file with the Secretary of State an application and any supporting documents the Secretary of State may require from time to time to determine that the business meets the requirements for registration as a qualified grantee business. ~~A business meets the requirements for registration as a qualified grantee business if it has received during the preceding three years a grant or other funding from the North Carolina Technological Development Authority, the North Carolina Technological Development Authority, Inc., North Carolina First Flight, Inc., the North Carolina Biotechnology Center, the Microelectronics Center of North Carolina, the Kenan Institute for Engineering, Technology and Science, or the Federal Small Business Innovation Research Program.~~ The requirements for registration as a qualified grantee business are set out in G.S. 105-163.010(9).

The effective date of registration for a qualified grantee business whose application is accepted for registration is the filing date of its application. No credit is allowed under this Part for an investment made before the effective date of the registration or after the registration is revoked.

To remain qualified as a qualified grantee business, the business must renew its registration annually as prescribed by rule by filing an application for renewal in which the business certifies the facts listed in this subsection."

**SECTION 5.** Part 5 of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-163.015. Sunset.**

This Part is repealed effective for investments made on or after January 1, 2004."

**SECTION 6.(a)** Section 4 of Chapter 977 of the 1991 Session Laws, as amended by Section 3 of Chapter 495 of the 1995 Session Laws, by Section 29.1 of S.L. 1997-443, and by Section 1 of S.L. 2001-517, reads as rewritten:

"Sec. 4. This act is effective for taxable years beginning on or after March 1, ~~1992, 1992, and expires for taxable years beginning on or after January 1, 2003."~~

**SECTION 6.(b)** Section 4 of Chapter 681 of the 1993 Session Laws, as amended by Section 17 of Chapter 17 of the 1995 Session Laws, by Section 4 of Chapter 495 of the 1995 Session Laws, by Section 29.1 of S.L. 1997-443, and by Section 2 of S.L. 1997-443 reads as rewritten:

"Sec. 4. This act is effective for taxable years beginning on or after January 1, ~~1994, 1994, and expires for taxable years beginning on or after January 1, 2003."~~

**SECTION 6.(c)** G.S. 105-130.41 is amended by adding a new subsection to read:

**"(d) Sunset.** – This section is repealed effective for taxable years beginning on or

after January 1, 2004."

**SECTION 6.(d)** G.S. 105-151.22 is amended by adding a new subsection to read:

"(d) Sunset. – This section is repealed effective for taxable years beginning on or after January 1, 2004."

**SECTION 7.(a)** G.S. 143B-454(a)(11) reads as rewritten:

...

"(11) Have power to adopt, alter or repeal its own bylaws, rules and regulations governing the manner in which its business may be transacted and in which the power granted to it may be enjoyed, and may provide for the appointment of such committees, and the functions thereof, as the Authority may deem necessary or expedient in facilitating its ~~business~~; business. The Authority may establish fees for its services. In establishing these fees, the Authority shall consider the cost of providing service, revenue requirements, the cost of similar services at other seaports in the South Atlantic region, and any other factors it considers relevant. The Authority shall report the establishment or increase of any fee to the Joint Legislative Commission on Governmental Operations no later than 30 business days after it establishes or increases the fee."

**SECTION 7.(b)** G.S. 150B-1(d) is amended by adding a subdivision to read:

"(11) The North Carolina State Ports Authority with respect to fees established pursuant to G.S. 143B-454(a)(11)."

**SECTION 7.(c)** G.S. 12-3.1 is amended by adding a new subsection to read:

"(d) In lieu of the requirements of subdivision (a)(2) of this section, the North Carolina State Ports Authority shall report the establishment or increase of any fee to the Joint Legislative Commission on Governmental Operations as provided in G.S. 143B-454(a)(11)."

**SECTION 8.** Sections 3 and 4 of this act become effective January 1, 2003. Notwithstanding the amendments to G.S. 105-163.010 and G.S. 105-163.013 in Sections 3 and 4 of this act, a business to which a grant or other funding was committed before January 1, 2003, by the North Carolina Technological Development Authority, the North Carolina Technological Development Authority, Inc., North Carolina First Flight, Inc., the North Carolina Biotechnology Center, the Microelectronics Center of North Carolina, the Kenan Institute for Engineering, Technology and Science, or the Federal Small Business Innovation Research Program may still qualify as a qualified grantee business under the provisions of G.S. 105-163.010 and G.S. 105-163.013 as they existed before the enactment of this act. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 2:53 p.m. on the 29<sup>th</sup> day of August, 2002.

## S.B. 901

## Session Law 2002-100

AN ACT TO ALLOW A ONE-TIME TRANSFER OF STATE FUNDS TO SUPPORT EXCESS PROGRAM ENROLLMENT IN THE NC HEALTH CHOICE PROGRAM.



*The General Assembly of North Carolina enacts:*

**SECTION 1.** The Department of Health and Human Services shall manage NC Health Choice program enrollment. In the current State fiscal year, one-time matching funds not to exceed five million dollars (\$5,000,000) may be transferred to support State fiscal year 2002-2003 program expenditures that are attributable to excess program enrollment.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:00 p.m. on the 29<sup>th</sup> day of August, 2002.

**S.B. 1113**

**Session Law 2002-101**

AN ACT TO EXTEND S.L. 2002-12 TO SEPTEMBER 30, 2002, AND TO PROVIDE THAT NO MEMBER OF THE GENERAL ASSEMBLY SHALL RECEIVE PER DIEM OR TRAVEL ALLOWANCE ON ACCOUNT OF THE 2001 REGULAR SESSION OR 2002 EXTRA SESSION OF THE GENERAL ASSEMBLY BETWEEN OCTOBER 1, 2002, AND DECEMBER 31, 2002.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 9 of S.L. 2002-12, as amended by S.L. 2002-54, reads as rewritten:

"**SECTION 9.** Except as otherwise provided in this act, this act becomes effective July 1, 2002, and expires ~~August 31, 2002.~~ September 30, 2002."

**SECTION 2.** Between October 1, 2002, and December 31, 2002, no member may receive per diem or travel allowance on account of the 2001 Regular Session or 2002 Extra Session of the General Assembly, but this sentence does not affect per diem under G.S. 120-37(b).

**SECTION 3.** This act becomes effective August 31, 2002.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:01 p.m. on the 29<sup>th</sup> day of August, 2002.

**H.B. 190**

**Session Law 2002-102**

AN ACT TO ALLOW THE HOLDER OF A VITICULTURE/ENOLOGY COURSE AUTHORIZATION TO MANUFACTURE, POSSESS, AND SELL WINE FOR CERTAIN LIMITED PURPOSES AS A PART OF A COMMUNITY COLLEGE'S OR COLLEGE'S VITICULTURE/ENOLOGY PROGRAM.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Article 11 of Chapter 18B of the General Statutes is amended by adding a new section to read:

**"§ 18B-1114.4. Viticulture/Enology course authorization.**

(a) Authorization. – The holder of a viticulture/enology course authorization may:

(1) Manufacture wine from grapes grown on the school's campus or leased

property for the purpose of providing instruction and education on the making of unfortified wines.

- (2) Possess wines manufactured during the viticulture/enology program for the purpose of conducting wine-tasting seminars and classes for students who are 21 years of age or older.
- (3) Sell wines produced during the course to wholesalers or to retailers upon obtaining a wine wholesaler permit under G.S. 18B-1107, except that the permittee may not receive shipments of wines from other producers.

(b) Limitation. – Authorization for a viticulture/enology course shall be granted by the Commission only for a community college or college that offers a viticulture/enology program as a part of its curriculum offerings for students of the school. No retail sales of wine shall be made by the students, instructor, or school. Wines may be manufactured only from grapes grown in a viticulture/enology course vineyard, not to exceed five acres, that is located on the school's campus or leased property.

(c) The holder of a viticulture/enology course authorization may manufacture wines from grapes grown by others until June 30, 2004. Otherwise, wine may be manufactured only as provided in subsection (b) of this section.

(d) The holder of a viticulture/enology course authorization shall not be considered a winery for the purposes of this Chapter or Chapter 105 of the General Statutes."

**SECTION 2.** G.S. 18B-1101 reads as rewritten:

**"§ 18B-1101. Authorization of unfortified winery permit.**

The holder of an unfortified winery permit may:

- (1) Manufacture unfortified wine;
- (2) Sell, deliver and ship unfortified wine in closed containers to wholesalers licensed under this Chapter as authorized by the ABC laws, except that wine may be sold to exporters and nonresident wholesalers only when the purchase is not for resale in this State;
- (2a) Receive, in closed containers, unfortified wine produced inside or outside North Carolina under the winery's label from grapes, berries, or other fruits owned by the winery, and sell, deliver, and ship that wine to wholesalers, exporters, and nonresident wholesalers in the same manner as its wine manufactured in North Carolina. This provision may be used only by a winery during its first three years of operation or when there is substantial damage to its grapes, berries, or other fruits from catastrophic crop loss. This provision may be used only three years out of every 10 years and notice must be given to the Commission each time this provision is used;
- (3) Ship its wine in closed containers to individual purchasers inside and outside this State;
- (4) Furnish or sell "short-filled" packages, on which State taxes have been or will be paid, to its employees for the use of the employees or their families and guests in this State;
- (5) Regardless of the results of any local wine election, sell the wine owned by the winery at the winery for on- or off-premise consumption upon obtaining the appropriate permit under G.S. 18B-1001;
- (6) Sell the wine owned by the winery for on- or off-premise consumption

at no more than three other locations in the State, upon obtaining the appropriate permit under G.S. 18B-1001; and

- (7) Obtain a wine wholesaler permit to sell, deliver, and ship at wholesale unfortified wine manufactured at the winery. The authorization of this subdivision applies only to a winery that annually sells, to persons other than exporters and nonresident wholesalers when the purchase is not for resale in this State, no more than 300,000 gallons of unfortified wine manufactured by it at the winery.

A sale under subdivision (4) shall not be considered a retail or wholesale sale under the ABC laws."

**SECTION 3.** G.S. 66-58(c) is amended by adding a new subdivision to read:

"(1a) The sale of products raised or produced incident to the operation of a community college viticulture/enology program as authorized by G.S. 18B-1114.4."

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:01 p.m. on the 29<sup>th</sup> day of August, 2002.

**S.B. 911**

**Session Law 2002-103**

AN ACT TO REQUIRE THE STATE BOARD OF EDUCATION TO ADOPT AND DISSEMINATE GUIDELINES FOR THE DEVELOPMENT AND IMPLEMENTATION OF INDIVIDUAL DIABETES CARE PLANS AND TO REQUIRE LOCAL BOARDS OF EDUCATION TO IMPLEMENT THESE GUIDELINES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 115C-47 is amended by adding a new subdivision to read:

"(31) To Adopt Guidelines for Individual Diabetes Care Plans. – The State Board shall adopt guidelines for the development and implementation of individual diabetes care plans. The State Board shall consult with the North Carolina Diabetes Advisory Council established by the Department of Health and Human Services in the development of these guidelines. The State Board also shall consult with local school administrative unit employees who have been designated as responsible for coordinating their individual unit's efforts to comply with federal regulations adopted under Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794. In its development of these guidelines, the State Board shall refer to the guidelines recommended by the American Diabetes Association for the management of children with diabetes in the school and day care setting and shall consider recent resolutions by the United States Department of Education's Office of Civil Rights of investigations into complaints alleging discrimination against students with diabetes. The guidelines adopted by the State Board shall include:

- a. Procedures for the development of an individual diabetes care plan at the written request of the student's parent or guardian, and involving the parent or guardian, the student's health care provider, the student's classroom teacher, the student if appropriate, the school nurse if available, and other appropriate school personnel.
- b. Procedures for regular review of an individual care plan.
- c. Information to be included in a diabetes care plan, including the responsibilities and appropriate staff development for teachers and other school personnel, an emergency care plan, the identification of allowable actions to be taken, the extent to which the student is able to participate in the student's diabetes care and management, and other information necessary for teachers and other school personnel in order to offer appropriate assistance and support to the student. The State Board shall ensure that the information and allowable actions included in a diabetes care plan as required in this subdivision meet or exceed the American Diabetes Association's recommendations for the management of children with diabetes in the school and day care setting.
- d. Information and staff development to be made available to teachers and other school personnel in order to appropriately support and assist students with diabetes.

The State Board shall ensure that these guidelines are updated as necessary and shall ensure that the guidelines and any subsequent changes are published and disseminated to local school administrative units."

**SECTION 2.** G.S. 115C-47 is amended by adding a new subdivision to read:

"(42) To Implement Guidelines to Support and Assist Students With Diabetes. – Local boards of education shall ensure that the guidelines adopted by the State Board of Education under G.S. 115C-12(31) are implemented in schools in which students with diabetes are enrolled. In particular, the boards shall require the implementation of the procedures set forth in those guidelines for the development and implementation of individual diabetes care plans. Local boards also shall make available necessary information and staff development to teachers and school personnel in order to appropriately support and assist students with diabetes in accordance with their individual diabetes care plans."

**SECTION 3.** The State Board of Education shall report no later than September 1, 2003, to the Joint Legislative Education Oversight Committee on the Board's progress regarding the adoption, dissemination, and implementation of the guidelines under Sections 1 and 2 of this act.

**SECTION 4.** This act is effective when it becomes law. The guidelines under Section 1 of this act shall be adopted no later than January 15, 2003, and shall be implemented under Section 2 of this act beginning with the 2003-2004 school year.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 11:50 a.m. on the 5<sup>th</sup> day of September, 2002.

**S.B. 1253****Session Law 2002-104**

AN ACT TO PROVIDE THAT CERTAIN ANIMAL WASTE MANAGEMENT SYSTEMS SHALL NOT QUALIFY FOR SPECIAL PROPERTY CLASSIFICATION AND EXCLUSION FROM THE TAX BASE PURSUANT TO G.S. 105-275(8) AND TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO STUDY ISSUES RELATED TO THE TAX EXCLUSION, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 105-275(8) is amended by adding a new sub-subdivision to read:

"a1. Sub-subdivision a. of this subdivision shall not apply to an animal waste management system, as defined in G.S. 143-215.10B, unless the Environmental Management Commission determines that the animal waste management system will accomplish all of the following:

1. Eliminate the discharge of animal waste to surface waters and groundwater through direct discharge, seepage, or runoff.
2. Substantially eliminate atmospheric emissions of ammonia.
3. Substantially eliminate the emission of odor that is detectable beyond the boundaries of the parcel or tract of land on which the farm is located.
4. Substantially eliminate the release of disease-transmitting vectors and airborne pathogens.
5. Substantially eliminate nutrient and heavy metal contamination of soil and groundwater."

**SECTION 2.** The Revenue Laws Study Committee shall study issues related to the application of G.S. 105-275(8). The Committee shall consider whether the tax exclusion should be limited to real or personal property that is subject to or is part of a facility that is subject to an individual permit issued by the Environmental Management Commission. The Committee shall also consider whether the tax exclusion should be phased out for certain types of real or personal property. In conducting this study, the Committee shall consult with the North Carolina Association of County Commissioners and the North Carolina League of Municipalities. The Committee shall report its findings and recommendations, including legislative proposals, if any, to the 2003 General Assembly.

**SECTION 3.** This act is effective when it becomes law. Section 1 of this act applies to taxes imposed for taxable years beginning on or after July 1, 2002.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:52 p.m. on the 6<sup>th</sup> day of September, 2002.

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO GRANT THE DOMESTIC VIOLENCE COMMISSION AUTHORITY TO ADOPT RULES TO APPROVE ABUSER TREATMENT PROGRAMS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 143B-394.16(a) reads as rewritten:

"(a) Powers and Duties. – The Commission shall have the following powers and duties:

- (1) As recommended in the January 15, 1999, final report of the Governor's Task Force on Domestic Violence, to develop and recommend to the General Assembly the "Safe Families Act" and to promote adequate funding to promote victim safety and accountability of perpetrators.
- (2) To develop and recommend domestic violence training initiatives for law enforcement and judicial personnel and for all persons who provide treatment and services to domestic violence victims.
- (3) To develop training initiatives for and make recommendations and provide information and advice to State agencies in the areas of child protection, education, employer/employee relations, criminal justice, and subsidized housing.
- (4) To provide information and advice to any private entities that request assistance in providing services and support to domestic violence victims.
- (5) To design, coordinate, and oversee a statewide public awareness campaign.
- (6) To design and coordinate improved data collection efforts for domestic violence crimes and acts in the State.
- (7) To research, develop, and recommend proposals of how best to meet the needs of domestic violence victims and to prevent domestic violence in the State.
- (8) To adopt rules in accordance with Article 2A of Chapter 150B of the General Statutes for the approval of abuser treatment programs as provided in G.S. 50B-3(a)(12). The Commission shall adopt rules to establish a consistent level of performance from providers of abuser treatment programs and to ensure that approved programs enhance the safety of victims and hold those who perpetrate acts of domestic violence responsible."

**SECTION 2.** G.S. 50B-3(a) reads as rewritten:

"(a) The court, including magistrates as authorized under G.S. 50B-2(c1), may grant any protective order or approve any consent agreement to bring about a cessation of acts of domestic violence. The orders or agreements may:

- (1) Direct a party to refrain from such acts;
- (2) Grant to a party possession of the residence or household of the parties and exclude the other party from the residence or household;
- (3) Require a party to provide a spouse and his or her children suitable alternate housing;

- (4) Award temporary custody of minor children and establish temporary visitation rights;
- (5) Order the eviction of a party from the residence or household and assistance to the victim in returning to it;
- (6) Order either party to make payments for the support of a minor child as required by law;
- (7) Order either party to make payments for the support of a spouse as required by law;
- (8) Provide for possession of personal property of the parties;
- (9) Order a party to refrain from doing any or all of the following:
  - a. Threatening, abusing, or following the other party,
  - b. Harassing the other party, including by telephone, visiting the home or workplace, or other means, or
  - c. Otherwise interfering with the other party;
- (10) Award costs and attorney's fees to either party;
- (11) Prohibit a party from purchasing a firearm for a time fixed in the order;
- (12) Order any party the court finds is responsible for acts of domestic violence to attend and complete an abuser treatment program if the program is approved by the ~~Department of Administration~~; Domestic Violence Commission; and
- (13) Include any additional prohibitions or requirements the court deems necessary to protect any party or any minor child."

**SECTION 3.** G.S. 15A-1343 (b1)(9a) reads as rewritten:

"(9a) Attend and complete an abuser treatment program if (i) the court finds the defendant is responsible for acts of domestic violence and (ii) the program is approved by the ~~Department of Administration~~. Domestic Violence Commission."

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:52 p.m. on the 6<sup>th</sup> day of September, 2002.

**S.B. 1218**

**Session Law 2002-106**

AN ACT TO IMPROVE THE ENFORCEMENT OF TAX LAWS BY CRIMINALIZING OR INCREASING THE PENALTY FOR CERTAIN FORMS OF TAX FRAUD AND BY ALLOWING THE DEPARTMENT OF REVENUE TO DISCLOSE CERTAIN INFORMATION TO LAW ENFORCEMENT AGENCIES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 105-228.90(b) is amended by adding a new subdivision to read:

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

...

- (4) Income Tax Return Preparer. – Any person who prepares for compensation, or who employs one or more persons to prepare for compensation, any return of tax imposed by Article 4 of this Chapter

or any claim for refund of tax imposed by Article 4 of this Chapter. For purposes of this definition, the completion of a substantial portion of a return or claim for refund is treated as the preparation of the return or claim for refund. The term does not include a person merely because the person (i) furnishes typing, reproducing, or other mechanical assistance, (ii) prepares a return or claim for refund of the employer, or an officer or employee of the employer, by whom the person is regularly and continuously employed, (iii) prepares as a fiduciary a return or claim for refund for any person, or (iv) represents a taxpayer in a hearing regarding a proposed assessment."

**SECTION 2.** G.S. 105-236(9a) reads as rewritten:

"(9a) Aid or Assistance. – Any person, pursuant to or in connection with the revenue laws, who willfully aids, assists in, procures, counsels, or advises the preparation, presentation, or filing of a return, affidavit, claim, or any other document that the person knows is fraudulent or false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of the person authorized or required to present or file the return, affidavit, claim, or other document, ~~shall be~~ is guilty of a ~~Class H felony~~-felony as follows:

- a. If the person who commits an offense under this subdivision is an income tax return preparer and the amount of all taxes fraudulently evaded on returns filed in one taxable year is one hundred thousand dollars (\$100,000) or more, the person is guilty of a Class C felony.
- b. If the person who commits an offense under this subdivision is an income tax return preparer and the amount of all taxes fraudulently evaded on returns filed in one taxable year is less than one hundred thousand dollars (\$100,000), the person is guilty of a Class F felony.
- c. If the person who commits an offense under this subdivision is not covered under sub-subdivision a. or b. of this subdivision, the person is guilty of a Class H felony."

**SECTION 3.** G.S. 105-159.1(e) reads as rewritten:

"(e) ~~A~~-~~An~~ ~~paid preparer of tax returns~~income tax return preparer may not designate on a return that the taxpayer does or does not desire to make the political contribution authorized in this section unless the taxpayer or the taxpayer's spouse has consented to the designation."

**SECTION 4.** G.S. 105-236 is amended by adding a new subdivision to read:

**"§ 105-236. Penalties.**

Penalties assessed by the Secretary under this Subchapter are assessed as an additional tax. Except as otherwise provided by law, and subject to the provisions of G.S. 105-237, the following penalties shall be applicable:

- ...
- (10b) Misrepresentation Concerning Payment. – A person who receives money from a taxpayer with the understanding that the money is to be remitted to the Secretary for application to the taxpayer's tax liability and who willfully fails to remit the money to the Secretary is guilty of a Class F felony."



**SECTION 5.** G.S. 105-259(b) is amended by adding a new subdivision to read:

"(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

...  
"(15a) To furnish to the head of the appropriate State or federal law enforcement agency information concerning the commission of an offense under the jurisdiction of that agency discovered by the Department during a criminal investigation of the taxpayer."

**SECTION 6.** Sections 1 through 4 of this act become effective December 1, 2002, and apply to actions that are committed on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:53 p.m. on the 6<sup>th</sup> day of September, 2002.

**S.B. 1170**

**Session Law 2002-107**

AN ACT AUTHORIZING ADDITIONAL METHODS FOR BIDDING ON PUBLIC PROCUREMENT CONTRACTS, AND AMENDING THE LAW REGARDING BRAND NAME SPECIFICATION IN THE COMPETITIVE BIDDING PROCESS FOR PUBLIC CONTRACTS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Article 8 of Chapter 143 of the General Statutes is amended by adding a new section to read:

**"§ 143-129.9. Alternative competitive bidding methods.**

(a) A political subdivision of the State may use any of the following methods to obtain competitive bids for the purchase of apparatus, supplies, materials, or equipment as an alternative to the otherwise applicable requirements in this Article:

- (1) Reverse auction. – For purposes of this section, "reverse auction" means a real-time purchasing process in which bidders compete to provide goods at the lowest selling price in an open and interactive environment. The bidders' prices may be revealed during the reverse auction. A reverse auction may be conducted by the political subdivision or by a third party under contract with the political subdivision. A political subdivision may also conduct a reverse auction through the State electronic procurement system, and compliance with the procedures and requirements of the State's reverse auction process satisfies the political subdivision's obligations under this Article.
- (2) Electronic bidding. – A political subdivision may receive bids electronically in addition to or instead of paper bids. Procedures for receipt of electronic bids for contracts that are subject to the requirements of G.S. 143-129 shall be designed to ensure the security, authenticity, and confidentiality of the bids to at least the same extent as is provided for with sealed paper bids.

(b) The requirements for advertisement of bidding opportunities, timeliness of the receipt of bids, the standard for the award of contracts, and all other requirements in this Article that are not inconsistent with the methods authorized in this section shall apply to contracts awarded under this section.

(c) Reverse auctions shall not be utilized for the purchase or acquisition of construction aggregates, including, but not limited to, crushed stone, sand, and gravel."

**SECTION 2.** G.S. 143-53(a)(5) reads as rewritten:

"(5) Prescribing conditions under which purchases and contracts for the purchase, installment or lease-purchase, rental or lease of equipment, materials, supplies or services may be entered into by means other than competitive ~~bidding~~—bidding, including, but not limited to, negotiation, reverse auctions, and acceptance of electronic bids. Reverse auctions may only be utilized for the purchase or exchange of supplies, equipment, and materials as provided in G.S. 115C-522. Notwithstanding the provisions of subsections (a) and (b) of this section, any waiver of competition for the purchase, rental, or lease of equipment, materials, supplies, or services is subject to prior review by the Secretary, if the expenditure exceeds ten thousand dollars (\$10,000). The Division may levy a fee, not to exceed one dollar (\$1.00), for review of each waiver application."

**SECTION 3.** Notwithstanding any other provision of law to the contrary, the Secretary may conduct a pilot program for reverse auctions. The reverse auctions shall be utilized only for the purchase or exchange of those supplies, equipment, and materials as provided in G.S. 115C-522, for use by the public school systems. The Secretary shall report the results of the pilot program to the Joint Select Committee on Information Technology, upon the convening of the 2003 General Assembly.

**SECTION 4.** G.S. 147-33.95 reads as rewritten:

**"§ 147-33.95. Procurement of information technology.**

(a) Notwithstanding any other provision of law, the Office of Information Technology Services shall procure all information technology for State agencies. For purposes of this section, agency means any department, institution, commission, committee, board, division, bureau, office, officer, or official of the State, unless specifically exempted in this Article. The Office shall integrate technological review, cost analysis, and procurement for all information technology needs of those State agencies in order to make procurement and implementation of technology more responsive, efficient, and cost-effective. All contract information shall be made a matter of public record after the award of contract. Provided, that trade secrets, test data, similar proprietary information, and security information protected under G.S. 132-6.1(c) may remain confidential.

(b) The Office shall have the authority and responsibility, subject to the provisions of this Part, to:

(1) Purchase or to contract for, by suitable ~~means~~—means, including, but not limited to, negotiations, reverse auctions, and the solicitation, offer, and acceptance of electronic bids, and in conformity with G.S. 143-135.9, all information technology in the State government, or any of its departments, institutions, or agencies covered by this Part, or to authorize any department, institution, or agency covered by this Part to purchase or contract for such information technology.

- (2) Establish processes, specifications, and standards which shall apply to all information technology to be purchased, licensed, or leased in the State government or any of its departments, institutions, or agencies covered by this Part.
- (3) Comply with the State government-wide technical architecture, as required by the Information Resources Management Commission.

(c) For purposes of this section, "reverse auction" means a real-time purchasing process in which vendors compete to provide goods or services at the lowest selling price in an open and interactive electronic environment. The vendor's price may be revealed during the reverse auction. The Office may contract with a third-party vendor to conduct the reverse auction.

(d) For purposes of this section, "electronic bidding" means the electronic solicitation and receipt of offers to contract. Offers may be accepted and contracts may be entered by use of electronic bidding.

(e) The Office may use the electronic procurement system established by G.S. 143-48.3 to conduct reverse auctions and electronic bidding. All requirements relating to formal and competitive bids, including advertisement, seal, and signature, are satisfied when a procurement is conducted or a contract is entered in compliance with the reverse auction or electronic bidding requirements established by the Office.

(f) The Office may adopt rules consistent with this section."

**SECTION 5.** G.S. 133-3 reads as rewritten:

**"§ 133-3. Specifications to carry competitive items; substitution of materials.**

All architects, engineers, designers, or draftsmen, when providing design services, or writing specifications, directly or indirectly, for materials to be used in any city, county or State work, shall specify in their plans the required performance and design characteristics of such materials. However, when it is impossible or impractical to specify the required performance and design characteristics for such materials, then the architect, engineer, designer or draftsman may use a brand name specification so long as they cite three or more examples of items of equal design or equivalent design, which would establish an acceptable range for items of equal or equivalent design. The specifications shall state clearly that the cited examples are used only to denote the quality standard of product desired and that they do not restrict bidders to a specific brand, make, manufacturer or specific name; that they are used only to set forth and convey to bidders the general style, type, character and quality of product desired; and that equivalent products will be acceptable. Where it is impossible to specify performance and design characteristics for such materials and impossible to cite three or more items due to the fact that there are not that many items of similar or equivalent design in competition, then as many items as are available shall be cited. On all city, county or State works, the maximum interchangeability and compatibility of cited items shall be required. The brand of product used on a city, county or State work shall not limit competitive bidding on future works. ~~If an architect, engineer, designer, draftsman or owner prefers a particular brand of material, then such brand shall be bid as an alternate to the base bid and in such case the base bid shall cite three or more examples of items of equal or equivalent design, which would establish an acceptable range for items of equal or equivalent design.~~ Substitution of materials, items, or equipment of equal or equivalent design shall be submitted to the architect or engineer for approval or disapproval; such approval or disapproval shall be made by the architect or engineer prior to the opening of bids. The purpose of this statute is to mandate and encourage free and open competition on public contracts."

**SECTION 6.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:55 p.m. on the 6<sup>th</sup> day of September, 2002.

**S.B. 1407****Session Law 2002-108**

AN ACT TO ESTABLISH A CONTRACT RIGHT REGARDING THE TIMING OF PAYMENTS UNDER CONTRACTS REQUIRING REIMBURSEMENT OF FEDERAL FUEL EXCISE TAXES AND TO MAKE VARIOUS MOTOR FUEL EXCISE TAX CHANGES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 119 of the General Statutes is amended by adding a new Article to read:

"Article 6.

"Contract Rights Regarding Tax Reimbursement.

**"§ 119-65. Timing of reimbursement payments under contract.**

(a) Right. – When a contract calls for one party to reimburse a second party for the federal manufacturer's excise taxes levied on petroleum products in Part III of Subchapter A of Chapter 32 of the Internal Revenue Code, whether as a separate item or as part of the price, the party making the reimbursement has the right to choose to tender payment for the taxes no more than one business day before the day the second party is required to remit the taxes to the federal Internal Revenue Service. The party making the reimbursement has the option of exercising this right. Exercise of this right does not relieve the party of the obligation to make the reimbursement as provided for in the contract, but affects only the timing of when that reimbursement must be tendered.

(b) Procedure. – In order to exercise the contractual right established in subsection (a) of this section, the party making the reimbursement must notify the second party in writing of the intent to exercise the payment option and the effective date of the exercise. The effective date must be no earlier than the beginning of the next federal tax quarter or 30 days after the notice of intent is received, whichever is later.

(c) Security. – If the party making the reimbursement exercises the contractual right provided in this section, the second party may require security for the payment of the taxes in proportion to the amount the taxes represent compared to the security required on the contract as a whole. The second party may not, however, change the other payment terms of the contract without a valid business reason other than the exercise of the contractual right, except to require the payment of the taxes under the contractual right to be made by electronic funds transfer."

**SECTION 2.** G.S. 105-449.41 is repealed.

**SECTION 3.** G.S. 105-449.47 is amended by adding a new subsection to read:

**"§ 105-449.47. Registration of vehicles.**

(a) Requirement. – A motor carrier that is subject to the International Fuel Tax Agreement may not operate or cause to be operated in this State any vehicle listed in the definition of motor vehicle unless both the motor carrier and the motor vehicle are registered with the motor carrier's base state jurisdiction. A motor carrier that is not

subject to the International Fuel Tax Agreement may not operate or cause to be operated in this State any vehicle listed in the definition of motor vehicle unless both the motor carrier and the motor vehicle are registered with the Secretary for purposes of the tax imposed by this Article.

(a1) Registration and Identification Marker. – When the Secretary registers a motor carrier, the Secretary must issue at least one identification marker for each motor vehicle operated by the motor carrier. A motor carrier must keep records of identification markers issued to it and must be able to account for all identification markers it receives from the Secretary. Registrations and identification markers issued by the Secretary are for a calendar year. The Secretary may renew a registration or an identification marker without issuing a new registration or identification marker. All identification markers issued by the Secretary remain the property of the State. The Secretary may withhold or revoke a registration or an identification marker when a motor carrier fails to comply with this Article, former Article 36 or 36A of this Subchapter, or Article 36C or 36D of this Subchapter.

A motor carrier must carry a copy of its registration in each motor vehicle operated by the motor carrier when the vehicle is in this State. A motor vehicle must clearly display an identification marker at all times. The identification marker must be affixed to the vehicle for which it was issued in the place and manner designated by the authority that issued it.

(b) Exemption. – This section does not apply to the operation of a vehicle that is registered in another state and is operated temporarily in this State by a public utility, a governmental or cooperative provider of utility services, or a contractor for one of these entities for the purpose of restoring utility services in an emergency outage."

**SECTION 4.** G.S. 105-449.52 reads as rewritten:

**"§ 105-449.52. ~~Penalty for operating a motor vehicle without a registration card or an identification marker.~~Civil penalties applicable to motor carriers.**

(a) Penalty. – A motor carrier who does any of the following is subject to a civil penalty:

- (1) ~~operates~~Operates in this State or causes to be operated in this State a motor vehicle that does not carry the registration card required by this Article or does not display an identification marker in accordance with this Article ~~is subject to a civil penalty of one hundred dollars (\$100.00).~~ Article. The amount of the penalty is one hundred dollars (\$100.00).
- (2) Is unable to account for identification markers the Secretary issues the motor carrier, as required by G.S. 105-449.47. The amount of the penalty is one hundred dollars (\$100.00) for each identification marker the carrier is unable to account for.
- (3) Displays an identification marker on a motor vehicle operated by a motor carrier that was not issued to the carrier by the Secretary under G.S. 105-449.47. The amount of the penalty is one thousand dollars (\$1,000) for each identification marker unlawfully obtained. Both the licensed motor carrier to whom the Secretary issued the identification marker and the motor carrier displaying the unlawfully obtained identification marker are jointly and severally liable for the penalty under this subdivision.

~~The~~A penalty imposed under this section is payable to the Department of Revenue or the Division of Motor Vehicles. When a motor vehicle is found to be operating

without a registration card or an identification ~~marker~~, marker or with an identification marker the Secretary did not issue for the vehicle, the motor vehicle may not be driven for a purpose other than to park the motor vehicle until the penalty imposed under this section is paid unless the officer that imposes the penalty determines that operation of the motor vehicle will not jeopardize collection of the penalty.

(b) Hearing. – The procedure set out in G.S. 105-449.119 for protesting a penalty imposed under Article 36C, Part 6, of this Chapter applies to a penalty imposed under this section."

**SECTION 5.** G.S. 105-449.60(1) is recodified as G.S. 105-449.60(1e).

**SECTION 6.** G.S. 105-449.60 reads as rewritten:

**"§ 105-449.60. Definitions.**

The following definitions apply in this Article:

"(1) Biodiesel. – Any fuel or mixture of fuels derived in whole or in part from agricultural products or animal fats or wastes from these products or fats.

(1a) Biodiesel provider. – A person who does any of the following:

a. Produces an average of no more than 500,000 gallons of biodiesel per month during a calendar year. A person who produces more than this amount is a refiner.

b. Imports biodiesel outside the terminal transfer system by means of a marine vessel, a transport truck, a railroad tank car, or a tank wagon.

...

(7) Diesel fuel. – Any liquid, other than gasoline, that is suitable for use as a fuel in a diesel-powered highway vehicle. The term includes ~~kerosene~~. kerosene and biodiesel. The term does not include jet fuel sold to a buyer who is certified to purchase jet fuel under the Code.

...

(12) Fuel alcohol. – ~~Methanol~~. Alcohol, methanol, or fuel grade ethanol.

(13) Fuel alcohol provider. – A person who does any of the following:

a. Produces an average of no more than 500,000 gallons of fuel alcohol per month during a calendar year. A person who produces more than this amount is a refiner.

b. Imports fuel alcohol outside the terminal transfer system by means of a marine vessel, a transport truck, ~~or~~ a railroad tank car, or a tank wagon.

...

(15) Gasoline. – Any of the following:

a. All products that are commonly or commercially known or sold as gasoline and are suitable for use as a fuel in a highway vehicle, other than products that have an American Society for Testing Materials octane number of less than 75 as determined by the motor method.

b. A petroleum product component of gasoline, such as naphtha, reformat, or toluene.

c. Gasohol.

d. Fuel ~~grade ethanol~~. alcohol.

The term does not include aviation gasoline sold for use in an aircraft motor. 'Aviation gasoline' is gasoline that is designed for use in an

aircraft motor and is not adapted for use in an ordinary highway vehicle.

...

- (22) Motor fuel transporter. – A person who transports motor fuel by pipeline or who transports motor fuel outside the terminal transfer system by means of a transport truck, a railroad tank car, or a marine vessel.

...

- (27a) Refiner. – A person who owns, operates, or controls a refinery. The term includes a person who produces an average of more than 500,000 gallons of fuel alcohol or biodiesel a month during a calendar year.

- (27b) Refinery. – A facility used to process crude oil, unfinished oils, natural gas liquids, or other hydrocarbons into motor fuel and from which fuel may be removed by pipeline or vessel or at a rack. The term does not include a facility that produces only blended fuel or gasohol.

...

- (31) Supplier. – Any of the following:
- a. A position holder or a person who receives motor fuel pursuant to a two-party exchange.
  - b. A fuel alcohol provider.
  - c. A biodiesel provider.
  - d. A refiner.

...

- (33) Tank wagon. – A truck that is not a transport truck ~~and has multiple compartments and has a compartment~~ designed or used to carry at least 1,000 gallons of motor fuel."

**SECTION 7.** G.S. 105-449.72(a)(2) reads as rewritten:

"(a) Initial Bond. – An applicant for a license as a refiner, a terminal operator, a supplier, an importer, a blender, a permissive supplier, or a distributor must file with the Secretary a bond or an irrevocable letter of credit. A bond must be conditioned upon compliance with the requirements of this Article, be payable to the State, and be in the form required by the Secretary. The amount of the bond or irrevocable letter of credit is determined as follows:

...

- (2) For an applicant for a license as any of the following, the amount is two times the applicant's average expected monthly tax liability under this Article, as determined by the Secretary. The amount may not be less than two thousand dollars (\$2,000) and may not be more than two hundred fifty thousand dollars (\$250,000):
- a. A supplier that is a fuel alcohol provider or a biodiesel provider but is neither a position holder nor a person that receives motor fuel pursuant to a two-party exchange.
  - b. An occasional importer.
  - c. A tank wagon importer.
  - d. A distributor.
  - e. Repealed by Session Laws 1997-60, s. 5."

**SECTION 8.** G.S. 105-449.72(d) reads as rewritten:

"(d) Replacements. – When a license holder files a bond or an irrevocable letter of credit as a replacement for a previously filed bond or letter of credit and the license

holder has paid all taxes and penalties due under this Article, the Secretary must take one of the following actions:

- (1) Return the previously filed bond or letter of credit.
- (2) Notify the person liable on the previously filed bond ~~and the license holder~~ that the person is released from liability on the bond."

**SECTION 9.** G.S. 105-449.77 reads as rewritten:

**"§ 105-449.77. Records and lists of license applicants and license holders.**

(a) Records. – The Secretary must keep a record of the following:

- (1) Applicants for a license under this Article.
- (2) Persons to whom a license has been issued under this Article.
- (3) Persons that hold a current license issued under this Article, by license category.

(b) ~~Supplier~~ Lists. – The Secretary must annually give a list to each license holder of all the license holders under this Article. The list must state the name, account number, and business address of each license holder on the list. The Secretary must send a monthly update of the list to each licensed refiner or licensed supplier and to any other license holder that requests a copy of the list. ~~of licensed suppliers, licensed terminal operators, licensed importers, licensed distributors, and licensed exporters to each licensed supplier. The list must state the name, account number, and business address of each license holder on the list. The Secretary must send a monthly update of the list to each licensed supplier.~~

~~The Secretary must give a list of licensed suppliers to each licensed distributor, licensed exporter, and licensed importer. The Secretary must also give a list of licensed suppliers to each unlicensed distributor that asks for a copy of the list. The list must state the name, account number, and business address of each supplier on the list and must indicate whether the supplier is an elective supplier, a permissive supplier, or an in-State only supplier. The Secretary must send an annual update of the list to each licensed distributor, licensed exporter, and licensed importer, and to each unlicensed distributor that requested a copy of the list.~~

(c) ~~Transporter~~ Lists. – ~~The Secretary must give a list of licensed motor fuel transporters to each licensed supplier, licensed terminal operator, licensed importer, licensed blender, licensed distributor, and licensed exporter. The list must state the name, account number, and business address of each motor fuel transporter on the list. The Secretary must send a monthly update of the list to each license holder to whom the Secretary must give the list.~~

~~The Secretary must give a list of licensed suppliers, licensed terminal operators, licensed importers, licensed blenders, licensed distributors, and licensed exporters to each licensed motor fuel transporter. The list must state the name, account number, and business address of each license holder on the list. The Secretary must send a monthly update of the list to each licensed motor fuel transporter."~~

**SECTION 10.** G.S. 105-449.87 reads as rewritten:

**"§ 105-449.87. Backup tax and liability for the tax.**

(a) Tax. – An excise tax at the motor fuel rate is imposed on the following:

- (1) Dyed diesel fuel that is used to operate a highway vehicle for a use that is not a nontaxable use under § 4082(b) of the Code. ~~The tax does not apply, however, to dyed diesel fuel that is used to operate special mobile equipment.~~
- (2) Motor fuel that was allowed an exemption from the motor fuel tax and was then used for a taxable purpose.



- (3) Motor fuel that is used to operate a highway vehicle after an application for a refund of tax paid on the motor fuel is made or allowed under G.S. 105-449.107(a) on the basis that the motor fuel was used for an off-highway purpose.
- (4) Repealed by Session Laws 1995 (Regular Session, 1996), c. 647, s. 19.
- (5) Motor fuel that, based on its shipping document, is destined for delivery to another state and is then diverted and delivered in this State.

(b) General Liability. – The operator of a highway vehicle that uses motor fuel that is taxable under subdivisions (a)(1) through (a)(3) of this section is liable for the tax. If the highway vehicle that uses the fuel is owned by or leased to a motor carrier, the motor carrier is jointly and severally liable for the tax. If the end seller of motor fuel taxable under this section knew or had reason to know that the motor fuel would be used for a purpose that is taxable under this section, the end seller is jointly and severally liable for the tax. If the Secretary determines that a bulk-end user or retailer used or sold untaxed dyed diesel fuel to operate a highway vehicle when the fuel is dispensed from a storage facility or through a meter marked for nonhighway use, all fuel delivered into that storage facility is presumed to have been used to operate a highway vehicle. An end seller of dyed diesel fuel is considered to have known or had reason to know that the fuel would be used for a purpose that is taxable under this section if the end seller delivered the fuel into a storage facility that was not marked as required by G.S. 105-449.123.

~~(c) Imputed Knowledge–Diverted Fuel. – An end seller of dyed diesel fuel is considered to have known or had reason to know that the fuel would be used for a purpose that is taxable under this section if the end seller delivered the fuel into a storage facility that was not marked as required by G.S. 105-449.123. The person who authorizes a change in the destination state of motor fuel from the state given on the fuel's shipping document to North Carolina is liable for the tax due on the motor fuel. If motor fuel is diverted from North Carolina to another state, only the person who authorized the fuel to be diverted is eligible for a refund of the amount of tax paid on the fuel."~~

**SECTION 11.** G.S. 105-449.88 is amended by adding a new subdivision to read:

"(8) Motor fuel sold to a county or a municipal corporation for its use."

**SECTION 12.** G.S. 105-449.101(a) reads as rewritten:

"(a) Requirement. – ~~A person that transports, by pipeline, marine vessel, railroad tank car, or transport truck, motor fuel that is being imported into this State or exported from this State~~ motor fuel transporter that imports motor fuel into this State or exports motor fuel from this State must file a monthly informational return with the Secretary that shows motor fuel received or delivered for import or export by the transporter during the month. This requirement does not apply to a distributor that is not required to be licensed as a motor fuel transporter."

**SECTION 13.** G.S. 105-449.106(a) reads as rewritten:

"(a) ~~Government and Nonprofits.~~ – ~~A local governmental entity or a nonprofit organization listed below that purchases and uses motor fuel may receive a quarterly refund, for the excise tax paid during the preceding quarter, at a rate equal to the amount of the flat cents-per-gallon rate plus the variable cents-per-gallon rate in effect during the quarter for which the refund is claimed, less one cent (1¢) per gallon.~~

An application for a refund allowed under this subsection must be made in accordance with this Part and must be signed by the chief executive officer of the ~~entity-~~organization. The chief executive officer of a nonprofit organization is the president of the organization or another officer of the organization designated in the charter or bylaws of the organization.

Any of the following entities may receive a refund under this subsection:

- (1) ~~A county or a municipal corporation.~~
- (2) A private, nonprofit organization that transports passengers under contract with or at the express designation of a unit of local government.
- (3) A volunteer fire department.
- (4) A volunteer rescue squad.
- (5) A sheltered workshop recognized by the Department of Health and Human Services."

**SECTION 14.** G.S. 105-449.114(c) reads as rewritten:

"(c) Notwithstanding any other provision of law concerning refunds of motor fuels and ~~special-alternative~~ fuels taxes, the Department of Revenue may enter into a memorandum of understanding or an agreement with the Eastern Band of Cherokee Indians to make refunds of motor fuels and ~~special-alternative~~ fuels taxes to the Tribe in its collective capacity on behalf of its members who reside on or engage in otherwise taxable transactions within Cherokee trust lands. The memorandum or agreement shall be approved by the Council and signed by the Chief on behalf of the Tribe and shall be signed by the Secretary of Revenue on behalf of Department of Revenue. The memorandum or agreement may not affect the right of an individual member of the Tribe to a refund and shall provide for deduction of amounts refunded to individual members of the Tribe from the amounts to be refunded to the Tribe on behalf of all members. The memorandum or agreement may be effective for a definite or indefinite period, as specified in the agreement."

**SECTION 15.** G.S. 105-449.115(f) reads as rewritten:

"(f) Sanctions Against Transporter. – The following acts are grounds for a civil penalty payable to the Department of Transportation, Division of Motor Vehicles, or the Department of Revenue:

- (1) Transporting motor fuel in a railroad tank care or transport truck without a shipping document or with a false or an incomplete shipping document.
- (2) Delivering motor fuel to a destination state other than that shown on the shipping document.

The penalty imposed under this subsection is payable by the person in whose name the conveyance is registered, if the conveyance is a transport truck, and is payable by the person responsible for the movement of motor fuel in the conveyance, if the conveyance is a railroad tank car. The amount of the penalty ~~depends on whether the person against whom the penalty is assessed has previously been assessed a penalty under this subsection. For a first assessment under this subsection, the penalty is one thousand five hundred dollars (\$1,500). For a second or subsequent assessment under this subsection, the penalty is seven thousand five hundred dollars (\$7,500).~~ is five thousand dollars (\$5,000). A penalty imposed under this subsection is in addition to any motor fuel tax assessed."

**SECTION 16.** Part 6 of Article 36C of Chapter 105 of the General Statutes is amended by adding new section to read:

**"§ 105-449.115A. Shipping document required to transport fuel by tank wagon.**

(a) Issuance. – A person may not transport motor fuel by tank wagon unless that person has an invoice, bill of sale, or shipping document containing the following information and any other information required by the Secretary:

- (1) The name and address of the person from whom the motor fuel was received.
- (2) The date the fuel was loaded.
- (3) The type of fuel.
- (4) The gross number of gallons loaded.

(b) Duties of Transporter. – A person to whom an invoice, bill of sale, or shipping document was issued must do all of the following:

- (1) Carry the invoice, bill of sale, or shipping document in the conveyance for which it is issued when transporting the motor fuel described in it.
- (2) Show the invoice, bill of sale, or shipping document upon request when transporting the motor fuel described in it.

(c) Sanctions. – Transporting motor fuel in a tank wagon without an invoice, bill of sale, or shipping document containing the information required by this section is grounds for a civil penalty payable to the Department of Transportation, Division of Motor Vehicles, or the Department of Revenue. The penalty imposed under this subsection is payable by the person in whose name the tank wagon is registered. The amount of the penalty is one thousand dollars (\$1,000). A penalty imposed under this subsection is in addition to any motor fuel tax assessed."

**SECTION 17.** G.S. 105-449.118 reads as rewritten:

**"§ 105-449.118. Civil penalty for buying or selling non-tax-paid motor fuel.**

A person who dispenses non-tax-paid motor fuel into the supply tank of a highway vehicle or who allows non-tax-paid motor fuel to be dispensed into the supply tank of a highway vehicle is subject to a civil ~~penalty~~ penalty of two hundred fifty dollars (\$250.00) per occurrence. ~~The penalty is based on the amount of motor fuel dispensed and is set at the following amounts:~~

| <u>Number of Gallons Dispensed:</u>     | <u>Penalty</u>      |
|---|---------------------|
| <del>Less than 25</del>                 | <del>\$ 75.00</del> |
| <del>At least 25 but less than 50</del> | <del>150.00</del>   |
| <del>At least 50</del>                  | <del>300.00.</del>  |

The penalty is payable to the Department of Transportation, Division of Motor Vehicles, or the Department of Revenue. Failure to pay a penalty imposed under this section is grounds under G.S. 20-88.01(b) to withhold or revoke the registration plate of the motor vehicle into which the motor fuel was dispensed."

**SECTION 18.(a)** Section 1 of this act becomes effective September 1, 2002, and applies to contracts entered into or renewed on or after that date and to all continuing contracts that are in effect on that date and have no expiration date. Section 1 of this act does not apply to a contract in effect on September 1, 2002, that, by its terms, will terminate on a later date. Section 1 of this act does not impair the obligation arising under any contract executed before September 1, 2002.

**SECTION 18.(b)** The remainder of this act becomes effective January 1, 2003.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:55 p.m. on the 6<sup>th</sup> day of September, 2002.

S.B. 1441

Session Law 2002-109

AN ACT TO EXEMPT CERTAIN ACTIVITIES OF THE UNIVERSITY OF NORTH CAROLINA, INCLUDING THE NORTH CAROLINA ARBORETUM, FROM THE UMSTEAD ACT.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 66-58(b) reads as rewritten:

"(b) The provisions of subsection (a) of this section shall not apply to:

...

(8a) The University of North Carolina with regard to the operation of gift shops, snack bars, and food service facilities physically connected to any of The University of North Carolina's public exhibition spaces, including the North Carolina Arboretum, provided that the resulting profits are used to support the operation of the public exhibition space.

...."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:55 p.m. on the 6<sup>th</sup> day of September, 2002.

H.B. 1724

Session Law 2002-110

AN ACT TO CLARIFY THE STATUS OF TEACHERS PARTICIPATING IN FOREIGN EXCHANGE PROGRAMS FOR PURPOSES OF RETIREMENT AND TENURE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 135-1(25) reads as rewritten:

"(25) "Teacher" shall mean any teacher, helping teacher, librarian, principal, supervisor, superintendent of public schools or any full-time employee, city or county, superintendent of public instruction, or any full-time employee of Department of Public Instruction, president, dean or teacher, or any full-time employee in any educational institution supported by and under the control of the State: Provided, that the term "teacher" shall not include any part-time, temporary, or substitute teacher or employee, and shall not include those participating in an optional retirement program provided for in G.S. 135-5.1. In all cases of doubt, the Board of Trustees, hereinafter [hereinbefore] defined, shall determine whether any person is a teacher as defined in this Chapter. On and after August 1, 2001, a person who is a nonimmigrant alien and who otherwise meets the requirements of this subdivision shall not be excluded from the definition of "teacher" solely because the person holds a temporary or time-limited visa. Notwithstanding the foregoing, the term "teacher" shall not include any nonimmigrant alien employed in elementary or secondary public schools (whether employed in a full-time, part-time, temporary, permanent, or substitute teacher position) and participating in an

exchange visitor program designated by the United States Department of State pursuant to 22 C.F.R. Part 62."

**SECTION 2.** G.S. 115C-325(a) is amended by adding a new subdivision to read:

"(4b) "Exchange teacher" means a nonimmigrant alien teacher participating in an exchange visitor program designated by the United States Department of State pursuant to 22 C.F.R. Part 62."

**SECTION 3.** G.S. 115C-325(c) is amended by adding a new subdivision to read:

"(6) Status of Exchange Teachers. – Exchange teachers shall not be eligible to obtain career status. However, for purposes of determining eligibility to receive employment benefits under this Chapter, including personal leave, annual vacation leave, and sick leave, an exchange teacher shall be considered a permanent teacher if employed with the expectation of at least six full consecutive monthly pay periods of employment and if employed at least 20 hours per week."

**SECTION 4.** This act becomes effective July 1, 2002.

In the General Assembly read three times and ratified this the 28<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:56 p.m. on the 6<sup>th</sup> day of September, 2002.

**S.B. 1262**

**Session Law 2002-111**

AN ACT TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ENTER INTO MUTUAL AID AGREEMENTS WITH LAW ENFORCEMENT AGENCIES ON BEHALF OF ITS SPECIAL PEACE OFFICERS WHO HAVE BEEN DESIGNATED FOR THE PURPOSE OF ENFORCING THE LAW GOVERNING THE STATE PARKS SYSTEM, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Article 1A of Chapter 113 of the General Statutes is amended by adding a new section to read:

**"§ 113-28.2A. Cooperation between law enforcement agencies.**

Special peace officers employed by the Department of Environment and Natural Resources are officers of a "law enforcement agency" for purposes of G.S. 160A-288, and the Department shall have the same authority as a city or county governing body to approve cooperation between law enforcement agencies under that section."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:57 p.m. on the 6<sup>th</sup> day of September, 2002.

**S.B. 1154**

**Session Law 2002-112**

AN ACT TO EXPAND THE LIST OF SECTIONS OF THE NORTH CAROLINA CONDOMINIUM ACT THAT APPLY TO CONDOMINIUMS CREATED ON OR

BEFORE OCTOBER 1, 1986, AND TO CODIFY AN APPLICABILITY PROVISION RELATING TO THE NORTH CAROLINA PLANNED COMMUNITY ACT, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 47C-1-102(a) reads as rewritten:

"(a) This ~~chapter~~ Chapter applies to all condominiums created within this State after October 1, 1986. ~~Sections~~ G.S. 47C-1-105 (Separate Titles and Taxation), 47C-1-106 (Applicability of Local Ordinances, Regulations, and Building Codes), 47C-1-107 (Eminent Domain), 47C-2-103 (Construction and Validity of Declaration and Bylaws), 47C-2-104 (Description of Units), 47C-2-121 (Merger or Consolidation of Condominiums), 47C-3-102(a)(1) through (6) and (11) through (16) (Powers of Unit Owners' Association), 47C-3-107A (Charges for Late Payment, Fines), 47C-3-111 (Tort and Contract Liability), 47C-3-112 (Conveyance or Encumbrance of Common Elements), 47C-3-116 (Lien for Assessments), 47C-3-118 (Association Records), and 47C-4-117 (Effect of Violation on Rights of Action; Attorney's Fees), and G.S. 47C-1-103 (Definitions), to the extent necessary in construing any of those sections, apply to all condominiums created in this State on or before October 1, 1986; but those sections apply only with respect to events and circumstances occurring after October 1, 1986-1986, and do not invalidate existing provisions of the declarations, bylaws, or plats or plans of those condominiums."

**SECTION 2.** G.S. 47F-1-102 reads as rewritten:

**"§ 47F-1-102. Applicability.**

(a) This Chapter applies to all planned communities ~~within this State except as provided in subsection (b) of this section.~~ created within this State on or after January 1, 1999, except as otherwise provided in this section.

(b) This Chapter does not apply to a planned community created within this ~~State:~~ State on or after January 1, 1999:

- (1) Which contains no more than 20 lots (including all lots which may be added or created by the exercise of development rights) unless the declaration provides or is amended to provide that this Chapter does apply to that planned community; or
- (2) In which all lots are restricted exclusively to nonresidential purposes, unless the declaration provides or is amended to provide that this Chapter does apply to that planned community.

(c) ~~This Chapter does not apply to planned communities or lots located outside this State.~~ Notwithstanding the provisions of subsection (a) of this section, G.S. 47F-3-102(1) through (6) and (11) through (17) (Powers of owners' association), G.S. 47F-3-107(a), (b), and (c) (Upkeep of planned community; responsibility and assessments for damages), G.S. 47F-3-115 (Assessments for common expenses), and G.S. 47F-3-116 (Lien for assessments), apply to all planned communities created in this State before January 1, 1999. These sections apply only with respect to events and circumstances occurring on or after January 1, 1999, and do not invalidate existing provisions of the declaration, bylaws, or plats and plans of those planned communities. G.S. 47F-1-103 (Definitions) also applies to all planned communities created in this State before January 1, 1999, to the extent necessary in construing any of the preceding sections.

(d) ~~Any~~ Notwithstanding the provisions of subsections (a) and (c) of this section,

any planned community created prior to ~~the effective date of this Chapter January 1, 1999,~~ may elect to make the provisions of this Chapter applicable to it by amending its declaration to provide that this Chapter shall apply to that planned community. The amendment may be made by affirmative vote or written agreement signed by lot owners of lots to which at least sixty-seven percent (67%) ~~percent~~ of the votes in the association are allocated or any smaller majority the declaration specifies. To the extent the procedures and requirements for amendment in the declaration conflict with the provisions of this subsection, this subsection shall control with respect to any amendment to provide that this Chapter applies to that planned community.

(e) This Chapter does not apply to planned communities or lots located outside this State."

**SECTION 3.** Section 3 of S.L. 1998-199 reads as rewritten:

"Section 3. This act becomes effective January 1, 1999, ~~and applies to planned communities created on or after that date. G.S. 47E-3-102(1) through (6) and (11) through (17), G.S. 47E-3-107(a),(b), and (c), G.S. 47E-3-115, and G.S. 47E-3-116 as enacted by Section 1 of this act apply to planned communities created prior to the effective date, except that the provisions of G.S. 47E-3-116(e) as enacted by Section 1 of this act, apply to actions arising on or after the effective date. 1999.~~"

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:58 p.m. on the 6<sup>th</sup> day of September, 2002.

## S.B. 1232

## Session Law 2002-113

AN ACT TO ALLOW MEMBERS OF THE NORTH CAROLINA FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND WITH AT LEAST TEN YEARS OF SERVICE TO CONTINUE AS MEMBERS AFTER THE TAKEOVER OF A VOLUNTEER DEPARTMENT BY A CITY OR COUNTY; AND TO EXEMPT VOLUNTEER FIREFIGHTERS, EMERGENCY MEDICAL SERVICES PERSONNEL AND RESCUE SQUAD WORKERS FROM OVERTIME AND MINIMUM WAGE LAWS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 58-86-55 reads as rewritten:

**"§ 58-86-55. Monthly pensions upon retirement.**

Any member who has served 20 years as an "eligible fireman" or "eligible rescue squad worker" in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30, and who has attained the age of 55 years is entitled to be paid a monthly pension from this fund. The monthly pension shall be in the amount of one hundred fifty-one dollars (\$151.00) per month. Any retired fireman receiving a pension shall, effective July 1, 2000, receive a pension of one hundred fifty-one dollars (\$151.00) per month.

Members shall pay ten dollars (\$10.00) per month as required by G.S. 58-86-35 and G.S. 58-86-40 for a period of no longer than 20 years. No "eligible rescue squad member" shall receive a pension prior to July 1, 1983. No member shall be entitled to a pension hereunder until the member's official duties as a fireman or rescue squad worker for which the member is paid compensation shall have been terminated and the

member shall have retired as such according to standards or rules fixed by the board of trustees.

A member who is totally and permanently disabled while in the discharge of the member's official duties as a result of bodily injuries sustained or as a result of extreme exercise or extreme activity experienced in the course and scope of those official duties and who leaves the fire or rescue squad service because of this disability shall be entitled to be paid from the fund a monthly benefit in an amount of one hundred fifty-one dollars (\$151.00) per month beginning the first month after the member's fifty-fifth birthday. All applications for disability are subject to the approval of the board who may appoint physicians to examine and evaluate the disabled member prior to approval of the application, and annually thereafter. Any disabled member shall not be required to make the monthly payment of ten dollars (\$10.00) as required by G.S. 58-86-35 and G.S. 58-86-40.

A member who is totally and permanently disabled for any cause, other than line of duty, who leaves the fire or rescue squad service because of this disability and who has at least 10 years of service with the pension fund, may be permitted to continue making a monthly contribution of ten dollars (\$10.00) to the fund until the member has made contributions for a total of 240 months. The member shall upon attaining the age of 55 years be entitled to receive a pension as provided by this section. All applications for disability are subject to the approval of the board who may appoint physicians to examine and evaluate the disabled member prior to approval of the application and annually thereafter.

A member who, because his residence is annexed by a city under Part 2 or Part 3 of Article 4 of Chapter 160A of the General Statutes, or whose department is closed because of an annexation by a city under Part 2 or Part 3 of Article 4 of Chapter 160A of the General Statutes, or whose volunteer department is taken over by a city or county, and because of such annexation or takeover is unable to perform as a fireman or rescue squad worker of any status, and if the member has at least 10 years of service with the pension fund, may be permitted to continue making a monthly contribution of ten dollars (\$10.00) to the fund until the member has made contributions for a total of 240 months. The member upon attaining the age of 55 years and completion of such contributions shall be entitled to receive a pension as provided by this section. Any application to make monthly contributions under this section shall be subject to a finding of eligibility by the Board of Trustees upon application of the member.

The pensions provided shall be in addition to all other pensions or benefits under any other statutes of the State of North Carolina or the United States, notwithstanding any exclusionary provisions of other pensions or retirement systems provided by law."

**SECTION 2.** G.S. 95-25.14 is amended by adding a new subsection to read:

"(b1) The provisions of G.S. 95-25.3 (Minimum Wage) and G.S. 95-25.4 (Overtime), and the provisions of G.S. 95-25.15(b) (Record Keeping) as they relate to the exemptions provided for in this subsection, do not apply to any of the following:

- (1) Hours worked as a bona fide volunteer firefighter in an incorporated, nonprofit volunteer or community fire department.
- (2) Hours worked as a bona fide volunteer rescue and emergency medical services personnel in an incorporated, nonprofit volunteer or community fire department, or an incorporated, nonprofit rescue squad.



Hours worked in accordance with this subsection shall not be considered hours worked for purposes of G.S. 95-25.3 or G.S. 95-25.4."

**SECTION 3.** This act is effective when it becomes law, with Section 1 applying to members of the Firemen's and Rescue Squad Workers' Pension Fund with at least 10 years of service on or after January 1, 2002, and Section 2 applying to hours worked on or after July 31, 2002.

In the General Assembly read three times and ratified this the 28<sup>th</sup> day of August, 2002.

Became law upon approval of the Governor at 4:59 p.m. on the 6<sup>th</sup> day of September, 2002.

**H.B. 1657****Session Law 2002-114**

AN ACT TO AMEND THE PROVISIONS OF THE DURHAM FIREMEN'S SUPPLEMENTAL RETIREMENT SYSTEM.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Subsection (f) of Section 2 of Chapter 576 of the 1951 Session Laws reads as rewritten:

"(f) Compensation of Trustees. The members of the Board of Trustees of the Durham Firemen's Supplemental Retirement System shall serve without compensation, except the Treasurer of the Board, but they shall be reimbursed for all necessary expenses incurred through service upon said board. The Treasurer of the Board will be compensated at a reasonable amount determined by the Board of Trustees of the Durham Firemen's Supplemental Retirement System."

**SECTION 2.** Chapter 576 of the 1951 Session Laws is amended by adding a new section to read:

"**Sec. 4.4.** All eligible retirees shall submit application to the Durham Firemen's Supplemental Retirement System for them to receive supplemental benefits no later than the 10<sup>th</sup> of the month of his or her retirement date from the North Carolina Local Governmental Employees' Retirement System. Should he or she fail to file application on time, he or she will lose his or her monthly retirement compensation until the month in which the application is filed properly. Any retiree who has not complied with this procedure will be given three months from date of the ratification of this amendment to file application and, if this is not complied with, he or she will not receive retroactive retirement compensation. Their date of retirement with the supplemental system will start only with the 10<sup>th</sup> of the month in which they file application."

**SECTION 3.** Section 1 of Chapter 577 of the 1951 Session Laws reads as rewritten:

"**Section 1.** G.S. 118-7 is here amended by adding at the end of said Section a proviso which shall read as follows:

'Provided, that the board of trustees duly appointed under ~~§118-6, General Statutes of North Carolina, G.S. 58-84-30~~ shall be required to pay over to the Board of Trustees of the Durham Firemen's Supplemental Retirement System on ~~July 1<sup>st</sup>~~ September 1 of each year all sums entrusted to said trustees in excess of twenty thousand dollars (\$20,000).' "

**SECTION 4.** This act applies only to the City of Durham.

**SECTION 5.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 12<sup>th</sup> day of September, 2002.

Became law on the date it was ratified.

**H.B. 1581****Session Law 2002-115**

AN ACT AFFECTING ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS FILED WITH THE CABARRUS COUNTY AND MECKLENBURG COUNTY REGISTERS OF DEEDS AND AUTHORIZING RESIDENT OR SUPERIOR COURT JUDGES AND DISTRICT COURT JUDGES TO PERFORM MARRIAGE CEREMONIES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 66-58.4 reads as rewritten:

**"§ 66-58.4. Use of electronic signatures.**

(a) All public agencies may accept electronic signatures.

(b) ~~Signatures that require attestation by a notary public may not be in the form of an electronic signature.~~ If a law requires a signature or record relating to a transaction subject to the provisions of this Article to be notarized, acknowledged, verified, or made under oath, the requirement is satisfied if the electronic signature of the person authorized to perform those acts, together with all other information required to be included by other applicable law, is attached to or logically associated with the signature or record."

**SECTION 2.** G.S. 47-30(b) reads as rewritten:

"(b) Plats to Be Reproducible. – Each plat presented for recording shall be a reproducible plat, either original ink on polyester film (mylar), or a reproduced drawing, transparent and archival (as defined by the American National Standards Institute), or an electronic record as defined in G.S. 66-213(8), and submitted in this form. The recorded plat must be such that the public may obtain legible copies. A direct or photographic copy of each recorded plat shall be placed in the plat book or plat file maintained for that purpose and properly indexed for use. In those counties in which the register has made a security copy of the plat from which legible copies can be made, the original may be returned to the person indicated on the plat."

**SECTION 3.** G.S. 161-14 is amended by adding a new subsection to read:

"(b1) The register of deeds is authorized to accept electronic records as defined in G.S. 66-312(8) for filing in accordance with the provisions of this section. The fees for recording of an electronic record shall be based on the number of pages and formatting of the electronic record if it were printed by the register of deeds following recording."

**SECTION 4.** Sections 1 through 3 of this act applies to documents filed with the Cabarrus County and Mecklenburg County Registers of Deeds only.

**SECTION 5.** G.S. 51-1 reads as rewritten:

**"§ 51-1. Requisites of marriage; solemnization.**

A valid and sufficient marriage is created by the consent of a male and female person who may lawfully marry, presently to take each other as husband and wife, freely, seriously and plainly expressed by each in the presence of the other, either:

- (1) a. In the presence of an ordained minister of any religious denomination, a minister authorized by a church, a resident superior court judge, or an emergency superior court judge of this State, or a magistrate; and

- b. With [the consequent declaration by] the [~~minister~~–minister, judge or] magistrate [that] the [persons are husband and] wife;  
or
- (2) In accordance with any mode of solemnization recognized by any religious denomination, or federally or State recognized Indian Nation or Tribe.

Marriages solemnized before March 9, 1909, by ministers of the gospel licensed, but not ordained, are validated from their consummation."

**SECTION 6.** G.S. 51-1 reads as rewritten:

**"§ 51-1. Requisites of marriage; solemnization.**

A valid and sufficient marriage is created by the consent of a male and female person who may lawfully marry, presently to take each other as husband and wife, freely, seriously and plainly expressed by each in the presence of the other, either:

- (1) a. In the presence of an ordained minister of any religious denomination, a minister authorized by a church, a district court judge, or a magistrate; and
- b. With [the consequent declaration by] the [~~minister~~–minister, judge or] magistrate [that] the [persons are husband and] wife;  
or
- (2) In accordance with any mode of solemnization recognized by any religious denomination, or federally or State recognized Indian Nation or Tribe.

Marriages solemnized before March 9, 1909, by ministers of the gospel licensed, but not ordained, are validated from their consummation."

**SECTION 7.** Section 5 of this act becomes effective November 25, 2002, and expires December 1, 2002. Section 6 of this act becomes effective September 19, 2002, and expires September 22, 2002. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 5<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 3:43 p.m. on the 16<sup>th</sup> day of September, 2002.

**H.B. 1540**

**Session Law 2002-116**

AN ACT TO DISAPPROVE AN AMENDMENT TO THE ADMINISTRATIVE RULE "USE STANDARDS FOR OCEAN HAZARD AREAS" ADOPTED BY THE COASTAL RESOURCES COMMISSION AND TO AUTHORIZE COUNTIES AND CITIES TO ORDER THE REMOVAL OF A SWIMMING POOL UPON A FINDING THAT THE SWIMMING POOL IS DANGEROUS OR PREJUDICIAL TO PUBLIC HEALTH OR SAFETY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Pursuant to G.S. 150B-21.3(b), the amendment to 15A NCAC 07H .0309 (Use Standards for Ocean Hazard Areas: Exceptions), as adopted by the Coastal Resources Commission and approved by the Rules Review Commission on 15 November 2001, by which subdivision "(9) swimming pools;" would be deleted from subsection (a) of the rule is disapproved and shall not become effective. The remainder of the amendments to 15A NCAC 7H .0309, as adopted by the Coastal

Resources Commission and approved by the Rules Review Commission on 15 November 2001, shall become effective on 1 August 2002.

**SECTION 2.** G.S. 153A-140 reads as rewritten:

**"§ 153A-140. Abatement of public health nuisances.**

A county shall have authority, subject to the provisions of Article 57 of Chapter 106 of the General Statutes, to remove, abate, or remedy everything that is dangerous or prejudicial to the public ~~health~~-health or safety. Pursuant to this section, a board of commissioners may order the removal of a swimming pool and its appurtenances upon a finding that the swimming pool or its appurtenances is dangerous or prejudicial to public health or safety. The expense of the action shall be paid by the person in default, and, if not paid, shall be a lien upon the land or premises where the nuisance arose, and shall be collected as unpaid taxes. The authority granted by this section may only be exercised upon adequate notice, the right to a hearing, and the right to appeal to the General Court of Justice. Nothing in this section shall be deemed to restrict or repeal the authority of any municipality to abate or remedy health nuisances pursuant to G.S. 160A-174, 160A-193, or any other general or local law. This section shall not affect bona fide farms, but any use of farm property for nonfarm purposes is subject to this section."

**SECTION 3.** G.S. 160A-193 reads as rewritten:

**"§ 160A-193. Abatement of public health nuisances.**

(a) A city shall have authority to summarily remove, abate, or remedy everything in the city limits, or within one mile thereof, that is dangerous or prejudicial to the public health or public safety. Pursuant to this section, the governing board of a city may order the removal of a swimming pool and its appurtenances upon a finding that the swimming pool or its appurtenances is dangerous or prejudicial to public health or safety. The expense of the action shall be paid by the person in default. If the expense is not paid, it is a lien on the land or premises where the nuisance occurred. A lien established pursuant to this subsection shall have the same priority and be collected as unpaid ad valorem taxes.

(b) The expense of the action is also a lien on any other real property owned by the person in default within the city limits or within one mile of the city limits, except for the person's primary residence. A lien established pursuant to this subsection is inferior to all prior liens and shall be collected as a money judgment. This subsection shall not apply if the person in default can show that the nuisance was created solely by the actions of another."

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 5<sup>th</sup> day of September, 2002.

Became law on the date it was ratified.

**S.B. 662**

**Session Law 2002-117**

AN ACT AMENDING AN ACT AUTHORIZING ORANGE COUNTY TO REGULATE OPEN BURNING.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 3 of S.L. 2000-107 reads as rewritten:

"Section 3. Section 1 of this act applies to Carteret, Orange, and Pender Counties

only. Section 2 of this act applies to Orange County ~~only, except that it does not apply to Carr and Cheeks Precincts only.~~"

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 17<sup>th</sup> day of September, 2002.

Became law on the date it was ratified.

**S.B. 1312**

**Session Law 2002-118**

AN ACT TO ALLOW THE CITIES OF DURHAM AND FAYETTEVILLE AND THE TOWNS OF HOPE MILLS AND SPRING LAKE TO DECLARE RESIDENTIAL BUILDINGS IN COMMUNITY DEVELOPMENT TARGET AREAS UNSAFE AND HAVE THE OPTION OF DEMOLISHING THOSE BUILDINGS PURSUANT TO G.S. 160A-432, TO GRANT AUTHORITY TO THE CITY OF WHITEVILLE TO ADDRESS ABANDONED STRUCTURES IN THE SAME MANNER AS MUNICIPALITIES IN LARGER COUNTIES, AND PROVIDING FOR A TIME TO TAKE OFFICE IN 2002 FOR THE RICHMOND COUNTY BOARD OF EDUCATION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 160A-426 reads as rewritten:

**"§ 160A-426. Unsafe buildings condemned.**

(a) Residential Building and Nonresidential Building or Structure. – Every building that shall appear to the inspector to be especially dangerous to life because of its liability to fire or because of bad condition of walls, overloaded floors, defective construction, decay, unsafe wiring or heating system, inadequate means of egress, or other causes, shall be held to be unsafe, and the inspector shall affix a notice of the dangerous character of the structure to a conspicuous place on the exterior wall of the building.

(b) Residential Building and Nonresidential Building or Structure. – In addition to the authority granted in subsection (a) of this section, an inspector may declare a residential building or nonresidential building or structure within a community development target area to be unsafe if it meets both of the following conditions:

- (1) It appears to the inspector to be vacant or abandoned.
- (2) It appears to the inspector to be in such dilapidated condition as to cause or contribute to blight, disease, vagrancy, fire or safety hazard, to be a danger to children, or to tend to attract persons intent on criminal activities or other activities that would constitute a public nuisance.

(c) If an inspector declares a residential building or nonresidential building or structure to be unsafe under subsection (b) of this section, the inspector must affix a notice of the unsafe character of the structure to a conspicuous place on the exterior wall of the building. For the purposes of this section, the term "community development target area" means an area that has characteristics of a development zone under G.S. 105-129.3A, a "nonresidential redevelopment area" under G.S. 160A-503(10), or an area with similar characteristics designated by the city council as being in special need of revitalization for the benefit and welfare of its citizens."

**SECTION 2.** G.S. 160A-432(b) reads as rewritten:

"(b) In the case of a residential building or nonresidential building or structure declared unsafe under G.S. 160A-426, a city may, in lieu of taking action under subsection (a), cause the building or structure to be removed or demolished. The amounts incurred by the city in connection with the removal or demolition shall be a lien against the real property upon which the cost was incurred. The lien shall be filed, have the same priority, and be collected in the same manner as liens for special assessments provided in Article 10 of this Chapter. If the building or structure is removed or demolished by the city, the city shall sell the usable materials of the building and any personal property, fixtures, or appurtenances found in or attached to the building. The city shall credit the proceeds of the sale against the cost of the removal or demolition. Any balance remaining from the sale shall be deposited with the clerk of superior court of the county where the property is located and shall be disbursed by the court to the person found to be entitled thereto by final order or decree of the court."

**SECTION 3.** Section 2 of Chapter 733 of the 1995 Session Laws, as amended by S.L. 1997-101, S.L. 1997-414, S.L. 1997-449, S.L. 1998-26, and S.L. 1998-87 reads as rewritten:

"Sec. 2. This act applies to the Cities of Eden, Greenville, Lumberton, ~~and Roanoke Rapids~~, Roanoke Rapids, and Whiteville, to the municipalities in Lee County, and the Towns of Bethel, Farmville, Newport, and Waynesville only."

**SECTION 3.1.** Members of the Richmond County Board of Education who are elected at the primary election on September 10, 2002, shall take office on Monday, September 30, 2002, or as soon as possible after election results are certified if the certification occurs on or after September 30, 2002.

**SECTION 4.** Sections 1 and 2 of this act apply to the Cities of Durham and Fayetteville and the Towns of Hope Mills and Spring Lake only.

**SECTION 5.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 20<sup>th</sup> day of September, 2002.

Became law on the date it was ratified.

## H.B. 1276

## Session Law 2002-119

AN ACT TO CLOSE THE LEGAL LOOPHOLE THAT EXISTS UNDER THE STATE'S INCEST LAWS BY EQUALIZING PUNISHMENTS FOR CRIMES COMMITTED AGAINST CHILDREN WITHOUT REGARD TO FAMILIAL STATUS.

Whereas, despite the progress made in modernizing laws to protect children in North Carolina, a little-known loophole exists in the General Statutes of North Carolina that has very troubling consequences for some abused children; and

Whereas, this loophole allows far lesser penalties for perpetrators convicted of sexually assaulting their own children than for those who rape or molest other children; and

Whereas, this unintended disparity is the result of archaic incest laws that date to 1879; statutes that were originally intended to limit intermarriage among family members but now hamper modern efforts to fight sexual abuse of children; and

Whereas, this double standard, that essentially rewards perpetrators for the most unthinkable betrayal of a child's trust, does not reflect the values and goals of the citizens of North Carolina; and

Whereas, criminals who sexually assault children should be prosecuted without regard to familial relationship; Now, therefore,

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 14-178 reads as rewritten:

**"§ 14-178. ~~Incest between certain near relatives.~~Incest.**

(a) ~~The parties shall be guilty of a felony in all cases of~~ Offense. – A person commits the offense of incest if the person engages in carnal intercourse with the person's ~~between~~ (i) grandparent ~~and or~~ grandchild, (ii) parent ~~and or~~ child or stepchild or legally adopted child, ~~or~~ (iii) brother ~~and or~~ sister of the half or whole ~~blood.~~ blood, or (iv) uncle, aunt, nephew, or niece. ~~Every such offense is punishable as a Class F felony.~~

(b) Punishment and Sentencing. –

(1) A person is guilty of a Class B1 felony if either of the following occurs:

a. The person commits incest against a child under the age of 13 and the person is at least 12 years old and is at least four years older than the child when the incest occurred.

b. The person commits incest against a child who is 13, 14, or 15 years old and the person is at least six years older than the child when the incest occurred.

(2) A person is guilty of a Class C felony if the person commits incest against a child who is 13, 14, or 15 and the person is more than four but less than six years older than the child when the incest occurred.

(3) In all other cases of incest, the parties are guilty of a Class F felony.

(c) No Liability for Children Under 16. – No child under the age of 16 is liable under this section if the other person is at least four years older when the incest occurred."

**SECTION 2.** G.S. 14-179 is repealed.

**SECTION 3.** This act becomes effective December 1, 2002, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 12<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 7:59 p.m. on the 23<sup>rd</sup> day of September, 2002.

**H.B. 1490**

**Session Law 2002-120**

AN ACT TO PROVIDE THAT LOCAL REVENUES MAY NOT BE WITHHELD OR IMPOUNDED BY THE GOVERNOR AND TO CLARIFY THE FRANCHISE TAX ON ELECTRIC POWER COMPANIES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 105-113.82(d) reads as rewritten:

"(d) Time. – The revenue shall be distributed to cities and counties within 60 days after March 31 of each year. The General Assembly finds that the revenue distributed under this section is local revenue, not a State expenditure, for the purpose of Section 5(3) of Article III of the North Carolina Constitution. Therefore, the Governor may not reduce or withhold the distribution."

**SECTION 2.** G.S. 105-116.1(b) reads as rewritten:

"(b) Distribution. – The Secretary must distribute to the cities part of the taxes collected under this Article on electric power companies. Each city's share for a calendar quarter is the percentage distribution amount for that city for that quarter minus one-fourth of the city's hold-back amount and one-fourth of the city's proportionate share of the annual cost to the Department of administering the distribution. The Secretary must make the distribution within 75 days after the end of each calendar quarter. The General Assembly finds that the revenue distributed under this section is local revenue, not a State expenditure, for the purpose of Section 5(3) of Article III of the North Carolina Constitution. Therefore, the Governor may not reduce or withhold the distribution."

**SECTION 3.** G.S. 105-187.44(b) reads as rewritten:

"(b) Distribution. – Within 75 days after the end of each calendar quarter, the Secretary must distribute to the cities part of the tax proceeds collected under this Article during that quarter. The amount to be distributed to a city is one-half of the amount of tax attributable to that city for that quarter under subsection (a) of this section. The General Assembly finds that the revenue distributed under this section is local revenue, not a State expenditure, for the purpose of Section 5(3) of Article III of the North Carolina Constitution. Therefore, the Governor may not reduce or withhold the distribution."

**SECTION 4.** G.S. 105-164.44F is amended by adding a new subsection to read:

"(f) Nature. – The General Assembly finds that the revenue distributed under this section is local revenue, not a State expenditure, for the purpose of Section 5(3) of Article III of the North Carolina Constitution. Therefore, the Governor may not reduce or withhold the distribution."

**SECTION 5.** G.S. 136-41.1 is amended by adding a new subsection to read:

"(d) Nature. – The General Assembly finds that the revenue distributed under this section is local revenue, not a State expenditure, for the purpose of Section 5(3) of Article III of the North Carolina Constitution. Therefore, the Governor may not reduce or withhold the distribution."

**SECTION 6.** G.S. 159B-27(d) reads as rewritten:

"(d) The State shall distribute to cities and towns which receive electric power and energy from their ownership share of a project or to which electric power and energy is sold by a joint agency an amount equal to a tax of three and nine hundredths percent (3.09%) of all moneys expended by a municipality on account of its ownership share of a project, including payment of principal and interest on bonds issued to finance such ownership share, or an amount equal to a tax of three and nine hundredths percent (3.09%) of the gross receipts from all sales of electric power and energy to such city or town by a joint agency, as the case may be. The General Assembly finds that the revenue distributed under this section is local revenue, not a State expenditure, for the purpose of Section 5(3) of Article III of the North Carolina Constitution. Therefore, the Governor may not reduce or withhold the distribution."

**SECTION 7.** G.S. 143-25 reads as rewritten:

**"§ 143-25. Maintenance appropriations dependent upon adequacy of revenues to support them.**

(a) All maintenance appropriations now or hereafter made are hereby declared to be maximum, conditional and proportionate appropriations, the purpose being to make



the appropriations payable in full in the amounts named herein if necessary and then only in the event the aggregate revenues collected and available during each fiscal year of the biennium for which such appropriations are made, are sufficient to pay all of the appropriations in full; otherwise, the said appropriations shall be deemed to be payable in such proportion as the total sum of all appropriations bears to the total amount of revenue available in each of said fiscal years. The Except as provided in subsection (b) of this section, the Director of the Budget is hereby given full power and authority to examine and survey the progress of the collection of the revenue out of which such appropriations are to be made, and to declare and determine the amounts that can be, during each quarter of each of the fiscal years of the biennium properly allocated to each respective appropriation. In making such examination and survey, he the Director of the Budget shall receive estimates of the prospective collection of revenues from the Secretary of Revenue and every other revenue collecting agency of the State. The Director of the Budget may reduce all of said appropriations pro rata when necessary to prevent an overdraft or deficit to the fiscal period for which such appropriations are made. The Governor may also reduce all of said appropriations pursuant to Article III, Section 5(3) of the Constitution in accordance with subsection (b) of this section, after consulting with the Joint Legislative Commission on Governmental Operations under G.S. 120-76(8) if prior consultation is required by that section. The purpose and policy of this Article are to provide and insure that there shall be no overdraft or deficit in the general fund of the State at the end of the fiscal period, growing out of appropriations for maintenance and the Director of the Budget is directed and required to so administer this Article as to prevent any such overdraft or deficit. Prior to taking any action under this section to reduce appropriations pro rata, the Governor may consult with the Advisory Budget Commission.

(b) The General Assembly recognizes that it has required units of local government to adopt and maintain annual balanced budgets and take other steps to assure financially sound operations under the Local Government Budget and Fiscal Control Act and other provisions of Chapter 159 of the General Statutes. Accordingly, the General Assembly finds that in order to satisfy those statutory requirements and provide adequate services to their citizens, units of local government must be able to rely on the funds and local revenue sources the General Assembly has provided.

It is the intent of the General Assembly that funds that have been collected by the State on behalf of local governments and funds that the General Assembly has appropriated or otherwise committed to local governments shall not be reduced except as provided in this section. In exercising the powers contained in Section 5(3) of Article III of the North Carolina Constitution, the Governor shall not withhold from distribution funds that have been collected by the State on behalf of local governments or funds that the General Assembly has appropriated or otherwise committed to local governments unless, after making adequate provision for the prompt payment of principal of and interest on bonds and notes of the State according to their terms, the Governor has exhausted all other sources of revenue of the State including surplus remaining in the treasury at the beginning of the fiscal period.

This subsection does not authorize the Governor to withhold revenues from taxes levied by units of local governments and collected by the State. The General Assembly recognizes that under Section 19 of Article I of the North Carolina Constitution and under the Due Process Clause of the United States Constitution, the State is prohibited from taking local tax revenue."

**SECTION 8.** G.S. 105-116 is amended by adding a new subsection to read:

"(e1) An electric power company engaged in the business of furnishing electricity, electric lights, current, or power that collects the annual franchise or privilege tax pursuant to subsection (a) of this section and remits the tax collected to the Secretary shall not be subject to any additional franchise or privilege tax imposed upon it by any city or county."

**SECTION 9.** The provisions of this act are severable. If any provision of this act is held invalid by a court of competent jurisdiction, the invalidity does not affect other provisions of the act that can be given effect without the invalid provision.

**SECTION 10.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 12<sup>th</sup> day of September, 2002.

Became law on the date it was ratified.

**S.B. 1146**

**Session Law 2002-121**

AN ACT CONCERNING VOLUNTARY SATELLITE ANNEXATION BY VARIOUS MUNICIPALITIES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 160A-58.1(b)(5) does not apply to the Cities of Claremont, Concord, Conover, Newton, Sanford, and Southport, and the Towns of Maiden, Midland, Swansboro, and Warsaw.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 24<sup>th</sup> day of September, 2002.

Became law on the date it was ratified.

**H.B. 1619**

**Session Law 2002-122**

AN ACT TO REQUIRE THE AFFIRMATIVE VOTE OF FOUR MEMBERS OF THE BOARD OF COMMISSIONERS OF MOORE COUNTY TO TAKE ANY ACTION BEFORE NEW MEMBERS TAKE OFFICE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The Board of Commissioners of Moore County may not take any action, including adoption of ordinances and resolutions, except with the affirmative vote of at least four members of the board.

**SECTION 2.** This act is effective when it becomes law, but expires upon the taking of the oath of office of new board members in December of 2002 under G.S. 153A-26.

In the General Assembly read three times and ratified this the 25<sup>th</sup> day of September, 2002.

Became law on the date it was ratified.

**S.B. 1292**

**Session Law 2002-123**

AN ACT TO ACCELERATE THE ADDITIONAL ONE-HALF CENT LOCAL

OPTION SALES AND USE TAX AND TO MAKE CONFORMING AND TECHNICAL CHANGES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 105-517(c) reads as rewritten:

"(c) Effective Date. – A tax levied under this Article may not become effective before ~~July 1, 2003.~~December 1, 2002."

**SECTION 2.** G.S. 105-518(b) reads as rewritten:

"(b) Ballot Question. – The question to be presented on a ballot for a special election concerning the levy of the taxes authorized by this Article must be in the following form:

[ ] FOR      [ ] AGAINST

one-half percent ( $\frac{1}{2}\%$ ) local sales and use taxes, ~~to replace the current one-half percent ( $\frac{1}{2}\%$ ) State sales and use taxes that end July 1, 2003.~~in addition to all current State and local sales and use taxes."

**SECTION 3.** Section 34.14(b) of S.L. 2001-424 reads as rewritten:

**"SECTION 34.14.(b)** Notwithstanding the provisions of G.S. 105-466(c), a tax levied ~~during the 2003 calendar year~~ under Article 44 of Chapter 105 of the General Statutes, as enacted by this act, may become effective on ~~the first day of any calendar month beginning on or after July 1, 2003.~~December 1, 2002. Notwithstanding the provisions of G.S. 105-466(c), if a county levies a tax ~~during the 2003 calendar year~~ under Article 44 of Chapter 105 of the General Statutes, as enacted by this act, that is to become effective on or before January 1, 2003, the county is required to give the Secretary of Revenue only 30 days' advance notice of the tax levy. For taxes ~~levied on or~~that are to become effective after January 1, 2004, 2003, the provisions of G.S. 105-466(c) apply."

**SECTION 4.** To the extent the Department of Revenue's nonrecurring costs of implementing and administering Article 44 of Chapter 105 of the General Statutes, as amended, exceed funds available in its budget for the 2002-2003 fiscal year, the Department may pay the excess cost by withholding up to two hundred seventy-five thousand dollars (\$275,000) from collections under Subchapter VIII of Chapter 105 of the General Statutes.

**SECTION 5.** The Department of Revenue may contract for supplies, materials, equipment, and contractual services related to the provision of notice, the creation of tax forms and instructions, and the development of computer software necessitated by the amendments in this act without being subject to the requirements of Article 3 or Article 8 of Chapter 143 of the General Statutes.

**SECTION 6.** Notwithstanding any other provision of law, a retailer is not liable for the additional one-half percent ( $\frac{1}{2}\%$ ) tax levied by counties effective December 1, 2002, that it fails to collect from purchasers due to an inadvertent error during the month of December 2002, if the retailer can demonstrate to the Secretary the reason for the inadvertent error. An example of an inadvertent error is a delay in reprogramming point-of-sale equipment.

**SECTION 7.(a)** The title of Article 39 of Chapter 105 of the General Statutes reads as rewritten:

"Article 39.

First One-Cent (1¢) Local Government Sales and Use Tax."

**SECTION 7.(b)** G.S. 105-463 reads as rewritten:

**"§ 105-463. Short title.**

This Article shall be known as the "~~Local~~ First One-Cent (1¢) Local Government Sales and Use Tax Act."~~Act.~~"

**SECTION 8.(a)** The title of Article 40 of Chapter 105 of the General Statutes reads as rewritten:

"Article 40.

~~Supplemental~~ First One-Half Cent (1/2¢) Local Government Sales and Use Taxes.~~Tax.~~"

**SECTION 8.(b)** G.S. 105-480 reads as rewritten:

**"§ 105-480. Short title.**

This Article shall be known as the ~~Supplemental~~ First One-Half Cent (1/2¢) Local Government Sales and Use Tax Act."

**SECTION 9.(a)** The title of Article 42 of Chapter 105 of the General Statutes reads as rewritten:

"Article 42.

~~Additional Supplemental~~ Second One-Half Cent (1/2¢) Local Government Sales and Use Taxes.~~Tax.~~"

**SECTION 9.(b)** G.S. 105-495 reads as rewritten:

**"§ 105-495. Short title.**

This Article shall be known as the ~~Additional Supplemental~~ Second One-Half Cent (1/2¢) Local Government Sales and Use Tax Act."

**SECTION 10.** Notwithstanding the provisions of G.S. 105-517(b), a county may levy a tax by resolution that becomes effective on or before January 1, 2003, under Article 44 of Chapter 105 of the General Statutes by giving at least 48 hours notice of its intent to adopt the resolution, as provided under G.S. 143-318.12(b)(2).

**SECTION 11.** Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 25<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 11:40 a.m. on the 26<sup>th</sup> day of September, 2002.

**S.B. 1114**

**Session Law 2002-124**

AN ACT TO REMOVE FROM THE CHARTER OF THE TOWN OF BADIN A PROVISION ON THE AD VALOREM TAX RATE AND TO SET OUT THE BOUNDARIES OF THE TOWN OF NORMAN.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 5.3 of the Charter of the Town of Badin, being Chapter 894, Session Laws of 1989, as rewritten by Section 1 of Chapter 827, Session Laws of 1991 and S.L. 2000-36, is repealed.

**SECTION 2.** Section 2 of Chapter 74 of the Private Laws of the 1913 Extra Session reads as rewritten:

"Sec. 2. That the corporate limits of said town shall be as follows: ~~Beginning at a stake on Montgomery and Richmond County line road, J. E. Truse's corner, and runs thence as Truse's line south twenty two east three thousand feet to a stake in his line, pine stump and green pine pointers; thence south seventy six and one tenth west two thousand six hundred and forty feet to a stake in east edge of little swamp, pine and~~

~~black gum pointers; thence north twenty two west three thousand five hundred and fifty feet to a stake; thence north forty one west one thousand three hundred and twenty feet to Lindsay Freeman's corner, stake by pine being on gravelly knoll; thence north forty five east four hundred feet to County Line Road as before described; thence as said road south fifty nine east one hundred feet, south fifty two and one half six hundred and fifty feet, north eighty nine east nine hundred and seventy eight feet and south seventy nine east nine hundred and fifty feet to beginning.~~Beginning for reference at North Carolina Grid monument 'NORBAT' said monument having North Carolina NAD 83 grid coordinates of north = 519,475.12 feet and east = 1,782,526.53 feet; thence runs N.01 – 45'53".W – 231.89 feet to a 'P.K.' nail situate at the center intersection of U.S. Highway #220 and State Road #1533, the true point of beginning of this described tract; thence runs with the center of the old county line road (now abandoned) as follows: S.57 – 02'07".E – 197.08 feet to an iron stake, S.57 – 50'38".E – 780.33 feet to an iron stake, S.47 – 09'26".E – 159.67 feet to an iron stake, S.59 – 37'02".E – 117.27 feet to an iron stake, S.83 – 39'51".E – 80.82 feet to an iron stake, N.84 – 37'24".E – 165.72 feet to an iron stake, N.84 – 10'34".E – 548.94 feet, thence continues with and beyond the center of the abandoned old county line road, S.81 – 44'35".E – 1041.00 feet to a railroad spike in the center of State Road # 1321; thence runs S.22 – 09'14".E – 747.78 feet to the center of State Road #1490; thence runs S.22 – 56'07".E – 2210.30 feet; thence runs S.63 – 07'56".W – 3137.98 feet; thence runs N.26 – 52'04".W – 6603.89 feet to a 'P.K.' nail situate in the center of State Road #1533; thence runs with the center of State Road #1533, S.61 – 24'39".E – 2021.00 feet to the true point of beginning and containing 332.819 acres."

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of September, 2002.

Became law on the date it was ratified.

## **H.B. 1685**

## **Session Law 2002-125**

AN ACT TO ANNEX TERRITORY AND DEANNEX TERRITORY TO THE CORPORATE LIMITS OF THE TOWN OF FOUR OAKS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The corporate limits of the Town of Four Oaks are extended by adding the following described territory:

### TRACT ONE

In Johnston County, beginning on N.C. Grid Monument "HOLTS", said grid monument having N.C. Grid Coordinates Northing = 188207.393 meters; Easting = 663768.723 meters. NAD 83; thence leaving "HOLTS" and running a grid bearing of N 65°-44'-48" W and a horizontal ground distance of 430.89 feet to a new steel cotton spindle set in the center of SR 1182 (Boyette Road); thence running along the center of SR 1182 as follows: N 81°-11'-29" E 26.60 feet; thence N 81°-11'-19" E 49.93 feet; thence N 80°-44'-14" E 49.99 feet; thence N 79°-21'-37" E 50.00 feet; thence N 75°-55'-59" E 49.99 feet; thence N 66°-27'-48" E 49.67 feet; thence N 59°-15'-07" E 50.00 feet; thence N 46°-33'-56" E 49.99 feet; thence N 41°-24'-01" E 49.99 feet; thence N 39°-51'-46" E 50.09 feet; thence N 39°-43'-48" E 50.00 feet to a steel cotton spindle set in the center of

SR 1182; THE TRUE POINT OF BEGINNING; thence leaving the center of SR 1182 and running a new line with the Robert L. Farmer et al property N 51°-29'-22" W 31.20 feet to a new concrete monument set in the new northern right-of-way of SR 1182; thence leaving said SR 1182 and running a new line with the Robert L. Farmer et al property N 51°-59'-22" W 737.46 feet to a new iron pipe set in the Bobby C. Raynor property line as described in Deed Book 1108, Page 741; thence running along the said Bobby C. Raynor property line S 88°-03'-06" E 934.51 feet to an existing iron pipe in the existing northern right-of-way of SR 1182; thence continuing along the said Bobby C. Raynor property line S 88°-03'-06" E 37.61 feet to an existing P.K. Nail in the center of SR 1182; thence running along the center of SR 1182 S 39°-43'-48" W 572.51 feet to a new steel cotton spindle set in the center of said road; THE TRUE POINT OF BEGINNING and being designated "TRACT ONE" containing 5.049 Acres according to a survey and plat for the Johnston County Board of Education prepared by Byrd Surveying, P.A., dated January 31, 2001 and recorded in Plat Book 57, Page 453 of the Johnston County Registry of Deeds.

#### TRACT TWO

In Johnston County, beginning on N.C. Grid Monument "HOLTS", said grid monument having N.C. Grid Coordinates Northing = 188207.393 meters; Easting = 663768.723 meters, NAD 83; thence leaving "HOLTS" and running a grid bearing of N 65°-44'-48" W and a horizontal ground distance of 430.89 feet to a new steel cotton spindle set in the center of SR 1182 (Boyette Road), a new corner with the Robert L. Farmer, et al property; THE TRUE POINT OF BEGINNING; thence leaving the center of SR 1182 and running a new line with the said Robert L. Farmer, et al property N 08°-48'-31" W 30.00 feet to a new iron pipe set in the existing Northern right-of-way of SR 1182; thence running a new line with the Robert L. Farmer, et al property establishing a new Northern right-of-way of SR 1182, along a curve to the left, said curve being identified as curve number C-1 having a Delta Angle = 38°-12'-17", Radius = 734.00 feet, Arc length = 489.43 feet, chord bearing = N 62°-05'-20" E, and chord distance = 480.415 feet to a new concrete monument set in the new northern right-of-way of SR 1182, a common corner with Tract One as shown on a survey map as referenced below; thence leaving said concrete monument and running along the line of Tract One S 51°-59'-22" E 31.20 feet to a steel cotton spindle set in the existing centerline of SR 1182; thence running along the existing centerline of SR 1182 as follows: S 39°-43'-48" W 50.00 feet; thence S 39°-51'-46" W 50.09 feet; thence S 41°-24'-01" W 49.99 feet; thence S 46°-33'-56" W 49.99 feet; thence S 59°-15'-07" W 50.00 feet; thence S 66°-27'-48" W 49.67 feet; thence S 75°-55'-59" W 49.99 feet; thence S 79°-21'-37" W 50.00 feet; thence S 80°-44'-14" W 49.99 feet; thence S 81°-11'-19" W 49.93 feet; thence S 81°-11'-29" W 26.60 feet to a new steel cotton spindle set in the center of SR 1182, THE TRUE POINT OF BEGINNING and being designated "TRACT TWO" containing 0.520 Acres according to a survey and plat for the Johnston County Board of Education prepared by Byrd Surveying, P.A., dated January 31, 2001 and recorded in Plat Book 57, Page 453 of the Johnston County Registry of Deeds.

#### TRACT THREE

In Johnston County, beginning on N.C. Grid Monument "HOLTS", said grid monument having N.C. Grid Coordinates Northing = 188207.393 meters; Easting = 663768.723

meters, NAD 83; thence leaving "HOLTS" and running a grid bearing of N 65°-44'-48" W and a horizontal ground distance of 430.89 feet to a new steel cotton spindle set in the center of SR 1182 (Boyette Road); thence running along the center of SR 1182 as follows: N 81°-11'-29" E 26.60 feet; thence N 81°-11'-19" E 49.93 feet; thence N 80°-44'-14" E 49.99 feet; thence N 79°-21'-37" E 50.00 feet; thence N 75°-55'-59" E 49.99 feet; thence N 66°-27'-48" E 49.67 feet; thence N 59°-15'-07" E 50.00 feet; thence N 46°-33'-56" E 49.99 feet; thence N 41°-24'-01" E 49.99 feet; thence N 39°-51'-46" E 50.09 feet; thence N 39°-43'-48" E 50.00 feet to a steel cotton spindle set in the center of SR 1182; thence continuing along the center of SR 1182 N 39°-43'-48" E 572.51 feet to an existing P.K. Nail in the center of SR 1182, a common corner with the Bobby C. Raynor property as described in Deed Book 1108, Page 741 and shown on a plat recorded in Plat Book 36, Page 437, said existing P.K. Nail being THE TRUE POINT OF BEGINNING; thence leaving said SR 1182 and running along the Robert L. Farmer, et al property line N 88°-03'-06" W 37.61 feet to an existing iron pipe in the Northern right-of-way of SR 1182; thence continuing along the said Farmer property line N 88°-03'-06" W 1238.21 feet to an existing 1" iron rebar, a common corner with the said Farmer et al property; thence continuing along the said Farmer et al property line N 00°-10'-55" E 615.46 feet to an existing iron stake, a common corner with Lot 22 of the Forest Hills Subdivision, Section Two as recorded in Plat Book 15, Page 167; thence running along the Eastern property line of said Lot 22 and the end of Harper Avenue N 00°-11'-55" W 260.02 feet to a new iron pipe, the southeast corner of Lot 21 in the said Forest Hills Subdivision, Section Two; thence running new lines with the property of Bobby C. Raynor S 88°-51'-38" E 228.48 feet to a concrete monument set; thence N 38°-00'-38" E 350.87 feet to a concrete monument set; thence S 51°-59'-22" E 1168.15 feet to an existing iron pipe, a common corner with the Wayne Parker and Sarah Parker lot as described in Deed Book 1153, Page 414; thence running along the southwest line of the said Parker lot S 51°-59'-22" E 200.00 feet to an existing iron pipe, thence S 51°-59'-22" E 29.13 feet to an existing P.K. Nail in the center of SR 1182; thence running along the center of SR 1182 S 39°-24'-26" W 427.49 feet to an existing P.K. Nail in the center of SR 1182, THE TRUE POINT OF BEGINNING and being designated "TRACT THREE" containing 27.584 Acres according to a survey and plat for the Johnston County Board of Education prepared by Byrd Surveying, P.A. dated January 31, 2001 and recorded in Plat Book 57, Page 453 of the Johnston County Register of Deeds.

#### TRACT 4

In Johnston County beginning on N.C. Grid Monument "Holts", said Grid Monument having coordinates N=188207.393(meters), E=663768.723 (meters) NAD 83; thence running N 22°-22'-43" E 409.25 feet to a new iron pipe set in the northern right-of-way of Interstate 95, a new corner with the Robert L. Farmer and wife, Martha L. Farmer and Nancy N. Farmer tract of land as shown in a Will 84-E-422, the TRUE POINT OF BEGINNING; thence running a new line with the said Farmer tract N 50°-16'-12" W 71.76 feet to a new iron pipe set in the southern right-of-way of Boyette Road (SR 1182); thence continuing with the said Farmer tract N 50°-16'-12" W 30.00 feet to a new steel cotton spindle set in the center of Boyette Road (SR 1182); thence running along the center of Boyette Road (SR 1182) N 39°-43'-48" E 532.00 feet to an existing P.K. Nail, a common corner with the Norwood B. Barbour and Jean L. Barbour tract of land as recorded in Deed Book 2001, Page 154; thence leaving said Boyette Road and

running along the said Barbour line S87°-18'-25" E 348.59 feet to an existing iron pipe in the northern right-of-way of Interstate 95; thence running along the northern right-of-way of Interstate 95 in a southwest direction along a curve to the right having curve data as follows: Delta Angle = 06°-29'-27", Radius = 5600.00 feet, Arc Length = 634.40 feet, Chord Distance = 634.06 feet and Chord Bearing = S 52°-27'-08" W to an existing concrete right-of-way monument; thence continuing along the Northern right-of-way of Interstate 95 in a southwest direction along a curve to the right having curve data as follows: Delta Angle = 01°-19'-07", Radius = 5600.00 feet, Arc Length = 128.87 feet, Chord Distance = 128.865 feet and Chord Bearing = S 56°-21'25" W to a new iron pipe set in the northern right-of-way of Interstate 95, the TRUE POINT OF BEGINNING and containing 2.717 Acres according to a survey title "Surveyed For Johnston County Board of Education" by Byrd Surveying, P.A. dated May 8, 2001 and recorded in Plat Book \_\_\_\_\_, Page \_\_\_\_\_ of the Johnston County Registry of Deeds.

#### TRACT 5

In Johnston County, beginning on a new iron pipe set in the Northern right-of-way of Harper Avenue, said new iron pipe being a common corner with the 27.584 acre tract owned by the Johnston County Board of Education and identified as "TRACT THREE" on a survey and plat by Byrd Surveying, P.A. for the Johnston County Board of Education dated Jan. 31, 2001 and recorded in Plat Book 57, Page 453 of the Johnston County Registry of Deeds, said new iron pipe also being the southeast corner of Lot 21, Forest Hills Subdivision, Section Two as recorded in Plat Book 15, Page 167 of the Johnston County Registry of Deeds, said new iron pipe also being a common corner with the Bobby C. Raynor property; thence leaving said new iron pipe and running along the Bobby C. Raynor property line S 88°-51'-38" E 228.48 feet to a concrete monument; thence leaving the said Bobby C. Raynor line and running S 38° -00'-38" W 75.01 feet to a concrete monument; thence running N 88°-51'-38" W 182.08 feet to a new iron pipe marking the southern end of Harper Avenue right-of-way as shown on the map herein referenced; thence running along the end of Harper Avenue N 00°-11'-55 W 60.02 feet to a new iron pipe, the point of BEGINNING and being designated a "PUBLIC ROAD ACCESS AND UTILITY EASEMENT" to be conveyed to the Town of Four Oaks, containing 0.283 acres according to a survey and plat prepared by Byrd Surveying, P.A. dated January 31, 2001 and recorded in Plat Book 57, Page 453 of the Johnston County Registry of Deeds.

**SECTION 2.** Effective September 11, 2001, the corporate limits of the Town of Four Oaks are reduced by removing the following described territory: That certain parcel of land in Ingrams Township, Johnston County, more particularly described as a certain lot or parcel of land lying on the West side of US Highway #701, and more particularly described as follows: BEGINNING at a stake in the western right-of-way of US Highway #701, corner of Bessie Stanley property, and runs thence in a northwesterly direction along the northern boundary line of Bessie Stanley's property approximately 109 feet to a ditch; thence along said ditch in a northerly direction approximately 167 feet to a stake; thence in an easterly direction approximately 159 feet to the western right-of-way of US Highway #701; thence along the western right-of-way of US Highway #701 200 feet to the point of beginning.

**SECTION 3.** Except as provided herein, this act is effective when it becomes law.



In the General Assembly read three times and ratified this the 30<sup>th</sup> day of September, 2002.

Became law on the date it was ratified.

**S.B. 1115**

**Session Law 2002-126**

AN ACT TO MODIFY THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2001 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

*The General Assembly of North Carolina enacts:*

**PART I. INTRODUCTION AND TITLE OF ACT**

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**INTRODUCTION**

**SECTION 1.1.** The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes and, except as allowed by the Executive Budget Act, or this act, the savings shall revert to the appropriate fund at the end of each fiscal year.

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**TITLE OF ACT**

**SECTION 1.2.** This act shall be known as "The Current Operations, Capital Improvements, and Finance Act of 2002."

**PART II. CURRENT OPERATIONS AND EXPANSION/GENERAL FUND**

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**CURRENT OPERATIONS - GENERAL FUND**

**SECTION 2.1.** Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated are made for the fiscal year ending June 30, 2003, according to the schedule that follows. Amounts set out in brackets are reductions from General Fund appropriations for the 2002-2003 fiscal year.

| <b>Current Operations - General Fund</b> | <b>2002-2003</b> |
|--|------------------|
| <b>EDUCATION</b>                         |                  |
| Community Colleges System Office         | 26,085,931       |
| Department of Public Instruction         | (27,635,053)     |

|   |              |
|---|--------------|
| University of North Carolina - Board of Governors |              |
| Appalachian State University                      | (2,594,849)  |
| East Carolina University                          |              |
| Academic Affairs                                  | (3,780,292)  |
| Health Affairs                                    | (1,326,263)  |
| Elizabeth City State University                   | (636,905)    |
| Fayetteville State University                     | (904,051)    |
| NC Agricultural and Technical University          | (1,794,345)  |
| North Carolina Central University                 | (1,372,196)  |
| North Carolina School of the Arts                 | (864,283)    |
| North Carolina State University                   |              |
| Academic Affairs                                  | (8,298,776)  |
| Agricultural Extension                            | (1,077,848)  |
| Agricultural Research                             | (1,361,284)  |
| University of North Carolina at Asheville         | (811,533)    |
| University of North Carolina at Chapel Hill       |              |
| Academic Affairs                                  | (6,068,562)  |
| Health Affairs                                    | (4,816,196)  |
| Area Health Education Centers                     | (1,326,559)  |
| University of North Carolina at Charlotte         | (3,197,696)  |
| University of North Carolina at Greensboro        | (2,790,399)  |
| University of North Carolina at Pembroke          | (713,835)    |
| University of North Carolina at Wilmington        | (1,916,521)  |
| Western Carolina University                       | (1,744,797)  |
| Winston-Salem State University                    | (1,077,326)  |
| General Administration                            | (2,463,801)  |
| University Institutional Programs                 | 39,815,922   |
| Related Educational Programs                      | (17,896,363) |
| North Carolina School of Science and Mathematics  | (36,334)     |
| UNC Hospitals at Chapel Hill                      | (1,168,629)  |
| Total   | (30,223,721) |

## HEALTH AND HUMAN SERVICES

|  |              |
|--|--------------|
| Department of Health and Human Services        |              |
| Office of the Secretary                        | 19,776,228   |
| Division of Aging                              | (926,000)    |
| Division of Blind Services/Deaf/HH             | (643,013)    |
| Division of Child Development                  | (7,228,035)  |
| Division of Education Services                 | (4,104,503)  |
| Division of Facility Services                  | (748,170)    |
| Division of Medical Assistance                 | (29,633,097) |
| Division of Mental Health                      | (7,707,015)  |
| NC Health Choice                               | 7,571,036    |
| Division of Public Health                      | (6,595,770)  |
| Division of Social Services                    | (14,183,025) |
| Division of Vocational Rehabilitation Services | (3,230,105)  |
| Total  | (47,651,469) |

**NATURAL AND ECONOMIC RESOURCES**

|   |              |
|---|--------------|
| Department of Agriculture and Consumer Services | (4,822,458)  |
| Department of Commerce                          |              |
| Commerce  | (10,350,110) |
| Commerce State-Aid                              | 5,085,000    |
| NC Biotechnology Center                         | (627,047)    |
| Rural Economic Development Center               | (423,851)    |
| Department of Environment and Natural Resources |              |
| Environment and Natural Resources               | (9,904,113)  |
| Clean Water Management Trust Fund               | (3,500,000)  |
| Office of the Governor - Housing Finance Agency | (540,600)    |
| Department of Labor                             | (951,725)    |

**JUSTICE AND PUBLIC SAFETY**

|   |              |
|---|--------------|
| Department of Correction                                  | (50,910,108) |
| Department of Crime Control and Public Safety             | (713,318)    |
| Judicial Department                                       | (10,828,966) |
| Judicial Department - Indigent Defense                    | 8,419,130    |
| Department of Justice                                     | (2,847,391)  |
| Department of Juvenile Justice and Delinquency Prevention | (13,569,384) |

**GENERAL GOVERNMENT**

|                                   |             |
|-----------------------------------|-------------|
| Department of Administration      | (5,620,309) |
| Office of Administrative Hearings | (233,742)   |
| Department of State Auditor       | (795,965)   |
| Office of State Controller        | (1,101,040) |
| Department of Cultural Resources  |             |
| Cultural Resources                | (3,610,213) |
| Roanoke Island Commission         | (151,222)   |
| State Board of Elections          | 209,622     |
| General Assembly                  | (2,654,234) |

|  |               |
|--|---------------|
| Office of the Governor   |               |
| Office of the Governor   | (504,595)     |
| Office of State Budget and Management  | (300,057)     |
| OSBM – Reserve for Special Appropriations  | 100,000       |
| Department of Insurance  |               |
| Insurance  | (1,882,104)   |
| Insurance – Volunteer Safety Workers' Compensation   | (2,500,000)   |
| Office of Lieutenant Governor  | (53,280)      |
| Department of Revenue  | (2,384,400)   |
| Rules Review Commission  | (9,981)       |
| Department of Secretary of State   | (345,281)     |
| Department of State Treasurer  |               |
| State Treasurer  | 671,618       |
| State Treasurer – Retirement for Fire and Rescue Squad Workers                                     | (5,248,601)   |
| <b>TRANSPORTATION</b>  |               |
| Department of Transportation   | (2,490,841)   |
| <b>RESERVES, ADJUSTMENTS AND DEBT SERVICE</b>  |               |
| Reserve for 2001 Compensation Increases  | (4,247,868)   |
| Reserve for State Health Plan  | (12,621,872)  |
| Reserve for Legislative, Judicial and Teachers' and State Employees'<br>Retirement Rate Adjustment | (144,525,000) |
| Reserve for Teachers/Principals Step Increase  | 51,937,267    |
| Reserve for Asst/Deputy Clerks/Magistrates Step Increase   | 1,980,700     |
| Reserve for Employee Severance Compensation  | 5,000,000     |
| Contingency and Emergency  | 0             |
| Reserve for Salary Adjustments   | 0             |
| Implementation of Recommendations of Governor's Efficiency<br>Commission                           | (25,000,000)  |
| Reserve for Management Flexibility   | (41,500,000)  |
| Reserve for Information Technology Rate Adjustment   | (3,414,318)   |

|  |                      |
|--|----------------------|
| Mental Health, Developmental Disabilities, and Substance Abuse Services Trust Fund | 8,000,000            |
| Ruth M Easterling Trust Fund for Children with Special Needs                       | 1,000,000            |
| Reserve to Implement HIPPA   | 2,000,000            |
| Debt Service   |                      |
| General Debt Service   | (97,750,000)         |
| Federal Reimbursement  | 0                    |
| <b>TOTAL CURRENT OPERATIONS - GENERAL FUND</b>                                     | <b>(463,954,969)</b> |

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**GENERAL FUND AVAILABILITY STATEMENT**

**SECTION 2.2.(a)** The General Fund availability used in adjusting the 2002-2003 fiscal year budget is shown below:

|  | <b>2002-2003</b>      |
|--|-----------------------|
| Beginning Unreserved Credit Balance      | 25,000,000            |
| Revenues Based on Existing Tax Structure | 12,793,950,000        |
| Nontax Revenues                          |                       |
| Investment Income                        | 115,300,000           |
| Judicial Fees                            | 111,300,000           |
| Disproportionate Share                   | 107,000,000           |
| Insurance                                | 46,600,000            |
| Other Nontax Revenues                    | 98,900,000            |
| Highway Trust Fund Transfer              | 172,400,000           |
| Highway Fund Transfer                    | 15,300,000            |
| <b>Subtotal Nontax Revenues</b>          | <b>666,800,000</b>    |
| <b>Total General Fund Availability</b>   | <b>13,485,750,000</b> |

Adjustments to Availability: 2002 Session

|  |             |
|--|-------------|
| IRC Conformity (Includes Pensions and Education Changes, Estate Tax Credit, Accelerated Depreciated) | 15,800,000  |
| Delay 2001 Tax Breaks (Standard Deduction/Marriage Penalty, Child Tax Credit)                        | 51,700,000  |
| Conform Business Income  | 70,000,000  |
| Correct LLC Franchise Tax  | 20,000,000  |
| Conform Gift Tax Indexing  | (230,000)   |
| Low Income Housing Credit  | (2,200,000) |
| Repeal Reimbursements to Local Governments   | 333,400,000 |
| Project Tax Collect  | 32,500,000  |
| Highway Trust Fund – recurring inflationary adjustment   | 80,000,000  |
| Highway Trust Fund Transfer – one-time transfer  | 125,000,000 |

|  |                         |
|--|-------------------------|
| Tobacco Settlement Trust Funds – divert MSA receipts from Tobacco Trust Fund           | 38,000,000              |
| Tobacco Settlement Trust Funds – divert MSA receipts from Health & Wellness Trust Fund | 40,000,000              |
| Transfer of Cash from Trust and Special Funds  | 20,438,259              |
| Adjustment to Transfer from Insurance Regulatory Fund                                  | (1,282,104)             |
| Reimbursement for Unauthorized Substance Tax Division, Department of Revenue           | 885,884                 |
| Nontax Revenue Offsets, Department of State Treasurer                                  | 671,618                 |
| Increase Collection Rates for Offender Fees  | 1,160,000               |
| Fee Increases  | 38,180,000              |
| <b>Subtotal Adjustments to Availability: 2002 Session</b>                              | <b>864,023,657</b>      |
| <b>Revised General Fund Availability for 2002-2003 Fiscal Year</b>                     | <b>14,349,773,657</b>   |
| <b>Less: Total General Fund Appropriations for 2002-2003 Fiscal Year</b>               | <b>(14,349,773,657)</b> |
| <b>Unappropriated Balance</b>  | <b>0</b>                |

**SECTION 2.2.(b)** Notwithstanding any other provision of law to the contrary and except as provided in subsections 2.2(c) and 2.2.(d) of this section, effective July 1, 2002, cash balances remaining in special funds on June 30, 2002, shall be transferred to the State Controller to be deposited in Nontax Budget Code 19978 (Intra State Transfers) according to the schedule that follows. These funds shall be used to support General Fund appropriations for the 2002-2003 fiscal year.

| <b>Fund</b>  | <b>Amount Transferred</b> |
|--|---------------------------|
| Administrative Office of the Courts                              |                           |
| Budget Code, 22005, (Worthless Check Fund)                       | 150,000                   |
| (Appellate Copying Fees)   | 275,000                   |
| Department of Environment and Natural Resources                  |                           |
| Budget Code 24300, Fund Code 2104 (ADM – Mooresville RO Vending) | 472                       |
| Budget Code 24308, Fund Code 2105 (DEE - Env Educ Certification) | 10,000                    |
| Budget Code 24300, Fund Code 2331 (DAQ Air Permits)              | 250,000                   |
| Budget Code 24300, Fund Code 2106 (DEH - Sleep Products)         | 300,000                   |
| Budget Code 24300, Fund Code 2754 (DEH GSWW System Account)      | 10,900                    |
| Budget Code 24310, Fund Code 2711 (DFR Forestry Fire Supp)       | 78,225                    |
| Budget Code 24310, Fund Code 2712 (DFR Forestry Restoration)     | 771,333                   |
| Budget Code 24308, Fund Code 2255 (DFR Special Air Operations)   | 6,759                     |
| Budget Code 24300, Fund Code 2610 (DLR Mineral Interest)         | 20,000                    |
| Budget Code 24300, Fund Code 2740 (DLR Dam Safety Account)       | 100,000                   |
| Budget Code 24300, Fund Code 2745 (DLR Mining Fees)              | 25,000                    |
| Budget Code 24300, Fund Code 2393 (DWM Septage Fees)             | 100,000                   |

|  |           |
|--|-----------|
| Budget Code 24308, Fund Code 2387 (DWM Hazardous Waste Fees)                 | 68,189    |
| Budget Code 24300, Fund Code 2341 (DWQ Water Permits)                        | 1,000,000 |
| Budget Code 24308, Fund Code 2465 (MSN Mus Nat Sci/Scientific Publicat)      | 3,177     |
| Budget Code 24308, Fund Code 2515 (SWC Agric Waste Small Farms)              | 20,000    |
| Budget Code 24308, Fund Code 2520 (SWC Animal Waste Cost Share)              | 500,000   |
| Budget Code 64302, Fund Code 6710 (Natural Heritage Trust Fund)              | 3,287,582 |
| Budget Code 24308, Fund Code 2525 (Neuse Animal Waste Cost Share)            | 366,335   |
| Budget Code 24300, Fund Code 2221 (Bladen Lakes State Forest Fund)           | 440,000   |
| Department of Commerce   |           |
| Budget Code 24600, Fund Code 2683 (Empl & Train Grants Prgm)                 | 750,000   |
| Budget Code 24600, Fund Code 2711 (Industrial Development Fund)              | 3,000,000 |
| Budget Code 24600, Fund Code 2881 (ABC Commission)                           | 500,000   |
| Budget Code 24600, Fund Code 2882 (ABC Warehouse)                            | 500,000   |
| Department of Health and Human Services                                      |           |
| Budget Code 24470, Fund Code 2101 (Facility Finance Act)                     | 95,000    |
| Information Technology Services  |           |
| Budget Code 24668, Fund Code 2800 (E-Grant)                                  | 495,040   |
| Department of Agriculture and Consumer Services                              |           |
| Budget Code 23700, Fund Code 2103 (Livestock Acquisition Fund)               | 300,000   |
| Budget Code 23701, Fund Code 2201 (Warehouse Investment Fund)                | 225,000   |
| Budget Code 53750, Fund Code 5190 (State Fair Reserves and Transfers)        | 250,000   |
| Budget Code 63700, Fund Code 6902 (Reforestation Fund)                       | 23,915    |
| Budget Code 63700, Fund Code 6105 (Forest Management Reserve)                | 50,000    |
| Budget Code 53750, Fund Code 5100 (State Fair)                               | 500,000   |
| Department of Labor  |           |
| Budget Code 23800, Fund Code 2422 (Pre-Apprenticeship-PBC)                   | 491,332   |
| Department of Correction   |           |
| Budget Code 24502, (Inmate Canteen/Welfare Fund)                             | 500,000   |
| Budget Code 74500, Fund Code 7100 (Enterprise Spec Fund/ Prison Enterprises) | 2,000,000 |

|  |                     |
|--|---------------------|
| Office of the State Controller                                     |                     |
| Budget Code 24172, (State Controller<br>Special Reserve Account)   | 1,300,000           |
| Budget Code 24160, Fund Code 2000 (Flexible Benefits Reserve)      | 1,400,000           |
| Crime Control and Public Safety                                    |                     |
| Budget Code 14900, Fund Code 1510<br>(2001-2002 Fran Carryforward) | 275,000             |
| <b>Total Amount Transferred</b>                                    | <b>\$20,438,259</b> |

**SECTION 2.2.(c)** Notwithstanding G.S. 113-36(d), two hundred twenty thousand dollars (\$220,000) of the cash balance remaining in the Bladen Lakes State Forest Fund (Budget Code 24300, Fund Code 2221) on July 1, 2002, shall be transferred to the State Controller to be deposited in Nontax Budget Code 19978 (Intra State Transfers). An additional two hundred twenty thousand dollars (\$220,000) shall be transferred on April 1, 2003. These funds shall be used to support General Fund appropriations for the 2002-2003 fiscal year.

**SECTION 2.2.(d)** Section 2.2(f) of S.L. 2001-424 reads as rewritten:

**"SECTION 2.2.(f)** The transfer of cash from Department of Correction, Budget Code 74500, Fund Code 7100 (Prison Enterprises) to Nontax Budget Code 19978 (Intra State Transfers) shall be increased by one million dollars (\$1,000,000), effective July 1, 2001, for the 2001-2002 fiscal year.

The transfer of cash from Department of Correction, Budget Code 74500, Fund Code 7100 (Prison Enterprises) to Nontax Budget Code 19978 (Intra State Transfers) shall be increased by ~~five hundred thousand dollars (\$500,000), effective July 1, 2002, for the 2002-2003 fiscal year and for subsequent fiscal years.~~ two million five hundred thousand dollars (\$2,500,000), effective July 1, 2002, for the 2002-2003 fiscal year. Of the two million five hundred thousand dollar (\$2,500,000) increase for the 2002-2003 fiscal year, five hundred thousand dollars (\$500,000) is recurring."

**SECTION 2.2.(e)** When the Highway Trust Fund was created in 1989, the revenue from the sales tax on motor vehicles was transferred from the General Fund to the Highway Trust Fund. To offset this loss of revenue from the General Fund, the Highway Trust Fund was required to transfer one hundred seventy million dollars (\$170,000,000) to the General Fund each year, an amount equal to the revenue in 1989 from the sales tax on motor vehicles. This transfer did not, however, make the General Fund whole after the transfer of the sales tax revenue because no provision has been made to adjust the amount for the increased volume of transactions and increased vehicle prices. The additional eighty million dollars (\$80,000,000) transferred from the Highway Trust Fund to the General Fund by this act is an effort to recover a portion of the sales tax revenues that would have gone to the General Fund over the last 13 years.

**SECTION 2.2.(f)** Notwithstanding G.S. 105-187.9(b)(1), the sum to be transferred under that subdivision for the 2002-2003 fiscal year and for the 2003-2004 fiscal year is two hundred fifty million dollars (\$250,000,000).

**SECTION 2.2.(g)** There is transferred from the Highway Trust Fund to the General Fund the sum of one hundred twenty-five million dollars (\$125,000,000) for the 2002-2003 fiscal year. It is the intent of the General Assembly that the Highway Trust Fund shall be held harmless because of this transfer. The General Assembly shall transfer funds from the General Fund back to the Highway Trust Fund during fiscal



years 2004-2005 through 2008-2009 including interest at the net rate of return generated by the State Treasurer's Short Term Investment Fund.

**SECTION 2.2.(h)** The General Assembly finds that over the last two fiscal years, the cost of the Medicaid program has increased over one billion dollars (\$1,000,000,000). The downturn in the economy has caused an unforeseeable increase in the number of persons eligible for the program. Even with the significant expansion funds appropriated for the increased costs, transfers of funds to meet obligations for the 2001-2002 fiscal year, and significant cost-savings measures imposed by the General Assembly and the Department of Health and Human Services, Medicaid will still need additional State funds next year to cover increased costs.

The General Assembly further finds that due to the downturn in the economy and the loss of jobs in various sectors of the economy, the State must undertake various economic initiatives.

Funds transferred pursuant to this section shall be used only for Medicaid and for economic initiatives.

Notwithstanding G.S. 143-16.4(a2), of the funds credited to the Tobacco Trust Account from the Master Settlement Agreement pursuant to Section 6(2) of S.L. 1999-2 during the 2002-2003 fiscal year, the sum of thirty-eight million dollars (\$38,000,000) shall be transferred from the Department of Agriculture and Consumer Services, Budget Code 23703 (Tobacco Trust Fund) to the State Controller to be deposited in Nontax Budget Code 19978 (Intra State Transfers) to support General Fund appropriations for the 2002-2003 fiscal year.

Notwithstanding G.S. 143-16.4(a1), of the funds credited to the Health Trust Account from the Master Settlement Agreement pursuant to Section 6(2) of S.L. 1999-2 during the 2002-2003 fiscal year, the sum of forty million dollars (\$40,000,000) shall be transferred from the Department of State Treasurer, Budget Code 23460 (Health and Wellness Trust Fund) to the State Controller to be deposited in Nontax Budget Code 19978 (Intra State Transfers) to support General Fund appropriations for the 2002-2003 fiscal year.

Notwithstanding G.S. 147-86.30(c), the Health and Wellness Trust Fund Commission may transfer up to eighteen million dollars (\$18,000,000) from the Fund Reserve created in G.S. 147-86.30 to the Health and Wellness Trust Fund nonreserved funds to be expended in accordance with G.S. 147-86.30(d) during the 2002-2003 fiscal year.

**SECTION 2.2.(i)** The reimbursement from the Insurance Regulatory Fund to the General Fund includes an increase of six hundred thousand dollars (\$600,000) for the 2002-2003 fiscal year for the costs and expenses incurred by the Department of Justice as provided in Section 15.5 of this act.

**SECTION 2.2.(j)** G.S. 7A-11 reads as rewritten:

**"§ 7A-11. Clerk of the Supreme Court; salary; bond; fees; oath.**

The clerk of the Supreme Court shall be appointed by the Supreme Court to serve at its pleasure. The annual salary of the clerk shall be fixed by the Administrative Officer of the Courts, subject to the approval of the Supreme Court. The clerk may appoint assistants in the number and at the salaries fixed by the Administrative Officer of the Courts. The clerk shall perform such duties as the Supreme Court may assign, and shall be bonded to the State, for faithful performance of duty, in the same manner as the clerk of the superior court, and in such amount as the Administrative Officer of the Courts shall determine. He shall adopt a seal of office, to be approved by the Supreme Court. A fee bill for services rendered by the clerk shall be fixed by rules of the Supreme Court,

and all such fees shall be remitted to the State treasury, ~~except that charges to litigants for the reproduction of appellate records and briefs shall be fixed and administered as provided by rule of the Supreme Court.~~ treasury. Charges to litigants for the reproduction of appellate records and briefs shall be fixed by rule of the Supreme Court and remitted to the Appellate Courts Printing and Computer Operations Fund established in G.S. 7A-343.3. The operations of the Clerk of the Supreme Court shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes. Before entering upon the duties of his office, the clerk shall take the oath of office prescribed by law."

**SECTION 2.2.(k)** G.S. 7A-20(b) reads as rewritten:

"(b) Subject to approval of the Supreme Court, the Court of Appeals shall promulgate from time to time a fee bill for services rendered by the clerk, and such fees shall be remitted to the State Treasurer, ~~except that charges to litigants for the reproduction of appellate records and briefs shall be fixed and administered as provided by rule of the Supreme Court.~~ Treasurer. Charges to litigants for the reproduction of appellate records and briefs shall be fixed by rule of the Supreme Court and remitted to the Appellate Courts Printing and Computer Operations Fund established in G.S. 7A-343.3. The operations of the Court of Appeals shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

**SECTION 2.2.(l)** Of the cash balance of any funds not remitted to the State Treasurer pursuant to G.S. 7A-11 and G.S. 7A-20(b) prior to the effective date of this act, only funds necessary for payroll and existing contractual obligations may be expended. The cash balance of these funds shall be transferred to the General Fund on July 1, 2002.

**SECTION 2.2.(m)** Notwithstanding G.S. 143-15.2 and G.S. 143-15.3, for the 2002-2003 fiscal year only, funds shall not be reserved to the Savings Reserve Account, and the State Controller shall not transfer funds from the unreserved credit balance to the Savings Reserve Account on June 30, 2002.

This subsection becomes effective June 30, 2002.

**SECTION 2.2.(n)** Notwithstanding G.S. 143-15.2 and G.S. 143-15.3A, for the 2002-2003 fiscal year only, funds shall not be reserved to the Repairs and Renovations Reserve Account, and the State Controller shall not transfer funds from the unreserved credit balance to the Repairs and Renovations Reserve Account on June 30, 2002.

This subsection becomes effective June 30, 2002.

**SECTION 2.2.(o)** Of the funds carried forward from the 2001-2002 fiscal year for the Department of Crime Control and Public Safety to cover expenditures related to Hurricane Fran, Budget Code 14900, Fund Code 1510 Emergency Management, the sum of two hundred seventy-five thousand dollars (\$275,000) shall be transferred to the State Controller to be deposited in Nontax Budget Code 19978 (Intra State Transfers) to support General Fund appropriations for the 2002-2003 fiscal year.

**SECTION 2.2.(p)** General Fund availability generated by subsections (c), (d), (l), and (o) of this section is shown in special funds transfers made in subsection (b) of this section.

**SECTION 2.2.(q)** For fiscal year 2002-2003 only, State departments and agencies may transfer General Fund appropriations between personal service and nonpersonal service line items provided that it has been approved by the department or agency head and has received prior approval from the Office of State Budget and Management. Personal service funds may be transferred and used for nonpersonal

service items in certain instances. Specifically, personal service funds may only be used to pay for costs related to continuing operations and shall not be used to expand existing programs or to establish new programs.

State departments and agencies shall report to the Joint Legislative Commission on Governmental Operations within 30 days on all transfers from personal service line items to nonpersonal service line items.

General Fund salary and related benefit appropriations for State departments and agencies that are reduced or eliminated in this act shall not be replaced by other budgeted line items supported by General Fund appropriations. Nonpersonal service funds or lapsed salary funds shall not be used to establish new permanent employee positions or to raise the salary of existing employees.

**PART III. CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND**

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**HIGHWAY FUND APPROPRIATIONS**

**SECTION 3.1.** Appropriations from the Highway Fund of the State for the maintenance and operation of the Department of Transportation, and for other purposes as enumerated are made for the fiscal year ending June 30, 2003, according to the schedule that follows. Amounts set out in brackets are reductions from Highway Fund appropriations for the 2002-2003 fiscal year.

| <b>Current Operations - Highway Fund</b>             | <b>2002-2003</b>     |
|--|----------------------|
| Administration                                       | (362,232)            |
| Operations   | -                    |
| Construction and Maintenance                         |                      |
| a. Construction                                      |                      |
| (01) Primary Construction                            | -                    |
| (02) Secondary Construction                          | (1,887,000)          |
| (03) Urban Construction                              | 7,000,000            |
| (04) Access and Public Service Roads                 | -                    |
| (05) Contingency Construction                        | 5,000,000            |
| (06) Spot Safety Construction                        | -                    |
| b. State Funds to Match Federal Highway Aid          | -                    |
| c. State Maintenance                                 | 13,823,411           |
| d. Ferry Operations                                  | -                    |
| e. Capital Improvements                              | -                    |
| f. State Aid to Municipalities                       | (1,887,000)          |
| g. State Aid for Public Transportation and Railroads | 14,350,000           |
| h. OSHA – State                                      | -                    |
| Governor's Highway Safety Program                    | -                    |
| Division of Motor Vehicles                           | -                    |
| Reserves and Transfers                               | <u>(6,039,551)</u>   |
| <b>GRAND TOTAL HIGHWAY FUND</b>                      | <b>\$ 29,997,628</b> |

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

### **HIGHWAY FUND AVAILABILITY STATEMENT**

**SECTION 3.2.** The Highway Fund appropriations availability used in developing modifications to the 2002-2003 Highway Fund budget contained in this act is shown below:

|  | <b>2002-2003</b>       |
|--|------------------------|
| Beginning Credit Balance               | \$41,300,000           |
| Estimated Revenue                      | 1,276,600,000          |
| <b>TOTAL HIGHWAY FUND AVAILABILITY</b> | <b>\$1,317,900,000</b> |

### **PART IV. HIGHWAY TRUST FUND APPROPRIATIONS**

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

### **HIGHWAY TRUST FUND APPROPRIATIONS**

**SECTION 4.1.** Appropriations from the Highway Trust Fund of the State for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are made for the fiscal year ending June 30, 2003, according to the schedule that follows. Amounts set out in brackets are reductions from Highway Trust Fund appropriations for the 2002-2003 fiscal year.

| <b>Current Operations and Expansion - Highway Trust Fund</b> | <b>2002-2003</b>    |
|--|---------------------|
| Intrastate System  | (159,218,286)       |
| Secondary Roads  | (18,065,569)        |
| Urban Loops  | (64,381,244)        |
| Aid to Municipalities  | (16,705,712)        |
| Program Administration                                       | (4,073,189)         |
| Transfer to General Fund                                     | 205,000,000         |
| <b>Grand Total/Highway Trust Fund</b>                        | <b>(57,444,000)</b> |

### **PART V. BLOCK GRANTS**

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

### **DHHS BLOCK GRANTS**

**SECTION 5.1.(a)** Appropriations from federal block grant funds are made for the fiscal year ending June 30, 2003, according to the following schedule:

#### **COMMUNITY SERVICES BLOCK GRANT**

|                               |               |
|-------------------------------|---------------|
| 01. Community Action Agencies | \$ 15,266,973 |
| 02. Limited Purpose Agencies  | 848,165       |

|                                      |   |               |
|--------------------------------------|---|---------------|
| 03.                                  | Department of Health and Human Services<br>to administer and monitor<br>the activities of the<br>Community Services Block Grant | 848,165       |
| TOTAL COMMUNITY SERVICES BLOCK GRANT |   | \$ 16,963,303 |
| SOCIAL SERVICES BLOCK GRANT          |   |               |
| 01.                                  | County departments of social services<br>(Transfer from TANF - \$4,500,000)   | \$ 27,095,289 |
| 02.                                  | Allocation for in-home services provided<br>by county departments of<br>social services   | 2,101,113     |
| 03.                                  | Division of Mental Health, Developmental<br>Disabilities, and Substance Abuse Services  | 3,234,601     |
| 04.                                  | Division of Services for the Blind  | 3,105,711     |
| 05.                                  | Division of Facility Services   | 426,836       |
| 06.                                  | Division of Aging - Home and Community<br>Care Block Grant  | 1,840,234     |
| 07.                                  | Child Care Subsidies  | 3,000,000     |
| 08.                                  | Division of Vocational Rehabilitation -<br>United Cerebral Palsy  | 71,484        |
| 09.                                  | State administration  | 1,693,368     |
| 10.                                  | Child Medical Evaluation Program  | 238,321       |
| 11.                                  | Adult day care services   | 2,155,301     |
| 12.                                  | Comprehensive Treatment Services<br>Program   | 422,003       |
| 13.                                  | Department of Administration<br>for the N.C. State Commission of Indian Affairs<br>In-Home Services Program for the Elderly     | 203,198       |
| 14.                                  | Division of Vocational Rehabilitation Services -<br>Easter Seals Society  | 116,779       |
| 15.                                  | UNC-CH CARES Program for training and<br>consultation services  | 247,920       |

|                                     |   |               |
|-------------------------------------|---|---------------|
| 16.                                 | Office of the Secretary - Office of Economic Opportunity for N.C. Senior Citizens' Federation for outreach services to low-income elderly persons | 41,302        |
| 17.                                 | Division of Social Services - Child Caring Agencies   | 1,500,000     |
| 18.                                 | Division of Mental Health, Developmental Disabilities, and Substance Abuse Services - Developmentally Disabled Waiting List for services          | 5,000,000     |
| 19.                                 | Transfer to Preventive Health Services Block Grant for HIV/AIDS education, counseling, and testing  | 145,819       |
| 20.                                 | Division of Facility Services - Mental Health Licensure   | 213,128       |
| TOTAL SOCIAL SERVICES BLOCK GRANT   |   | \$ 52,852,407 |
| LOW-INCOME ENERGY BLOCK GRANT       |   |               |
| 01.                                 | Energy Assistance Programs  | \$ 11,395,026 |
| 02.                                 | Crisis Intervention   | 6,598,934     |
| 03.                                 | Administration  | 2,459,510     |
| 04.                                 | Weatherization Program  | 3,457,189     |
| 05.                                 | Department of Administration - N.C. State Commission of Indian Affairs  | 45,189        |
| 06.                                 | Heating Air Repair and Replacement Program  | 1,613,355     |
| TOTAL LOW-INCOME ENERGY BLOCK GRANT |   | \$ 25,569,203 |
| MENTAL HEALTH SERVICES BLOCK GRANT  |   |               |
| 01.                                 | Provision of community-based services for severe and persistently mentally ill adults   | \$ 5,442,798  |
| 02.                                 | Provision of community-based services to children   | 2,513,141     |

|  |  |               |
|--|--|---------------|
| 03.                                      | Comprehensive Treatment Services<br>Program for Children | 1,500,000     |
| 04.                                      | Administration   | 783,911       |
| TOTAL MENTAL HEALTH SERVICES BLOCK GRANT |  | \$ 10,239,850 |

SUBSTANCE ABUSE PREVENTION  
AND TREATMENT BLOCK GRANT

|   |  |               |
|---|--|---------------|
| 01.   | Provision of community-based<br>alcohol and drug abuse services,<br>tuberculosis services, and services<br>provided by the Alcohol and Drug Abuse<br>Treatment Centers | \$ 15,401,711 |
| 02.   | Continuation of services for<br>pregnant women and women<br>with dependent children  | 8,069,524     |
| 03.   | Continuation of services to<br>IV drug abusers and others at risk<br>for HIV diseases  | 4,616,378     |
| 04.   | Provision of services to children<br>and adolescents   | 7,740,611     |
| 05.   | Juvenile Services - Family Focus   | 851,156       |
| 06.   | Allocation to the Division of Public Health<br>for HIV/STD Risk Reduction Projects   | 383,980       |
| 07.   | Allocation to the Division of Public Health<br>for HIV/STD Prevention by County Health<br>Departments  | 209,576       |
| 08.   | Allocation to the Division of Public Health<br>for the Maternal and Child Health Hotline   | 37,779        |
| 09.   | Administration   | 2,596,307     |
| TOTAL SUBSTANCE ABUSE PREVENTION<br>AND TREATMENT BLOCK GRANT |  | \$ 39,907,022 |

CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

|     |                                      |               |
|-----|--------------------------------------|---------------|
| 01. | Child care subsidies                 | \$150,180,415 |
| 02. | Quality and availability initiatives | 16,496,620    |

|  |   |               |
|--|---|---------------|
| 03.  | Administrative expenses   | 6,550,000     |
| 04.  | Transfer from TANF Block Grant for<br>child care subsidies  | 72,812,189    |
| TOTAL CHILD CARE AND DEVELOPMENT FUND<br>BLOCK GRANT         |   | \$246,039,224 |
| TEMPORARY ASSISTANCE TO NEEDY FAMILIES<br>(TANF) BLOCK GRANT |   |               |
| 01.  | Work First Cash Assistance  | \$129,396,275 |
| 02.  | Work First County Block Grants  | 92,018,855    |
| 03.  | Transfer to the Child Care and<br>Development Fund Block Grant<br>for child care subsidies  | 72,812,189    |
| 04.  | Allocation to the Division of Mental<br>Health, Developmental Disabilities, and<br>Substance Abuse Services for Work First<br>substance abuse screening, diagnostic, and<br>support treatment services and drug testing | 400,000       |
| 05.  | Child Care Subsidies for TANF Recipients  | 26,621,241    |
| 06.  | County Child Protective Services,<br>Foster Care, and Adoption Workers  | 2,727,550     |
| 07.  | Transfer to Social Services Block Grant for<br>County Departments of Social Services for<br>Children's Services   | 4,500,000     |
| 08.  | Support Our Students - Department<br>Juvenile Justice and Delinquency<br>Prevention   | 1,425,000     |
| 09.  | Residential Substance Abuse Services<br>for Women With Children   | 1,475,142     |
| 10.  | Domestic Violence Services<br>for Work First Families   | 900,000       |
| 11.  | After-School Services for<br>At-Risk Children   | 1,425,000     |
| 12.  | Division of Social Services -<br>Administration   | 400,000       |



|   |   |               |
|---|---|---------------|
| 13.   | Child Welfare workers and services for local departments of social services | 7,654,841     |
| 14.   | Child Welfare Training  | 1,600,000     |
| 15.   | DSS Evaluation  | 500,000       |
| 16.   | SACWIS Payback  | 4,643,454     |
| 17.   | TANF Automation Projects  | 1,200,000     |
| TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) BLOCK GRANT |   | \$349,699,547 |

MATERNAL AND CHILD HEALTH BLOCK GRANT

|   |  |               |
|---|--|---------------|
| 01.   | Healthy Mothers/Healthy Children Block Grants to Local Health Departments  | 9,838,074     |
| 02.   | High-Risk Maternity Clinic Services, Perinatal Education and Training, Childhood Injury Prevention, Public Information and Education, and Technical Assistance to Local Health Departments | 2,012,102     |
| 03.   | Services to Children With Special Health Care Needs  | 5,078,647     |
| TOTAL MATERNAL AND CHILD HEALTH BLOCK GRANT |  | \$ 16,928,823 |

PREVENTIVE HEALTH SERVICES BLOCK GRANT

|     |   |             |
|-----|---|-------------|
| 01. | Statewide Health Promotion Programs   | \$3,171,651 |
| 02. | Rape Crisis/Victims' Services Program - Council for Women                               | 197,112     |
| 03. | HIV/AIDS Prevention Activities Coordination   | 111,159     |
| 04. | Transfer from Social Services Block Grant - HIV/AIDS education, counseling, and testing | 145,819     |
| 05. | Office of Minority Health   | 159,459     |

|  |             |
|--|-------------|
| 06. Administrative Costs                     | 108,546     |
| TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT | \$3,893,746 |

**SECTION 5.1.(b)** Decreases in Federal Fund Availability. – If the United States Congress reduces federal fund availability in the Social Services Block Grant below the amounts appropriated in this section, then the Department of Health and Human Services shall allocate these decreases giving priority first to those direct services mandated by State or federal law, then to those programs providing direct services that have demonstrated effectiveness in meeting the federally and State-mandated services goals established for the Social Services Block Grant. The Department shall not include transfers from TANF for specified purposes in any calculations of reductions to the Social Services Block Grant.

If the United States Congress reduces the amount of TANF funds below the amounts appropriated in this section after the effective date of this act, then the Department shall allocate the decrease in funds after considering any underutilization of the budget and the effectiveness of the current level of services. Any TANF Block Grant fund changes shall be reported to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

Decreases in federal fund availability shall be allocated for the Maternal and Child Health and Preventive Health Services federal block grants by the Department of Health and Human Services after considering the effectiveness of the current level of services.

**SECTION 5.1.(c)** Increases in Federal Fund Availability. – Any block grant funds appropriated by the United States Congress in addition to the funds specified in this act shall be expended by the Department of Health and Human Services, with the approval of the Office of State Budget and Management, provided the resultant increases are in accordance with federal block grant requirements and are within the scope of the block grant plan approved by the General Assembly.

**SECTION 5.1.(d)** Changes to the budgeted allocations to the block grants appropriated in this act and new allocations from the block grants not specified in this act shall be submitted to the Joint Legislative Commission on Governmental Operations for review prior to the change and shall be reported immediately to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

**SECTION 5.1.(e)** The Department of Health and Human Services may allow no-cost contract extensions for up to six months for nongovernmental grant recipients under the TANF Block Grant.

**SECTION 5.1.(f)** Limitations on Preventive Health Services Block Grant Funds. – Twenty-five percent (25%) of funds allocated for Rape Prevention and Rape Education shall be allocated as grants to nonprofit organizations to provide rape prevention and education programs targeted for middle, junior high, and high school students.

If federal funds are received under the Maternal and Child Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193 (42 U.S.C. § 710), for the 2002-2003 fiscal year, then those funds shall be transferred to the State Board of Education to be administered by the Department of Public Instruction.

The Department of Public Instruction shall use the funds to establish an Abstinence Until Marriage Education Program and shall delegate to one or more persons the responsibility of implementing the program and G.S. 115C-81(e1)(4). The Department of Public Instruction shall carefully and strictly follow federal guidelines in implementing and administering the abstinence education grant funds.

The Department of Health and Human Services shall contract for the follow-up testing involved with the Newborn Screening Program. The Department may contract for these services with an entity within or outside of the State; however, the Department may only contract with an out-of-state entity if it can be demonstrated that there is a cost-savings associated with contracting with the out-of-state entity. The contract amount shall not exceed twenty-five thousand dollars (\$25,000). The amount of the contract shall be covered by funds in the Maternal and Child Health Block Grant.

**SECTION 5.1.(g)** The Department of Health and Human Services, Division of Social Services, shall do the following:

- (1) Continue the current evaluation of the Work First Program to assess former recipients' earnings, barriers to advancement to economic self-sufficiency, utilization of community support services, and other longitudinal employment data. Assessment periods shall include six and 18 months following closure of the case.
- (2) Continue the current evaluation of the Work First Program to profile the State's child-only caseload to include indicators of economic and social well-being, academic and behavioral performance, demographic data, description of living arrangements including length of placement out of the home, social and other human services provided to families, and other information needed to assess the needs of the child-only Work First Family Assistance clients and families.

The Division of Social Services may use up to five hundred thousand dollars (\$500,000) in TANF funds to complete the evaluation of Work First.

The Department of Health and Human Services shall make a report on its progress in complying with this subsection to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division no later than December 1, 2002.

**SECTION 5.1.(h)** The sum of one million five hundred thousand dollars (\$1,500,000) appropriated in this act in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, for child caring agencies for the 2002-2003 fiscal year shall be allocated to the State Private Child Caring Agencies Fund. These funds shall be combined with all other funds allocated to the State Private Child Caring Agencies Fund for the reimbursement of the State's portion of the cost of care for the placement of certain children by the county departments of social services who are not eligible for federal IV-E funds. These funds shall not be used to match other federal funds.

**SECTION 5.1.(i)** The sum of three hundred thousand dollars (\$300,000) appropriated in this section to the Department of Health and Human Services in the Child Care and Development Fund Block Grant shall be used to develop and implement a Medical Child Care Pilot open to children throughout the State.

**SECTION 5.1.(j)** Payment for subsidized child care services provided with federal TANF funds shall comply with all regulations and policies issued by the Division of Child Development for the subsidized child care program.

**SECTION 5.1.(k)** The sum of four hundred thousand dollars (\$400,000) appropriated in this section in the TANF Block Grant to the Department of Health and Human Services, Division of Social Services, for the 2002-2003 fiscal year shall be used to support administration of TANF-funded programs.

**SECTION 5.1.(l)** The sum of one million four hundred seventy-five thousand one hundred forty-two dollars (\$1,475,142) appropriated in this section in the TANF Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2002-2003 fiscal year shall be used to provide regional residential substance abuse treatment and services for women with children. The Department of Health and Human Services, the Division of Social Services, and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, in consultation with local departments of social services, area mental health programs, and other State and local agencies or organizations, shall coordinate this effort in order to facilitate the expansion of regionally based substance abuse services for women with children. These services shall be culturally appropriate and designed for the unique needs of TANF women with children.

In order to expedite the expansion of these services, the Secretary of the Department of Health and Human Services may enter into contracts with service providers.

The Department of Health and Human Services, the Division of Social Services, and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall report on their progress in complying with this subsection no later than October 1, 2002, and March 1, 2003, to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division. These reports shall include all of the following:

- (1) The number and location of additional beds created.
- (2) The types of facilities established.
- (3) The delineation of roles and responsibilities at the State and local levels.
- (4) Demographics of the women served, the number of women served, and the cost per client.
- (5) Demographics of the children served, the number of children served, and the services provided.
- (6) Job placement services provided to women.
- (7) A plan for follow-up and evaluation of services provided with an emphasis on outcomes.
- (8) Barriers identified to the successful implementation of the expansion.
- (9) Identification of other resources needed to appropriately and efficiently provide services to Work First recipients.
- (10) Other information as requested.

**SECTION 5.1.(m)** The sum of one million four hundred twenty-five thousand dollars (\$1,425,000) appropriated in this section in the TANF Block Grant to the Department of Health and Human Services and transferred to the Department of Juvenile Justice and Delinquency Prevention for the 2002-2003 fiscal year shall be used to support the existing Support Our Students Program and to expand the Program statewide, focusing on low-income communities in unserved areas. These funds shall not be used for administration of the Program.

**SECTION 5.1.(n)** The sum of nine hundred thousand dollars (\$900,000) appropriated under this section in the TANF Block Grant to the Department of Health and Human Services, Division of Social Services, for the 2002-2003 fiscal year shall be used to provide domestic violence services to Work First recipients. These funds shall be used to provide domestic violence counseling, support, and other direct services to clients. These funds shall not be used to establish new domestic violence shelters or to facilitate lobbying efforts. The Division of Social Services may use up to seventy-five thousand dollars (\$75,000) in TANF funds to establish one administrative position within the Division of Social Services to implement this subsection.

Each county department of social services and the local domestic violence shelter program serving the county shall jointly develop a plan for utilizing these funds. The plan shall include the services to be provided and the manner in which the services shall be delivered. The county plan shall be signed by the county social services director or the director's designee and the domestic violence program director or the director's designee and submitted to the Division of Social Services by December 1, 2002. The Division of Social Services, in consultation with the Council for Women, shall review the county plans and shall provide consultation and technical assistance to the departments of social services and local domestic violence shelter programs, if needed.

The Division of Social Services shall allocate these funds to county departments of social services according to the following formula: (i) each county shall receive a base allocation of five thousand dollars (\$5,000) and (ii) each county shall receive an allocation of the remaining funds based on the county's proportion of the statewide total of the Work First caseload as of July 1, 2002, and the county's proportion of the statewide total of the individuals receiving domestic violence services from programs funded by the Council for Women as of July 1, 2002. The Division of Social Services may reallocate unspent funds to counties that submit a written request for additional funds.

The Department of Health and Human Services shall report on the uses of these funds no later than March 1, 2003, to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

**SECTION 5.1.(o)** The sum of one million four hundred twenty-five thousand dollars (\$1,425,000) appropriated in this section in the TANF Block Grant to the Department of Health and Human Services, Division of Social Services, shall be used to expand after-school programs and services for at-risk children. The Department shall develop and implement a grant program to award grants to community-based programs that demonstrate the ability to reach children at risk of teen pregnancy and school dropout. The Department shall award grants to community-based organizations that demonstrate the ability to develop and implement linkages with local departments of social services, area mental health programs, schools, and other human services programs in order to provide support services and assistance to the child and family. These funds may be used to establish one position within the Division of Social Services to coordinate at-risk after-school programs and shall not be used for other State administration. The Department shall report no later than March 1, 2003, on its progress in complying with this section to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Subcommittee on Health and Human Services, and the Fiscal Research Division.

**SECTION 5.1.(p)** The sum of seven million six hundred fifty-four thousand eight hundred forty-one dollars (\$7,654,841) appropriated in this section in the

TANF Block Grant to the Department of Health and Human Services, Division of Social Services, for the 2002-2003 fiscal year for Child Welfare Improvements shall be allocated to the county departments of social services for hiring or contracting staff to investigate and provide services in Child Protective Services cases; to provide foster care and support services; to recruit, train, license, and support prospective foster and adoptive families; and to provide interstate and post-adoption services for eligible families.

**SECTION 5.1.(q)** The sum of one million five hundred thousand dollars (\$1,500,000) appropriated in this section in the Mental Health Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2002-2003 fiscal year and the sum of four hundred twenty-two thousand three dollars (\$422,003) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, for the 2002-2003 fiscal year shall be used to continue a Comprehensive Treatment Services Program for Children in accordance with Section 21.60 of S.L. 2001-424, as amended.

**SECTION 5.1.(r)** The sum of one million six hundred thousand dollars (\$1,600,000) appropriated in this section in the TANF Block Grant to the Department of Health and Human Services, Division of Social Services, for fiscal year 2002-2003 shall be used to support various child welfare training projects as follows:

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

**SECTION 5.1.(s)** If funds appropriated through the Child Care and Development Fund Block Grant for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in order to use the federal funds fully.

**SECTION 5.1.(t)** The sum of one hundred eleven thousand one hundred fifty-nine dollars (\$111,159) appropriated in this section in the Preventive Health Services Block Grant to the Department of Health and Human Services for the 2002-2003 fiscal year for HIV/AIDS Prevention Activities shall be used to enhance activities for HIV/AIDS awareness and education within the Division of Public Health. The position shall be responsible for all planning, programming, and budgeting for compliance with this subsection. These prevention activities shall be targeted to the general public and programs identified in this subsection and shall not be used to augment the current grant programs that target high-risk populations through the community-based organizations.

It is the intention of the General Assembly to focus current resources and activities to strengthen and enhance prevention and intervention programs directed at the reduction of HIV/AIDS. The Department shall coordinate efforts to enhance awareness, education, and outreach with the North Carolina AIDS Advisory Council, North Carolina Minority Health Advisory Council, representatives of faith communities, representatives of nonprofit agencies, and other State agencies.

The Department of Health and Human Services shall coordinate and ensure the implementation of developmentally appropriate education, awareness, and outreach campaigns to comply with this subsection in the following programs and services:

- (1) Division of Social Services programs and services:
  - a. Domestic Violence Prevention and Awareness.
  - b. Domestic Violence Services for Work First Families.
  - c. After School Services for At-Risk Children.
  - d. Work First Boys/Girls Clubs.
- (2) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services programs and services:
  - a. Substance Abuse Services for Juveniles.
  - b. Residential Substance Abuse Services for Women and Children.
- (3) Division of Public Health programs and services:
  - a. Teen Pregnancy Prevention Activities.
  - b. Out-of-Wedlock Births.
  - c. School Health Program.
  - d. High-Risk Maternity Clinic Services.
  - e. Perinatal Education and Training.
  - f. Public Information and Education.
  - g. Technical Assistance to Local Health Departments.
- (4) Other divisions, services, and programs:
  - a. Family Support Services.
  - b. Family Resource Centers.
  - c. Independent Living Services.
  - d. Residential schools and facilities.
  - e. Other programs, services, or contracts that provide education and awareness services to children and families.

Other State agencies, including the Department of Public Instruction, the Department of Juvenile Justice and Delinquency Prevention, and the Department of Administration, shall ensure the incorporation of developmentally appropriate HIV/AIDS education, awareness, and outreach information into their programs.

The Department shall report on the implementation of this subsection not later than May 1, 2003, to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

**SECTION 5.1.(u)** The sum of four hundred thirty-eight thousand dollars (\$438,000) appropriated in this section in the TANF Block Grant to the Department of Health and Human Services shall be used to purchase services at maternity homes throughout the State.

**SECTION 5.1.(v)** The Department of Health and Human Services, Division of Social Services, may use up to one million two hundred thousand dollars (\$1,200,000) in unexpended TANF funds previously allocated for the Business Process Reengineering Project in the 2001-2002 fiscal year in the 2002-2003 fiscal year for TANF automation incentives, such as data warehouse, Electronic Fund Transfer, and NC FAST. The Department shall report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division no later than April 1, 2003, on the expenditure of these funds.

Requested by: Senators Martin of Pitt, Weinstein, Plyler, Odom, Lee;  
Representatives Fox, Owens, Easterling, Oldham, Redwine

**NER BLOCK GRANT FUNDS**

**SECTION 5.2.(a)** Appropriations from federal block grant funds are made for the fiscal year ending June 30, 2003, according to the following schedule:

**COMMUNITY DEVELOPMENT BLOCK GRANT**

|     |                              |             |
|-----|------------------------------|-------------|
| 01. | State Administration         | \$1,000,000 |
| 02. | Urgent Needs and Contingency | 1,000,000   |
| 03. | Scattered Site Housing       | 13,100,000  |
| 04. | Economic Development         | 8,710,000   |
| 05. | Community Revitalization     | 13,500,000  |
| 06. | State Technical Assistance   | 450,000     |
| 07. | Housing Development          | 2,100,000   |
| 08. | Infrastructure               | 5,140,000   |

**TOTAL COMMUNITY DEVELOPMENT  
BLOCK GRANT - 2002 Program Year** \$45,000,000

**SECTION 5.2.(b)** Decreases in Federal Fund Availability. – If federal funds are reduced below the amounts specified above after the effective date of this act, then every program in each of these federal block grants shall be reduced by the same percentage as the reduction in federal funds.

**SECTION 5.2.(c)** Increases in Federal Fund Availability for Community Development Block Grant. – Any block grant funds appropriated by the Congress of the United States in addition to the funds specified in this section shall be expended as follows: Each program category under the Community Development Block Grant shall be increased by the same percentage as the increase in federal funds.

**SECTION 5.2.(d)** Limitations on Community Development Block Grant Funds. – Of the funds appropriated in this section for the Community Development Block Grant, the following shall be allocated in each category for each program year: up to one million dollars (\$1,000,000) may be used for State administration; up to one million dollars (\$1,000,000) may be used for Urgent Needs and Contingency; up to thirteen million one hundred thousand dollars (\$13,100,000) may be used for Scattered Site Housing; up to eight million seven hundred ten thousand dollars (\$8,710,000) may be used for Economic Development; not less than thirteen million five hundred thousand dollars (\$13,500,000) shall be used for Community Revitalization; up to four hundred fifty thousand dollars (\$450,000) may be used for State Technical Assistance; up to two million one hundred thousand dollars (\$2,100,000) may be used for Housing Development; up to five million one hundred forty thousand dollars (\$5,140,000) may be used for Infrastructure. If federal block



grant funds are reduced or increased by the Congress of the United States after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

**SECTION 5.2.(e)** Increase Capacity for Nonprofit Organizations. – Assistance to nonprofit organizations to increase their capacity to carry out CDBG-eligible activities in partnership with units of local government is an eligible activity under any program category in accordance with federal regulations. Capacity building grants may be made from funds available within program categories, program income, or unobligated funds.

## PART VI. GENERAL PROVISIONS

Requested by: Senators Dalton, Lucas, Garrou, Rand, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

### DEDUCTION FLEXIBILITY

**SECTION 6.4.(a)** G.S. 143-3.3(g) reads as rewritten:

"(g) Payroll Deduction for Payments to Certain Employees' Associations Allowed. – An employee of the State or any of its institutions, departments, bureaus, agencies or commissions, or any of its local boards of education or community colleges, who is a member of a domiciled employees' association that has at least 2,000 members, the majority of whom are employees of the State or public school employees, may authorize, in writing, the periodic deduction each payroll period from the employee's salary or wages a designated lump sum to be paid to the employees' association.

An employee of any local board of education who is a member of a domiciled employees' association that has at least 40,000 members, the majority of whom are public school teachers, may authorize in writing the periodic deduction each payroll period from the employee's salary or wages a designated lump sum or sums to be paid for dues and voluntary contributions for the employees' association.

~~The~~An authorization under this subsection shall remain in effect until revoked by the employee. A plan of payroll deductions pursuant to this subsection for employees of the State and other association members shall become void if the employees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit. This subsection does not apply to county or municipal governments or any local governmental unit, except for local boards of education."

**SECTION 6.4.(b)** G.S. 128-38.3 reads as rewritten:

**"§ 128-38.3. Deduction for payment to certain employees' associations allowed.**

Any ~~member~~ beneficiary who is a member of a domiciled employees' or retirees' association that has at least 2,000 members, the majority of whom are active or retired employees of employers as defined in G.S. 128-21(11), may authorize, in writing, the periodic deduction from the ~~member's~~ beneficiary's retirement benefits a designated lump sum to be paid to the employees' or retirees' association. The authorization shall remain in effect until revoked by the ~~member~~ beneficiary. A plan of deductions pursuant to this section shall become void if the employees' or retirees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit."

**SECTION 6.4.(c)** G.S. 135-18.8 reads as rewritten:

**"§ 135-18.8. Deduction for payments to certain employees' or retirees' associations allowed.**

Any ~~member~~ beneficiary who is a member of a domiciled employees' or retirees' association that has at least 2,000 members, the majority of whom are active or retired employees of the State or public school employees, may authorize, in writing, the periodic deduction from the ~~member's~~ beneficiary's retirement benefits a designated lump sum to be paid to the employees' or retirees' association. The authorization shall remain in effect until revoked by the ~~member.~~ beneficiary. A plan of deductions pursuant to this section shall become void if the employees' or retirees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit."

**SECTION 6.4.(d)** Article 1A of Chapter 120 of the General Statutes is amended by adding a new section to read:

**"§ 120-4.32. Deduction for payments to certain employees' or retirees' associations allowed.**

Any beneficiary who is a member of a domiciled employees' or retirees' association that has at least 2,000 members, the majority of whom are active or retired employees of the State or public school employees, may authorize, in writing, the periodic deduction from the beneficiary's retirement benefits a designated lump sum to be paid to the employees' or retirees' association. The authorization shall remain in effect until revoked by the beneficiary. A plan of deductions pursuant to this section shall become void if the employees' or retirees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit."

**SECTION 6.4.(e)** Article 4 of Chapter 135 of the General Statutes is amended by adding a new section to read:

**"§ 135-75. Deduction for payments to certain employees' or retirees' associations allowed.**

Any beneficiary who is a member of a domiciled employees' or retirees' association that has at least 2,000 members, the majority of whom are active or retired employees of the State or public school employees, may authorize, in writing, the periodic deduction from the beneficiary's retirement benefits a designated lump sum to be paid to the employees' or retirees' association. The authorization shall remain in effect until revoked by the beneficiary. A plan of deductions pursuant to this section shall become void if the employees' or retirees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit."

**SECTION 6.4.(f)** Article 86 of Chapter 58 of the General Statutes is amended by adding a new section to read:

**"§ 58-86-91. Deduction for payments to certain employees' or retirees' associations allowed.**

Any member who is a member of a domiciled employees' or retirees' association that has at least 2,000 members, the majority of whom are active or retired employees of the State or public school employees, may authorize, in writing, the periodic deduction from the member's retirement benefits a designated lump sum to be paid to the employees' or retirees' association. The authorization shall remain in effect until revoked by the member. A plan of deductions pursuant to this section shall become void if the employees' or retirees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit."

**SECTION 6.4.(g)** G.S. 127A-40 is amended by adding a new subsection to read:

"(h1) Any member or former member of the North Carolina national guard who is qualified for benefits under this section and who is a member of a domiciled employees' or retirees' association that has at least 2,000 members, the majority of whom are active or retired employees of the State or public school employees, may authorize, in writing, the periodic deduction from the member's retirement benefits a designated lump sum to be paid to the employees' or retirees' association. The authorization shall remain in effect until revoked by the member. A plan of deductions pursuant to this subsection shall become void if the employees' or retirees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit."

Requested by: Senators Plyler, Odom, Lee; Representatives McComas, Smith, Preston, Easterling, Oldham, Redwine

**REPEAL PORTS RAILWAY COMMISSION/TRANSFER TO STATE PORTS AUTHORITY**

**SECTION 6.6.(a)** Part 11 of Article 10 of Chapter 143B of the General Statutes, G.S. 143B-469 through G.S. 143B-469.3, is repealed.

**SECTION 6.6.(b)** G.S. 120-123(25) is repealed.

**SECTION 6.6.(c)** G.S. 143B-454(a)(4) reads as rewritten:

"(4) Be authorized and empowered to acquire, construct, maintain, equip and operate any wharves, docks, piers, quays, elevators, compresses, refrigeration storage plants, warehouses and other structures, and any and all facilities needful for the convenient use of the same in the aid of commerce, including the dredging of approaches thereto, and the construction of beltline roads and highways and bridges and causeways thereon, and other bridges and causeways necessary or useful in connection therewith, and shipyards, shipping facilities, and transportation facilities incident thereto and useful or convenient for the use thereof, ~~excluding terminal railroads;~~ and to acquire, construct, and maintain, but not operate, such rail facilities as may be necessary or useful in connection with the operation of the State Ports, provided that nothing in this subdivision shall be construed as requiring or allowing the North Carolina State Ports Authority to become a carrier by rail subject to the federal laws regulating those carriers."

**SECTION 6.6.(d)** Within 30 days of the date this section becomes law, the North Carolina Ports Railway Commission shall provide the North Carolina State Ports Authority with a complete list of its assets and liabilities. All of the assets, real and personal, tangible and intangible, and all of the liabilities, including contractual obligations, of the North Carolina Ports Railway Commission are transferred to the North Carolina State Ports Authority. If and to the extent that such transfers require the execution of any documents or instruments of transfer by the North Carolina Ports Railway Commission, those documents may be executed by the current officers and members of the Commission and shall be executed within 60 days of the date this section becomes law.

**SECTION 6.6.(e)** As part of a plan to reorganize and consolidate rail operations at the State Ports, the North Carolina State Ports Authority may sell or transfer the Beaufort and Morehead Railway, Inc., or any part thereof or interest therein, to a terminal switching or short line railroad company, or to the North Carolina Railroad Company, on such terms and conditions as the parties may agree to.

**SECTION 6.6.(f)** The Attorney General within 45 days of this section becoming law shall render an opinion as to whether or not subsections (a) through (e) of this section will subject the State Ports Authority to status as a common carrier subject to the Railway Labor Act. Subsections (a) through (e) of this section become effective only if an opinion is issued that it does not subject the State Ports Authority to status as a common carrier subject to the Railway Labor Act, and in such case subsections (a) through (e) of this section become effective upon the issuance of the opinion. In lieu of subsections (a) through (e) of this section, if the North Carolina State Ports Authority finds that the transfer of any stock owned by the North Carolina Ports Railway Commission to the North Carolina State Ports Authority will accomplish the same end as the transfer of assets of the North Carolina Ports Railway Commission, it may order such transfer if the Attorney General issues an opinion it does not subject the State Ports Authority to status as a common carrier subject to the Railway Labor Act, and in such case the transfer becomes effective 60 days after it is ordered.

Requested by: Senators Plyler, Odom, Lee; Representatives Baddour, Easterling, Oldham, Redwine

**PROCEDURE BEFORE REDUCING APPROPRIATIONS TO A SCHOOL ADMINISTRATIVE UNIT**

**SECTION 6.7.(a)** G.S. 159-13(b)(9) reads as rewritten:

"(b) The following directions and limitations shall bind the governing board in adopting the budget ordinance:

...

- (9) Appropriations made to a school administrative unit by a county may not be reduced after the budget ordinance is adopted, unless the board of education of the administrative unit agrees by resolution to a reduction, or unless a general reduction in county expenditures is required because of prevailing economic conditions. Before a board of county commissioners may reduce appropriations to a school administrative unit as part of a general reduction in county expenditures required because of prevailing economic conditions, it must do all of the following:
- a. Hold a public meeting at which the school board is given an opportunity to present information on the impact of the reduction.
  - b. Take a public vote on the decision to reduce appropriations to a school administrative unit."

**SECTION 6.7.(b)** This section is effective when this act becomes law.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Easterling, Oldham, Redwine

**SENIOR PRESCRIPTION DRUG ACCESS PROGRAM**

**SECTION 6.8.(a)** Notwithstanding G.S. 147-86.30, the Health and Wellness Trust Fund Commission may for the fiscal year 2002-2003 expend not more than three million dollars (\$3,000,000) of the funds reserved pursuant to G.S. 147-86.30(c) to develop and implement a Senior Prescription Drug Access Program. As used in this section, the term "senior" means an individual age 65 years and older. The purpose of the Program is to reduce costs of and improve access to and use of prescription drugs by:

- (1) Providing one-on-one assistance to seniors and low-income citizens in accessing public and private prescription drug assistance programs.
- (2) Making available pharmacist evaluators to review all prescriptions and to provide face-to-face counseling for seniors to promote compliance and identify potential adverse effects from interactions among the prescribed drugs.
- (3) Utilizing software currently licensed by the Department of Health and Human Services to guide patients through the complexities of all drug coverage options, including drug acquisition through low-cost or discount drug programs provided through manufacturer's card programs, and by government programs.

Drug acquisition services under the Program shall be available to senior citizens and to low-income citizens eligible for assistance under these public and private prescription drug programs. Counseling services provided by the Program shall be available to senior citizens age 65 and older. There shall be no fee for Program medication counseling services to seniors who are Medicaid recipients and seniors enrolled in Carolina CARxES. The Commission may authorize a reasonable fee to be charged by the pharmacist evaluator to other seniors using medication counseling services, provided that the fee is charged on a sliding scale based on individual or family income. In no event may the fee exceed the actual cost of the service provided. The Commission shall consult with other State agencies and public and private entities to avoid duplication and enhance cooperation and collaboration in providing Program services. In allocating funds under the Program, the Commission shall consider diversity of populations served, geographic representation, and increasing community capacity to respond to health needs. The Commission may phase in the availability of services such that initially all geographic regions of the State have services available.

**SECTION 6.8.(b)** In developing and implementing the Senior Prescription Drug Access Program, the Commission may do the following:

- (1) Establish a centralized database with linkages to Medicaid databases to enable review of each participant's prescription drug regimen and to ensure quality of services, quality of care, and cost-effectiveness. The database shall comply with all State and federal privacy protection requirements and shall be accessible only to participating pharmacists, primary care physicians, and case managers.
- (2) Use reserved funds authorized under this section to contract with public and private entities to provide prescription drug assistance services.
- (3) Use reserved funds authorized under this section to award grants to applicants eligible under G.S. 147-86.31 to receive grant funds. Grant funds may be used to subsidize costs of hiring and training staff to operate drug acquisition software.

**SECTION 6.8.(c)** The Commission shall provide for ongoing evaluation of the Program to measure its usage and effectiveness. The Commission shall include in its annual report required under G.S. 147-86.35 the use of funds for and activities of the Senior Prescription Drug Access Program and the results of its Program evaluation. The report shall include data on the number of persons who received services, fees authorized, and the geographic distribution of Program services.

Requested by: Senators Plyler, Odom, Lee; Representatives Earle, Nye, Alexander, Easterling, Oldham, Redwine

**UNIFORM PROVIDER CREDENTIALING BY HEALTH INSURANCE PLANS**

**SECTION 6.9.(a)** G.S. 58-3-230(a) reads as rewritten:

"(a) An insurer that provides a health benefit plan and that credentials providers for its networks shall maintain a process to assess and verify the qualifications of a licensed health care practitioner, or applicant for licensure as a health care practitioner, within 60 days of receipt of a completed provider credentialing application form approved by the Commissioner. When a health care practitioner joins a practice that is under contract with an insurer to participate in a health benefit plan, the effective date of the health care practitioner's participation in the health benefit plan network shall be the date the insurer approves the practitioner's credentialing application."

**SECTION 6.9.(b)** This section becomes effective October 1, 2002.

Requested by: Senators Weinstein, Martin of Pitt, Plyler, Odom, Lee; Representatives Fox, Owens, Easterling, Oldham, Redwine

**SALE OF UNDERUTILIZED STATE-OWNED AIRCRAFT**

**SECTION 6.10.(a)** Any department of State government possessing State-owned operational aircraft that are not being used for spare parts and have not been used for the intended purpose a minimum of two times during the 2001-2002 fiscal year shall sell that aircraft during the 2002-2003 fiscal year pursuant to the provisions of Article 3A of Chapter 143 of the General Statutes or by other procedures based upon competitive bidding that the head of the department finds to be acceptable for this purpose.

**SECTION 6.10.(b)** The Department of Commerce shall sell its Bell 206 helicopter during the 2002-2003 fiscal year. The proceeds of this sale shall be credited to the Department of Commerce as a nontax receipt.

**SECTION 6.10.(c)** Proceeds of the sale of aircraft pursuant to subsection (a) of this section shall be deposited in the General Fund.

Requested by: Senators Plyler, Odom, Lee; Representatives Pope, Easterling, Oldham, Redwine

**TERMINATE HURRICANE FRAN ACCOUNT**

**SECTION 6.11A.** Effective June 30, 2003, Executive Order #99 as amended, dated September 5, 1996, is terminated. All funds in the Hurricane Fran Account that are not contractually obligated on June 30, 2003, shall be credited to the Savings Reserve Account.

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**TREASURER/REPORTING REQUIREMENTS**

**SECTION 6.12.** G.S. 147-69.3 reads as rewritten:

**"§ 147-69.3. Administration of State Treasurer's investment programs.**

(a) The State Treasurer shall establish, maintain, administer, manage, and operate within the Department of State Treasurer one or more investment programs for the deposit and investment of assets pursuant to the provisions of G.S. 147-69.1 and G.S. 147-69.2.

(b) Any official, board, commission, other public authority, local government, school administrative unit, local ABC board, or community college of the State having

custody of any funds not required by law to be deposited with and invested by the State Treasurer may deposit all or any portion of those funds with the State Treasurer for investment in one of the investment programs established pursuant to this section, subject to any provisions of law with respect to eligible investments, provided that any occupational licensing board as defined in G.S. 93B-1 may participate in one of the investment programs established pursuant to this section regardless of whether or not the funds were required by law to be deposited with and invested by the State Treasurer. In the absence of specific statutory provisions to the contrary, any of those funds may be invested in accordance with the provisions of G.S. 147-69.2 and 147-69.3. Upon request from any depositor eligible under this subsection, the State Treasurer may authorize moneys invested pursuant to this subsection to be withdrawn by warrant on the State Treasurer.

(c) The State Treasurer's investment programs shall be so managed that in the judgment of the State Treasurer funds may be readily converted into cash when needed.

(d) Except as provided by G.S. 147-69.1(d), the total return earned on investments shall accrue pro rata to the fund whose assets are invested according to the formula prescribed by the State Treasurer with the approval of the Governor and Council of State.

(e) The State Treasurer has full powers as a fiduciary to hold, purchase, sell, assign, transfer, lend and dispose of any of the securities or investments in which any of the programs created pursuant to this section have been invested, and may reinvest the proceeds from the sale of those securities or investments and any other investable assets of the program.

(f) The cost of administration, management, and operation of investment programs established pursuant to this section shall be apportioned equitably among the programs in such manner as may be prescribed by the State Treasurer, such costs to be paid from each program, and to the extent not otherwise chargeable directly to the income or assets of the specific investment program or pooled investment vehicle, shall be deposited with the State Treasurer as a General Fund nontax revenue. The cost of administration, management, and operation of investment programs established pursuant to this section and not directly paid from the income or assets of such a specific investment program shall be covered by an appropriation to the State Treasurer for this purpose in the Current Operations Appropriations Act.

(g) The State Treasurer is authorized to retain the services of independent appraisers, auditors, actuaries, attorneys, investment counseling firms, statisticians, custodians, or other persons or firms possessing specialized skills or knowledge necessary for the proper administration of investment programs created pursuant to this section.

(h) The State Treasurer shall prepare, as of the end of each fiscal year, a report on the financial condition of each investment program created pursuant to this section. A copy of each report shall be submitted within 30 days following the end of the fiscal year to the official, institution, board, commission or other agency whose funds are invested, the State Auditor, ~~and the Advisory Budget Commission.~~ Commission, and the chairs of the Finance Committees of the House of Representatives and the Senate.

(i) The State Treasurer shall report at least twice a year to the General Assembly, through the Finance Committees of the House of Representatives and the Senate, on the investment programs created under this section. The Treasurer shall present the reports to a joint meeting of the Finance Committees. The chairs of the Finance Committees may receive the reports and call the meetings. The Finance Committees may meet

during the interim as necessary to hear the reports from the State Treasurer. The State Treasurer's ~~annual report and presentation~~ to the ~~General Assembly~~ Finance Committees shall include all of the following:

- (1) ~~a~~ A full and complete statement of all moneys invested by virtue of the provisions of G.S. 147-69.1 and ~~G.S. 147-69.2, the G.S. 147-69.2.~~
  - (2) The nature and character of investments therein, and the ~~the~~ investments.
  - (3) The revenues derived ~~therefrom.~~ from the investments.
  - (4) The costs of administering, managing, and operating the investment programs, including the recapture of any investment commissions.
  - (5) A statement of the investment policies for the revenues invested.
  - (6) Any other information that may be helpful in understanding the State Treasurer's investment policies and investment results.
  - (7) Any other information requested by the Finance Committees.
- (j) Subject to the provisions of G.S. 147-69.1(d), the State Treasurer shall adopt any rules necessary to carry out the provisions of this section."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Baddour, Oldham, Redwine

**RUTH M. EASTERLING TRUST FUND FOR CHILDREN WITH SPECIAL NEEDS**

**SECTION 6.13.** Whereas, Representative Ruth M. Easterling has served as an advocate for the children of the State for over 25 years as a member of the General Assembly, there is established the "Ruth M. Easterling Trust Fund for Children With Special Needs". The purpose of the Trust Fund is to fund services for children with special needs that are not currently provided with State funds. The Trust Fund shall be used to:

- (1) Provide respite services for adoptive children, for children in foster care, and for other children with special needs at risk of out-of-home placement.
- (2) Pay for special services to, and special equipment for, children with special needs when there is no other source for payment, including, but not limited to, surgical repair of congenital anomalies and the purchase of mobility equipment.
- (3) Provide training to parents and caregivers in the unique care needs of children with special needs.

The Secretary of Health and Human Services shall adopt rules to implement this section. By March 1, 2003, the Secretary shall report to the Chairs of the House of Representatives Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Health and Human Services on the use of the Trust Fund.

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**AUTHORIZE ONE-TIME BOND REFUNDING**

**SECTION 6.14.** By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding obligations for the purpose of refunding outstanding obligations to implement the one-time debt service savings reflected in Section 2.1 of this act. The refunding shall be in accordance with the



provisions of G.S. 142-29.2, 142-29.3, 142-29.4, 142-29.6, and 142-29.7 of the State Refunding Bond Act.

**PART VII. PUBLIC SCHOOLS**

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**TEACHER SALARY SCHEDULES**

**SECTION 7.1.(a)** Effective for the 2002-2003 school year, the Director of the Budget shall transfer from the Reserve for Experience Step Salary Increase for Teachers and Principals in Public Schools for the 2002-2003 fiscal year funds necessary to implement the teacher salary schedule set out in subsection (b) of this section, including funds for the employer's retirement and social security contributions and funds for annual longevity payments at one and one-half percent (1.5%) of base salary for 10 to 14 years of State service, two and twenty-five hundredths percent (2.25%) of base salary for 15 to 19 years of State service, three and twenty-five hundredths percent (3.25%) of base salary for 20 to 24 years of State service, and four and one-half percent (4.5%) of base salary for 25 or more years of State service, commencing July 1, 2002, for all teachers whose salaries are supported from the State's General Fund. These funds shall be allocated to individuals according to rules adopted by the State Board of Education. The longevity payment shall be paid in a lump sum once a year.

**SECTION 7.1.(b)** For the 2002-2003 school year, the following monthly salary schedules shall apply to certified personnel of the public schools who are classified as teachers. The schedule contains 30 steps with each step corresponding to one year of teaching experience.

**2002-2003 MONTHLY SALARY SCHEDULE  
"A" TEACHERS**

| Years of Experience | "A" Teachers | NBPTS Certification |
|---------------------|--------------|---------------------|
| 0                   | \$2,525      | N/A                 |
| 1                   | \$2,567      | N/A                 |
| 2                   | \$2,611      | N/A                 |
| 3                   | \$2,764      | \$3,096             |
| 4                   | \$2,904      | \$3,252             |
| 5                   | \$3,036      | \$3,400             |
| 6                   | \$3,164      | \$3,544             |
| 7                   | \$3,266      | \$3,658             |
| 8                   | \$3,314      | \$3,712             |
| 9                   | \$3,362      | \$3,765             |
| 10                  | \$3,412      | \$3,821             |
| 11                  | \$3,461      | \$3,876             |
| 12                  | \$3,511      | \$3,932             |
| 13                  | \$3,561      | \$3,988             |
| 14                  | \$3,614      | \$4,048             |
| 15                  | \$3,667      | \$4,107             |
| 16                  | \$3,722      | \$4,169             |

|     |         |         |
|-----|---------|---------|
| 17  | \$3,777 | \$4,230 |
| 18  | \$3,834 | \$4,294 |
| 19  | \$3,892 | \$4,359 |
| 20  | \$3,950 | \$4,424 |
| 21  | \$4,011 | \$4,492 |
| 22  | \$4,072 | \$4,561 |
| 23  | \$4,136 | \$4,632 |
| 24  | \$4,200 | \$4,704 |
| 25  | \$4,264 | \$4,776 |
| 26  | \$4,330 | \$4,850 |
| 27  | \$4,398 | \$4,926 |
| 28  | \$4,467 | \$5,003 |
| 29  | \$4,538 | \$5,083 |
| 30+ | \$4,538 | \$5,083 |

**2002-2003 MONTHLY SALARY SCHEDULE  
"M" TEACHERS**

| Years of Experience | "M" Teachers | NBPTS Certification |
|---------------------|--------------|---------------------|
| 0                   | \$2,778      | N/A                 |
| 1                   | \$2,824      | N/A                 |
| 2                   | \$2,872      | N/A                 |
| 3                   | \$3,040      | \$3,405             |
| 4                   | \$3,194      | \$3,577             |
| 5                   | \$3,340      | \$3,741             |
| 6                   | \$3,480      | \$3,898             |
| 7                   | \$3,593      | \$4,024             |
| 8                   | \$3,645      | \$4,082             |
| 9                   | \$3,698      | \$4,142             |
| 10                  | \$3,753      | \$4,203             |
| 11                  | \$3,807      | \$4,264             |
| 12                  | \$3,862      | \$4,325             |
| 13                  | \$3,917      | \$4,387             |
| 14                  | \$3,975      | \$4,452             |
| 15                  | \$4,034      | \$4,518             |
| 16                  | \$4,094      | \$4,585             |
| 17                  | \$4,155      | \$4,654             |
| 18                  | \$4,217      | \$4,723             |
| 19                  | \$4,281      | \$4,795             |
| 20                  | \$4,345      | \$4,866             |
| 21                  | \$4,412      | \$4,941             |
| 22                  | \$4,479      | \$5,016             |
| 23                  | \$4,550      | \$5,096             |
| 24                  | \$4,620      | \$5,174             |
| 25                  | \$4,690      | \$5,253             |
| 26                  | \$4,763      | \$5,335             |
| 27                  | \$4,838      | \$5,419             |

|     |         |         |
|-----|---------|---------|
| 28  | \$4,914 | \$5,504 |
| 29  | \$4,992 | \$5,591 |
| 30+ | \$4,992 | \$5,591 |

**SECTION 7.1.(c)** Certified public school teachers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided for certified personnel of the public schools who are classified as "M" teachers. Certified public school teachers with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the compensation provided for certified personnel of the public schools who are classified as "M" teachers.

**SECTION 7.1.(d)** Effective for the 2002-2003 school year, the first step of the salary schedule for school psychologists shall be equivalent to Step 5, corresponding to five years of experience, on the salary schedule established in this section for certified personnel of the public schools who are classified as "M" teachers. Certified psychologists shall be placed on the salary schedule at an appropriate step based on their years of experience. Certified psychologists shall receive longevity payments based on years of State service in the same manner as teachers.

Certified psychologists with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided for certified psychologists. Certified psychologists with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the compensation provided for certified psychologists.

**SECTION 7.1.(e)** Effective for the 2002-2003 school year, speech pathologists who are certified as speech pathologists at the masters degree level and audiologists who are certified as audiologists at the masters degree level and who are employed in the public schools as speech and language specialists and audiologists shall be paid on the school psychologist salary schedule.

Speech pathologists and audiologists with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided for speech pathologists and audiologists. Speech pathologists and audiologists with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the compensation provided for speech pathologists and audiologists.

**SECTION 7.1.(f)** Certified school nurses who are employed in the public schools as nurses shall be paid on the "M" salary schedule.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULE**

**SECTION 7.2.(a)** Effective for the 2002-2003 school year, the Director of the Budget shall transfer from Reserve for Experience Step Salary Increase for Teachers and Principals in Public Schools for the 2002-2003 fiscal year funds necessary

to implement the salary schedule for school-based administrators as provided in this section. These funds shall be used for State-paid employees only.

**SECTION 7.2.(b)** The base salary schedule for school-based administrators shall apply only to principals and assistant principals. The base salary schedule for the 2002-2003 fiscal year, commencing July 1, 2002, is as follows:

**2002-2003  
PRINCIPAL AND ASSISTANT PRINCIPAL SALARY SCHEDULES**

**CLASSIFICATION**

| Yrs of<br>Exp | Assistant<br>Principal | Prin I<br>(0-10) | Prin II<br>(11-21) | Prin III<br>(22-32) | Prin IV<br>(33-43) |
|---------------|------------------------|------------------|--------------------|---------------------|--------------------|
| 0-4           | \$3,226                | —                | —                  | —                   | —                  |
| 5             | \$3,373                | —                | —                  | —                   | —                  |
| 6             | \$3,515                | —                | —                  | —                   | —                  |
| 7             | \$3,629                | —                | —                  | —                   | —                  |
| 8             | \$3,681                | \$3,681          | —                  | —                   | —                  |
| 9             | \$3,735                | \$3,735          | —                  | —                   | —                  |
| 10            | \$3,791                | \$3,791          | \$3,845            | —                   | —                  |
| 11            | \$3,845                | \$3,845          | \$3,901            | —                   | —                  |
| 12            | \$3,901                | \$3,901          | \$3,956            | \$4,015             | —                  |
| 13            | \$3,956                | \$3,956          | \$4,015            | \$4,074             | \$4,135            |
| 14            | \$4,015                | \$4,015          | \$4,074            | \$4,135             | \$4,197            |
| 15            | \$4,074                | \$4,074          | \$4,135            | \$4,197             | \$4,259            |
| 16            | \$4,135                | \$4,135          | \$4,197            | \$4,259             | \$4,324            |
| 17            | \$4,197                | \$4,197          | \$4,259            | \$4,324             | \$4,388            |
| 18            | \$4,259                | \$4,259          | \$4,324            | \$4,388             | \$4,456            |
| 19            | \$4,324                | \$4,324          | \$4,388            | \$4,456             | \$4,524            |
| 20            | \$4,388                | \$4,388          | \$4,456            | \$4,524             | \$4,596            |
| 21            | \$4,456                | \$4,456          | \$4,524            | \$4,596             | \$4,666            |
| 22            | \$4,524                | \$4,524          | \$4,596            | \$4,666             | \$4,737            |
| 23            | \$4,596                | \$4,596          | \$4,666            | \$4,737             | \$4,811            |
| 24            | \$4,666                | \$4,666          | \$4,737            | \$4,811             | \$4,886            |
| 25            | \$4,737                | \$4,737          | \$4,811            | \$4,886             | \$4,963            |
| 26            | \$4,811                | \$4,811          | \$4,886            | \$4,963             | \$5,042            |
| 27            | \$4,886                | \$4,886          | \$4,963            | \$5,042             | \$5,143            |
| 28            | \$4,963                | \$4,963          | \$5,042            | \$5,143             | \$5,246            |
| 29            | \$5,042                | \$5,042          | \$5,143            | \$5,246             | \$5,351            |
| 30            | \$5,143                | \$5,143          | \$5,246            | \$5,351             | \$5,458            |
| 31            | \$5,246                | \$5,246          | \$5,351            | \$5,458             | \$5,567            |
| 32            | —                      | \$5,351          | \$5,458            | \$5,567             | \$5,678            |
| 33            | —                      | —                | \$5,567            | \$5,678             | \$5,792            |
| 34            | —                      | —                | \$5,678            | \$5,792             | \$5,908            |
| 35            | —                      | —                | —                  | \$5,908             | \$6,026            |
| 36            | —                      | —                | —                  | \$6,026             | \$6,147            |
| 37            | —                      | —                | —                  | —                   | \$6,270            |

**2002-2003  
PRINCIPAL AND ASSISTANT PRINCIPAL SALARY SCHEDULES**

**CLASSIFICATION**

| Yrs of Exp | Prin V (44-54) | Prin VI (55-65) | Prin VII (66-100) | Prin VIII (101+) |
|------------|----------------|-----------------|-------------------|------------------|
| 14         | \$4,259        | —               | —                 | —                |
| 15         | \$4,324        | —               | —                 | —                |
| 16         | \$4,388        | \$4,456         | —                 | —                |
| 17         | \$4,456        | \$4,524         | \$4,666           | —                |
| 18         | \$4,524        | \$4,596         | \$4,737           | \$4,811          |
| 19         | \$4,596        | \$4,666         | \$4,811           | \$4,886          |
| 20         | \$4,666        | \$4,737         | \$4,886           | \$4,963          |
| 21         | \$4,737        | \$4,811         | \$4,963           | \$5,042          |
| 22         | \$4,811        | \$4,886         | \$5,042           | \$5,143          |
| 23         | \$4,886        | \$4,963         | \$5,143           | \$5,246          |
| 24         | \$4,963        | \$5,042         | \$5,246           | \$5,351          |
| 25         | \$5,042        | \$5,143         | \$5,351           | \$5,458          |
| 26         | \$5,143        | \$5,246         | \$5,458           | \$5,567          |
| 27         | \$5,246        | \$5,351         | \$5,567           | \$5,678          |
| 28         | \$5,351        | \$5,458         | \$5,678           | \$5,792          |
| 29         | \$5,458        | \$5,567         | \$5,792           | \$5,908          |
| 30         | \$5,567        | \$5,678         | \$5,908           | \$6,026          |
| 31         | \$5,678        | \$5,792         | \$6,026           | \$6,147          |
| 32         | \$5,792        | \$5,908         | \$6,147           | \$6,270          |
| 33         | \$5,908        | \$6,026         | \$6,270           | \$6,395          |
| 34         | \$6,026        | \$6,147         | \$6,395           | \$6,523          |
| 35         | \$6,147        | \$6,270         | \$6,523           | \$6,653          |
| 36         | \$6,270        | \$6,395         | \$6,653           | \$6,786          |
| 37         | \$6,395        | \$6,523         | \$6,786           | \$6,922          |
| 38         | \$6,523        | \$6,653         | \$6,922           | \$7,060          |
| 39         | —              | \$6,786         | \$7,060           | \$7,201          |
| 40         | —              | \$6,922         | \$7,201           | \$7,345          |
| 41         | —              | —               | \$7,345           | \$7,492          |

**SECTION 7.2.(c)** The appropriate classification for placement of principals and assistant principals on the salary schedule, except for principals in alternative schools, shall be determined in accordance with the following schedule:

| <b>Classification</b> | <b>Number of Teachers Supervised</b> |
|-----------------------|--------------------------------------|
| Assistant Principal   |                                      |
| Principal I           | Fewer than 11 Teachers               |
| Principal II          | 11-21 Teachers                       |
| Principal III         | 22-32 Teachers                       |
| Principal IV          | 33-43 Teachers                       |
| Principal V           | 44-54 Teachers                       |
| Principal VI          | 55-65 Teachers                       |

Principal VII  
Principal VIII

66-100 Teachers  
More than 100 Teachers

The number of teachers supervised includes teachers and assistant principals paid from State funds only; it does not include teachers or assistant principals paid from non-State funds or the principal or teacher assistants.

The beginning classification for principals in alternative schools shall be the Principal III level. Principals in alternative schools who supervise 33 or more teachers shall be classified according to the number of teachers supervised.

**SECTION 7.2.(d)** A principal shall be placed on the step on the salary schedule that reflects total number of years of experience as a certificated employee of the public schools and an additional step for every three years of experience as a principal. A principal or assistant principal shall also continue to receive any additional State-funded percentage increases earned for the 1997-1998, 1998-1999, and the 1999-2000 school year for improvement in student performance or maintaining a safe and orderly school.

**SECTION 7.2.(e)** Principals and assistant principals with certification based on academic preparation at the six-year degree level shall be paid a salary supplement of one hundred twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a salary supplement of two hundred fifty-three dollars (\$253.00) per month.

**SECTION 7.2.(f)** There shall be no State requirement that superintendents in each local school unit shall receive in State-paid salary at least one percent (1%) more than the highest paid principal receives in State salary in that school unit: Provided, however, the additional State-paid salary a superintendent who was employed by a local school administrative unit for the 1992-93 fiscal year received because of that requirement shall not be reduced because of this subsection for subsequent fiscal years that the superintendent is employed by that local school administrative unit so long as the superintendent is entitled to at least that amount of additional State-paid salary under the rules in effect for the 1992-93 fiscal year.

**SECTION 7.2.(g)** Longevity pay for principals and assistant principals shall be as provided for State employees under the State Personnel Act.

**SECTION 7.2.(h)**

- (1) If a principal is reassigned to a higher job classification because the principal is transferred to a school within a local school administrative unit with a larger number of State-allotted teachers, the principal shall be placed on the salary schedule as if the principal had served the principal's entire career as a principal at the higher job classification.
- (2) If a principal is reassigned to a lower job classification because the principal is transferred to a school within a local school administrative unit with a smaller number of State-allotted teachers, the principal shall be placed on the salary schedule as if the principal had served the principal's entire career as a principal at the lower job classification.

This subsection applies to all transfers on or after the effective date of this section, except transfers in school systems that have been created, or will be created, by merging two or more school systems. Transfers in these merged systems are exempt from the provisions of this subsection for one calendar year following the date of the merger.

**SECTION 7.2.(i)** Participants in an approved full-time Masters in School Administration program shall receive up to a 10-month stipend at the beginning

salary of an assistant principal during the internship period of the masters program. Certification of eligible full-time interns shall be supplied to the Department of Public Instruction by the Principal Fellows Program or a school of education where the intern participates in a full-time Masters in School Administration.

**SECTION 7.2.(j)** During the 2002-2003 fiscal year, the placement on the salary schedule of an administrator with a one-year provisional assistant principal's certificate shall be at the entry-level salary for an assistant principal or the appropriate step on the teacher salary schedule, whichever is higher.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**LITIGATION RESERVE FUNDS**

**SECTION 7.3.** The State Board of Education may expend up to five hundred thousand dollars (\$500,000) for the 2002-2003 fiscal year from unexpended funds for certified employees' salaries to pay expenses related to pending litigation.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**CHILDREN WITH DISABILITIES**

**SECTION 7.4.** The State Board of Education shall allocate funds for children with disabilities on the basis of two thousand six hundred eighty-six dollars and fifty cents (\$2,686.50) per child for a maximum of 161,845 children for the 2002-2003 school year. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and five-tenths percent (12.5%) of the 2002-2003 allocated average daily membership in the local school administrative unit.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**FUNDS FOR ACADEMICALLY GIFTED CHILDREN**

**SECTION 7.5.** The State Board of Education shall allocate funds for academically or intellectually gifted children on the basis of eight hundred eighty-eight dollars (\$888.00) per child. A local school administrative unit shall receive funds for a maximum of four percent (4%) of its 2002-2003 allocated average daily membership, regardless of the number of children identified as academically or intellectually gifted in the unit. The State Board shall allocate funds for no more than 53,075 children for the 2002-2003 school year.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**FUNDS FOR THE TESTING AND IMPLEMENTATION OF THE NEW STUDENT INFORMATION SYSTEM**

**SECTION 7.6.** Section 28.32 of S.L. 2001-424 reads as rewritten:

"**SECTION 28.32.** The State Board of Education may transfer up to one million dollars (\$1,000,000) in funds appropriated for the Uniform Education Reporting System for the 2001-2002 fiscal year and up to one million dollars (\$1,000,000) in funds appropriated for the Uniform Education Reporting System for the 2002-2003 fiscal year to the Department of Public Instruction to lease or purchase equipment necessary for the

testing and implementation of NC WISE, the new student information system in the public schools."

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**FUNDS TO IMPLEMENT THE ABCs OF PUBLIC EDUCATION**

**SECTION 7.7.(a)** The State Board of Education shall use funds appropriated for State Aid to Local School Administrative Units for the 2002-2003 fiscal year to provide incentive funding for schools that met or exceeded the projected levels of improvement in student performance during the 2001-2002 school year, in accordance with the ABCs of Public Education Program. In accordance with State Board of Education policy:

- (1) Incentive awards in schools that achieve higher than expected improvements may be up to:
  - a. One thousand five hundred dollars (\$1,500) for each teacher and for certified personnel; and
  - b. Five hundred dollars (\$500.00) for each teacher assistant.
- (2) Incentive awards in schools that meet the expected improvements may be up to:
  - a. Seven hundred fifty dollars (\$750.00) for each teacher and for certified personnel; and
  - b. Three hundred seventy-five dollars (\$375.00) for each teacher assistant.

**SECTION 7.7.(b)** The State Board of Education may use funds appropriated to State Aid to Local School Administrative Units for assistance teams to low-performing schools.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**REVISION OF READING AND WRITING ASSESSMENTS**

**SECTION 7.8.** Of the funds appropriated to State Aid to Local School Administrative Units, the State Board of Education may use up to one million dollars (\$1,000,000) for the 2002-2003 fiscal year to revise the reading and writing assessments.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**FUNDS FOR INSTRUCTIONAL SUPPLIES**

**SECTION 7.9.(a)** Section 28.39(a) of S.L. 2001-424 applies only to funds appropriated for the 2001-2002 fiscal year.

**SECTION 7.9.(b)** The Joint Legislative Education Oversight Committee shall study the viability of the State contracting with on-line school supply vendors to allow teachers free access to a specific amount of school supplies, textbooks, test, and other classroom related materials. The Committee shall determine if the establishment of an on-line debit account for each teacher is cost-effective and an efficient way to meet the supply needs of teachers. The Committee shall report to the General Assembly its findings and any recommended action by January 15, 2003.



Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**FUNDS FOR MENTOR PAY**

**SECTION 7.10.** State funds appropriated for mentor pay shall be used only to provide mentors for employees who are in State-funded positions and who are either (i) newly certified teachers in their first two years of employment as teachers or (ii) entry-level instructional support personnel who have not previously been teachers and who are in their first year of employment as instructional support personnel.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**CONVERSION OF ACCUMULATED LEAVE TIME**

**SECTION 7.11.(a)** G.S. 115C-302.1(c1) and (c2) reads as rewritten, and a new subsection is enacted to read:

**"§ 115C-302.1. Salary.**

...  
~~(c1) Conversion of Leave.—Teachers may accumulate annual vacation leave days without any applicable maximum until June 30 of each year. In order that only 30 days of annual vacation leave carry forward to July 1, on June 30 of each year any teacher or other personnel paid on the teacher salary schedule who has accumulated more than 30 days of annual vacation leave shall:~~

- ~~(1) Convert to either sick leave or to pay the excess accumulation that is the result of the teacher having to forfeit annual vacation leave in order to attend required workdays; and~~
- ~~(2) Convert to sick leave the remaining excess accumulation.~~

~~Local boards of education shall identify which days are accumulated due to the teacher forfeiting annual vacation leave in order to attend required workdays. Actual payment for excess accumulated annual vacation leave may be made after July 1.~~

~~(c2) Conversion of Leave Upon Separation of Service.—Upon separation from service due to service retirement, resignation, dismissal, reduction in force, or death, an employee shall be paid in a lump sum for accumulated annual vacation leave not to exceed a maximum of 30 days. Employees going onto term disability may exhaust annual leave rather than be paid in a lump sum.~~

~~Any teacher or other personnel paid on the teacher salary schedule who has more than 30 days of accumulated annual vacation leave at the time the person retires shall:~~

- ~~(1) Convert to either sick leave or to pay the excess accumulation that is the result of the teacher having to forfeit annual vacation leave in order to attend required workdays; and~~
- ~~(2) Convert to sick leave the remaining excess accumulation which may be used for creditable service at retirement in accordance with G.S. 135-4(e).~~

~~Local boards of education shall identify which days are accumulated due to the teacher forfeiting annual vacation leave in order to attend required workdays.~~

(c3) Teachers may accumulate annual vacation leave days without any applicable maximum until June 30 of each year. In order that only 30 days of annual vacation leave carry forward to July 1, on June 30 of each year any teacher or other personnel paid on the teacher salary schedule who has accumulated more than 30 days of annual vacation leave shall convert to sick leave the remaining excess accumulation.

Upon separation from service due to service retirement, resignation, dismissal,

reduction in force, or death, an employee shall be paid in a lump sum for accumulated annual leave not to exceed a maximum of 30 days. In addition to the maximum of 30 days pay for accumulated annual leave, upon separation from service due to service retirement, any teacher or other personnel paid on the teacher salary schedule with more than 30 days of accumulated annual vacation leave may convert some or all of the excess accumulation to sick leave for creditable service towards retirement. Employees going onto term disability may exhaust annual leave rather than be paid in a lump sum.

...."

**SECTION 7.11.(b)** This section applies only to leave days accruing after the date this act becomes law.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**RESA FUNDS SHALL BE USED FOR STAFF DEVELOPMENT**

**SECTION 7.12.(a)** Funds allocated to local school administrative units for Regional Education and Technical Assistance Centers and not expended prior to July 1, 2002, shall remain available to local school administrative units for the 2002-2003 fiscal year. These funds shall be transferred to the staff development funding allotment and shall be used only for staff development.

**SECTION 7.12.(b)** This section becomes effective June 30, 2002.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**BASE BUDGET REDUCTION TO DEPARTMENT OF PUBLIC INSTRUCTION/ REORGANIZATION OF THE DEPARTMENT**

**SECTION 7.13.(a)** Notwithstanding any other provision of law, the Department of Public Instruction may use salary reserve funds and other funds in the Department's continuation budget to transfer and reclassify positions as necessary to implement the reduction in force for the 2002-2003 fiscal year.

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

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

The Office of State Budget and Management shall consult with the Joint Legislative Education Oversight Committee prior to the award of the contract.

**SECTION 7.13.(c)** Notwithstanding G.S. 143-23, the State Board of Education may reorganize the Department of Public Instruction, create a new associate superintendent position in the Department, and transfer funds within the budget of the Department to the extent necessary to implement the reorganization.

Requested by: Senators Dalton, Lucas, Garrou, Hagan, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**REPLACEMENT SCHOOL BUSES FUNDS**

**SECTION 7.14.(a)** Of the funds appropriated to the State Board of

Education for the 2002-2003 fiscal year, the Board may use up to ten million dollars (\$10,000,000) for allotments to local boards of education for replacement school buses under G.S. 115C-249(c) and (d). In making these allotments, the State Board of Education may impose any of the following conditions:

- (1) The local board of education must use the funds only to make the first year's payment on a financing contract entered into pursuant to G.S. 115C-528.
- (2) The term of a financing contract entered into under this section shall not exceed three years.
- (3) The local board of education must purchase the buses only from vendors selected by the State Board of Education and on terms approved by the State Board of Education.
- (4) The State Board of Education shall solicit bids for the direct purchase of buses and for the purchasing of buses through financing. The State Board of Education may solicit separate bids for financing if the Board determines that multiple financing options are more cost-efficient.
- (5) A bus financed pursuant to this section must meet all federal motor vehicle safety regulations for school buses.
- (6) Any other condition the State Board of Education considers appropriate.

**SECTION 7.14.(b)** It is the intent of the General Assembly to continue its annual appropriations to the State Board of Education for replacement school buses.

**SECTION 7.14.(c)** Any term contract for the purchase or lease-purchase of school buses or school activity buses shall not require vendor payment of the electronic procurement transaction fee of the North Carolina E-Procurement Service.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**CURRICULUM REVIEW REQUIRED ON A REGULAR BASIS**

**SECTION 7.15.** G.S. 115C-12(9a) reads as rewritten:

- "(9a) Power to Develop Content Standards. – The Board shall develop a comprehensive plan to revise content standards and the standard course of study in the core academic areas of reading, writing, mathematics, science, history, geography, and civics. The Board shall involve and survey a representative sample of parents, teachers, and the public to help determine academic content standard priorities and usefulness of the content standards. A full review of available and relevant academic content standards that are rigorous, specific, sequenced, clear, focused, and measurable, whenever possible, shall be a part of the process of the development of content standards. The revised content standards developed in the core academic areas shall (i) reflect high expectations for students and an in-depth mastery of the content; (ii) be clearly grounded in the content of each academic area; (iii) be defined grade-by-grade and course-by-course; (iv) be understandable to parents and teachers; (v) be developed in full recognition of the time available to teach the core academic areas at each grade level; and (vi) be measurable, whenever possible, in a reliable, valid, and efficient manner for accountability purposes.

High school course content standards shall include the knowledge and skills necessary to enter the workforce and also shall be aligned with the coursework required for admission to the constituent institutions of The University of North Carolina. The Board shall develop and implement a plan for end-of-course tests for the minimum courses required for admission to the constituent institutions. All end-of-course tests shall be aligned with the content standards.

The Board also shall develop and implement an ongoing process to align State programs and support materials with the revised academic content standards for each core academic area ~~every five years.~~ on a regular basis. Alignment shall include revising textbook criteria, support materials, State tests, teacher and school administrator preparation, and ongoing professional development programs to be compatible with content standards. The Board shall develop and make available to teachers and parents support materials, including teacher and parent guides, for academic content standards. The State Board of Education shall work in collaboration with the Board of Governors of The University of North Carolina to ensure that teacher and school administrator degree programs, ongoing professional development and other university activity in the State's public schools align with the State Board's priorities."

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **CORPORATE TAX TRANSFER MORATORIUM**

**SECTION 7.16.(a)** Notwithstanding the provisions of G.S. 115C-489.1(b), the Secretary of Revenue shall not deposit any funds in the Critical School Facility Needs Fund during the 2002-2003 fiscal year but shall deposit in the State Public School Fund the funds that would have otherwise been deposited in the Critical School Facility Needs Fund pursuant to G.S. 115C-489.1(b).

**SECTION 7.16.(b)** Notwithstanding the provisions of G.S. 115C-546.1(b), the Secretary of Revenue shall not remit any funds for credit to the Public School Building Capital Fund during the 2002-2003 fiscal year but shall deposit in the State Public School Fund the funds that would have otherwise been deposited in the Public School Building Capital Fund pursuant to G.S. 115C-546.1(b). The Department of Public Instruction may continue to use these funds to support six positions in the School Planning Division.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **STUDY MODIFICATIONS**

**SECTION 7.17.(a)** Supplemental Funding in Low-Wealth Counties (Compliance with the Nonsupplant Requirement). – Section 28.6(i) of S.L. 2001-424 reads as rewritten:

"**SECTION 28.6.(i)** Reports. – The State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to ~~May 1, 2002,~~ May 1, 2002 and May 1, 2003, if it determines that counties have supplanted funds."

**SECTION 7.17.(b)** Small School System Supplemental Funding (Compliance with the Nonsupplant Requirement). – Section 28.7(e) of S.L. 2001-424 reads as rewritten:

"**SECTION 28.7.(e)** Reports. – The State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to ~~May 1, 2002~~, May 1, 2002 and May 1, 2003, if it determines that counties have supplanted funds."

**SECTION 7.17.(c)** Study of the Textbook Distribution System. – Section 28.24 of S.L. 2001-424 reads as rewritten:

"**SECTION 28.24.** The State Board of Education shall contract for an analysis of the best and most efficient method to manage textbook distribution to the local schools. The Board shall prepare a Request for Proposals (RFP) outlining the scope of the analysis required and select a private consultant to perform the analysis. The analysis shall include such issues as timely delivery, total costs to the local school systems in providing textbooks to school buildings, use of currently available technology in the process, pricing practices among the textbook publishing industry, and other issues the Board considers relevant to a comprehensive review of the system.

Prior to award of a contract, the State Board shall present the Request for Proposals to the Joint Legislative Education Oversight Committee for comment. The State Board shall report to the Joint Legislative Education Oversight Committee on the results of the consultant's analysis, including the Board's recommendations for changes in the current system. The Board shall make its final report to the Committee by ~~April 1, 2002~~.February 1, 2003."

**SECTION 7.17.(d)** Study of the Salaries of School Food Service Workers and Custodians. – Section 28.34 of S.L. 2001-424 reads as rewritten:

"**SECTION 28.34.** The Joint Legislative Education Oversight Committee shall study the salaries of food service workers and custodians employed by the public schools. The Committee shall report its findings to the ~~2002 Regular Session of the 2001 General Assembly~~.2003 General Assembly."

**SECTION 7.17.(e)** Study of Salary Differentials for Instructional Support Personnel. – Section 28.37(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 28.37.(b)** The Joint Legislative Education Oversight Committee shall study salary differentials for instructional support personnel. In the course of the study, the Committee shall consider salary differentials based on degrees and other educational credentials, licensure or certification by State agencies, licensure or certification by private entities, and other factors. The Committee shall report its findings and recommendations to the ~~2002 Regular Session of the 2001 General Assembly~~.2003 General Assembly."

**SECTION 7.17.(f)** Fairness in Testing (Study of the State's Testing Program). – Section 28.17(i) of S.L. 2001-424 reads as rewritten:

"**SECTION 28.17.(i)** The Joint Legislative Education Oversight Committee shall study the State's testing program. As part of this study, the Committee shall consider:

- (1) The number of tests currently mandated at the State level and the process and cost of developing, validating, and scoring them.
- (2) Whether the State should consider the use of nationally developed tests as a substitute to State-developed testing. In particular, the Committee shall determine whether this use would (i) affect the ABCs Program, (ii) adequately measure student achievement and performance, (iii) provide more than minimum levels of achievement, (iv) provide a better comparison to student achievement and performance in other

- states, (v) be practical for high school courses or higher level courses, (vi) reduce the need for field testing, and (vii) offer any cost savings to the State.
- (3) The number of grades in which State tests are given. The Committee shall determine the necessity for testing all grades in third through eighth grades, whether a reduction in the grades tested would affect the receipt of federal money, and the extent to which a reduction would impair the State's ability to identify schools under the ABCs Program.
  - (4) The high school courses for which State tests are given and whether there is an appropriate distribution of tests across grades nine through 12 and that test an appropriate array of the minimum courses required for admission to the constituent institutions of The University of North Carolina. In addition, the Committee shall examine whether students who take higher level courses and students in 12<sup>th</sup> grade are held accountable for their academic growth and performance.
  - (5) The advantages and disadvantages of using a composite of end-of-course tests or other tests such as the SAT, AP tests, or other nationally standardized tests in high school rather than developing a high school exit exam. If the Committee finds a high school exit exam is preferable, then it shall determine whether it must be administered to all students or limited to certain students, for example, those who do not take the SAT or a certain number of courses for which there are end-of-course tests.
  - (6) The extent to which additional testing, including field testing, practice testing, and locally mandated testing, is occurring and whether this should be limited or prohibited.
  - (7) Evaluate alternative schools to determine how educational achievement is being advanced in these alternative school programs and that placement in these programs is to improve student performance rather than improve the performance of the school in which the student originally was assigned.
  - (7a) The extent to which the State tests assist in compliance with the assessment and accountability provisions of the federal "No Child Left Behind" law and regulations, the ABCs Program model, and the Leandro rulings.
  - (8) Any other issue the Committee considers relevant.

The Committee shall report its findings and any recommendations, including recommended legislation, to the ~~2002 Regular Session of the 2001 General Assembly~~ 2003 General Assembly."

**SECTION 7.17.(g)** Noncitizen Tuition Rates. – Section 8.9 of S.L. 2001-491 is repealed.

**SECTION 7.17.(h)** Study of Professional Development for School Personnel. – Section 31.4(d) of S.L. 2001-424 reads as rewritten:

**"SECTION 31.4.(d)** The Joint Legislative Education Oversight Committee shall review the consultant's findings and recommendations and shall submit to the ~~2002 Regular Session of the 2001 General Assembly~~ 2003 General Assembly recommendations to streamline, reorganize, and improve the delivery of professional development for public school professionals. The recommendations may address

revisions to program governance and mission, reallocation of funds, methods of program delivery, and methods to institute ongoing program evaluation."

Requested by: Senators Dalton, Lee; Representatives Yongue, Easterling

**PERFORMANCE-BASED LICENSURE PROGRAM/SUSPENSION OF PORTFOLIO REQUIREMENT AND STUDY**

**SECTION 7.18.(a)** The State Board of Education, in consultation with the Board of Governors of The University of North Carolina and the Education Cabinet, shall review teacher preparation programs and the continuing certification process to determine how these programs can be modified to enhance the continuing teacher certification process and to reduce the burden the continuing certification process places on newly certified teachers. This evaluation shall consider strategies for streamlining the current continuing certification process and reducing the amount of documentation required in the applicant's portfolio.

The State Board of Education shall suspend the portfolio requirement for all teachers who are required, under the current law, to submit portfolios from August 1, 2002, through June 30, 2004. Teachers who are not required to submit portfolios during the period the portfolio requirement is suspended shall be subject to interim requirements adopted by the State Board and shall complete the interim requirements. The State Board of Education shall make every effort to insure that any interim requirements do not require significant and unnecessary paperwork, effort, and administrative burden. Prior to implementation of the interim requirements, the State Board of Education shall report to the Joint Legislative Education Oversight Committee on the proposed requirements.

**SECTION 7.18.(b)** The State Board of Education shall contract with an outside consultant to study and propose modifications to the current North Carolina initial certification, continuing certification, and recertification programs that ensure high standards, support for teachers, and high retention rates. Specifically, the contractor shall:

- (1) Review the administration and implementation of the certification programs and identify significant strengths and weaknesses of the programs;
- (2) Identify issues related to administration, staffing, and paperwork at the school, local, and State levels;
- (3) Investigate and identify communication concerns about the certification programs between the school, local, and State levels;
- (4) Randomly survey and interview participating teachers and administrators regarding key aspects of the certification programs and ways to improve them;
- (5) Examine the possibility of making the programs more focused on and supportive of early teacher development and integrating them more appropriately into a teacher's daily work;
- (6) Examine the portfolios previously submitted and identify the elements that are most troublesome to teachers, schools, and school systems;
- (7) Identify alternatives to the portfolio approach and ways to keep paperwork requirements to a minimum;
- (8) Review the State's mentor program and the mentor's role in support of certification efforts to determine whether the two programs are complementary;

- (9) Examine the effect of the certification programs on teacher retention, using valid evidence; and
- (10) Examine the impact the certification programs have on improving teaching practices, using valid evidence.

**SECTION 7.18.(c)** The State Board of Education shall use the results of the study to make recommendations to:

- (1) Improve the administration and implementation of the certification programs, including improving the process for teachers;
- (2) Resolve the issues surrounding the portfolio process and the collection of professional evidence during initial certification;
- (3) Reduce paperwork and bureaucracy in initial certification, continuing certification, and recertification for teachers, schools, and school systems;
- (4) Provide schools and districts incentives and flexibility to participate in more rigorous certification processes;
- (5) Effectively use information regarding teacher supply and demand, standards and retention to inform policy decisions;
- (6) Improve the relationship and coordination between the certification programs and mentoring programs;
- (7) Provide appropriate sample work to teachers, including lesson plans, unit plans, and other professional work required during initial certification; and
- (8) Provide ongoing program evaluation to monitor the quality of the programs and to inform policymakers.

**SECTION 7.18.(d)** The State Board of Education shall enlist the assistance of the Southern Regional Education Board in evaluating the responses to the request for proposals. Prior to awarding the contract for the consultant study, the State Board shall consult with the Joint Legislative Education Oversight Committee.

The State Board shall use federal No Child Left Behind State Grants for Improving Teacher Quality, to the extent possible, to cover the cost of the consultant and study.

The State Board shall report the findings of the consultant and the recommendations required by this section to the Joint Legislative Education Oversight Committee by January 1, 2004.

**SECTION 7.18.(e)** The Joint Legislative Education Oversight Committee shall make recommendations to the General Assembly on any changes to law or policy affecting certification of teachers on or after August 1, 2004, after reviewing the findings and recommendations of the consultant and State Board of Education.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**STUDY OF COORDINATION OF CENTRAL OFFICE DUTIES**

**SECTION 7.19.** The State Board of Education shall study whether local school administrative units can effectively and efficiently coordinate central office operations and functions between systems. The State Board shall report to the Senate Appropriations Committee on Education/Higher Education and the House Appropriations Subcommittee on Education prior to March 1, 2003, on how base



funding formulas for central office administrations can be reduced based on the coordination of duties.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**DISCREPANCIES BETWEEN ANTICIPATED AND ACTUAL ADM**

**SECTION 7.20.(a)** If the State Board of Education does not have sufficient resources in the ADM Contingency Reserve line item to make allotment adjustments in accordance with the Allotment Adjustments for ADM Growth provisions of the North Carolina Public Schools Allotment Policy Manual, the State Board of Education may use funds appropriated to State Aid for Public Schools for this purpose.

**SECTION 7.20.(b)** If the first-month average daily membership in a local school administrative unit is at least two percent (2%) or 100 students lower than the anticipated average daily membership used for allotments for the unit, the State Board of Education shall reduce allotments for the unit. The reduced allotments shall be based on the first-month average daily membership plus one-half of the number of students overestimated in the anticipated average daily membership.

The allotments reduced pursuant to this subsection shall include only those allotments that may be increased pursuant to the Allotment Adjustments for ADM Growth provisions of the North Carolina Public Schools Allotment Policy Manual.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**HIGH SCHOOL EXIT EXAMINATION**

**SECTION 7.21.** Notwithstanding Section 8.27(f) of S.L. 1997-443, the State Board of Education shall review the requirements of the federal "No Child Left Behind Act of 2001". (20 USCS §§ 6301 et seq.) and any regulations adopted to implement this legislation before the Board completes the development of the high school exit examinations and implements the high school exit examinations. The Board shall consider whether revisions to the State testing program and School-Based Management and Accountability Program are necessary to comply with federal requirements. The Board shall not adopt any revisions prior to reporting them and a proposed timetable for their implementation to the Joint Legislative Education Oversight Committee.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**CLARIFICATION TO PROVISION ON ADDRESSING TEACHER SHORTAGE**

**SECTION 7.22.** Section 29.2(a)(2) of S.L. 2001-424 reads as rewritten:

"(2) The sum of \$1,500,000 for the 2001-2002 fiscal year and the sum of \$1,500,000 for the 2002-2003 fiscal year shall be used to provide annual bonuses of one thousand eight hundred dollars (\$1,800) to teachers certified in and teaching in the fields of mathematics, science, or special education in grades 6 through 12 at middle and high schools with eighty percent (80%) or more of the students eligible for free or reduced lunch or with fifty percent (50%) or more of students performing below grade level in Algebra I and Biology. The bonus shall be paid monthly with matching benefits. Teachers shall remain eligible for the bonuses so long as they continue to teach in one of

these disciplines at a school that was eligible for the bonus program when the teacher first received the bonus."

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**EXTEND ALTERNATIVE LATERAL ENTRY PROGRAM**

**SECTION 7.24.** Section 2 of S.L. 1998-226 reads as rewritten:

"**Section 2.** This act is effective when it becomes law and expires ~~September 1, 2002~~, September 1, 2006, except that it remains effective for any teacher employed under this act before ~~September 1, 2002~~. September 1, 2006."

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**ADDITIONAL TEACHER POSITIONS FOR FIRST GRADE**

**SECTION 7.25.(a)** The class size allotment for first grade for the 2002-2003 school year shall be one teacher for every 18 students. The average class size for first grade within a local school administrative unit shall not exceed 21 students. The maximum class size for first grade for individual classes for the 2002-2003 fiscal year shall be 24 students.

**SECTION 7.25.(b)** For the 2002-2003 school year only, a local school administrative unit shall use these additional teacher positions to reduce class size in first grade.

**SECTION 7.25.(c)** For the 2003-2004 school year and subsequent school years, the maximum class size limit for first grade shall be based on an allotment ratio of one teacher for every 18 students.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**LOCAL EDUCATION AGENCY FLEXIBILITY**

**SECTION 7.26.** Within 14 days of the date this act becomes law, the State Board of Education shall notify each local school administrative unit of the amount the unit must reduce from State General Fund appropriations. The State Board shall determine the amount of the reduction for each unit on the basis of average daily membership.

The State Board of Education shall review the first month average daily membership information for each local school administrative unit and reduce allotments to local school administrative units that received planning allotments based on 500 or more students than were in the actual first month's average daily membership. The amount reduced shall be applied to the total Reserve for Local Education Agency Discretionary Reduction prior to determining the amount of the reduction for each unit.

Each unit shall report to the Department of Public Instruction on the discretionary budget reductions it has identified for the unit within 30 days of the date this act becomes law.

The General Assembly urges local school administrators to make every effort to reduce spending whenever and wherever such budget reductions are appropriate as long as the targeted reductions do not directly impact classroom services or any services for students at risk or children with special needs, including those services or supports

that are called for in students' Personal Education Plans (PEP) and/or Individual Education Plans (IEP). If reductions to the allotment categories listed in this paragraph are necessary in order to meet the reduction target, the local board of education shall submit an explanation of the anticipated impact of the reductions to student services along with the budget reductions to the Department of Public Instruction.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**BUSINESS AND EDUCATION TECHNOLOGY ALLIANCE**

**SECTION 7.27.(a)** There is created the State Board of Education's Business and Education Technology Alliance.

**SECTION 7.27.(b)** The Business and Education Technology Alliance shall be composed of 27 members who have knowledge and interest in ensuring that the effective use of technology is built into the North Carolina School System for the purpose of preparing a globally competitive workforce and citizenry for the 21st century. These members shall be appointed as follows:

- (1) The Superintendent of Public Instruction or his or her designee;
- (2) One member of the State Board of Education appointed by the chair of the State Board of Education;
- (3) One parent of a public school child appointed by the State Board of Education after receiving recommendations from the North Carolina State Parent Teacher Association;
- (4) Two members of the Senate appointed by the President Pro Tempore of the Senate;
- (5) Two members of the House of Representatives appointed by the Speaker of the House of Representatives;
- (6) One member of a local board of education who represents a local education agency (LEA) that has successfully incorporated technology into its schools, who is appointed by the Governor, after receiving recommendations from the North Carolina School Boards Association;
- (7) One member of a local board of education who represents a local education agency (LEA) that has limited access to technology, who is appointed by the Governor, after receiving recommendations from the North Carolina School Boards Association;
- (8) Two at-large members appointed by the Governor;
- (9) One representative of business and industry appointed by the State Board of Education after receiving recommendations from the North Carolina Citizens for Business and Industry;
- (10) Four members appointed by the President Pro Tempore of the Senate. In making these appointments the President Pro Tempore is encouraged to consider appointing a local school superintendent or a local school administrator who represents a local education agency that has limited access to technology, a school principal who works in a school that successfully incorporates technology into its instructional program, a school teacher who works in a school with limited access to technology, and a technology director who represents a local education agency (LEA) that has successfully incorporated technology into its schools. Professional associations representing school administrators

- and professional associations representing teachers may recommend appointees to the President Pro Tempore;
- (11) Four members appointed by the Speaker of the House of Representatives. In making these appointments the Speaker of the House of Representatives is encouraged to consider appointing a local school superintendent or a local school administrator from a local education agency that has successfully incorporated the use of technology into its instructional programs, a school principal working in a school with limited access to technology, a school teacher who has successfully incorporated the use of technology into classroom instruction, and a technology director who represents a local education agency (LEA) that has limited access to technology. Professional associations representing school administrators and professional associations representing teachers may recommend appointees to the Speaker of the House of Representatives;
  - (12) One chancellor or his or her designee of institutions of higher education who has demonstrated effective and innovative use of technology for education, appointed by the Board of Governors of The University of North Carolina;
  - (13) One president or his or her designee of the Community College System who has demonstrated effective and innovative use of technology for education, appointed by the State Board of Community Colleges;
  - (14) Two county commissioners, one of whom represents a county that has successfully incorporated technology into its schools and community, who are appointed by the State Board of Education, after receiving recommendations from the North Carolina Association of County Commissioners;
  - (15) Two representatives of technology businesses who have either successfully developed innovative technology programs for education or have partnered with a local education agency (LEA) to develop a technology-based education environment in that LEA, who are appointed by the State Board of Education, after receiving recommendations from North Carolina Electronics and Information Technologies Association and the North Carolina Citizens for Business and Industry; and
  - (16) One representative of the Information Resource Management Commission appointed by the Commission's Chair.

**SECTION 7.27.(c)** Each of the following organizations or agencies shall select a representative from its organization or agency to serve as a nonvoting member to the Alliance. These members shall provide information to the Alliance about technology in North Carolina: Rural Internet Access Authority; Information and Technology Services, North Carolina Department of Public Instruction; Office of State Information Technology Services, Office of the Governor.

**SECTION 7.27.(d)** Members of the Business and Education Technology Alliance shall serve for two-year terms. All members of the Alliance shall be voting members unless they are designated as ex officio members. The officer who made the initial appointment shall fill vacancies in the appointed membership. The member of the

State Board of Education appointed to the Alliance by the chair of the State Board of Education shall serve as chair of the Alliance.

**SECTION 7.27.(e)** Members of the Business and Education Technology Alliance shall receive travel and subsistence expenses in accordance with the provisions of G.S. 120-3.1, 138-5, and 138-6.

**SECTION 7.27.(f)** The Business and Education Technology Alliance shall:

- (1) Advise the State Board of Education on the development of a vision for a technologically literate citizen in 2025. This vision should contain the educational standards needed to accomplish that vision, the educational uses of technology to accomplish that vision, and a plan for educating the community, educators, and business people about the vision and educational uses of technology. The vision and the plan for educating the public about the vision may include:
  - a. Various models and frameworks of the high quality and effective use of technology for education purposes including those students who have not learned with traditional approaches. The models may include the Cumberland County Schools Web Academy, the Virtual High School, and Nova Net.
  - b. Opportunities for teachers to experience the uses of technology in work and business settings, which is the world for which they are preparing students to work.
  - c. Production of multimedia presentations such as videos, commercials, and publications that help citizens, students, and educators see and understand the current and future power of technology for educating our children and impacting our lives.
- (2) Advise the State Board of Education on the development of a technology infrastructure, delivery, and support system that provides equity and access to all segments of the population in North Carolina. The infrastructure, delivery, and support system may include:
  - a. Opportunities for access to high-speed connectivity to the Internet which impacts on the quality of instruction that can be provided for students at school and in the community.
  - b. Technology networks that enable communities to encompass the student and his/her family while maintaining the rights to privacy for all citizens, i.e., a social service, health, education, and mental health network. This network will increase collaboration among agencies and provide a coordinated, systemic service approach.
  - c. Continue to evaluate the status of current technology systems and structures from the State to local level as it relates to employing technology for improving instruction.
  - d. Continue to provide access to technology equipment and infrastructure at home, school, and in the community such as extended hours of operation for schools and other community facilities and on-loan laptop computers for student and parent use.

- e. Continue to develop surveys that provide information about the types and results of technological tools utilized by teachers, students, and others at school, in the community, and home.
  - f. Sufficient personnel to maintain the operation of information technology systems.
  - g. Coordination with regional economic development planners to position local education agencies as an integral part of economic development.
- (3) Advise the State Board of Education on the development of professional development programs for teachers to successfully implement and use technology in public schools for all students. These programs should also develop their leadership skills so that they can use technology as a tool to support the rethinking of the core business of schools: student learning. The professional development programs may include:
- a. Models of staff development from the State that are considered state of the art, support the vision for technology, and that could be used by local districts to train their staffs.
  - b. Designated time for professional development for using technology as well as skills for using technology as a delivery for curriculum and instructional programs.
  - c. Collegial planning time so that colleagues can coach and support each other in learning new ways in which to think about instruction.
  - d. Teacher and administrator preparation and other programs that ensure the Department of Public Instruction's Technology Foundation Standards for Teachers and Administrators in higher education are incorporated into classroom instruction.
  - e. Training teachers with skill sets to teach technical courses that are in growing demand to function at home and work.
  - f. Increase opportunities for sharing best practices in all areas of instruction.
  - g. Increase opportunities for learning how to use technology to customize instruction for all students.
  - h. Increase opportunities for learning how to use technology to diagnose student learning.
- (4) Advise the State Board of Education on the development of a Funding and Accountability system to ensure statewide access and equity. The Funding and Accountability system may include:
- a. Public-private partnerships.
  - b. Identification of resources and the cost of those resources.
  - c. Funding to keep hardware/software current.
  - d. Evaluating progress toward realizing the technology vision.
  - e. Evaluating the impact of various technology initiatives on alleviating some of the State's education and economic development problems.
  - f. Incentives to encourage risk taking and innovative uses of technology.
  - g. Funding for only those initiatives that are well-planned,

demonstrate high commitment, and have a solid evaluation component.

- (5) Report annually to the State Board of Education on the progress of the Alliance's recommendations for education technology in the public schools on the first Friday in December. This report may contain a summary of recommendations for changes to any law, rule, and policy that would improve implementing education technology in the public schools.
- (6) Report annually to the Joint Legislative Education Oversight Committee in the General Assembly on the recommendations for education technology in the public schools on the first Friday in January. This report may contain a summary of recommendations for changes to any law, rule, and policy that would improve implementing education technology in the public schools.

**SECTION 7.27.(g)** Federal funds and private funds may be used to support the Alliance. State funds shall not be used to support the Alliance.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Gibson, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **HIGH PRIORITY SCHOOL PROGRAM WAIVER**

**SECTION 7.28.** Section 29.6(c) of S.L. 2001-424 reads as rewritten:

"**SECTION 29.6.(c)** If a local board of education determines that the local school administrative unit is unable to implement the class-size limitation in accordance with this section for any high-priority school located in the unit, the local board may request a waiver for the school for the 2001-2002 school year. The request shall include the documentation required in G.S. 115C-105.26(a). If the State Board grants the waiver, the State Board shall withdraw the additional teacher positions allotted to the local school administrative unit for the school and reinstate the regular allotment for teacher assistants for the school.

If a local board of education determines that the local school administrative unit is unable to implement the class-size limitation and other high priority initiatives in accordance with this section for any high-priority school located in the unit for the 2002-2003 school year, the local board may request a waiver for the school from the State Superintendent of Public Instruction for the 2002-2003 school year. The Superintendent shall evaluate the school's efforts to meet the goals of high priority schools. The Superintendent may grant a waiver for the 2002-2003 school year if the Superintendent finds that the school is making efforts comparable to those required for high-priority schools and that the educational progress of students in the school is satisfactory."

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **NOTIFICATION OF FIELD TESTING**

**SECTION 7.30.** G.S. 115C-174.12 reads as rewritten:

"**§ 115C-174.12. Responsibilities of agencies.**

(a) The State Board of Education shall establish policies and guidelines necessary for minimizing the time students spend taking tests administered through

State and local testing ~~programs~~ programs, for minimizing the frequency of field testing at any one school, and for otherwise carrying out the provisions of this Article. These policies shall reflect standard testing practices to insure reliability and validity of the sample testing. The results of the field tests shall be used in the final design of each test. The State Board of Education's policies regarding the testing of children with disabilities shall (i) provide broad accommodations and alternate methods of assessment that are consistent with a child's individualized education program and section 504 (29 U.S.C. § 794) plans, (ii) prohibit the use of statewide tests as the sole determinant of decisions about a child's graduation or promotion, and (iii) provide parents with information about the Statewide Testing Program and options for students with disabilities. The State Board shall report its proposed policies and proposed changes in policies to the Joint Legislative Education Oversight Committee prior to adoption.

The State Board of Education may appoint an Advisory Council on Testing to assist in carrying out its responsibilities under this Article.

(b) The Superintendent of Public Instruction shall be responsible, under policies adopted by the State Board of Education, for the statewide administration of the testing program provided by this Article.

(b1) The Superintendent shall notify local boards of education by October 1 of each year of any field tests that will be administered in their schools during the school year, the schools at which the field tests will be administered, and the specific field tests that will be administered at each school.

(c) Local boards of education shall cooperate with the State Board of Education in implementing the provisions of this Article, including the regulations and policies established by the State Board of Education. Local school administrative units shall use the annual and competency testing programs to fulfill the purposes set out in this Article. Local school administrative units are encouraged to continue to develop local testing programs designed to diagnose student needs further."

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Yongue, Boyd-McIntyre, Rogers, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **DRIVERS EDUCATION FUNDING**

**SECTION 7.31.** From funds appropriated by this act to the Department of Transportation, the Department shall pay for the increased costs for drivers education due to the projected increase in average daily membership in the ninth grade drivers education program.

In allocating funds for driver training, the State Board of Education shall consider the needs of small and low-wealth local school administrative units.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **INTERVENTION STRATEGIES FOR CONTINUALLY LOW-PERFORMING SCHOOLS**

**SECTION 7.32.** Section 29.5 of S.L. 2001-424 reads as rewritten:

"**SECTION 29.5.** Of funds appropriated from the General Fund to State Aid to Local School Administrative Units, the sum of one million eight hundred seven thousand two hundred fifty-six dollars (\$1,807,256) for the 2001-2002 fiscal year and the sum of one million nine hundred eighty-six thousand six hundred ninety-one dollars



(\$1,986,691) for the 2002-2003 fiscal year shall be used to provide the State's chronically low-performing schools with tools needed to dramatically improve student achievement. These funds shall be used to implement any of the following strategies at the schools that have not previously been implemented with State or other funds:

- (1) The sum of \$471,366 for the 2001-2002 fiscal year and the sum of \$471,366 for the 2002-2003 fiscal year shall be used to reduce class size at a continually low-performing school to ensure that the number of teachers allotted for students in grades four and five is one for every 17 students; and
- (2) The sum of \$1,207,595 for the 2001-2002 fiscal year and the sum of \$1,207,595 for the 2002-2003 fiscal year shall be used to reduce class size at a continually low-performing school to ensure that the number of teachers allotted in grades six through eight is one for every 17 students, and that the number of teachers allotted in grades nine through twelve is one for every 20 students; and
- (3a) The sum of \$128,295 for fiscal year 2001-2002 shall be used to extend teachers' contracts at these schools by five days for staff development, including methods to individualize instruction in smaller classes and preparation for the 2001-2002 school year. Of these funds, the sum of \$10,175 shall be used for the extension of contracts of the additional teachers in grades four and five provided in subdivision (1) of this section and the sum of \$118,120 shall be used for the extension of all teachers' contracts at continually low-performing middle and high schools for the 2001-2002 school year; and
- (3b) The sum of \$307,730 for fiscal year 2002-2003 shall be used to extend teachers' contracts for a total of 10 days, including five days of additional instruction with related costs for other than teachers' salaries for the 2002-2003 school year. Of these funds, the sum of \$24,405 shall be used for the extension of contracts of the additional teachers in grades four and five provided in subdivision (1) of this section and the sum of \$283,325 shall be used for the extension of all teachers' contracts at continually low-performing middle and high schools for the 2002-2003 school year.

Notwithstanding any other provision of law, the State Board of Education may implement intervention strategies for the 2001-2002 and 2002-2003 school year-years that it deems appropriate."

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **STUDY VOCATIONAL EDUCATION TESTS**

**SECTION 7.33.** The Joint Legislative Education Oversight Committee may study the extent to which standardized tests are utilized in Vocational Education classes for the purpose of grading students. The Committee may examine whether appropriate grading weight also is assigned to the assessment of actual student skill performance and knowledge. The Committee may report its findings, which may include legislative recommendations, to the 2003 General Assembly.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney,  
Easterling, Oldham, Redwine

#### **AVAILABILITY OF INFORMATION ON EMPLOYEE QUALIFICATIONS**

**SECTION 7.36.** G.S. 115C-319 reads as rewritten:

##### **"§ 115C-319. Personnel files not subject to inspection.**

Personnel files of employees of local boards of education, former employees of local boards of education, or applicants for employment with local boards of education shall not be subject to inspection and examination as authorized by G.S. 132-6. For purposes of this Article, a personnel file consists of any information gathered by the local board of education which employs an individual, previously employed an individual, or considered an individual's application for employment, and which information relates to the individual's application, selection or nonselection, promotion, demotion, transfer, leave, salary, suspension, performance evaluation, disciplinary action, or termination of employment wherever located or in whatever form.

Nothing in this section shall be construed to prevent local boards of education from disclosing the certification status and other information about employees as required by Section 1111(h)(6) of P.L. 107-110."

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Wright, Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney,  
Easterling, Oldham, Redwine

#### **STUDY OF THE DUTIES OF SCHOOL COUNSELORS**

**SECTION 7.37.** The Joint Legislative Education Oversight Committee shall study the duties of school counselors. In the course of the study the Committee shall consider ways to ensure that school counselors have adequate time to:

- (1) Implement a comprehensive developmental school-counseling program in their schools;
- (2) Provide direct services to students through interdisciplinary curriculum development; group activities; parent workshops; individual student and small-group services; consultation with students, families, and staff; crisis counseling; referrals; peer facilitation; and other means;
- (3) Working in school-counseling program support activities that consist of professional development; consultation, collaboration, and training; and program management and operations; and

The Committee shall also determine the amount of time school counselors currently spend on test coordination activities related to the ABCs Program.

The Committee shall report the results of the study to the 2003 General Assembly.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Creech, Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney,  
Easterling, Oldham, Redwine

#### **DEFINITION OF RETIRED TEACHER MODIFIED**

**SECTION 7.38.** G.S. 115C-325(a)(5a) reads as rewritten:

##### **"§ 115C-325. System of employment for public school teachers.**

(a) Definition of Terms. – As used in this section unless the context requires otherwise:

- (5a) **(Effective until June 30, 2003)** "Retired teacher" means a beneficiary

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

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Warner, Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **LIMIT CERTIFICATION RENEWAL FOR RETIRED TEACHERS**

**SECTION 7.39.** G.S. 115C-296(b) reads as rewritten:

"(b) It is the policy of the State of North Carolina to maintain the highest quality teacher education programs and school administrator programs in order to enhance the competence of professional personnel certified in North Carolina. To the end that teacher preparation programs are upgraded to reflect a more rigorous course of study, the State Board of Education, as lead agency in coordination and cooperation with the University Board of Governors, the Board of Community Colleges and such other public and private agencies as are necessary, shall continue to refine the several certification requirements, standards for approval of institutions of teacher education, standards for institution-based innovative and experimental programs, standards for implementing consortium-based teacher education, and standards for improved efficiencies in the administration of the approved programs. The certification program shall provide for initial certification after completion of preservice training, continuing certification after three years of teaching experience, and certificate renewal every five years ~~thereafter~~ thereafter, until the retirement of the teacher. The last certificate renewal received prior to retirement shall remain in effect for five years after retirement.

The State Board of Education, as lead agency in coordination with the Board of Governors of The University of North Carolina and any other public and private agencies as necessary, shall continue to raise standards for entry into teacher education programs.

The State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall evaluate and develop enhanced requirements for continuing certification. The new requirements shall reflect more rigorous standards for continuing certification and to the extent possible shall be aligned with quality professional development programs that reflect State priorities for improving student achievement.

The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall reevaluate and enhance the requirements for renewal of teacher certificates. The State Board shall consider modifications in the certificate renewal achievement and to make it a mechanism for

teachers to renew continually their knowledge and professional skills. The State Board shall adopt new standards for the renewal of teacher certificates by May 15, 1998.

The standards for approval of institutions of teacher education shall require that teacher education programs for students who do not major in special education include demonstrated competencies in the identification and education of children with learning disabilities. The State Board of Education shall incorporate the criteria developed in accordance with G.S. 116-74.21 for assessing proposals under the School Administrator Training Program into its school administrator program approval standards.

All North Carolina institutions of higher education that offer teacher education programs, masters degree programs in education, or masters degree programs in school administration shall provide performance reports to the State Board of Education. The performance reports shall follow a common format, shall be submitted according to a plan developed by the State Board, and shall include the information required under the plan developed by the State Board."

Requested by: Senators Odom, Lee; Representatives Easterling, Redwine

#### **CERTIFICATION OF SCHOOL NURSES**

**SECTION 7.41.(a)** G.S. 115C-315 is amended by adding the following new subsection to read:

"(d1) Certification for School Nurses. – Notwithstanding any other provision of law or rule, school nurses employed in the public schools prior to July 1, 1998, shall not be required to be nationally certified to continue employment. School nurses not certified by the American Nurses' Association or the National Association of School Nurses shall continue to be paid based on the noncertified nurse salary range as established by the State Board of Education."

**SECTION 7.41.(b)** The Joint Legislative Education Oversight Committee shall study issues related to the qualifications of school nurses. In the course of the study, the Committee shall consider the current State Board of Education rule requiring national certification of school nurses, the availability of school nurses across the State, and the need for additional local flexibility regarding the credentials of school nurses. The Committee shall report the results of its study to the 2003 General Assembly.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING**

**SECTION 7.43.** Section 28.7(a) of S.L. 2001-424 reads as rewritten:

**"SECTION 28.7.(a)** Funds for Small School Systems. – Except as provided in subsection (b) of this section, the State Board of Education shall allocate funds appropriated for small school system supplemental funding (i) to each county school administrative unit with an average daily membership of fewer than 3,175 students and (ii) to each county school administrative unit with an average daily membership of from 3,175 to 4,000 students if the county in which the local school administrative unit is located has a county-adjusted property tax base per student that is below the State-adjusted property tax base per student and if the total average daily membership of all local school administrative units located within the county is from 3,175 to 4,000 students. The allocation formula shall:

- (1) Round all fractions of positions to the next whole position.

- (2) Provide five and one-half additional regular classroom teachers in counties in which the average daily membership per square mile is greater than four, and seven additional regular classroom teachers in counties in which the average daily membership per square mile is four or fewer.
- (3) Provide additional program enhancement teachers adequate to offer the standard course of study.
- (4) Change the duty-free period allocation to one teacher assistant per 400 average daily membership.
- (5) Provide a base for the consolidated funds allotment of at least ~~five hundred forty thousand seventy-four dollars (\$540,074)~~ five hundred seventy-seven thousand one hundred eleven dollars (\$577,111), excluding textbooks.
- (6) Allot vocational education funds for grade 6 as well as for grades 7-12.

If funds appropriated for each fiscal year for small school system supplemental funding are not adequate to fund fully the program, the State Board of Education shall reduce the amount allocated to each county school administrative unit on a pro rata basis. This formula is solely a basis for distribution of supplemental funding for certain county school administrative units and is not intended to reflect any measure of the adequacy of the educational program or funding for public schools. The formula is also not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for such county administrative units."

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **SAMPLE TEST TO VALIDATE K-2 ASSESSMENT**

**SECTION 7.44.** Notwithstanding G.S. 115C-174.11(a), the Department of Public Instruction may administer a standardized reading test measure for a one-time, one-year only, pilot study of the comparative predictive validity of the reading assessment used in kindergarten through second grade. This standardized measure may be administered to a sample of students in a maximum of five percent (5%) of the eligible public schools, including eligible charter schools, and is limited to the extent necessary to receive funds as part of the federal Reading First Grant. The results of this standardized measure shall not be used to evaluate, promote, or retain any student.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

#### **RESERVE FOR EXPERIENCE STEP INCREASE FOR TEACHERS AND PRINCIPALS IN PUBLIC SCHOOLS**

**SECTION 7.45.(a)** Funds in the Reserve for Experience Step Increase for Teachers and Principals in Public Schools shall be used for experience step increases for employees of schools operated by a local board of education, the Department of Health and Human Services, the Department of Correction, or the Department of Juvenile Justice and Delinquency Prevention, who are paid on the teacher salary schedule or the principal and assistant principal salary schedule.

**SECTION 7.45.(b)** The Director of the Budget shall transfer to the Board of Governors of The University of North Carolina sufficient funds from the Reserve for Experience Step Increase for Teachers and Principals in Public Schools to provide an

annual average salary increase of one and eighty-four hundredths percent (1.84%), including funds for the employer's retirement and social security contributions, commencing July 1, 2002, for all teaching employees of the North Carolina School of Science and Mathematics, supported by State funds and whose salaries are exempt from the State Personnel Act (EPA). These funds shall be allocated to individuals according to the rules adopted by the Board of Trustees of the North Carolina School of Science and Mathematics and may not be used for any purpose other than for salary increases and necessary employer contributions provided by this section.

## **PART VIII. COMMUNITY COLLEGES**

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

### **COMMUNITY COLLEGE FUNDING FLEXIBILITY**

**SECTION 8.1.** A local community college may use all State funds allocated to it, except for Literacy Funds and Funds for New and Expanding Industries, for any authorized purpose that is consistent with the college's Institutional Effectiveness Plan. Each local community college shall include in its Institutional Effectiveness Plan a section on how funding flexibility allows the college to meet the demands of the local community and to maintain a presence in all previously funded categorical programs.

No more than two percent (2%) systemwide shall be transferred from faculty salaries without the approval of the State Board of Community Colleges. The State Board shall report on any such transfers above two percent (2%) systemwide to the Joint Legislative Commission on Governmental Operations at its next meeting.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney,  
Easterling, Oldham, Redwine

### **REGIONAL PROGRAMS**

**SECTION 8.2.** It is the intent of the General Assembly to increase the number of regional program offerings in community colleges and to reduce duplication of programs by colleges that are within reasonably close proximity to each other; therefore, the State Board of Community Colleges shall review existing programs to determine which of the existing programs can be offered regionally. In developing new programs, the State Board of Community Colleges shall consider whether a regional approach can be used, and to the extent possible, shall initiate new programs on a regional basis.

The State Board of Community Colleges shall report on an annual basis to the Governor, Lieutenant Governor, the Speaker of the House of Representatives, and the Joint Legislative Education Oversight Committee on all new programs it approved and on the progress made on regional programs during the year. The report shall include the specific reasons for which each new program was approved, a progress report on regionalization of programs, and a list of program terminations approved by the State Board.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney,  
Easterling, Oldham, Redwine

### **REGIONAL ECONOMIC DEVELOPMENT VISION PLANS**

**SECTION 8.3.** The State Board of Community Colleges, the Board of Governors of The University of North Carolina, and the Department of Commerce, in conjunction with the North Carolina Board of Economic Development and the seven regional economic development commissions, shall adopt a joint policy that requires the development of a five-year vision plan for each of the economic development regions in the State. The joint policy shall establish a task force for each economic development region. Each task force shall consist of at least one representative from each of the following: the regional economic development commission, the president, the board of trustees of each community college located in that region, the Chancellor, and the board of trustees of each university campus located in that region, and any additional persons as may be designated by the policy. The task force may appoint an executive committee and any subcommittees it deems appropriate.

The policy shall direct each task force to develop a five-year vision plan for its economic development region. At a minimum, each vision plan shall determine the realistic economic development goals and the future job market in that region and shall identify community college and university courses currently offered or needed to effectuate the vision plan. The policy shall require the task forces to review and update their respective vision plans every five years.

If the service area of any community college or university is in more than one economic development region, then the State Board of Community Colleges or the Board of Governors of The University of North Carolina, respectively, shall determine how the participation in the various task forces will be addressed.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**HAYWOOD REGIONAL HIGH TECHNOLOGY CENTER**

**SECTION 8.4.(a)** The Office of State Budget and Management shall transfer funding for Haywood Regional High Technology Center from the special allotments line item to a new line item entitled "Haywood Regional High Technology Center".

**SECTION 8.4.(b)** The State Board of Community Colleges shall study the operations of the Haywood Regional High Technology Center, the economic impact of the Center on the region, and the costs of the Center to determine whether similar centers should be created in other regions of the State. The Board shall report the results of this study to the Joint Legislative Education Oversight Committee prior to March 1, 2003.

Requested by: Senators Dalton, Lucas, Garrou, Rand, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**REALIGNMENT OF FUNDING**

**SECTION 8.5.(a)** Academic Support Supplement. – Effective July 1, 2002, funding for the Academic Support Supplement shall no longer be included as part of the curriculum instruction formula but shall be allocated from a separate line item in State Aid fund code 1600. The State Board of Community Colleges shall allocate these funds to the colleges on the basis of the budgeted FTE curriculum student enrollment for the current fiscal year.

Nothing in this section shall be construed to provide or to indicate the intent of the General Assembly to provide additional funding for the Academic Support Supplement.

**SECTION 8.5.(b)** Formula Modification Restrictions. – The State Board of Community Colleges may examine and recommend to the General Assembly new State Aid allocation options that more closely align the allocation and expenditure of State-appropriated resources. The State Board shall report any recommendations regarding modifications to the formula to the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Subcommittee on Education, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Fiscal Research Division.

**SECTION 8.5.(c)** For the 2002-2003 fiscal year, the State Board of Community Colleges shall not allocate funds for the Botanical Laboratory at Fayetteville Technical Community College from General Fund appropriations. The State Board of Community Colleges shall allocate up to two hundred thousand dollars (\$200,000) from excess overrealized receipts for this purpose.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**TEMPORARY RULES ON FTE FOR TRAINING PROVIDED TO LAW ENFORCEMENT PERSONNEL AND ON GENERIC FEES**

**SECTION 8.6.(a)** The State Board of Community Colleges may adopt temporary rules clarifying the conditions under which community colleges may earn budgeted FTE for training provided to personnel in law enforcement, fire and rescue services, and emergency medical service agencies.

**SECTION 8.6.(b)** The State Board of Community Colleges may adopt temporary rules clarifying the provisions of 23NCAC2(D).0201(c)(1) and (c)(2) pertaining to the definition of generic fees and specific fees charged to students attending community colleges.

**SECTION 8.6.(c)** This section constitutes a recent act of the General Assembly within the meaning of G.S. 150B-21.1(a)(2). Prior to adopting temporary rules pursuant to this section, the State Board of Community Colleges shall:

- (1) Publish the proposed temporary rules in the North Carolina Register at least 30 days prior to adopting the temporary rules.
- (2) Notify persons on its mailing list maintained pursuant to G.S. 150B-21.2(d) and any other interested parties of its intent to adopt temporary rules.
- (3) Hold at least one public hearing on the proposed temporary rules.

**SECTION 8.6.(d)** This section becomes effective when this act becomes law and expires 180 days after that date.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**COMMUNITY COLLEGE SYSTEM STUDY**

**SECTION 8.7.(a)** The Joint Legislative Education Oversight Committee, in conjunction with the State Board of Community Colleges, shall hire an outside consultant to consider:



- (1) The organization and structure of the Community College System, the number of colleges within the System, the location and size of the colleges, and whether the State could realize any administrative savings from the consolidation of some colleges or programs;
- (2) The formula used to fund administration at the colleges, appropriate funding levels for administration of the various colleges, and the appropriate number of administrative staff members for colleges of different sizes; and
- (3) The funding of multicampus colleges and off-campus centers, including the appropriate number of administrative staff members, and an appropriate funding mechanism for administration and for other purposes.

**SECTION 8.7.(b)** The Joint Legislative Education Oversight Committee may hire an outside consultant to study Community College System funding, including State funds, county funds, and tuition rates. In the course of this study, the consultant shall:

- (1) Compare the level of community college funding in North Carolina to that of other states, in view of the differences in their missions;
- (2) Consider an appropriate level of county funding; and
- (3) Consider the current level of resident tuition in view of the availability of financial aid at community colleges, the availability of financial aid at other institutions of higher education, and the current level of State funding.

**SECTION 8.7.(c)** The Committee shall report the results of these studies to the 2003 General Assembly.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **FLEXIBILITY TO IMPLEMENT BUDGET REDUCTIONS**

**SECTION 8.8.(a)** Notwithstanding G.S. 143-23 or any other provision of law, the State Board of Community Colleges may transfer funds within the budget of the Community Colleges System Office to the extent necessary to implement base budget reductions and to reorganize the System Office to maintain management efficiencies. The State Board shall report to the Chairs of the Senate Appropriations Committee on Education/Higher Education and the House Appropriations Subcommittee on Education prior to transferring the funds.

**SECTION 8.8.(b)** This section expires June 30, 2003.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Buchanan, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **HOSIERY CENTER FUNDS**

**SECTION 8.10.** Notwithstanding any other provision of law, all fees collected by the Hosiery Technology Center of Catawba Valley Community College for the testing of hosiery products shall be retained by the Center and used for the operations of the Center. Purchases made by the Center using these funds are not subject to the provisions of Article 3 of Chapter 143 of the General Statutes.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney,  
Easterling, Oldham, Redwine

**SCHOLARSHIPS FOR PROSPECTIVE TEACHERS**

**SECTION 8.13.** Of the funds appropriated in this act to the State Board of Community Colleges, the State Board may use up to one million dollars (\$1,000,000) for a nonrecurring grant to the North Carolina Community College Foundation. These funds shall be used to match the Glaxo Smith Kline Foundation challenge grant establishing a two-million-dollar (\$2,000,000) endowment for the creation of a new scholarship program for prospective teachers enrolled in baccalaureate completion programs at State community college campuses and for the development of teacher preparation courses.

This provision is contingent upon receipt of one million dollars (\$1,000,000) for this purpose from the Glaxo Smith Kline Foundation and applies only to the 2002-2003 fiscal year.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney,  
Easterling, Oldham, Redwine

**STATE BOARD OF COMMUNITY COLLEGE MANAGEMENT  
FLEXIBILITY**

**SECTION 8.14.** The State Board of Community Colleges shall report to the Fiscal Research Division within 45 days of this act's becoming law on all reductions made by the State Board and the individual colleges in order to meet the management flexibility reduction for the State Board of Community Colleges.

**PART IX. UNIVERSITIES**

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**TRANSFER COLLECTION RESPONSIBILITIES FOR CERTAIN  
SCHOLARSHIP PROGRAMS TO STATE EDUCATION ASSISTANCE  
AUTHORITY**

**SECTION 9.2.(a)** The statutory authority, powers, duties, and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the North Carolina Teaching Fellows Commission relating to the collection of loans awarded under G.S. 115C-363.23A when the loan repayments are outstanding for more than 30 days are transferred from the North Carolina Teaching Fellows Commission to the State Education Assistance Authority. This transfer has all of the elements of a Type II transfer as defined by G.S. 143A-6.

**SECTION 9.2.(b)** The statutory authority, powers, duties, and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the Department of Public Instruction relating to the collection of loan repayments for loans awarded under Article 32A of Chapter 115C of the General Statutes when the loans are outstanding for more than 30 days are transferred from the Department of Public Instruction to the State Education Assistance Authority. This transfer has all of the elements of a Type II transfer as defined by G.S. 143A-6.

**SECTION 9.2.(c)** G.S. 115C-363.23A is amended by adding a new subsection to read:

"(g) The State Education Assistance Authority is responsible for the collection of a loan awarded under this section if the loan repayment is outstanding for more than 30 days."

**SECTION 9.2.(d)** G.S. 115C-363.23A(f) reads as rewritten:

"(f) All funds appropriated to or otherwise received by the Teaching Fellows Program for scholarships, all funds received as repayment of scholarship loans, and all interest earned on these funds, shall be placed in a revolving fund. This revolving fund shall be used for scholarship loans granted under the Teaching Fellows Program. With the prior approval of the General Assembly in the Current Operations Appropriations Act, the revolving fund may also be used for campus and summer program support, and costs related to disbursement of awards and collection of loan repayments.

The Public School Forum, as administrator for the Teaching Fellows Program, may use up to one hundred fifty thousand dollars (\$150,000) annually from the fund balance for costs associated with administration of the Teaching Fellows Program. ~~These funds are in addition to funds required for collection costs related to loan repayments.~~"

**SECTION 9.2.(e)** Article 32A of Chapter 115C of the General Statutes is amended by adding a new section to read:

**"§ 115C-472.1. State Education Assistance Authority collect loan repayments.**

The State Education Assistance Authority is responsible for the collection of a loan awarded under this Article if the loan repayment is outstanding for more than 30 days."

**SECTION 9.2.(f)** G.S. 116-204 is amended by adding the following new subdivisions to read:

"(9) To collect loan repayments for loans awarded under the Teaching Fellows Program pursuant to G.S. 115C-363.23A if the loan repayment is outstanding for more than 30 days.

(10) To collect loan repayments for loans awarded from the Scholarship Loan Fund for Prospective Teachers pursuant to Article 32A of Chapter 115C of the General Statutes if the loan repayment is outstanding for more than 30 days."

Requested by: Senators Dalton, Garrou, Lucas, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

#### **SUBSTITUTION OF UNC BOND PROJECTS**

**SECTION 9.3.(a)** Pursuant to Section 2(b) of S.L. 2000-3, the General Assembly finds that it is in the best interest of the State to respond to current educational and research program requirements at North Carolina State University by substituting a project entitled Animal and Food Science Facilities for the Meat Processing Laboratory, as contained in Section 2(a) of S.L. 2000-3, and by transferring a portion of the funds from the project entitled Main Campus – Infrastructure (Including Water System), as contained in Section 2(a) of S.L. 2000-3, to this substitute project. Section 2(a) of S.L. 2000-3 is therefore amended as follows:

(1) In the portion under Projects Whose Funding Was Transferred to Disaster Recovery Fund – North Carolina State University, by deleting "Meat Processing Laboratory...\$4,853,755".

(2) In the portion under North Carolina State University, by adding "Animal and Food Science Facilities...\$6,460,980" and by decreasing by \$1,607,225 the \$9,330,700 for Main Campus – Infrastructure (Including Water System) so that it reads "Main Campus – Infrastructure (Including Water System)....\$7,723,475".

**SECTION 9.3.(b)** Pursuant to Section 2(b) of S.L. 2000-3, the General Assembly finds that it is in the best interest of the State to respond to current educational requirements at the North Carolina School of the Arts by substituting a project entitled High School Student Residential Facility for the Residential Facility as contained in Section 2(a) of S.L. 2000-3, which was anticipated to be built for college students. Section 2(a) of S.L. 2000-3 is therefore amended in the portion under North Carolina School of the Arts, by deleting "Residence Hall...\$1,832,100" and by adding "High School Student Residential Facility...\$1,832,100".

**SECTION 9.3.(c)** Nothing in this section is intended to supersede any other requirement of law or policy for approval of the substituted capital improvement projects.

Requested by: Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**UNC SCHOLARSHIP PROGRAMS CONSOLIDATED**

**SECTION 9.4.(a)** Effective July 1, 2003, all funds in the continuation budget for the following scholarship programs shall be combined into one scholarship fund to be known as the "UNC Campus Scholarships":

- (1) Minority Presence Grants for undergraduate and doctoral, law, and veterinary medicine students as described in the 1979 Consent Decree between The University of North Carolina and the United States Department of Health Education and Welfare at § VI, paragraphs 6.a. and 6.b.
- (2) Minority Presence Grants-II as established in Section 17.3A of S.L. 1994-769.
- (3) Incentive Scholarship Program for Native Americans as established in Section 17.3 of S.L. 1994-769.
- (4) Elizabeth City State University Incentive Program as established by Chapter 738 of the 1987 of the Session Laws.
- (5) Incentive Grants for Certain Constituent Institutions as established by S.L. 1991-689.
- (6) Freshman Scholars Programs as established by Section 46 of S.L. 1993- 561.
- (7) Legislative College Opportunity Program as established by Section 17.14 of S.L. 1994-769.

**SECTION 9.4.(b)** All obligations to students for uses of the funds set out in subsection (a) of this section that were made prior to the effective date of subsection (a) of this section shall be fulfilled as to students who remain eligible under the provisions of the respective programs.

**SECTION 9.4.(c)** Except as provided in subsection (d) of this section, funds in the UNC Campus Scholarships shall be distributed among the constituent institutions of The University of North Carolina in the same amounts as previous to the effective date of this act.

**SECTION 9.4.(d)** Funds in the UNC Campus Scholarships allocated for doctoral study shall be reallocated based on the proportion of doctoral students enrolled at each of the campuses that have doctoral students. These funds shall continue to be committed only to doctoral students who are North Carolina residents and shall be allocated based on need. The funds previously in the Incentive Scholarship Program for

Native Americans at the doctoral level shall be distributed evenly among the campuses with doctoral programs.

**SECTION 9.4.(e)** The Board of Trustees of each constituent institution shall define its particular campus goals and guidelines for the use of the UNC Campus Scholarships for undergraduates. The chancellor of each constituent institution shall submit its proposed guidelines to the President of The University of North Carolina for approval before implementing them. Only residents of North Carolina shall be eligible to receive grants from the UNC Campus Scholarships. Unless a campus has determined that it has sufficient diversity in its undergraduate student population to provide the educational benefits of diversity, the campus shall use at least the portion of these funds that previously provided Minority Presence Grants for undergraduates to promote diversity within the undergraduate student body of the campus to the extent permitted by the constitution and laws of the State of North Carolina and of the United States.

**SECTION 9.4.(f)** No constituent institution is required to have a community service requirement for receipt of grants from the UNC Campus Scholarships.

**SECTION 9.4.(g)** The State Education Assistance Authority shall administer the UNC Campus Scholarships. Upon the naming of recipients of grants from the UNC Campus Scholarships, each constituent institution shall inform the State Education Assistance Authority (SEAA) of its decisions. The SEAA shall perform all of the administrative functions necessary to implement this program. The North Carolina State Education Assistance Authority shall conduct periodic evaluations of expenditures of the UNC Campus Scholarships to determine if allocations are being utilized, are addressing the financial needs of students or other needs identified by the constituent institutions, and are improving diversity on the campuses. SEAA may make recommendations for redistribution of funds to the President of The University of North Carolina who may authorize redistribution of unutilized funds for a particular fiscal year among the constituent institutions.

**SECTION 9.4.(h)** Each constituent institution shall maintain the current proportion of allocation of these funds for undergraduate Native American students. To be eligible for such a grant, a student must be a resident of North Carolina and must be a Native American, defined as an individual who maintains cultural and political identification as a Native American through membership in an Indian tribe recognized by the State of North Carolina or by the United States. The North Carolina State Education Assistance Authority may redistribute to another constituent institution funds for Native Americans which are uncommitted by January 5 of each fiscal year.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**ELIMINATE UNC MAILING LIST DUPLICATION**

**SECTION 9.5.** Section 10.11 of S.L. 1999-237 reads as rewritten:

"**Section 10.11.** Each constituent institution of The University of North Carolina and each community college shall provide to students and their families a brief, clear explanation of federal tax credits (the HOPE and Lifetime Learning Credits) that are available for educational purposes. The explanation shall include the limitations of the credits as well as examples of the potential benefits under certain tax situations. The constituent institution shall provide the tax credit information to the student ~~and~~ or the student's parents when the institution notifies each of the amount of tuition and fees paid for a calendar year."

Requested by: Senators Dalton, Garrou, Lucas, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**AID TO PRIVATE COLLEGES TECHNICAL CORRECTIONS**

**SECTION 9.6.** G.S. 116-21.4(a) reads as rewritten:

"(a) Expenditures made pursuant to G.S. 116-19, 116-20, 116-21.1, or 116-21.2 may be used only for secular educational purposes at ~~an institution as defined by G.S. 116-22~~ nonprofit institutions of higher learning that meet the qualifications set out in G.S. 116-22."

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**UNC FLEXIBILITY GUIDELINES**

**SECTION 9.7.** The Chancellor of each constituent institution shall report to the Board of Governors of The University of North Carolina on the reductions made to the General Fund budget codes in order to meet the reduction reserve amounts for that institution. The President of The University of North Carolina shall report to the Board of Governors of The University of North Carolina on the reductions made to the General Fund budget codes controlled by the Board in order to meet the reduction reserve amounts for those entities. The Board of Governors shall make a summary report to the Fiscal Research Division by October 31, 2002, on all reductions made by these entities and constituent institutions in order to reduce the budgets by the targeted amounts.

Requested by: Senators Robinson, Weinstein, Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Easterling, Oldham, Redwine

**FOCUSED GROWTH PILOT PROGRAM**

**SECTION 9.9.** The Board of Governors of The University of North Carolina may allow Elizabeth City State University, the University of North Carolina at Pembroke, and Western Carolina University each to allocate up to one hundred seventy-eight thousand three hundred eighty dollars (\$178,380) of the funds allocated to them for focused enrollment growth for a maximum of 20 Prospective Teacher Scholars. These funds may be used to recruit new nonresident students to enter into agreements to: (i) pursue a full-time course of study that will lead to teacher certification in North Carolina and (ii) teach in a North Carolina public school or a school operated by the United States government in North Carolina for one year for each year that they receive this benefit. The Board of Governors shall establish guidelines and regulations for this pilot program, including methodology for determining its success in increasing the supply of qualified teachers for North Carolina public schools. The Board shall report its guidelines and regulations to guide these pilot programs to the Joint Legislative Education Oversight Committee by November 15, 2002. The Board shall report annually to the Committee on the progress of the pilot programs and their costs.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Nesbitt, Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**REPORT ON UMSTEAD ACT EXEMPTIONS**

**SECTION 9.10A.(a)** The Board of Governors of The University of North Carolina shall report to the Joint Legislative Commission on Governmental Operations prior to March 1, 2003, on activities undertaken under exemptions to the Umstead Act, which are set out in G.S. 66-58(b)(8), for the Centennial Campus of North Carolina State University at Raleigh, the Horace Williams Campus of the University of North Carolina at Chapel Hill, and a Millennial Campus of a constituent institution of The University of North Carolina.

**SECTION 9.10A.(b)** The report shall include the following information on all such activities undertaken since July 1, 1999:

- (1) The reasons the exemptions were necessary for the development and operation of facilities on the Centennial Campus of North Carolina State University at Raleigh, the Horace Williams Campus of the University of North Carolina at Chapel Hill, or a Millennial Campus of a constituent institution of The University of North Carolina, and
- (2) A specific list of the activities that would have been prohibited without the exemptions.

**SECTION 9.10A.(c)** The report shall also include:

- (1) A specific list of activities that are necessary to continue the development and operation of these facilities and that would be prohibited if the facilities were not exempt from the provisions of G.S. 66-58(a), and
- (2) A list of the specific exemptions from G.S. 66-58(a) that would be necessary to continue the development and operation of these facilities prohibited if G.S. 66-58(a) applied to the facilities.

Requested by: Senators Dalton, Lucas, Garrou, Clodfelter, Dannelly, Hoyle, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **OUT-OF-STATE INSTITUTIONS WITH NC CAMPUSES**

**SECTION 9.11.(a)** G.S. 116-22 reads as rewritten:

#### **"§ 116-22. Definitions applicable to §§ 116-19 to 116-22.**

As used in G.S. 116-19 through 116-22:

- (1) "Institution" shall mean an educational institution with ~~its main~~ a main permanent campus located in this State that is not owned or operated by the State of North Carolina or by an agency or political subdivision of the State or by any combination thereof, ~~that is accredited by the Southern Association of Colleges and Schools under the standards of the College Delegate Assembly of said Association thereof that satisfies all of the following:~~
  - a. Is accredited by the Southern Association of Colleges and Schools under the standards of the College Delegate Assembly of the Association or by the New England Association of Schools and Colleges through its Commission on Institutions of Higher Education.
  - b. Awards a postsecondary degree as defined in G.S. 116-15. and that is
  - c. Is not a seminary, Bible school, Bible college or similar religious institution.
- (1a) "Main permanent campus" shall mean a campus owned by the

institution that provides permanent on-premises housing, food services, and classrooms with full-time faculty members and administration that engages in postsecondary degree activity as defined in G.S. 116-15.

- (2) "Student" shall mean a person enrolled in and attending an institution's main permanent campus located in the State who qualifies as a resident of North Carolina in accordance with definitions of residency that may from time to time be adopted by the Board of Governors of the University of North Carolina and published in the residency manual of said Board; and a person who has not received a bachelor's degree, or qualified therefor, and who is otherwise classified as an undergraduate under such regulations as the Board of Governors of the University of North Carolina may promulgate. The enrollment figures required by G.S. 116-19 through 116-22 shall be the number of full-time equivalent students as computed under regulations prescribed by the Board of Governors of the University of North Carolina. Qualification for in-State tuition under G.S. 116-143.3 makes a person a "student" as defined in this subdivision.

**SECTION 9.11.(b)** Notwithstanding the provisions of G.S. 116-22 as enacted by this section, any institution that met the definition of "institution" under G.S. 116-22 on January 1, 2001, shall continue to be eligible to receive funds appropriated in compliance with G.S. 116-19 through G.S. 116-22 when this act becomes law, if it received funds for these purposes as of January 1, 2001.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

#### **NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS**

**SECTION 9.12.(a)** The Joint Legislative Education Oversight Committee shall study the North Carolina School of Science and Mathematics. In its study the Committee may consider all of the following with regard to the School: the purpose and goals of the School and whether those are still appropriate; the academic programs; student admission policies; administrative functions and personnel policies; finances, properties, and any financial obligations of the School; and any other relevant issues. The Joint Legislative Education Oversight Committee shall report its findings and recommendations to the 2003 General Assembly.

**SECTION 9.12.(b)** Notwithstanding any other provision of law, neither the fee of eight hundred fifty dollars (\$850.00) proposed by the Board of Trustees or any other fee shall be imposed for the 2002-2003 academic year.

**SECTION 9.12.(c)** G.S. 116-235(d) is amended by adding a new subdivision to read:

- "(7) The Board of Trustees shall not impose any fee without the approval of the General Assembly, unless the fee is a traffic, parking, or motor vehicle registration fee authorized under subsection (e) of this section."

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee; Representatives Gibson, Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Easterling, Oldham, Redwine

#### **HORACE WILLIAMS AIRPORT**



**SECTION 9.13.(a)** The University of North Carolina at Chapel Hill shall not close the Horace Williams Airport before January 1, 2005.

**SECTION 9.13.(b)** Prior to moving Medical Air, Inc., from the Horace Williams Airport, the Chancellor of the University of North Carolina at Chapel Hill shall consult with the Joint Legislative Commission on Governmental Operations regarding the feasibility, cost, and impact on the effectiveness of AHEC services to the public that will result from the proposed move.

Requested by: Senators Dalton, Lucas, Garrou, Albertson, Kerr, Plyler, Odom, Lee; Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney, Easterling, Oldham, Redwine

**COOPERATIVE EXTENSION/AGRICULTURAL RESEARCH FACULTY**

**SECTION 9.14.** The Board of Governors shall promulgate policies that permit currently designated "EPA Non-Teaching" positions in the Cooperative Extension Service or Agricultural Research budgets of the constituent institutions of the university to be changed to "EPA Teaching" positions, if it is deemed by the Chancellor of any constituent institution of the university to be a more accurate definition of the faculty positions' job responsibilities.

Requested by: Senators Dalton, Lucas, Garrou, Rand, Kerr, Plyler, Odom, Lee; Representatives Rogers, Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Easterling, Oldham, Redwine

**UNC INSTITUTIONS/GOLF COURSE AND TRANSIENT ACCOMMODATIONS FACILITY/UMSTEAD ACT EXEMPTION REPORTING REQUIREMENT**

**SECTION 9.15.(a)** G.S. 66-58 is amended by adding a new subsection to read:

"(h) Notwithstanding the provisions of G.S. 66-58(b)(8), The University of North Carolina, its constituent institutions, the Centennial Campus of North Carolina State University, the Horace Williams Campus of the University of North Carolina at Chapel Hill, a Millennial Campus of a constituent institution of The University of North Carolina, or any corporation or other legal entity created or directly controlled by and using land owned by The University of North Carolina shall consult with and provide the following information to the Joint Legislative Commission on Governmental Operations before issuing debt or executing a contract for a golf course or for any transient accommodations facility, including a hotel or motel:

- (1) Architectural concepts.
- (2) Financial and debt service projections.
- (3) Business plans.
- (4) Operating plans.
- (5) Feasibility studies and consultant reports."

**SECTION 9.15.(b)** This section does not apply if the golf course or transient accommodations facility is owned, operated, or leased by The University of North Carolina or one of its constituent institutions on or before July 1, 2002. This section is effective when it becomes law.

**SECTION 9.15.(c)** This section is effective when this act becomes law.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Nesbitt, Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney,  
Easterling, Oldham, Redwine

**REPORT ON UNIVERSITY FISCAL LIABILITIES**

**SECTION 9.16.** The Board of Governors shall report on an annual basis to the Joint Legislative Commission on Governmental Operations on:

- (1) Any financing of buildings or other facilities, regardless of the ownership of those buildings or other facilities, located on land owned by The University of North Carolina or the constituent institutions of The University of North Carolina; and
- (2) All fiscal liabilities or contingent liabilities, including payments for debt service or other contractual arrangements, of The University of North Carolina or any constituent institution.

Requested by: Senators Dalton, Lucas, Garrou, Plyler, Odom, Lee;  
Representatives Boyd-McIntyre, Rogers, Yongue, Michaux, Smith, Hackney,  
Easterling, Oldham, Redwine

**FUNDS FOR NEED-BASED SCHOLARSHIPS**

**SECTION 9.19.(a)** G.S. 116B-7 reads as rewritten:

**"§ 116B-7. Distribution of income of fund.**

The income derived from the investment or deposit of the Escheat Fund shall be distributed annually on or before July 15 to the State Education Assistance Authority for grants and loans to aid worthy and needy students who are residents of this State and are enrolled in public institutions of higher education in this State. Such grants and loans shall be made upon terms, consistent with the provisions of this Chapter, pursuant to which the State Education Assistance Authority makes grants and loans to other students under G.S. 116-201 to 116-209.23, ~~Article 23.~~ Article 23 of Chapter 116 of the General Statutes, policies of the Board of Governors of The University of North Carolina regarding need-based grants for students of The University of North Carolina, and policies of the State Board of Community Colleges regarding need-based grants for students of the community colleges."

**SECTION 9.19.(b)** There is appropriated from the Escheat Fund income to the Board of Governors of The University of North Carolina the sum of nineteen million seven hundred twenty-five thousand dollars (\$19,725,000) for the 2002-2003 fiscal year and to the State Board of Community Colleges the sum of one million dollars (\$1,000,000) for the 2002-2003 fiscal year. These funds shall be allocated by the State Educational Assistance Authority for need-based student financial aid in accordance with G.S. 116B-7.

**SECTION 9.19.(c)** The Director of the Budget shall include General Fund appropriations in the amounts provided in subsection (b) of this section in the proposed 2003-2005 continuation budget for the purposes provided in G.S. 116B-7.

**PART X. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**SUBPART 1. ADMINISTRATION**

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee;  
Representatives Earle, Nye, Easterling, Oldham, Redwine

**INFORMATION TECHNOLOGY PROJECT CONTRACTS**

**SECTION 10.1.** Section 21.17 of S.L. 2001-424 reads as rewritten:

"**SECTION 21.17.(a)** Notwithstanding any other provision of law to the contrary, the Department of Health and Human Services may establish special time-limited positions ~~in the Division of Information Research Management for an information technology project to maximize efficiencies in the preparation for and for~~ implementation of federal requirements ~~of the medical records privacy standards under~~ the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Positions established are not permanent positions, not subject to the State Personnel Act under G.S. 126-1.1, and not subject to the State salary schedule.

**SECTION 21.17.(b)** Positions established pursuant to this section may commence no earlier than July 1, 2001, and shall expire ~~June 30, 2003.~~ June 30, 2005."

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**ADMINISTRATIVE CONSOLIDATION OF DIVISIONS OF SERVICES FOR THE DEAF AND THE HARD OF HEARING, SERVICES FOR THE BLIND, AND VOCATIONAL REHABILITATION SERVICES**

**SECTION 10.2.(a)** The following three divisions may continue consolidating their administrative functions and reducing the number of cities where there are two or more district offices:

- (1) Division of Services for the Deaf and the Hard of Hearing.
- (2) Division of Services for the Blind.
- (3) Division of Vocational Rehabilitation Services.

**SECTION 10.2.(b)** The Department shall report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division on activities carried out under this section not later than June 1, 2003. This report shall include the following:

- (1) An organizational chart showing how the administrative structure of the divisions has changed.
- (2) A plan for reducing the number of cities where there are two or more district offices.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**STAFFING REQUIREMENTS IN LONG-TERM CARE FACILITIES**

**SECTION 10.3.(a)** The Department of Health and Human Services, Office of Long-Term Care, shall review staffing requirements of Adult Day Care Programs and Adult Day Health Programs.

**SECTION 10.3.(b)** The Department shall report the results of its review to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division not later than December 1, 2002. The report shall include staffing requirements for adult day care and adult day health programs as compared to adult care homes, assisted living facilities, and nursing homes in the State. The report shall also compare staffing ratios in North Carolina to those of other states, including those states that border North Carolina. The report shall be conducted by the

Department, Office of Long-Term Care, or by an independent contractor and shall contain all of the following specific information:

- (1) Number of staff required per resident.
- (2) Education/work experience required and preferred as a basis for hire.
- (3) Specific job duties outlined in job descriptions.
- (4) Rationale and justification for establishing the existing staff ratios in the Division of Aging's policy for adult day care and adult day health care.
- (5) An analysis of the variance in staffing requirements among adult day care and adult day health programs, adult care homes, assisted living facilities, and nursing homes.
- (6) Identification of the entities responsible for licensing and monitoring quality for all providers of long-term care in the State.
- (7) Recommendations for changes to existing policies based on findings of the Department's review.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**REPORT ON SERVICES PROVIDED TO OLDER ADULTS**

**SECTION 10.4.** The Department of Health and Human Services, Office of Long-Term Care shall report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division on services provided to older adults. The report shall provide information as follows:

- (1) Identify all State agencies that provide services to adults age 60 and older throughout the State.
- (2) All resources available from all sources, including federal, State, and local funds and personnel, for providing services to this population.
- (3) Plans for reducing administration through the consolidation of functions throughout Divisions of the Department.

The Office of Long-Term Care shall consult with experts in long-term care and other relevant information sources to develop a plan to streamline services for older adults at the local level. The Department shall submit its report not later than February 1, 2003.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**RURAL HEALTH LOAN REPAYMENT INCENTIVE PROGRAM**

**SECTION 10.5.** The Department of Health and Human Services, Office of Rural Health, shall conduct an assessment of the Rural Health Loan Repayment Incentive Program. The assessment shall consider whether the Program should be continued and shall identify ways to recruit additional providers to rural areas within existing funds. The Department shall report on its activities and progress of the assessment to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division no later than December 1, 2002. The report shall provide detailed information on the number of providers recruited, identification of the counties in which the providers are recruited, and the amount of loan repayment and length of service to a community for each provider.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee;  
Representatives Earle, Nye, Easterling, Oldham, Redwine

**ACCESS TO PHARMACEUTICAL COMPANY PRESCRIPTION DRUG PROGRAMS**

**SECTION 10.6.** Section 21.6(a) of S.L. 2001-424, as amended by S.L. 2001-513, reads as rewritten:

"**SECTION 21.6.(a)** Of the funds appropriated in this act to the Department of Health and Human Services, the sum of two hundred thousand dollars (\$200,000) for the 2001-2002 fiscal year ~~and the sum of two hundred thousand dollars (\$200,000) for the 2002-2003 fiscal year~~ shall be used to initiate the development of a system to assist eligible individuals in obtaining prescription drugs at no cost through pharmaceutical company programs. The system will be designed to minimize the efforts of patients and their health care providers in securing needed drugs. The required patient and health care provider data will be maintained and orders tracked in order to initiate timely reorders of needed drugs to assure continuity of medication intake. The Department may contract with a private nonprofit organization to assist in the development of the system as provided under this section."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee;  
Representatives Earle, Nye, Easterling, Oldham, Redwine

**USE OF FUNDS FOR THE CHILD ADVOCACY INSTITUTE**

**SECTION 10.7.** State funds appropriated for the Child Advocacy Institute shall be used only for administration of the Child Advocacy Institute or for research and other services provided by the Institute. These funds shall not be used or replaced by other funds for (i) lobbying or other governmental affairs activities or (ii) direct contributions to other nongovernmental entities.

This section shall not be construed to prohibit the Institute from using State funds to contract with other nongovernmental entities for the purchase of goods or services.

Requested by: Senators Martin of Guilford, Purcell, Hoyle, Plyler, Odom, Lee;  
Representatives Earle, Nye, Church, Easterling, Oldham, Redwine

**CONSOLIDATION OF MAINTENANCE ACTIVITIES**

**SECTION 10.8.(a)** The Department of Health and Human Services shall develop a plan to consolidate building maintenance activities at the North Carolina School for the Deaf at Morganton, the Western Carolina Center, and Broughton Hospital. The plan shall assess the needs for maintenance at all three centers, determine the level of staff necessary to carry out all of the current activities with fewer managers, supervisors, and other staff, and develop a new single budget for the maintenance activities.

**SECTION 10.8.(b)** The Department of Health and Human Services shall identify other facilities throughout the State that are in close proximity to one another and assess the feasibility of consolidating the building maintenance activities at those facilities.

**SECTION 10.8.(c)** The Department of Health and Human Services shall report on activities carried out under this section to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division no later than December 1, 2002.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**WEATHERIZATION ASSISTANCE**

**SECTION 10.10B.** The Department of Health and Human Services may administer the Weatherization Assistance Program for Low-Income Families and the Heating/Air Repair and Replacement Program functions.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**EFFECTIVE DATE OF LONG-TERM CARE CRIMINAL CHECK FOR EMPLOYMENT POSITIONS**

**SECTION 10.10C.** Notwithstanding any other provision of law to the contrary, the requirements of G.S. 131E-265 for nursing homes to conduct national criminal history record checks for employment positions other than those involving direct patient care shall become effective no earlier than January 1, 2004. Notwithstanding any other provision of law to the contrary, the requirements of G.S. 131D-2 for adult care homes to conduct national criminal records checks for all staff positions shall become effective no earlier than January 1, 2004.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**TRANSFER NORTH CAROLINA COUNCIL ON THE HOLOCAUST TO DEPARTMENT OF PUBLIC INSTRUCTION**

**SECTION 10.10D.(a)** G.S. 143B-216.20, 143B-216.21, 143B-216.22, and 143B-216.23 are recodified as subsections (a) through (d) of new G.S. 143A-48.1 in Article 5 of Chapter 143A of the General Statutes.

**SECTION 10.10D.(b)** G.S. 143A-48.1, as codified by this section, reads as rewritten:

**"§ 143A-48.1. North Carolina Council on the Holocaust; creation; ~~purpose; purpose; membership; expenses; assistance.~~**

(a) There is hereby created the North Carolina Council on the Holocaust. The purpose of the Council is to prevent future atrocities similar to the systematic program of genocide of six million Jews and others by the Nazis. This purpose shall be accomplished by developing a program of education and observance of the Holocaust.

(b) The Council shall consist of 24 members, six appointed by the Governor, six appointed by the President Pro Tempore of the Senate, six appointed by the Speaker of the House of Representatives, and six appointed by the other 18 members. Members shall be appointed ~~in 1985 for two-year terms to begin July 1, 1985. In 1987 and biennially thereafter, successors shall be appointed for two-year terms to begin July 1 of each odd-numbered year.~~ for two-year terms to begin July 1 of each odd-numbered year. The six at-large appointments shall be made by the Council at its first meeting after July 1 of each odd-numbered year. To be eligible for appointment as an at-large member, a person must either be a survivor of the Holocaust or a first-generation lineal descendant of such person. A majority of the members shall constitute a quorum for the transaction of business.

(c) The members of the Council shall be compensated and reimbursed for their expenses in accordance with G.S. 138-5.

(d) The ~~Secretary~~ Superintendent of Public Instruction may arrange for clerical or other assistance required by the Council."

**SECTION 10.10D.(c)** G.S. 143B-138.1(b)(14) is repealed.

**SECTION 10.10D.(d)** The North Carolina Council on the Holocaust, as created by Part 28 of Article 3 of Chapter 143B of the General Statutes, and recodified as G.S. 143A-48.1 by this section, is transferred to the Department of Public Instruction by a Type II transfer, as defined in G.S. 143A-6.

**SECTION 10.10D.(e)** This section becomes effective October 1, 2002.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**NONMEDICAID REIMBURSEMENT CHANGES**

**SECTION 10.10E.** Section 21.59 of S.L. 2001-424 reads as rewritten:

"**SECTION 21.59.** Providers of medical services under the various State programs, other than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates no more than those under the North Carolina Medical Assistance Program.

The Department of Health and Human Services may reimburse hospitals at the full prospective per diem rates without regard to the Medical Assistance Program's annual limits on hospital days. When the Medical Assistance Program's per diem rates for inpatient services and its interim rates for outpatient services are used to reimburse providers in non-Medicaid medical service programs, retroactive adjustments to claims already paid shall not be required.

Notwithstanding the provisions of paragraph one, the Department of Health and Human Services may negotiate with providers of medical services under the various Department of Health and Human Services programs, other than Medicaid, for rates as close as possible to Medicaid rates for the following purposes: contracts or agreements for medical services and purchases of medical equipment and other medical supplies. These negotiated rates are allowable only to meet the medical needs of its non-Medicaid eligible patients, residents, and clients who require such services which cannot be provided when limited to the Medicaid rate.

Maximum net family annual income eligibility standards for services in these programs shall be as follows:

| <u>Family Size</u> | <u>Medical Eye Care Adults</u> | <del>All Rehabilitation</del> <u>Rehabilitation Except DSB Over 55 Grant</u> | <u>Other</u> |
|--------------------|--------------------------------|--|--------------|
| 1                  | \$4,860                        | \$8,364  | \$4,200      |
| 2                  | 5,940                          | 10,944   | 5,300        |
| 3                  | 6,204                          | 13,500   | 6,400        |
| 4                  | 7,284                          | 16,092   | 7,500        |
| 5                  | 7,821                          | 18,648   | 7,900        |
| 6                  | 8,220                          | 21,228   | 8,300        |
| 7                  | 8,772                          | 21,708   | 8,800        |
| 8                  | 9,312                          | 22,220   | 9,300        |

The eligibility level for children in the Medical Eye Care Program in the Division of Services for the Blind shall be one hundred percent (100%) of the federal poverty guidelines, as revised annually by the United States Department of Health and Human Services and in effect on July 1 of each fiscal year. The eligibility level for adults 55 years of age or older who qualify for services through the Division of Services for the Blind, Independent Living Rehabilitation Program, shall be two hundred percent

(200%) of the federal poverty guidelines, as revised annually by the United States Department of Health and Human Services and in effect on July 1 of each fiscal year. The eligibility level for adults in the Atypical Antipsychotic Medication Program in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall be one hundred fifty percent (150%) of the federal poverty guidelines, as revised annually by the United States Department of Health and Human Services and in effect on July 1 of each fiscal year. Additionally, those adults enrolled in the Atypical Antipsychotic Medication Program who become gainfully employed may continue to be eligible to receive State support, in decreasing amounts for the purchase of atypical antipsychotic medication and related services up to three hundred percent (300%) of the poverty level.

State financial participation in the Atypical Antipsychotic Medication Program for those enrollees who become gainfully employed is as follows:

| <u>Income</u><br>(% of poverty) | <u>State Participation</u> | <u>Client Participation</u> |
|---------------------------------|----------------------------|-----------------------------|
| 0-150%                          | 100%                       | 0%                          |
| 151-200%                        | 75%                        | 25%                         |
| 201-250%                        | 50%                        | 50%                         |
| 251-300%                        | 25%                        | 75%                         |
| 300% and over                   | 0%                         | 100%                        |

The Department of Health and Human Services shall contract at, or as close as possible to, Medicaid rates for medical services provided to residents of State facilities of the Department."

## **SUBPART 2. DIVISION OF MEDICAL ASSISTANCE**

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

### **MEDICAID PROGRAM**

**SECTION 10.11.(a)** Section 21.19 of S.L. 2001-424 reads as rewritten:

"**SECTION 21.19.(a)** Funds appropriated in this act for services provided in accordance with Title XIX of the Social Security Act (Medicaid) are for both the categorically needy and the medically needy. Funds appropriated for these services shall be expended in accordance with the following schedule of services and payment bases. All services and payments are subject to the language at the end of this subsection.

Services and payment bases:

- (1) Hospital-Inpatient – Payment for hospital inpatient services will be prescribed in the State Plan as established by the Department of Health and Human Services.
- (2) Hospital-Outpatient – Eighty percent (80%) of allowable costs or a prospective reimbursement plan as established by the Department of Health and Human Services.
- (3) Nursing Facilities – Payment for nursing facility services will be prescribed in the State Plan as established by the Department of Health and Human Services. Nursing facilities providing services to Medicaid recipients who also qualify for Medicare must be enrolled in the Medicare program as a condition of participation in the Medicaid program. State facilities are not subject to the requirement to enroll in



the Medicare program. Residents of nursing facilities who are eligible for Medicare coverage of nursing facility services must be placed in a Medicare certified bed. Medicaid shall cover facility services only after the appropriate services have been billed to Medicare. The Division of Medical Assistance shall allow nursing facility providers sufficient time from the effective date of this act to certify additional Medicare beds if necessary. In determining the date that the requirements of this subdivision become effective, the Division of Medical Assistance shall consider the regulations governing certification of Medicare beds and the length of time required for this process to be completed.

- (4) Intermediate Care Facilities for the Mentally Retarded – As prescribed in the State Plan as established by the Department of Health and Human Services.
- (5) Drugs – Drug costs as allowed by federal regulations plus a professional services fee per month excluding refills for the same drug or generic equivalent during the same month. Reimbursement shall be available for up to six prescriptions per recipient, per month, including refills. Payments for drugs are subject to the provisions of subsection (h) of this section and to the provisions at the end of subsection (a) of this section, or in accordance with the State Plan adopted by the Department of Health and Human Services consistent with federal reimbursement regulations. Payment of the professional services fee shall be made in accordance with the State Plan adopted by the Department of Health and Human Services, consistent with federal reimbursement regulations. The professional services fee shall be five dollars and sixty cents (\$5.60) per prescription for generic drugs and four dollars (\$4.00) per prescription for brand name drugs. Adjustments to the professional services fee shall be established by the General Assembly.
- (6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified Nurse Midwife Services, Nurse Practitioners – Fee schedules as developed by the Department of Health and Human Services. Payments for dental services are subject to the provisions of subsection (g) of this section.
- (7) Community Alternative Program, EPSDT Screens – Payment to be made in accordance with rate schedule developed by the Department of Health and Human Services.
- (8) Home Health and Related Services, Private Duty Nursing, Clinic Services, Prepaid Health Plans, Durable Medical Equipment – Payment to be made according to reimbursement plans developed by the Department of Health and Human Services.
- (9) Medicare Buy-In – Social Security Administration premium.
- (10) Ambulance Services – Uniform fee schedules as developed by the Department of Health and Human Services. Public ambulance providers will be reimbursed at cost.
- (11) Hearing Aids – Actual cost plus a dispensing fee.
- (12) Rural Health Clinic Services – Provider-based, reasonable cost; nonprovider-based, single-cost reimbursement rate per clinic visit.

- (13) Family Planning – Negotiated rate for local health departments. For other providers, see specific services, for instance, hospitals, physicians.
- (14) Independent Laboratory and X-Ray Services – Uniform fee schedules as developed by the Department of Health and Human Services.
- (15) Optical Supplies – One hundred percent (100%) of reasonable wholesale cost of materials.
- (16) Ambulatory Surgical Centers – Payment as prescribed in the reimbursement plan established by the Department of Health and Human Services.
- (17) Medicare Crossover Claims – An amount up to the actual coinsurance or deductible or both, in accordance with the State Plan, as approved by the Department of Health and Human Services.
- (18) Physical Therapy and Speech Therapy – Services limited to EPSDT eligible children. Payments are to be made only to qualified providers at rates negotiated by the Department of Health and Human Services. Physical therapy (including occupational therapy) and speech therapy services are subject to prior approval and utilization review.
- (19) Personal Care Services – Payment in accordance with the State Plan approved by the Department of Health and Human Services.
- (20) Case Management Services – Reimbursement in accordance with the availability of funds to be transferred within the Department of Health and Human Services.
- (21) Hospice – Services may be provided in accordance with the State Plan developed by the Department of Health and Human Services.
- (22) Other Mental Health Services – Unless otherwise covered by this section, coverage is limited to:
  - a. Services as defined by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services and approved by the Centers for Medicare and Medicaid Services (CMS) when provided in agencies meeting the requirements of the rules established by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services, and reimbursement is made in accordance with a State Plan developed by the Department of Health and Human Services not to exceed the upper limits established in federal regulations, and
  - b. For children eligible for EPSDT services:
    1. Licensed or certified psychologists, licensed clinical social workers, certified clinical nurse specialists in psychiatric mental health advanced practice, and nurse practitioners certified as clinical nurse specialists in psychiatric mental health advanced practice, when Medicaid-eligible children are referred by the Carolina ACCESS primary care physician or the area mental health program, and
    2. Institutional providers of residential services as defined by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services and approved

by the Centers for Medicare and Medicaid Services (CMS) for children and Psychiatric Residential Treatment Facility services that meet federal and State requirements as defined by the Department.

Notwithstanding G.S. 150B-121.1(a), the Department of Health and Human Services may adopt temporary rules in accordance with Chapter 150B of the General Statutes further defining the qualifications of providers and referral procedures in order to implement this subdivision. Coverage policy for services defined by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services under paragraphs a. and b.2 of this subdivision shall be established by the Division of Medical Assistance.

- (23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible Children – Reimbursement in accordance with the State Plan approved by the Department of Health and Human Services.
- (24) Health Insurance Premiums – Payments to be made in accordance with the State Plan adopted by the Department of Health and Human Services consistent with federal regulations.
- (25) Medical Care/Other Remedial Care – Services not covered elsewhere in this section include related services in schools; health professional services provided outside the clinic setting to meet maternal and infant health goals; and services to meet federal EPSDT mandates. Services addressed by this paragraph are limited to those prescribed in the State Plan as established by the Department of Health and Human Services.
- (26) Pregnancy Related Services – Covered services for pregnant women shall include nutritional counseling, psychosocial counseling, and predelivery and postpartum home visits by maternity care coordinators and public health nurses.

Services and payment bases may be changed with the approval of the Director of the Budget.

Payment is limited to Medicaid enrolled providers that purchase a performance bond in an amount not to exceed one hundred thousand dollars (\$100,000) naming as beneficiary the Department of Health and Human Services, Division of Medical Assistance, or provide to the Department a validly executed letter of credit or other financial instrument issued by a financial institution or agency honoring a demand for payment in an equivalent amount. The Department may waive or limit the requirements of this paragraph for one or more classes of Medicaid enrolled providers based on the provider's dollar amount of monthly billings to Medicaid or the length of time the provider has been licensed in this State to provide services. In waiving or limiting requirements of this paragraph the Department shall take into consideration the potential fiscal impact of the waiver or limitation on the State Medicaid Program.

Reimbursement is available for up to 24 visits per recipient per year to any one or combination of the following: physicians, clinics, hospital outpatient, optometrists, chiropractors, and podiatrists. Prenatal services, all EPSDT children, emergency rooms, and mental health services subject to independent utilization review are exempt from the visit limitations contained in this paragraph. Exceptions may be authorized by the Department of Health and Human Services where the life of the patient would be threatened without such additional care. Any person who is determined by the

Department to be exempt from the 24-visit limitation may also be exempt from the six-prescription limitation.

**SECTION 21.19.(b)** Allocation of Nonfederal Cost of Medicaid. – The State shall pay eighty-five percent (85%); the county shall pay fifteen percent (15%) of the nonfederal costs of all applicable services listed in this section.

**SECTION 21.19.(c)** Copayment for Medicaid Services. – The Department of Health and Human Services may establish copayment up to the maximum permitted by federal law and regulation.

**SECTION 21.19.(d)** Medicaid and Work First Family Assistance, Income Eligibility Standards. – The maximum net family annual income eligibility standards for Medicaid and Work First Family Assistance and the Standard of Need for Work First Family Assistance shall be as follows:

| <u>Family Size</u> | <u>Categorically Needy</u> | <u>Medically Needy</u>                    |                    |
|--------------------|----------------------------|---|--------------------|
|                    | <u>WFFA*</u>               | <u>Families and Children Income Level</u> | <u>AA, AB, AD*</u> |
| 1                  | \$4,344                    | \$2,172                                   | \$2,900            |
| 2                  | 5,664                      | 2,832                                     | 3,800              |
| 3                  | 6,528                      | 3,264                                     | 4,400              |
| 4                  | 7,128                      | 3,564                                     | 4,800              |
| 5                  | 7,776                      | 3,888                                     | 5,200              |
| 6                  | 8,376                      | 4,188                                     | 5,600              |
| 7                  | 8,952                      | 4,476                                     | 6,000              |
| 8                  | 9,256                      | 4,680                                     | 6,300              |

\*Work First Family Assistance (WFFA); Aid to the Aged (AA); Aid to the Blind (AB); and Aid to the Disabled (AD).

The payment level for Work First Family Assistance shall be fifty percent (50%) of the standard of need.

These standards may be changed with the approval of the Director of the Budget with the advice of the Advisory Budget Commission.

**SECTION 21.19.(e)** The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to all elderly, blind, and disabled people who have incomes equal to or less than one hundred percent (100%) of the federal poverty guidelines, as revised each April 1.

**SECTION 21.19.(f)** ICF and ICF/MR Work Incentive Allowances. – The Department of Health and Human Services may provide an incentive allowance to Medicaid-eligible recipients of ICF and ICF/MR facilities who are regularly engaged in work activities as part of their developmental plan and for whom retention of additional income contributes to their achievement of independence. The State funds required to match the federal funds that are required by these allowances shall be provided from savings within the Medicaid budget or from other unbudgeted funds available to the Department. The incentive allowances may be as follows:

| <u>Monthly Net Wages</u> | <u>Monthly Incentive Allowance</u> |
|--------------------------|------------------------------------|
| \$1.00 to \$100.99       | Up to \$50.00                      |
| \$101.00 to \$200.99     | \$80.00                            |

\$201.00 to \$300.99

\$130.00

\$301.00 and greater

\$212.00.

**SECTION 21.19.(g)** Dental Coverage Limits. – Dental services shall be provided on a restricted basis in accordance with rules adopted by the Department to implement this subsection.

**SECTION 21.19.(h)** Dispensing of Generic Drugs. – Notwithstanding G.S. 90-85.27 through G.S. 90-85.31, or any other law to the contrary, under the Medical Assistance Program (Title XIX of the Social Security Act), and except as otherwise provided in this subsection for atypical antipsychotic drugs and drugs listed in the narrow therapeutic index, a prescription order for a drug designated by a trade or brand name shall be considered to be an order for the drug by its established or generic name, except when the prescriber has determined, at the time the drug is prescribed, that the brand name drug is medically necessary and has written on the prescription order the phrase "medically necessary". An initial prescription order for an atypical antipsychotic drug or a drug listed in the narrow therapeutic drug index that does not contain the phrase "medically necessary" shall be considered an order for the drug by its established or generic name, except that a pharmacy shall not substitute a generic or established name prescription drug for subsequent brand or trade name prescription orders of the same prescription drug without explicit oral or written approval of the prescriber given at the time the order is filled. Generic drugs shall be dispensed at a lower cost to the Medical Assistance Program rather than trade or brand name drugs. As used in this subsection, "brand name" means the proprietary name the manufacturer places upon a drug product or on its container, label, or wrapping at the time of packaging; and "established name" has the same meaning as in section 502(e)(3) of the Federal Food, Drug, and Cosmetic Act as amended, 21 U.S.C. § 352(e)(3).

**SECTION 21.19.(i)** Exceptions to Service Limitations, Eligibility Requirements, and Payments. – Service limitations, eligibility requirements, and payments bases in this section may be waived by the Department of Health and Human Services, with the approval of the Director of the Budget, to allow the Department to carry out pilot programs for prepaid health plans, contracting for services, managed care plans, or community-based services programs in accordance with plans approved by the United States Department of Health and Human Services, or when the Department determines that such a waiver will result in a reduction in the total Medicaid costs for the recipient. The Department of Health and Human Services may proceed with planning and development work on the Program of All-Inclusive Care for the Elderly.

**SECTION 21.19.(j)** Volume Purchase Plans and Single Source Procurement. – The Department of Health and Human Services, Division of Medical Assistance, may, subject to the approval of a change in the State Medicaid Plan, contract for services, medical equipment, supplies, and appliances by implementation of volume purchase plans, single source procurement, or other contracting processes in order to improve cost containment.

**SECTION 21.19.(k)** Cost-Containment Programs. – The Department of Health and Human Services, Division of Medical Assistance, may undertake cost containment programs in accordance with Section 3 of S.L. 2001-395, including contracting for services, preadmissions to hospitals and prior approval for certain outpatient surgeries before they may be performed in an inpatient setting.

**SECTION 21.19.(l)** For all Medicaid eligibility classifications for which the federal poverty level is used as an income limit for eligibility determination, the income limits

will be updated each April 1 immediately following publication of federal poverty guidelines.

**SECTION 21.19.(m)** The Department of Health and Human Services shall provide Medicaid to 19-, 20-, and 21-year-olds in accordance with federal rules and regulations.

**SECTION 21.19.(n)** The Department of Health and Human Services shall provide coverage to pregnant women and to children according to the following schedule:

- (1) Pregnant women with incomes equal to or less than one hundred eighty-five percent (185%) of the federal poverty guidelines as revised each April 1 shall be covered for Medicaid benefits. In determining income eligibility under this subdivision, the income of a minor's parents shall be counted if the minor is residing in the home.
- (2) Infants under the age of 1 with family incomes equal to or less than one hundred eighty-five percent (185%) of the federal poverty guidelines as revised each April 1 shall be covered for Medicaid benefits.
- (3) Children aged 1 through 5 with family incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines as revised each April 1 shall be covered for Medicaid benefits.
- (4) Children aged 6 through 18 with family incomes equal to or less than the federal poverty guidelines as revised each April 1 shall be covered for Medicaid benefits.
- (5) The Department of Health and Human Services shall provide Medicaid coverage for adoptive children with special or rehabilitative needs regardless of the adoptive family's income.

Services to pregnant women eligible under this subsection continue throughout the pregnancy but include only those related to pregnancy and to those other conditions determined by the Department as conditions that may complicate pregnancy. In order to reduce county administrative costs and to expedite the provision of medical services to pregnant women, to infants, and to children described in subdivisions (3) and (4) of this subsection, no resources test shall be applied.

**SECTION 21.19.(o)** Medicaid enrollment of categorically needy families with children shall be continuous for one year without regard to changes in income or assets.

**SECTION 21.19.(p)** The Department shall disregard earned income for recipients who would otherwise lose Medicaid eligibility under section 1931 of Title XIX of the Social Security Act due to earnings. This disregard shall be applied for a maximum of 12 consecutive months.

**SECTION 21.19.(q)** The Department of Health and Human Services shall submit a quarterly status report on expenditures for acute care and long-term care services to the Fiscal Research Division and to the Office of State Budget and Management. This report shall include an analysis of budgeted versus actual expenditures for eligibles by category and for long-term care beds. In addition, the Department shall revise the program's projected spending for the current fiscal year and the estimated spending for the subsequent fiscal year on a quarterly basis. The quarterly expenditure report and the revised forecast shall be forwarded to the Fiscal Research Division and to the Office of State Budget and Management no later than the third Thursday of the month following the end of each quarter.

**SECTION 21.19.(r)** The Division of Medical Assistance, Department of Health and Human Services, may provide incentives to counties that successfully recover

fraudulently spent Medicaid funds by sharing State savings with counties responsible for the recovery of the fraudulently spent funds.

**SECTION 21.19.(s)** If first approved by the Office of State Budget and Management, the Division of Medical Assistance, Department of Health and Human Services, may use funds that are identified to support the cost of development and acquisition of equipment and software through contractual means to improve and enhance information systems that provide management information and claims processing. The Department of Health and Human Services shall identify adequate funds to support the implementation and first year's operational costs that exceed the currently allocated funds for the new contract for the fiscal agent for the Medicaid Management Information System.

**SECTION 21.19.(t)** The Department of Health and Human Services may adopt temporary rules according to the procedures established in G.S. 150B-21.1 when it finds that these rules are necessary to maximize receipt of federal funds within existing State appropriations, to reduce Medicaid expenditures, and to reduce fraud and abuse. Prior to the filing of these temporary rules with the Office of Administrative Hearings, the Department shall consult with the Office of State Budget and Management on the possible fiscal impact of the temporary rule and its effect on State appropriations and local governments.

**SECTION 21.19.(u)** The Department shall report to the Fiscal Research Division of the Legislative Services Office and to the House of Representatives Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Health and Human Services or the Joint Legislative Health Care Oversight Committee on any change it anticipates making in the Medicaid program that impacts the type or level of service, reimbursement methods, or waivers, any of which require a change in the State Plan or other approval by the Centers for Medicare and Medicaid Services (CMS). The reports shall be provided at the same time they are submitted to CMS for approval.

**SECTION 21.19.(v)** Upon approval of a demonstration waiver by the Centers for Medicare and Medicaid Services (CMS), the Department of Health and Human Services may provide Medicaid coverage for family planning services to men and women of child-bearing age with family incomes equal to or less than one hundred eighty-five percent (185%) of the federal poverty level. Coverage shall be contingent upon federal approval of the waiver and shall begin no earlier than January 1, 2001.

**SECTION 21.19.(w)** The Department of Health and Human Services, Division of Medical Assistance, shall use the latest audited cost reporting data available when establishing Medicaid provider rates or when making changes to the reimbursement methodology. For hospital services, the division shall use the latest audited cost reporting data available, supplemented by additional financial information available to the Division if and to the extent that the Division concludes that the information is reliable and relevant, when establishing rates or when making changes to the reimbursement methodology.

**SECTION 21.19.(x)** The Department of Health and Human Services, Division of Medical Assistance, shall implement a new coding system for therapeutic mental health services as required by the Health Insurance Portability and Accountability Act of 1996. In implementing the new coding system, the Division shall ensure that the new coding system does not discriminate between providers of therapeutic mental health services with similar qualifications and training. In meeting the requirements of this subsection, the Division shall consult with the Division of Mental Health, Developmental

Disabilities, and Substance Abuse Services and the professional licensing boards responsible for licensing the affected professionals.

**SECTION 21.19.(y)** The Department of Health and Human Services may apply federal transfer of assets policies, as described in Title XIX, Section 1917(c) of the Social Security Act, including the attachment of liens, to real property excluded as "income producing" "income producing", tenancy-in-common, or as nonhomesite property made "income producing" under Title XIX, Section 1902(r)(2) of the Social Security Act. The transfer of assets policy shall apply only to an institutionalized individual or the individual's spouse as defined in Title XIX, Section 1917(c) of the Social Security Act. This subsection becomes effective no earlier than October 1, 2001. Federal transfer of asset policies and attachment of liens to properties excluded as tenancy-in-common or as nonhomesite property made "income producing" in accordance with this subsection shall become effective not earlier than November 1, 2002."

**SECTION 10.11.(b)** Effective not earlier than January 1, 2003, G.S. 108A-70.5(b) reads as rewritten:

"(b) As used in this section:

- (1) "Medical assistance" means medical care services paid for by the North Carolina Medicaid Program on behalf of the recipient:
  - a. If the recipient is receiving these medical care services as an inpatient in a nursing facility, intermediate care facility for the mentally retarded, or other medical institution, and cannot reasonably be expected to be discharged to return home; or
  - b. If the recipient is 55 years of age or older and is receiving these medical care services, including related hospital care and prescription drugs, for nursing facility ~~services~~ services, personal care services, or home- and community-based services.
- (2) "Estate" means all the real and personal property considered assets of the estate available for the discharge of debt pursuant to G.S. 28A-15-1."

**SECTION 10.11.(c)** When implementing the Supplemental Security Income (SSI) method for considering equity value of income producing property, the Department shall, to the maximum extent possible, employ procedures to mitigate the hardship to Medicaid enrollees occurring from application of the Supplemental Security Income (SSI) method.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

#### **CAROLINA ACCESS PROGRAM IMPROVEMENTS**

**SECTION 10.12.(a)** In its effort to achieve anticipated savings in the Medicaid Program of nine million four hundred twenty-five thousand dollars (\$9,425,000) for the 2002-2003 fiscal year through expansion of the Carolina ACCESS II and Carolina ACCESS III programs, the Department of Health and Human Services shall monitor cost-savings activities of these programs. Carolina ACCESS II and Carolina ACCESS III programs shall provide the Department detailed information on savings realized from the following cost-savings activities:

- (1) Reductions in hospital admissions;
- (2) Reductions in emergency room visits;



- (3) Use of best-prescribing practices;
- (4) Increased prescriptions of generic drugs;
- (5) Implementation of polypharmacy review;
- (6) Reductions in therapy visits;
- (7) Improved management of high-risk/high-cost patients; and
- (8) Other strategies implemented by the programs to achieve anticipated savings.

**SECTION 10.12.(b)** The Department of Health and Human Services shall implement a process for the assessment and review of cost-effectiveness of the Carolina ACCESS II and Carolina ACCESS III programs. The Division of Medical Assistance shall confirm actual savings realized from the use of case management strategies of the Carolina ACCESS II and Carolina ACCESS III demonstration sites. Beginning December 1, 2002, the Department shall report quarterly the cost-effectiveness of these programs based on actual savings achieved. The Department shall submit the report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Oldham

#### **REPEAL CIRCUMCISION FUNDS**

**SECTION 10.13.** Section 19 of S.L. 2001-513 reads as rewritten:

"**SECTION 19.** Notwithstanding any other provision of law to the contrary, from funds available in the General Fund, there is appropriated to the Department of Health and Human Services, Division of Medical Assistance, the sum of two hundred forty-six thousand, seven hundred sixty-two dollars (\$246,762) for the 2001-2002 fiscal year ~~and the sum of four hundred thousand dollars (\$400,000) for the 2002-2003 fiscal year.~~ These funds shall be used to provide optional circumcision procedures for newborns eligible for Medicaid."

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

#### **MEDICAID CASE MANAGEMENT SERVICES**

**SECTION 10.14.(a)** The Department of Health and Human Services shall reduce Medicaid Program expenditures for case management services for adults and children for the 2002-2003 State fiscal year. In determining how to allocate this reduction, the Department shall include all State programs currently providing case management services reimbursed by the Medicaid Program, and shall consider the following issues:

- (1) Elimination of all duplicative case management services.
- (2) Consolidation of similar case management services.
- (3) Provision of only one case manager per family reimbursed through the Medicaid Program, when feasible.
- (4) Equitable allocation of reductions in case management services reimbursed by Medicaid among the different programs that provide case management services.
- (5) Identification of the children and adults with the greatest case

management needs to determine how to allocate reductions and remaining resources.

- (6) Reductions in administrative costs associated with providing case management services reimbursed by Medicaid.
- (7) Reductions in reimbursement to case management service providers.

**SECTION 10.14.(b)** Not later than November 1, 2002, the Department shall report on its plan for the reductions required in this section. The Department shall submit the report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**FEDERAL WAIVERS TO ASSIST IN MEDICAID COST CONTAINMENT**

**SECTION 10.15.(a)** The Department of Health and Human Services shall develop a plan for using federal waivers to assist in long-term cost containment for the State's Medicaid program. In developing the plan, the Department shall determine whether single or multiple federal waivers will help the State achieve its goal of long-term cost containment for the State's Medicaid program, and shall also determine which type of waiver is likely to be most helpful. The Department shall consider all of the following for development of the plan:

- (1) Which optional categories of persons eligible for Medicaid will be covered by the waiver.
- (2) What optional Medicaid services will be included in the service package covered by the waiver.
- (3) What types of cost-sharing will be required under the waiver.
- (4) Will the waiver use Carolina ACCESS, other types of managed care, or will a fee-for-service system for providing health care services be used.
- (5) Will private insurance coverage options be incorporated into the waiver.
- (6) Should the NC Health Choice Program be included in the waiver.

**SECTION 10.15.(b)** On or before February 1, 2003, the Department shall report on its plan for seeking federal waivers to achieve long-term cost containment in the State's Medicaid program. The report shall be made to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division, and shall include the following:

- (1) Copy of the application for the waiver.
- (2) Description of how the waiver will help achieve long-term cost containment in the State's Medicaid program.
- (3) Description of legislation necessary to implement the proposed waiver.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**COMMUNITY ALTERNATIVES PROGRAMS**

**SECTION 10.16.(a)** The Department of Health and Human Services shall administer all Community Alternatives Program (CAP) waivers in the most economical

and efficient manner possible to support within funds appropriated the maximum number of persons meeting participation requirements under the waivers. The Department shall amend the waivers to ensure that participation requirements and payment and service limits will ensure that the maximum number of persons meeting participation requirements are served by all waivers. Not later than November 1, 2002, the Department shall submit a report that outlines efficient use of funds appropriated and that demonstrates the participation requirements, payment and service limits, and other administrative actions to support the maximum number of persons to be served in the applicable State fiscal year. The report shall be submitted to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

**SECTION 10.16.(b)** Community Alternatives Program for Disabled Adults (CAP/DA) services shall be provided for the 2002-2003 fiscal year to any eligible person who entered a nursing facility on or before June 1, 2002, notwithstanding that the availability of CAP/DA services may be suspended for that fiscal year.

**SECTION 10.16.(c)** The North Carolina Institute of Medicine shall conduct a study of the CAP/DA administered by the Department of Health and Human Services and shall recommend ways of improving the administration of CAP/DA. In conducting the study, the Institute shall consider the following:

- (1) Whether the lead agency for CAP/DA should also be a provider of direct services under CAP/DA.
- (2) Whether case managers should be employed by the provider agency.
- (3) Whether funds for CAP/DA should be reduced below the ninety percent (90%) maximum that currently exists.
- (4) Review current policy for service requirements, management, and supervision as it pertains to strengthening the family and case manager and agency requirements.
- (5) Whether case managers and provider agencies should have increased responsibility for upholding guidelines.
- (6) Whether oversight of CAP/DA by the Division of Medical Assistance needs strengthening.
- (7) Alternative funding sources for CAP/DA.
- (8) Determination of funding needs for CAP/DA based on corroboration with long-term care policy initiatives.
- (9) What changes should be made to CAP/DA to reduce cost of services per person in order to serve more individuals within existing funds.
- (10) Any other matters the North Carolina Institute of Medicine considers pertinent to the study.

The North Carolina Institute of Medicine shall report its findings and recommendations to the 2003 General Assembly upon its convening.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**DISPOSITION OF DISPROPORTIONATE SHARE RECEIPT CHANGE**

**SECTION 10.17.(a)** Disproportionate share receipts reserved at the end of the 2002-2003 fiscal year shall be deposited with the Department of State Treasurer as nontax revenue for the 2002-2003 fiscal year.

**SECTION 10.17.(b)** For the 2002-2003 fiscal year, as it receives funds associated with Disproportionate Share Payments from State hospitals, the Department of Health and Human Services, Division of Medical Assistance, shall deposit up to one hundred seven million dollars (\$107,000,000) of these Disproportionate Share Payments to the Department of State Treasurer for deposit as nontax revenue. Any Disproportionate Share Payments collected in excess of the one hundred seven million dollars (\$107,000,000) shall be reserved by the State Treasurer for future appropriations.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

#### **MEDICAID HOSPITAL PAYMENTS**

**SECTION 10.18.** The Department of Health and Human Services shall reduce Medicaid payments to hospitals by one-half of one percent (.5%) for the 2002-2003 State fiscal year. The Department shall evaluate all medical payment programs and policies administered by the Department that may affect the future viability and sustainability of financially vulnerable hospitals. Based on the evaluation of the medical payments programs and policies affecting hospitals, the Department shall implement the one-half of one percent (.5%) reduction for the 2002-2003 State fiscal year such that the reduction has the least impact on the future viability and sustainability of financially vulnerable hospitals. The Department shall also review the status of financially vulnerable hospitals to determine whether additional State actions are appropriate to ensure that communities served by these hospitals continue to receive essential medical services. The Department shall consult with the North Carolina Hospital Association while conducting the evaluation of medical payment programs and policies and determining how to implement the one-half of one percent (.5%) reduction. The Department shall report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division on its activities under this section not later than November 1, 2002.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

#### **MEDICAID PROGRAM MANAGEMENT**

**SECTION 10.19.(a)** Section 21.26(b) of S.L. 2001-424 reads as rewritten:

**"SECTION 21.26.(b)** The Department shall implement a pharmacy management plan considering the recommendations of the "North Carolina Medicaid Benefit Study" to achieve anticipated cost savings. The pharmacy management plan may include the following activities:

- (1) Establishing a prior authorization program to manage utilization of high-cost, brand name drugs. In determining drugs to be included in the prior authorization program, the Department shall consider whether inclusion of these drugs is likely to:
  - a. Increase utilization of more expensive services;
  - b. Reduce quality of treatment;
  - c. Result in a lower level of compliance with appropriate drug therapy; and

- d. Have a differential impact upon racial and ethnic minorities and the elderly.

The Department shall conduct a review at least annually of the drugs included in the prior authorization program to determine whether any of the factors listed in this subdivision or other factors with similar results have occurred.

- (2) Limiting prescription drugs to a 34-day supply for some or all drugs.
- (3) Developing physician prescribing practice profiles and other educational tools to enable physicians to better manage their prescriptions.
- (4) Establishing therapeutic limits based on appropriate dosage or usage standards.
- (5) Encouraging use of generic drugs.
- (6) Using maximum allowable pricing.
- (7) Contracting with a pharmacy benefits manager to implement more extensive drug utilization review.
- (8) Studying the impact of eliminating the six prescription drug monthly limit combined with a more rigorous prior authorization program to ensure cost decisions are made based on evidence-based clinical guidelines.
- (9) Expanding disease management initiatives.
- (10) Working with ACCESS physicians to develop and implement drug utilization management initiatives.
- (11) If cost-effective, expanding Medicaid drug coverage to include selected over-the-counter medications.

The Department may adopt temporary rules in accordance with G.S. 150B-21.1 when it finds these rules are necessary to clarify recipient appeal rights related to the pharmacy management plan."

**SECTION 10.19.(b)** The Secretary of Health and Human Services shall not require supplemental rebates from pharmaceutical manufacturers.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

#### **LONG-TERM CARE REIMBURSEMENT METHODOLOGY**

**SECTION 10.19A.** When establishing a new reimbursement methodology for long-term care services including nursing facilities, ICF-MRs, and adult care homes, the Department of Health and Human Services, Division of Medical Assistance, shall do the following:

- (1) Use the latest cost data available;
- (2) Establish reimbursement rates that will allow Medicaid long-term care providers to comply with certification requirements, licensure rules, or other mandated quality or safety standards;
- (3) Consider available data related to long-term care industry costs and losses, including those resulting from the health care workforce crisis and the increase in professional liability insurance premiums; and
- (4) Consider the effect on future viability and sustainability of financially vulnerable long-term care providers.

The Division of Medical Assistance and any contract agencies performing the functions

associated with this section shall consult with provider organizations, including the North Carolina Health Care Facilities Association, the Long-Term Care Facilities Association of North Carolina, the North Carolina Assisted Living Association, the North Carolina Developmental Disabilities Facilities Association, and the North Carolina Association of Non-Profit Homes for the Aging. The Department shall report on the reimbursement methodology not later than January 1, 2003, to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

#### **INCREASES IN FEDERAL MEDICAID FUNDS**

**SECTION 10.19C.(a)** Notwithstanding any other provision of law to the contrary, the total amount of State funds that become available to the Department of Health and Human Services for the 2002-2003 fiscal year due to an increase in federal Medicaid funds resulting from increases in the Federal Financial Participation rate shall be used to increase funds appropriated to the Department for the 2002-2003 fiscal year for the Medicaid program without any reduction in what is otherwise allocated to the Department from appropriated funds.

**SECTION 10.19C.(b)** The Department of Health and Human Services, Division of Medical Assistance, may reinstate eligibility policies changed by this act when all of the following conditions are met:

- (1) Congress approves enhanced Federal Financial Participation for State Medicaid programs.
- (2) Receipt of the enhanced Federal Financial Participation is dependent on a state's maintenance of effort in Medicaid eligibility.
- (3) The Department has concluded that the enacted policy changes render the State ineligible for the enhanced Federal Financial Participation.
- (4) Enhanced Federal Financial Participation receipts exceed the anticipated savings in State funds from the enacted policy changes.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

#### **MEDICAID RESERVE FUND TRANSFER**

**SECTION 10.19D.** Of the funds transferred to the Department of Health and Human Services for Medicaid programs pursuant to G. S. 143-23.2, the sum of forty-three million seven hundred forty-seven thousand five hundred thirty-eight dollars (\$43,747,538) for the 2002-2003 fiscal year shall be allocated as prescribed by G. S. 143-23.2(b) for Medicaid Programs. Notwithstanding the prescription in G. S. 143-23.2(b) that these funds not reduce State general revenue funding, these funds shall replace the reduction in general revenue funding effected in this act.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

#### **NC HEALTH CHOICE**

**SECTION 10.20.(a)** G.S. 108A-70.21 reads as rewritten:

**"§ 108A-70.21. Program eligibility; benefits; enrollment fee and other cost-sharing; coverage from private plans; purchase of extended coverage.**

(a) Eligibility. – The Department may enroll eligible children based on availability of funds. Following are eligibility and other requirements for participation in the Program:

- (1) Children must:
  - a. Be under the age of 19;
  - b. Be ineligible for Medicaid, Medicare, or other federal government-sponsored health insurance;
  - c. Be uninsured;
  - d. Be in a family that meets the following family income requirements:
    1. Infants under the age of one year whose family income is from one hundred eighty-five percent (185%) through two hundred percent (200%) of the federal poverty level;
    2. Children age one year through five years whose family income is above one hundred thirty-three percent (133%) through two hundred percent (200%) of the federal poverty level; and
    3. Children age six years through eighteen years whose family income is above one hundred percent (100%) through two hundred percent (200%) of the federal poverty level;
  - e. Be a resident of this State and eligible under federal law; and
  - f. Have paid the Program enrollment fee required under this Part.
- (2) Proof of family income and residency and declaration of uninsured status shall be provided by the applicant at the time of application for Program coverage. The family member who is legally responsible for the children enrolled in the Program has a duty to report any change in the enrollee's status within 60 days of the change of status.
- (3) If a responsible parent is under a court order to provide or maintain health insurance for a child and has failed to comply with the court order, then the child is deemed uninsured for purposes of determining eligibility for Program benefits if at the time of application the custodial parent shows proof of agreement to notify and cooperate with the child support enforcement agency in enforcing the order.

If health insurance other than under the Program is provided to the child after enrollment and prior to the expiration of the eligibility period for which the child is enrolled in the Program, then the child is deemed to be insured and ineligible for continued coverage under the Program. The custodial parent has a duty to notify the Department within 10 days of receipt of the other health insurance, and the Department, upon receipt of notice, shall disenroll the child from the Program. As used in this paragraph, the term "responsible parent" means a person who is under a court order to pay child support.

- (4) Except as otherwise provided in this section, enrollment shall be continuous for one year. At the end of each year, applicants may reapply for Program benefits.

(b) Benefits. – Except as otherwise provided for eligibility, fees, deductibles, copayments, and other cost-sharing charges, health benefits coverage provided to children eligible under the Program shall be equivalent to coverage provided for dependents under the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan, including optional prepaid plans. Prescription drug providers shall accept as payment in full, for outpatient prescriptions filled, ninety percent (90%) of the average wholesale price for the prescription drug or the amounts published by the ~~Health Care Financing Administration~~ Centers for Medicare and Medicaid Services plus a fee established by the provider not to exceed the amount authorized under subdivision ~~(d)(3) of this section.~~ dispensing fee of five dollars and sixty cents (\$5.60) per prescription for generic drugs and four dollars (\$4.00) per prescription for brand name drugs. All other health care providers providing services to Program enrollees shall accept as payment in full for services rendered the maximum allowable charges under the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan for services less any copayments assessed to enrollees under this Part. No child enrolled in the Plan's self-insured indemnity program shall be required by the Plan to change health care providers as a result of being enrolled in the Program.

In addition to the benefits provided under the Plan, the following services and supplies are covered under the Health Insurance Program for Children established under this Part:

- (1) Dental: Oral examinations, teeth cleaning, and scaling twice during a 12-month period, full mouth X rays once every 60 months, supplemental bitewing X rays showing the back of the teeth once during a 12-month period, fluoride applications twice during a 12-month period, sealants, simple extractions, therapeutic pulpotomies, prefabricated stainless steel crowns, and routine fillings of amalgam or other tooth-colored filling material to restore diseased teeth. No benefits are to be provided for services under this subsection that are not performed by or upon the direction of a dentist, doctor, or other professional provider approved by the Plan nor for services and materials that do not meet the standards accepted by the American Dental Association.
- (2) Vision: Scheduled routine eye examinations once every 12 months, eyeglass lenses or contact lenses once every 12 months, routine replacement of eyeglass frames once every 24 months, and optical supplies and solutions when needed. Optical services, supplies, and solutions must be obtained from licensed or certified ophthalmologists, optometrists, or optical dispensing laboratories. Eyeglass lenses are limited to single vision, bifocal, trifocal, or other complex lenses necessary for a Plan enrollee's visual welfare. Coverage for oversized lenses and frames, designer frames, photosensitive lenses, tinted contact lenses, blended lenses, progressive multifocal lenses, coated lenses, and laminated lenses is limited to the coverage for single vision, bifocal, trifocal, or other complex lenses provided by this subsection. Eyeglass frames are limited to those made of zylonite, metal, or a combination of zylonite and metal. All visual aids covered



by this subsection require prior approval of the Plan. Upon prior approval by the Plan, refractions may be covered more often than once every 12 months.

- (3) Hearing: Auditory diagnostic testing services and hearing aids and accessories when provided by a licensed or certified audiologist, otolaryngologist, or other hearing aid specialist approved by the Plan. Prior approval of the Plan is required for hearing aids, accessories, earmolds, repairs, loaners, and rental aids.

(c) Annual Enrollment Fee. – There shall be no enrollment fee for Program coverage for enrollees whose family income is at or below one hundred fifty percent (150%) of the federal poverty level. The enrollment fee for Program coverage for enrollees whose family income is above one hundred fifty percent (150%) of the federal poverty level shall be fifty dollars (\$50.00) per year per child with a maximum annual enrollment fee of one hundred dollars (\$100.00) for two or more children. The enrollment fee shall be collected by the county department of social services and retained to cover the cost of determining eligibility for services under the Program. County departments of social services shall establish procedures for the collection of enrollment fees.

(d) Cost-Sharing. – There shall be no deductibles, copayments, or other cost-sharing charges for families covered under the Program whose family income is at or below one hundred fifty percent (150%) of the federal poverty level. Families covered under the Program whose family income is above one hundred fifty percent (150%) of the federal poverty level shall be responsible for copayments to providers as follows:

- (1) Five dollars (\$5.00) per child for each visit to a provider, except that there shall be no copayment required for well-baby, well-child, or age-appropriate immunization services;
- (2) Five dollars (\$5.00) per child for each outpatient hospital visit;
- (3) A six-dollar (\$6.00) fee for each outpatient prescription drug purchased;
- (4) Twenty dollars (\$20.00) for each emergency room visit unless:
  - a. The child is admitted to the hospital, or
  - b. No other reasonable care was available as determined by the Claims Processing Contractor of the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan.

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

(e) Cost-Sharing Limitations. – The total annual aggregate cost-sharing, including fees, with respect to all children in a family receiving Program benefits under this Part shall not exceed five percent (5%) of the family's income for the year involved. To assist the Department in monitoring and ensuring that the limitations of this subsection are not exceeded, the Executive Administrator and Board of Trustees of the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan shall provide data to the Department showing cost-sharing paid by Program enrollees.

(f) Coverage From Private Plans. – The Department shall, from funds available for the Program, pay the cost for dependent coverage provided under a private insurance plan for persons eligible for coverage under the Program if all of the following conditions are met:

- (1) The person eligible for Program coverage requests to obtain dependent coverage from a private insurer in lieu of coverage under the Program and shows proof that coverage under the private plan selected meets the requirements of this subsection;
- (2) The dependent coverage under the private plan is actuarially equivalent to the coverage provided under the Program and the private plan does not engage in the exclusive enrollment of children with favorable health care risks;
- (3) The cost of dependent coverage under the private plan is the same as or less than the cost of coverage under the Program; and
- (4) The total annual aggregate cost-sharing, including fees, paid by the enrollee under the private plan for all dependents covered by the plan, do not exceed five percent (5%) of the enrollee's family income for the year involved.

The Department may reimburse an enrollee for private coverage under this subsection upon a showing of proof that the dependent coverage is in effect for the period for which the enrollee is eligible for the Program.

(g) Purchase of Extended Coverage. – An enrollee in the Program who loses eligibility due to an increase in family income above two hundred percent (200%) of the federal poverty level and up to and including two hundred twenty-five percent (225%) of the federal poverty level may purchase at full premium cost continued coverage under the Program for a period not to exceed one year beginning on the date the enrollee becomes ineligible under the income requirements for the Program. The same benefits, copayments, and other conditions of enrollment under the Program shall apply to extended coverage purchased under this subsection.

(h) No State Funds for Voluntary Participation. – No State or federal funds shall be used to cover, subsidize, or otherwise offset the cost of coverage obtained under subsection (g) of this section."

**SECTION 10.20.(b)** The dispensing fee for prescription drugs required under G.S. 108A-70.21(b), as enacted by this section, shall become effective not later than January 1, 2003.

**SECTION 10.20.(c)** It is the intent of the General Assembly to consider the recommendations of the Institute of Medicine study in determining whether Medicaid rates or some other rates should apply to Program services.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

#### **NC HEALTH CHOICE STATE PLAN TECHNICAL AMENDMENTS**

**SECTION 10.21.** The Department of Health and Human Services may rewrite and submit to the federal government the State Plan for the North Carolina Health Choice Program solely for the purpose of incorporating amendments enacted by the 1997 General Assembly, Regular Session 1998, the 1999 General Assembly, and the 2001 General Assembly, and to otherwise comply with applicable federal requirements. Nothing in this section authorizes the Department to make amendments to the State Plan for the North Carolina Health Choice Program not otherwise authorized by the General Assembly. Amendments to the State Plan required by the federal government to be implemented after the effective date of this section, other than those authorized by this section, shall comply with G.S. 108A-70.25.

**SUBPART 3. DIVISION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES**

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**ALLOCATION OF REDUCTIONS IN FUNDS FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES PROGRAMS**

**SECTION 10.23.(a)** The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall allocate reductions to Division central administration to items of expenditures which have the least impact on:

- (1) The support of direct services to individuals served in State facilities and local programs;
- (2) The Division's ability to reorganize and continue implementation of the State Plan for Mental Health, Developmental Disabilities, and Substance Abuse Services; and
- (3) The Division's ability to meet State and federal requirements such as monitoring, program oversight, and reporting.

**SECTION 10.23.(b)** All reductions designated for Division-operated State facilities shall be allocated as follows:

- (1) In a manner that has the least impact possible on the State's ability to comply with Olmstead vs. L.C. & E.W. and The Civil Rights of Institutionalized Persons Act (CRIPA).
- (2) Maximum resources shall be retained for the purpose of transfer to local programs for community capacity building as the population in State facilities decreases and the principal focus of services transitions to community-based programs.
- (3) As deemed essential by the Secretary of the Department of Health and Human Services for compliance with implementation of the State Plan for Mental Health, Developmental Disabilities, and Substance Abuse Services, and with Olmstead vs. L.C. & E.W. and CRIPA, reduction amounts and total number of positions reduced may be shifted among facilities so long as the aggregate reduction in State appropriations is achieved.

**SECTION 10.23.(c)** The Department shall report not later than November 1, 2002, on a plan for allocating the reductions required under this section. The plan shall describe each reduction allocation demonstrating compliance with this section. The Department shall submit the report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**SUBSTANCE ABUSE PREVENTION SERVICES**

**SECTION 10.24.(a)** In order to ensure that individuals receive effective substance abuse prevention services, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall do the following with respect to services provided to these individuals:

- (1) Designate an Office of Substance Abuse Prevention within the Department as outlined in the North Carolina Comprehensive Strategic Plan for Substance Abuse Prevention. This Office shall be responsible for the implementation of the goals in the Comprehensive Strategic Plan for Substance Abuse Prevention. The Office shall also maintain the Interagency Agreement for Substance Abuse Prevention Services and ensure continuing collaboration between agencies that are parties to the Agreement.
- (2) Provide only those prevention services that are evidence-based and have been determined to be effective in preventing alcohol and other drug problems.
- (3) Propose rules for the licensure of prevention programs to ensure quality of service delivery in local communities. Rules shall be subject to review and adoption by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services.
- (4) Ensure that services are provided by qualified prevention professionals.
- (5) Implement an outcome-based system utilizing standard risk assessments and data elements consistent with appropriate evaluation of prevention programs.

**SECTION 10.24.(b)** The Department shall report on its activities under this section to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division not later than December 1, 2002.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**PRIVATE AGENCY UNIFORM COST-FINDING REQUIREMENT**

**SECTION 10.25.** Section 21.56 of S.L. 2001-424, as amended by S.L. 2001-513, reads as rewritten:

"**SECTION 21.56.(a)** To ensure uniformity in rates charged to area programs and funded with State-allocated resources, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services may require a private agency that provides services under contract with ~~two or more area programs~~, an area program or county program, except for hospital services that have an established Medicaid rate, to complete an agency-wide uniform cost finding. The resulting cost shall be the maximum included for the private agency in the contracting area program's unit cost finding.

**SECTION 21.56.(b)** If a private agency fails to timely and accurately complete the required agency-wide uniform cost finding in a manner acceptable to the Department's controller's office, the Department may suspend all Department funding and payment to the private agency until such time as an acceptable cost finding has been completed by the private agency and approved by the Department's controller's office."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**WHITAKER SCHOOL**

**SECTION 10.26.** Section 21.61(a) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.61.(a)** The Department of Health and Human Services shall work

with families and guardians, the Department of Public Instruction, the Department of Juvenile Justice and Delinquency Prevention, and appropriate local education agencies, area mental health, developmental disabilities, and substance abuse programs, and local departments of social services to develop a plan for the transition of children from the Whitaker School to their homes or alternative facilities. The Plan shall ensure appropriate and safe placement for those children who, in accordance with the assessment, need an institutional setting. The Plan shall also include transition plans that facilitate and support children living in their natural environments and utilizing existing resources and natural supports. Assessments and service planning alternatives shall also be undertaken for children on the waiting list for placement at Whitaker School to ensure appropriate and safe placement for those children. The Department shall report on the status of its compliance with this section on April 1, 2002 and again on ~~October 1, 2002.~~ January 1, 2003. The report shall be submitted to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

#### **AREA MENTAL HEALTH ADMINISTRATIVE COSTS**

**SECTION 10.27.** Section 21.65 of S.L. 2001-424 reads as rewritten:

"**SECTION 21.65.(a)** Area mental health, developmental disabilities, and substance abuse authorities or counties administering mental health, developmental disabilities, and substance abuse services shall develop and implement plans to reduce local administrative costs. The plans shall be developed in accordance with guidelines adopted by the Secretary, in consultation with the Local Government Commission and the North Carolina Association of County Commissioners, and in accordance with the following:

- (1) For the 2001-2002 fiscal year, administrative costs for:
  - a. Area mental health, developmental disabilities, and substance abuse services programs shall not exceed fifteen percent (15%).
  - b. Counties administering mental health, developmental disabilities, and substance abuse services through a county program shall not exceed fifteen percent (15%).
- (2) For the 2002-2003 fiscal year, administrative costs for:
  - a. Area mental health, developmental disabilities, and substance abuse services programs shall not exceed thirteen percent (13%).
  - b. Counties administering mental health, developmental disabilities, and substance abuse services through a county program shall not exceed thirteen percent (13%).

**SECTION 21.65.(b)** The Department of Health and Human Services shall report its progress in complying with this section not later than January 1, 2002, and April 15, 2002. The reports shall be submitted to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division and shall include:

- (1) A description of the process used and the participants involved in complying with subsection (a) of this section.
- (2) The guidelines developed under subsection (a) of this section.

- (3) A description of local compliance initiatives and efforts including program or function consolidation.
- (4) A list of area programs at or below the targeted thirteen percent (13%) for the 2000-2001 fiscal year.
- (5) Projected savings in administrative costs as a result of implementation of the targeted limits required under this section.

**SECTION 21.65.(c)** Beginning in the 2002-2003 fiscal year, the Department may implement alternative approaches to establish reasonable administrative cost limitations for Local Management Entities (LMEs), including both county programs and area authority models, and service providers in accordance with system reform and changes in system funding structures."

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

#### **MENTAL RETARDATION CENTER DOWNSIZING**

**SECTION 10.28.** Section 21.67 of S.L. 2001-424 reads as rewritten:

**"SECTION 21.67.(a)** In accordance with the Department of Health and Human Services' plan for downsizing the State's regional mental retardation facilities by four percent (4%) each year, the Department shall implement cost-containment and reduction strategies to ensure the corresponding financial and staff downsizing of each facility. The Department shall manage the client population of the mental retardation centers in order to ensure that placements for ICF/MR level of care shall be made in non-State facilities. Admissions to State ICF/MR facilities are permitted only as a last resort and only upon approval of the Department. The corresponding budgets for each of the State mental retardation centers shall be reduced, and positions shall be eliminated as the census of each facility decreases. At no time shall mental retardation center positions be transferred to other units within a facility or assigned nondirect care activities such as ~~outreach-outreach~~, except that position transfers may be made for outreach activities to facilitate the transfer of residents to the community.

**SECTION 21.67.(a1)** Any savings in State appropriations in excess of two million nine hundred thousand dollars (\$2,900,000) in each year of the 2001-2003 fiscal biennium that result from reductions in beds or services shall be applied as follows:

- (1) Nonrecurring savings shall be placed in the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs and shall be used to facilitate the transition of clients into appropriate community-based services and support in accordance with Section 21.58 of this act, and
- (2) Recurring savings realized through implementation of this section shall be retained by the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to support the recurring costs of additional community-based placements from Division facilities in accordance with Olmstead vs. L.C. & E.W. In determining the savings in this section, savings shall include all savings realized from the downsizing of the State mental retardation centers including both the savings in direct State appropriations in the budgets of the State mental retardation centers as well as the savings in the State matching portion of reduced Medicaid payments associated with downsizing.

**SECTION 21.67.(b)** The Department of Health and Human Services shall report on its progress in complying with this section to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division. The progress report shall be submitted not later than January 15, 2002, and a final report submitted not later than ~~May 1, 2002.~~January 1, 2003.

**SECTION 21.67.(c)** Downsizing of mental retardation centers which occurs in the 2001-2002 fiscal year shall be maintained for the 2002-2003 fiscal year. Effective July 1, 2002, downsizing shall be accomplished in accordance with this section and the State Plan for Mental Health, Developmental Disabilities, and Substance Abuse Services. All savings resulting from downsizing occurring on and after July 1, 2002, shall be utilized as set forth in subsection (a1) of this section."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**STATE PSYCHIATRIC HOSPITAL BED DAY ALLOCATION PLAN**

**SECTION 10.29.** Section 21.68A of S.L. 2001-424 reads as rewritten:

"**SECTION 21.68A.** The Department of Health and Human Services shall develop and implement a plan that provides for the allocation of State psychiatric hospital ~~beds~~ bed days among counties served by the State's regional psychiatric hospitals. The Plan shall incorporate policies that take into consideration State and county fiscal responsibilities and capacity, cost efficiency, and the principles and guidance embodied in the Olmstead vs. L.C. & E.W. decision. The Department shall report on the implementation of this section to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division, on ~~March 1, 2002.~~November 1, 2002."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**EXTEND CONSUMER ADVOCACY PROGRAM CONTINGENT UPON FUNDS APPROPRIATED BY THE 2003 GENERAL ASSEMBLY**

**SECTION 10.30.** Section 4 of S.L. 2001-437 reads as rewritten:

"**SECTION 4.** Sections 1.1 through 1.21(b) of this act become effective July 1, 2002. Section 2 of this act becomes effective ~~July 1, 2002, only if funds are appropriated by the 2001 General Assembly, Regular Session 2002, for that purpose.~~ only if funds are appropriated by the 2003 General Assembly for that purpose. Section 2 of this act becomes effective July 1 of the fiscal year for which funds are appropriated by the 2003 General Assembly for that purpose. The remainder of this act is effective when it becomes law."

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Alexander, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**DHHS COORDINATION OF RULES**

**SECTION 10.31.(a)** The Secretary of the Department of Health and Human Services and the Chairs of the Commissions listed in this section shall collaborate in the development of a process for identifying and resolving issues pertaining to duplication and conflict of rules adopted by the Secretary and each

Commission that affect the area of mental health, developmental disabilities, and substance abuse services. The process shall address the following:

- (1) How to identify on a routine basis proposed rules that duplicate in whole or in part other rules proposed or adopted and ways of avoiding the duplication without interfering with the agency's statutory duty to adopt the rule and without impairing the effectiveness of the rule in carrying out the statutory mandate.
- (2) How to identify on a routine basis adopted rules that are in conflict, proposed rules that conflict with other proposed or adopted rules, and ways of addressing the conflict without interfering with the agency's statutory duty to adopt the rule and without impairing the effectiveness of the rule in carrying out the statutory mandate.

The following Commissions shall collaborate with the Secretary on the development of this process: the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services, the Social Services Commission, the Commission for Health Services, the Medical Care Commission, and other Commissions that adopt rules affecting the area of mental health, developmental disabilities, and substance abuse services that the Secretary has a duty to implement. The Secretary shall also involve a representative of the Division of Medical Assistance in this effort.

**SECTION 10.31.(b)** The Secretary and the Commissions shall implement the process required by subsection (a) of this section not later than November 1, 2002. Not later than November 15, 2002, the Secretary shall report to the Joint Legislative Commission on Mental Health, Developmental Disabilities, and Substance Abuse Services the following:

- (1) The status of the review of rules conducted by the Department for determining the existence of ambiguity, duplication, or conflict.
- (2) Specific rules identified that are in conflict and the recommended action for resolving the conflict.
- (3) Statutory changes necessary to accomplish the purposes of the rules review process required by subsection (a) of this section.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**PATIENT ADVOCATE POSITIONS ORGANIZATIONAL CHANGE**

**SECTION 10.31A.** In order to better achieve the purposes of patient advocate positions, the Department of Health and Human Services shall develop a plan for restructuring the organizational framework for patient advocate positions such that patient advocates in the State psychiatric hospitals and mental retardation centers are under the supervision of and report directly to Department officials rather than to the Directors of these facilities. In developing the plan, the Department shall not relocate the patient advocates nor change their duties and responsibilities, but shall determine the best organizational structure within the Department for these positions. In developing the plan the Department shall also consider contracting for patient advocate services. The Department shall report on the development of the plan to restructure the patient advocate position organizational framework. The report shall include the following information:

- (1) The various potential organizational structures under the Department's



organizational framework considered for the patient advocate positions.

- (2) The organizational framework recommended by the Department.
- (3) The Department officials responsible for supervision of the patient advocates under the new organizational framework.
- (4) Whether the Department considered contracting for patient advocate services and the reasons for its decision about contracting for these services.

The Department shall submit the report not later than December 1, 2002, to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division.

#### **SUBPART 4. DIVISION OF SOCIAL SERVICES**

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

##### **SPECIAL NEEDS ADOPTION INCENTIVE FUND REPORTING DATE**

**SECTION 10.32.** Section 21.42(d) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.42.(d)** The Department of Health and Human Services shall report on the use of these funds no later than April 1, ~~2002,2003~~, to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

##### **CHILD WELFARE SYSTEMS PILOTS REPORTS**

**SECTION 10.33.(a)** Section 21.46(a) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.46.(a)** The Department of Health and Human Services, Division of Social Services, shall develop a plan, working with local departments of social services, to implement an alternative response system of child protection in no fewer than two and no more than 10 demonstration areas in this State. The plan should provide for the pilots to implement an alternative response system in which local departments of social services utilize family assessment tools and family support principles when responding to selected reports of suspected child ~~neglect~~.neglect and dependency."

**SECTION 10.33.(b)** The Department of Health and Human Services shall report on any activities conducted under Section 21.46 of S.L. 2001-424 to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division not later than April 1, 2003.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

##### **FAMILY RESOURCE CENTERS – REPORTING REQUIREMENT**

**SECTION 10.34.** Section 21.48(e) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.48.(e)** The Department shall report on activities under this section. This report is due to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division on May 1, ~~2002,2003~~."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee;  
Representatives Earle, Nye, Easterling, Oldham, Redwine

**ELIMINATE ADDITIONAL FUNDS FOR CHILD SUPPORT SERVICES**

**SECTION 10.35.** Section 21.54A of S.L. 2001-424 reads as rewritten:

"**SECTION 21.54A.** Of the funds appropriated in this act to the Department of Health and Human Services, Division of Social Services, the sum of one million five hundred thousand dollars (\$1,500,000) for the 2001-2002 fiscal year, ~~and one million five hundred thousand dollars (\$1,500,000) for the 2002-2003 fiscal year,~~ shall be used to contract for additional child support services in urban counties demonstrating significant caseload backlogs. The additional support to urban counties shall address the backlog of cases and emphasize the establishment of paternities and the location of absent parents."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee;  
Representatives Earle, Nye, Easterling, Oldham, Redwine

**STATE/COUNTY SPECIAL ASSISTANCE**

**SECTION 10.36.** Section 21.44(d) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.44.(d)** Effective October 1, 2002, the maximum monthly rate for residents in adult care home facilities shall be ~~one thousand one hundred twenty dollars (\$1,120) per month per resident.~~ one thousand ninety-one dollars (\$1,091) per month per resident."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee;  
Representatives Earle, Nye, Easterling, Oldham, Redwine

**ELECTING COUNTY TANF FUNDS REVERT**

**SECTION 10.37.** G.S. 108A-27.11(c) reads as rewritten:

"(c) Each Electing County's allocation for Work First Family Assistance shall be computed based on the percentage of each Electing County's total expenditures for cash assistance to statewide actual expenditures for cash assistance in 1995-96. The resulting percentage shall be applied to the federal TANF block grant funds appropriated for cash assistance by the General Assembly each fiscal year. The Department shall transmit the federal funds contained in the county block grants to Electing Counties as soon as practicable after they become available to the State and in accordance with federal cash management laws and regulations. The Department shall transmit one-fourth of the State funds contained in county block grants to Electing Counties at the beginning of each quarter. ~~Once paid, the county block grant funds shall not revert.~~"

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee;  
Representatives Earle, Nye, Easterling, Oldham, Redwine

**ADULT CARE HOME MODEL FOR COMMUNITY-BASED SERVICES**

**SECTION 10.38.** Section 21.54(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.54.(b)** The Department shall submit a progress report on the development of the model to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division on or before January 1, 2002, and a final report on ~~March 1, 2002.~~ March 1, 2003. The report shall address the following:

- (1) The proposed time and location for implementation of the pilot.

- (2) Proposed number of residents to be placed and services to be provided directly by the facility or under contract with the facility.
- (3) Method for evaluating the pilot, including services provided, on a regular basis.
- (4) A description of the living environment for each resident and a comparison of how the living environment compares to that of other residents in the adult care home.
- (5) Changes to State law necessary to implement the pilot.
- (6) Projected cost to the State for pilot and statewide implementation."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**ADULT CARE HOME RESIDENT ASSESSMENT SERVICES PROGRAM  
REPEALED**

**SECTION 10.39.** Section 21.35 of S.L. 2001-424 is repealed.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**SPECIAL CHILDREN ADOPTION FUND**

**SECTION 10.41.** Section 21.40(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.40.(b)** Of the total funds appropriated for the Special Children Adoption Fund, each year ~~one million dollars (\$1,000,000)~~ twenty percent (20%) of the total funds available shall be reserved for payment to participating private adoption agencies. If the funds reserved in this subsection for payments to private adoption agencies have not been spent on or before March 31, ~~2002, 2003~~, the Division of Social Services may reallocate those funds, in accordance with this section, to other participating adoption agencies."

Requested by: Senators Martin of Guilford, Hoyle, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**BOYS AND GIRLS CLUBS**

**SECTION 10.41A.** The sum of five hundred fifty thousand dollars (\$550,000) appropriated in this act to the Department of Health and Human Services for Boys and Girls Clubs shall be used to make grants for approved programs. The Department of Health and Human Services shall administer a grant program to award funds to the Boys and Girls Clubs across the State in order to implement programs that improve the motivation, performance, and self-esteem of youths and to implement other initiatives that would be expected to reduce school dropout and teen pregnancy rates. The Department shall encourage and facilitate collaboration between the Boys and Girls Clubs and Support Our Students, Communities in Schools, and similar programs to submit joint applications for the funds if appropriate.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**STATE/COUNTY SPECIAL ASSISTANCE TRANSFER OF ASSETS POLICY**

**SECTION 10.41B.(a)** Notwithstanding any other provision of law to the contrary, Supplemental Security Income (SSI) policy applicable to transfer of assets and

estate recovery, as prescribed by federal law, shall apply to applicants for State/County Special Assistance.

**SECTION 10.41B.(b)** The Department of Health and Human Services shall continue to review whether policy for State/County Special Assistance should be changed to permit an assisted living facility to accept from a family member of a resident who qualifies for State/County Special Assistance payment for the difference in the monthly rate for room, board, and services available. In reviewing current policy, the Department shall consider the following conditions on family contributions to the resident's cost of care:

- (1) Ensuring that the resident meets all income and resource eligibility requirements for State/County Special Assistance.
- (2) Not counting payments made by family members to the facility as income to the resident or as an in-kind contribution when calculating the monthly rate applicable to the resident.
- (3) Ensuring that supplemental payments are made on a voluntary basis as specified in the resident agreement.

Not later than March 1, 2003, the Department shall report on its activities under this subsection to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

**SECTION 10.41B.(c)** Subsection (a) of this section becomes effective November 1, 2002.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Rand, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

#### **CHILD SUPPORT PROGRAM NOTIFICATION EXTENDED**

**SECTION 10.41C.** Notwithstanding G.S. 110-141, a board of county commissioners that desires to assume responsibility for the administration of the Child Support Program beginning with the 2003-2004 fiscal year must notify the Department of Health and Human Services of its intent no later than December 1, 2002. The obligation of the board of county commissioners to assume responsibility for the administration of the Program does not commence prior to July 1, 2003. Until July 1, 2003, the Department of Health and Human Services shall continue the administration of the Program for that county.

#### **SUBPART 5. OFFICE OF EDUCATIONAL SERVICES**

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

#### **RESIDENTIAL SCHOOLS REPORTING**

**SECTION 10.44.** The Office of Education Services shall report not later than December 1, 2002, to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division on the activities of the Eastern North Carolina School for the Deaf at Wilson, the North Carolina School for the Deaf at Morganton, and the Governor Morehead School for the Blind. The report shall include enrollment numbers at the schools, the budgets, and the academic status of the schools as defined under the ABC's program.

**SUBPART 6. DIVISION OF PUBLIC HEALTH**

Requested by: Senators Martin of Guilford, Purcell, Warren, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**HEART DISEASE AND STROKE PREVENTION TASK FORCE**

**SECTION 10.45.** Section 21.95 of S.L. 2001-424 reads as rewritten:

"**SECTION 21.95.** The Heart Disease and Stroke Prevention Task Force, created in subsection (1) of Section 26.9 of Chapter 507 of the 1995 Session Laws, as amended, shall submit to the Governor and the General Assembly a sixth interim report within the first week of the convening of the 2001 General Assembly, 2002 Regular Session, and a seventh interim report within the first week of the convening of the 2003 General Assembly. Notwithstanding Section 11.57 of S.L. 1999-237, the Task Force shall submit a ~~final report to the Governor and the General Assembly by June 30, 2003, and a report to each subsequent regular legislative session within one week of its convening, by June 30, 2003, and, upon submission of its final report to the Governor and the General Assembly, the Task Force shall expire.~~"

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**NEWBORN HEARING SCREENING PROGRAM REPORT**

**SECTION 10.46.** Section 21.96 of S.L. 2001-424 reads as rewritten:

"**SECTION 21.96.** The Department of Health and Human Services shall report the following information on the newborn hearing screening program:

- (1) Unduplicated number of infants screened.
- (2) Number of infants who failed the second hearing screening.
- (3) Number of infants receiving the diagnostic evaluation.
- (4) Number and types of services provided.
- (5) Number and types of follow-up services provided to children.

The Department shall submit the report not later than May 1, 2002, to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division. The Department shall report not later than January 1, 2003, on its activities to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**INTENSIVE HOME VISITING**

**SECTION 10.47.** Section 21.97(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.97.(b)** The Division shall require in-home visitors to collect data on program participants as a condition of participation. This requirement shall include six-month periodic assessments and completion of the questionnaires. The Department shall ensure that the collection, maintenance, use, and disclosure of data complies with applicable State and federal law protecting privacy of health and other individual information. By April 1, ~~2002, 2003,~~ the Division shall report to the Senate Appropriations Committee on Health and Human Services and the House of

Representatives Appropriations Subcommittee on Health and Human Services on the following items:

- (1) Number of clients/families enrolled per county.
- (2) Attrition and reasons why families leave the program.
- (3) Average number of home visits per month.
- (4) Average time involved per home visit.
- (5) Baseline family characteristics.
- (6) Health behaviors.
- (7) Perinatal and birth outcomes.
- (8) Other relevant outcome information.

All program information shall include the identification of the model used in order to compare these models in the future."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**AIDS DRUG ASSISTANCE PROGRAM (ADAP)**

**SECTION 10.48.(a)** Section 21.90(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.90.(b)** For the 2001-2002 fiscal year and for the 2002-2003 fiscal year, HIV-positive individuals with incomes at or below one hundred twenty-five percent (125%) of the federal poverty level are eligible for participation in ADAP. ~~Eligibility for participation in ADAP may be extended to individuals with incomes up to one hundred fifty percent (150%) of the federal poverty level only after the Office of State Budget and Management certifies in writing that the Department has developed an information management system pursuant to subsection (a) of this section. Until the Office of State Budget and Management makes this certification, eligibility~~Eligibility for participation in ADAP during the 2001-2003 fiscal biennium shall not be extended to individuals with incomes above one hundred twenty-five percent (125%) of the federal poverty level. ~~Following six months of increased eligibility at one hundred fifty percent (150%) of the federal poverty level, eligibility for participation in ADAP shall be extended to individuals with incomes up to one hundred seventy five percent (175%) of the federal poverty level for the remainder of the 2001-2002 fiscal year. Beginning July 1, 2002, eligibility for participation in the ADAP shall be extended to individuals with incomes up to two hundred percent (200%) of the federal poverty level.~~"

**SECTION 10.48.(b)** The Department of Health and Human Services shall develop a plan to manage costs in ADAP and to serve additional participants within additional resources. The plan shall include an assessment of the following, including, where applicable, a review of other states' actions in these areas:

- (1) Limiting the drug formulary.
- (2) Capping expenditures on a per participant/per month basis.
- (3) Providing financial assistance to participants for health care program premiums.

**SECTION 10.48.(c)** The Department shall report on activities conducted under this section and under Section 21.90 of S.L. 2001-424 to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Subcommittee on Health and Human Services, and the Fiscal Research Division. The Department shall submit an interim report not later than December 1, 2002, and a final report not later than May 1, 2003.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**PRESCRIPTION DRUG ASSISTANCE PROGRAM**

**SECTION 10.49.(a)** Section 21.88 of S.L. 2001-424 reads as rewritten:

"**SECTION 21.88.** Of the funds appropriated in this act to the Department of Health and Human Services, the sum of five hundred thousand dollars (\$500,000) for the 2001-2002 fiscal year ~~and the sum of five hundred thousand dollars (\$500,000) for the 2002-2003 fiscal year~~ shall be used to pay the cost of outpatient prescription drugs for persons:

- (1) Over the age of 65 years and not eligible for full Medicaid benefits;
- (2) Whose income is not more than one hundred fifty percent (150%) of the federal poverty level; and
- (3) Who have been diagnosed with cardiovascular disease or diabetes.

These funds shall be used to pay the cost of outpatient prescription drugs for the treatment of cardiovascular disease or diabetes. Payment shall be not more than the Medicaid cost including rebates. The Department shall develop criteria to maximize the efficient and effective distribution of these drugs."

**SECTION 10.49.(b)** It is the intent of the General Assembly that funding for prescription drug assistance provided by the Health and Wellness Trust Fund shall include funds for the transition of benefits formerly provided under the Prescription Drug Assistance Program.

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**EARLY INTERVENTION PROGRAM - REPORTING REQUIREMENT**

**SECTION 10.52.** The Department of Health and Human Services shall report on the activities conducted under Section 21.79 of S.L. 2001-424 to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division not later than December 1, 2002.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**DEVELOPMENTAL EVALUATION CENTERS**

**SECTION 10.53.(a)** The Department of Health and Human Services, Division of Public Health, shall administer the reduction in funds for the 2002-2003 fiscal year of two million seventy-six thousand four hundred twenty-six dollars (\$2,076,426) to all Developmental Evaluation Centers (DECs) based upon the following:

- (1) Prior years' expenditures of the DEC,
- (2) Elimination of vacant positions, and
- (3) Overall needs of the DEC.

The reduction shall not result in the entire closure of an individual DEC and the implementation of the reduction should seek to minimize the loss of direct services to children, looking first at administrative reductions.

**SECTION 10.53.(b)** The Division of Public Health shall prepare a plan for the future of Developmental Evaluation Centers that will involve a needs-assessment of services and geographical needs. The plan shall also include an assessment of the

number of DEC's needed and recommendations for future downsizing or growth based on data to be provided in the report. The plan will augment the Early Intervention Services Plan submitted to the General Assembly. The Division shall report on its plan not later than December 1, 2002, to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

#### **STATE LABORATORY COST ANALYSIS**

**SECTION 10.53A.(a)** The Fiscal Research Division of the Legislative Services Office shall contract with an independent consultant to conduct a cost identification and fully allocated cost analysis of services provided by the North Carolina State Laboratory, Division of Public Health of the Department of Health and Human Services. The identification and analysis shall include at least the following services: cancer cytology, environmental sciences, newborn screening testing, and infectious and communicable disease testing. The Fiscal Research Division shall issue a Request for Proposal to obtain the services of the independent consultant, shall manage the contract, and shall consult with the Division of Public Health in the development of the Request for Proposal. In developing the Request for Proposal, the Fiscal Research Division shall ensure that comments of the Division of Public Health on the analysis shall be included in the contractor's final report. The Fiscal Research Division shall also ensure that the contractor's analysis provides sufficient information to enable the General Assembly to review and determine the public benefit of maintaining the State Laboratory.

**SECTION 10.53A.(b)** The Department of Health and Human Services shall transfer not more than fifty thousand dollars (\$50,000) to the General Assembly, Fiscal Research Division of the Legislative Services Office. These funds shall be used to conduct the identification and analysis required in subsection (a) of this section.

**SECTION 10.53A.(c)** The contractor conducting the analysis shall report to the House of Representatives Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Health and Human Services no later than May 1, 2003, on the results of the analysis and recommendations.

#### **SUBPART 7. DIVISION OF CHILD DEVELOPMENT**

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

#### **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES ENHANCEMENTS**

**SECTION 10.55.(a)** Section 21.75(d) of S.L. 2001-424 reads as rewritten:

**"SECTION 21.75.(d)** The Department of Health and Human Services and the North Carolina Partnership for Children, Inc., shall ensure that the allocation of funds for Early Childhood Education and Development Initiatives for State fiscal ~~year-years~~ 2001-2002 and 2002-2003 shall be administered and distributed in the following manner:



- (1) The North Carolina Partnership for Children, Inc., shall develop a policy to allocate the reduction of funds for Early Childhood Education and Development Initiatives for the 2001-2002 and 2002-2003 fiscal year-years.
- (2) The North Carolina Partnership for Children, Inc., administration shall be reduced by ten percent (10%) from the 2000-2001 fiscal year level.
- (3) The Department of Health and Human Services Smart Start administration shall be reduced by ten percent (10%) from the 2000-2001 fiscal year level.
- (4) Capital expenditures and playground equipment expenditures are prohibited for fiscal year 2001-2002-years 2001-2002 and 2002-2003. For the purposes of this section, "capital expenditures" means expenditures for capital improvements as defined in G.S. 143-34.40.
- (5) Expenditures of State funds for advertising and promotional activities are prohibited for fiscal year 2002-2003."

**SECTION 10.55.(b)** Section 21.75(f) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.75.(f)** For the 2001-2002 and 2002-2003 fiscal year-years, the North Carolina Partnership for Children, Inc., shall not approve local partnership plans that allocate State funds to child care providers for one-time quality improvement initiatives in the following circumstances:

- (1) Child care facilities with licensure of four or five stars, unless the expenditure of funds is to expand capacity for low-income children.
- (2) Child care facilities that do not accept child care subsidy funds.
- (3) Child care facilities that previously received quality improvement grants whose quality initiatives failed to increase licensure."

**SECTION 10.55.(c)** For the 2002-2003 fiscal year, the local partnerships shall spend an amount for child care subsidies that provides at least fifty-two million dollars (\$52,000,000) for the TANF maintenance of effort requirement and the Child Care Development Fund and Block Grant match requirement.

**SECTION 10.55.(d)** G.S. 143B-168.12 is amended by adding a new subsection to read:

"(e) The North Carolina Partnership shall develop guidelines for local partnerships to follow in selecting capital projects to fund. The guidelines shall include assessing the community needs in relation to the quantity of child care centers, assessing the cost of purchasing or constructing new facilities as opposed to renovating existing facilities, and prioritizing capital needs such as construction, renovations, and playground equipment and other amenities."

**SECTION 10.55.(e)** G.S. 143B-168.13(a)(1a) reads as rewritten:

- "(1a) Develop and conduct a statewide needs and resource assessment every third year, beginning in the 1997-98 fiscal year. This needs assessment shall be conducted in cooperation with the North Carolina Partnership and with the local partnerships. This needs assessment shall include a statewide assessment of capital needs. The data and findings of this needs assessment shall form the basis for annual program plans developed by local partnerships and approved by the North Carolina Partnership."

**SECTION 10.55.(f)** Section 21.72(a) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.72.(a)** Administrative costs shall be equivalent to, on an average statewide basis for all local partnerships, not more than eight percent (8%) of the total

statewide allocation to all local partnerships. ~~What counts as administrative costs shall be as defined in the Smart Start Performance Audit.~~ For the purposes of this subsection, administrative costs shall include costs associated with partnership oversight, business and financial management, general accounting, human resources, budgeting, purchasing, contracting, and information systems management."

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**MORE AT FOUR PROGRAM**

**SECTION 10.56.(a)** Section 21.76B(d) of S.L. 2001-424 reads as rewritten:

**"SECTION 21.76B.(d)** In development of the "More At Four" pilot, the Department of Health and Human Services, in consultation with the Department of Public Instruction and the Task Force, shall:

- (1) Contract with an independent research organization, outside the Department of Health and Human Services and the Department of Public Instruction, with proven expertise in evaluation of prekindergarten programs, for the design of an evaluation component. The evaluation component shall facilitate longitudinal review of the program and child-specific outcomes to include, at a minimum, participants' readiness for kindergarten, percentage of participants scoring at or above grade level on the third grade end-of-grade test, and high school graduation rates.
- (2) Collaborate in the development of a system to collect and maintain child-specific information to provide for the long-term evaluation of the pilot. The system shall be developed in a manner which ~~builds upon~~ utilizes existing State and local systems and ~~which facilitates the interface with~~ the N.C. Student Information Management System."

**SECTION 10.56.(b)** Section 21.76B(f) of S.L. 2001-424 reads as rewritten:

**"SECTION 21.76B.(f)** In order to maximize and coordinate funding for prekindergarten programs for ~~four-year-olds~~ at-risk preschoolers with demonstrated educational needs, the Department of Health and Human Services, the Department of Public Instruction, ~~and the Task Force~~ Force, and the North Carolina Partnership for Children, Inc., shall identify and make recommendations on the ~~reallocation~~ most efficient and effective use of funds from existing State and local programs providing prekindergarten related care and services, including child care subsidies. All potential funding sources, including federal as well as State-funded efforts, shall be identified. The report required under subsection (g) of this section shall include recommendations on strategies to ensure coordination between the Partnership, More At Four, and other prekindergarten programs in addressing the academic and cognitive needs of at-risk preschoolers. The report shall include recommendations on structural changes to Smart Start, More At Four, and other related programs, including consolidation, that may be beneficial in encouraging this coordination. The report shall include a plan and a timetable for implementation of the recommendations."

**SECTION 10.56.(c)** Section 21.76B(g) of S.L. 2001-424 reads as rewritten:

**"SECTION 21.76B.(g)** The Department of Health and Human Services, the Department of Public Instruction, and the Task Force shall report by January 1, 2002, and May 1, 2002, to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Education Oversight Committee, the Senate Appropriations Committee on Health and Human Services, and the House of Representatives Appropriations Subcommittee on Health and Human Services on the progress in complying with this section. A final report along with recommendations for changes or expansion of the program shall be presented to the 2003 General Assembly, Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division no later than January 1, 2003. This final report shall include the following:

- (1) The number of children participating in the program.
- (2) The number of children participating in the program who have never been served in other early education programs such as child care, public or private preschool, Head Start, Early Head Start, or early intervention programs.
- (3) The expected expenditures for the fiscal year.
- (4) The location of program sites and the corresponding number of children participating in the program at each site.
- (5) Recommendations regarding most efficient and effective use of State, local, and federal funds to maximize the provision of services to at-risk preschoolers and to eliminate duplication of efforts.
- (6) A comprehensive cost analysis of the program including the cost per child served by the program."

**SECTION 10.56.(d)** Section 21.76B(a) of S.L. 2001-424 reads as rewritten:

**"SECTION 21.76B.(a)** Of the funds appropriated to the Department of Health and Human Services the sum of six million four hundred fifty-six thousand five hundred dollars (\$6,456,500) in ~~each year of the 2001-2003 fiscal biennium~~ the 2001-2002 fiscal year and the sum of thirty-four million five hundred twenty-one thousand eight hundred dollars (\$34,521,800) in the 2002-2003 fiscal year shall be used to develop and implement "More At Four", a voluntary prekindergarten pilot program for at-risk four-year-olds. The Department of Health and Human Services, in consultation with the Department of Public Instruction, shall develop "More At Four" for four-year-old children in North Carolina to ensure that all children have an opportunity to succeed in kindergarten. Of the funds allocated by this section in the 2002-2003 fiscal year, two hundred fifty thousand dollars (\$250,000) shall be transferred to the Division of Child Development to fund up to four positions and related operating expenditures related to licensing and regulatory activities."

**SECTION 10.56.(e)** The Department of Health and Human Services shall conduct a county-by-county needs and resources assessment to determine what additional resources are necessary, if any, to meet the needs of at-risk four-year-olds in each county in the State. This assessment shall take into consideration that different counties may require different resources or programs to adequately meet the needs of at-risk four-year-olds. The Department shall report on the results of this assessment to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division no later than April 1, 2003.

Requested by: Senators Martin of Guilford, Purcell, Dannelly, Metcalf, Plyler, Odom, Lee; Representatives Earle, Nye, Baddour, Gibson, Insko, Easterling, Oldham, Redwine

**CHILD CARE SUBSIDY RATES**

**SECTION 10.57.** Section 21.73(f) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.73.(f)** Provision of payment rates for child care providers in counties that do not have at least ~~75~~50 children in each age group for center-based and home-based care are as follows:

- (1) Payment rates ~~shall~~may be set at the statewide or regional market rate for licensed child care centers and homes.
- (2) If it can be demonstrated that the application of the statewide or regional market rate to a county with fewer than ~~75~~50 children in each age group is lower than the county market rate and would inhibit the ability of the county to purchase child care for low-income children, then the county market rate may be applied."

Requested by: Senators Martin of Guilford, Purcell, Plyler, Odom, Lee; Representatives Earle, Nye, Easterling, Oldham, Redwine

**REPEAL CHILD CARE FRAUD PROVISION DUE TO FEDERAL REPAYMENT REQUIREMENTS**

**SECTION 10.58.** G.S. 110-108 is repealed.

**PART XI. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES**

Requested by: Senators Martin of Pitt, Weinstein, Odom, Lee; Representatives Fox, Owens, Easterling, Oldham, Redwine

**CLOSE ROBBINS DIAGNOSTIC LABORATORY**

**SECTION 11.1.(a)** The Department of Agriculture and Consumer Services shall close the Poultry Disease Diagnostic Laboratory located in the Town of Robbins in Moore County and reassign one veterinarian position and one medical laboratory technician position to the Rollins Animal Disease Diagnostic Laboratory located in Raleigh. In order to preserve current laboratory capability, poultry diagnostic services currently performed at the Poultry Disease Diagnostic Laboratory located in the Town of Robbins shall be performed at the Rollins Animal Disease Diagnostic Laboratory located in Raleigh or at other animal disease diagnostic laboratories of the Department of Agriculture and Consumer Services.

**SECTION 11.1.(b)** The Department of Agriculture and Consumer Services shall evaluate the statewide need for poultry disease diagnostic services. In particular, the Department shall determine whether the needs of the region of the State in which the Town of Robbins is located are being met. No later than March 15, 2003, the Department of Agriculture and Consumer Services shall complete this evaluation and report its findings and recommendations to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

Requested by: Senators Martin of Pitt, Weinstein, Plyler, Odom, Lee; Representatives Fox, Owens, Easterling, Oldham, Redwine

**ADJUST METHOD OF BUDGETING RECEIPTS AND LIMIT SPENDING**

**SECTION 11.2.(a)** The Office of State Budget and Management shall, in accordance with G.S. 143-25, adjust its current method of budgeting receipt revenues within the Department of Agriculture and Consumer Services to more accurately reflect actual revenues.

**SECTION 11.2.(b)** Notwithstanding G.S. 143-23, the Division of Research Stations of the Department of Agriculture and Consumer Services shall not spend more during the 2002-2003 fiscal year than is appropriated under this act for the Division of Research Stations of the Department of Agriculture and Consumer Services for the 2002-2003 fiscal year.

Requested by: Senators Martin of Pitt, Weinstein, Metcalf, Carter, Plyler, Odom, Lee; Representatives Fox, Owens, Easterling, Oldham, Redwine

**TRANSFER MOUNTAIN STATE FAIR RECEIPTS**

**SECTION 11.3.** The Department of Agriculture and Consumer Services shall transfer the sum of seventy thousand dollars (\$70,000) from the Mountain State Fair receipts for the 2002-2003 fiscal year to the Western North Carolina Development Association, Inc., to be used to promote agricultural development in the western part of the State.

Requested by: Senators Martin of Pitt, Weinstein, Albertson, Plyler, Odom, Lee; Representatives Nye, Fox, Owens, Allen, Easterling, Oldham, Redwine

**NC FARMERS' MARKETS/ANALYZE CERTAIN OPERATIONAL GUIDELINES AND ENFORCEMENT OF GUIDELINES**

**SECTION 11.4.(a)** It is the intent of the General Assembly to support small farms that are family farms and that farmers' markets operated by the Department of Agriculture and Consumer Services are operated in a manner that provides retail outlets for these farmers to sell the farm products they produce on these farms.

**SECTION 11.4.(b)** The Department of Agriculture and Consumer Services shall analyze the operational guidelines of the farmers' markets operated by the Department of Agriculture and Consumer Services with respect to the current requirements for the percentage of farm products that a farmer must produce on the farmer's own farm to be eligible to sell farm products at retail in the main areas of these farmers' markets. The Department of Agriculture and Consumer Services also shall analyze the current enforcement of the operational guidelines of the farmers' markets operated by the Department of Agriculture and Consumer Services. No later than January 15, 2003, the Department of Agriculture and Consumer Services shall report any recommendations concerning the matters analyzed under this section to the Senate and House of Representatives Appropriations Subcommittees on Natural and Economic Resources, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division.

Requested by: Senators Martin of Pitt, Weinstein, Albertson, Plyler, Odom, Lee; Representatives Fox, Owens, Allen, Easterling, Oldham, Redwine

**FARMLAND PRESERVATION**

**SECTION 11.6.** Notwithstanding the provisions of G.S. 106-744(b), funds appropriated in this act to the Department of Agriculture and Consumer Services for the Farmland Preservation Trust Fund for the 2002-2003 fiscal year shall be used for the purchase of agricultural conservation easements that are perpetual in duration and that shall not be reconveyed under any circumstances.

**PART XII. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

Requested by: Senators Martin of Pitt, Weinstein, Plyler, Odom, Lee; Representatives Fox, Owens, Mitchell, Easterling, Oldham, Redwine

**GRASSROOTS SCIENCE PROGRAM**

**SECTION 12.1.** Section 19.2 of S.L. 2001-424 reads as rewritten:

"**SECTION 19.2.** Of the funds appropriated in this act to the Department of Environment and Natural Resources for the Grassroots Science Program, the sum of three million one hundred twenty thousand dollars (\$3,120,000) for fiscal year 2001-2002 and the sum of ~~three million one hundred twenty thousand dollars (\$3,120,000)~~ two million eight hundred one thousand seven hundred sixty dollars (\$2,801,760) for fiscal year 2002-2003 are allocated as grants-in-aid for each fiscal year as follows:

|  | 2001-2002   | 2002-2003              |                     |
|--|-------------|------------------------|---------------------|
| Aurora Fossil Museum   | \$58,733    | <del>\$58,733</del>    | <u>\$57,535</u>     |
| Cape Fear Museum   | \$209,018   | <del>\$209,018</del>   | <u>\$187,205</u>    |
| Catawba Science Center   | \$167,833   | <del>\$167,833</del>   | <u>\$151,669</u>    |
| Colburn Gem and Mineral Museum, Inc.   | \$71,336    | <del>\$71,336</del>    | <u>\$68,409</u>     |
| Discovery Place  | \$699,985   | <del>\$699,985</del>   | <u>\$610,826</u>    |
| Granville County Museum Commission,<br>Inc. - Harris Gallery                             | \$61,553    | <del>\$61,553</del>    | <u>\$59,968</u>     |
| The Health Adventure Museum of Pack<br>Place Education, Arts and<br>Science Center, Inc. | \$157,305   | <del>\$157,305</del>   | <u>\$142,585</u>    |
| Imagination Station  | \$94,815    | <del>\$94,815</del>    | <u>\$88,668</u>     |
| Iredell County Children's Museum   | \$58,342    | <del>\$58,342</del>    | <u>\$57,198</u>     |
| Museum of Coastal Carolina   | \$64,141    | <del>\$64,141</del>    | <u>\$62,201</u>     |
| Natural Science Center of Greensboro   | \$250,850   | <del>\$250,850</del>   | <u>\$223,299</u>    |
| North Carolina Museum of Life<br>and Science   | \$445,843   | <del>\$445,843</del>   | <u>\$391,545</u>    |
| Rocky Mount Children's Museum  | \$88,855    | <del>\$88,855</del>    | <u>\$83,525</u>     |
| Schiele Museum of Natural History  | \$348,433   | <del>\$348,433</del>   | <u>\$307,496</u>    |
| Sci Works Science Center and<br>Environmental Park of Forsyth County                     | \$178,947   | <del>\$178,947</del>   | <u>\$161,259</u>    |
| Western North Carolina Nature Center   | \$164,011   | <del>\$164,011</del>   | <u>\$148,372</u>    |
| Total  | \$3,120,000 | <del>\$3,120,000</del> | <u>\$2,801,760"</u> |

Requested by: Senators Martin of Pitt, Weinstein, Plyler, Odom, Lee; Representatives Fox, Owens, Easterling, Oldham, Redwine

**STATEWIDE BEAVER DAMAGE CONTROL PROGRAM FUNDS**

**SECTION 12.2.** Section 19.1 of S.L. 2001-424 reads as rewritten:

"**SECTION 19.1.** Of the funds appropriated in this act to the Wildlife Resources Commission, the sum of five hundred thousand dollars (\$500,000) for the 2001-2002 fiscal year and the sum of ~~five hundred thousand dollars (\$500,000)~~ four hundred forty-nine thousand dollars (\$449,000) for the 2002-2003 fiscal year shall be used to provide

the State share necessary to support the beaver damage control program established in G.S. 113-291.10, provided the sum of at least twenty-five thousand dollars (\$25,000) in federal funds is available each fiscal year of the biennium to provide the federal share."

Requested by: Senators Martin of Pitt, Weinstein, Odom, Plyler, Lee; Representatives Fox, Owens, Easterling, Oldham, Redwine

**DENR POSITION FOR SCRAP TIRE PROGRAM**

**SECTION 12.5.(a)** Section 19.14 of S.L. 2001-424 reads as rewritten:

"**SECTION 19.14.** Notwithstanding the provisions of G.S. 130A-309.63, the Department of Environment and Natural Resources may use funds in the Scrap Tire Disposal Account that, pursuant to G.S. 130A-309.63(d), are to be used for the cleanup of scrap tire collection sites, to maintain and support a position for the 2001-2002 fiscal year ~~and for the 2002-2003 fiscal year~~ to provide regulatory assistance to local governments to develop programs to prevent scrap tires from outside the State from being presented for free disposal and to complete the cleanup of nuisance tire collection sites."

**SECTION 12.5.(b)** G.S. 130A-309.63 reads as rewritten:

**"§ 130A-309.63. Scrap Tire Disposal Account.**

(a) **Creation.** – The Scrap Tire Disposal Account is established as a nonreverting account within the Department. The Account consists of revenue credited to the Account from the proceeds of the scrap tire disposal tax imposed by Article 5B of Chapter 105 of the General Statutes. The Department may use revenue in the Account only as authorized by this section.

(b) **Use.** – The Department may use revenue in the Account only as authorized by this section.

(1) The Department may use up to fifty percent (50%) of the revenue in the Account to make grants to units of local government to assist them in disposing of scrap tires. To administer the grants, the Department shall establish procedures for applying for a grant and the criteria for selecting among grant applicants. The criteria shall include the financial ability of a unit of local government to provide for scrap tire disposal, the severity of a unit of local government's scrap tire disposal problem, the effort made by a unit of local government to ensure that only tires generated in the normal course of business in this State are provided free disposal, and the effort made by a unit of local government to provide for scrap tire disposal within the resources available to it.

(2) The Department may use up to forty percent (40%) of the revenue in the Account to make grants to encourage the use of processed scrap tire materials. These grants may be made to encourage the use of tire-derived fuel, crumb rubber, carbon black, or other components of tires for use in products such as fuel, tires, mats, auto parts, gaskets, flooring material, or other applications of processed tire materials. These grants shall be made in consultation with the Department of Commerce, the Division of ~~Environmental Assistance and Pollution Prevention~~ and Environmental Assistance of the Department, and, where appropriate, the Department of Transportation. Grants to encourage the use of processed scrap tire materials shall not be used to process tires.

- (3) The Department may use revenue in the Account to support a position to provide local governments with assistance in developing and implementing scrap tire management programs designed to complete the cleanup of nuisance tire collection sites and prevent scrap tires generated from outside of the State from being presented for free disposal in the State.
- (4) The Department may use the remaining revenue in the Account only to clean up scrap tire collection sites that the Department has determined are a nuisance. The Department may use funds in the Account to clean up a nuisance tire collection site only if no other funds are available for that purpose.

(c) Eligibility. – A unit of local government is not eligible for a grant for scrap tire disposal unless its costs for disposing of scrap tires for the six-month period preceding the date the unit of local government files an application for a grant exceeded the amount the unit of local government received during that period from the proceeds of the scrap tire tax under G.S. 105-187.19. A grant to a unit of local government for scrap tire disposal may not exceed the unit of local government's unreimbursed cost for the six-month period.

~~(d) Cleanup of Nuisance Tire Sites. — The Department may use the remaining revenue in the Account only to clean up scrap tire collection sites that the Department has determined are a nuisance. The Department may use funds in the Account to clean up a nuisance tire collection site only if no other funds are available for that purpose.~~

(e) Reporting. – The Department shall include in the report to be delivered to the Environmental Review Commission on or before 15 January of each year pursuant to G.S. 130A-309.06(c) a description of the implementation of the North Carolina Scrap Tire Disposal Act for the fiscal year ending the preceding 30 June. The description of the implementation of the North Carolina Scrap Tire Disposal Act shall include the beginning and ending balances in the Account for the reporting period, the amount credited to the Account during the reporting period, and the amount of revenue used for grants and to clean up nuisance tire collection sites."

Requested by: Senators Martin of Pitt, Weinstein, Albertson, Ballance, Plyler, Odom, Lee; Representatives Fox, Owens, Allen, Easterling, Oldham, Redwine

#### **FUNDS FOR CLEANUP OF WARREN COUNTY PCB LANDFILL**

**SECTION 12.6.(a)** The Department of Environment and Natural Resources may use up to two million five hundred thousand dollars (\$2,500,000) from the Inactive Hazardous Sites Cleanup Fund established in G.S. 130A-310.11 for the 2002-2003 fiscal year for the detoxification and remediation of the landfill located in Warren County that contains polychlorinated biphenyl (PCBs) and dioxin/furan contaminated materials.

**SECTION 12.6.(b)** Notwithstanding the provisions of G.S. 143-215.3A, the Department of Environment and Natural Resources also may use up to five hundred thousand dollars (\$500,000) for the 2002-2003 fiscal year from the fees collected for water quality permits under G.S. 143-215.3D and credited to the Water Permits Fund if both of the following conditions are satisfied:

- (1) The detoxification and remediation of the landfill located in Warren County cannot be completed without funds in addition to those that are authorized for this purpose under subsection (a) of this section.
- (2) All other funds, including all contingency funds, available to the



Department for the detoxification and remediation of the landfill located in Warren County that contains polychlorinated biphenyl (PCBs) and dioxin/furan contaminated materials have been spent or encumbered.

**SECTION 12.6.(c)** It is the intent of the General Assembly that the funds authorized under this section will be sufficient to complete the detoxification and remediation of this landfill, based on representations made to the General Assembly.

Requested by: Senators Martin of Pitt, Weinstein, Albertson, Plyler, Odom, Lee; Representatives Fox, Owens, Mitchell, Allen, Easterling, Oldham, Redwine

**DIVISION OF ENVIRONMENTAL HEALTH POSITION RECLASSIFIED**

**SECTION 12.7.** The vacant position of Administrative Assistant II in the Division of Environmental Health of the Department of Environment and Natural Resources is reclassified as the position of Environmental Engineer II and is assigned to the On-Site Wastewater Section of the Division of Environmental Health of the Department of Environment and Natural Resources.

Requested by: Senators Martin of Pitt, Weinstein, Albertson, Rand, Plyler, Odom, Lee; Representatives Nye, Fox, Owens, Allen, Easterling, Oldham, Redwine

**POSITIONS/EMPLOYEES AT LAKE JAMES AND SINGLETARY LAKE STATE PARKS**

**SECTION 12.8.(a)** None of the following positions shall be eliminated for the 2002-2003 fiscal year at Lake James State Park located in McDowell and Burke Counties:

- (1) Park Ranger I.
- (2) Park Ranger II.
- (3) Maintenance Mechanic III.
- (4) Office Assistant III.

**SECTION 12.8.(b)** The employees currently filling the positions under subsection (a) of this section shall not be reduced in force for the 2002-2003 fiscal year.

**SECTION 12.8.(c)** None of the following positions shall be eliminated for the 2002-2003 fiscal year at Singletary Lake State Park located in Bladen County:

- (1) Park Ranger II.
- (2) Office Assistant III.
- (3) Maintenance Mechanic III.
- (4) General Utility Worker.

**SECTION 12.8.(d)** The employees currently filling the positions under subsection (c) of this section shall not be reduced in force for the 2002-2003 fiscal year.

**SECTION 12.8.(e)** It is the intent of the General Assembly that Lake James State Park and Singletary Lake State Park remain open to the public during the 2002-2003 fiscal year.

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**APPROPRIATION FROM CLEAN WATER MANAGEMENT TRUST FUND**

**SECTION 12.9.** Section 2.2(h) of S.L. 2001-424 reads as rewritten:

**"SECTION 2.2.(h)** Notwithstanding G.S. 143-15.3B(a) for the 2001-2003 fiscal biennium only, the appropriation to the Clean Water Management Trust Fund for the 2001-2002 fiscal year is only forty million dollars (\$40,000,000) as provided by this act

and is only ~~seventy million dollars (\$70,000,000)~~ sixty-six million five hundred thousand dollars (\$66,500,000) for the 2002-2003 fiscal year as provided by this act. The funds appropriated by this act to the Clean Water Management Trust Fund shall be used as provided by G.S. 143-15.3B(b)."

### **PART XIII. DEPARTMENT OF COMMERCE**

Requested by: Senators Martin of Pitt, Weinstein, Plyler, Odom, Lee;  
Representatives Fox, Owens, Easterling, Oldham, Redwine

#### **OREGON INLET FUNDS**

**SECTION 13.1.** Funds appropriated to the Department of Commerce for the 2001-2002 fiscal year for the Oregon Inlet Project that are unexpended and unencumbered as of June 30, 2002, shall not revert to the General Fund on June 30, 2002, but shall remain available to the Department for legal costs associated with the Project. This section becomes effective June 30, 2002.

Requested by: Senators Martin of Pitt, Weinstein, Albertson, Plyler, Odom, Lee;  
Representatives Fox, Owens, Allen, Easterling, Oldham, Redwine

#### **COUNCIL OF GOVERNMENT FUNDS**

**SECTION 13.2.(a)** Section 20.12(a) of S.L. 2001-424 reads as rewritten:

"**SECTION 20.12.(a)** Of the funds appropriated in this act to the Department of Commerce, nine hundred thirty-five thousand dollars (\$935,000) for the 2001-2002 fiscal year and ~~nine hundred thirty five thousand dollars (\$935,000)~~ eight hundred thirty-two thousand one hundred fifty dollars (\$832,150) for the 2002-2003 fiscal year shall only be used as provided by this section. Each regional council of government or lead regional organization is allocated up to ~~fifty five thousand dollars (\$55,000)~~ forty-eight thousand nine hundred fifty dollars (\$48,950) for ~~each the 2002-2003 fiscal year, with the actual amount calculated as provided in subsection (b) of this section.~~ year."

**SECTION 13.2.(b)** Section 20.12(b) of S.L. 2001-424 is repealed.

**SECTION 13.2.(c)** Section 20.12 of S.L. 2001-424 is amended by adding a new subsection to read:

"**SECTION 20.12.(c1)** The funds appropriated by this section shall be paid by electronic transfer in two equal installments, the first no later than September 1, 2002, and the second subsequent to acceptable submission of the annual report due to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division by January 15, 2003, as specified in subdivision (f)(2) of this section."

Requested by: Senators Martin of Pitt, Weinstein, Albertson, Plyler, Odom, Lee;  
Representatives Fox, Owens, Allen, Easterling, Oldham, Redwine

#### **WORKER TRAINING TRUST FUND APPROPRIATIONS**

**SECTION 13.3.(a)** There is appropriated from the Worker Training Trust Fund to the Employment Security Commission of North Carolina the sum of six million three hundred thousand dollars (\$6,300,000) for the 2002-2003 fiscal year for the operation of local offices.

**SECTION 13.3.(b)** Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the Worker Training Trust Fund to the following agencies the following sums for the 2002-2003 fiscal year for the following purposes:

- (1) Nine hundred eleven thousand one hundred twenty-one dollars

- (\$911,121) for the 2002-2003 fiscal year to the Department of Commerce, Division of Employment and Training, for the Employment and Training Grant Program;
- (2) Eight hundred ninety-seven thousand five hundred eighty-seven dollars (\$897,587) for the 2002-2003 fiscal year to the Community Colleges System Office for customized training of the unemployed and the working poor for specific jobs needed by employers through the Training Initiatives Program;
  - (3) One million four hundred fifty thousand dollars (\$1,450,000) for the 2002-2003 fiscal year to the Community Colleges System Office to continue the Focused Industrial Training Program;
  - (4) Two hundred one thousand nine hundred fifty-seven dollars (\$201,957) for the 2002-2003 fiscal year to the Employment Security Commission for the State Occupational Information Coordinating Committee to develop and operate an interagency system to track former participants in State education and training programs;
  - (5) Three hundred fifty-nine thousand thirty-five dollars (\$359,035) for the 2002-2003 fiscal year to the Community Colleges System Office for a training program in entrepreneurial skills to be operated by North Carolina REAL Enterprises;
  - (6) Fifty-three thousand eight hundred fifty-six dollars (\$53,856) for the 2002-2003 fiscal year to the Employment Security Commission to maintain compliance with Chapter 96 of the General Statutes, which directs the Commission to employ the Common Follow-Up Management Information System to evaluate the effectiveness of the State's job training, education, and placement programs;
  - (7) Eight hundred ninety-seven thousand five hundred eighty-seven dollars (\$897,587) for the 2002-2003 fiscal year to the Department of Labor to continue the Apprenticeship Program; and
  - (8) Two hundred fifty thousand dollars (\$250,000) for the 2002-2003 fiscal year to the Community Colleges System Office for the operation of the Hosiery Technology Center.

**SECTION 13.3.(c)** North Carolina REAL Enterprises and the other agencies listed in subsections (a) and (b) of this section shall do the following for the programs for which funds are appropriated in this section:

By January 15, 2003, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:

- (1) State fiscal year 2002-2003 program activities, objectives, and accomplishments;
- (2) State fiscal year 2002-2003 itemized expenditures and fund sources;
- (3) State fiscal year 2003-2004 planned activities, objectives, and accomplishments including actual results through December 31, 2002; and
- (4) State fiscal year 2003-2004 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 2002.

**SECTION 13.3.(d)** North Carolina REAL Enterprises shall, in addition to satisfying the reporting requirements in subsection (c) of this section, provide to the

Fiscal Research Division a copy of the organization's annual audited financial statement within 30 days of issuance of the statement.

Requested by: Senators Martin of Pitt, Weinstein, Albertson, Plyler, Odom, Lee; Representatives Fox, Owens, Allen, Easterling, Oldham, Redwine

**NER INTERIM STUDY/SMALL BUSINESS DEVELOPMENT FUNCTIONS**

**SECTION 13.4.(a)** During the interim between the end of the 2002 Regular Session of the 2001 General Assembly and the beginning of the 2003 General Assembly, the Senate and House of Representatives Appropriations Subcommittees on Natural and Economic Resources may study the feasibility and desirability of designating the Small Business and Technology Development Center (SBTDC), the Department of Commerce, the Community Colleges System Office, or any other government or nonprofit entity as the State's presumptive provider of small business development assistance, including: (i) promoting the development of small business incubators; and (ii) investing in early-stage technology-based businesses.

**SECTION 13.4.(b)** The subcommittees shall report their recommendations, including any proposed changes to the General Statutes, to the 2003 General Assembly no later than January 15, 2003. The subcommittees may seek and obtain assistance from any agencies and resources outside the General Assembly that the subcommittees determine are needed to adequately perform the study.

Requested by: Senators Martin of Pitt, Weinstein, Albertson, Plyler, Odom, Lee; Representatives Fox, Owens, Allen, Easterling, Oldham, Redwine

**ONE NORTH CAROLINA FUND**

**SECTION 13.4B.(a)** Funds appropriated to the Department of Commerce for the 2001-2002 fiscal year for the One North Carolina Fund that are unexpended and unencumbered as of June 30, 2002, shall not revert to the General Fund on June 30, 2002, but shall remain available to the Department for providing financial assistance to those businesses and industries deemed by the Governor to be vital to a healthy and growing State economy and that are making significant efforts to establish or expand in North Carolina.

**SECTION 13.4B.(b)** This section becomes effective June 30, 2002.

Requested by: Senators Martin of Pitt, Weinstein, Albertson, Plyler, Odom, Lee; Representatives Fox, Owens, Allen, Easterling, Oldham, Redwine

**REGIONAL ECONOMIC DEVELOPMENT COMMISSION ALLOCATIONS**

**SECTION 13.6.** Section 20.10 of S.L. 2001-424 reads as rewritten:

**"SECTION 20.10.(a)** Funds appropriated in this act to the Department of Commerce for regional economic development commissions shall be allocated to the following ~~commissions~~ Commissions in accordance with subsection (b) of this section: Western North Carolina Regional Economic Development Commission, Research Triangle Regional Commission, Southeastern North Carolina Regional Economic Development Commission, Piedmont Triad Partnership, Northeastern North Carolina Regional Economic Development Commission, Global TransPark Development Commission, and Carolinas Partnership, Inc.

**SECTION 20.10.(b)** Funds appropriated pursuant to subsection (a) of this section shall be allocated to each ~~regional economic development commission~~ Regional Economic Development Commission as follows:

- (1) First, the Department shall establish each ~~commission's~~ Commission's

- allocation by determining the sum of allocations to each county that is a member of that ~~commission~~-Commission. Each county's allocation shall be determined by dividing the county's enterprise factor by the sum of the enterprise factors for eligible counties and multiplying the resulting percentage by the amount of the appropriation. As used in this subdivision, the term "enterprise factor" means a county's enterprise factor as calculated under ~~G.S. 105-129.3~~; G.S. 105-129.3.
- (2) Next, the Department shall subtract from funds allocated to the Global TransPark Development ~~Zone~~Commission the sum of two hundred four thousand four hundred thirty-three dollars (\$204,433) in ~~each fiscal year, the 2001-2002 fiscal year and the sum of one hundred seventy-one thousand nine hundred seventy-nine dollars (\$171,979) in the 2002-2003 fiscal year~~ which sum represents the interest earnings in each fiscal year on the estimated balance of seven million five hundred thousand dollars (\$7,500,000) appropriated to the Global TransPark Development Zone in Section 6 of Chapter 561 of the 1993 Session ~~Laws; and~~ Laws.
  - (3) Next, the Department shall redistribute the sum of two hundred four thousand four hundred thirty-three dollars (\$204,433) in ~~each fiscal year, the 2001-2002 fiscal year and the sum of one hundred seventy-one thousand nine hundred seventy-nine dollars (\$171,979) in the 2002-2003 fiscal year~~ to the seven ~~regional economic development commissions~~-Regional Economic Development Commissions named in subsection (a) of this section. Each ~~commission's~~Commission's share of this redistribution shall be determined according to the enterprise factor formula set out in subdivision (1) of this subsection. This redistribution shall be in addition to each ~~commission's~~Commission's allocation determined under subdivision (1) of this subsection.
  - (4) For the 2002-2003 fiscal year, the reduction in appropriation of funds allocated pursuant to subdivisions (1), (2), and (3) of this subsection was managed by first using the formula applied against the amount appropriated for the 2001-2002 fiscal year and then reducing by the sum of eighty-five thousand dollars (\$85,000) the allocation for each of the Regional Economic Development Commissions listed in subsection (a) of this section.
  - (5) Funds appropriated in this act to the Department of Commerce for the Regional Economic Development Commissions shall be budgeted in Budget Code 14601 (Commerce-State Aid)."

Requested by: Senators Martin of Pitt, Weinstein, Albertson, Plyler, Odom, Lee; Representatives Fox, Owens, Allen, Easterling, Oldham, Redwine

#### **REGIONAL COMMISSION REPORTS**

**SECTION 13.7.** Section 20.11(a) of S.L. 2001-424 reads as rewritten:

**"SECTION 20.11.(a)** Each ~~regional economic development commission~~-Regional Economic Development Commission receiving a grant-in-aid from the Department of Commerce shall:

- (1) By January 15, 2002, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations, the Fiscal

Research Division, and the Department of Commerce the following information:

- a. State fiscal year 2000-2001 program activities, objectives, and accomplishments;
  - b. State fiscal year 2000-2001 itemized expenditures and fund sources;
  - c. State fiscal year 2001-2002 planned activities, objectives, and accomplishments as specified in subdivisions (b)(1) through (b)(6) of this section including actual results through December 31, 2001;
  - d. State fiscal year 2001-2002 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 2001.
- (2) ~~By January 15, 2003, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Department of Commerce the following information:~~
- a. ~~State fiscal year 2001-2002 program activities, objectives, and accomplishments;~~
  - b. ~~State fiscal year 2001-2002 itemized expenditures and fund sources;~~
  - e. ~~State fiscal year 2002-2003 planned activities, objectives, and accomplishments as specified in subdivisions (b)(1) through (b)(6) of this section including actual results through December 31, 2002;~~
  - d. ~~State fiscal year 2002-2003 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 2002.~~
- (2) Report by January 15, 2003, on the first and second quarters of the 2002-2003 fiscal year, and by July 15, 2003, on the third and fourth quarters of the 2002-2003 fiscal year, regarding the following:
- a. Program activities, objectives, and accomplishments for its region, to include:
    1. Specific businesses and/or industries that have been recruited.
    2. Businesses and/or industries that have located as a result of recruitment efforts and number of new jobs created as a result of that location decision.
    3. Existing businesses and/or industries that have expanded as a result of assistance and number of new jobs created as a result of that expansion.
    4. Existing businesses and/or industries that have remained as a result of retention efforts and number of jobs saved as a result of that retention.
    5. For sub-sub-subdivisions 1 through 4 of this sub-subdivision, each Commission shall describe its role in the activities and identify the relative contributions of the Commission and the Department of Commerce to the activities.

6. Number and description of marketing outreach events, including trade shows, recruitment missions, and related activities.
  7. Initiatives undertaken to establish certified sites and shell buildings.
  8. Number of referrals or leads handled that were generated by the Department of Commerce and number that were generated by the Commission.
  - b. Total itemized actual revenues and expenditures, by fund source.
- The report required by this subsection shall be made to the Department of Commerce, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division.
- (3) Report by January 15, 2003, to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Department of Commerce on the following:
    - a. State fiscal year 2001-2002 program activities, objectives, and accomplishments.
    - b. State fiscal year 2001-2002 itemized expenditures, including salary and benefits for all employees regardless of funding sources, and fund sources.
  - (4) Report by January 15, 2003, to the Department of Commerce on the number and listing of available sites and buildings within the region.
  - ~~(3)~~(5) Provide to the Fiscal Research Division and the Department of Commerce a copy of its annual audited financial statement within 30 days of issuance of the statement."

Requested by: Senators Martin of Pitt, Weinstein, Albertson, Plyler, Odom, Lee; Representatives Fox, Owens, Allen, Easterling, Oldham, Redwine

#### **STUDY EFFECTIVENESS OF ECONOMIC DEVELOPMENT AGENCIES**

**SECTION 13.9.** The Kenan-Flagler Business School ("Business School") of the University of North Carolina at Chapel Hill shall study the effectiveness of the economic development activities of the North Carolina Department of Commerce ("Commerce") and the Regional Economic Development Commissions ("Commissions"). In conducting its study the Business School shall work with Commerce and the Commissions to do the following:

- (1) Identify how Commerce and the Commissions can improve communication, implement a more coordinated and efficient recruitment and retention effort throughout the State, and avoid duplication of effort,
- (2) Establish specific performance measures and outcomes relevant to the mission, goals, and objectives of Commerce and the Commissions,
- (3) Develop a "scorecard" that can be used to measure the extent to which Commerce and the Commissions have achieved their goals, objectives, and outcomes, and
- (4) Recommend a performance-based funding mechanism that will inform the General Assembly's decisions regarding appropriations to Commerce and the Commissions.

The Business School also may include in its study and recommendations any

other information it deems relevant to the study and its intent.

The Business School shall report its findings and recommendations to the Senate Appropriations Subcommittee on Natural and Economic Resources, the Senate Full Appropriations Chairs, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division by March 15, 2003.

Requested by: Senators Martin of Pitt, Weinstein, Plyler, Odom, Lee; Representatives Fox, Owens, Easterling, Oldham, Redwine

#### **NONPROFIT REPORTING REQUIREMENTS**

**SECTION 13.10.** Section 20.14 of S.L. 2001-424 reads as rewritten:

"**SECTION 20.14.(a)** The N.C. Institute for Minority Economic Development, Inc., Land Loss Prevention Project, ~~North Carolina Coalition of Farm and Rural Families, Inc.~~, North Carolina Minority Support Center, North Carolina Community Development Initiative, Inc., North Carolina Association of Community Development Corporations, Inc., and Partnership for the Sounds, Inc., shall do the following:

- (1) By January 15, 2002, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:
  - a. State fiscal year 2000-2001 program activities, objectives, and accomplishments;
  - b. State fiscal year 2000-2001 itemized expenditures and fund sources;
  - c. State fiscal year 2001-2002 planned activities, objectives, and accomplishments including actual results through December 31, 2001; and
  - d. State fiscal year 2001-2002 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 2001;
- (2) By January 15, 2003, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:
  - a. State fiscal year 2001-2002 program activities, objectives, and accomplishments;
  - b. State fiscal year 2001-2002 itemized expenditures and fund sources;
  - c. State fiscal year 2002-2003 planned activities, objectives, and accomplishments including actual results through December 31, 2002; and
  - d. State fiscal year 2002-2003 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 2002; and
- (3) Provide to the Fiscal Research Division a copy of the organization's annual audited financial statement within 30 days of issuance of the statement.

**SECTION 20.14.(b)** No funds appropriated under this act shall be released to a nonprofit organization listed in subsection (a) of this section until the organization has satisfied the reporting requirement for January 15, 2001. Fourth quarter allotments shall not be released to any nonprofit organization that does not satisfy the reporting requirements ~~for~~ by January 15, 2002, or January 15, 2003."



Requested by: Senators Martin of Pitt, Weinstein, Albertson, Plyler, Odom, Lee; Representatives Fox, Owens, Easterling, Oldham, Redwine

**RURAL ECONOMIC DEVELOPMENT CENTER**

**SECTION 13.11.(a)** Section 20.15(a) of S.L. 2001-424 reads as rewritten:

"**SECTION 20.15.(a)** Of the funds appropriated in this act to the Rural Economic Development Center, Inc., the sum of one million seven hundred eighty-eight thousand seven hundred forty-nine dollars (\$1,788,749) for the 2001-2002 fiscal year and the sum of ~~one million seven hundred eighty-eight thousand seven hundred forty-nine dollars (\$1,788,749)~~one million seven hundred forty-four thousand seven hundred forty-nine dollars (\$1,744,749) for the 2002-2003 fiscal year shall be allocated as follows:

|   | 2001-2002 FY | 2002-2003 FY                          |
|---|--------------|---------------------------------------|
| Research and Demonstration Grants   | \$444,000    | <del>\$444,000</del> <u>\$400,000</u> |
| Technical Assistance and Center Administration of Research and Demonstration Grants | 444,471      | 444,471                               |
| Center Administration, Oversight, and Other Programs                                | 437,278      | 437,278                               |
| Administration of Clean Water/ Natural Gas Critical Needs Bond Act of 1998          | 199,722      | 199,722                               |
| Additional Administration of Supplemental Funding Program                           | 138,278      | 138,278                               |
| Administration of Capacity Building Assistance Program (1998 Bond Act)              | 125,000      | 125,000."                             |

**SECTION 13.11.(b)** Section 20.15(e) of S.L. 2001-424 reads as rewritten:

"**SECTION 20.15.(e)** Of the funds appropriated in this act to the Rural Economic Development Center, Inc., the sum of two million nine hundred two thousand dollars (\$2,902,000) for the 2001-2002 fiscal year and the sum of ~~two million nine hundred two thousand dollars (\$2,902,000)~~two million five hundred forty-two thousand one hundred forty-nine dollars (\$2,542,149) for the 2002-2003 fiscal year shall be allocated as follows:

- (1) ~~\$1,124,000 in each~~\$1,124,000 for the 2001-2002 fiscal year and \$1,067,800 for the 2002-2003 fiscal year for community development grants to support development projects and activities within the State's minority communities. Any community development corporation as defined in this section is eligible to apply for funds. The Rural Economic Development Center, Inc., shall establish performance-based criteria for determining which community development corporation will receive a grant and the grant amount. The Rural Economic Development Center, Inc., shall allocate these funds as follows:
  - a. ~~\$837,720 in each~~\$837,720 for the 2001-2002 fiscal year and \$810,000 for the 2002-2003 fiscal year for direct grants to the local community development corporations that have previously received State funds for this purpose to support operations and project activities;
  - b. ~~\$236,280 in each~~\$236,280 for the 2001-2002 fiscal year and \$207,800 for the 2002-2003 fiscal year for direct grants to local community

- development corporations that have not previously received State funds; and
- c. \$50,000 in each fiscal year to the Rural Economic Development Center, Inc., to be used to cover expenses in administering this section.
- (2) ~~\$234,000 in each~~ for the 2001-2002 fiscal year and \$210,600 for the 2002-2003 fiscal year to the Microenterprise Loan Program to support the loan fund and operations of the Program; and
- (3) ~~\$1,344,000 in each~~ for the 2001-2002 fiscal year and \$1,063,749 for the 2002-2003 fiscal year shall be used for a program to provide supplemental funding for matching requirements for projects and activities authorized under this subdivision. The Center shall allocate these funds as follows:
- a. ~~\$1,094,000 in each~~ for the 2001-2002 fiscal year and \$838,749 for the 2002-2003 fiscal year to make grants to local governments and nonprofit corporations to provide funds necessary to match federal grants or other grants for:
1. Necessary economic development projects and activities in economically distressed areas;
  2. Necessary water and sewer projects and activities in economically distressed communities to address health or environmental quality problems except that funds shall not be expended for the repair or replacement of low-pressure pipe wastewater systems. If a grant is awarded under this sub-subdivision, then the grant shall be matched on a dollar-for-dollar basis in the amount of the grant awarded; or
  3. Projects that demonstrate alternative water and waste management processes for local governments. Special consideration should be given to cost-effectiveness, efficacy, management efficiency, and the ability of the demonstration project to be replicated.
- b. ~~\$250,000 in each~~ for the 2001-2002 fiscal year and \$225,000 for the 2002-2003 fiscal year to make grants to local governments and nonprofit corporations to provide funds necessary to match federal grants or other grants related to water, sewer, or business development projects.
- (4) \$200,000 in each fiscal year for the Agricultural Advancement Consortium. These funds shall be placed in a reserve and allocated as follows:
- a. \$75,000 in each fiscal year for operating expenses associated with the Consortium; and
  - b. \$125,000 in each fiscal year for research initiatives funded by the Consortium.

The Consortium shall facilitate discussions among interested parties and shall develop recommendations to improve the State's economic development through farming and agricultural interests.

The grant recipients in this subsection shall be selected on the basis of need."

Requested by: Senators Martin of Pitt, Weinstein, Plyler, Odom, Lee;  
Representatives Fox, Owens, Easterling, Oldham, Redwine

**OPPORTUNITIES INDUSTRIALIZATION CENTER FUNDS**

**SECTION 13.12.** Section 20.16(a) of S.L. 2001-424 reads as rewritten:

"**SECTION 20.16.(a)** Of the funds appropriated in this act to the Rural Economic Development Center, Inc., the sum of four hundred thousand dollars (\$400,000) for the 2001-2002 fiscal year and the sum of ~~four hundred thousand dollars (\$400,000)~~three hundred eighty thousand dollars (\$380,000) for the 2002-2003 fiscal year shall be allocated as follows:

- (1) \$100,000 in each for the 2001-2002 fiscal year and \$95,000 for the 2002-2003 fiscal year to the Opportunities Industrialization Center of Wilson, Inc., for its ongoing job training programs;
- (2) \$100,000 in each for the 2001-2002 fiscal year and \$95,000 for the 2002-2003 fiscal year to the Opportunities Industrialization Center, Inc., in Rocky Mount, for its ongoing job training programs;
- (3) \$100,000 in each for the 2001-2002 fiscal year and \$95,000 for the 2002-2003 fiscal year to the Opportunities Industrialization Centers Kinston and Lenoir County, North Carolina, Inc.; and
- (4) \$100,000 in each for the 2001-2002 fiscal year and \$95,000 for the 2002-2003 fiscal year to the Opportunities Industrialization Center of Elizabeth City, Inc."

**PART XIV. JUDICIAL DEPARTMENT**

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee;  
Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**RESTRICT DISTRICT COURT MANDATORY ARBITRATION**

**SECTION 14.3.(a)** G.S. 7A-37.1(c) reads as rewritten:

"(c) This procedure may be employed in civil actions where claims do not exceed fifteen thousand dollars ~~(\$15,000)~~ (\$15,000), except that it shall not be employed in actions in which the sole claim is an action on an account, including appeals from magistrates on such actions."

**SECTION 14.3.(b)** This section becomes effective October 1, 2002, and applies to actions and cases filed on or after that date.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee;  
Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**FEDERAL GRANT FUNDS**

**SECTION 14.4.** The Judicial Department shall use up to the sum of eight hundred seventy-five thousand dollars (\$875,000) from funds available to the Department to provide the State match needed in order to receive federal grant funds. Prior to using funds for this purpose, the Department shall report to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety and the Joint Legislative Commission on Governmental Operations on the grants to be matched using these funds. The Judicial Department shall also use proceeds from the Court Information Technology Fund to fulfill prior obligations to criminal justice information projects receiving federal funds.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**MAGISTRATE POSITIONS**

**SECTION 14.6.(a)** Notwithstanding the provisions of G.S. 7A-133(c) establishing minimum numbers of magistrate provisions in each county, the Administrative Office of the Courts shall identify and eliminate five magistrate positions across the State in a manner that minimizes the impact on access to court resources. Positions may be eliminated only in counties that currently have at least five magistrate positions, and no more than one position per judicial district may be eliminated.

In identifying the five positions, the Administrative Office of the Courts shall:

- (1) Identify counties with a disproportionate number of magistrate positions, based upon caseload;
- (2) Consider more cost-effective methods of providing access to magistrates in rural areas;
- (3) Determine the optimal mix of part-time and full-time magistrate positions; and
- (4) Consider ongoing discussions before the Courts Commission and the Judicial Counsel on magistrate staffing and jurisdiction.

**SECTION 14.6.(b)** The Administrative Office of the Courts shall report by December 1, 2002, to the Chairs of the Senate and House of Representatives Appropriations Committees and the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety on the positions to be eliminated and the methodology used to identify those positions.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**TRANSFER SENTENCING SERVICES PROGRAM TO OFFICE OF INDIGENT DEFENSE SERVICES**

**SECTION 14.7.(a)** The statutory authority, powers, duties, and functions, records, personnel, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and purchasing, of the Administrative Office of the Courts to conduct the Sentencing Services Program, as provided by Article 61 of Chapter 7A of the General Statutes, are transferred to the Office of Indigent Defense Services. However, pursuant to the provisions of G.S. 7A-498.2(c), the Administrative Office of the Courts shall continue to have the responsibility of providing general administrative support to the Sentencing Services Program.

**SECTION 14.7.(b)** G.S. 7A-498.2(a) reads as rewritten:

"(a) The Office of Indigent Defense Services, which is administered by the Director of Indigent Defense Services and includes the Commission on Indigent Defense ~~Services, Services and the Sentencing Services Program established in Article 61 of this Chapter,~~ is created within the Judicial Department. As used in this Article, "Office" means the Office of Indigent Defense Services, "Director" means the Director of Indigent Defense Services, and "Commission" means the Commission on Indigent Defense Services."

**SECTION 14.7.(c)** G.S. 7A-498.6(b) reads as rewritten:

"(b) The Director shall:

- (1) Prepare and submit to the Commission a proposed budget for the Office of Indigent Defense Services, an annual report containing pertinent data on the operations, costs, and needs of the Office, and such other information as the Commission may require;
- (2) Assist the Commission in developing rules and standards for the delivery of services under this Article;
- (3) Administer and coordinate the operations of the Office and supervise compliance with standards adopted by the Commission;
- (4) Subject to policies and procedures established by the Commission, hire such professional, technical, and support personnel as deemed reasonably necessary for the efficient operation of the Office of Indigent Defense Services;
- (5) Keep and maintain proper financial records for use in calculating the costs of the operations of the Office of Indigent Defense Services;
- (6) Apply for and accept on behalf of the Office of Indigent Defense Services any funds that may become available from government grants, private gifts, donations, or bequests from any source;
- (7) Coordinate the services of the Office of Indigent Defense Services with any federal, county, or private programs established to provide assistance to indigent persons in cases subject to this Article and consult with professional bodies concerning improving the administration of indigent services;
- (8) Conduct training programs for attorneys and others involved in the legal representation of persons subject to this Article; ~~and~~
- (8a) Administer the Sentencing Services Program established in Article 61 of this Chapter; and
- (9) Perform other duties as the Commission may assign."

**SECTION 14.7.(d)** G.S. 7A-771(2a) reads as rewritten:

"(2a) "Director" means the Director of ~~the Administrative Office of the Courts.~~ Indigent Defense Services."

**SECTION 14.7.(e)** G.S. 7A-772(b) reads as rewritten:

"(b) The Director may establish local sentencing services programs and appoint those staff as the Director deems necessary. These personnel may serve as full-time or part-time State employees or may be hired on a contractual basis when determined appropriate by the director. Contracts entered under the authority of this subsection shall be exempt from the competitive bidding procedures under Chapter 143 of the General Statutes. The ~~Administrative Office of the Courts~~ Office of Indigent Defense Services shall adopt rules necessary and appropriate for the administration of the program. Funds appropriated by the General Assembly for the establishment and maintenance of sentencing services programs under this Article shall be administered by the ~~Administrative Office of the Courts.~~ Office of Indigent Defense Services."

**SECTION 14.7.(f)** Each Sentencing Services Program shall review its procedures and implement methods of (i) minimizing the frequency with which plans are prepared but not presented to the court, and (ii) ensuring the efficient management of probation revocation cases when they are referred by a judge.

**SECTION 14.7.(g)** As of July 1, 2002, the number of State positions assigned as administrative staff is reduced from 11 to four. Notwithstanding the provisions of G.S. 7A-772(b), the number of State positions shall not exceed 26. The

Office of Indigent Defense Services may reallocate State employee positions in order to provide sentencing services in any of the districts formerly served by non-State agencies. The Office of Indigent Defense Services shall renegotiate contractual arrangements with some of the highest performing nonprofits that have administered sentencing services programs to date. Within existing funding, the Office of Indigent Defense Services may also contract with individuals or organizations to provide additional sentencing services.

**SECTION 14.7.(h)** The Office of Indigent Defense Services shall report by January 1, 2003, to the Chairs of the Senate and House of Representatives Appropriations Committees and the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety on the reorganization of the Sentencing Services Program pursuant to this section. The report shall include the specific assignments for the State positions, the districts in which sentencing services will be available, the means by which those services will be provided, and an estimated number of plans and cost per plan for the 2002-2003 fiscal year.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**DRUG TREATMENT COURT PROGRAM**

**SECTION 14.8.(a)** The Drug Treatment Court Program shall maintain the existing State-funded programs in Districts 5, 9, 9A, 10, 14, 21, and 26 during the 2002-2003 fiscal year.

**SECTION 14.8.(b)** It is the intent of the General Assembly that State Drug Treatment Court funds not be used to fund case manager positions when those services can be reasonably provided by the Treatment Alternatives to Street Crime (TASC) program in the Department of Health and Human Services or by other existing resources. The Drug Treatment Court Program shall identify areas of potential cost savings in the local programs that would result from reducing the number of case manager positions. The Program shall also identify areas in which federal funding might absorb administrative costs.

The Drug Treatment Court Program shall report by February 1, 2003, to the Chairs of the Senate and House of Representatives Appropriations Committees and the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety on the savings identified.

**SECTION 14.8.(c)** Prior to the establishment of any new local drug treatment court programs, the local drug treatment court management committee shall consult with the TASC program as to the availability of case management services in that community.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**ADDITIONAL PUBLIC DEFENDER'S OFFICE IN FORSYTH COUNTY/EXPAND MECKLENBURG PUBLIC DEFENDER'S OFFICE**

**SECTION 14.11.(a)** G.S. 7A-498.7(a) reads as rewritten:

"(a) The following counties of the State are organized into the defender districts listed below, and in each of those defender districts an office of public defender is established:

| Defender District | Counties        |
|-------------------|-----------------|
| 3A                | Pitt            |
| 3B                | Carteret        |
| 12                | Cumberland      |
| 14                | Durham          |
| 15B               | Orange, Chatham |
| 16A               | Scotland, Hoke  |
| 16B               | Robeson         |
| 18                | Guilford        |
| <u>21</u>         | <u>Forsyth</u>  |
| 26                | Mecklenburg     |
| 27A               | Gaston          |
| 28                | Buncombe        |

After notice to, and consultation with, the affected district bar, senior resident superior court judge, and chief district court judge, the Commission on Indigent Defense Services may recommend to the General Assembly that a district or regional public defender office be established. A legislative act is required in order to establish a new office or to abolish an existing office."

**SECTION 14.11.(b)** The Office of Indigent Defense Services may use up to the sum of one million two hundred twenty-five thousand dollars (\$1,225,000) in funds appropriated to create new positions for the Forsyth County Public Defender's office. These positions shall include the public defender, up to 13 assistant public defenders, and up to seven support positions.

**SECTION 14.11.(c)** The Office of Indigent Defense Services may use up to the sum of seven hundred forty-five thousand dollars (\$745,000) in funds appropriated for expansion of the Mecklenburg County Public Defender's office through the creation of up to 10 attorney positions and up to five support positions. Funds may be used for salaries, benefits, equipment, and related expenses.

**SECTION 14.11.(d)** This section becomes effective October 1, 2002.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**APPELLATE COURTS PRINTING AND COMPUTER OPERATIONS**

**SECTION 14.12.** Article 29 of Chapter 7A of the General Statutes is amended by adding a new section to read:

**"§ 7A-343.3. Appellate Courts Printing and Computer Operations Fund.**

The Appellate Courts Printing and Computer Operations Fund is established within the Judicial Department as a nonreverting, interest-bearing special revenue account. Accordingly, interest and other investment income earned by the Fund shall be credited to it. All moneys collected through charges to litigants for the reproduction of appellate records and briefs under G.S. 7A-11 and G.S. 7A-20(b) shall be remitted to the State Treasurer and held in this Fund. Moneys in the Fund shall be used to support the print shop operations of the Supreme Court and the Court of Appeals, including personnel, maintenance, and capital costs. The Judicial Department may create and maintain receipt-supported positions for these purposes but shall report to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety prior to creating such new positions.

The Judicial Department shall report to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety by January 1 of each year on all receipts and expenditures of the Fund."

## **PART XV. DEPARTMENT OF JUSTICE**

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Baddour, Easterling, Oldham, Redwine

### **NO-CALL REGISTRY AUTHORIZATION**

**SECTION 15.2.(a)** The Department of Justice may use funds available to the Department up to seven hundred thousand dollars (\$700,000) during the 2002-2003 fiscal year to establish and implement a no-call registry to stop unwanted telemarketing calls and to increase protections for consumers in transactions initiated by telemarketers. These funds shall also be used to develop programs to protect citizens from improper electronic invasions of privacy.

**SECTION 15.2.(b)** This section becomes effective only when legislation authorizing the Department of Justice to establish and implement a no-call registry becomes law.

Requested by: Senators Thomas, Wellons, Ballance, Plyler, Odom, Lee; Representatives Culpepper, Haire, Easterling, Oldham, Redwine

### **INSURANCE REGULATORY FUND REIMBURSEMENT**

**SECTION 15.5.** G.S. 58-6-25(d) reads as rewritten:

"(d) Use of Proceeds. – The Insurance Regulatory Fund is created in the State treasury, under the control of the Office of State Budget and Management. The proceeds of the charge levied in this section and all fees collected under Articles 69 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the General Statutes shall be credited to the Fund. The Fund shall be placed in an interest-bearing account and any interest or other income derived from the Fund shall be credited to the Fund. Moneys in the Fund may be spent only pursuant to appropriation by the General Assembly and in accordance with the line item budget enacted by the General Assembly. The Fund is subject to the provisions of the Executive Budget Act, except that no unexpended surplus of the Fund shall revert to the General Fund. All money credited to the Fund shall be used to reimburse the General Fund for the following:

- (1) Money appropriated to the Department of Insurance to pay its expenses incurred in regulating the insurance industry and other industries in this State.
- (2) Money appropriated to State agencies to pay the expenses incurred in regulating the insurance industry, in certifying statewide data processors under Article 11A of Chapter 131E of the General Statutes, and in purchasing reports of patient data from statewide data processors certified under that Article.
- (3) Money appropriated to the Department of Revenue to pay the expenses incurred in collecting and administering the taxes on insurance companies levied in Article 8B of Chapter 105 of the General Statutes.
- (4) Money appropriated for the office of Managed Care Patient Assistance Program established under G.S. 143-730 to pay the actual costs of administering the program.
- (5) Money appropriated to the Department of Insurance for the



implementation and administration of independent external review procedures required by Part 4 of Article 50 of this Chapter.

- (6) Money appropriated to the Department of Justice to pay its expenses incurred in representing the Department of Insurance in its regulation of the insurance industry and other related programs and industries in this State that fall under the jurisdiction of the Department of Insurance."

**PART XVI. DEPARTMENT OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION**

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**USE OF FUNDS FOR YOUTH DEVELOPMENT CENTER AND MULTIPURPOSE BEDS**

**SECTION 16.1.(a)** The Department of Juvenile Justice and Delinquency Prevention may use funds available during the 2002-2003 fiscal year to (i) establish or reestablish Youth Development Center beds, (ii) reestablish one multipurpose group home, and (iii) convert up to 50 beds in one Eckerd Wilderness Camp for use as a Youth Development Center, as defined in G.S. 7B-1501. Any conversion shall be effectuated with existing contract funds. If the Department of Juvenile Justice and Delinquency Prevention determines it needs additional youth development center beds during the 2002-2003 fiscal year, it shall consider reestablishing beds at Samarkand Manor Youth Development Center.

**SECTION 16.1.(b)** The Department shall consult with the Joint Legislative Commission on Governmental Operations and the Corrections, Crime Control, and Juvenile Justice Oversight Committee prior to:

- (1) Converting any Eckerd Wilderness Camp beds to secure confinement beds during the 2002-2003 fiscal year;
- (2) Establishing bed capacity at the standard or expanded capacity level greater than 730 beds, including beds converted at Eckerd Wilderness Camps, during the 2002-2003 fiscal year; or
- (3) Reestablishing one multipurpose group home during the 2002-2003 fiscal year.

The report shall include the sources of funding for any additional beds.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**FUNDING OF TEEN COURT PROGRAMS**

**SECTION 16.2.(a)** Of the funds appropriated in this act to the Department of Juvenile Justice and Delinquency Prevention for the 2002-2003 fiscal year, the sum of four hundred eighty-eight thousand six hundred sixty dollars (\$488,660) shall be used to continue the operations of teen court programs which received direct State appropriations from the Department in the 2001-2002 fiscal year. For the 2002-2003 fiscal year, the Department shall allocate funds to the Juvenile Crime Prevention Councils in the counties in which those teen court programs are located. For each teen court program, the allocation shall be in an amount equal to the appropriation received by that program in the 2001-2002 fiscal year. The allocations authorized by this subsection are in addition to the formula allocations for the applicable counties.

**SECTION 16.2.(b)** G.S. 143B-520(b) reads as rewritten:

"(b) Every teen court program that receives ~~State funds, including funds from Juvenile Crime Prevention Councils,~~ Councils shall comply with rules and reporting requirements of the Department of Juvenile Justice and Delinquency Prevention. ~~In particular, teen court programs receiving State funds shall report to the Department on the expenditure of State funds and the number of cases served each year.~~"

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**COMMUNITIES IN SCHOOLS REDUCTIONS**

**SECTION 16.3.** The General Fund appropriation to the Department of Juvenile Justice and Delinquency Prevention for Communities in Schools of North Carolina, Inc., is reduced by the sum of one hundred two thousand five hundred dollars (\$102,500) for the 2002-2003 fiscal year. This reduction in funding shall be accomplished by reducing expenditures at the State office and not through reductions in funding to individual sites.

Requested by: Senators Thomas, Wellons, Plyler, Odom, Lee; Representatives Culpepper, Haire, Easterling, Oldham, Redwine

**STATE FUNDS MAY BE USED AS FEDERAL MATCHING FUNDS****SECTION 16.5.** Section 24.4 of S.L. 2001-424 reads as rewritten:

"**SECTION 24.4.** Funds appropriated in this act to the Department of Juvenile Justice and Delinquency Prevention for the ~~2001-2002-2002-2003~~ fiscal year may be used as matching funds for the Juvenile Accountability Incentive Block Grants. If North Carolina receives Juvenile Accountability Incentive Block Grants, or a notice of funds to be awarded, the Office of State Budget and Management and the Governor's Crime Commission shall consult with the Department of Juvenile Justice and Delinquency Prevention regarding the criteria for awarding federal funds. The Office of State Budget and Management, the Governor's Crime Commission, and the Department of Juvenile Justice and Delinquency Prevention shall report to the Appropriations Committees of the Senate and House of Representatives and the Joint Legislative Commission on Governmental Operations prior to allocation of the federal funds. The report shall identify the amount of funds to be received for the ~~2001-2002-2002-2003~~ fiscal year, the amount of funds anticipated for the ~~2002-2003-2003-2004~~ fiscal year, and the allocation of funds by program and purpose."

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**PLANNING FOR NEW YOUTH DEVELOPMENT CENTER**

**SECTION 16.6.** The Department of Juvenile Justice and Delinquency Prevention may initiate the planning and design of a new 300- to 500-bed youth development center using funds allocated to the Department of Administration for the planning and design of juvenile justice facilities. The Department shall report by February 15, 2003, to the Chairs of the Senate and House of Representatives Appropriations Committees, the Senate Appropriations Committee on Justice and Public Safety, and the House of Representatives Appropriations Subcommittee on Justice and Public Safety on its progress in the planning and design phase. The Department shall also provide a preliminary report on how its plan for a new center will ensure effective security and programming while achieving staffing efficiencies.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Sherrill, Nesbitt, Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**OPERATION OF BUNCOMBE YOUTH DETENTION CENTER**

**SECTION 16.7.** The Department of Juvenile Justice and Delinquency Prevention shall continue to operate the Buncombe Youth Detention Center at its current site during the 2002-2003 fiscal year. To the extent practicable during the 2002-2003 fiscal year, the Department shall operate the Buncombe Youth Detention Center at the same average population and staffing levels and at the same budget as the 2001-2002 fiscal year.

**PART XVII. DEPARTMENT OF CORRECTION**

Requested by: Senators Thomas, Wellons, Ballance, Plyler, Odom, Lee; Representatives Culpepper, Haire, Easterling, Oldham, Redwine

**ALL COUNTIES TRANSFERRING SAFEKEEPERS TO THE DEPARTMENT OF CORRECTION TO REIMBURSE DEPARTMENT REGARDLESS OF SAFEKEEPERS' RESIDENCY**

**SECTION 17.1.** G.S. 162-39(c) reads as rewritten:

"(c) The sheriff of the county from which the prisoner is removed shall be responsible for conveying the prisoner to the jail or prison unit where he is to be held, and for returning him to the common jail of the county from which he was transferred. The return shall be made at the expiration of the time designated in the court order directing the transfer unless the judge, by appropriate order, shall direct otherwise. The sheriff or keeper of the jail of the county designated in the court order, or the officer in charge of the prison unit designated by the Secretary of Correction, shall receive and release custody of the prisoner in accordance with the terms of the court order. If a prisoner is transferred to a unit of the State prison system, the county from which the prisoner is transferred shall pay the Department of Correction for maintaining the prisoner for the time designated by the court at the per day, per inmate rate at which the Department of Correction pays a local jail for maintaining a prisoner. The county shall also pay the Department of Correction for the costs of extraordinary medical care incurred while the prisoner was in the custody of the Department of Correction, defined as follows:

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

~~However, a county is not required to reimburse the State for maintaining a prisoner who was a resident of another state or county at the time he committed the crime for which he is imprisoned.~~ If the prisoner is transferred to a jail in some other county, the county from which the prisoner is transferred shall pay to the county receiving the prisoner in its jail the actual cost of maintaining the prisoner for the time designated by the court.

Counties are hereby authorized to enter into contractual agreements with other counties to provide jail facilities to which prisoners may be transferred as deemed necessary under this section.

Whenever prisoners are arrested in such numbers that county jail facilities are insufficient and inadequate for the safekeeping of such prisoners, the resident judge of the superior court or any superior or district court judge holding court in the district may order the prisoners transferred to a unit of the State Department of Correction designated by the Secretary of Correction or his authorized representative, where the prisoners may be held for such length of time as the judge may direct, such detention to be in cell separate from that used for imprisonment of persons already convicted of crimes, except when admission to an inpatient prison medical or mental health unit is required to provide services deemed necessary by a prison health care clinician. The sheriff of the county from which the prisoners are removed shall be responsible for conveying the prisoners to the prison unit or units where they are to be held, and for returning them to the common jail of the county from which they were transferred. However, if due to the number of prisoners to be conveyed the sheriff is unable to provide adequate transportation, he may request the assistance of the Department of Correction, and the Department of Correction is hereby authorized and directed to cooperate with the sheriff and provide whatever assistance is available, both in vehicles and manpower, to accomplish the conveying of the prisoners to and from the county to the designated prison unit or units. The officer in charge of the prison unit designated by the Secretary of Correction or his authorized representative shall receive and release the custody of the prisoners in accordance with the terms of the court order. The county from which the prisoners are transferred shall pay to the Department of Correction the actual cost of transporting the prisoners and the cost of maintaining the prisoners at the per day, per inmate rate at which the Department of Correction pays a local jail for maintaining a prisoner, provided, however, that a county is not required to reimburse the State for transporting or maintaining a prisoner who was a resident of another state or county at the time he was arrested. However, if the county commissioners shall certify to the Governor that the county is unable to pay the bill submitted by the State Department of Correction to the county for the services rendered, either in whole or in part, the Governor may recommend to the Council of State that the State of North Carolina assume and pay, in whole or in part, the obligation of the county to the Department of Correction, and upon approval of the Council of State the amount so approved shall be paid from Contingency and Emergency Fund to the Department of Correction.

When, due to an emergency, it is not feasible to obtain from a judge of the superior or district court a prior order of transfer, the sheriff of the county and the Department of Correction may exercise the authority hereinafter conferred; provided, however, that the sheriff shall, as soon as possible after the emergency, obtain an order from the judge authorizing the prisoners to be held in the designated place of confinement for such period as the judge may direct. All provisions of this subsection shall be applicable to municipalities whenever prisoners are arrested in such numbers that the municipal jail facilities and the county jail facilities are insufficient and inadequate for the safekeeping of the prisoners. The chief of police is hereby authorized to exercise the authority herein conferred upon the sheriff, and the municipality shall be liable for the cost of transporting and maintaining the prisoners to the same extent as a county would be unless action is taken by the Governor and Council of State as herein provided for counties which are unable to pay such costs."

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee;  
Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY  
MEDICAL COSTS FOR INMATES, PAROLEES, AND POST-RELEASE  
SUPERVISEES AWAITING TRANSFER TO STATE PRISON SYSTEM**

**SECTION 17.2.** Section 25.4 of S.L. 2001-424 reads as rewritten:

"**SECTION 25.4.** The Department of Correction may use funds ~~appropriated~~ available to the Department for the ~~2001-2002 fiscal year~~ 2001-2003 biennium to pay the sum of forty dollars (\$40.00) per day as reimbursement to counties for the cost of housing convicted inmates, parolees, and post-release supervisees awaiting transfer to the State prison system, as provided in G.S. 148-29. The Department shall report by December 1 and May 1 of each year to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee, the Chairs of the Senate and House of Representatives Appropriations Committees, and the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety on the expenditure of funds to reimburse counties for prisoners awaiting transfer and on its progress in reducing the jail backlog."

Requested by: Senators Thomas, Wellons, Ballance, Plyler, Odom, Lee;  
Representatives Culpepper, Haire, Easterling, Oldham, Redwine

**REPORT ON INMATES ELIGIBLE FOR PAROLE**

**SECTION 17.3.** Section 25.21 of S.L. 2001-424 reads as rewritten:

"**SECTION 25.21.** The Post-Release Supervision and Parole Commission shall ~~provide quarterly reports~~ report by January 15 and July 15 of each year to the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety and the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee on inmates eligible for parole. These reports shall include at least the following:

- (1) The total number of Fair Sentencing and Pre-Fair Sentencing inmates that were parole-eligible during the previous quarter and the total number of those inmates that were paroled. The report should group these inmates by ~~offense type and custody classification; type, custody classification, and type of parole;~~
- (2) ~~A list of all those inmates paroled or released by category of parole or release, including each inmate's offense and custody classification at the time of the parole or release;~~
- (3)(2) The average time served, by offense class, of Fair Sentencing and Pre-Fair Sentencing inmates compared to inmates sentenced under Structured Sentencing; and
- (4)(3) The projected number of parole-eligible inmates to be paroled or released by the end of the ~~2001-2002~~ 2002-2003 fiscal year and by the end of the ~~2002-2003~~ 2003-2004 fiscal year."

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee;  
Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**SHIFT PAY AND HOLIDAY PAY FOR SECURITY STAFF**

**SECTION 17.4.** The Department of Correction may use funds appropriated for the 2002-2003 fiscal year for the payment to security staff of special premium

holiday pay that exceeds standard holiday pay by up to twenty-five percent (25%). The Department of Correction may use funds available for the 2002-2003 fiscal year for the payment to security staff of special supplemental weekend shift premium pay that exceeds standard weekend shift pay by up to ten percent (10%). The Department shall also continue to take steps to hold down the cost of shift pay by converting prisons from three eight-hour shifts to two 12-hour shifts whenever practical.

The Department of Correction shall report to the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety by April 1, 2003, on the benefits to recruitment and retention of correctional staff as a result of the use of special holiday pay and shift premium pay, as well as its progress in converting prison work shifts from eight hours to 12 hours. The report shall include information on savings generated to date and potential future savings, as well as any changes in employee morale and leave usage, as a result of converting to 12-hour shifts.

Requested by: Senators Thomas, Wellons, Ballance, Plyler, Odom, Lee; Representatives Culpepper, Haire, Easterling, Oldham, Redwine

**DEPARTMENT OF CORRECTION SECURITY STAFFING FORMULAS**

**SECTION 17.5.(a)** The Department of Correction shall conduct security staffing post-audits of each prison at least biannually, the first such audit to be completed during the 2002-2003 fiscal year. The initial post-audit shall be conducted jointly by Department staff and a consultant, external to the Department, and shall include analysis of the staffing levels assigned for supervision of correctional officers.

**SECTION 17.5.(b)** The Department of Correction shall update the security staffing relief formula biannually, the first update to be completed during the 2002-2003 fiscal year. Each update shall include a review of all annual training requirements for security staff to determine which of these requirements should be mandatory and the appropriate frequency of the training.

**SECTION 17.5.(c)** The Department of Correction shall report the results of the initial security staffing post-audits and relief formula update to the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety by April 1, 2003.

Requested by: Senators Thomas, Wellons, Ballance, Plyler, Odom, Lee; Representatives Culpepper, Haire, Easterling, Oldham, Redwine

**COMMUNITY WORK CREWS**

**SECTION 17.6.(a)** The Department of Correction shall implement a reduction in inmate community work crews systemwide, but work crews shall not be reduced at any locations that have fewer than three work crews.

The Department of Correction may use up to 39 work crews for Department of Transportation litter control projects. The Department of Transportation shall transfer at least one million three hundred thousand dollars (\$1,300,000) from the Highway Fund to the Department of Correction during the 2002-2003 fiscal year to cover the cost of those work crews. Should the two departments determine that the actual cost of operating 39 work crews exceeds that amount, the Department of Transportation shall transfer an additional amount as agreed upon by the two departments and the Office of State Budget and Management.

**SECTION 17.6.(b)** The Department of Correction shall identify locations where the number of inmate work crews is being reduced or diverted to perform litter control for the Department of Transportation and, to the extent possible, arrange for

community service work program placements so that the affected work projects for State and local governments can be maintained. The Department shall report by March 1, 2003, to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety on all projects formerly performed by inmate work crews that have been continued through the community service work program.

**SECTION 17.6.(c)** The Department of Correction shall identify all inmate labor supplied to public agencies for which the Department does not receive reimbursement for the costs of the labor and the supervision of the labor. The Department shall report by March 1, 2003, to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety on the type of labor provided, the number of security positions assigned for that labor, and the actual costs of providing the labor and supervision. The report shall also identify alternative methods for charging public agencies for the costs of inmate labor and the supervision of that labor.

Requested by: Senators Thomas, Wellons, Plyler, Odom, Lee; Representatives Culpepper, Haire, Easterling, Oldham, Redwine

**SUBSTANCE ABUSE PROGRAMS**

**SECTION 17.7.** G.S. 143B-262.1 reads as rewritten:

**"§ 143B-262.1. Department of Correction – Substance Abuse Program.**

(a) The Substance Abuse Program established by subsection (d) of § 143B-262 shall be offered in a medium-custody correctional facility, or a portion of a medium custody correctional facility that is self-contained, so that the residential and program space is separate from any other programs or inmate housing, and shall be operational by January 1, 1988, at such unit as the Secretary may designate.

(b) An Assistant Secretary for Substance Abuse shall be employed and shall report directly to the Office of the Secretary of Correction. ~~A Correctional Administrator I shall be employed to manage programs for offenders with substance abuse problems in the Department of Correction and its divisions. The Correctional Administrator I shall report to the Assistant Secretary for Substance Abuse. A Secretary IV shall be employed to assist the Correctional Administrator I. An Administrative Officer II and a Secretary IV shall be employed to assist the Assistant Secretary and work under his direction and management.~~ The duties of the Assistant Secretary shall include the following:

- (1) Administer and coordinate all substance abuse programs, grants, contracts, and related functions in the Department of Correction;
- (2) Develop and maintain working relationships and agreements with agencies and organizations that will assist in developing and operating a Substance Abuse Program in the Department of Correction;
- (3) Develop and coordinate the use of volunteers in the Substance Abuse Program;
- (4) Develop and present training programs related to substance abuse for employees and others at all levels in the agency;
- (5) Develop programs that provide effective treatment for inmates, probationers, and parolees with substance abuse problems;
- (6) Maintain contact with key leaders in the substance abuse field and active supporters of the Correction Program;

- (7) Supervise directly the directors of treatment units, specialized personnel, and programs that exist or may be developed in the Department of Correction; and
- (8) Develop employee assistance programs for employees with substance abuse problems.

~~(e) Ten additional program staff shall be employed. There shall be a Correctional Program Director II who is responsible to the Assistant Secretary for Substance Abuse. This employee shall be responsible for managing and implementing the inpatient treatment program. Also employed will be a Correctional Program Director I, two Correctional Program Supervisors, four Correctional Program Assistant II's, one Correctional Program Assistant I, and one Clerk Stenographer IV.~~

~~(d) The duties of the Program Director shall include the following:~~

- ~~(1) Implement and manage the inpatient treatment program for inmates with substance abuse problems;~~
- ~~(2) Supervise personnel assigned to the inpatient treatment program;~~
- ~~(3) Assist in developing the treatment program for inmates with substance abuse problems;~~
- ~~(4) Recruit and develop staff for the inpatient program and other staff as required;~~
- ~~(5) Assist in developing linkage and follow up of inmates between the inpatient program, related agencies, organizations, and other facilities of the Department of Correction;~~
- ~~(6) Be responsible for treatment plans and daily activities and schedules for all assigned inmates;~~
- ~~(7) Develop methods for involving families of inmates in the program to the extent deemed appropriate and useful; and~~
- ~~(8) Other duties as required.~~

~~Preference shall be accorded to qualified recovering alcoholics and substance abusers in the employment of treatment counselors.~~

~~(e) In the unit there shall be a unit superintendent under the Division of Prisons and other custodial, administrative, and support staff as required for a medium custody facility for approximately 100 inmates. The unit superintendent shall be responsible for all matters pertaining to custody and administration of the unit. The ~~Correctional Program Director II~~ Assistant Secretary shall designate an employee to administer the inpatient treatment program under the direction of the Assistant Secretary for Substance Abuse.~~

(f) Extensive use may be made of inmates working in the role of ancillary staff, peer counselors, role models, or group leaders as the program manager determines. Additional resource people who may be required for specialized treatment activities, presentations, or group work may be employed on a fee or contractual basis.

~~(g) The Program in each unit shall be structured such that approximately 25 offenders will enter the Program on a weekly basis.~~

(h) Admission priorities shall be established as follows:

- (1) Court recommendation.
- (2) Evaluation and referral from reception and diagnostic centers.
- (3) General staff referral.
- (4) Self-referral.

The Program shall include extensive follow-up after the period of intensive treatment. There will be specific plans for each departing inmate for follow-up, including active



involvement with Alcoholics Anonymous, community resources, and personal sponsorship."

Requested by: Senators Thomas, Wellons, Ballance, Plyler, Odom, Lee; Representatives Culpepper, Haire, Easterling, Oldham, Redwine

#### **USE OF CLOSED PRISON FACILITIES**

**SECTION 17.8.** Section 25.5 of S.L. 2001-424 reads as rewritten:

"**SECTION 25.5.** In conjunction with the closing of prison facilities, including small expensive prison units recommended for consolidation by the Government Performance Audit Committee, the Department of Correction shall consult with the county or municipality in which the unit is located, with the elected State and local officials, and with State agencies about the possibility of converting that unit to other use. The Department may also consult with any private for-profit or nonprofit firm about the possibility of converting the unit to other use. In developing a proposal for future use of each unit, the Department shall give priority to converting the unit to other criminal justice use. Consistent with existing law and the future needs of the Department of Correction, the State may provide for the transfer or the lease of any of these units to counties, municipalities, State agencies, or private firms wishing to convert them to other use. The Department of Correction may also consider converting some of the units recommended for closing from ~~medium security to minimum security~~, one security custody level to another, where that conversion would be cost-effective. A prison unit under lease to a county pursuant to the provisions of this section for use as a jail is exempt for the period of the lease from any of the minimum standards adopted by the Secretary of Health and Human Services pursuant to G.S. 153A-221 for the housing of adult prisoners that would subject the unit to greater standards than those required of a unit of the State prison system.

Prior to any transfer or lease of these units, the Department of Correction shall report on the terms of the proposed transfer or lease to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee. The Department of Correction shall also provide annual summary reports to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee on the conversion of these units to other use and on all leases or transfers entered into pursuant to this section."

Requested by: Senators Thomas, Wellons, Ballance, Plyler, Odom, Lee; Representatives Culpepper, Haire, Easterling, Oldham, Redwine

#### **MEDICAL BUDGET FOR PRESCRIPTION DRUGS**

**SECTION 17.9.** Section 25.6(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 25.6.(b)** Notwithstanding the provisions of G.S. 143-23(a2), the Department of Correction may use funds available during the ~~2001-2002 fiscal year~~ 2001-2003 biennium for the purchase of prescription drugs for inmates if expenditures are projected to exceed the Department's inmate medical continuation budget for prescription drugs. The Department shall consult with the Joint Legislative Commission on Governmental Operations prior to exceeding the continuation budget amount.

The Department of Administration, Purchase and Contract Division, and the Department of Correction shall review the current statewide contract for purchase of prescription drugs as it applies to the Department of Correction's purchases for inmates to determine if the Department is receiving the lowest rate available and to determine

whether the Department should be authorized to issue a request for proposals for a separate vendor or purchasing consortium for the provision of prescription drugs for inmates. The Departments shall report on their findings to the Joint Legislative Commission on Governmental Operations by February 1, 2002."

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**ELECTRONIC MONITORING COSTS**

**SECTION 17.10.(a)** Article 1 of Chapter 148 of the General Statutes is amended by adding a new section to read:

**"§ 148-10.3. Electronic monitoring costs.**

Personnel, equipment, and other costs of providing electronic monitoring of pretrial or sentenced offenders shall be reimbursed to the Department of Correction by the State or local agency requesting the service in an amount not exceeding the actual costs."

**SECTION 17.10.(b)** The Department of Correction shall report by March 1, 2003, to the Chairs of the Senate and House of Representatives Appropriations Committees and the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety on efforts to increase the use of electronic monitoring of sentenced offenders in the community as an alternative to the incarceration of probation violators. The report shall also document the geographical distribution of electronic monitoring use.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**COLLECTION OF OFFENDER FEES**

**SECTION 17.11.** The Department of Correction and the Judicial Department shall jointly develop a plan to improve the collection rate of offender fees for probationers and for nonprobationers sentenced to community service. The plan should address improving both the rate at which offenders are levied fees by the courts and the rate at which those offenders satisfy their obligations. The plan shall address steps to improve the overall collection rate for probation supervision fees from thirty-six percent (36%) to forty percent (40%) during the 2002-2003 fiscal year and ideas for improving the collection rate for community service work program fees.

The two departments shall report by April 1, 2003, to the Chairs of the Senate and House of Representatives Appropriations Committees and the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety on the success of their efforts to improve these collection rates and on any recommendations for statutory or procedural changes that will improve the collection of financial obligations from offenders.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**MOBILE MEDICAL OPERATING ROOM**

**SECTION 17.12.** The Department of Correction shall continue the contract for a mobile medical operating room at Central Prison for the 2002-2003 fiscal year at a reduced fixed rate that more clearly reflects the usage. However, the Department shall use the mobile unit for additional procedures, as authorized by the terms of the agreement, whenever the Department's Utilization Review Team determines that (i) a specific procedure can be performed at a cost below that charged

by a public or private hospital; and (ii) there is no compelling medical reason for performing the procedure in a hospital instead of using the mobile medical unit.

The Department shall also study the use of this mobile operating room and report by March 1, 2003, to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety. The report shall recommend whether the mobile unit should be continued, eliminated, or expanded in terms of capacity of the current unit and the potential for establishing an additional mobile unit. The report shall also include information on the number and type of procedures performed over and above the fixed-rate contract and the savings generated.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**CRIMINAL JUSTICE PARTNERSHIP PROGRAM**

**SECTION 17.13.(a)** Notwithstanding the provisions of G.S. 143B-273.16, Caswell and Union Counties shall not receive implementation funding for the Criminal Justice Partnership Program for the 2002-2003 fiscal year. However, those counties will be eligible to reapply for funding in future years.

**SECTION 17.13.(b)** It is the intent of the General Assembly that State Criminal Justice Partnership Program funds not be used to fund case manager positions when those services can be reasonably provided by Division of Community Corrections personnel or by the Treatment Alternatives to Street Crime (TASC) Program in the Department of Health and Human Services. The Division of Community Corrections shall identify at least the sum of three hundred fifty-nine thousand three hundred thirty dollars (\$359,330) in cost savings during the 2002-2003 fiscal year by eliminating funding for personnel in these cases. However, the reduction in implementation grant funding for those affected counties shall not in any case exceed twelve and one-half percent (12.5%) of that county's 2001-2002 funding.

Within 20 days of the date this act becomes law, each county Criminal Justice Partnership advisory board shall review the Division's recommended modifications for providing Criminal Justice Partnership Program case management services in its jurisdiction and determine whether these services can be reasonably provided in the manner proposed. If the local board determines that the services cannot be reasonably provided, the jurisdiction may opt instead to have the designated reduction made from other items in its budget. If the board determines that the services can be reasonably provided, the recommended modifications shall be reviewed and approved by the State Criminal Justice Partnership Advisory Board within another 10 days. Revised contracts should be sent to the counties no later than 45 days after this act becomes law. The Division of Community Corrections shall report to the Chairs of the Senate and House of Representatives Appropriations Committees and the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety on the specific adjustments within 60 days of the enactment of the budget for the 2002-2003 fiscal year.

**SECTION 17.13.(c)** Programs that were not operational between July 1, 2002, and the enactment of the 2002-2003 State budget shall be limited to no more than seventy-five percent (75%) of the funding they would have otherwise received from the Criminal Justice Partnership Program.

**SECTION 17.13.(d)** Notwithstanding the provisions of G.S. 143B-273.15 specifying that grants to participating counties are for the full fiscal year and that unobligated funds are returned to the State-County Criminal Justice Partnership

Account at the end of the grant period, the Department of Correction may reallocate unspent or unclaimed funds distributed to counties participating in the State-County Criminal Justice Partnership Program in an effort to maintain the level of services realized in previous fiscal years.

Requested by: Senators Thomas, Wellons, Ballance, Plyler, Odom, Lee; Representatives Culpepper, Haire, Easterling, Oldham, Redwine

**CONVERSION OF CONTRACTED MEDICAL POSITIONS**

**SECTION 17.14.(a)** The Department of Correction may convert contract medical positions to permanent State medical positions at individual correctional facilities if the Department can document that the total savings generated will exceed the total cost of the new positions for each facility. Where practical, the Department shall convert contract positions to permanent positions by using existing vacancies in medical positions.

**SECTION 17.14.(b)** The Department of Correction shall report by October 1, 2002, to the Joint Legislative Commission on Governmental Operations and the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety on all conversions made pursuant to this section, by type of position and location, and on the savings generated at each correctional facility.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**REDUCE SUMMIT HOUSE APPROPRIATION**

**SECTION 17.15.** Subsection (a) of Section 25.14 of S.L. 2001-424 reads as rewritten:

**"SECTION 25.14.(a)** The General Fund appropriation to the Department of Correction for Summit House, Inc., is reduced by the sum of one hundred thirty-nine thousand six hundred fifty dollars (\$139,650) for ~~each year of the 2001-2003 biennium.~~ This the 2001-2002 fiscal year and by the sum of one hundred sixty-five thousand two hundred ninety-nine dollars (\$165,299) for the 2002-2003 fiscal year. The ten percent (10%) reduction in funding for the 2001-2002 fiscal year shall be accomplished by reducing expenditures at the State office and not through reductions in funding to individual sites. The additional reduction for the 2002-2003 fiscal year shall be accomplished by reducing State funding for the State office only.

The Summit House Management Team shall continue to explore ways to reduce the use of State funds at the State office, including consideration of colocating the State office with one of the local programs and contracting for financial services in lieu of a full-time staff. As of May 1, 2003, no State funds shall be used to support the State office."

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**PRISON CHAPLAIN STUDY**

**SECTION 17.17.** The Department of Correction shall study the feasibility of converting its prison chaplain program into a community-based program emphasizing the use of volunteers and community funding and allowing for contracting for the services of prison chaplains in areas where such volunteers or funding are not available.

The Department shall report the results of this study to the Chairs of the

House of Representatives and Senate Appropriations Subcommittees on Justice and Public Safety by March 1, 2003. The report shall include an analysis of the cost savings to be realized through the implementation of a community-based prison chaplain program, as well as addressing the potential for securing the services of prison chaplains through a statewide contract.

Requested by: Senators Thomas, Wellons, Balance, Plyler, Odom, Lee; Representatives Culpepper, Haire, Easterling, Oldham, Redwine

**ELIMINATE IMPACT PROGRAM**

**SECTION 17.18.(a)** G.S. 15A-1343(b1)(2a) is repealed.

**SECTION 17.18.(b)** G.S. 15A-1343.1 is repealed.

**SECTION 17.18.(c)** Funds appropriated to the Department of Correction for the 2002-2003 fiscal year are reduced by four million sixty-six thousand five hundred ninety-five dollars (\$4,066,595) as a result of the termination of the IMPACT boot camp program, effective August 15, 2002. Of the remaining funds budgeted for the IMPACT program, the Department shall use the sum of three hundred ninety thousand three hundred twelve dollars (\$390,312) to establish 12 inmate community work crews as follows: one crew each at Marion, Rutherford, Catawba, and Caldwell correctional facilities, and two crews each at Southern, Anson, Robeson, and Sanford correctional facilities.

**SECTION 17.18.(d)** This section becomes effective August 15, 2002.

**PART XVIII. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

Requested by: Senators Thomas, Wellons, Ballance, Albertson, Plyler, Odom, Lee; Representatives Culpepper, Haire, Easterling, Oldham, Redwine

**TARHEEL CHALLENGE MATCHING FUNDS**

**SECTION 18.2.** The North Carolina National Guard shall identify alternative sources of funding, including local and private funds, to be used to meet the forty percent (40%) match requirement for federal funds.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**EXEMPT STATE HIGHWAY PATROL FROM UMSTEAD ACT**

**SECTION 18.5.** G.S. 66-58(b) is amended by adding a new subdivision to read:

"(22) The North Carolina State Highway Patrol."

Requested by: Senators Thomas, Wellons, Ballance, Rand, Plyler, Odom, Lee; Representatives Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**COMPLY WITH FEDERAL VIOLENCE AGAINST WOMEN ACT**

**SECTION 18.6.(a)** G.S. 143B-480.2 reads as rewritten:

"§ 143B-480.2. **Victim assistance.**

(a) Eligibility for Assistance. – Sexual assault victims or victims of attempted sexual assault are eligible for assistance under this Program if the sexual assault or the attempted sexual assault is reported to a law enforcement officer within five days of the occurrence of the assault or the attempted sexual assault or if a forensic medical examination is performed within five days of the sexual assault or the attempted sexual assault. The Secretary may waive either five-day requirement for good cause. The term

"sexual assault" as used in this section refers to the following crimes: ~~Only victims who have reported the following crimes are eligible for assistance under this Program:~~ first-degree rape as defined in G.S. 14-27.2, second-degree rape as defined in G.S. 14-27.3, first-degree sexual offense as defined in G.S. 14-27.4, second-degree sexual offense as defined in G.S. 14-27.5, or statutory rape as defined in G.S. 14-27.7A. ~~or attempted first-degree or second-degree rape or attempted first-degree or second-degree sexual offense as defined in G.S. 14-27.6.~~

(b) Eligible Expenses. – Assistance is limited to the following expenses incurred by the victim:

- (1) ~~Immediate~~ immediate and short-term medical expenses, ~~expenses.~~
- (2) Ambulance services from the place of the attack to a place where medical treatment is provided. ~~ambulance services,~~
- (3) ~~and mental~~ Mental health services provided by a professional licensed or certified by the State to provide such ~~services.~~ services, not to exceed one thousand dollars (\$1,000) incurred by the victim for the
- (4) A forensic medical examination. As used in this section, the term "forensic medical examination" means an examination provided to a sexual assault victim eligible for assistance under subsection (a) of this section by medical personnel who gather evidence of a sexual assault in a manner suitable for use in a court of law. The examination should include an examination of physical trauma, a patient interview, and a collection and evaluation of evidence. ~~examination, medical procedures to collect evidence,~~
- (5) ~~or counseling~~ Counseling treatment which ~~follow~~ following the ~~attack,~~ attack. ~~or ambulance services from the place of the attack to a place where medical treatment is provided.~~

(c) Amount of Assistance. – The Program shall pay for the full out-of-pocket cost of the victim's forensic medical examination. The Program shall pay for all other eligible expenses set out in subsection (b) of this section in an amount not to exceed the difference between the full out-of-pocket cost of the forensic medical examination and one thousand dollars (\$1,000). If the full out-of-pocket cost for the forensic medical examination costs more than one thousand dollars (\$1,000), then the Program shall pay only for the full out-of-pocket cost of the forensic medical examination. Assistance not to exceed fifty dollars (\$50.00) shall be provided to victims to replace clothing that was held for evidence tests.

~~(b)~~(d) Payment Directly to Provider. – With the exception of assistance authorized under subsection ~~(e)~~(f) of this section, assistance for expenses authorized under this section is to be paid directly to any hospital, ambulance service, attending physicians, or mental health professionals providing counseling, upon the filing of proper forms. Payment for the full out-of-pocket cost of the forensic medical examination shall be paid to the provider no later than 90 days after receiving the required written notification of the victim's expense.

~~(e)~~ Assistance shall not be awarded unless the rape, attempted rape, sexual offense, or attempted sexual offense was reported to a law enforcement officer within 72 hours after its occurrence or the Secretary finds there was good cause for the failure to report within that time.

~~(d)~~(e) Judicial Review. – Upon an adverse determination by the Secretary on a claim for medical expenses, a victim is entitled to judicial review of that decision. The person seeking review shall file a petition in the Superior Court of Wake County.

~~(e)(f)~~ Examinations by Licensed Registered Nurse. – If the forensic medical examination is conducted by a licensed registered nurse who has successfully completed a program approved under G.S. 90-171.38(b), payment for the full out-of-pocket cost of the forensic medical examination may be made directly to the licensed registered nurse in lieu of any payment which may otherwise have been made under subsection (b),(d) of this section. Payment for the full out-of-pocket costs of a forensic medical examination under this subsection shall be paid no later than 90 days after receiving the required written notification of the victim's expense. assistance for expenses for services authorized under this section that are provided for the purpose of collecting evidence from victims of crimes identified in G.S. 90-171.38(b) may be paid directly to any licensed registered nurse who has successfully completed a program approved under G.S. 90-171.38(b). The Secretary shall adopt rules to facilitate the payments authorized under this subsection and to encourage, whenever practical, the use of licensed registered nurses trained under G.S. 90-171.38(b) to conduct medical examinations and procedures."

**SECTION 18.6.(b)** The Department of Crime Control and Public Safety may use funds available to the Department in order to implement the provisions of this section.

**SECTION 18.6.(c)** This section becomes effective December 1, 2002.

Requested by: Senators Thomas, Wellons, Ballance, Rand, Garrou, Plyler, Odom, Lee; Representatives Baddour, Decker, Culpepper, Haire, Luebke, Easterling, Oldham, Redwine

**THE NORTH CAROLINA CHILD ALERT NOTIFICATION SYSTEM – NC CAN (AMBER ALERT)**

**SECTION 18.7.(a)** G.S. 143B-499.1 reads as rewritten:

**"§ 143B-499.1. Dissemination of missing persons data by law-enforcement agencies.**

A law-enforcement agency, upon receipt of a missing person report by a parent, spouse, guardian, or legal custodian, shall immediately make arrangements for the entry of data about the missing person or missing child into the national missing persons file in accordance with criteria set forth by the FBI/NCIC, immediately inform all of its on-duty law-enforcement officers of the missing person report, initiate a statewide broadcast to all appropriate law-enforcement agencies to be on the lookout for the individual, and transmit a copy of the report to the Center.

If the report involves a missing child and the report meets the criteria established in G.S. 143B-499.7(b), as soon as practicable after receipt of the report, the law enforcement agency shall notify the Center of the relevant data about the missing child."

**SECTION 18.7.(b)** G.S. 143B-499.2 is amended by adding a new subdivision to read:

"(6a) Develop and maintain the North Carolina Child Alert Notification System (NC CAN) as created by G.S. 143B-499.7;"

**SECTION 18.7.(c)** Article 11 of Chapter 143B of the General Statutes is amended by adding a new section to read:

**"§ 143B-499.7. North Carolina Child Alert Notification System established.**

(a) There is established within the North Carolina Center for Missing Persons the North Carolina Child Alert Notification System (NC CAN). The purpose of NC CAN is to provide a statewide system for the rapid dissemination of information regarding abducted children.

(b) The NC CAN System shall make every effort to disseminate information on missing children as quickly as possible when the following criteria are met:

- (1) The child is 12 years of age or younger;
- (2) The child is believed to have been abducted;
- (3) The child is believed to be in danger of injury or death;
- (4) The abduction is not known or suspected to be by a parent of the child;
- (5) The child is not a runaway or voluntarily missing; and
- (6) The abduction has been reported to and investigated by a law enforcement agency.

The NC CAN System may disseminate information on missing children who are ages 13 to 17 on a case-by-case basis, if all other criteria in subdivisions (2) through (6) of this subsection have been met, if the Center believes the dissemination of the information to be beneficial in the possible recovery of the missing child.

If the abduction of the child is known or suspected to be by a parent of the child, the Center, in its discretion, may disseminate information through the NC CAN System if the child is believed to be in danger of injury or death.

(c) The Center shall adopt guidelines and develop procedures for the statewide implementation of the NC CAN System and shall provide education and training to encourage radio and television broadcasters to participate in the System. The Center shall work with the Department of Justice in developing training material regarding the NC CAN System for law enforcement, broadcasters, and community interest groups.

(d) The Center shall consult with the Department of Transportation and develop a procedure for the use of overhead permanent changeable message signs to provide information on the abduction of a child meeting the criteria established in subsection (b) of this section, when information is available that would enable motorists to assist law enforcement in the recovery of the missing child. The Center and the Department of Transportation shall develop guidelines for the content, length, and frequency of any message to be placed on an overhead permanent changeable message sign.

(e) The Center shall consult with the Division of Emergency Management, in the Department of Crime Control and Public Safety, to develop a procedure for the use of the Emergency Alert System to provide information on the abduction of a child meeting the criteria established in subsection (b) of this section.

(f) The Department of Crime Control and Public Safety, on behalf of the Center, may accept grants, contributions, devises, bequests, and gifts, which shall be kept in a separate fund, which shall be nonreverting, and shall be used to fund the operations of the Center and the NC CAN System."

**SECTION 18.7.(d)** Subsection (a) of this section becomes effective October 1, 2002. The remainder of this section is effective when it becomes law.

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

#### **STATE FLOODPLAIN MAPPING PROJECT**

**SECTION 18.8.** Section 25 of S.L. 2001-513 reads as rewritten:

**"SECTION 25.** The Department of Crime Control and Public Safety shall complete Phase 1 of the floodplain mapping for the Cape Fear River Basin by ~~December 30, 2002.~~ December 30, 2003. The Department of Crime Control and Public Safety shall ~~use available federal funds to complete Phase 1 of the floodplain mapping for the Cape Fear River Basin; however, if the federal funds are insufficient to complete Phase 1, then the Department may use up to six million dollars (\$6,000,000) from the Reserve~~



~~for Disaster Relief (Budget Code 19930) to complete Phase 1 of the floodplain mapping.~~

~~The Department of Crime Control and Public Safety may use up to three million dollars (\$3,000,000) from the Reserve for Disaster Relief (Budget Code 19930) to initiate Phase 2 of the floodplain mapping for the Catawba River Basin and for the Yadkin River Basin.~~ initiate Phase 2 of the floodplain mapping, including the Catawba and Yadkin River Basins. Nine million dollars (\$9,000,000) shall be transferred from the reserve for disaster relief (Budget Code 19930) and used to maximize/match federal funds for the purpose of continuing the State floodplain mapping program. State funds and federal funds shall be expended first to complete the floodplain mapping for the Cape Fear River Basin and secondly for the Catawba and Yadkin River Basins."

## **PART XIX. DEPARTMENT OF ADMINISTRATION**

Requested by: Senators Warren, Harris, Swindell, Plyler, Odom, Lee; Representatives Insko, Hackney, Allen, Jeffus, Sherrill, Dedmon, Wainwright, Easterling, Oldham, Redwine

### **OCCANEECHI BAND OF THE SAPONI NATION ON THE NORTH CAROLINA STATE COMMISSION OF INDIAN AFFAIRS**

**SECTION 19.1A.(a)** G.S. 143B-407 reads as rewritten:

**"§ 143B-407. North Carolina State Commission of Indian Affairs - membership; term of office; chairman; compensation.**

(a) The State Commission of Indian Affairs shall consist of two persons appointed by the General Assembly, the Secretary of Health and Human Services, the Director of the State Employment Security Commission, the Secretary of Administration, the Secretary of Environment and Natural Resources, the Commissioner of Labor or their designees and ~~20~~ 21 representatives of the Indian community. These Indian members shall be selected by tribal or community consent from the Indian groups that are recognized by the State of North Carolina and are principally geographically located as follows: the Coharie of Sampson and Harnett Counties; the Eastern Band of Cherokees; the Haliwa Saponi of Halifax, Warren, and adjoining counties; the Lumbees of Robeson, Hoke and Scotland Counties; the Meherrin of Hertford County; the Waccamaw-Siouan from Columbus and Bladen Counties; the Indians of Person County; the Occaneechi Band of the Saponi Nation of Alamance and Orange Counties, and the Native Americans located in Cumberland, Guilford, Johnston, Mecklenburg, Orange, and Wake Counties. The Coharie shall have two members; the Eastern Band of Cherokees, two; the Haliwa Saponi, two; the Lumbees, three; the Meherrin, one; the Waccamaw-Siouan, two; the Indians of Person County, one; the Cumberland County Association for Indian People, two; the Guilford Native Americans, two; the Metrolina Native Americans, two; the Occaneechi Band of the Saponi Nation, one, the Triangle Native American Society, one. Of the two appointments made by the General Assembly, one shall be made upon the recommendation of the Speaker, and one shall be made upon recommendation of the President Pro Tempore of the Senate. Appointments by the General Assembly shall be made in accordance with G.S. 120-121 and vacancies shall be filled in accordance with G.S. 120-122.

(b) Members serving by virtue of their office within State government shall serve so long as they hold that office. Members representing Indian tribes and groups shall be elected by the tribe or group concerned and shall serve for three-year terms except that

at the first election of Commission members by tribes and groups one member from each tribe or group shall be elected to a one-year term, one member from each tribe or group to a two-year term, and one member from the Lumbees to a three-year term. The initial appointment from the Indians of Person County shall expire on June 30, 1999. The initial appointment from the Triangle Native American Society shall expire June 30, 2003. The initial appointment of the Occaneechi Band of the Saponi Nation shall expire June 30, 2005. Thereafter, all Commission members will be elected to three-year terms. All members shall hold their offices until their successors are appointed and qualified. Vacancies occurring on the Commission shall be filled by the tribal council or governing body concerned. Any member appointed to fill a vacancy shall be appointed for the remainder of the term of the member causing the vacancy. The Governor shall appoint a chairman of the Commission from among the Indian members of the Commission, subject to ratification by the full Commission. The initial appointments by the General Assembly shall expire on June 30, 1983. Thereafter, successors shall serve for terms of two years.

(c) Commission members who are seated by virtue of their office within the State government shall be compensated at the rate specified in G.S. 138-6. Commission members who are members of the General Assembly shall be compensated at the rate specified in G.S. 120-3.1. Indian members of the commission shall be compensated at the rate specified in G.S. 138-5."

**SECTION 19.1A.(b)** Any expenses incurred under this section shall be paid by the Department of Administration out of existing appropriations.

**SECTION 19.1A.(c)** This section becomes effective November 1, 2002.

Requested by: Senators Warren, Harris, Plyler, Odom, Lee; Representatives Jeffus, Sherrill, Easterling, Oldham, Redwine

**INCREASE EFFICIENCY OF MAIL SERVICE CENTER**

**SECTION 19.2.** G.S. 143-341(8)g. reads as rewritten:

"g. To establish and operate a central mailing system for all State agencies, and in connection therewith and in the discretion of the Secretary, to make application for and procure a post-office substation for that purpose, and to do all things necessary in connection with the maintenance of the central mailing system. The Secretary may allocate and charge against the respective departments and agencies their proportionate parts of the cost of the maintenance of the central mailing system. The Secretary shall develop a plan for the efficient operation of the center that meets the needs of State agencies and ensures timely delivery of mail, and shall present that plan to the Office of State Budget and Management and the General Assembly no later than the convening date of the 2003 General Assembly."

Requested by: Senators Warren, Harris, Swindell, Rand, Plyler, Odom, Lee; Representatives Jeffus, Sherrill, Dedmon, Wainwright, Easterling, Oldham, Redwine

**SCHOLARSHIPS FOR CHILDREN OF WAR VETERANS AMENDMENTS**

**SECTION 19.3.(a)** G.S. 165-20(3) reads as rewritten:

**"§ 165-20. Definitions.**

As used in this Article the terms defined in this section shall have the following meaning:

...

- (3) 'Child' means a person: (i) under 25 years of age at the time of application for a scholarship, (ii) who is a domiciliary of North Carolina and is a resident of North Carolina when applying for a scholarship, ~~(ii) who is a senior in high school or its equivalent and who will graduate at the end of the academic year or a person~~ (iii) who has completed high school or its equivalent, ~~(iii) equivalent prior to receipt of a scholarship awarded under this Article,~~ (iv) who has complied with the requirements of the Selective Service System, if applicable, and ~~(iv)~~ (v) who further meets one of the following requirements:
- a. A person whose veteran parent was a legal resident of North Carolina at the time of said veteran's entrance into that period of service in the armed forces during which eligibility is established under G.S. 165-22.
  - b. A veteran's child who was born in North Carolina and has ~~lived in~~ been a resident of North Carolina continuously since birth. Provided, that the requirement in the preceding sentence as to birth in North Carolina may be waived by the Department of Administration if it is shown to the satisfaction of the Department that the child's mother was a native-born resident of North Carolina and was such resident at the time of her marriage to the veteran and was outside the State temporarily at the time of the child's birth, following which the child was returned to North Carolina within a reasonable period of time where said child has since lived continuously.
  - c. A person meeting either of the requirements set forth in subdivision (3)a or b above, and who was legally adopted by the veteran prior to said person's reaching the age of 15 years."

**SECTION 19.3.(b)** G.S. 165-21 reads as rewritten:

**"§ 165-21. Scholarship.**

- (a) A scholarship granted pursuant to this Article shall consist of the following benefits in either a State or private educational institution:
- (1) With respect to State educational institutions, unless expressly limited elsewhere in this Article, a scholarship shall consist of:
    - a. Tuition,
    - b. A reasonable board allowance,
    - c. A reasonable room allowance,
    - d. Matriculation and other institutional fees required to be paid as a condition to remaining in said institution and pursuing the course of study selected, excluding charges or fees for books, supplies, tools and clothing.
  - (2) With respect to private educational institutions, a scholarship shall consist of a monetary allowance as prescribed in G.S. 165-22.1(d).
  - (3) Only one scholarship may be granted pursuant to this Article with respect to each child and it shall not extend for a longer period than four academic years, which years, however, need not be consecutive.
  - (4) No educational assistance shall be afforded a child under this Article after the end of ~~a 10-year~~ an eight-year period beginning on the date

the scholarship is first awarded. Those persons who have been granted a scholarship under this Article prior to the effective date of this act shall be entitled to the remainder of their period of scholarship eligibility if used prior to August 1, 1999-2010. Whenever a child is enrolled in an educational institution and the period of entitlement ends while enrolled in a term, quarter or semester, such period shall be extended to the end of such term, quarter or semester, but not beyond the entitlement limitation of four academic years.

~~(b) If a child is awarded a scholarship under this Article and the child is a senior in high school or its equivalent, then the scholarship shall be awarded pending the graduation of the child.~~

(c) If a child is awarded a scholarship under this Article, the Commission shall notify the recipient by May 1<sup>st</sup> of the year in which the recipient enrolls in college."

**SECTION 19.3.(c)** G.S. 165-22 reads as rewritten:

**"§ 165-22. Classes or categories of eligibility under which scholarships may be awarded.**

A child, as defined in this Article, who falls within the provisions of any eligibility class described below shall, upon proper application be considered for a scholarship, subject to the provisions and limitations set forth for the class under which he is considered:

- (1) Class I-A: Under this class a scholarship shall be awarded to any child whose veteran parent
  - a. Was killed in action or died from wounds or other causes not due to his own ~~wilful~~-willful misconduct while a member of the armed forces during a period of war, or
  - b. Has died of service-connected injuries, wounds, illness or other causes incurred or aggravated during wartime service in the armed forces, as rated by the United States Department of Veterans Affairs.
- (2) Class I-B: Under this class a limited scholarship providing only those benefits set forth in G.S. 165-21(1)a and d and 165-21(2) of this Article, shall be awarded to any child whose veteran parent, at the time the benefits pursuant to this Article are sought to be availed of, is or was at the time of his death receiving compensation for a wartime service-connected disability of one hundred percent (100%) as rated by the United States Department of Veterans Affairs. Provided, that if the veteran parent of a recipient under this class should die of his wartime service-connected condition before the recipient shall have utilized all of his scholarship eligibility time, then the North Carolina Department of Administration shall amend the recipient's award from Class I-B to Class I-A for the remainder of the recipient's eligibility time. The effective date of such an amended award shall be determined by the Department of Administration, but, in no event shall it predate the date of the veteran parent's death.
- (3) Class II: Under this class a scholarship may be awarded to not more than 100 children yearly, each of whose veteran parent, at the time the benefits pursuant to this Article are sought to be availed of:
  - a. Is or was at the time of his death receiving compensation for a wartime service-connected disability of twenty percent (20%)

- or more, but less than one hundred percent (100%), as rated by the United States Department of Veterans Affairs, or
- b. ~~Is or was at the time of his death receiving wartime compensation for a statutory award for arrested pulmonary tuberculosis, as rated by the United States Department of Veterans Affairs.~~ Was awarded a Purple Heart for wounds received as a result of an act of any opposing armed force, as a result of an international terrorist attack, or as a result of military operations while serving as part of a peacekeeping force.
- (4) Class III: Under this class a scholarship may be awarded to not more than 100 children yearly, each of whose veteran parent, at the time the benefits pursuant to this Article are sought to be availed of:
- a. Is or was at the time of his death drawing pension for permanent and total disability, nonservice-connected, as rated by the United States Department of Veterans Affairs, ~~or Affairs.~~
- b. Is deceased and who does not fall within the provisions of any other eligibility class described in G.S. 165-22(1), (2), (3), (4)a., nor ~~(5) provided such child is less than 23 years of age at the time of application for such scholarship.(5).~~
- c. Served in a combat zone, or waters adjacent to a combat zone, or any other campaign, expedition, or engagement for which the United States Department of Defense authorizes a campaign badge or medal, who does not fall within the provisions of any other class described in G.S. 165-22(1), (2), (3), (4)a., or (5).
- (5) Class IV: Under this class a scholarship as defined in G.S. 165-21 shall be awarded to any child whose parent, while serving honorably as a member of the armed forces of the United States in active federal service during a period of war, as defined in G.S. 165-20(4), was listed by the United States government as (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power."

**SECTION 19.3.(d)** G.S. 165-22.1(c) reads as rewritten:

"(c) Allowances for room and board in State educational institutions shall be at such rate as ~~the Director of the Budget may determine to be reasonable. established by the Secretary of the Department of Administration.~~"

**SECTION 19.3.(e)** This section becomes effective November 1, 2002, and applies to awards made for the 2003-2004 school year.

Requested by: Senators Warren, Harris, Swindell, Hoyle, Plyler, Odom, Lee; Representatives Jeffus, Sherrill, Dedmon, Wainwright, Easterling, Oldham, Redwine

#### **REGIONAL OFFICE CONSOLIDATION PLAN**

**SECTION 19.4.** The Department of Administration, State Property Office, in consultation with all State agencies, shall identify regional offices established throughout the State in all State agencies and shall develop a plan that provides for the consolidation of the individual regional offices into a central facility in each region, giving consideration to sharing space and utilizing vacant space, and to availability of space in all agencies, including university and community college campuses. The

Department shall report its findings and recommendations to the Chairs of the Appropriations Committees of the Senate and House of Representatives and to the Fiscal Research Division by November 1, 2002.

Requested by: Senators Warren, Harris, Swindell, Plyler, Odom, Lee; Representatives Jeffus, Sherrill, Dedmon, Wainwright, Easterling, Oldham, Redwine

**PETROLEUM OVERCHARGE FUNDS ALLOCATION**

**SECTION 19.6.(a)** There is appropriated from funds and interest thereon received from the case of United States vs. Exxon that remain in the Special Reserve for Oil Overcharge Funds to the Department of Health and Human Services the sum of one million dollars (\$1,000,000) for the 2002-2003 fiscal year. The Department shall allocate these funds to the Weatherization Assistance Program.

**SECTION 19.6.(b)** Any funds remaining in the Special Reserve for Oil Overcharge Funds after the allocation is made pursuant to subsection (a) of this section may be expended only as authorized by the General Assembly. All interest or income accruing from all deposits or investments of cash balances shall be credited to the Special Reserve for Oil Overcharge Funds.

Requested by: Senators Warren, Harris, Swindell, Plyler, Odom, Lee; Representatives Jeffus, Dedmon, Wainwright, Easterling, Oldham, Redwine

**RETAIN YOUTH ADVOCACY AND INVOLVEMENT OFFICE**

**SECTION 19.7.** The Governor and the Department of Administration shall continue to maintain the Youth Advocacy and Involvement Office within the Department of Administration through June 30, 2003, at a funding level as provided by the General Assembly. The Secretary of the Department of Administration shall present a plan or recommendation to the Chairs of the Joint Appropriations Subcommittee on General Government by January 31, 2003, for reorganizing that Office. The recommendation may call for the Youth Advocacy and Involvement Office or its functions to be maintained either within the Department of Administration or transferred to another agency or to a nonprofit organization.

**PART XX. OFFICE OF THE STATE AUDITOR**

**PART XXI. DEPARTMENT OF CULTURAL RESOURCES**

Requested by: Senators Warren, Harris, Plyler, Odom, Lee; Representatives Jeffus, Sherrill, Easterling, Oldham, Redwine

**NC ARTS COUNCIL LIMIT USE OF CONSULTANTS**

**SECTION 21.1.** The North Carolina Arts Council shall limit the use of consultants to evaluate and approve applications for arts and cultural grants for individuals and organizations and shall conduct the grants process with the Division of Arts Council staff.

Requested by: Senators Warren, Harris, Plyler, Odom, Lee; Representatives Jeffus, Sherrill, Easterling, Oldham, Redwine

**MUSEUM ADMISSION FEE STUDY**

**SECTION 21.2.** The Office of State Budget and Management shall study the feasibility of charging an admission fee to the State's museums and other similar facilities open to the public. The Office of State Budget and Management shall conduct

the study in consultation with the Fiscal Research Division of the Legislative Services Office. The Office of State Budget and Management shall complete this study and report to the Chairs of the Senate and House of Representatives Appropriations Committees by November 1, 2002.

## **PART XXII. DEPARTMENT OF REVENUE**

Requested by: Senators Warren, Harris, Plyler, Odom, Lee; Representatives Jeffus, Sherrill, Easterling, Oldham, Redwine

### **DOR REPORTS ON DEBT COLLECTION**

**SECTION 22.2.** G.S. 105-243.1(f) reads as rewritten:

"(f) Reports. – The Department must report to the Joint Legislative Commission on Governmental Operations and to the Revenue Laws Study Committee on its efforts to collect tax debts. Reports must be submitted quarterly beginning November 1, 2001, through ~~November 1, 2002,~~ June 30, 2005, and semiannually thereafter. Each report must include a breakdown of the amount and age of tax debts collected by collection agencies on contract, the amount and age of tax debts collected by the Department through warning letters, and the amount and age of tax debts otherwise collected by Department personnel. The report must itemize collections by type of tax. Each report must also include a long-term collection plan, a timeline for implementing each step of the plan, a summary of steps taken since the last report and their results, and any other data requested by the Commission or the Committee."

Requested by: Senators Warren, Harris, Plyler, Odom, Lee; Representatives Jeffus, Sherrill, Easterling, Oldham, Redwine

### **DOR VACANT POSITIONS**

**SECTION 22.3.** The Department of Revenue shall reclassify vacant positions and allocate up to eight hundred fifty-five thousand forty-seven dollars (\$855,047) in recurring funds for the 2002-2003 fiscal year and up to two hundred thousand one hundred dollars (\$200,100) in nonrecurring funds for the 2002-2003 fiscal year as follows:

- (1) To increase staff and provide operating costs in the Criminal Investigations Division to expand fraud investigations.
- (2) To support the Department of Justice's personnel and operating expenses for legal services related to the expansion of fraud investigations.

Requested by: Senators Warren, Harris, Swindell, Plyler, Odom, Lee; Representatives Jeffus, Sherrill, Dedmon, Wainwright, Easterling, Oldham, Redwine

### **DOR DEBT COLLECTION FUNDS**

**SECTION 22.4.** The Department of Revenue may use up to six hundred thousand dollars (\$600,000) during the 2002-2003 fiscal year from the collection assistance fee account created in G.S. 105-243.1 to be allocated as follows:

- (1) Two hundred thousand dollars (\$200,000) for contractual services related to system changes for managing and filing bankruptcies.
- (2) Four hundred thousand dollars (\$400,000) for identifying delinquent taxpayers.

Requested by: Senators Warren, Harris, Swindell, Plyler, Odom, Lee; Representatives Jeffus, Sherrill, Dedmon, Wainwright, Easterling, Oldham, Redwine

**DOR REPORT ON LOCAL TAX ADMINISTRATION EXPENSES**

**SECTION 22.5.** G.S. 105-256 is amended by adding a new subsection to read:

"(e) Local Tax Administration Expenses. – The Secretary must report quarterly to the chairs of the Appropriations Committees and Finance Committees of each house of the General Assembly and to the Fiscal Research Division on the Department's expenditures of funds withheld from distributions to local governments to cover its costs of administering local taxes and local programs. The report must itemize expenditures for personnel, operating expenses, and nonrecurring expenses by division and must specify the source of the withheld funds in each case. The report is due 20 days after the end of each quarter."

Requested by: Senators Warren, Harris, Swindell, Plyler, Odom, Lee; Representatives Jeffus, Sherrill, Dedmon, Wainwright, Easterling, Oldham, Redwine

**DOR TAXPAYER TELECOMMUNICATIONS SERVICE**

**SECTION 22.6.(a)** The Department of Revenue may draw up to three million dollars (\$3,000,000) through June 30, 2004, from the collection assistance fee account created in G.S. 105-243.1 in order to pay for the costs of establishing and equipping a central taxpayer telecommunications service center for collections and assistance and for the costs associated with aligning local field offices with the new center.

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

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

**PART XXV. OFFICE OF THE STATE CONTROLLER**

Requested by: Senators Warren, Harris, Swindell, Plyler, Odom, Lee; Representatives Jeffus, Sherrill, Dedmon, Wainwright, Easterling, Oldham, Redwine

**OVERPAYMENTS AUDIT**

**SECTION 25.1.(a)** During the 2002-2003 fiscal year, receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors as required by G.S.147-86.22(c) are to be deposited in the Special Reserve Account 24172.

**SECTION 25.1.(b)** For the 2002-2003 fiscal year, two hundred thousand dollars (\$200,000) of the funds transferred from the Special Reserve Account 24172 shall be used by the Office of the State Controller for data processing, debt collection, or other information technology initiatives.

**SECTION 25.1.(c)** Of the unobligated funds in the Special Reserve Account 24172 that are realized above the allowance in subsection (b) of this section,



the sum of up to five hundred thousand dollars (\$500,000) for the 2002-2003 fiscal year may be used to continue the State Business Infrastructure Study enacted in Section 17.1 of S.L. 2001-491.

**SECTION 25.1.(d)** The State Controller shall report quarterly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the revenue deposited into the Special Reserve Account 24172 and the disbursement of that revenue.

**SECTION 25.1.(e)** Section 17.2 of S.L. 2001-491 reads as rewritten:

**"SECTION 17.2.** ~~The Director of the Budget may identify funds to support this study.~~ The State Controller may utilize funds in the Special Reserve Account 24172 to support this study. This provision shall not apply to The University of North Carolina constituent institutions or to the constituent institutions of the North Carolina Community Colleges System."

**SECTION 25.1.(f)** Section 17.3 of S.L. 2001-491 reads as rewritten:

**"SECTION 17.3.** The Office of State Controller shall present an interim report of the study prescribed in this section to the 2002 2003 Regular Session of the 2004 General Assembly, and shall submit a final report to the 2004 Regular Session of the 2003 General Assembly, Regular Session 2003-Assembly."

**PART XXVI. DEPARTMENT OF TRANSPORTATION**

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

**CASH-FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS**

**SECTION 26.1.** Section 27.4(a) of S.L. 2001-424 reads as rewritten:

**"SECTION 27.4.(a)** The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

|              |                              |                          |
|--------------|------------------------------|--------------------------|
| FY 2003-2004 | <del>\$1,334.6 million</del> | <u>\$1,328.9 million</u> |
| FY 2004-2005 | <del>\$1,369.8 million</del> | <u>\$1,374.0 million</u> |
| FY 2005-2006 | <del>\$1,406.1 million</del> | <u>\$1,422.4 million</u> |
| FY 2006-2007 | <del>\$1,445.5 million</del> | <u>\$1,472.6 million</u> |

The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

|              |                              |                          |
|--------------|------------------------------|--------------------------|
| FY 2003-2004 | <del>\$1,127.6 million</del> | <u>\$1,019.4 million</u> |
| FY 2004-2005 | <del>\$1,176.5 million</del> | <u>\$1,058.5 million</u> |
| FY 2005-2006 | <del>\$1,226.8 million</del> | <u>\$1,110.2 million</u> |
| FY 2006-2007 | <del>\$1,278.4 million</del> | <u>\$1,162.5 million</u> |

Requested by: Senators Gulley, Garrou, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

**HIGHWAY TRUST FUND STUDY COMMITTEE CONTINUED**

**SECTION 26.2.(a)** Section 27.6(b) of S.L. 2001-424 reads as rewritten:

**"SECTION 27.6.(b)** Membership. – The Study Committee shall be composed of 16~~18~~ members as follows:

- (1) The Chairs of the Joint Legislative Transportation Oversight Committee.
- (2) Four Representatives and ~~three~~four public members appointed by the Speaker of the House of Representatives.

- (3) Four Senators and ~~three~~four public members appointed by the President Pro Tempore of the Senate.

The appointing authorities shall make their appointments to reflect the urban-rural diversity of the population of the State."

**SECTION 26.2.(b)** Section 27.6(c) of S.L. 2001-424 reads as rewritten:

"**SECTION 27.6.(c)** Duties of the Study Committee. – The Committee may study all aspects of the Highway Trust Fund. The study shall include the examination of all the following:

- (1) The current status, cost estimates, and feasibility of Highway Trust Fund projects currently listed in Article 14 of Chapter 136 of the General Statutes.
- (2) Unanticipated problems with the structure of the Highway Trust Fund.
- (3) The gap between transportation funding structures and the actual transportation needs of the State.
- (4) Allocation issues raised by the structure of the transportation funding equity distribution formula in G.S. 136-17.2A.
- (5) The feasibility of altering the project eligibility requirements of the Highway Trust Fund, including permitting the Department of Transportation to add projects as long as adding those projects does not delay projects already to be funded by the Highway Trust Fund, projects scheduled under the 2002-2008 Transportation Improvement Program, and does not impair the cash-flow provisions of G.S. 136-176(a1).
- (6) The feasibility of altering the funding allocation structure of the Highway Trust Fund, including the possible use of the Highway Trust Fund to provide the State match for available federal aid highway funds as long as using the funds in this manner does not delay projects already funded by the Highway Trust Fund, projects scheduled under the 2002-2008 Transportation Improvement Program, and does not impair the cash-flow provisions of G.S. 136-176(a1).
- (7) Any other issue related to the Highway Trust Fund or transportation funding."

**SECTION 26.2.(c)** Section 27.6(k) of S.L. 2001-424 reads as rewritten:

"**SECTION 27.6.(k)** Report. – The report of the study shall be made to the Joint Legislative Transportation Oversight Committee no later than ~~April 1, 2002~~ the first day of the 2003 Session of the General Assembly. Upon the filing of its final report, the Study Committee shall terminate."

Requested by: Senators Gulley, Metcalf, Carter, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

#### **BILTMORE AVENUE AIRSPACE ENCROACHMENT**

**SECTION 26.3.** The Department of Transportation shall permit private use of and encroachment upon the airspace above Biltmore Avenue located inside the corporate limits of the City of Asheville for the purpose of construction and maintenance of a pedestrian bridge to connect the campuses of Mission St. Joseph's Health System unless, in the opinion of the Department, the bridge will unreasonably interfere with and impair the property rights and easement of abutting owner or unreasonably interfere with or obstruct the public use of Biltmore Avenue.

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

**CASH MANAGEMENT PROGRAM MODIFICATION**

**SECTION 26.4.(a)** G.S. 136-176(a1) reads as rewritten:

"(a1) The Department ~~may~~shall use two hundred twenty million dollars (\$220,000,000) in fiscal year 2001-2002, two hundred five million dollars (\$205,000,000) in fiscal year 2002-2003, and two hundred fifty-five million dollars (\$255,000,000) in fiscal year 2003-2004 of the cash balance of the Highway Trust Fund for the following purposes:

- (1) For primary route pavement preservation. – One hundred seventy million dollars (\$170,000,000) in fiscal year 2001-2002, and one hundred fifty million dollars (\$150,000,000) in each of the fiscal years 2002-2003 and 2003-2004. Up to ten percent (10%) of the amount for each of the fiscal years 2001-2002, 2002-2003, and 2003-2004 is available in that fiscal year, at the discretion of the Secretary of Transportation, for highway improvement projects that further economic growth and development in small urban and rural areas, that are in the Transportation Improvement Program, and that are individually approved by the Board of Transportation.
- (2) For preliminary engineering costs not included in the current year Transportation Improvement Program. – Fifteen million dollars (\$15,000,000) in each of the fiscal years 2001-2002, 2002-2003, and 2003-2004.
- (3) For computerized traffic signal systems and signal optimization projects. – Fifteen million dollars (\$15,000,000) in each of the fiscal years 2001-2002, 2002-2003, and 2003-2004.
- (4) For public transportation twenty million dollars (\$20,000,000) in fiscal year 2001-2002, twenty-five million dollars (\$25,000,000) in fiscal year 2002-2003, and seventy-five million dollars (\$75,000,000) in fiscal year 2003-2004."

**SECTION 26.4.(b)** G.S. 136-176(a2) is repealed.

**SECTION 26.4.(c)** The Department of Transportation is encouraged to use all existing resources including bonded indebtedness to mitigate any delays in the construction of Transportation Improvement Program projects.

Requested by: Senators Rand, Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

**DIVISION OF MOTOR VEHICLES PRINTING EFFICIENCY**

**SECTION 26.5.** The Department of Transportation is directed to implement a more cost-effective method of providing printing services for the Division of Motor Vehicles.

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

**JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE TO STUDY MULTIYEAR REGISTRATIONS AND LENGTHENING MULTIYEAR DRIVERS LICENSES**

**SECTION 26.7.** The Joint Legislative Transportation Oversight Committee shall study the feasibility of multiyear motor vehicle registrations and lengthening multiyear drivers licenses.

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Bonner, Sutton, Easterling, Oldham, Redwine

**COMMERCIAL DRIVER LICENSE TRAINING STANDARDS**

**SECTION 26.8.** By January 1, 2003, the Division of Motor Vehicles shall issue rules authorizing certified Commercial Truck Driver Training Schools to offer an 80-hour curriculum appropriate to prepare a student to meet the requirements for a Class B Commercial Drivers License. These rules shall be consistent with existing rules governing Commercial Truck Driver Training Schools as provided for in G.S. 20-320 through G.S. 20-328 and applicable administrative code sections, except for the hours of instruction required.

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

**SMALL URBAN AND CONTINGENCY FUNDS**

**SECTION 26.9.(a)** Section 27.3 of S.L. 2001-424 reads as rewritten:

"**SECTION 27.3.** Of the funds appropriated in this act to the Department of Transportation:

- (1) Fourteen million dollars (\$14,000,000) shall be allocated in fiscal year 2001-2002 and twenty-one million dollars (\$21,000,000) shall be allocated in each fiscal year 2002-2003 for small urban construction projects. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for the small urban construction program for small construction projects that are located within the area covered by a ~~one-mile~~ two-mile radius of the municipal corporate limits.
- (2) Fifteen million dollars (\$15,000,000) in fiscal year 2001-2002 and ~~ten million dollars (\$10,000,000)~~ fifteen million dollars (\$15,000,000) in fiscal year 2002-2003 shall be used statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects as approved by the Secretary of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formulas in G.S. 136-44.5(b) and (c).

These funds are not subject to G.S. 136-44.7.

The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to this section in each member's district prior to the Board of Transportation's action. The Department shall make a quarterly comprehensive report on the use of these funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division."

**SECTION 26.9.(b)** G.S. 136-176(a1) reads as rewritten:

"(a1) The Department may use two hundred twenty million dollars (\$220,000,000) in fiscal year 2001-2002, ~~two hundred five million dollars (\$205,000,000)~~ two hundred twelve million dollars (\$212,000,000) in fiscal year 2002-2003, and two hundred fifty-five million dollars (\$255,000,000) in fiscal year 2003-2004 of the cash balance of the Highway Trust Fund for the following purposes:

- (1) For primary route pavement preservation. – One hundred seventy million dollars (\$170,000,000) in fiscal year 2001-2002, and one hundred fifty million dollars (\$150,000,000) in each of the fiscal years 2002-2003 and 2003-2004. Up to ten percent (10%) of the amount for each of the fiscal years 2001-2002, 2002-2003, and 2003-2004 is available in that fiscal year, at the discretion of the Secretary of Transportation, for highway improvement projects that further economic growth and development in small urban and rural areas, that are in the Transportation Improvement Program, and that are individually approved by the Board of Transportation.
- (2) For preliminary engineering costs not included in the current year Transportation Improvement Program. – Fifteen million dollars (\$15,000,000) in each of the fiscal years 2001-2002, 2002-2003, and 2003-2004.
- (3) For computerized traffic signal systems and signal optimization projects. – Fifteen million dollars (\$15,000,000) in each of the fiscal years 2001-2002, 2002-2003, and 2003-2004.
- (4) For public transportation twenty million dollars (\$20,000,000) in fiscal year 2001-2002, twenty-five million dollars (\$25,000,000) in fiscal year 2002-2003, and seventy-five million dollars (\$75,000,000) in fiscal year 2003-2004.
- (5) For small urban construction projects. – Seven million dollars (\$7,000,000) in fiscal year 2002-2003."

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

**URBAN LOOP TERMINI**

**SECTION 26.10.(a)** G.S. 136-180 reads as rewritten:

**"§ 136-180. (For contingent repeal see editor's note) Urban loops.**

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

| Loop                   | Description   | Affected Counties |
|------------------------|---|-------------------|
| Asheville Western Loop | Multilane facility on new location from I-26 west of Asheville to US-19/23 north of Asheville for the purpose of connecting these roads. The funds may be used to improve existing corridors. | Buncombe          |
| Charlotte Outer Loop   | Multilane facility on new location encircling City of Charlotte   | Mecklenburg       |
| Durham Northern Loop   | <del>Multilane facility on new location from I-85 west of Durham to US-70 east of Durham</del>  | Durham, Orange    |

|                         |  |             |
|-------------------------|--|-------------|
|                         | <u>The corridor shall be identified as a part of the local long-range transportation plan as mutually adopted in 2003 by the Durham-Chapel Hill-Carrboro metropolitan planning organization and the North Carolina Board of Transportation</u> |             |
| Greensboro Loop         | Multilane facility on new location encircling City of Greensboro   | Guilford    |
| Raleigh Outer Loop      | Multilane facility on new location from US-1 southwest of Cary northerly to US-64 in eastern Wake County   | Wake        |
| Wilmington Bypass       | Multilane facility on new location from US-17 northeast of Wilmington to US-17 southwest of <del>Wilmington</del> <u>Wilmington, including the Blue Clay Road interchange</u>  | New Hanover |
| Winston-Salem Northbelt | Multilane facility on new location from I-40 west of Winston-Salem northerly to I-40 in eastern Forsyth County   | Forsyth     |

(b) The Board of Transportation may, by official resolution, accept a new interstate or freeway as the revised termini of an urban loop described in subsection (a) of this section, and the revised project shall be eligible for funding with funds described in G.S. 136-176(b)(2) if the following conditions are met:

- (1) The Department of Transportation has constructed a new interstate or freeway facility since 1989 and has changed the official route designation from the termini described in subsection (a) of this section to the new facility.
- (2) The Board of Transportation finds that the purposes of the urban loop facility, specifically including reduced congestion and high-speed, safe, regional through-travel service, would be enhanced by the action."

**SECTION 26.10.(b)** G.S. 136-180.1 is repealed.

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives J. Crawford, Easterling, Oldham, Redwine

**SCHOOL-SPONSORED BUS TRANSPORTATION SAFETY STUDY**

**SECTION 26.11.** The Division of Motor Vehicles, in consultation with the Department of Public Instruction, the private motor coach industry, and other interested parties, shall study the issue of school-sponsored bus transportation safety.

As a part of its study, the Division is directed to study all of the following:

- (1) The feasibility of increased centralized inspection of all companies that offer motor coach services to schools and the anticipated cost of increased inspection.
- (2) Appropriate use of school activity buses.
- (3) Providing training and guidance to schools about school-sponsored bus transportation safety.

The Division shall report its findings and recommendations to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Education Oversight Committee by March 1, 2003.

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

**CURRITUCK COUNTY TO NORTHERN OUTER BANKS FERRY STUDY**

**SECTION 26.12.** The Department of Transportation shall study and determine the feasibility of establishing ferry service from Currituck County to the northern Outer Banks. The Department of Transportation shall report the results of the study to the General Assembly on or before June 1, 2003.

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

**DEPARTMENT OF TRANSPORTATION MAY USE RECEIPTS FOR FACILITIES IMPROVEMENTS**

**SECTION 26.13.** The Secretary of Transportation may approve the use of receipts from the sale of Department of Transportation real property, other than right-of-way property, to make needed improvements to its facilities. Prior to the sale of the real property and the use of the funds for improvements to facilities, the Secretary shall report to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations on the planned implementation of this section.

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

**PAYBACK SCHEDULE FOR TRANSFER IN EXCESS OF THAT AUTHORIZED BY THE GENERAL STATUTES FROM THE HIGHWAY TRUST FUND TO THE GENERAL FUND**

**SECTION 26.14.** Any funds transferred from the Highway Trust Fund to the General Fund in addition to the transfer authorized by G.S. 105-187.9(b) shall be fully repaid to the Highway Trust Fund in five years beginning in the 2004-2005 fiscal year, using the sum of the digits formula, according to the following repayment schedule: FY 2004-2005 – 7%, FY 2005-2006 – 13%, FY 2006-2007 – 20%, FY 2007-2008 – 27%, and FY 2008-2009 – 33%. The repayment shall include interest at the net rate of return generated by the State Treasurer's Short Term Investment Fund.

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Sutton, Easterling, Oldham, Redwine

**COMMISSION TO STUDY COMMISSION CONTRACTS FOR THE ISSUANCE OF MOTOR VEHICLE REGISTRATION PLATES AND CERTIFICATES**

**SECTION 26.15.(a)** The Commission to Study Commission Contracts for the Issuance of Motor Vehicle Registration Plates and Certificates is created. The Commission shall consist of 11 members:

- (1) Four Senators appointed by the President Pro Tempore of the Senate and four Representatives appointed by the Speaker of the House of Representatives.
- (2) The President Pro Tempore of the Senate shall appoint one member of a board of county commissioners from a list of three candidates submitted by the North Carolina Association of County Commissioners, and the Speaker of the House of Representatives shall appoint one person currently contracted with the Division of Motor Vehicles to issue registration plates and certificates.
- (3) The Commissioner of Motor Vehicles or the Commissioner's designee shall serve as a voting member of the Commission.

**SECTION 26.15.(b)** The President Pro Tempore of the Senate shall designate one Senator as cochair, and the Speaker of the House of Representatives shall designate one Representative as cochair.

**SECTION 26.15.(c)** The Commission shall:

- (1) Review the history and policies that led to the enactment of G.S. 20-63(h) providing for contracts for the issuance of registration plates and certificates.
- (2) Study the current implementation and consequences of the provisions of G.S. 20-63(h).
- (3) Study how registration plates and certificates are issued in other states.
- (4) Study the implications and potential effects on the contract agents of the authority of the Division of Motor Vehicles to use electronic applications and collections authorized in G.S. 20-63(i).
- (5) Study any other factors it deems relevant related to the use of contract agents for the issuance of registration plates and certificates.
- (6) Make findings and recommendations on improving the services related to the issuance of registration plates and certificates to the citizens of North Carolina while reducing the costs to the State.

**SECTION 26.15.(d)** The Commission shall submit a final report of its findings and recommendations on or before the first day of the 2003 Session of the General Assembly by filing a report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Upon filing its final report, the Commission shall terminate.

**SECTION 26.15.(e)** The Commission, while in the discharge of its official duties, may exercise all the powers provided for under the provisions of G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the call of the cochairs. The Commission may meet in the State Legislative Building or the Legislative Office Building.

**SECTION 26.15.(f)** Legislative members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1. Nonlegislative members shall receive subsistence and travel expenses at the rates set forth in G.S.138-5.

**SECTION 26.15.(g)** The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to



assist in the work of the Commission. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, upon the direction of the Legislative Services Commission. The expenses relating to clerical employees shall be borne by the Commission.

**SECTION 26.15.(h)** If a vacancy occurs in the membership of the Commission, the vacancy shall be filled by the same appointing officer who made the initial appointment.

**SECTION 26.15.(i)** All State departments and agencies and local governments and their subdivisions shall furnish to the Commission, upon request, any information in their possession or available to them.

**SECTION 26.15.(j)** The Division of Motor Vehicles, in consultation and cooperation with the Commission contract agents, shall conduct a comprehensive and updated productivity study of all transactions and other activity in contract agencies. The Division, in consultation and cooperation with the agents, shall use this data to develop a detailed proposal for compensating agents based on the tasks they undertake. The proposal shall include a mechanism to adjust the schedule periodically to account for inflation. The Division shall submit its proposal to the Commission on or before November 1, 2002.

**SECTION 26.15.(k)** From funds available to the Department of Transportation in this act, the sum of twenty-five thousand dollars (\$25,000) shall be transferred to the General Assembly for the 2002-2003 fiscal year for the expenses of the Commission.

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

**TRANSPORTATION OF WOOD CHIPS AND OTHER WOOD PRODUCTS**

**SECTION 26.16.(a)** G.S. 20-118(c) is amended by adding a new subdivision to read:

"(c) Exceptions. – The following exceptions apply to G.S. 20-118(b) and 20-118(e).

- ...
- (15) Subsections (b) and (e) of this section do not apply to a vehicle or vehicle combination that meets all of the conditions below, but all other enforcement provisions of this Article remain applicable:
    - a. Is hauling wood residuals, including wood chips, sawdust, mulch, or tree bark.
    - b. Does not operate on an interstate highway, a posted light-traffic road, or a posted bridge.
    - c. Does not exceed a maximum gross weight 4,000 pounds in excess of what is allowed in subsection (b) of this section.
    - d. Does not exceed a single-axle weight of more than 22,000 pounds and a tandem-axle weight of more than 42,000 pounds."

**SECTION 26.16.(b)** The Joint Legislative Transportation Oversight Committee shall study the rationale for and effect of the exceptions to the highway weight limitations contained in G.S. 20-118(c).

Requested by: Senators Gulley, Plyler, Odom, Lee; Representatives Cole, J. Crawford, Easterling, Oldham, Redwine

**LAW ENFORCEMENT ESCORT FEE**

**SECTION 26.17.(a)** Chapter 20 of the General Statutes is amended by adding a new section to read:

**"§ 20-196.4. Oversized and hazardous shipment escort fee.**

(a) Every person, firm, corporation, or entity required by the North Carolina Department of Transportation or any federal agency or commission to have a law enforcement escort provided by the State Highway Patrol for the transport of any oversized load or hazardous shipment by road or rail shall pay to the Department of Crime Control and Public Safety a fee covering the full cost to administer, plan, and carry out the escort within this State.

(b) If the State Highway Patrol provides an escort to accompany the transport of oversized loads or hazardous shipments by road or rail at the request of any person, firm, corporation, or entity that is not required to have a law enforcement escort pursuant to subsection (a) of this section, then the requester shall pay to the Department of Crime Control and Public Safety a fee covering the full cost to administer, plan, and carry out the escort within this State.

(c) The Department of Crime Control and Public Safety shall comply with the provisions of G.S. 12-3.1(a)(2) when establishing fees to implement this section.

(d) All fees collected pursuant to this section shall be placed in a special Escort Fee Account and shall remain unencumbered and unexpended until appropriated by the General Assembly.

(e) The Department shall report quarterly on the funds in the special account to the Chairs of the Joint Legislative Transportation Oversight Committee, to the Chairs of the House of Representatives Appropriations Subcommittee on Transportation and the Senate Appropriations Subcommittee on Department of Transportation, and to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety."

**SECTION 26.17.(b)** This section becomes effective November 1, 2002.

Requested by: Senators Rand, Plyler, Odom, Lee; Representatives Nye, Easterling, Oldham, Redwine

**NONBETTERMENT RELOCATION COST FOR COUNTY OWNED GAS LINE**

**SECTION 26.18.(a)** Chapter 136 of the General Statutes is amended by adding a new section to read:

**"§ 136-27.2. Relocation of county-owned natural gas lines located on Department of Transportation right-of-way.**

The Department of Transportation shall pay the nonbetterment cost for the relocation of county-owned natural gas lines, located within the existing State highway right-of-way, that the Department needs to relocate due to a State highway improvement project."

**SECTION 26.18.(b)** The Department of Transportation is directed to use monies appropriated to the Department to relocate county-owned natural gas lines located on Department of Transportation right-of-way.

**PART XXVII. INFORMATION TECHNOLOGY**

Requested by: Senators Plyler, Odom, Lee, Reeves; Representatives Tolson, Tucker, Easterling, Oldham, Redwine

**ELECTRONIC PROCUREMENT AND INFORMATION TECHNOLOGY  
PROCUREMENT STUDY**

**SECTION 27.1.(a)** G.S. 143-48.3(a) reads as rewritten:

"(a) The Department of Administration and the shall develop and maintain electronic or digital standards for procurement. The Department of Administration shall consult with the Office of the State Controller, in conjunction with the Office of Information Technology Services (ITS), the Department of State Auditor, the Department of State Treasurer, The University of North Carolina General Administration, the Community Colleges System Office, and the Department of Public Instruction shall collaborate to develop electronic or digital procurement standards.Instruction."

**SECTION 27.1.(b)** G.S. 143-48.3(c) reads as rewritten:

"(c) The Department of Administration shall utilize the Office of Information Technology Services shall act as an Application Service Provider for an electronic procurement system and shall establish, manage, and system. The Office of Information Technology Services shall operate this electronic procurement system, through State ownership or commercial leasing, in accordance with the requirements and operating standards developed by the Department of Administration, the Office of the State Controller, and ITS.Administration and the financial reporting and accounting procedures of the Office of the State Controller."

**SECTION 27.1.(c)** G.S. 143-48.3 is amended by adding a new subsection to read:

"(a1) The Department of Administration shall comply with the State government-wide technical architecture for information technology, as required by the Information Resources Management Commission."

**SECTION 27.1.(d)** The Joint Select Committee on Information Technology shall study and evaluate the procurement of information technology in the State. The Committee shall consider the governance of information technology procurement and associated costs, the use of appropriate procurement methodology, how to maximize the efficiency of the State's procurement process as it relates to information technology procurement, and the enterprise management of the State's information technology assets. The Office of State Budget and Management, the Department of Administration, and the Office of Information Technology Services shall provide information and data analysis for the purposes of the study. The Committee may solicit information and analysis from any other resources, as needed. The Committee shall report its findings and recommendations to the Chairs of the House of Representatives Appropriations Subcommittee on Information Technology and Senate Appropriations Committee on Information Technology by February 15, 2003.

Requested by: Senators Reeves, Plyler, Odom, Lee; Representatives Tolson, Tucker, Easterling, Oldham, Redwine

**INFORMATION TECHNOLOGY SECURITY PRACTICES/STATE AUDITOR**

**SECTION 27.2.(a)** G.S. 147-33.82(d) is amended by adding a new subdivision to read:

"(3) Before a State agency may enter into any contract with another party for an assessment of network vulnerability, including network penetration or any similar procedure, the State agency shall notify the State Chief Information Officer and obtain approval of the request. The State Chief Information Officer shall refer the request to the State Auditor for a determination of whether the Auditor's office can perform the assessment and testing. If the State Auditor determines

that he can perform the assessment and testing, then the State Chief Information Officer shall authorize the assessment and testing by the Auditor. If the State Auditor determines that his office cannot perform the assessment and testing, then with the approval of the State Chief Information Officer and State Auditor, the State agency may enter into a contract with another party for the assessment and testing. If the State agency enters into a contract with another party for assessment and testing, the State agency shall issue public reports on the general results of the reviews undertaken pursuant to this subdivision, but the contractor must provide the State agency with detailed reports of the security issues identified pursuant to this subdivision that shall not be disclosed as provided in G.S. 132-6.1(c). The State agency shall provide the State Chief Information Officer and the State Auditor with copies of the detailed reports."

**SECTION 27.2.(b)** G.S. 147-64.6(c)(18) reads as rewritten:

"(18) The Auditor shall, after consultation and in coordination with the State Chief Information Officer, assess, confirm, and report on the security practices of information technology systems. If an agency has adopted standards pursuant to G.S. 147-33.82(d)(1) or (2), the audit shall be in accordance with those standards. The Auditor's assessment of information security practices shall include an assessment of network vulnerability. The Auditor may conduct network penetration or any similar procedure as the Auditor may deem necessary. The Auditor may enter into a contract with a State agency under G.S. 147-33.82(d)(3) for an assessment of network vulnerability, including network penetration or any similar procedure. Any contract with the Auditor for the assessment and testing shall be on a cost-reimbursement basis. The Auditor may investigate reported information technology security breaches, cyber attacks, and cyber fraud in State government. The Auditor shall issue public reports on the general results of the reviews undertaken pursuant to this subdivision but may provide agencies with detailed reports of the security issues identified pursuant to this subdivision which shall not be disclosed as provided in G.S. 132-6.1(c). For the purposes of this subdivision only, the Auditor is exempt from the provisions of Article 3 of Chapter 143 of the General Statutes in retaining contractors."

**SECTION 27.2.(c)** This section becomes effective November 1, 2002.

Requested by: Senators Reeves, Plyler, Odom, Lee; Representatives Tolson, Tucker, Easterling, Oldham, Redwine

**OFFICE OF ADMINISTRATIVE HEARINGS/AUTOMATION REVIEW**

**SECTION 27.3.** By February 15, 2003, the Office of Administrative Hearings, in consultation with the Office of Information Technology Services, shall report to the Chairs of the Joint Select Committee on Information Technology, to the Chairs of the Joint Legislative Administrative Procedure Oversight Committee, and to the Fiscal Research Division on the cost and feasibility of developing or acquiring an enterprise-wide automated system for the rule-making process. The report shall include an estimate, based on an agency survey, of the costs incurred by State agencies in the current rule-making process. The Office of Administrative Hearings shall contact the

rule-making agencies in other states to determine best practices in automating this process, and may present options for automating the State's rule-making process, including costs. The Office of Information Technology Services shall assist in the survey process on technical issues.

Requested by: Senators Reeves, Plyler, Odom, Lee; Representatives Tolson, Tucker, Easterling, Oldham, Redwine

#### **HIPAA IMPLEMENTATION**

**SECTION 27.4.(a)** The Governor or the Governor's designee shall coordinate the State's implementation of the federal Health Insurance Portability and Accountability Act ("HIPAA"), Title II Subtitle F (Administrative Simplification). Specifically, the scope of coordination shall include the following:

- (1) Coordinating correspondence between the State and the United States government on all matters relating to HIPAA Administrative Simplification requirements under Subtitle F of Title II of HIPAA.
- (2) Coordinating official State comments on proposed federal regulations and the federal rule-making process pertaining to HIPAA Administrative Simplification.
- (3) Obtaining from the North Carolina Attorney General legal interpretations of federal rules pertaining to HIPAA Administrative Simplification compliance, implementation, and enforcement.
- (4) Establishing deadlines and benchmarks for State agencies to provide the necessary data required to monitor compliance with HIPAA Administrative Simplification requirements.

The Information Resource Management Commission ("IRMC") shall cooperate with the Governor to ensure that IRMC policies and activities and State HIPAA implementation are complementary to ensure effective and efficient monitoring of HIPAA Administrative Simplification requirements.

**SECTION 27.4.(b)** The University of North Carolina System and the Teachers' and State Employees' Comprehensive Major Medical Plan may develop and implement HIPAA Administrative Simplification compliance and shall report bimonthly to the Governor on the status of implementation.

**SECTION 27.4.(c)** Funds appropriated to the Reserve for Health Insurance Portability and Accountability Compliance that are unexpended and unencumbered at the end of the fiscal year shall not revert to the General Fund but shall remain in the Reserve for use in accordance with the purposes of the Reserve.

Requested by: Senators Reeves, Plyler, Odom, Lee; Representatives Tolson, Tucker, Easterling, Oldham, Redwine

#### **STATE HUMAN RESOURCE AND RETIREMENT SYSTEMS INFORMATION TECHNOLOGY LRC STUDY**

**SECTION 27.5.(a)** The Legislative Research Commission shall:

- (1) Examine how information technology is used in the administration of the State's human resource systems, including personnel, benefits, leave reporting, and payroll.
- (2) Consider how information technology solutions can streamline human resource management processes and eliminate unnecessary or duplicative paperwork.

- (3) Review how an enterprise approach will improve the effectiveness and efficiency of the State's human resource management system and the State's administration of retirement and employee benefits. In making this inquiry, the Commission shall take into account and coordinate efforts with the State Business Infrastructure Study authorized by Section 17.1 of S.L. 2001-491, without duplicating the work of that study.
- (4) Review any other matter that relates to the State's use of information technology for personnel, retirement, and benefits administration.

**SECTION 27.5.(b)** The Legislative Research Commission shall report its findings to the 2003 Regular Session of the General Assembly, along with any legislative recommendations.

## **PART XXVIII. SALARIES AND EMPLOYEE BENEFITS**

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine, Baddour

### **SPECIAL ANNUAL LEAVE BONUS/COMMUNITY COLLEGE SALARIES**

**SECTION 28.3A.** Any person who is a full-time permanent employee on September 30, 2002, of (i) a local board of education, except for an employee who receives a salary increment pursuant to Section 7.1, 7.2, or 7.45 of this act, or (ii) the State, who is eligible for annual leave shall have a one-time additional 10 days of annual leave credited on that date. That leave shall be accounted for separately, and shall remain available until used, notwithstanding any other limitation on the total number of days of annual leave that may be carried forward. Part-time permanent employees and 9- or 10-month employees shall receive a pro rata amount of the 10 days.

The General Assembly encourages the State Board of Community Colleges to adopt rules authorizing the colleges to provide special annual leave bonuses, compensation bonuses, or other employee benefits to their employees. Included within this may be salary increases within available funds to employees not receiving special annual leave bonuses.

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

### **ADDITIONAL FAMILY AND MEDICAL LEAVE**

**SECTION 28.3B.** A State employee is entitled to take up to 52 weeks of leave without pay during a five-year period in order to care for the employee's child, spouse, or parent, where that child, spouse, or parent has a serious health condition. For State employees subject to the State Personnel Act, this leave shall be administered under the Family and Medical Leave procedures of the State Personnel Commission. Benefits under this section for employees not subject to the State Personnel Act shall be administered under the Family and Medical Leave procedures applicable to those employees. Benefits under this section are supplemental to any benefit to which an employee may otherwise be entitled.

Requested by: Senators Plyler, Lee; Representatives Easterling, Oldham, Redwine  
**DHHS EXEMPT POLICYMAKING POSITIONS**

**SECTION 28.4.** G.S. 126-5(d)(1) reads as rewritten:

- "(d) (1) Exempt Positions in Cabinet Department. – The Governor may designate a total of 100 exempt policymaking positions throughout the following departments:
- a. Department of Administration;
  - b. Department of Commerce;
  - c. Department of Correction;
  - d. Department of Crime Control and Public Safety;
  - e. Department of Cultural Resources;
  - f. Department of Health and Human Services;
  - g. Department of Environment and Natural Resources;
  - h. Department of Revenue;
  - i. Department of Transportation; and
  - j. Department of Juvenile Justice and Delinquency Prevention.

The Governor may designate exempt managerial positions in a number up to one percent (1%) of the total number of full-time positions in each cabinet department listed above in this sub-subdivision, not to exceed 30 positions in each department. Notwithstanding the provisions of this subdivision, or the other requirements of this subsection, the Governor may at any time increase by five the number of exempt policymaking positions at the Department of Health and Human Services, but at no time shall the total number of exempt policymaking positions exceed 105. The Governor shall notify the General Assembly and the State Personnel Director of the additional positions designated hereunder."

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

#### **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

**SECTION 28.5.** Section 32.21(b) of S.L. 2001-424 reads as rewritten:

**"SECTION 32.21.(b)** The State's employer contribution rates budgeted for retirement and related benefits as percentage of covered salaries for ~~the 2001-2002 fiscal year and the 2002-2003 fiscal year~~ are (i) ~~five percent (5.00%)~~ three and three one-hundredths percent (3.03%) – Teachers and State Employees; (ii) ~~ten percent (10.00%)~~ eight and three one-hundredths percent (8.03%) – State Law Enforcement Officers; (iii) nine and seventy-one hundredths percent (9.71%) – University Employees' Optional Retirement System; (iv) nine and seventy-one hundredths percent (9.71%) – Community College Optional Retirement Program; (v) ~~sixteen and forty hundredths percent (16.40%)~~ fourteen and twenty-seven hundredths percent (14.27%) – Consolidated Judicial Retirement System; and (vi) ~~twenty-five and fifty-five hundredths percent (25.55%)~~ two and thirty-five hundredths percent (2.35%) – Legislative Retirement System. Each of the foregoing contribution rates includes two and thirty-five hundredths percent (2.35%) for hospital and medical benefits. The rate for Teachers and State Employees, State Law Enforcement Officers, Community College Optional Retirement Program, and for the University Employees' Optional Retirement Program includes fifty-two hundredths percent (0.52%) for the Disability Income Plan. The rates for Teachers and State Employees and State Law Enforcement Officers include sixteen-hundredths percent (0.16%) for the Death Benefits Plan. The rate for State Law Enforcement Officers includes five percent (5%) for Supplemental Retirement Income."

Requested by: Senators Rand, Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**PUBLIC EMPLOYEE SPECIAL PAY PLAN**

**SECTION 28.6.(a)** Article 9 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 29. Board of Trustees of the North Carolina  
Public Employee Special Pay Plan.

**"§ 143B-426.41. Board of Trustees of the North Carolina Public Employee Special Pay Plan.**

(a) The Governor shall, by Executive Order, establish a Board of Trustees of the North Carolina Public Employee Special Pay Plan, which when established shall be constituted as an agency of the State of North Carolina within the Department of Administration. The Board shall adopt and implement an Internal Revenue Service approved Special Pay Plan for State employees, which shall enhance, and not diminish, existing Special Pay benefits. A Special Pay Plan is a qualified retirement plan under section 401(a) of the Internal Revenue Code, which is approved by the Internal Revenue Service, that reduces the federal tax burden on special compensation payments made on behalf of State employees which if paid directly to a State employee would be compensation income within the meaning of the Internal Revenue Code.

(b) The Board shall consist of seven voting members, as follows:

- (1) The State Personnel Director.
- (2) The State Budget Officer, who shall serve as chair.
- (3) The State Treasurer.
- (4) A State employee who has knowledge of benefits and benefit administration appointed by the Governor.
- (5) An employee of a public school system administrative unit who is knowledgeable about payroll and benefit matters, appointed by the Governor.
- (6) An employee of The University of North Carolina System who is knowledgeable about payroll and benefit matters, appointed by the Governor.
- (7) An employee of the Community College System who is knowledgeable about payroll and benefit matters, appointed by the Governor.

Any member may designate in writing, filed with the Board, any employee of his department to act at any meeting of the Board from which the member is absent, to the same extent that the member could act if present at that meeting. The initial term of the member appointed pursuant to subdivisions (4) and (5) of this subsection shall end July 1, 2004, and, thereafter, the member shall serve terms of four years. The initial term of the member appointed pursuant to subdivisions (6) and (7) of this subsection shall end July 1, 2006, and, thereafter, the member shall serve terms of four years.

(c) The Board may delegate the performance of its administrative duties as it deems appropriate, including coordination and administration of the Plan. Prior to contracting for such services, the Board shall seek written proposals.

(d) The Plan shall be limited to employees age 55 or older whose Special Pay totals five thousand dollars (\$5,000) or more per year. The Board may designate appropriate investment vehicles, trust services, and administrative services from any company duly authorized to conduct business in this State. Prior to contracting for any such services, the Board shall seek written proposals. The Board may establish, alter,



amend, and modify the Special Pay Plan, to the extent it deems necessary or desirable, for the purpose of facilitating the administration, investment, and maintenance of assets acquired by the investment of Special Pay Plan funds. The Board of Trustees, may, however, exclude any categories of compensation or set floors or ceilings in order to ameliorate any hardships or unintended consequences.

Prior to implementing a Special Pay Plan, the Board shall investigate participation options and weigh the advantages and disadvantages to both the State and State employees of various participation options available.

The Special Pay Plan approved by the Board shall include the following components:

- (1) The Plan shall require permanent savings for all State employees participating in the Special Pay Plan of no less than the lesser of seven and sixty-five hundredths percent (7.65%) or the FICA percentage applicable to all Special Pay subject to the Plan.
- (2) State employees who elect and are entitled to immediate distribution from the Plan shall be guaranteed payment of the entire amount of Special Pay, plus earnings, and less any mandatory income tax withholding in no more than seven days from the date payment is made to the Plan on behalf of the State employee.
- (3) The Plan shall phase in participation in the Special Pay Plan by State agencies as directed by the Board.

(e) A majority of the Board shall constitute a quorum for the transaction of business."

**SECTION 28.6.(b)** G.S. 135-1(7a) reads as rewritten:

"(7a) "Compensation" shall mean all salaries and wages prior to any reduction pursuant to sections 125, 401(k), 403(b), 414(h)(2), and 457 of the Internal Revenue Code, not including any terminal payments for unused sick leave, derived from public funds which are earned by a member of the Retirement System for service as an employee or teacher in the unit of the Retirement System for which he is performing full-time work. "Compensation" shall not include any payment, as determined by the Board of Trustees, for the reimbursement of expenses or payments for housing or any other allowances whether or not classified as salary and wages. "Compensation" includes all special pay contribution of annual leave made to a 401(a) Special Pay Plan for the benefit of an employee."

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

#### **GENERAL ASSEMBLY TEMPORARY EMPLOYEES**

**SECTION 28.6A.** The Legislative Services Commission ("Commission") shall review the General Assembly's utilization of temporary employees. The Commission shall complete the review by March 1, 2003, and shall make any appropriate policy changes or initiate necessary legislative proposals by June 30, 2003.

Requested by: Senators Plyler, Odom, Lee, Harris, Warren, Kerr; Representatives Baddour, Barefoot, Cox, Easterling, Oldham, Redwine

#### **INCREASE FIRE AND RESCUE PENSION BENEFITS**

**SECTION 28.7.** G.S. 58-86-55 reads as rewritten:

**"§ 58-86-55. Monthly pensions upon retirement.**

Any member who has served 20 years as an "eligible fireman" or "eligible rescue squad worker" in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30, and who has attained the age of 55 years is entitled to be paid a monthly pension from this fund. The monthly pension shall be in the amount of ~~one hundred fifty-one dollars (\$151.00)~~ one hundred fifty-six dollars (\$156.00) per month. Any retired fireman receiving a pension shall, effective ~~July 1, 2000,~~ July 1, 2002, receive a pension of ~~one hundred fifty-one dollars (\$151.00)~~ one hundred fifty-six dollars (\$156.00) per month.

Members shall pay ten dollars (\$10.00) per month as required by G.S. 58-86-35 and G.S. 58-86-40 for a period of no longer than 20 years. No "eligible rescue squad member" shall receive a pension prior to July 1, 1983. No member shall be entitled to a pension hereunder until the member's official duties as a fireman or rescue squad worker for which the member is paid compensation shall have been terminated and the member shall have retired as such according to standards or rules fixed by the board of trustees.

A member who is totally and permanently disabled while in the discharge of the member's official duties as a result of bodily injuries sustained or as a result of extreme exercise or extreme activity experienced in the course and scope of those official duties and who leaves the fire or rescue squad service because of this disability shall be entitled to be paid from the fund a monthly benefit in an amount of ~~one hundred fifty-one dollars (\$151.00)~~ one hundred fifty-six dollars (\$156.00) per month beginning the first month after the member's fifty-fifth birthday. All applications for disability are subject to the approval of the board who may appoint physicians to examine and evaluate the disabled member prior to approval of the application, and annually thereafter. Any disabled member shall not be required to make the monthly payment of ten dollars (\$10.00) as required by G.S. 58-86-35 and G.S. 58-86-40.

A member who is totally and permanently disabled for any cause, other than line of duty, who leaves the fire or rescue squad service because of this disability and who has at least 10 years of service with the pension fund, may be permitted to continue making a monthly contribution of ten dollars (\$10.00) to the fund until the member has made contributions for a total of 240 months. The member shall upon attaining the age of 55 years be entitled to receive a pension as provided by this section. All applications for disability are subject to the approval of the board who may appoint physicians to examine and evaluate the disabled member prior to approval of the application and annually thereafter.

A member who, because his residence is annexed by a city under Part 2 or Part 3 of Article 4 of Chapter 160A of the General Statutes, or whose department is closed because of an annexation by a city under Part 2 or Part 3 of Article 4 of Chapter 160A of the General Statutes, and because of such annexation is unable to perform as a fireman of any status, and if the member has at least 10 years of service with the pension fund, may be permitted to continue making a monthly contribution of ten dollars (\$10.00) to the fund until the member has made contributions for a total of 240 months. The member upon attaining the age of 55 years and completion of such contributions shall be entitled to receive a pension as provided by this section. Any application to make monthly contributions under this section shall be subject to a finding of eligibility by the Board of Trustees upon application of the member.

The pensions provided shall be in addition to all other pensions or benefits under any other statutes of the State of North Carolina or the United States, notwithstanding any exclusionary provisions of other pensions or retirement systems provided by law."

Requested by: Senators Plyler, Odom, Lee; Representatives Barefoot, Cox, Easterling, Oldham, Redwine

**PROVIDE COST-OF-LIVING INCREASES FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM AND THE LEGISLATIVE RETIREMENT SYSTEM.**

**SECTION 28.8.(a)** G.S. 135-5 is amended by adding a new subsection to read:

"(jjj) From and after July 1, 2002, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2001, shall be increased by one and four-tenths percent (1.4%) of the allowance payable on June 1, 2002, in accordance with G.S. 135-5(o). Furthermore, from and after July 1, 2002, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2001, but before June 30, 2002, shall be increased by a prorated amount of one and four-tenths percent (1.4%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2001, and June 30, 2002."

**SECTION 28.8.(b)** G.S. 128-27 is amended by adding a new subsection to read:

"(bbb) From and after July 1, 2002, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2001, shall be increased by one and four-tenths percent (1.4%) of the allowance payable on June 1, 2002, in accordance with subsection (k) of this section. Furthermore, from and after July 1, 2002, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2001, but before June 30, 2002, shall be increased by a prorated amount of one and four-tenths percent (1.4%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2001, and June 30, 2002."

**SECTION 28.8.(c)** G.S. 135-65 is amended by adding a new subsection to read:

"(w) From and after July 1, 2002, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2001, shall be increased by one and four-tenths percent (1.4%) of the allowance payable on June 1, 2002. Furthermore, from and after July 1, 2002, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2001, but before June 30, 2002, shall be increased by a prorated amount of one and four-tenths percent (1.4%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2001, and June 30, 2002."

**SECTION 28.8.(d)** G.S. 120-4.22A is amended by adding a new subsection to read:

"(q) In accordance with subsection (a) of this section, from and after July 1, 2002, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before January 1, 2002, shall be increased by one and four-tenths percent (1.4%) of the allowance payable on June 1, 2002. Furthermore, from and after July 1, 2002, the

retirement allowance to or on account of beneficiaries whose retirement commenced after January 1, 2002, but before June 30, 2002, shall be increased by a prorated amount of one and four-tenths percent (1.4%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between January 1, 2002, and June 30, 2002."

Requested by: Senators Plyler, Odom, Lee, Harris; Representatives Easterling, Oldham, Redwine, Barefoot, Cox

**ENHANCE BENEFITS PAYABLE FROM THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**

**SECTION 28.9.(a)** G.S. 135-5(b18) reads as rewritten:

"(b18) Service Retirement Allowance of Members Retiring on or After July 1, ~~2000~~, but Before July 1, 2002. – Upon retirement from service in accordance with subsection (a) or (a1) above, on or after July 1, 2000, but before July 1, 2002, a member shall receive the following service retirement allowance.

- (1) A member who is a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
  - a. If the member's service retirement date occurs on or after his 55th birthday, and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and eighty-one hundredths percent (1.81%) of his average final compensation, multiplied by the number of years of his creditable service.
  - b. If the member's service retirement date occurs on or after his 50th birthday and before his 55th birthday with 15 or more years of creditable service as a law enforcement officer and prior to the completion of 30 years of creditable service, his retirement allowance shall be equal to the greater of:
    1. The service retirement allowance payable under G.S. 135-5(b18)(1)a. reduced by one-third of one percent (1/3 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following the month the member would have attained his 55th birthday; or
    2. The service retirement allowance as computed under G.S. 135-5(b18)(1)a. reduced by five percent (5%) times the difference between 30 years and his creditable service at retirement.
- (2) A member who is not a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
  - a. If the member's service retirement date occurs on or after his 65th birthday upon the completion of five years of membership service or after the completion of 30 years of creditable service or on or after his 60th birthday upon the completion of 25 years of creditable service, the allowance shall be equal to one and

eighty-one hundredths percent (1.81%) of his average final compensation, multiplied by the number of years of creditable service.

- b. If the member's service retirement date occurs after his 60th birthday and before his 65th birthday and prior to his completion of 25 years or more of creditable service, his retirement allowance shall be computed as in G.S. 135-5(b18)(2)a. but shall be reduced by one-quarter of one percent (1/4 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following his 65th birthday.
- c. If the member's early service retirement date occurs on or after his 50th birthday and before his 60th birthday and after completion of 20 years of creditable service but prior to the completion of 30 years of creditable service, his early service retirement allowance shall be equal to the greater of:
  1. The service retirement allowance as computed under G.S. 135-5(b18)(2)a. but reduced by the sum of five-twelfths of one percent (5/12 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following the month the member would have attained his 60th birthday, plus one-quarter of one percent (1/4 of 1%) thereof for each month by which his 60th birthday precedes the first day of the month coincident with or next following his 65th birthday; or
  2. The service retirement allowance as computed under G.S. 135-5(b18)(2)a. reduced by five percent (5%) times the difference between 30 years and his creditable service at retirement; or
  3. If the member's creditable service commenced prior to July 1, 1994, the service retirement allowance equal to the actuarial equivalent of the allowance payable at the age of 60 years as computed in G.S. 135-5(b18)b.
- d. Notwithstanding the foregoing provisions, any member whose creditable service commenced prior to July 1, 1963, shall not receive less than the benefit provided by G.S. 135-5(b)."

**SECTION 28.9.(b)** G.S. 135-5 is amended by adding a new subsection to read:

"(b19) Service Retirement Allowance of Members Retiring on or After July 1, 2002. – Upon retirement from service in accordance with subsection (a) or (a1) above, on or after July 1, 2002, a member shall receive the following service retirement allowance:

- (1) A member who is a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
  - a. If the member's service retirement date occurs on or after his 55th birthday, and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and

- eighty-two hundredths percent (1.82%) of his average final compensation, multiplied by the number of years of his creditable service.
- b. If the member's service retirement date occurs on or after his 50th birthday and before his 55th birthday with 15 or more years of creditable service as a law enforcement officer and prior to the completion of 30 years of creditable service, his retirement allowance shall be equal to the greater of:
1. The service retirement allowance payable under G.S. 135-5(b19)(1)a. reduced by one-third of one percent (1/3 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following the month the member would have attained his 55th birthday; or
  2. The service retirement allowance as computed under G.S. 135-5(b19)(1)a. reduced by five percent (5%) times the difference between 30 years and his creditable service at retirement.
- (2) A member who is not a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
- a. If the member's service retirement date occurs on or after his 65th birthday upon the completion of five years of membership service or after the completion of 30 years of creditable service or on or after his 60th birthday upon the completion of 25 years of creditable service, the allowance shall be equal to one and eighty-two hundredths percent (1.82%) of his average final compensation, multiplied by the number of years of creditable service.
  - b. If the member's service retirement date occurs after his 60th birthday and before his 65th birthday and prior to his completion of 25 years or more of creditable service, his retirement allowance shall be computed as in G.S. 135-5(b19)(2)a. but shall be reduced by one-quarter of one percent (1/4 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following his 65th birthday.
  - c. If the member's early service retirement date occurs on or after his 50th birthday and before his 60th birthday and after completion of 20 years of creditable service but prior to the completion of 30 years of creditable service, his early service retirement allowance shall be equal to the greater of:
    1. The service retirement allowance as computed under G.S. 135-5(b19)(2)a. but reduced by the sum of five-twelfths of one percent (5/12 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following the month the member would have attained his 60th birthday, plus one-quarter of one percent (1/4 of 1%)

- thereof for each month by which his 60th birthday precedes the first day of the month coincident with or next following his 65th birthday; or
2. The service retirement allowance as computed under G.S. 135-5(b19)(2)a. reduced by five percent (5%) times the difference between 30 years and his creditable service at retirement; or
  3. If the member's creditable service commenced prior to July 1, 1994, the service retirement allowance equal to the actuarial equivalent of the allowance payable at the age of 60 years as computed in G.S. 135-5(b19)b.
- d. Notwithstanding the foregoing provisions, any member whose creditable service commenced prior to July 1, 1963, shall not receive less than the benefit provided by G.S. 135-5(b)."

**SECTION 28.9.(c)** G.S. 135-5 is amended by adding a new subsection to read:

"(kkk) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 2002. – From and after July 1, 2002, the retirement allowance to or on account of beneficiaries on the retirement rolls as of June 1, 2002, shall be increased by six-tenths of one percent (0.6%) of the allowance payable on June 1, 2002. This allowance shall be calculated on the allowance payable and in effect on June 30, 2002, so as not to be compounded on any other increase granted by act of the 2002 Regular Session of the 2001 General Assembly."

**SECTION 28.9.(d)** G.S. 135-5(m) reads as rewritten:

"(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the principal beneficiary designated to receive a return of accumulated contributions shall have the right to elect to receive in lieu thereof the reduced retirement allowance provided by Option 2 of subsection (g) above computed by assuming that the member had retired on the first day of the month following the date of his death, provided that the following conditions apply:

- (1) a. The member had attained such age and/or creditable service to be eligible to commence retirement with an early or service retirement allowance, or
- b. The member had obtained 20 years of creditable service in which case the retirement allowance shall be computed in accordance with ~~G.S. 135-5(b18)(1)b. or G.S. 135-5(b18)(2)e.,~~ G.S. 135-5(b19)(1)b. or G.S. 135-5(b19)(2)c., notwithstanding the requirement of obtaining age 50.
- (2) The member had designated as the principal beneficiary to receive a return of his accumulated contributions one and only one person who was living at the time of his death.
- (3) The member had not instructed the Board of Trustees in writing that he did not wish the provisions of this subsection to apply.

For the purpose of this benefit, a member is considered to be in service at the date of his death if his death occurs within 180 days from the last day of his actual service. The last day of actual service shall be determined as provided in subsection (l) of this section. Upon the death of a member in service, the surviving spouse may make all purchases for creditable service as provided for under this Chapter for which the member had made application in writing prior to the date of death, provided that the

date of death occurred prior to or within 60 days after notification of the cost to make the purchase. The term "in service" as used in this subsection includes a member in receipt of a benefit under the Disability Income Plan as provided in Article 6 of this Chapter."

**SECTION 28.9.(e)** G.S. 128-27(b19) reads as rewritten:

"(b19) Service Retirement Allowance of Member Retiring on or After July 1, 2001-2001, But Before July 1, 2002. – Upon retirement from service in accordance with subsection (a) or (a1) above, on or after July 1, 2001, but before July 1, 2002, a member shall receive the following service retirement allowance:

- (1) A member who is a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
  - a. If the member's service retirement date occurs on or after his 55th birthday and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and eighty-one hundredths percent (1.81%) of his average final compensation, multiplied by the number of years of his creditable service.
  - b. If the member's service retirement date occurs on or after his 50th birthday and before his 55th birthday with 15 or more years of creditable service as a law enforcement officer and prior to the completion of 30 years of creditable service, his retirement allowance shall be equal to the greater of:
    1. The service retirement allowance payable under G.S. 128-27(b19)(1)a. reduced by one-third of one percent (1/3 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following the month the member would have attained his 55th birthday;
    2. The service retirement allowance as computed under G.S. 128-27(b19)(1)a. reduced by five percent (5%) times the difference between 30 years and his creditable service at retirement.
- (2) A member who is not a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
  - a. If the member's service retirement date occurs on or after his 65th birthday upon the completion of five years of creditable service or after the completion of 30 years of creditable service or on or after his 60th birthday upon the completion of 25 years of creditable service, the allowance shall be equal to one and eighty-one hundredths percent (1.81%) of average final compensation, multiplied by the number of years of creditable service.
  - b. If the member's service retirement date occurs after his 60th birthday and before his 65th birthday and prior to his completion of 25 years or more of creditable service, his retirement allowance shall be computed as in G.S.



- 128-27(b19)(2)a. but shall be reduced by one-quarter of one percent ( $1/4$  of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following his 65th birthday.
- c. If the member's early service retirement date occurs on or after his 50th birthday and before his 60th birthday and after completion of 20 years of creditable service but prior to the completion of 30 years of creditable service, his early service retirement allowance shall be equal to the greater of:
1. The service retirement allowance as computed under G.S. 128-27(b19)(2)a. but reduced by the sum of five-twelfths of one percent ( $5/12$  of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following the month the member would have attained his 60th birthday, plus one-quarter of one percent ( $1/4$  of 1%) thereof for each month by which his 60th birthday precedes the first day of the month coincident with or next following his 65th birthday; or
  2. The service retirement allowance as computed under G.S. 128-27(b19)(2)a. reduced by five percent (5%) times the difference between 30 years and his creditable service at retirement; or
  3. If the member's creditable service commenced prior to July 1, 1995, the service retirement allowance equal to the actuarial equivalent of the allowance payable at the age of 60 years as computed in G.S. 128-27(b19)(2)b.
- d. Notwithstanding the foregoing provisions, any member whose creditable service commenced prior to July 1, 1965, shall not receive less than the benefit provided by G.S. 128-27(b)."

**SECTION 28.9.(f)** G.S. 128-27 is amended by adding a new subsection

to read:

"(b20) Service Retirement Allowance of Member Retiring on or After July 1, 2002. – Upon retirement from service in accordance with subsection (a) or (a1) above, on or after July 1, 2002, a member shall receive the following service retirement allowance:

- (1) A member who is a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:
  - a. If the member's service retirement date occurs on or after his 55th birthday and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and eighty-two hundredths percent (1.82%) of his average final compensation, multiplied by the number of years of his creditable service.
  - b. If the member's service retirement date occurs on or after his 50th birthday and before his 55th birthday with 15 or more years of creditable service as a law enforcement officer and

prior to the completion of 30 years of creditable service, his retirement allowance shall be equal to the greater of:

1. The service retirement allowance payable under G.S. 128-27(b20)(1)a. reduced by one-third of one percent (1/3 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following the month the member would have attained his 55th birthday;
2. The service retirement allowance as computed under G.S. 128-27(b20)(1)a. reduced by five percent (5%) times the difference between 30 years and his creditable service at retirement.

(2) A member who is not a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:

- a. If the member's service retirement date occurs on or after his 65th birthday upon the completion of five years of creditable service or after the completion of 30 years of creditable service or on or after his 60th birthday upon the completion of 25 years of creditable service, the allowance shall be equal to one and eighty-two hundredths percent (1.82%) of average final compensation, multiplied by the number of years of creditable service.
- b. If the member's service retirement date occurs after his 60th birthday and before his 65th birthday and prior to his completion of 25 years or more of creditable service, his retirement allowance shall be computed as in G.S. 128-27(b20)(2)a. but shall be reduced by one-quarter of one percent (1/4 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following his 65th birthday.
- c. If the member's early service retirement date occurs on or after his 50th birthday and before his 60th birthday and after completion of 20 years of creditable service but prior to the completion of 30 years of creditable service, his early service retirement allowance shall be equal to the greater of:
  1. The service retirement allowance as computed under G.S. 128-27(b20)(2)a. but reduced by the sum of five-twelfths of one percent (5/12 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following the month the member would have attained his 60th birthday, plus one-quarter of one percent (1/4 of 1%) thereof for each month by which his 60th birthday precedes the first day of the month coincident with or next following his 65th birthday; or
  2. The service retirement allowance as computed under G.S. 128-27(b20)(2)a. reduced by five percent (5%)

- times the difference between 30 years and his creditable service at retirement; or
3. If the member's creditable service commenced prior to July 1, 1995, the service retirement allowance equal to the actuarial equivalent of the allowance payable at the age of 60 years as computed in G.S. 128-27(b20)(2)b.
  - d. Notwithstanding the foregoing provisions, any member whose creditable service commenced prior to July 1, 1965, shall not receive less than the benefit provided by G.S. 128-27(b)."

**SECTION 28.9.(g)** G.S. 128-27 is amended by adding a new subsection to read:

"(ccc) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 2002. – From and after July 1, 2002, the retirement allowance to or on account of beneficiaries on the retirement rolls as of June 1, 2002, shall be increased by six-tenths of one percent (0.6%) of the allowance payable on June 1, 2002. This allowance shall be calculated on the allowance payable and in effect on June 30, 2002, so as not to be compounded on any other increase payable under subsection (k) of this section or otherwise granted by act of the 2002 Regular Session of the 2001 General Assembly."

**SECTION 28.9.(h)** G.S. 128-27(m) reads as rewritten:

"(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the principal beneficiary designated to receive a return of accumulated contributions shall have the right to elect to receive in lieu thereof the reduced retirement allowance provided by Option two of subsection (g) above computed by assuming that the member had retired on the first day of the month following the date of his death, provided that all three of the following conditions apply:

- (1)
  - a. The member had attained such age and/or creditable service to be eligible to commence retirement with an early or service retirement allowance, or
  - b. The member had obtained 20 years of creditable service in which case the retirement allowance shall be computed in accordance with ~~G.S. 128-27(b19)(1)b. or G.S. 128-27(b19)(2)e.~~, G.S. 128-27(b20)(1)b. or G.S. 128-27(b20)(2)c., notwithstanding the requirement of obtaining age 50.
- (2) The member had designated as the principal beneficiary to receive a return of his accumulated contributions one and only one person who is living at the time of his death.
- (3) The member had not instructed the Board of Trustees in writing that he did not wish the provisions of this subsection apply.

For the purpose of this benefit, a member is considered to be in service at the date of his death if his death occurs within 180 days from the last day of his actual service. The last day of actual service shall be determined as provided in subsection (l) of this section. Upon the death of a member in service, the surviving spouse may make all purchases for creditable service as provided for under this Chapter for which the member had made application in writing prior to the date of death, provided that the date of death occurred prior to or within 60 days after notification of the cost to make the purchase."

**SECTION 28.9.(i)** This section becomes effective July 1, 2002.

Requested by: Senators Plyler, Odom, Lee; Representatives Baddour, Easterling, Oldham, Redwine

**RETIRED TEACHERS RETURNING TO THE CLASSROOM WITHOUT LOSS OF RETIREMENT BENEFITS/OPTION EXTENDED**

**SECTION 28.10.(a)** Subsection (d) of Section 28.24 of S.L. 1998-212 reads as rewritten:

"(d) This section becomes effective January 1, 1999, and expires ~~June 30, 2003.~~ June 30, 2004."

**SECTION 28.10.(a1)** The State Treasurer shall seek a private letter ruling from the Internal Revenue Service that G.S. 135-3(8)c. could be amended from six months to two months without adverse affect on the tax qualification of the Teachers' and State Employees' Retirement System.

**SECTION 28.10.(b)** The catch line to Section 67 of S.L. 1998-217 reads as rewritten:

"**SECTION 67.** Effective January 1, 1999, through ~~June 30, 2003,~~ June 30, 2004, G.S. 135-3(8)c., as rewritten by Section 28.24(a) of ~~Senate Bill 1366 of the 1997 General Assembly, as enacted,~~ S.L. 1998-212 reads as rewritten:"

**SECTION 28.10.(c)** Subsection (b) of Section 67.1 of S.L. 1998-217 reads as rewritten:

"(b) This section becomes effective January 1, 1999, and expires ~~June 30, 2003.~~ June 30, 2004."

**SECTION 28.10.(d)** Subsection (c) of Section 32.25 of S.L. 2001-424 reads as rewritten:

"**SECTION 32.25.(c)** This section becomes effective July 1, 2001, and expires ~~June 30, 2003.~~ June 30, 2004."

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**CONFORM TREATMENT OF RETIRED LEGISLATIVE EMPLOYEES WHO RETURN TO EMPLOYMENT IN A FULL-TIME PERMANENT POSITION WITH THAT OF OTHER STATE EMPLOYEES**

**SECTION 28.12.(a)** G.S. 135-1(10) reads as rewritten:

"(10) "Employee" shall mean all full-time employees, agents or officers of the State of North Carolina or any of its departments, bureaus and institutions other than educational, whether such employees are elected, appointed or employed: Provided that the term "employee" shall not include any person who is a member of the Consolidated Judicial Retirement System, any member of the General Assembly or any part-time or temporary employee. Notwithstanding any other provision of law, "employee" shall include all employees of the General Assembly except participants in the Legislative Intern Program, pages, and ~~reemployed~~ beneficiaries in receipt of a monthly retirement allowance under this ~~Chapter.~~ Chapter who are reemployed on a temporary basis. In all cases of doubt, the Board of Trustees shall determine whether any person is an employee as defined in this Chapter. "Employee shall also mean every full-time civilian employee of the army national guard and air national guard of this State who is employed pursuant to section 709 of Title 32 of the United States Code and paid from federal appropriated funds, but held by the federal

authorities not to be a federal employee: Provided, however, that the authority or agency paying the salaries of such employees shall deduct or cause to be deducted from each employee's salary the employee's contribution in accordance with applicable provisions of G.S. 135-8 and remit the same, either directly or indirectly, to the Retirement System; coverage of employees described in this sentence shall commence upon the first day of the calendar year or fiscal year, whichever is earlier, next following the date of execution of an agreement between the Secretary of Defense of the United States and the Adjutant General of the State acting for the Governor in behalf of the State, but no credit shall be allowed pursuant to this sentence for any service previously rendered in the above-described capacity as a civilian employee of the national guard: Provided, further, that the Adjutant General, in his discretion, may terminate the Retirement System coverage of the above-described national guard employees if a federal retirement system is established for such employees and the Adjutant General elects to secure coverage of such employees under such federal retirement system. Any full-time civilian employee of the national guard described above who is now or hereafter may become a member of the Retirement System may secure Retirement System credit for such service as a national guard civilian employee for the period preceding the time when such employees became eligible for Retirement System coverage by paying to the Retirement System an amount equal to that which would have constituted employee contributions if he had been a member during the years of ineligibility, plus interest. Employees of State agencies, departments, institutions, boards, and commissions who are employed in permanent job positions on a recurring basis and who work 30 or more hours per week for nine or more months per calendar year are covered by the provisions of this subdivision. On and after August 1, 2001, a person who is a nonimmigrant alien and who otherwise meets the requirements of this subdivision shall not be excluded from the definition of "employee" solely because the person holds a temporary or time-limited visa."

**SECTION 28.12.(b)** This section is effective when it becomes law, provided any person who has been reemployed by the General Assembly on a permanent full-time basis prior to the effective date of this section may purchase credit for that service by returning any retirement allowance received as well as the employee contributions attributable to the service plus interest as determined by the Board of Trustees of the Retirement System. In addition, the employer must pay the employer contributions attributable to the service.

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**MODIFY BENEFIT RESTRICTIONS FOR REEMPLOYED RETIREES IN THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**

**SECTION 28.13.(a)** G.S. 135-3(8)c. reads as rewritten:

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

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

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

**SECTION 28.13.(b)** G.S. 128-24(5)c. reads as rewritten:

- "c. Should a beneficiary who retired on an early or service retirement allowance be reemployed, or otherwise engaged to perform services, by an employer participating in the Retirement System on a part-time, temporary, interim, or on fee-for-service basis, whether contractual or otherwise, and if such beneficiary earns an amount during the 12-month period immediately following the effective date of retirement or in any calendar year which exceeds fifty percent (50%) of the reported compensation, excluding terminal payments, during the 12 months of service preceding the effective date of retirement, or twenty thousand dollars (\$20,000), whichever is greater, as

hereinafter indexed, then the retirement allowance shall be suspended as of the first day of the month following the month in which the reemployment earnings exceed the amount above, for the balance of the calendar year. The retirement allowance of the beneficiary shall be reinstated as of January 1 of each year following suspension. The amount that may be earned before suspension shall be increased on January 1 of each year by the ratio of the Consumer Price Index to the Index one year earlier, calculated to the nearest tenth of a percent (1/10 of 1%)."

**SECTION 28.13.(c)** Subsections (a) and (b) of this section do not apply during the 2002-2003 fiscal year to any person who was retired on or before September 1, 2002, and also had entered into any employment contract or commitment for some or all of that year.

**SECTION 28.13.(d)** The State Treasurer shall seek a private letter ruling from the Internal Revenue Service relating to what constitutes a "bona fide termination of employment" and the period of time that a member of the Teachers' and State Employees' Retirement System must be separated from service before they can be reemployed either on a full-time or contract basis while continuing to receive retirement benefits.

Requested by: Senators Rand, Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**EXPAND SEPARATION ALLOWANCE FOR LAW ENFORCEMENT OFFICERS**

**SECTION 28.14.** G.S. 143-166.41(c) reads as rewritten:

"(c) Payment to a retired officer under the provisions of this section shall cease at the first of:

- (1) ~~the~~ The death of the individual or on officer;
- (2) ~~the~~ The last day of the month in which he the officer attains 62 years of age or upon age; or
- (3) ~~the~~ The first day of reemployment by any State department, agency, or institution. institution, except that this subdivision does not apply to an officer returning to State employment in a position exempt from the State Personnel Act in an agency other than the agency from which that officer retired."

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**EMPLOYEE HEALTH PLAN TRUSTEES**

**SECTION 28.16.(a)** G.S. 135-39 reads as rewritten:

**"§ 135-39. Board of Trustees established.**

(a) There is hereby established the Board of Trustees of the Teachers' and State Employees' Comprehensive Major Medical Plan.

(a1) The Board of Trustees of the Teachers' and State Employees' Comprehensive Major Medical Plan shall consist of nine members.

(b) Three members shall be appointed by the Governor. Of the initial members, one shall serve a term to expire June 30, 1983, and two shall serve terms to expire June 30, 1984. Subsequent terms shall be for two years. Vacancies shall be filled by the

~~Governor. The member appointed by the Governor to serve a term beginning July 1, 1985, shall be an employee enrolled in the Plan. Any successor to such member shall also be an employee enrolled in the Plan. Of the members appointed by the Governor, one shall be either:~~

- ~~(1) An employee of a State department, agency, or institution;~~
- ~~(2) A teacher employed by a North Carolina public school system;~~
- ~~(3) A retired employee of a State department, agency, or institution; or~~
- ~~(4) A retired teacher from a North Carolina public school system.~~

(c) Three members shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121. Of the initial members, two shall serve terms expiring June 30, 1983, and one shall serve a term expiring June 30, 1984. Vacancies shall be filled in accordance with G.S. 120-122.

~~One of the members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives may be a retired employee enrolled in the Plan.~~

(d) Three members shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. Of the initial members, two shall serve terms expiring June 30, 1983, and one shall serve a term expiring June 30, 1984. Vacancies shall be filled in accordance with G.S. 120-122.

~~One of the members appointed by the General Assembly upon the recommendation of the President of the Senate for a term beginning July 1, 1985, shall be an employee enrolled in the Plan. Any successor to such member shall also be an employee enrolled in the Plan.~~

(d1) Repealed by Session Laws 1985, c. 732, s. 60.

(e) The Governor shall have the power to remove any member appointed by him under subsection (b). The General Assembly may remove any member appointed under subsections (c) or (d).

(f) The members of the Board of Trustees shall receive one hundred dollars (\$100.00) per day, except employees eligible to enroll in the Plan, whenever the full Board of Trustees holds a public session, and travel allowances under G.S. 138-6 when traveling to and from meetings of the Board of Trustees or hearings under G.S. 135-39.7, but shall not receive any subsistence allowance or per diem under G.S. 138-5, except when holding a meeting or hearing where this section does not provide for payment of one hundred dollars (\$100.00) per day.

~~(g) No State employee, member of the General Assembly, State officer, or anyone who is receiving benefits under the Plan or who is eligible to receive benefits under the Plan or who provides services, equipment or supplies under the Plan shall be eligible for membership on the Board of Trustees, except for the designated employees and retired employee appointed under subsections (b) through (d) of this section, provided that such designated persons may not serve on the executive committee.~~

(h) No member of the Board of Trustees may serve more than three consecutive two-year terms.

(i) Meetings of the Board of Trustees may be called by the Executive Administrator, the Chairman, or by any three members."

**SECTION 28.16.(b)** This section becomes effective October 1, 2002, and applies to appointments and reappointments made on and after that date. The remainder of this section becomes effective when this act becomes law.



Requested by: Senators Plyler, Odom, Lee; Representatives Wright, Nye, Easterling, Oldham, Redwine

**STATE EMPLOYEE HEALTH PLAN COVERAGE FOR SERVICES OF CLINICAL PHARMACIST PRACTITIONERS**

**SECTION 28.17.** G.S. 135-40.6 is amended by adding the following new subdivision to read:

- "(12) Coverage for services of Clinical Pharmacist Practitioners. – Notwithstanding any other provision of this section or the Plan, benefits shall be payable for services performed by a Clinical Pharmacist Practitioner subject to the following limitations:
- a. The service performed is within the Clinical Pharmacist Practitioner's limitations pursuant to G.S. 90-18.4.
  - b. The Plan currently provides reimbursement for identical services provided by other health care providers.
  - c. The reimbursement shall be at the discretion of the Executive Administrator regarding services covered and compensation.
  - d. The reimbursement is made to the Clinical Pharmacist Practitioner.
  - e. Nothing in this subdivision authorizes payment to more than one provider for the same service."

**PART XXIX. CAPITAL APPROPRIATIONS**

Requested by: Senators Plyler, Odom, Lee; Representatives Wright, Easterling, Oldham, Redwine

**CAPITAL APPROPRIATIONS/GENERAL FUND**

**SECTION 29.1.** Appropriations are made from the General Fund of the State for the 2002-2003 fiscal year for use by the State departments, institutions, and agencies to provide for capital improvement projects according to the following schedule:

| <b>Capital Improvements - General Fund</b>      | <b>2002-2003</b> |
|---|------------------|
| Department of Environment and Natural Resources | 31,158,000       |

Requested by: Senators Thomas, Robinson, Plyler, Odom, Lee; Representatives Wright, Easterling, Oldham, Redwine

**WATER RESOURCES DEVELOPMENT PROJECTS/USE DREDGE SPOILS TO NOURISH BEACH**

**SECTION 29.2.(a)** The General Assembly finds that North Carolina is the tenth largest exporting state in the nation and that water resources development projects are vital to the economy of the State. North Carolina State Ports facilities, notably those in Wilmington, provide gateways to the global marketplace for North Carolina's importers and exporters. The State's ports annually generate thousands of jobs and millions of dollars in State and local taxes.

The General Assembly further finds that the ports are also invaluable assets to the communities that each serves. For example, according to the North Carolina State Ports Authority, nearly seven billion dollars (\$7,000,000,000) worth of goods, or nineteen million dollars (\$19,000,000) a day, were handled at the Port of Wilmington in 1997. The harbor improvements in Wilmington, provided for in subsection (b) of this

section, are projected to add thirty-four million dollars (\$34,000,000) in annual regional benefits.

The General Assembly also finds that particularly in times of heightened national and local security, the water resources projects provide strategic mobilization benefits to the Port of Wilmington and to the Military Ocean Terminal at Sunny Point.

**SECTION 29.2.(b)** The Department of Environment and Natural Resources shall allocate the funds appropriated in this act for water resources development projects to the following projects whose costs are as indicated:

| <b>Name of Project</b>                                  | <b>2002-2003</b>    |
|---|---------------------|
| (1) Wilmington Harbor Deepening                         | \$20,100,000        |
| (2) Manteo (Shallowbag) Bay Channel Maintenance         | 3,100,000           |
| (3) Wilmington Harbor Maintenance                       | 500,000             |
| (4) B. Everett Jordan Lake Water Supply                 | 90,000              |
| (5) John H. Kerr Reservoir Operations Evaluation        | 800,000             |
| (6) Oregon Inlet Jetties                                | 70,000              |
| (7) Silver Lake Harbor Maintenance                      | 600,000             |
| (8) West Onslow Beach (Topsail Beach) Nourishment       | 203,000             |
| (9) Wanchese Marsh Creation                             | 180,000             |
| (10) Bogue Banks Shore Protection Study                 | 315,000             |
| (11) Surf City/North Topsail Beach Protection Study     | 200,000             |
| (12) Walter Slough Maintenance Dredging                 | 58,000              |
| (13) Currituck Sound Water Management Study             | 400,000             |
| (14) Deep Creek (Yadkin County) Watershed Management    | 500,000             |
| (15) State Local Projects                               | 2,900,000           |
| (16) Aquatic Weed Control, Lake Gaston and Statewide    | 300,000             |
| (17) Swan Quarter (Hyde County) Flood Control Dikes     | 100,000             |
| (18) North Topsail Beach Feasibility Study (nonfederal) | 250,000             |
| (19) Neuse River Basin Feasibility Study                | 100,000             |
| (20) Edgewater Canal (Camden County) Drainage           | 25,000              |
| (21) Emergency Flood Control Projects                   | 187,000             |
| (22) Projected Feasibility Studies                      | 80,000              |
| (23) Planning Assistance to Communities                 | <u>100,000</u>      |
| <b>TOTAL</b>  | <b>\$31,158,000</b> |

**SECTION 29.2.(c)** Where the actual costs are different from the estimated costs under subsection (b) of this section, the Department may adjust the allocations among projects as needed. If any projects listed in subsection (b) of this section are delayed and the budgeted State funds cannot be used during the 2002-2003 fiscal year, or if the projects listed in subsection (b) of this section are accomplished at a lower cost, the Department may use the resulting fund availability to fund any of the following:

- (1) Corps of Engineers project feasibility studies.
- (2) Corps of Engineers projects whose schedules have advanced and require State-matching funds in fiscal year 2002-2003.
- (3) State-local water resources development projects.

Funds not expended or encumbered for these purposes shall revert to the General Fund at the end of the 2003-2004 fiscal year.

**SECTION 29.2.(d)** The Department shall make quarterly reports on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Office of State Budget and Management. Each report shall include all of the following:

- (1) All projects that receive funding.
- (2) The estimated cost of each project.
- (3) The date that work on each project began or is expected to begin.
- (4) The date that work on each project was completed or is expected to be completed.
- (5) The actual cost of each project.

The quarterly reports shall also show those projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

**SECTION 29.2.(e)** Notwithstanding G.S. 143-23, if additional federal funds that require a State match are received for water resources projects or for beach nourishment projects for the 2002-2003 fiscal year, the Director of the Budget may, after consultation with the Joint Legislative Commission on Governmental Operations, transfer funds from General Fund appropriations to match the federal funds.

**SECTION 29.2.(f)** G.S. 113A-118.1 is amended by adding a new subsection to read:

(e) The Commission shall allow the use of riprap in the construction of groins in estuarine and public trust waters on the same basis as the Commission allows the use of wood."

**SECTION 29.2.(g)** The Coastal Resources Commission shall not enforce any provision of any rule that is inconsistent with G.S. 113A-118.1(e), as enacted by this act, and the Commission shall amend its rules as may be required to conform with G.S. 113A-118.1(e), as enacted by this act.

**SECTION 29.2.(h)** G.S. 113-229(h1) reads as rewritten:

"(h1) ~~All~~Except as provided in subsection (h2) of this section, all construction and maintenance dredgings of beach-quality sand may be placed on the affected downdrift ocean beaches or, if placed elsewhere, an equivalent quality and quantity of sand from another location shall be placed on the downdrift ocean beaches."

**SECTION 29.2.(i)** G.S. 113-229 is amended by adding a new section to read:

"(h2) Clean, beach quality material dredged from navigational channels within the active nearshore, beach or inlet shoal systems shall not be removed permanently from the active nearshore, beach or inlet shoal system. This dredged material shall be disposed of on the ocean beach or shallow active nearshore area where it is environmentally acceptable and compatible with other uses of the beach."

**SECTION 29.2.(j)** G.S. 113-229(i) reads as rewritten:

"(i) Subject to ~~subsection (h1)~~ subsections (h1) and (h2) of this section, all materials excavated pursuant to such permit, regardless of where placed, shall be encased or entrapped in such a manner as to minimize their moving back into the affected water."

**SECTION 29.2.(k)** Subsections (f) through (j) of this section become effective when this act becomes law.

Requested by: Representative Wright

**JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CAPITAL IMPROVEMENTS ESTABLISHED**

**SECTION 29.3.** Chapter 120 of the General Statutes is amended by adding the following new Article to read:

"Article 29.

"Joint Legislative Oversight Committee on Capital Improvements.

**"§ 120-258. Committee created.**

There is established the Joint Legislative Oversight Committee on Capital Improvements. The Committee consists of 16 members as follows:

- (1) Eight members of the House of Representatives appointed by the Speaker of the House of Representatives; and
- (2) Eight members of the Senate appointed by the President Pro Tempore of the Senate.

Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year, except the terms of the initial members, which begin on appointment. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A member continues to serve until the member's successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

**"§ 120-259. Purpose and powers of the Committee.**

(a) The Joint Legislative Oversight Committee on Capital Improvements shall examine, on a continuing basis, capital improvements approved and undertaken for State facilities and institutions. As used in this section "capital improvements" includes repairs and renovations, and "State facilities and institutions" includes facilities and institutions of The University of North Carolina.

(b) The Committee shall have oversight over implementation of the Capital Improvements Planning Act established under Article 1B of Chapter 143 of the General Statutes and shall consider the State six-year capital improvement plan developed pursuant to G.S. 143-34.45.

(c) The Committee, while in discharge of official duties, shall have access to any paper or document and may compel the attendance of any State official or employee before the Committee or secure any evidence under G.S. 120.19. In addition, G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Committee as if it were a joint committee of the General Assembly.

(d) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee.

**"§ 120-260. Organization of Committee.**

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Oversight Committee on Capital Improvements. The Committee shall meet at least once a quarter and may meet at other times upon the joint call of the cochairs.

(b) A quorum of the Committee is nine members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19

and G.S. 120-19.1 through G.S. 120-19.4.

(c) Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee."

## **PART XXIX-A. FEE PROVISIONS**

### **ESTABLISH SET OR MODIFY VARIOUS FEES**

#### **SUBPART A. JUSTICE AND PUBLIC SAFETY FEES**

**SECTION 29A.1.(a)** G.S. 15A-1371(i) reads as rewritten:

"(i) A fee of ~~one hundred dollars (\$100.00)~~ two hundred dollars (\$200.00) shall be paid by all persons who participate in the Community Service Parole Program. That fee must be paid to the clerk of court in the county in which the parolee is released. The fee must be paid in full within two weeks unless the Post-Release Supervision and Parole Commission, upon a showing of hardship by the person, allows ~~him~~ the person additional time to pay the fee. The parolee may not be required to pay the fee before ~~he~~ the person begins the community service unless the Post-Release Supervision and Parole Commission specifically orders that ~~he~~ the person do so. Fees collected under this subsection shall be deposited in the General Fund. The fee imposed under this ~~section~~ subsection may be paid as prescribed by the supervising parole officer."

**SECTION 29A.1.(b)** G.S. 20-179.4(c) reads as rewritten:

"(c) A fee of ~~one hundred dollars (\$100.00)~~ two hundred dollars (\$200.00) shall be paid by all persons serving a community service sentence. That fee shall be paid to the clerk of court in the county in which the person is convicted. The fee shall be paid in full within two weeks unless the court, upon a showing of hardship by the person, allows additional time to pay the fee. The person may not be required to pay the fee before beginning the community service unless the court specifically orders the person to do so."

**SECTION 29A.1.(c)** G.S. 143B-262.4(b) reads as rewritten:

"(b) Unless a fee is assessed pursuant to G.S. 20-179.4 or G.S. 15A-1371(i), a fee of ~~one hundred dollars (\$100.00)~~ two hundred dollars (\$200.00) shall be paid by all persons who participate in the program or receive services from the program staff. Fees collected pursuant to this subsection shall be deposited in the General Fund. If the person is convicted in a court in this State, the fee shall be paid to the clerk of court in the county in which ~~he~~ the person is convicted. If the person is participating in the program as a result of a deferred prosecution or similar program, the fee shall be paid to the clerk of court in the county in which the agreement is filed. Persons participating in the program for any other reason shall pay the fee to the clerk of court in the county in which the services are provided by the program staff. The fee shall be paid in full within two weeks from the date the person is ordered to perform the community service, and before ~~he begins his~~ the person may participate in the community service, service program, except that:

- (1) A person convicted in a court in this State may be given an extension of time or allowed to begin the community service before ~~he~~the person pays the fee by the court in which ~~he~~the person is convicted; or
- (2) A person performing community service pursuant to a deferred prosecution or similar agreement may be given an extension of time or allowed to begin ~~his~~ community service before the fee is paid by the official or agency representing the State in the agreement.

~~Fees collected pursuant to this subsection shall be deposited in the General Fund."~~

**SECTION 29A.1.(d)** This section becomes effective October 1, 2002, and applies to fees assessed or collected on or after that date.

**SECTION 29A.2.(a)** G.S. 15A-1343(c1) reads as rewritten:

"(c1) Supervision Fee. – Any person placed on supervised probation pursuant to subsection (a) of this section shall pay a supervision fee of ~~twenty dollars (\$20.00)~~ thirty dollars (\$30.00) per month, unless exempted by the court. The court may exempt a person from paying the fee only for good cause and upon written motion of the person placed on supervised probation. No person shall be required to pay more than one supervision fee per month. The court may require that the fee be paid in advance or in a lump sum or sums, and a probation officer may require payment by such methods if he is authorized by subsection (g) to determine the payment schedule. Supervision fees must be paid to the clerk of court for the county in which the judgment was entered or the deferred prosecution agreement was filed. Fees collected under this subsection shall be transmitted to the State for deposit into the State's General Fund."

**SECTION 29A.2.(b)** G.S. 15A-1368.4(f) reads as rewritten:

"(f) Required Supervision Fee. – The Commission shall require as a condition of post-release supervision that the supervisee pay a supervision fee of ~~twenty dollars (\$20.00)~~ thirty dollars (\$30.00) per month. The Commission may exempt a supervisee from this condition only if it finds that requiring payment of the fee is an undue economic burden. The fee shall be paid to the clerk of superior court of the county in which the supervisee was convicted. The clerk shall transmit any money collected pursuant to this subsection to the State to be deposited in the State's General Fund. In no event shall a supervisee be required to pay more than one supervision fee per month."

**SECTION 29A.2.(c)** G.S. 15A-1374(c) reads as rewritten:

"(c) Supervision Fee. – The Commission must require as a condition of parole that the parolee pay a supervision fee of ~~twenty dollars (\$20.00)~~ thirty dollars (\$30.00) per month. The Commission may exempt a parolee from this condition of parole only if it finds that requiring him to pay the fee will constitute an undue economic burden. The fee must be paid to the clerk of superior court of the county in which the parolee was convicted. The clerk must transmit any money collected pursuant to this subsection to the State to be deposited in the general fund of the State. In no event shall a person released on parole be required to pay more than one supervision fee per month."

**SECTION 29A.2.(d)** This section becomes effective October 1, 2002, and applies to supervision fees assessed or collected on or after that date.

**SECTION 29A.3.(a)** G.S. 20-135.2A(e) reads as rewritten:

"(e) Any driver or passenger who fails to wear a seat belt as required by this section shall have committed an infraction and shall pay a penalty of twenty-five dollars ~~(\$25.00)~~ (\$25.00) plus court costs in the sum of fifty dollars (\$50.00). Court costs assessed under this section are for the support of the General Court of Justice and shall be remitted to the State Treasurer. Conviction of an infraction under this section has no

~~consequence other than payment of a penalty. A person found responsible for a violation of this section may not be assessed court costs.~~other consequence."

**SECTION 29A.3.(b)** This section becomes effective October 1, 2002, and applies to all costs assessed or collected on or after that date, except that in cases disposed of on or after that date by written appearance, waiver of trial or hearing, or admission of responsibility pursuant to G.S. 7A-180(4) or G.S. 7A-273(2), in which the citation or other criminal process was issued before that date, no costs shall be assessed.

**SECTION 29A.4.(a)** G.S. 7A-304(a)(4) reads as rewritten:

"(a) In every criminal case in the superior or district court, wherein the defendant is convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the prosecuting witness, the following costs shall be assessed and collected, except that when the judgment imposes an active prison sentence, costs shall be assessed and collected only when the judgment specifically so provides, and that no costs may be assessed when a case is dismissed.

...  
 (4) For support of the General Court of Justice, the sum of ~~sixty-five dollars (\$65.00)~~ seventy-five dollars (\$75.00) in the district court, including cases before a magistrate, and the sum of ~~seventy-two dollars (\$72.00)~~ eighty-two dollars (\$82.00) in the superior court, to be remitted to the State Treasurer. For a person convicted of a felony in superior court who has made a first appearance in district court, both the district court and superior court fees shall be assessed. The State Treasurer shall remit the sum of one dollar and five cents (\$1.05) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.4.

...."

**SECTION 29A.4.(b)** G.S. 7A-305(a)(2) reads as rewritten:

"(2) For support of the General Court of Justice, the sum of ~~fifty-nine dollars (\$59.00)~~ sixty-nine dollars (\$69.00) in the superior court, and the sum of ~~forty-four dollars (\$44.00)~~ fifty-four dollars (\$54.00) in the district court except that if the case is assigned to a magistrate the sum shall be ~~thirty-three dollars (\$33.00)~~ forty-three dollars (\$43.00). Sums collected under this subdivision shall be remitted to the State Treasurer. The State Treasurer shall remit the sum of one dollar and five cents (\$1.05) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.4."

**SECTION 29A.4.(c)** Subsection (a) of this section becomes effective October 1, 2002, and applies to all costs assessed or collected on or after that date, except that in misdemeanor or infraction cases disposed of on or after that date by written appearance, waiver of trial or hearing, and plea of guilt or admission of responsibility pursuant to G.S. 7A-180(4) or G.S. 7A-273(2), in which the citation or other criminal process was issued before that date, the cost shall be the lesser of those specified in G.S. 7A-304(a), as amended by subsection (a) of this section, or those specified in the notice portion of the defendant or respondent's copy of the citation or other criminal process, if any costs are specified in that notice. Subsection (b) of this section becomes effective October 1, 2002, and applies to all costs assessed or collected on or after that date.

**SECTION 29A.5.(a)** G.S. 15A-145(c) reads as rewritten:

"(c) The court shall also order that the said misdemeanor conviction be expunged from the records of the court, and direct all law-enforcement agencies bearing record of the same to expunge their records of the conviction. The clerk shall forward a certified copy of the order to the sheriff, chief of police, or other arresting agency. The sheriff, chief or head of such other arresting agency shall then transmit the copy of the order with a form supplied by the State Bureau of Investigation to the State Bureau of Investigation, and the State Bureau of Investigation shall forward the order to the Federal Bureau of Investigation. ~~The cost of expunging such records shall be taxed against the petitioner.~~"

**SECTION 29A.5.(b)** G.S. 15A-145 is amended by adding a new subsection to read:

"(e) A person who files a petition for expunction of a criminal record under this section must pay the clerk of superior court a fee of sixty-five dollars (\$65.00) at the time the petition is filed. Fees collected under this subsection shall be deposited in the General Fund. This subsection does not apply to petitions filed by an indigent."

**SECTION 29A.5.(c)** G.S. 15A-146(b) reads as rewritten:

"(b) The court may also order that the said entries shall be expunged from the records of the court, and direct all law-enforcement agencies bearing record of the same to expunge their records of the entries. The clerk shall forward a certified copy of the order to the sheriff, chief of police, or other arresting agency. The sheriff, chief or head of such other arresting agency shall then transmit the copy of the order with the form supplied by the State Bureau of Investigation to the State Bureau of Investigation, and the State Bureau of Investigation shall forward the order to the Federal Bureau of Investigation. ~~The costs of expunging such records shall be taxed against the petitioner.~~ The costs of expunging these records shall not be taxed against the petitioner."

**SECTION 29A.5.(d)** G.S. 90-96 is amended by adding a new subsection to read:

"(f) A person who files a petition for expunction of a criminal record under this section must pay the clerk of superior court a fee of sixty-five dollars (\$65.00) at the time the petition is filed. Fees collected under this subsection shall be deposited in the General Fund. This subsection does not apply to petitions filed by an indigent."

**SECTION 29A.5.(e)** This section becomes effective October 1, 2002, and applies to petitions filed on or after that date.

**SECTION 29A.6.(a)** G.S. 50B-2 reads as rewritten:

**"§ 50B-2. Institution of civil action; motion for emergency relief; temporary orders.**

(a) Any person residing in this State may seek relief under this Chapter by filing a civil action or by filing a motion in any existing action filed under Chapter 50 of the General Statutes alleging acts of domestic violence against himself or herself or a minor child who resides with or is in the custody of such person. Any aggrieved party entitled to relief under this Chapter may file a civil action and proceed pro se, without the assistance of legal counsel. The district court division of the General Court of Justice shall have original jurisdiction over actions instituted under this Chapter. No court costs shall be assessed for the filing, issuance, registration, or service of a protective order or petition for a protective order or witness subpoena in compliance with the Violence Against Women Act, 42 U.S.C. § 3796gg-5.

(b) Emergency Relief. – A party may move the court for emergency relief if he or she believes there is a danger of serious and immediate injury to himself or herself or



a minor child. A hearing on a motion for emergency relief, where no ex parte order is entered, shall be held after five days' notice of the hearing to the other party or after five days from the date of service of process on the other party, whichever occurs first, provided, however, that no hearing shall be required if the service of process is not completed on the other party. If the party is proceeding pro se and does not request an ex parte hearing, the clerk shall set a date for hearing and issue a notice of hearing within the time periods provided in this subsection, and shall effect service of the summons, complaint, notice, and other papers through the appropriate law enforcement agency where the defendant is to be served, ~~upon payment of the required service fees.~~served.

(c) Ex Parte Orders. – Prior to the hearing, if it clearly appears to the court from specific facts shown, that there is a danger of acts of domestic violence against the aggrieved party or a minor child, the court may enter such orders as it deems necessary to protect the aggrieved party or minor children from such acts provided, however, that a temporary order for custody ex parte and prior to service of process and notice shall not be entered unless the court finds that the child is exposed to a substantial risk of bodily injury or sexual abuse. Upon the issuance of an ex parte order under this subsection, a hearing shall be held within 10 days from the date of issuance of the order or within seven days from the date of service of process on the other party, whichever occurs later. If an aggrieved party acting pro se requests ex parte relief, the clerk of superior court shall schedule an ex parte hearing with the district court division of the General Court of Justice within 72 hours of the filing for said relief, or by the end of the next day on which the district court is in session in the county in which the action was filed, whichever shall first occur. If the district court is not in session in said county, the aggrieved party may contact the clerk of superior court in any other county within the same judicial district who shall schedule an ex parte hearing with the district court division of the General Court of Justice by the end of the next day on which said court division is in session in that county. Upon the issuance of an ex parte order under this subsection, if the party is proceeding pro se, the Clerk shall set a date for hearing and issue a notice of hearing within the time periods provided in this subsection, and shall effect service of the summons, complaint, notice, order and other papers through the appropriate law enforcement agency where the defendant is to be served, ~~upon payment of the required service fees.~~served.

(c1) Ex Parte Orders by Authorized Magistrate. – The chief district court judge may authorize a magistrate or magistrates to hear any motions for emergency relief ex parte. Prior to the hearing, if the magistrate determines that at the time the party is seeking emergency relief ex parte the district court is not in session and a district court judge is not and will not be available to hear the motion for a period of four or more hours, the motion may be heard by the magistrate. If it clearly appears to the magistrate from specific facts shown that there is a danger of acts of domestic violence against the aggrieved party or a minor child, the magistrate may enter such orders as it deems necessary to protect the aggrieved party or minor children from such acts, except that a temporary order for custody ex parte and prior to service of process and notice shall not be entered unless the magistrate finds that the child is exposed to a substantial risk of bodily injury or sexual abuse. An ex parte order entered under this subsection shall expire and the magistrate shall schedule an ex parte hearing before a district court judge by the end of the next day on which the district court is in session in the county in which the action was filed. Ex parte orders entered by the district court judge pursuant to this

subsection shall be entered and scheduled in accordance with subsection (c) of this section.

(c2) The authority granted to authorized magistrates to award temporary child custody to pursuant subsection (c1) of this section and pursuant to G.S. 50B-3(a)(4) is granted subject to custody rules to be established by the supervising chief district judge of each judicial district.

(d) Pro Se Forms. – The clerk of superior court of each county shall provide to pro se complainants all forms which are necessary or appropriate to enable them to proceed pro se pursuant to this section. The Clerk shall provide a supply of pro se forms to authorized magistrates who shall make the forms available to complainants seeking relief under subsection (c1) of this section."

**SECTION 29A.6.(b)** G.S. 50B-3(a) reads as rewritten:

"(a) The court, including magistrates as authorized under G.S. 50B-2(c1), may grant any protective order or approve any consent agreement to bring about a cessation of acts of domestic violence. The orders or agreements may:

...  
(10) Award ~~costs and~~ attorney's fees to either party;

..."

**SECTION 29A.6.(c)** G.S. 50B-4(a) reads as rewritten:

"(a) A party may file a motion for contempt for violation of any order entered pursuant to this Chapter. This party may file and proceed with that motion pro se, using forms provided by the clerk of superior court or a magistrate authorized under G.S. 50B-2(c1). Upon the filing pro se of a motion for contempt under this subsection, the clerk, or the authorized magistrate, if the facts show clearly that there is danger of acts of domestic violence against the aggrieved party or a minor child and the motion is made at a time when the clerk is not available, shall schedule and issue notice of a show cause hearing with the district court division of the General Court of Justice at the earliest possible date pursuant to G.S. 5A-23. The Clerk, or the magistrate in the case of notice issued by the magistrate pursuant to this subsection, shall effect service of the motion, notice, and other papers through the appropriate law enforcement agency where the defendant is to be ~~served, upon payment of the required service fees.~~ served."

**SECTION 29A.6.(d)** G.S. 1-110(a)(6) is repealed.

**SECTION 29A.6.(e)** G.S. 7A-305(a) reads as rewritten:

"(a) In every civil action in the superior or district ~~court~~ court, except for actions brought under Chapter 50B of the General Statutes, the following costs shall be assessed:

- (1) For the use of the courtroom and related judicial facilities, the sum of twelve dollars (\$12.00) in cases heard before a magistrate, and the sum of sixteen dollars (\$16.00) in district and superior court, to be remitted to the county in which the judgment is rendered, except that in all cases in which the judgment is rendered in facilities provided by a municipality, the facilities fee shall be paid to the municipality. Funds derived from the facilities fees shall be used in the same manner, for the same purposes, and subject to the same restrictions, as facilities fees assessed in criminal actions.
- (2) For support of the General Court of Justice, the sum of fifty-nine dollars (\$59.00) in the superior court, and the sum of forty-four dollars (\$44.00) in the district court except that if the case is assigned to a magistrate the sum shall be thirty-three dollars (\$33.00). Sums

collected under this subdivision shall be remitted to the State Treasurer. The State Treasurer shall remit the sum of one dollar and five cents (\$1.05) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.4."

**SECTION 29A.6.(f)** G.S. 7A-311(a) reads as rewritten:

"(a) In a civil action or special proceeding, except for actions brought under Chapter 50B of the General Statutes, the following fees and commissions shall be assessed, collected, and remitted to the county:

- (1) a. For each item of civil process served, including summons, subpoenas, notices, motions, orders, writs and pleadings, the sum of five dollars (\$5.00). When two or more items of civil process are served simultaneously on one party, only one five dollar (\$5.00) fee shall be charged.
- b. When an item of civil process is served on two or more persons or organizations, a separate service charge shall be made for each person or organization. If the process is served, or attempted to be served, by a city policeman, the fee shall be remitted to the city rather than the county. If the process is served, or attempted to be served by the sheriff, the fee shall be remitted to the county. This subsection shall not apply to service of summons to jurors."

**SECTION 29A.6.(g)** G.S. 7A-311(b) reads as rewritten:

"(b) All fees that are required to be assessed, collected, and remitted under subsection (a) of this section shall be collected in advance (except in suits in forma pauperis) except those contingent on expenses or sales prices. When the fee is not collected in advance or at the time of assessment, a lien shall exist in favor of the county on all property of the party owing the fee. If the fee remains unpaid it shall be entered as a judgment against the debtor and shall be docketed in the judgment docket in the office of the clerk of superior court."

**SECTION 29A.6.(h)** This section becomes effective October 1, 2002.

**SECTION 29A.7.(a)** G.S. 7A-308(c) reads as rewritten:

"(c) A person who participates in a program for the collection of worthless checks under G.S. 14-107.2 must pay a fee of ~~fifty dollars (\$50.00)~~ sixty dollars (\$60.00). The fee collected under this subsection must be remitted to the State by the clerk of the court in the county in which the program is established and credited to the Collection of Worthless Checks Fund. The Collection of Worthless Checks Fund is created as a special revenue fund. Revenue in the Fund does not revert at the end of the fiscal year, and interest and other investment income earned by the Fund accrues to the Fund. The money in the Fund is subject to appropriation by the General Assembly and may be used solely for the expenses of the programs established under G.S. 14-107.2 for the collection of worthless ~~checks~~ checks, including personnel, equipment, and other costs of district attorneys' offices that are attributable to the provision of these programs."

**SECTION 29A.7.(b)** This section becomes effective October 1, 2002.

**SECTION 29A.8.(a)** G.S. 7A-304(a) is amended by adding a new subdivision to read:

"(a) In every criminal case in the superior or district court, wherein the defendant is convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the prosecuting witness, the following costs shall be assessed and collected,

except that when the judgment imposes an active prison sentence, costs shall be assessed and collected only when the judgment specifically so provides, and that no costs may be assessed when a case is dismissed.

- ...
- (7) For the services of the State Bureau of Investigation laboratory facilities, the district or superior court judge shall, upon conviction, order payment of the sum of three hundred dollars (\$300.00) to be remitted to the Department of Justice for support of the State Bureau of Investigation. This cost shall be assessed only in cases in which, as part of the investigation leading to the defendant's conviction, the laboratories have performed DNA analysis of the crime, tests of bodily fluids of the defendant for the presence of alcohol or controlled substances, or analysis of any controlled substance possessed by the defendant or the defendant's agent. The court may waive or reduce the amount of the payment required by this subdivision upon a finding of just cause to grant such a waiver or reduction."

**SECTION 29A.8.(b)** G.S. 90-95.3(b) is repealed.

**SECTION 29A.8.(c)** Subsection (a) of this section becomes effective October 1, 2002, and applies to court costs assessed or collected on or after that date. Subsection (b) of this section becomes effective October 1, 2002, but the provisions of G.S. 90-95.3(b) continue to apply to any defendant who was ordered to make restitution under the provisions of that subsection prior to October 1, 2002.

**SECTION 29A.9.(a)** Article 36 of Chapter 7A of the General Statutes is amended by adding a new section to read:

**"§ 7A-455.1. Appointment fee in criminal cases.**

(a) Each person who requests the appointment of counsel in a criminal case shall pay to the clerk of court a nonrefundable appointment fee of fifty dollars (\$50.00) at the time of appointment. Partial payments shall be credited against the amount of the fifty-dollar (\$50.00) fee due. No fee shall be due if the court finds that the person is not entitled to the appointment of counsel.

(b) The appointment fee in this section is due regardless of the outcome of the proceedings. If paid before the final determination of the action at the trial level, the amount of the fee paid shall be credited against any amounts the court determines to be owed for the value of legal services rendered to the defendant. If not paid before the final determination of the action at the trial level, the unpaid amount of the fee shall be added to any amounts the court determines to be owed for the value of legal services rendered to the defendant and shall be collected in the same manner as attorneys' fees are collected for such representation. If no attorneys' fees are found due when the action is finally determined at the trial level, a judgment shall be entered, docketed, and indexed pursuant to G.S. 1-233 in the amount of the unpaid fee and shall constitute a lien as prescribed by the general law of the State applicable to judgments.

(c) The attorney representing the defendant when the action is finally determined at the trial level shall advise the court whether the appointment fee required by this section has been paid.

(d) Inability, failure, or refusal to pay the appointment fee shall not be grounds for denying appointment of counsel, for withdrawal of counsel, or for contempt.

(e) The appointment fee required by this section shall be assessed only once for each affidavit of indigency submitted by a defendant or other determination of indigency by the court, regardless of the number of cases for which an attorney is

appointed. An additional appointment fee shall not be assessed for any additional cases thereafter assigned to an attorney if any cases for which a defendant was previously assessed an appointment fee are still pending. Nor shall an additional appointment fee be assessed if the charges for which an attorney was appointed are dismissed and subsequently refiled or if the defendant is appointed an attorney on appeal on a matter for which the defendant was assessed an appointment fee at the trial level.

(f) Of each appointment fee collected under this section, the sum of forty-five dollars (\$45.00) shall be credited to the Indigent Persons' Attorney Fee Fund and the sum of five dollars (\$5.00) shall be credited to the Court Information Technology Fund under G.S. 7A-343.2. These fees shall not revert.

(g) The Office of Indigent Defense Services shall adopt rules and develop forms to govern implementation of this section."

**SECTION 29A.9.(b)** G.S. 7A-304(d)(1) reads as rewritten:

- "(d) (1) In any criminal case in which the liability for costs, fines, restitution, or any other lawful charge has been finally determined, the clerk of superior court shall, unless otherwise ordered by the presiding judge, disburse such funds when paid in accordance with the following priorities:
- a. Sums in restitution to the victim entitled thereto;
  - b. Costs due the county;
  - c. Costs due the city;
  - d. Fines to the county school fund;
  - e. Sums in restitution prorated among the persons other than the victim entitled thereto;
  - f. Costs due the State;
  - g. Attorney's fees. fees, including appointment fees assessed pursuant to G.S. 7A-455.1."

**SECTION 29A.9.(c)** This section becomes effective December 1, 2002, and applies to all requests for the appointment of counsel made on or after that date.

**SECTION 29A.10.(a)** G.S. 7A-309 reads as rewritten:

**"§ 7A-309. Magistrate's special fees.**

The following special fees shall be collected by the magistrate and remitted to the clerk of superior court for the use of the State in support of the General Court of Justice:

- (1) Performing marriage ceremony..... ~~\$10.00~~\$20.00
- (2) Hearing petition for year's allowance to surviving spouse or child, issuing notices to commissioners, allotting the same, and making return..... ~~4.00~~8.00
- (3) Taking a deposition ..... ~~5.00~~10.00
- (4) Proof of execution or acknowledgment of any instrument ..... ~~1.00~~2.00
- (5) Performing any other statutory function not incident to a civil or criminal action ..... ~~1.00~~2.00"

**SECTION 29A.10.(b)** This section becomes effective October 1, 2002, and applies to all acts done on or after that date.

**SECTION 29A.11.(a)** Article 5 of Chapter 7A of the General Statutes is amended by adding a new section to read:

**"§ 7A-38.7. Dispute resolution fee for cases resolved in mediation.**

(a) In each criminal case filed in the General Court of Justice that is resolved through referral to a community mediation center, a dispute resolution fee shall be assessed in the sum of sixty dollars (\$60.00) for the support of the General Court of

Justice. Fees assessed under this section shall be paid to the clerk of superior court in the county where the case was filed and remitted by the clerk to the State Treasurer.

(b) Before providing the district attorney with a dismissal form, the community mediation center shall require proof that the defendant has paid the dispute resolution fee as required by subsection (a) of this section."

**SECTION 29A.11.(b)** Each community mediation center shall maintain records as to the number of cases in which dispute resolution fees are assessed and paid. The Mediation Network of North Carolina shall collect this information from each center annually.

Each community mediation center shall also maintain records as to the source of referral for all court-referred cases. Each center receiving State funds shall use a standardized form and methodology to determine the referral source and report that information annually to the Mediation Network of North Carolina.

The Mediation Network of North Carolina shall report by March 15, 2003, to the Chairs of the Senate and House of Representatives Appropriations Committees and the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety on the fees collected year-to-date and the sources of referral of court-referred cases during the 2002-2003 fiscal year.

**SECTION 29A.11.(c)** This section becomes effective November 1, 2002, and applies to cases resolved on or after that date.

**SECTION 29A.12.(a)** G.S. 114-19.1(b) reads as rewritten:

"(b) As used in this section, "administration of criminal justice" means the performance of any of the following activities: the detection, apprehension, detention, pretrial release, post-trial release, prosecution, adjudication, correctional supervision, or rehabilitation of persons suspected of, accused of or convicted of a criminal offense. The term also includes screening for suitability for employment, appointment or retention of a person as a law enforcement or criminal justice officer, ~~or as an officer of the court, officer~~ or for suitability for appointment of a person who must be appointed or confirmed by the General Assembly, the Senate, or the House of Representatives."

**SECTION 29A.12.(b)** This section becomes effective October 1, 2002.

**SECTION 29A.13.** G.S. 18B-903 is amended by adding a new subsection to read:

"(b1) Registration. – Each person holding a malt beverage, fortified wine, or unfortified wine permit issued pursuant to G.S. 18B-902(d)(1) through G.S. 18B-902(d)(6) shall register by May 1 of each year on a form provided by the Commission, in order to provide information needed by the State in enforcing this Chapter and to support the costs of that enforcement. The registration required by this subsection shall be accompanied by an annual registration and inspection fee of two hundred dollars (\$200.00) for each permit held. The fee shall be paid by May 1 of each year."

**SECTION 29A.13.1.(a)** G.S. 7A-308(a) reads as rewritten:

"(a) The following miscellaneous fees and commissions shall be collected by the clerk of superior court and remitted to the State for the support of the General Court of Justice:

- (1) Foreclosure under power of sale in deed of trust or mortgage..... ~~\$40.00~~ \$60.00  
 If the property is sold under the power of sale, an additional amount will be charged, determined by the following formula: ~~thirty cents (30¢)~~ forty-five cents

.45 per one hundred dollars (\$100.00), or major fraction thereof, of the final sale price. If the amount determined by the formula is less than ten dollars (\$10.00), a minimum ten dollar (\$10.00) fee will be collected. If the amount determined by the formula is more than ~~two hundred dollars (\$200.00)~~, three hundred dollars (\$300.00), a maximum ~~two hundred dollar (\$200.00)~~ three hundred dollar (\$300.00) fee will be collected.

|      |   |                   |                |
|------|---|-------------------|----------------|
| (2)  | Proceeding supplemental to execution.....   | <del>20.00</del>  | <u>30.00</u>   |
| (3)  | Confession of judgment .....  | <del>15.00</del>  | <u>22.50</u>   |
| (4)  | Taking a deposition .....   | <del>5.00</del>   | <u>7.50</u>    |
| (5)  | Execution.....  | <del>15.00</del>  | <u>22.50</u>   |
| (6)  | Notice of resumption of former name.....  | <del>5.00</del>   | <u>7.50</u>    |
| (7)  | Taking an acknowledgment or administering an oath, or both, with or without seal, each certificate (except that oaths of office shall be administered to public officials without charge).....  | <del>\$1.00</del> | <u>\$1.50</u>  |
| (8)  | Bond, taking justification or approving.....  | <del>5.00</del>   | <u>7.50</u>    |
| (9)  | Certificate, under seal.....  | <del>2.00</del>   | <u>3.00</u>    |
| (10) | Exemplification of records .....  | <del>5.00</del>   | <u>7.50</u>    |
| (11) | Recording or docketing (including indexing) any document  |                   |                |
|      | — first page .....  | <del>4.00</del>   | <u>6.00</u>    |
|      | — each additional page or fraction thereof.....   |                   | <u>.25</u>     |
| (12) | Preparation of copies   |                   |                |
|      | — first page .....  | <del>1.00</del>   | <u>1.50</u>    |
|      | — each additional page or fraction thereof.....   |                   | <u>.25</u>     |
| (13) | Preparation and docketing of transcript of judgment.....  | <del>5.00</del>   | <u>7.50</u>    |
| (14) | Substitution of trustee in deed of trust .....  | <del>5.00</del>   | <u>7.50</u>    |
| (15) | Execution of passport application – the amount allowed by federal law   |                   |                |
| (16) | Repealed by Session Laws 1989, c. 783, s. 2.  |                   |                |
| (17) | Criminal record search except if search is requested by an agency of the State or any of its political subdivisions or by an agency of the United States or by a petitioner in a proceeding under Article 2 of General Statutes Chapter 20..... | <del>5.00</del>   | <u>7.50</u>    |
| (18) | Filing the affirmations, acknowledgments, agreements and resulting orders entered into under the provisions of G.S. 110-132 and G.S. 110-133 .....  | <del>4.00</del>   | <u>6.00</u>    |
| (19) | Repealed by Session Laws 1989, c. 783, s. 3.  |                   |                |
| (20) | Filing a motion to assert a right of access under G.S. 1-72.1 .....   | <del>20.00</del>  | <u>30.00</u> " |

**SECTION 29A.13.1.(b)** This section becomes effective October 1, 2002, and applies to all acts done on or after that date.

**SECTION 29A.14.** Except as otherwise provided, this subpart becomes effective October 1, 2002.

**SUBPART B. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES FEES**

**SECTION 29A.15.(a)** G.S. 130A-248(d) reads as rewritten:

"(d) The Department shall charge each establishment subject to this section, except nutrition programs for the elderly administered by the Division of Aging of the Department of Health and Human Services, establishments that prepare and sell meat food products or poultry products, and public school cafeterias, an annual fee of ~~twenty-five dollars (\$25.00)~~ fifty dollars (\$50.00). The Department shall charge an additional twenty-five dollar (\$25.00) late payment fee to any establishment that fails to pay the required fee within 45 days after billing by the Department. The Department may, in accordance with G.S. 130A-23, suspend the permit of an establishment that fails to pay the required fee within 60 days after billing by the Department. The Department shall charge a reinstatement fee of one hundred fifty dollars (\$150.00) to any establishment that requests reinstatement of its permit after the permit has been suspended. The Commission shall adopt rules to implement this subsection. Fees collected under this subsection shall be used for State and local food, lodging, and institution sanitation programs and activities. No more than thirty-three and one-third percent (33-1/3%) of the fees collected under this subsection may be used to support State health programs and activities."

**SECTION 29A.15.(b)** The Legislative Research Commission may study the current program within the Department of Environment and Natural Resources regarding the regulation of food and lodging facilities to determine whether the annual fee paid by establishments under G.S. 130A-248(d), as amended by subsection (a) of this section, is sufficient for the State and local food, lodging, and institution sanitation programs and activities. The Legislative Research Commission shall report no later than the convening of the 2004 Regular Session of the 2003 General Assembly. This report shall include a recommendation as to whether the annual fee paid by establishments should remain at fifty dollars (\$50.00) or should be changed and, if so, to what amount it should be changed in order to improve the State and local food, lodging, and institution sanitation programs and activities. This report shall include any legislative proposals needed to accomplish the Commission's recommendations.

**SECTION 29A.16.** G.S. 130A-248 is amended by adding two new subsections to read:

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

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

**SECTION 29A.17.** Except as otherwise provided, this subpart becomes effective October 1, 2002.



**SUBPART C. DEPARTMENT OF HEALTH AND HUMAN SERVICES FEES**

**SECTION 29A.18.(a)** G.S. 130A-93.1 reads as rewritten:

**"§ 130A-93.1. Fees for vital records copies or search; automation fund.**

(a) The State Registrar shall collect, process, and utilize fees for services as follows:

- (1) A fee not to exceed ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) shall be charged for issuing any copy of a vital record or for conducting a routine search of the files for the record when no copy is made. When certificates are issued or searches conducted by local agencies using databases maintained by the State Registrar, the local agency shall charge this fee and shall forward five dollars (\$5.00) of this fee to the State Registrar for purposes established in subsection (b) of this section.
- (2) A fee not to exceed ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) shall be charged in addition to the fee charged under subdivision (1) of this subsection and to all shipping and commercial charges when expedited service is specifically requested.
- (2a) The fee for a copy of a computer or microform database shall not exceed the cost to the agency of making and providing the copy.
- (3) Except as provided in subsection (b) of this section, fees collected under this subsection shall be used by the Department for public health purposes.

(b) The Vital Records Automation Account is established as a nonreverting account within the Department. Five dollars (\$5.00) of each fee collected pursuant to subdivision (a)(1) shall be credited to this Account. The Department shall use the revenue in the Account to fully automate and maintain the vital records system. When funds sufficient to fully automate and maintain the system have accumulated in the Account, fees shall no longer be credited to the Account but shall be used as specified in subdivision (a)(3) of this section."

**SECTION 29A.18.(b)** G.S. 130A-118(d) reads as rewritten:

"(d) For the amendment of a certificate of birth or death after its acceptance for filing, or for the making of a new certificate of birth under this Article, the State Registrar shall be entitled to a fee not to exceed ~~seven dollars and fifty cents (\$7.50)~~ fifteen dollars (\$15.00) to be paid by the applicant."

**SECTION 29A.19.** The Department of Health and Human Services shall charge a fee in the amount of ten dollars (\$10.00) for a laboratory test performed by the State Public Health Laboratory under the Newborn Screening Program pursuant to G.S. 130A-125. If the actual cost to perform the test exceeds the amount of the fee authorized under this section, then the Department may increase the fee in accordance with its authority under G.S. 130A-125(c) to cover the cost.

**SECTION 29A.20.** Except as otherwise provided, this subpart becomes effective November 1, 2002.

**SUBPART D. SECRETARY OF STATE FEES**

**SECTION 29A.21** G.S. 10A-4(b)(6) reads as rewritten:

"(b) A person qualified for a notarial commission shall meet all of the following requirements:

...

- (6) Pay a nonrefundable fee of ~~thirty dollars (\$30.00)~~ thirty dollars (\$50.00)."

**SECTION 29A.22.** G.S. 78A-17(9) reads as rewritten:

- "(9) Any transaction pursuant to an offer directed by the offeror to not more than 25 persons, other than those persons designated in subdivision (8), in this State during any period of 12 consecutive months, whether or not the offeror or any of the offerees is then present in this State, if the seller reasonably believes that all the buyers in this State are purchasing for investment. The Administrator may by rule or order withdraw, amend, or further condition this exemption for any security or security ~~transaction and establish~~ transaction. There is established a fee of one hundred fifty dollars (\$150.00) to recover costs for any filing required, not to exceed one hundred fifty dollars (\$150.00) required."

**SECTION 29A.23.** G.S. 78A-17(17) reads as rewritten:

- "(17) Any transaction that is exempt pursuant to rules established by the Administrator creating limited offering transactional exemptions that are consistent with the objectives of compatibility with federal limited offering exemptions and uniformity among the states. ~~The Administrator may establish~~ There is established a fee of one hundred fifty dollars (\$150.00) to recover costs for any filing required by such rules, not to exceed one hundred fifty dollars (\$150.00) rules."

**SECTION 29A.24.** G.S. 78A-31(b) reads as rewritten:

- "(b) With regard to any security that is covered under section 18(b)(4)(D) of the Securities Act of 1933 (15 U.S.C. § 77r(b)(4)(d)), the Administrator, by rule or order, may require the issuer to file a notice on SEC Form D (17 C.F.R. § 239.500) and a consent to service of process signed by the issuer no later than 15 days after the first sale of the security in this State. ~~The Administrator may, by rule, establish~~ There is established a fee of one hundred fifty dollars (\$150.00) to recover costs for filing required by this section, not to exceed one hundred fifty dollars (\$150.00) section."

**SECTION 29A.25.** G.S. 55-1-22(a) reads as rewritten:

- "(a) The Secretary of State shall collect the following fees when the documents described in this subsection are delivered to the Secretary for filing:
- | Document   | Fee                           |
|--|-------------------------------|
| (1) Articles of incorporation  | \$125.00                      |
| (2) Application for reserved name  | <del>10.00</del> <u>30.00</u> |
| (3) Notice of transfer of reserved name  | 10.00                         |
| (4) Application for registered name  | 10.00                         |
| (5) Application for renewal of registered name   | 10.00                         |
| (6) Corporation's statement of change of registered agent or registered office or both | 5.00                          |
| (7) Agent's statement of change of registered office for each affected corporation     | 5.00                          |
| (8) Agent's statement of resignation   | No fee                        |
| (9) Designation of registered agent or registered office or both                       | 5.00                          |
| (10) Amendment of articles of incorporation  | 50.00                         |
| (11) Restated articles of incorporation  | 10.00                         |
| with amendment of articles   | 50.00                         |

|       |   |                        |
|-------|---|------------------------|
| (12)  | Articles of merger or share exchange  | 50.00                  |
| (12a) | Articles of conversion (other than articles of conversion included as part of another document) | 50.00                  |
| (13)  | Articles of dissolution   | 30.00                  |
| (14)  | Articles of revocation of dissolution   | 10.00                  |
| (15)  | Certificate of administrative dissolution   | No fee                 |
| (16)  | Application for reinstatement following administrative dissolution                              | 100.00                 |
| (17)  | Certificate of reinstatement  | No fee                 |
| (18)  | Certificate of judicial dissolution   | No fee                 |
| (19)  | Application for certificate of authority  | 250.00                 |
| (20)  | Application for amended certificate of authority  | <del>50.00</del> 75.00 |
| (21)  | Application for certificate of withdrawal   | <del>10.00</del> 25.00 |
| (22)  | Certificate of revocation of authority to transact business                                     | No fee                 |
| (23)  | Annual report   | 20.00                  |
| (24)  | Articles of correction  | 10.00                  |
| (25)  | Application for certificate of existence or authorization ( <u>paper</u> )                      | <del>5.00</del> 15.00  |
| (25a) | <u>Application for certificate of existence or authorization (electronic)</u>                   | 10.00                  |
| (26)  | Any other document required or permitted to be filed by this Chapter                            | 10.00                  |
| (27)  | Repealed by Session Laws 2001-358, s. 6(b)."  |                        |

**SECTION 29A.26.** G.S. 55-1-22(c) reads as rewritten:

"(c) The Secretary of State shall collect the following fees for copying, comparing, and certifying a copy of any filed document relating to a domestic or foreign corporation:

- (1) One dollar (\$1.00) a page for copying or comparing a copy to the original.
- (2) ~~Five dollars (\$5.00) for the certificate.~~ Fifteen dollars (\$15.00) for a paper certificate.
- (3) Ten dollars (\$10.00) for an electronic certificate."

**SECTION 29A.27.** G.S. 55A-1-22(a)(26) reads as rewritten:

"(a) The Secretary of State shall collect the following fees when the documents described in this subsection are delivered to the Secretary for filing:

...

|       |   |                         |
|-------|---|-------------------------|
| (26)  | Application for certificate of existence or authorization ( <u>paper</u> )    | <del>\$5.00</del> 15.00 |
| (26a) | <u>Application for certificate of existence or authorization (electronic)</u> | 10.00"                  |

**SECTION 29A.28.** G.S. 55A-1-22(c) reads as rewritten:

"(c) The Secretary of State shall collect the following fees for copying, comparing, and certifying a copy of any filed document relating to a domestic or foreign corporation:

- (1) One dollar (\$1.00) a page for copying or comparing a copy to the ~~original; and original.~~
- (2) ~~Five dollars (\$5.00) for the certificate.~~ Fifteen dollars (\$15.00) for a paper certificate.
- (3) Ten dollars (\$10.00) for an electronic certificate."

**SECTION 29A.29.** G.S. 57C-1-22(a)(24) reads as rewritten:

"(a) The Secretary of State shall collect the following fees when the documents described in this subsection are delivered to the Secretary of State for filing:

...

|       |   |                       |
|-------|---|-----------------------|
| (24)  | Application for certificate of existence or authorization ( <u>paper</u> )    | <del>5.00</del> 15.00 |
| (24a) | <u>Application for certificate of existence or authorization (electronic)</u> | 10.00"                |

**SECTION 29A.30.** G.S. 57C-1-22(c) reads as rewritten:

"(c) The Secretary of State shall collect the following fees for copying, comparing, and certifying a copy of any filed document relating to a domestic or foreign limited liability company:

- (1) One dollar (\$1.00) a page for copying or comparing a copy to the original; and
- (2) ~~Five dollars (\$5.00) for the certificate.~~ Fifteen dollars (\$15.00) for a paper certificate.
- (3) Ten dollars (\$10.00) for an electronic certificate."

**SECTION 29A.31.** G.S. 59-1106(c) reads as rewritten:

"(c) The Secretary of State shall collect the following fees for copying, comparing, and certifying a copy of any filed document relating to a domestic or foreign limited partnership:

- (1) One dollar (\$1.00) a page for copying or comparing a copy to the original; and
- (2) ~~Five dollars (\$5.00) for the certificate.~~ Fifteen dollars (\$15.00) for a paper certificate.
- (3) Ten dollars (\$10.00) for an electronic certificate.

**SECTION 29A.32.** G.S. 147-37 reads as rewritten:**"§ 147-37. Secretary of State; fees to be collected.**

When no other charge is provided by law, the Secretary of State shall collect such fees for copying any document or record on file in his office which in his discretion bears a reasonable relation to the quantity of copies supplied and the cost of purchasing or leasing and maintaining copying equipment. These fees may be changed from time to time, but a schedule of fees shall be available on request at all times. In addition to copying charges, the Secretary of State shall collect a fee of ten dollars (\$10.00) for certifying any document or record on file in his office or for issuing any certificate as to the facts shown by the records on file in his ~~office~~office, except that if two or more certificates for foreign adoption are requested concurrently, the fee for the second and subsequent certificates is five dollars (\$5.00)."

**SECTION 29A.33.** G.S. 120-47.3 reads as rewritten:**"§ 120-47.3. Registration fee.**

Every lobbyist's principal shall pay to the Secretary of State a fee of ~~seventy-five dollars (\$75.00) which fee shall be~~ two hundred dollars (\$200.00) that is due and payable by either the lobbyist or the lobbyist's principal at the time of registration.

A separate registration, together with a separate registration fee of ~~seventy-five dollars (\$75.00), shall be~~ two hundred dollars (\$200.00) is required for each lobbyist's principal for which a person acts as a lobbyist. Fees so collected shall be deposited in the General Fund of the State."

**SECTION 29A.34.** G.S. 78A-37(b) reads as rewritten:

"(b) Every applicant for initial or renewal registration shall pay a filing fee of ~~two hundred dollars (\$200.00)~~ three hundred dollars (\$300.00) in the case of a dealer and ~~fifty-five dollars (\$55.00)~~ seventy-five dollars (\$75.00) in the case of a salesman. The Administrator may by rule reduce the registration fee proportionately when the registration will be in effect for less than a full year."

**SECTION 29A.35.** G.S. 78C-17(b) reads as rewritten:

"(b) Every applicant for initial or renewal registration shall pay a filing fee of two hundred dollars (\$200.00) in the case of an investment adviser, and ~~forty-five dollars (\$45.00)~~ seventy-five dollars (\$75.00) in the case of an investment adviser

representative. When an application is denied or withdrawn, the Administrator shall retain the fee.

**SECTION 29A.36.** G.S. 80-3(b) reads as rewritten:

"(b) The application shall be signed and verified by the applicant, by a partner, by a member of the firm, or an officer of the corporation or association applying for registration. In states in which a notary is not required by law to obtain a notary's stamp or seal, an original certificate of authority of the notary issued by the appropriate State agency shall be submitted with the application. If the application is signed by a person acting pursuant to a power of attorney from the applicant, an original power of attorney or a certified copy of the power of attorney shall accompany the application.

The application shall be accompanied by three specimens of the mark as currently used and by a filing fee of ~~fifty dollars (\$50.00)~~, seventy-five dollars (\$75.00), payable to the Secretary."

**SECTION 29A.37.** G.S. 78A-31(a)(4) reads as rewritten:

"(a) The Administrator, by rule or order, may require the filing of any of the following documents with regard to a security covered under section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. § 77r(b)(2)):

- ...
- (4) A notice filing pursuant to this section shall expire on December 31 of each year or some other date not more than one year from its effective date as the Administrator may by rule or order provide. A notice filing of the offer of securities covered under federal law that are to be offered for a period in excess of one year shall be renewed annually by payment of a renewal fee of ~~one~~ two hundred dollars (~~\$100.00~~) (\$200.00) and by filing any documents and reports that the Administrator may by rule or order require consistent with this section. The renewal shall be effective upon the expiration of the prior notice period."

**SECTION 29A.38.** Except as otherwise provided, this subpart becomes effective November 1, 2002.

## **PART XXX-A. LOCAL GOVERNMENT REVENUES**

**SECTION 30A.1.** Section 34.15(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 34.15.(b)** This section becomes effective July 1, ~~2003~~ 2002."

**SECTION 30A.2.** G.S. 159-15 reads as rewritten:

### **"§ 159-15. Amendments to the budget ordinance.**

Except as otherwise restricted by law, the governing board may amend the budget ordinance at any time after the ordinance's adoption in any manner, so long as the ordinance, as amended, continues to satisfy the requirements of G.S. 159-8 and 159-13. However, except as otherwise provided in this section, no amendment may increase or reduce a property tax levy or in any manner alter a property taxpayer's liability, unless the board is ordered to do so by a court of competent jurisdiction, or by a State agency having the power to compel the levy of taxes by the board.

If after July 1 the local government receives revenues that are substantially more or less than the amount anticipated, the governing body may, before January 1 following adoption of the budget, amend the budget ordinance to reduce or increase the property tax levy to account for the unanticipated increase or reduction in revenues.

The governing board by appropriate resolution or ordinance may authorize the

budget officer to transfer moneys from one appropriation to another within the same fund subject to such limitations and procedures as it may prescribe. Any such transfers shall be reported to the governing board at its next regular meeting and shall be entered in the minutes."

#### **PART XXX-B. DELAY 2001 TAX BREAKS**

**SECTION 30B.1.(a)** The lead-in language of Section 34.19(a) of S.L. 2001-424 reads as rewritten:

"**SECTION 34.19.(a)** Effective for taxable years beginning on or after January 1, ~~2002,2003~~, G.S. 105-134.6(c)(3) and (4) reads as rewritten:"

**SECTION 30B.1.(b)** The lead-in language of Section 34.19(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 34.19.(b)** Effective for taxable years beginning on or after January 1, ~~2003,2004~~, G.S. 105-134.6(c)(4), as amended by this section, reads as rewritten:"

**SECTION 30B.2.(a)** The lead-in language of Section 34.20(a) of S.L. 2001-424 reads as rewritten:

"**SECTION 34.20.(a)** Effective for taxable years beginning on or after January 1, ~~2002,2003~~, G.S. 105-151.24 reads as rewritten:"

**SECTION 30B.2.(b)** The lead-in language of Section 34.20(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 34.20.(b)** Effective for taxable years beginning on or after January 1, ~~2003,2004~~, G.S. 105-151.24, as amended by this section, reads as rewritten:"

#### **PART XXX-C. UPDATE IRC REFERENCE**

**SECTION 30C.1.(a)** G.S. 105-228.90(b)(1b) reads as rewritten:

"(1b) Code. – The Internal Revenue Code as enacted as of ~~January 1, 2001,May 1, 2002~~, including any provisions enacted as of that date which become effective either before or after that date."

**SECTION 30C.1.(b)** Notwithstanding subsection (a) of this section, any amendments to the Internal Revenue Code enacted in 2001 that increase North Carolina taxable income for the 2001 taxable year become effective for taxable years beginning on or after January 1, 2002.

**SECTION 30C.2.(a)** G.S. 105-130.5(a) is amended by adding a new subdivision to read:

"(a) The following additions to federal taxable income shall be made in determining State net income:

- ...
- (15) The applicable percentage of the amount allowed as a thirty percent (30%) accelerated depreciation deduction under section 168(k) or section 1400L of the Code, as set out in the table below. In addition, a taxpayer who was allowed a thirty percent (30%) accelerated depreciation deduction under section 168(k) or section 1400L of the Code in a taxable year beginning before January 1, 2002, and whose North Carolina taxable income in that earlier year reflected that accelerated depreciation deduction must add to federal taxable income in the taxpayer's first taxable year beginning on or after January 1, 2002, an amount equal to the amount of the deduction allowed in the

earlier taxable year. These adjustments do not result in a difference in basis of the affected assets for State and federal income tax purposes. The applicable percentage is as follows:

| <u>Taxable Year</u>        | <u>Percentage</u> |
|----------------------------|-------------------|
| <u>2002</u>                | <u>100%</u>       |
| <u>2003</u>                | <u>70%</u>        |
| <u>2004 and thereafter</u> | <u>0%"</u>        |

**SECTION 30C.2.(b)** G.S. 105-134.6(c) is amended by adding a new subdivision to read:

"(c) Additions. – The following additions to taxable income shall be made in calculating North Carolina taxable income, to the extent each item is not included in taxable income:

...

- (8) The applicable percentage of the amount allowed as a thirty percent (30%) accelerated depreciation deduction under section 168(k) or section 1400L of the Code, as set out in the table below. In addition, a taxpayer who was allowed a thirty percent (30%) accelerated depreciation deduction under section 168(k) or section 1400L of the Code in a taxable year beginning before January 1, 2002, and whose North Carolina taxable income in that earlier year reflected that accelerated depreciation deduction must add to federal taxable income in the taxpayer's first taxable year beginning on or after January 1, 2002, an amount equal to the amount of the deduction allowed in the earlier taxable year. These adjustments do not result in a difference in basis of the affected assets for State and federal income tax purposes. The applicable percentage is as follows:

| <u>Taxable Year</u>        | <u>Percentage</u> |
|----------------------------|-------------------|
| <u>2002</u>                | <u>100%</u>       |
| <u>2003</u>                | <u>70%</u>        |
| <u>2004 and thereafter</u> | <u>0%"</u>        |

**SECTION 30C.2.(c)** G.S. 105-130.5(b) is amended by adding a new subdivision to read:

"(b) The following deductions from federal taxable income shall be made in determining State net income:

...

- (21) In each of the taxpayer's first five taxable years beginning on or after January 1, 2005, an amount equal to twenty percent (20%) of the amount added to taxable income in a previous year as accelerated depreciation under subdivision (a)(15) of this section."

**SECTION 30C.2.(d)** G.S. 105-134.6(b) is amended by adding a new subdivision to read:

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

...

- (17) In each of the taxpayer's first five taxable years beginning on or after January 1, 2005, an amount equal to twenty percent (20%) of the amount added to taxable income in a previous year as accelerated depreciation under subdivision (c)(8) of this section."

**SECTION 30C.2.(e)** This section is effective for taxable years beginning on or after January 1, 2002.

**SECTION 30C.3.(a)** G.S. 105-32.2(b) reads as rewritten:

"(b) Amount. – The amount of the estate tax imposed by this section for estates of decedents dying on or after January 1, 2002, is the maximum credit for state death taxes allowed under section 2011 of the Code. Code without regard to the phase-out of that credit under subdivision (b)(2) of that section.

If any property in the estate is located in a state other than North Carolina, the amount of tax payable is the North Carolina percentage of the credit.

If the decedent was a resident of this State at death, the North Carolina percentage is the net value of the estate that does not have a tax situs in another state, divided by the net value of all property in the estate. If the decedent was not a resident of this State at death, the North Carolina percentage is the net value of real property that is located in North Carolina plus the net value of any personal property that has a tax situs in North Carolina, divided by the net value of all property in the estate, unless the decedent's state of residence uses a different formula to determine that state's percentage. In that circumstance, the North Carolina percentage is the amount determined by the formula used by the decedent's state of residence.

The net value of property that is located in or has a tax situs in this State is its gross value reduced by any debt secured by that property. The net value of all the property in the estate is its gross value reduced by any debts and deductions of the estate."

**SECTION 30C.3.(b)** This section is effective on and after January 1, 2002, and applies to the estates of decedents dying on or after that date. This section is repealed effective for the estates of decedents dying on or after January 1, 2004.

**SECTION 30C.4.** Effective for taxable years beginning on or after January 1, 2002, G.S. 105-134.6(b)(13) is repealed.

**SECTION 30C.5.(a)** G.S. 105-188(d) reads as rewritten:

"(d) Annual Exclusion. – The annual exclusion amount is equal to the federal inflation-adjusted exclusion amount provided in section 2503(b) of the Code. Gifts not exceeding a total value of ten thousand dollars (\$10,000) equal to the annual exclusion amount made to any one donee in a calendar year are not taxable under this Article. When gifts exceeding a total value of ten thousand dollars (\$10,000) equal to the annual exclusion amount are made to any one donee in a calendar year, only the portion of the gifts exceeding ten thousand dollars (\$10,000) the annual exclusion amount in value is taxable under this Article. This exclusion does not apply to gifts of future interests in property. For the purposes of determining the ~~exclusion herein provided,~~ annual exclusion, no part of a gift to an individual, or in trust for an individual, who has not attained the age of 21 years on the date of ~~such the transfer shall be~~ is considered a gift of a future interest in property if the property and the income therefrom meet all of the following conditions: (i) they may be expended by, or for the benefit of, the donee before his attaining the donee reaches the age of 21 years, and years; (ii) they will to the extent not so expended pass to the donee on his attaining when the donee reaches the age of 21 years, and years; and (iii) they will, in the event the donee dies before attaining the age of 21 years, reaching that age, be payable to the estate of the donee or as he the donee may appoint under a general power of appointment.

When a gift is made by one spouse to a person other than the donor's spouse, the donor may claim both the donor's annual exclusion and the spouse's annual exclusion ~~provided that if~~ both spouses consent and both spouses are residents of this State when the gift is made. Consent to share annual gift tax exclusions ~~shall~~ must be made in



writing on a timely filed gift tax return. Once given, consent to share annual exclusions is irrevocable."

**SECTION 30C.5.(b)** This section is effective January 1, 2002, and applies to gifts made on or after that date.

#### **PART XXX-D. UNAUTHORIZED SUBSTANCE TAX EXPENSES**

**SECTION 30D.(a)** G.S. 105-501 is amended by adding a new subdivision to read:

" ...

In determining the net proceeds of the tax to be distributed, the Secretary shall deduct from the collections to be allocated an amount equal to one-fourth of the costs during the preceding fiscal year of:

...  
**(1a)** Seventy percent (70%) of the expenses of the Department of Revenue in performing the duties imposed by Article 2D of this Chapter.

...."

**SECTION 30D.(b)** This section becomes effective June 30, 2002.

#### **PART XXX-E. INSURANCE REGULATORY CHARGE**

**SECTION 30E.(a)** The percentage rate to be used in calculating the insurance regulatory charge under G.S. 58-6-25 is six and one-half percent (6.5%) for the 2002 calendar year.

**SECTION 30E.(b)** This section is effective when it becomes law.

#### **PART XXX-F. REGULATORY FEE FOR UTILITIES COMMISSION**

**SECTION 30F.(a)** The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) is one-tenth percent (0.1%) for each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 2002.

**SECTION 30F.(b)** The electric membership corporation regulatory fee imposed under G.S. 62-302(b1) for the 2002-2003 fiscal year is two hundred thousand dollars (\$200,000).

**SECTION 30F.(c)** This section becomes effective July 1, 2002.

#### **PART XXX-G. CLOSE CORPORATE TAX LOOPHOLES**

**SECTION 30G.1.(a)** G.S. 105-130.4(a)(1) reads as rewritten:

"(1) "Business income" means ~~income arising from transactions and activity in the regular course of the corporation's trade or business and includes income from tangible and intangible property if the acquisition, management, and/or disposition of the property constitute integral parts of the corporation's regular trade or business operations.~~ all income that is apportionable under the United States Constitution."

**SECTION 30G.1.(b)** This section is effective for taxable years beginning on or after January 1, 2002.

**SECTION 30G.2.(a)** Section 2(a) of S.L. 2001-327 reads as rewritten:

**"EQUALIZE FRANCHISE TAX ON CORPORATE-AFFILIATED LLCs**

**SECTION 2.(a)** The General Assembly finds that most corporations engaged in business in this State comply with the State franchise tax on corporate assets. Some taxpayers, however, take advantage of an unintended loophole in the law and avoid franchise tax by transferring their assets to a controlled limited liability company. This tax avoidance creates an unfair burden on corporate citizens that pay the franchise tax on their assets. It is the intent of this section to apply the franchise tax equally to assets held by corporations and assets held by corporate-affiliated limited liability companies. It is also the intent of this section to provide that a criminal penalty applies to taxpayers who fraudulently evade the tax.

The General Assembly further finds that, after this loophole was closed in 2001, some taxpayers continue to avoid franchise tax by manipulating ownership of assets. One method is to interpose a controlled partnership between the corporation and the controlled limited liability company. This tax avoidance creates an unfair burden on corporate citizens that pay the franchise tax on their assets. It is the intent of the General Assembly to apply the franchise tax equally to assets held by corporations and assets held by corporate-controlled entities."

**SECTION 30G.2.(b)** G.S. 105-114(c) is recodified as G.S. 105-114.1 and reads as rewritten:

**"§ 105-114.1. Limited liability companies.**

(a) Definitions. – The definitions in G.S. 105-130.7A apply in this section. In addition, the following definitions apply in this section:

- (1) Governing law. – A limited liability company's governing law is determined under G.S. 57C-6-05 or G.S. 57C-7-01, as applicable.
- (2) Owned indirectly. – A person owns indirectly assets of a limited liability company if the limited liability company's governing law provides that seventy percent (70%) or more of its assets, after payments to creditors, must be distributed upon dissolution to the person as of the last day of the principal corporation's taxable year.
- (3) Principal corporation. – A corporation that is a member of a limited liability company or has a related member that is a member of a limited liability company.

(b) Controlled Companies. – If a corporation or a related member of the corporation is a member of a limited liability company and the principal corporation and any related members of the principal corporation together own indirectly the limited liability company's governing law provides that seventy percent (70%) or more of its the limited liability company's assets, after payments to creditors, must be distributed upon dissolution to the member corporation or to includible corporations of an affiliated group in which the member corporation is includible, then the following provisions apply:

- (1) ~~(i) a~~ A percentage of the limited liability company's income, assets, liabilities, and equity is attributed to that ~~member~~ principal corporation and must be included in the ~~member~~ principal corporation's computation of tax under this Article, and ~~(ii) the~~ Article.
- (2) The principal ~~member~~ corporation's investment in the limited liability company is not included in the ~~member~~ principal corporation's computation of tax under this Article.
- (3) The attributable percentage is equal to the percentage of the limited liability company's assets, after payments to creditors, that would be

~~distributable to the member corporation assets owned indirectly by the principal corporation divided by the percentage of the limited liability company's assets owned indirectly by related members of the principal corporation that are corporations, under the limited liability company's governing law if the limited liability company dissolved as of the last day of the member corporation's taxable year.~~

(c) Other Companies. – In all other cases, none of the limited liability company's income, assets, liabilities, or equity is attributed to a ~~member~~ principal corporation under this Article. ~~A limited liability company's governing law is determined under G.S. 57C-6-05 or G.S. 57C-7-01, as applicable. The definitions in section 1504 of the Code apply in this subsection.~~

(d) Penalty. – A taxpayer who, because of fraud with intent to evade tax, underpays the tax under this Article on assets attributable to it under this ~~subsection~~ section is guilty of a Class H felony in accordance with G.S. 105-236(7)."

**SECTION 30G.2.(c)** This section becomes effective January 1, 2003, and applies to taxes due on or after that date.

## **PART XXX-H. HOUSING TAX CREDIT EFFECTIVE DATE CHANGE**

**SECTION 30H.** Section 10(f) of S.L. 2000-56 reads as rewritten:

"**SECTION 10.(f)** Low-Income Housing Credit Changes. – G.S. 105-129.16B(d), as amended by Section 7 of this act, is effective for taxable years beginning on or after January 1, 2000. The remainder of Section 7 is effective for taxable years beginning on or after January 1, 2001, applies to buildings to which federal credits are allocated on or after January 1, ~~2001,2000,~~ and expires January 1, 2005."

## **PART XXX-I. EFFECTIVE DATE OF PARTS XXX-A THROUGH XXX-H**

**SECTION 30I.** Except as otherwise provided, Parts XXX-A through XXX-H of this act are effective when this act becomes law. Notwithstanding G.S. 105-163.15 and G.S. 105-163.41, no addition to tax may be made under those statutes for a taxable year beginning on or after January 1, 2002, and before January 1, 2003, with respect to an underpayment of corporate or individual income tax to the extent the underpayment was created or increased by this act.

## **PART XXXI. MISCELLANEOUS PROVISIONS**

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

### **EXECUTIVE BUDGET ACT APPLIES**

**SECTION 31.1.** The provisions of the Executive Budget Act, Chapter 143, Article 1 of the General Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

### **COMMITTEE REPORT**

**SECTION 31.2.(a)** The Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets, dated September 18, 2002, which was

distributed in the Senate and the House of Representatives and used to explain this act, shall indicate action by the General Assembly on this act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for these purposes shall be considered a part of this act and as such shall be printed as a part of the Session Laws.

**SECTION 31.2.(b)** The budget enacted by the General Assembly for the maintenance of the various departments, institutions, and other spending agencies of the State for the 2002-2003 fiscal year is a line item budget, in accordance with the Budget Code Structure and the State Accounting System Uniform Chart of Accounts set out in the Administrative Policies and Procedures Manual of the Office of the State Controller. This budget includes the appropriations made from all sources including the General Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental receipts.

The General Assembly amended the requested adjustments to the budgets submitted to the General Assembly by the Director of the Budget and the Advisory Budget Commission, in accordance with the steps that follow and the line item detail in the budget enacted by the General Assembly may be derived accordingly:

- (1) The base budget was adjusted in accordance with the base budget cuts and additions that were set out in the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets.
- (2) Transfers of funds supporting programs were made in accordance with the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets.

**SECTION 31.2.(c)** The budget enacted by the General Assembly shall also be interpreted in accordance with the special provisions in this act and in accordance with other appropriate legislation.

In the event that there is a conflict between the line item budget certified by the Director of the Budget and the budget enacted by the General Assembly, the budget enacted by the General Assembly shall prevail.

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**MOST TEXT APPLIES ONLY TO 2002-2003**

**SECTION 31.3.** Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 2002-2003 fiscal year, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 2002-2003 fiscal year. For example, uncodified provisions of this act relating to the Medicaid program apply only to the 2002-2003 fiscal year.

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

**SECTION 31.4.(a)** Except where expressly repealed or amended by this act, the provisions of S.L. 2001-424, S.L. 2001-457, S.L. 2001-514, S.L. 2001-513, S.L. 2001-496, and S.L. 2001-487 remain in effect.

**SECTION 31.4.(b)** Notwithstanding any modifications by this act in the amounts appropriated, except where expressly repealed or amended, the limitations and directions for the 2002-2003 fiscal year in S.L. 2001-424, S.L. 2001-457, S.L. 2001-514, S.L. 2001-513, S.L. 2001-496, and S.L. 2001-487 that applied to

appropriations to particular agencies or for particular purposes apply to the newly enacted appropriations and budget reductions of this act for those same particular purposes.

**SECTION 31.4.(c)** Section 9 of S.L. 2002-12, as amended by S.L. 2002-54 and S.L. 2002-101, reads as rewritten:

"**SECTION 9.** Except as otherwise provided in this act, this act becomes effective July 1, 2002, and expires ~~September 30, 2002~~ the date Senate Bill 1115 of the 2001 General Assembly, the Current Operations, Capital Improvements, and Finance Act of 2002, becomes law."

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**EFFECT OF HEADINGS**

**SECTION 31.5.** The headings to the parts and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act, except for effective dates referring to a Part.

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**SEVERABILITY CLAUSE**

**SECTION 31.6.** If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

Requested by: Senators Plyler, Odom, Lee; Representatives Easterling, Oldham, Redwine

**EFFECTIVE DATE**

**SECTION 31.7.** Except as otherwise provided, this act becomes effective July 1, 2002.

In the General Assembly read three times and ratified this the 20<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 9:17 p.m. on the 30<sup>th</sup> day of September, 2002.

**S.B. 1268**

**Session Law 2002-127**

AN ACT TO ALLOW THE CITY OF MONROE TO USE WHEEL LOCKS ON ILLEGALLY PARKED VEHICLES, TO ALLOW THE TOWN OF NORWOOD TO COLLECT UTILITY BILLS AS IF THEY WERE TAXES DUE IT, AND TO ANNEX NONCONTIGUOUS TERRITORY TO THE TOWN OF MOUNT GILEAD.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 2 of Chapter 291 of the 1993 Session Laws, as amended by Chapter 381 of the 1995 Session Laws and Chapter 218 of the 1997 Session Laws, reads as rewritten:

"**Sec. 2.** This act applies to the Cities of Durham, Greensboro, Lenoir, Monroe, Raleigh, and Winston-Salem only. This act shall also apply to the City of Wilmington, but only as to the area in the central business district as defined in that City's zoning

ordinance as of June 1, 1997."

**SECTION 2.** Section 2 of Chapter 1070 of the 1989 Session Laws, as amended by S.L. 1998-84 and S.L. 1999-127, reads as rewritten:

"**Sec. 2.** This act applies to the Towns of Chadbourn, Norwood, Richfield, Mount Gilead, and Stanfield, the City of Locust, and Montgomery County only."

**SECTION 3.** The corporate limits of the Town of Mount Gilead are extended to include the following described territory, which shall be considered to be satellite corporate limits until the intervening territory has been annexed:

Lying and being in Mount Gilead Township, Montgomery County, North Carolina 2,941.03 feet north of the intersection of NC Hwy. 109 and SR. 1127, and lying on the west side of and adjoining NC Hwy. 109 and being more particularly described as follows:

BEGINNING at an existing iron pipe, said iron pipe being the most southern corner of that Tract 1 as shown by deed recorded in Deed Book 315, Page 429 and runs thence as the southwest line of Tract 1 above mentioned N 64°34'58" W 453.62 feet to a new iron rod, said iron rod being located S 64°34'58" E 542.30 feet from an existing iron axle, the southwest corner of Tract 1 above mentioned; thence as a new line N 13°37'47" E 935.81 feet to a new iron rod; thence N 23°51'58" E 70.63 feet to a new iron rod; thence as a curve running clockwise to the north with a radius of 200.00 feet, an arc length of 149.84 feet, and a chord bearing and distance of N 07°49'58" W 146.36 feet to a new iron rod; thence N 13°37'47" E 340.32 feet to a new iron rod; thence N 12°19'39" E 270.13 feet to a new iron rod; thence S 77°41'14" E 489.55 feet to an existing iron rod; thence S 73°05'24" E 448.60 feet to an existing iron rod in the western right-of-way of NC Hwy. 109; thence as said right-of-way S 09°33'19" W 1313.39 feet to an existing highway right-of-way monument in the original southeastern line of the above mentioned Tract 1; thence as said southeastern line S 62°13'27" W 250.70 feet to an existing iron pipe; thence S 62°38'31" W 27.99 feet to an existing iron rod; thence continuing as said southeastern line S 62°13'27" W 494.97 feet to the BEGINNING, containing 36.93 acres, said tract being a portion of Tract 1 and Tract 2 of that deed recorded in Deed Book 315, Page 429, Montgomery County Registry.

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of October, 2002.

Became law on the date it was ratified.

## H.B. 1502

## Session Law 2002-128

AN ACT TO PROVIDE THAT THE LAWS RELATING TO MOTOR VEHICLES APPLY WITHIN THE SANDERS FOREST AND BENT TREE PLANTATION COMMUNITIES IN BRUNSWICK COUNTY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The provisions of Chapter 20 of the General Statutes relating to the use of the highways of the State and the operation of motor vehicles are applicable to the streets, roadways, and alleys on the properties owned by or under the control of the Sanders Forest Development Association, Inc., or its members and the Bent Tree Plantation Homeowners Association, Inc., or its members. For purposes of this act, streets, roadways, and alleys in the Sanders Forest and Bent Tree Plantation

communities shall have the same meaning as highways and public vehicular areas pursuant to G.S. 20-4.01. A violation of any of those laws is punishable as prescribed by those laws.

**SECTION 2.** This act shall not be construed as in any way interfering with the ownership and control of the streets, roadways, and alleys of the Sanders Forest Development Association, Inc., and the Bent Tree Plantation Homeowners Association, Inc., or its members as is now vested by law in that association or its members. The speed limits within the Sanders Forest and Bent Tree Plantation communities shall be the same as those in effect at the time of ratification of this act. Any proposed change in the speed limit shall be submitted to and approved by the Brunswick County Board of Commissioners. Pursuant to G.S. 20-141, the Brunswick County Board of Commissioners may authorize by ordinance higher or lower speeds.

**SECTION 3.** This act applies only to Brunswick County.

**SECTION 4.** This act becomes effective December 1, 2002.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of October, 2002.

Became law on the date it was ratified.

## H.B. 1668

## Session Law 2002-129

AN ACT TO MODIFY THE SOUTHPORT OCCUPANCY TAX AND TO CLARIFY THAT THE REGULATION OF MOTOR VEHICLES ON BALD HEAD ISLAND INCLUDES THE ABILITY TO CHARGE FEES FOR THEIR USE ON THE ISLAND.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 1 of Chapter 639 of the 1989 Session Laws reads as rewritten:

**"Section 1.** Occupancy tax. (a) Authorization and scope. ~~– The Southport Board of Aldermen may by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto, levy a room occupancy tax of no more than three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place within the City of Southport that is subject to sales tax imposed by the State under G.S. 105-164.4(3) and on the rental of all private residences and cottages, regardless of whether the residence or cottage is rented for less than 15 days. This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations.~~

(a1) Authorization of additional tax. – In addition to the tax authorized by subsection (a) of this section, the Southport Board of Aldermen may levy an additional room occupancy tax of up to two percent (2%) of the gross receipts derived from the rental of accommodations taxable under subsection (a). The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this section. The City of Southport may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.

(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

~~Collection. Every operator of a business subject to the tax levied under this section~~

~~shall, on and after the effective date of the levy of the tax, collect the tax. This tax shall be collected as part of the charge for furnishing a taxable accommodation. The tax shall be stated and charged separately from the sales records, and shall be paid by the purchaser to the operator of the business as trustee for and on account of the city. The tax shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business. The city shall design, print, and furnish to all appropriate businesses and persons in the city the necessary forms for filing returns and instructions to ensure the full collection of the tax.~~

~~(e) Administration. The city shall administer a tax levied under this section. A tax levied under this section is due and payable to the Southport tax collector in monthly installments on or before the 15th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 15th day of each month, prepare and render a return on a form prescribed by the city. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A return filed with the tax collector under this section is not a public record as defined by G.S. 132-1 and may not be disclosed except as required by law.~~

The tax collector may collect any unpaid taxes levied under this act through the use of attachment and garnishment proceedings as provided in G.S. 105-368 for collection of property taxes. The tax collector has the same enforcement powers concerning the tax imposed by this act as does the Secretary of Revenue in enforcing the State sales tax under G.S. 105-164.30.

~~(d) Penalties. A person, firm, corporation, or association who fails or refuses to file the return required by this section shall pay a penalty of ten dollars (\$10.00) for each day's omission. In case of failure or refusal to file the return or pay the tax for a period of 30 days after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to any other penalty, with an additional tax of five percent (5%) for each additional month or fraction thereof until the tax is paid. The Southport Board of Aldermen may, for good cause shown, compromise or forgive the additional tax penalties imposed by this subsection.~~

~~Any person who willfully attempts in any manner to evade a tax imposed under this section or who willfully fails to pay the tax or make and file a return shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and shall be punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed six months, or both.~~

~~(e) Distribution and use of tax revenue. – The tax collector shall remit the proceeds of this tax to the city on a monthly basis. The funds received by the city pursuant to this act shall be used to promote tourism and economic development, for waterfront development, and for other public purposes. The City of Southport shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Southport Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Southport and shall use the remainder for tourism-related expenditures.~~

The following definitions apply in this subsection:

- (1) Net proceeds. – Gross proceeds less the cost to the city of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and



- one percent (1%) of the remaining gross receipts collected each year.
- (2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.
- (3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a city or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures.

~~(f) Effective date of levy. A tax levied under this section shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than two weeks after the date the resolution is adopted.~~

~~(g) Repeal. A tax levied under this section may be repealed by a resolution adopted by the Southport Board of Aldermen. Repeal of a tax levied under this section shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied under this section does not affect a liability for a tax that was attached before the effective date of the repeal, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal."~~

**SECTION 2.** Chapter 639 of the 1989 Session Laws is amended by adding a new section to read:

"Sec. 1.2. Southport Tourism Development Authority. – When the Southport Board of Aldermen adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a city Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members must be individuals who are affiliated with businesses that collect the tax in the city, and at least three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the city. The Board of Aldermen shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Southport shall be the ex officio finance officer of the Authority.

"Sec. 1.3. Duties. – The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in this act. The Authority shall promote travel, tourism, and conventions in the city, sponsor tourist-related events and activities in the city, and finance tourist-related capital projects in the city.

"Sec. 1.4. Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Southport Board of Aldermen on its receipts and expenditures for the preceding quarter and for the year in such detail as the Board may require."

**SECTION 3.** ARTICLE X of S.L. 1997-324 reads as rewritten:

**"ARTICLE X. MOTOR VEHICLE REGULATION.**

"Section 10.1. **Motor Vehicle Regulation.** The Village may by ordinance exempt from the provisions of Articles 3, 3A, 11, and 13 of Chapter 20 of the General Statutes,

in whole or in part, the registration, licensing, regulation, inspection, or equipping of motor vehicles and may regulate the use, operation, possession, and ownership of motor vehicles within the jurisdiction of the Village of Bald Head Island. Additionally, notwithstanding the provisions of Chapter 20 of the General Statutes or any other statute, and in addition to those powers now or hereafter conferred by law, the Village shall have the authority to regulate motor vehicles and other means of transportation within the jurisdiction of the Village, including the following:

(1) Regulation of the use and operation of all vehicles, as defined in G.S. 20-4.01(49). The Village may impose a fee on the use of vehicles within the Village's jurisdiction. The amount of the fee may vary based on criteria that bear upon the Village's costs arising from the operation of that vehicle on the Village's streets, roads, and rights-of-way. Such criteria may include gross weight, length, number of axles, and motor or engine characteristics.

(2) Regulation of all electrically powered vehicles or vehicles powered by fossil fuel or internal combustion engines.

(3) Regulation of the size, weight, lighting, safety standards, and engine or motor size or power characteristics of all vehicles or other means of transportation within the jurisdiction of the Village.

"Section 10.2. **Street Regulation.** In order to establish and preserve the unique character and aesthetics of Bald Head Island, the Village may adopt, by ordinance, such standards for the establishment and maintenance of streets and roads within the jurisdiction of the Village as it deems appropriate. The fees collected under Section 10.1 of this Article shall be used by the Village to finance the establishment and maintenance of the Village's streets, roads, and rights-of-way. The streets and roads within the jurisdiction of the Village shall not be under the authority of the Department of Transportation. The provisions of Articles 2 and 2A of Chapter 136 of the General Statutes shall not apply within the jurisdiction of the Village. The Village shall be exempt from the provisions of G.S. 136-66.2."

**SECTION 4.** Section 3 of this act is effective retroactively to July 24, 1997. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of October, 2002.

Became law on the date it was ratified.

## S.B. 1219

## Session Law 2002-130

AN ACT TO MAKE CHANGES TO THE GASTONIA POLICEMEN'S SUPPLEMENTARY PENSION FUND.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 8.2 of Article VIII of the Charter of the City of Gastonia, being Chapter 557 of the 1991 Session Laws, as amended by S.L. 1997-161, reads as rewritten:

"Sec. 8.2. **Gastonia Policemen's Supplemental Retirement Fund.** The Gastonia Policemen's Supplemental Retirement Fund shall continue as authorized by Chapter 946, Session Laws of 1955, as amended by Chapter 112, Session Laws of 1957; Chapter 301, Session Laws of 1959; Chapter 198, Session Laws of 1965; Chapter 979, Session Laws of 1965; and Chapter 809, Session Laws of 1983. ~~The Gastonia Policemen's~~

~~Supplemental Retirement Fund is not subject to Article 3 of Chapter 159 of the General Statutes-1983, subject to the following limitations:~~

- (1) No person who becomes a member of the Gastonia Police Department on or after October 1, 2002, shall be eligible for membership in or benefits from the Supplemental Retirement Fund.
- (2) The City of Gastonia shall stop deducting two percent (2%) of the gross salary of the eligible employees.
- (3) The Fund shall refund contributions made by the employees in full."

**SECTION 2.** This act becomes effective October 1, 2002.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law on the date it was ratified.

**S.B. 1326**

**Session Law 2002-131**

AN ACT TO AMEND THE CHARTER OF THE CITY OF LEXINGTON TO IMPOSE TERM LIMITS ON THE MEMBERS OF THE CITY'S UTILITIES COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Section 7.2.B of the Charter of the City of Lexington, being Chapter 906 of the 1981 Session Laws, as amended, reads as rewritten:

"B. All appointments made thereafter as terms expire shall be for terms of three years. No member of the Lexington Utilities Commission shall serve for more than two consecutive full terms without an intervening period of three years. Appointment for the unexpired portion of a term shall not be considered appointment for a full term."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law on the date it was ratified.

**H.B. 1623**

**Session Law 2002-132**

AN ACT TO CLASSIFY BRUNSWICK COUNTY AS A HIGH HAZARD COUNTY WITH RESPECT TO THE REGULATION OF OPEN FIRES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 113-60.23 reads as rewritten:

**"§ 113-60.23. High hazard counties; permits required; standards.**

(a) The provisions of this section apply only to the counties of Beaufort, Bladen, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Duplin, Gates, Hyde, Jones, Onslow, Pamlico, Pasquotank, Perquimans, Tyrrell, and Washington which are classified as high hazard counties in accordance with G.S. 113-60.21.

(b) It is unlawful for any person to willfully start or cause to be started any fire in any woodland under the protection of the Department or within 500 feet of any such woodland without first having obtained a permit from the Department. Permits for starting fires may be obtained from forest rangers or other agents authorized by the county forest ranger to issue such permits in the county in which the fire is to be started. Such permits shall be issued by the ranger or other agent unless permits for the area in

question have been prohibited or cancelled in accordance with G.S. 113-60.25 or 113-60.27.

(c) It is unlawful for any person to willfully burn any debris, stumps, brush or other flammable materials resulting from ground clearing activities and involving more than five contiguous acres, regardless of the proximity of the burning to woodland and on which such materials are placed in piles or windrows without first having obtained a special permit from the Department. Areas less than five acres in size will require a regular permit in accordance with G.S. 113-60.23(b).

- (1) Prevailing winds at the time of ignition must be away from any city, town, development, major highway, or other populated area, the ambient air of which may be significantly affected by smoke, fly ash, or other air contaminants from the burning.
- (2) The location of the burning must be at least 1,000 feet from any dwelling or structure located in a predominately residential area other than a dwelling or structure located on the property on which the burning is conducted unless permission is granted by the occupants.
- (3) The amount of dirt or organic soil on or in the material to be burned must be minimized and the material arranged in a way suitable to facilitate rapid burning.
- (4) Burning may not be initiated when it is determined by a forest ranger, based on information supplied by a competent authority that stagnant air conditions or inversions exist or that such conditions may occur during the duration of the burn.
- (5) Heavy oils, asphaltic material, or items containing natural or synthetic rubber may not be used to ignite the material to be burned or to promote the burning of such material.
- (6) Initial burning may be commenced only between the hours of 9:00 A.M. and 3:00 P.M. and no combustible material may be added to the fire between 3:00 P.M. on one day and 9:00 A.M. on the following day, except that when favorable meteorological conditions exist, any forest ranger authorized to issue the permit may authorize in writing a deviation from the restrictions."

**SECTION 2.** This act becomes effective December 1, 2002, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law on the date it was ratified.

## H.B. 644

## Session Law 2002-133

AN ACT TO AUTHORIZE PUBLIC TOLL ROADS AND BRIDGES IN NORTH CAROLINA AND THE CREATION OF A TURNPIKE AUTHORITY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 136 of the General Statutes is amended by adding a new Article to read:

"Article 6H.  
"Public Toll Roads and Bridges.

**"§ 136-89.180. Legislative findings.**

The General Assembly finds that the existing State road system is becoming increasingly congested and overburdened with traffic in many areas of the State; that the sharp surge of vehicle miles traveled is overwhelming the State's ability to build and pay for adequate road improvements; and that an adequate answer to this challenge will require the State to be innovative and utilize several new approaches to transportation improvements in North Carolina.

Toll funding of highway and bridge construction is feasible in North Carolina and can contribute to addressing the critical transportation needs of the State. A toll program can speed the implementation of needed transportation improvements by funding some projects with tolls.

**"§ 136-89.181. Definitions.**

The following definitions apply to this Article:

- (1) "Department" means the North Carolina Department of Transportation.
- (2) "Turnpike Authority" means the public agency created by this Article.
- (3) "Authority Board" means the governing board of the Turnpike Authority.
- (4) "Turnpike Project" means a road, bridge, or tunnel project planned, or planned and constructed, in accordance with the provisions of this Article.
- (5) "Turnpike System" means collectively all Turnpike Projects developed in accordance with the provisions of this Article.

**"§ 136-89.182. North Carolina Turnpike Authority.**

(a) Creation. – There is created a body politic and corporate to be known as the "North Carolina Turnpike Authority". The Authority is constituted as a public agency, and the exercise by the Authority of the powers conferred by this Article in the construction, operation, and maintenance of toll roads and bridges shall be deemed and held to be the performance of an essential governmental function.

(b) Administrative Placement. – The Authority shall be located within the Department of Transportation for administrative purposes but shall exercise all of its powers independently of the Department of Transportation except as otherwise specified in this Article.

(c) Authority Board. – The North Carolina Turnpike Authority shall be governed by a nine-member Authority Board consisting of two members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, two members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, four members appointed by the Governor, and the Secretary of Transportation. Each appointing authority shall appoint members who reside in diverse regions of the State. The Chair of the Authority shall be selected by the Authority Board.

(d) Board of Transportation Members. – No more than two members of the North Carolina Board of Transportation may serve as members of the Authority Board.

(e) Staggered Terms. – One of the initial appointments to the Authority Board by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, one of the initial appointments to the Authority Board by the General Assembly upon the recommendation of the Speaker of the House of Representatives, and three of the initial appointments of the Governor shall be appointed to terms ending January 14,

2007. One of the initial appointments to the Authority Board by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, one of the initial appointments to the Authority Board by the General Assembly upon the recommendation of the Speaker of the House of Representatives, and one of the initial appointments of the Governor shall be appointed to terms ending January 14, 2005. The Secretary of Transportation shall serve as an ex officio voting member of the Board. Thereafter, at the expiration of each stipulated term of office, all appointments shall be to a term of four years from the date of the expiration of the term.

(f) Vacancies. – All members of the Authority Board shall remain in office until their successors are appointed and qualified. The original appointing authority may appoint a member to serve out the unexpired term of any member.

(g) Removal of Board Members. – Each member of the Authority Board, notwithstanding subsection (e) of this section, shall serve at the pleasure of the appointing authority. The Chair of the Authority serves at the pleasure of the Authority Board.

(h) Conflicts of Interest, Ethics. – Members of the Authority Board shall be subject to the provisions of G.S. 136-13, 136-13.1, and 136-14.

(i) Compensation. – The appointed members of the Authority Board shall receive no salary for their services but shall be entitled to receive per diem and travel allowances in accordance with the provisions of G.S. 138-5 and G.S. 138-6 as appropriate.

(j) Bylaws. – The Authority Board shall adopt, change, or amend bylaws with respect to the calling of meetings, quorums, voting procedures, the keeping of records, and other organizational, staffing, and administrative matters as the Authority Board may determine. Any bylaws, or subsequent changes or amendments to the bylaws, shall be submitted to the Board of Transportation and the Joint Legislative Transportation Oversight Committee for review and comment at least 45 days prior to adoption by the Authority Board.

(k) Executive Director and Administrative Employees. – The Authority Board shall appoint an Executive Director, whose salary shall be fixed by the Authority, to serve at its pleasure. The Executive Director shall be the Authority's chief administrative officer and shall be responsible for the daily administration of the toll roads and bridges constructed, maintained, or operated pursuant to this Article. The Executive Director or his designee shall appoint, employ, dismiss, and, within the limits approved by the Authority Board, fix the compensation of administrative employees as the Executive Director deems necessary to carry out this Article. The Authority shall report the hiring of all administrative employees to the Joint Legislative Transportation Oversight Committee within 30 days of the date of employment.

(l) Office. – The offices of the Authority may be housed in one or more facilities of the Department of Transportation.

**"§ 136-89.183. Powers of the Authority.**

(a) The Authority shall have all of the powers necessary to execute the provisions of this Article, including the following:

- (1) The powers of a corporate body, including the power to sue and be sued, to make contracts, to adopt and use a common seal, and to alter the adopted seal as needed.
- (2) To study, plan, develop, design, establish, purchase, construct, operate, and maintain three Turnpike Projects, either on its own initiative or at the request of the Board of Transportation. One of the Turnpike

Projects shall be located in whole or in part in a county with a population equal to or greater than 650,000 persons, according to the latest decennial census, and one Turnpike Project shall be located in a county or counties that each have a population of fewer than 650,000 persons, according to the latest decennial census. A Turnpike Project selected for construction by the Turnpike Authority shall be included in any applicable locally adopted comprehensive transportation plans and shall be shown in the current State Transportation Improvement Plan prior to the letting of a contract for the Turnpike Project.

- (3) To study, plan, develop and undertake preliminary design work on three Turnpike Projects, in addition to the three turnpike projects described in subdivision (2) of this subsection, either on its own initiative or at the request of the Board of Transportation. The Authority shall take no further action on a project described by this subdivision unless authorized to do so by Statute.
- (4) To rent, lease, purchase, acquire, own, encumber, dispose of, or mortgage real or personal property, including the power to acquire property by eminent domain pursuant to G.S. 136-89.184.
- (5) To fix, revise, charge, and collect tolls and fees for the use of the Turnpike Projects. Prior to the effective date of any toll or fee for use of a Turnpike Facility, the Authority shall submit a description of the proposed toll or fee to the Board of Transportation, the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations for review.
- (6) To issue bonds or notes of the Authority as provided in this Article.
- (7) To establish, construct, purchase, maintain, equip, and operate any structure or facilities associated with the Turnpike System.
- (8) To pay all necessary costs and expenses in the formation, organization, administration, and operation of the Authority.
- (9) To apply for, accept, and administer loans and grants of money or real or personal property from any federal agency, the State or its political subdivisions, local governments, or any other public or private sources available.
- (10) To adopt, alter, or repeal its own bylaws or rules implementing the provisions of this Article, in accordance with the review and comment requirements of G.S. 136-89.182(j).
- (11) To utilize employees of the Department; to contract for the services of consulting engineers, architects, attorneys, real estate counselors, appraisers, and other consultants; to employ administrative staff as may be required in the judgment of the Authority; and to fix and pay fees or compensation to the Department, contractors, and administrative employees from funds available to the Authority.
- (12) To receive and use appropriations from the State and federal government.
- (13) To adopt procedures to govern its procurement of services and delivery of Turnpike Projects.
- (14) To perform or procure any portion of services required by the Authority.

- (15) To use officers, employees, agents, and facilities of the Department for the purposes and upon the terms as may be mutually agreeable.
- (16) To contract for the construction, maintenance, and operation of a Turnpike Project.
- (17) To enter into partnership agreements, agreements with political subdivisions of the State, and agreements with private entities, and to expend such funds as it deems necessary, pursuant to such agreements, for the purpose of financing the cost of acquiring, constructing, equipping, operating, or maintaining any Turnpike Project.

(b) To execute the powers provided in subsection (a) of this section, the Authority shall determine its policies by majority vote of the members of the Authority Board present and voting, a quorum having been established. Once a policy is established, the Authority Board shall communicate it to the Executive Director or the Executive Director's designee, who shall have the sole and exclusive authority to execute the policy of the Authority. No member of the Authority Board shall have the responsibility or authority to give operational directives to any employee of the Authority other than the Executive Director or the Director's designee.

**"§ 136-89.184. Acquisition of real property.**

(a) General. – The Authority may acquire public or private real property by purchase, negotiation, gift, or devise, or condemnation that it determines to be necessary and convenient for the construction, expansion, enlargement, extension, improvement, or operation of a Turnpike Project. When the Authority acquires real property owned by the State, the Secretary of the Department of Administration shall execute and deliver to the Authority a deed transferring fee simple title to the property to the Authority.

(b) Condemnation. – To exercise the power of eminent domain, the Authority shall commence a proceeding in its name and shall follow the procedure set forth in Article 9 of Chapter 136 of the General Statutes.

**"§ 136-89.185. Taxation of property of Authority.**

Property owned by the Authority is exempt from taxation in accordance with Section 2 of Article V of the North Carolina Constitution.

**"§ 136-89.186. Audit.**

The operations of the Authority shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes.

**"§ 136-89.187. Conversion of free highways prohibited.**

The Authority Board is prohibited from converting any segment of the nontolled State highway system to a toll facility.

**"§ 136-89.188. Use of revenues.**

(a) Revenues derived from Turnpike Projects authorized under this Article shall be used only for Authority administration costs; Turnpike Project development, right-of-way acquisition, construction, operation, and maintenance; and debt service on the Authority's revenue bonds or related purposes such as the establishment of debt service reserve funds.

(b) The Authority may use up to one hundred percent (100%) of the revenue derived from a Turnpike Project for debt service on the Authority's revenue bonds or for a combination of debt service and operation and maintenance expenses of the Turnpike Projects.

(c) The Authority shall use not more than five percent (5%) of total revenue derived from all Turnpike Projects for Authority administration costs.



**"§ 136-89.189. Turnpike Authority revenue bonds.**

The Authority shall be a municipality for purposes of Article 5 of Chapter 159 of the General Statutes, the State and Local Government Revenue Bond Act, and may issue revenue bonds pursuant to that Act to pay all or a portion of the cost of a Turnpike Project or to refund any previously issued bonds. In connection with the issuance of revenue bonds, the Authority shall have all powers of a municipality under the State and Local Government Revenue Bond Act, and revenue bonds issued by the Authority shall be entitled to the protection of all provisions of the State and Local Government Revenue Bond Act.

**"§ 136-89.190. Sale of Turnpike Authority revenue bonds.**

Revenue bonds of the Authority issued pursuant to G.S. 136-89.189 and the State and Local Government Revenue Bond Act shall be sold in accordance with and pursuant to Article 7 of Chapter 159 of the General Statutes.

**"§ 136-89.191. Cost participation by Department of Transportation.**

The Department of Transportation may participate in the cost of preconstruction activities, construction, maintenance, or operation of a Turnpike Project.

**"§ 136-89.192. Equity distribution formula.**

Only those funds applied to a Turnpike Project from the State Highway Fund, State Highway Trust Fund, or federal-aid funds that might otherwise be used for other roadway projects within the State, and are otherwise already subject to the distribution formula under G.S. 136-17.2A, shall be included in the distribution formula.

Other revenue from the sale of the Authority's bonds or notes, project loans, or toll collections shall not be included in the distribution formula.

**"§ 136-89.193. Annual plan of work; annual and quarterly reports.**

(a) Annual Plan of Work. – The Authority shall annually develop a plan of work for the fiscal year, describing the activities and projects to be undertaken, accompanied by a budget. This annual plan of work shall be subject to the concurrence of the Board of Transportation.

(b) Annual Reports. – The Authority shall, promptly following the close of each fiscal year, submit an annual report of its activities for the preceding year to the Governor, the General Assembly, and the Department of Transportation. Each report shall be accompanied by an audit of its books and accounts.

(c) Semiannual Reports. – The Authority shall submit semiannual reports to the Joint Legislative Transportation Oversight Committee, and more frequent reports if requested. The reports shall summarize the Authority's activities during the preceding six months, and shall contain any information about the Authority's activities that is requested by the Committee.

(d) Report Prior to Let of Contracts. – The Authority shall consult with and report to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations prior to the letting of any contract for Turnpike Project construction authorized under G.S. 136-183(a)(2).

(e) Report Prior to Study and Design. – The Authority shall consult with and report to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations prior to the study, planning, development or design of any Turnpike Project authorized under G.S. 136-89.183(a)(3).

**"§ 136-89.194. Laws applicable to the Authority; exceptions.**

(a) Motor Vehicle Laws. – The Turnpike System shall be considered a "highway" as defined in G.S. 20-4.01(13) and a "public vehicular area" as defined in G.S. 20-4.01(32). All law enforcement and emergency personnel, including the State

Highway Patrol and the Division of Motor Vehicles, shall have the same powers and duties on the Turnpike System as on any other highway or public vehicular area.

(b) Contracting. – For the purposes of implementing this Article, the Authority shall solicit competitive proposals for the construction of Turnpike Projects in accordance with the provisions of Article 2 of this Chapter. Contracts for professional engineering services and other kinds of professional or specialized services necessary in connection with construction of Turnpike Projects shall be solicited in accordance with procedures utilized by the Department of Transportation.

(c) Alternative Contracting Methods. – Notwithstanding the provisions of subsection (b) of this section, the Authority may authorize the use of alternative contracting methods if:

- (1) The authorization applies to an individual project;
- (2) The Authority has concluded, and documented in writing, that the alternative contracting method is necessary because the project cannot be completed utilizing the procedures of Article 2 of this Chapter within the necessary time frame or available funding or for other reasons the Authority deems in the public interest;
- (3) The Authority has provided, to the extent possible, for the solicitation of competitive proposals prior to awarding a contract; and
- (4) The approved alternative contracting method provides for reasonable compliance with the disadvantaged business participation goals of G.S. 136-28.4.

**"§ 136-89.195. Internet report of funds expended.**

The Department shall publish and update annually on its Internet web site a record of all expenditures of the Authority for highway construction, maintenance, and administration. The record shall include a total expenditure amount by county. For each Turnpike Project, the record shall include a readily identifiable project name or location, the nature of the project, the amount of the project, the contractor for the project, the date of project letting, and the actual or expected project completion date.

**"§ 136-89.196. Removal of tolls.**

The Authority shall, upon fulfillment of and subject to any restrictions included in the agreements entered into by the Authority in connection with the issuance of the Authority's revenue bonds, remove tolls from a Turnpike Project.

**"§ 136-89.197. Maintenance of nontoll routes.**

The Department shall maintain an existing, alternate, comparable nontoll route corresponding to each Turnpike Project constructed pursuant to this Article."

**SECTION 2.** Chapter 20 of the General Statutes is amended by adding a new section to read:

**"§ 20-158.2. Control of vehicles on Turnpike System.**

The North Carolina Turnpike Authority may control vehicles at appropriate places by erecting traffic control devices to collect tolls."

**SECTION 3.** G.S. 136-176(b) reads as rewritten:

"(b) Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. Operation and project development costs of the North Carolina Turnpike Authority are eligible administrative expenses under this subsection. Any funds allocated to the Authority pursuant to this

subsection shall be repaid by the Authority from its toll revenue as soon as possible, subject to any restrictions included in the agreements entered into by the Authority in connection with the issuance of the Authority's revenue bonds. Beginning one year after the Authority begins collecting tolls on a completed Turnpike Project, interest shall accrue on any unpaid balance owed to the Highway Trust Fund at a rate equal to the State Treasurer's average annual yield on its investment of Highway Trust Fund funds pursuant to G.S. 147-6.1. Interest earned on the unpaid balance shall be deposited in the Highway Trust Fund upon repayment. The rest of the funds in the Trust Fund shall be allocated and used as follows:

- (1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. 136-179 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these projects.
- (2) Twenty-five and five hundredths percent (25.05%) to plan, design, and construct the urban loops described in G.S. 136-180 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these urban loops.
- (3) Six and one-half percent (6.5%) to supplement the appropriation to cities for city streets under G.S. 136-181.
- (4) Six and one-half percent (6.5%) for secondary road construction as provided in G.S. 136-182 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to secondary road construction.

The Department must administer funds allocated under subdivisions (1), (2), and (4) of this subsection in a manner that ensures that sufficient funds are available to make the debt service payments on bonds issued under the State Highway Bond Act of 1996 as they become due."

**SECTION 4.** G.S. 126-5(c1) is amended by adding a new subdivision to read:

"(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to:

...  
(21) Employees of the North Carolina Turnpike Authority."

**SECTION 5.** G.S. 120-123 is amended by adding a new subdivision to read:

**"§ 120-123. Service by members of the General Assembly on certain boards and commissions.**

No member of the General Assembly may serve on any of the following boards or commissions:

...  
(75) The North Carolina Turnpike Authority."

**SECTION 6.** G.S. 159-81(1) reads as rewritten:

- "(1) 'Municipality' means a county, city, town, incorporated village, sanitary district, metropolitan sewerage district, metropolitan water district, county water and sewer district, water and sewer authority, hospital authority, hospital district, parking authority, special airport district, regional public transportation authority, regional

transportation authority, regional natural gas district, regional sports authority, airport authority, joint agency created pursuant to Part 1 of Article 20 of Chapter 160A of the General Statutes, ~~and a joint agency authorized by agreement between two cities to operate an airport pursuant to G.S. 63-56, and the North Carolina Turnpike Authority created pursuant to Article 6H of Chapter 136 of the General Statutes,~~ but not any other forms of State or local government."

**SECTION 7.** G.S. 159-81(3) read as rewritten:

- "(3) 'Revenue bond project' means any undertaking for the acquisition, construction, reconstruction, improvement, enlargement, betterment, or extension of any one or combination of the following revenue-producing utility or public service enterprise facilities or systems owned or leased as lessee by the issuing unit, to be financed through the issuance of revenue bonds, thereby providing funds to pay the costs of the undertaking or to reimburse funds loaned or advanced by the State or a municipality to pay the costs of the undertaking:
- a. Water systems or facilities, including all plants, works, instrumentalities and properties used or useful in obtaining, conserving, treating, and distributing water for domestic or industrial use, irrigation, sanitation, fire protection, or any other public or private use.
  - b. Sewage disposal systems or facilities, including all plants, works, instrumentalities, and properties used or useful in the collection, treatment, purification, or disposal of sewage.
  - c. Systems or facilities for the generation, production, transmission, or distribution of gas (natural, artificial, or mixed) or electric energy for lighting, heating, or power for public and private uses, where gas systems shall include the purchase and/or lease of natural gas fields and natural gas reserves and the purchase of natural gas supplies, and where any parts of such gas systems may be located either within the State or without.
  - d. Systems, facilities and equipment for the collection, treatment, or disposal of solid waste.
  - e. Public transportation systems, facilities, or equipment, including but not limited to bus, truck, ferry, and railroad terminals, depots, trackages, vehicles, and ferries, and mass transit systems.
  - f. Public parking lots, areas, garages, and other vehicular parking structures and facilities.
  - g. Aeronautical facilities, including but not limited to airports, terminals, and hangars.
  - h. Marine facilities, including but not limited to marinas, basins, docks, dry docks, piers, marine railways, wharves, harbors, warehouses, and terminals.
  - i. Hospitals and other health-related facilities.
  - j. Public auditoriums, gymnasiums, stadiums, and convention centers.
  - k. Recreational facilities.
  - l. In addition to the foregoing, in the case of the State of North

Carolina, low-level radioactive waste facilities developed pursuant to Chapter 104G of the General Statutes, hazardous waste facilities developed pursuant to Chapter 130B of the General Statutes, and any other project authorized by the General Assembly.

- m. Economic development projects, including the acquisition and development of industrial parks, the acquisition and resale of land suitable for industrial or commercial purposes, and the construction and lease or sale of shell buildings in order to provide employment opportunities for citizens of the municipality.
- n. Facilities for the use of any agency or agencies of the government of the United States of America.
- o. Structural and natural stormwater and drainage systems of all types.
- p. In the case of the North Carolina Turnpike Authority, a Turnpike Project, as defined in G.S. 136-89.181, including the planning and design of a Turnpike Project, that is designated by the Authority to be a revenue bond project.

The cost of an undertaking may include all property, both real and personal and improved and unimproved, plants, works, appurtenances, machinery, equipment, easements, water rights, air rights, franchises, and licenses used or useful in connection with any of the foregoing utilities and enterprises; the cost of demolishing or moving structures from land acquired and the cost of acquiring any lands to which such structures are to be moved; financing charges; the cost of plans, specifications, surveys, and estimates of cost and revenues; administrative and legal expenses; and any other expense necessary or incident to the project."

**SECTION 8.** G.S. 159-96 is amended by adding a new subsection to read:

"(e) In the case of a Turnpike Project of the North Carolina Turnpike Authority, the Turnpike Project may be located anywhere in the State the Authority is authorized to maintain a Turnpike Project."

**SECTION 9.** The Authority shall evaluate the feasibility of encouraging mass transit and ridesharing in its proposed toll road facilities.

**SECTION 10.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 25<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 12:41 p.m. on the 3<sup>rd</sup> day of October, 2002.

**H.B. 1745**

**Session Law 2002-134**

AN ACT TO REMOVE THE 300 PLATE REQUIREMENT FROM SPECIAL LICENSE PLATES FOR WORLD WAR II AND KOREAN CONFLICT VETERANS' PLATES, TO MODIFY THE LOGO ON THE ROCKY MOUNTAIN ELK FOUNDATION SPECIAL LICENSE PLATE, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A SPECIAL LICENSE PLATE FOR AVIATION MAINTENANCE TECHNICIANS, NORTH CAROLINA AGRIBUSINESS, AND THE STATE'S OFFICIAL VEGETABLE, THE SWEET POTATO.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 20-79.4(b)(27b) reads as rewritten:

"(b) Types. – The Division shall issue the following types of special registration plates:

...

(27b) **Military Wartime Veteran.** – Issuable to either a member or veteran of the armed services of the United States who served during a period of war. If the person is a veteran of the armed services, then the veteran must be separated from the armed services under honorable conditions. The plate shall bear a word or phrase identifying the period of war and a replica of the campaign badge or medal awarded for that war. ~~The~~ Except for World War II and Korean Conflict plates, the Division may not issue a plate authorized by this subdivision unless it receives at least 300 applications for that plate. A "period of war" is any of the following:

- a. World War I, meaning the period beginning April 16, 1917, and ending November 11, 1918.
- b. World War II, meaning the period beginning December 7, 1941, and ending December 31, 1946.
- c. The Korean Conflict, meaning the period beginning June 27, 1950, and ending January 31, 1955.
- d. The Vietnam Era, meaning the period beginning August 5, 1964, and ending May 7, 1975.
- e. Desert Storm, meaning the period beginning August 2, 1990, and ending April 11, 1991.
- f. Any other campaign, expedition, or engagement for which the United States Department of Defense authorizes a campaign badge or medal.

..."

**SECTION 2.** G.S. 20-79.4(b)(36b) reads as rewritten:

"(b) Types. – The Division shall issue the following types of special registration plates:

...

(36b) **Rocky Mountain Elk Foundation.** – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear the phrase "Rocky Mountain Elk Foundation" and a ~~replica of the~~ "Walking Bull" logo of the Rocky Mountain Elk Foundation, Inc. ~~The Division shall not develop this plate unless the approved by the Rocky Mountain Elk Foundation, Inc. licenses, without charge, the State to use the "Walking Bull" logo on the plate.~~

...."

**SECTION 3.** G.S. 20-79.4(b)(3c) is recodified as G.S. 20-79.4(b)(3d) and G.S. 20-79.4(b)(45b) is recodified as G.S. 20-79.4(b)(45c).

**SECTION 4.** G.S. 20-79.4(b) is amended by adding two new subdivisions to read:

"(b) Types. – The Division shall issue the following types of special registration plates:

...

(3c) Aviation Maintenance Technician. – Issuable to a person who is a

Federal Aviation Authority certified Aviation Maintenance Technician. The plate shall bear the logo of the F.A.A. Airworthiness Program and the initials "A.M.T." The Division may not issue the plate authorized by this subdivision unless it receives at least 300 applications for the plate.

...

(28b) NC Agribusiness. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear the logo of the North Carolina Agribusiness Council, Inc., and the phrase 'NC's #1 Industry'.

...

(45b) Sweet Potato. – Issuable to the registered owner of a motor vehicle. The plate may bear a phrase and picture representing the State's official vegetable, the sweet potato. The Division may not issue the plate authorized by this subdivision unless it receives at least 300 applications for the plate.

..."

**SECTION 5.** G.S. 20-79.7(a) reads as rewritten:

"(a) Fees. – Upon request, the Division shall provide and issue free of charge one registration plate to a recipient of the Congressional Medal of Honor, a 100% disabled veteran, and an ex-prisoner of war. All other special registration plates, including additional Congressional Medal of Honor, 100% Disabled Veteran, and Ex-Prisoner of War plates, are subject to the regular motor vehicle registration fee in G.S. 20-87 or G.S. 20-88 plus an additional fee in the following amount:

| <u>Special Plate</u>   | <u>Additional Fee Amount</u> |
|--|------------------------------|
| Historical Attraction  | \$30.00                      |
| State Attraction   | \$30.00                      |
| Collegiate Insignia  | \$25.00                      |
| Goodness Grows   | \$25.00                      |
| Kids First   | \$25.00                      |
| Olympic Games  | \$25.00                      |
| <u>NC Agribusiness</u>   | <u>\$25.00</u>               |
| Special Olympics   | \$25.00                      |
| The V Foundation for Cancer Research Division                        | \$25.00                      |
| University Health Systems of Eastern Carolina                        | \$25.00                      |
| Animal Lovers  | \$20.00                      |
| Audubon North Carolina   | \$20.00                      |
| Ducks Unlimited  | \$20.00                      |
| <b>(Effective until June 30, 2006)</b> Harley Owners' Group          | \$20.00                      |
| First in Forestry  | \$20.00                      |
| Litter Prevention  | \$20.00                      |
| March of Dimes   | \$20.00                      |
| Omega Psi Phi Fraternity   | \$20.00                      |
| <b>(Effective until June 30, 2006)</b> Rocky Mountain Elk Foundation | \$25.00                      |
| Save the Sea Turtles   | \$20.00                      |
| Scenic Rivers  | \$20.00                      |
| School Technology  | \$20.00                      |
| Soil and Water Conservation  | \$20.00                      |

|                                     |           |
|-------------------------------------|-----------|
| Special Forces Association          | \$20.00   |
| Support Public Schools              | \$20.00   |
| Wildlife Resources                  | \$20.00   |
| Personalized                        | \$20.00   |
| Active Member of the National Guard | None      |
| 100% Disabled Veteran               | None      |
| Ex-Prisoner of War                  | None      |
| Legion of Valor                     | None      |
| Purple Heart Recipient              | None      |
| Silver Star Recipient               | None      |
| All Other Special Plates            | \$10.00." |

**SECTION 6.** G.S. 20-79.7(b) reads as rewritten:

"(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a) among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), and the Natural Heritage Trust Fund (NHTF), which is established under G.S. 113-77.7, as follows:

| <u>Special Plate</u>   | <u>SRPA</u> | <u>CCAPA</u> | <u>NHTF</u> |
|--|-------------|--------------|-------------|
| Animal Lovers  | \$10        | \$10         | 0           |
| Audubon North Carolina   | \$10        | \$10         | 0           |
| Ducks Unlimited  | \$10        | \$10         | 0           |
| First in Forestry  | \$10        | 0            | \$10        |
| Goodness Grows   | \$10        | \$15         | 0           |
| <b>(Effective until June 30, 2006)</b> Harley Owners' Group          | \$10        | \$10         | 0           |
| Historical Attraction  | \$10        | \$20         | 0           |
| In-State Collegiate Insignia   | \$10        | \$15         | 0           |
| Kids First   | \$10        | \$15         | 0           |
| Litter Prevention  | \$10        | \$10         | 0           |
| March of Dimes   | \$10        | \$10         | 0           |
| <u>NC Agribusiness</u>   | <u>\$10</u> | <u>\$15</u>  | <u>0</u>    |
| Olympic Games  | \$10        | \$15         | 0           |
| Omega Psi Phi Fraternity   | \$10        | \$10         | 0           |
| Out-of-state Collegiate Insignia                                     | \$10        | 0            | \$15        |
| Personalized   | \$10        | 0            | \$10        |
| <b>(Effective until June 30, 2006)</b> Rocky Mountain Elk Foundation | \$10        | \$15         | 0           |
| Save the Sea Turtles   | \$10        | \$10         | 0           |
| Scenic Rivers  | \$10        | \$10         | 0           |
| School Technology  | \$10        | \$10         | 0           |
| Soil and Water Conservation  | \$10        | \$10         | 0           |
| Special Forces Association   | \$10        | \$10         | 0           |
| Special Olympics   | \$10        | \$10         | 0           |
| State Attraction   | \$10        | \$20         | 0           |
| Support Public Schools   | \$10        | \$10         | 0           |
| The V Foundation for Cancer Research                                 | \$10        | \$15         | 0           |
| University Health Systems of Eastern Carolina                        | \$10        | \$15         | 0           |



|                          |      |      |     |
|--------------------------|------|------|-----|
| Wildlife Resources       | \$10 | \$10 | 0   |
| All other Special Plates | \$10 | 0    | 0." |

**SECTION 7.** G.S. 20-81.12 is amended by adding a new subsection to read:

"(b23) NC Agribusiness. – The Division must receive 300 or more applications for a NC Agribusiness plate before the plate may be developed. The Division must transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of NC Agribusiness plates to the North Carolina Agribusiness Council, Inc., to be used to promote awareness of the importance of agribusiness in North Carolina."

**SECTION 8.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 20<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 1:54 p.m. on the 3<sup>rd</sup> day of October, 2002.

**H.B. 1187**

**Session Law 2002-135**

**AN ACT TO CLARIFY THE COURT FEES FOR LEGAL SERVICES AND TO MAKE VARIOUS COURT FEES UNIFORM.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 7A-306(a)(2) reads as rewritten:

"(a) In every special proceeding in the superior court, the following costs shall be assessed:

- ...
- (2) For support of the General Court of Justice the sum of thirty dollars (\$30.00). In addition, in proceedings involving land, except boundary disputes, if the fair market value of the land involved is over one hundred dollars (\$100.00), there shall be an additional sum of thirty cents (30¢) per one hundred dollars (\$100.00) of value, or major fraction thereof, not to exceed a maximum additional sum of two hundred dollars (\$200.00). Fair market value is determined by the sale price if there is a sale, the appraiser's valuation if there is no sale, or the appraised value from the property tax records if there is neither a sale nor an appraiser's valuation. Sums collected under this subdivision shall be remitted to the State Treasurer. The State Treasurer shall remit the sum of one dollar and five cents (\$1.05) of each thirty-dollar (\$30.00) General Court of Justice fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.4."

**SECTION 2.** G.S. 7A-307(a)(2) reads as rewritten:

"(a) In the administration of the estates of decedents, minors, incompetents, of missing persons, and of trusts under wills and under powers of attorney, in trust proceedings under G.S. 36A-23.1, and in collections of personal property by affidavit, the following costs shall be assessed:

- ...
- (2) For support of the General Court of Justice, the sum of thirty dollars (\$30.00), plus an additional forty cents (40¢) per one hundred dollars

(\$100.00), or major fraction thereof, of the gross estate, not to exceed three thousand dollars (\$3,000). Gross estate shall include the fair market value of all personalty when received, and all proceeds from the sale of realty coming into the hands of the fiduciary, but shall not include the value of realty. In collections of personal property by affidavit, the fee based on the gross estate shall be computed from the information in the final affidavit of collection made pursuant to G.S. 28A-25-3 and shall be paid when that affidavit is filed. In all other cases, this fee shall be computed from the information reported in the inventory and shall be paid when the inventory is filed with the clerk. If additional gross estate, including income, comes into the hands of the fiduciary after the filing of the inventory, the fee for such additional value shall be assessed and paid upon the filing of any account or report disclosing such additional value. For each filing the minimum fee shall be fifteen dollars (\$15.00). Sums collected under this subdivision shall be remitted to the State Treasurer. The State Treasurer shall remit the sum of one dollar and five cents (\$1.05) of each thirty-dollar (\$30.00) General Court of Justice fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.4."

**SECTION 3.** G.S. 7A-307(b1) reads as rewritten:

"(b1) The clerk shall assess the following miscellaneous fees:

- (1) Filing and indexing a will with no probate
  - first page ..... \$ 1.00
  - each additional page or fraction thereof ..... .25
- (2) Issuing letters to fiduciaries, per letter over five letters issued ..... 1.00
- (3) Inventory of safe deposits of a decedent, per box, per day ..... 15.00
- (4) Taking a deposition ..... ~~5.00~~10.00
- (5) Docketing and indexing a will probated in another county in the State.....
  - first page ..... ~~1.00~~6.00
  - each additional page or fraction thereof ..... .25
- (6) Hearing petition for year's allowance to surviving spouse or child, in cases not assigned to a magistrate, and allotting the same ..... ~~4.00~~8.00".

**SECTION 4.** If Senate Bill 1115, 2002 Regular Session, becomes law, then G.S. 7A-308(a)(4), as rewritten by Section 29A.13.1(a) of that act, reads as rewritten:

"(a) The following miscellaneous fees and commissions shall be collected by the clerk of superior court and remitted to the State for the support of the General Court of Justice:

- ...
- (4) Taking a deposition ..... ~~7.50~~10.00".

**SECTION 5.** This act becomes effective October 1, 2002, and applies to all acts done on or after that date.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 1:57 p.m. on the 3<sup>rd</sup> day of October, 2002.

## H.B. 1670

## Session Law 2002-136

## AN ACT TO CLARIFY THE EXPENSE ATTRIBUTION LAW AS IT APPLIES TO DEDUCTIBLE DIVIDENDS AND TO PROVIDE LIMITS ON THE POTENTIAL TAX LIABILITY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 105-130.5(c)(3) reads as rewritten:

"(c) The following other adjustments to federal taxable income shall be made in determining State net income:

...

- (3) No deduction is allowed for any direct or indirect expenses related to income not taxed under this Part; provided, no adjustment shall be made under this subsection for adjustments addressed in G.S. 105-130.5(a) and (b). G.S. 105-130.6A applies to the adjustment for expenses related to dividends received that are not taxed under this Part."

**SECTION 2.** Part 1 of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-130.6A. Adjustment for expenses related to dividends.**

(a) Definitions. – The provisions of G.S. 105-130.6 govern the determination of whether a corporation is a subsidiary or an affiliate of another corporation. In addition, the following definitions apply in this section:

- (1) Affiliated group. – A group that includes a corporation, all other corporations that are affiliates or subsidiaries of that corporation, and all other corporations that are affiliates or subsidiaries of another corporation in the group.
- (2) Bank holding company. – A holding company with an affiliate that is subject to the privilege tax on banks levied in G.S. 105-102.3.
- (3) Dividends. – Dividends received that are not taxed under this Part.
- (4) Electric power holding company. – A holding company with an affiliate or a subsidiary that is subject to the franchise tax on electric power companies levied in G.S. 105-116.
- (5) Expense adjustment. – The adjustment required by G.S. 105-130.5(c)(3) for expenses related to dividends not taxed under this Part.
- (6) Holding company. – Defined in G.S. 105-120.2.

(b) General Rule. – For corporations other than bank holding companies and electric power holding companies, the adjustment under G.S. 105-130.5(c)(3) for expenses related to dividends not taxed under this Part may not exceed an amount equal to fifteen percent (15%) of the dividends.

(c) Bank Holding Companies. – For bank holding companies the adjustment under G.S. 105-130.5(c)(3) for expenses related to dividends not taxed under this Part may not exceed an amount equal to twenty percent (20%) of the dividends.

(d) Electric Power Holding Companies. – For electric power holding companies, the adjustment under G.S. 105-130.5(c)(3) for expenses related to dividends not taxed under this Part may not exceed an amount equal to fifteen percent (15%) of its total interest expenses.

(e) Cap for Bank Holding Companies. – After calculating the expense adjustment as provided in subsection (c) of this section, each bank holding company must calculate the amount of additional tax that results from the expense adjustments for the holding company and for every corporation in the holding company's affiliated group for the taxable year. If the expense adjustments result in additional tax exceeding eleven million dollars (\$11,000,000) for a taxable year for the affiliated group, the affiliated group may reduce the amount of the expense adjustment so that the resulting additional tax does not exceed this maximum. This maximum applies once to each affiliated group each taxable year, whether or not the group includes more than one bank holding company.

The members of the affiliated group may allocate this reduction among themselves in their discretion. In order to take this reduction, each member of the affiliated group that is required to file a return under this Part and that has dividends for the taxable year must provide a schedule with its return that lists every member of the group that has dividends, the amount of the dividends, and whether the member is a bank holding company. In addition, the schedule must show the expense adjustments for those members whose additional tax as a result of the expense adjustment constitutes the maximum amount. In addition, each member must provide any other documentation required by the Secretary.

If the expense adjustment for an affiliated group is reduced under this subsection, and the return of a member of the group is later changed in a manner that reduces below the maximum the amount of additional tax for the group resulting from the expense adjustment, the Secretary may increase the expense adjustment for any member of the group in order to increase to the maximum the amount of additional tax for the group resulting from the expense adjustment. In this situation, the amount of the increase is considered a forfeited tax benefit with respect to the affiliated group for the purposes of G.S. 105-241.1(e). The date of the forfeiture is the date of the change that triggers the Secretary's authority to increase the expense adjustment. Any member whose expense adjustment the Secretary increases is liable for interest on the amount of the increase at the rate established under G.S. 105-241.1(i), computed from the date the taxes would have been due if the expense adjustment had been calculated correctly on the original return. The amount of the increase and the interest are due 60 days after the date of the forfeiture. A taxpayer that fails to pay the amount of the increase and interest by the due date is subject to the penalties provided in G.S. 105-236.

(f) Credits for Bank Holding Companies. – If the affiliated group of which a bank holding company is a member is eligible for the reduction provided in subsection (e) of this section for a taxable year, the affiliated group is also eligible for a credit equal to two million dollars (\$2,000,000). If the affiliated group of which a bank holding company is a member is not eligible for the reduction provided in subsection (e) of this section for a taxable year, the affiliated group is eligible for a credit equal to the amount of additional tax that results from its expense adjustments in excess of the amount of additional tax that would result from the expense adjustments if the expense adjustment of any bank holding company in the group were equal to fifteen percent (15%) of the holding company's dividends for that taxable year.

A credit allowed by this subsection may be taken in four equal, annual installments beginning with the later of the following taxable year or the taxpayer's taxable year beginning in 2003. The members of the affiliated group may allocate a credit allowed by this subsection among themselves in their discretion.

(g) Credit for Electric Power Holding Companies. – After calculating the adjustment for expenses related to dividends under G.S. 105-130.5(c)(3), each electric power holding company must calculate the amount of additional tax under this Part that results from the expense adjustment for the taxable year. The electric power holding company is allowed a credit for the following taxable year equal to one-half of this amount of additional tax.

As an alternative to taking this credit against its own tax liability, an electric power holding company may elect to allocate the credit among the members of its affiliated group. In this case, the credit must be taken in four equal installments beginning in the later of the following taxable year or the taxable year for which the taxpayer's final return is due in 2004.

(h) Limitation on Credits. – The credits provided in this section are allowed against the tax levied in this Part and the franchise tax levied in Article 3 of this Chapter. A taxpayer may claim a credit against only one of the taxes against which it is allowed. Each taxpayer must elect the tax against which the credit will be taken when filing the return on which the first installment of the credit is claimed. This election is binding. All installments and carryforwards of the credit must be taken against the same tax.

In order for a member of an affiliated group to take a credit, each member of the affiliated group that is required to file a return under this Part or under Article 3 of this Chapter must attach a schedule to its return that shows for every member of the group the amount of the credit taken by it, the tax against which it is taken, and the amount of the resulting tax. In addition, each member must provide any other documentation required by the Secretary.

A credit allowed in this section may not exceed the amount of tax against which it is taken for the taxable year reduced by the sum of all credits allowable, except tax payments made by or on behalf of the taxpayer. Any unused portion of the credit may be carried forward to succeeding taxable years."

**SECTION 3.** G.S. 105-130.8(a)(5) reads as rewritten:

"(a) Net economic losses sustained by a corporation in any or all of the 15 preceding income years shall be allowed as a deduction to the corporation subject to the following limitations:

- ...
- (5) For purposes of this section, any income item deductible in determining State net income under the provisions of G.S. 105-130.5 and any nonbusiness income not allocable to this State under the provisions of G.S. 105-130.4 shall be considered as income not taxable under this Part. The amount of the income item considered income not taxable under this Part is determined after subtracting related expenses for which a deduction was allowed under this Part."

**SECTION 4.** G.S. 105-130.5(b)(3a) reads as rewritten:

"(b) The following deductions from federal taxable income shall be made in determining State net income:

- ...
- (3a) Dividends treated as received from sources outside the United States as determined under section 862 of the Code, net of related expenses, to the extent included in federal taxable income. Notwithstanding the proviso in subdivision (c)(3) of this section, the netting of related

expenses shall be calculated in accordance with subdivision (c)(3) of this section and G.S. 105-130.6A."

**SECTION 5.** It is the intent of the General Assembly that the provisions of this act are to remain in effect for taxable years beginning in 2001 and 2002. The Revenue Laws Study Committee shall study the treatment of expenses related to dividends received and other income not taxed and the taxation of affiliated corporations, of holding companies, and of financial institutions under current law. The Committee shall report to the 2003 General Assembly its recommendations for modifying the provisions of this act and other provisions of the taxes on corporations and businesses in order to provide for a more equitable and stable source of revenue. It is the intent of the General Assembly to address the issues raised by this act during the 2003 Regular Session and enact changes effective for taxable years beginning on or after January 1, 2003.

**SECTION 6.(a)** If a taxpayer meets the condition set out in subsection (c) of this section, then, notwithstanding G.S. 105-163.41, no addition to tax may be made under that statute for a taxable year beginning on or after January 1, 2002, and before January 1, 2003, with respect to an underpayment of corporate income tax to the extent the underpayment was created or increased by Section 3 of S.L. 2001-327. This subsection does not apply to any underpayment of an installment of estimated tax that is due more than 15 days after the date this act becomes law.

**SECTION 6.(b)** If a taxpayer meets the condition set out in subsection (c) of this section, then, notwithstanding G.S. 105-236(4), the penalty under that statute for a taxable year beginning on or after January 1, 2001, and before January 1, 2002, is waived with respect to failure to pay an amount of corporate income tax due to the extent the amount of tax due was created by Section 3 of S.L. 2001-327. This subsection does not apply to any amount of corporate income tax that was due more than 15 days after the date this act becomes law.

**SECTION 6.(c)** In order to qualify for the benefit of this section, a taxpayer must pay within 15 days after the date this act becomes law all tax due by that date that was created or increased by Section 3 of S.L. 2001-327.

**SECTION 7.** This act is effective for taxable years beginning on or after January 1, 2001.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of October, 2002.

Became law upon approval of the Governor at 1:57 p.m. on the 3<sup>rd</sup> day of October, 2002.

## H.B. 1679

## Session Law 2002-137

### AN ACT TO INCORPORATE THE TOWN OF OSSIPEE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** In accordance with G.S. 130A-81(l), the Town of Ossipee is incorporated and the Ossipee Sanitary District is simultaneously dissolved.

**SECTION 2.** A Charter for the Town of Ossipee is enacted to read:

"CHARTER FOR THE TOWN OF OSSIPEE.

"ARTICLE I. INCORPORATION AND CORPORATE POWERS.

"Section 1.1. **Incorporation and Corporate Powers.** The inhabitants of the Town of Ossipee are a body corporate and politic under the name "Town of Ossipee". The

Town of Ossipee has all the powers, duties, rights, privileges, and immunities conferred and imposed on the cities by the general law of North Carolina.

"ARTICLE II. CORPORATE BOUNDARIES.

"Section 2.1. **Town Boundaries.** Until modified in accordance with the law, the boundaries of the Town of Ossipee shall be as follows:

A certain tract or parcel of land in Boone Station Township, Alamance County, North Carolina, and described as follows:

BEGINNING at a point in the center line of Shepherd Road (SR No. 1554) and being the southwest corner of Lot No. 8 of Tax Map 3, Block 50, running thence in a northerly direction along the western line of said Lot No. 8 approximately 2230 feet to a point in the center of Reedy Fork Creek; running thence along the center line of Reedy Fork in an easterly direction as it meanders approximately 2700 feet to a point in the center of the new location of Old N. C. Highway No. 87; thence continuing along the centerline of Reedy Fork Creek in a southeasterly direction as it meanders approximately 1450 feet to a point in the east right of way line of N.C. Highway No. 87; running thence along the east, right of way line of N.C. Highway No. 87 in a southerly direction 1190 feet to a point and corner with Lot No. 8A of Tax Map 3, Block 52; running thence with the north line of Lot No. 8A in a northeasterly direction 210 feet to a point corner with Lot No. 8A; running thence with the east line of Lot Nos. 8A and 8 in a southerly direction 396 feet to a point corner with Lot No. 8 and in the line of Lot No. 10 of Tax Map 3, Block 52; running thence along the line of Lot No. 10 in a northeasterly direction 272.79 feet to a point corner with Lot No. 10; thence along the east line of Lot Nos. 10 and 12 in a southerly direction 664.58 to a point and corner between Lot Nos. 12 and 13 of Tax Map 3, Block 52; running thence along the east line of Lot No. 13 in a southeast direction 384 feet to a point corner with Lot No. 13 and in the line of Lot No. 16B of Tax Map 3, Block 52; running thence along the line between Lot Nos. 13 and 16B in a southwesterly direction 84 feet to a point in the line Lot No. 13 and corner between Lot Nos. 16A and 16B; running thence along the western line of Lot No. 16B and the eastern line of Lot Nos. 16A, 44, 45, 46 and 16 in a southeasterly direction approximately 641 feet to a point and corner between Lot Nos. 16 and 15; running thence along the line between Lot Nos. 15 and 16B in a southeast direction 100 feet to a point corner between Lot Nos. 15 and 16B and in the line of Lot No. 16C of Tax Map 3, Block 52 and also being Lot No. 1 of the "Mattie Ireland Heirs Property," a plat of which is recorded in Plat Book 42, at page 74 in the Alamance County Register of Deeds office; running thence along the southern line Lot No. 15 in a southwesterly direction to a point in the northeastern right-of-way line N.C. Highway No. 87; running thence along the northeastern right-of-way line of N.C. Highway No. 87 in a southeastern direction to a point and corner between Lot Nos. 17 and 18E of Tax Map 3, Block 52; running thence along the line between Lot Nos. 17 and 18E to a point where the line intersects Lot No. 32 of Tax Map 3, Block 52A; running thence along the line between Lot Nos. 18E and 32 in a southwesterly direction to a point in the northeasterly right-of-way line of N.C. No. 87 and corner between Lot No. 18E of Tax Map 3, Block 52A and Lot No. 32 of Tax Map 3, Block 52A; thence crossing N.C. Highway No. 87 in a southwesterly direction to a point in the southwestern right-of-way line of N.C. Highway No. 87 and corner between Lot Nos. 18 and 37 of Tax Map 3, Block 52; running thence along the line between Lot Nos. 18 and 37 in a southwesterly direction to a point and corner between Lot Nos. 18, 18F and 37; running thence along the line between Lot Nos. 18 and 18F to a point where the line corners in the line of Lot No.

18A of Tax Map 3, Block 52; running thence along the line between Lot Nos. 18A and 18F in a southwesterly direction to a point and corner between Lot Nos. 18A and 18F and in the line of Lot No. 41; running thence along the line between Lot Nos. 18F and 41 in a southerly direction to a point in the line of 18F and corner between Lot Nos. 41 and 2; running thence along the southern line of Lot No. 41 in a westerly direction approximately 730 feet to a point in the centerline of Elon-Ossipee Road; running thence along the centerline of Elon-Ossipee Road in a northwesterly direction approximately 630 feet to a point corner with Lot No. 34 of Tax Map 3 Block 52; running thence along the south line of Lot No. 34 in a westerly direction 1268.82 feet to a point in the line of Lot No. 1A of Tax Map 3, Block 50; running thence along the western line of Lot Nos. 34 and 5E, of Tax Map 3, Block 52 in a northerly direction approximately 850 feet to a point and corner with Lot No. 1A of Tax Map 3, Block 50; running thence along the northern line of Lot No 1A in a westerly direction approximately 1204 feet to a point in the centerline of Gibsonville-Ossipee Road; running thence along the centerline of Gibsonville-Ossipee Road in a northeasterly direction approximately 1,300 feet to a point at the intersection of Gibsonville-Ossipee Road and Shepherd Road; running thence along the centerline of Shepherd Road in a westerly direction approximately 650 feet to the POINT OF BEGINNING and containing 362.10 acres, more or less.

"ARTICLE III. GOVERNING BODY.

"Section 3.1. **Structure of the Governing Body; Number of Members.** The governing body of the Town of Ossipee shall be the Town Council which shall have five members.

"Section 3.2. **Manner of Electing Council.** The qualified voters of the entire Town shall elect the members of the Town Council, and, except as provided in this section, they shall serve four-year terms. In 2003, the three candidates receiving the highest number of votes shall be elected to four-year terms, and the two candidates receiving the next highest number of votes shall be elected to two-year terms. In 2005, and quadrennially thereafter, two members shall be elected to four-year terms. In 2007, and quadrennially thereafter, three members shall be elected to four-year terms.

"Section 3.3. **Manner of Electing Mayor; Term of Office.** The Mayor shall be appointed by the Town Council from among its own membership for a two-year term. The Mayor shall have the right to vote on all questions that come through the Council. The Mayor shall have no right to break a tie vote in which the Mayor participated.

"Section 3.4. **Residence of Members of Governing Body.** All members of the governing body, whether elected or appointed, shall be registered voters who reside within the corporate limits of the Town of Ossipee in order to qualify to take, hold, and continue in office.

"Section 3.5. **Filling of Vacancies.** Vacancies occurring for any reason on the Town Council shall be filled by appointment by the remaining members of the Council for the remainder of the unexpired term.

"ARTICLE IV. ELECTIONS.

"Section 4.1. **Conduct of Town Elections.** The Town Council shall be elected on a nonpartisan basis and the results determined by a plurality of votes cast, as provided in G.S. 163-292. The first municipal election shall be in 2003. Elections shall be conducted by the Alamance County Board of Elections unless otherwise provided in accordance with G.S. 163-285.



## "ARTICLE V. ADMINISTRATION.

"Section 5.1. **Town to Operate Under Mayor-Council Plan.** The Town of Ossipee will operate under the Mayor-Council plan as provided in Part 3 of Article 7 of Chapter 160A of the General Statutes. The Mayor shall have the same voting rights and privileges and shall be subject to the same voting limitations and requirements as are Council members under the general law.

"Section 5.2. **The Incorporation of the Town of Ossipee and Simultaneous Dissolution of the Ossipee Sanitary District.** The incorporation of the Town of Ossipee and simultaneous dissolution of the Ossipee Sanitary District shall become effective on the second Monday of the month following the day results of the 2002 election are certified. The Ossipee Sanitary District shall take all actions necessary to effect the transfer of the assets and liabilities of the Sanitary District to the Town of Ossipee."

**SECTION 3.** The organizational meeting of the Town Council of the Town of Ossipee shall be held at 7:00 P.M. on the second Monday of the month following the day results of the 2002 election are certified. The transitional provisions of G.S. 130A-81(5)a. through g. shall apply to the Town of Ossipee and the Ossipee Sanitary District. The members of the Board of the Ossipee Sanitary District shall be the members of the Town Council until the organizational meeting following the 2003 municipal election when all their terms shall expire. They shall elect one of their members to be Mayor until the organizational meeting following the 2003 municipal election.

**SECTION 4.** From and after the effective date of this act, the citizens and property in the Town of Ossipee shall be subject to municipal taxes levied for the fiscal year beginning July 1, 2003, and for that purpose the Town shall obtain from Alamance County a record of property in the area herein incorporated that is listed for taxes as of January 1, 2003. The Town may adopt a budget ordinance for fiscal year 2002-2003 without following the timetable in the Local Governmental Budget and Fiscal Control Act, but shall follow the sequence of actions in the spirit of the act insofar as is practical. This act does not affect the property tax levy for the 2002-2003 fiscal year for the Ossipee Sanitary District.

**SECTION 5.** The Alamance County Board of Elections shall conduct an election on the date of the general election in 2002 for the purpose of submission to the qualified voters in the area described in Section 2.1 of the Charter of the Town of Ossipee the question of whether or not the area shall be incorporated as the Town of Ossipee. Registration for the election shall be conducted in accordance with G.S. 163-288.2. The Alamance County Board of Elections may adopt a modified public notice schedule for the election under this act due to the late date of enactment of this act.

**SECTION 6.** In the election, the question on the ballot shall be:

" FOR       AGAINST  
Incorporation of the Town of Ossipee".

**SECTION 7.** In the election, if a majority of the votes are cast "For Incorporation of the Town of Ossipee", Sections 1 through 4 of this act shall become effective on the date that the Alamance County Board of Elections certifies the results of the election. Otherwise, Sections 1 through 4 of this act shall have no force and effect.

**SECTION 8.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law on the date it was ratified.

**H.B. 1707****Session Law 2002-138**

AN ACT TO PROVIDE TOURISM DEVELOPMENT FOR THE NEW HANOVER COUNTY BEACH TOWNS, TO PROVIDE FOR THE ESTABLISHMENT OF A TOURISM DEVELOPMENT AUTHORITY, TO CONFORM ADMINISTRATIVE PROVISIONS OF THE NEW HANOVER COUNTY LAW TO GENERAL LAW, AND TO PROHIBIT A CONVENTION CENTER IN NEW HANOVER COUNTY FROM ENTERING INTO A CONTRACT WITH A HOTEL REQUIRING THE HOTEL TO PAY FEES OR COMMISSIONS TO THE CONVENTION CENTER BASED ON ACCOMMODATIONS PROVIDED TO INDIVIDUALS ATTENDING CONVENTION CENTER FUNCTIONS.

*The General Assembly of North Carolina enacts:*

**NEW HANOVER COUNTY BEACH TOWNS TOURISM DEVELOPMENT ACT**

**SECTION 1.(a)** This section applies only to the towns of Carolina Beach, Kure Beach, and Wrightsville Beach.

**SECTION 1.(b)** Authorization and Scope. – If New Hanover County has created a Tourism Development Authority pursuant to Part VIII of Chapter 908 of the 1983 Session Laws, as amended, the governing body of a beach town may, by resolution, levy a local occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose.

**SECTION 1.(c)** Administration. – New Hanover County shall collect and administer on behalf of each beach town the tax the town levies under this section. Except as otherwise provided in this section, a tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

**SECTION 1.(d)** Distribution and Use of Tax Revenue. – The county shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied by each beach town under this section to the Tourism Development Authority for deposit to a separate account for that beach town. The Authority shall use at least one-half of the funds in each beach town account to promote travel and tourism in that beach town and shall use the remainder in each beach town account for tourism-related expenditures in that beach town. Before spending any funds in a beach town account for promoting travel and tourism or for tourism-related expenditures, the Authority must consult with the affected beach town regarding its needs for promoting travel and tourism and for tourism-related expenditures.

The following definitions apply in this subsection:

- (1) Beach towns. – Carolina Beach, Kure Beach, and Wrightsville Beach.
- (2) Net proceeds. – Gross proceeds less the cost to the county of

- administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (3) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in the listed activities.
  - (4) Tourism Development Authority or Authority. – The Cape Fear Coast Convention and Visitors Bureau created by New Hanover County pursuant to Part VIII of Chapter 908 of the 1983 Session Laws, as amended.
  - (5) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.

**SECTION 2.** G.S. 160A-215 reads as rewritten:

**"§ 160A-215. Uniform provisions for room occupancy taxes.**

(a) Scope. – This section applies only to municipalities the General Assembly has authorized to levy room occupancy taxes. For the purpose of this section, the term "city" means a municipality.

(b) Levy. – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) Collection. – Every operator of a business subject to a room occupancy tax shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall be collected as part of the charge for furnishing a taxable accommodation. The tax shall be stated and charged separately from the sales records and shall be paid by the purchaser to the operator of the business as trustee for and on account of the taxing city. The tax shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business. The taxing city shall design, print, and furnish to all appropriate businesses and persons in the city the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a business who collects a room occupancy tax may deduct from the amount remitted to the taxing city a discount equal to the discount the State allows the operator for State sales and use tax.

(d) Administration. – The taxing city shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the city finance officer in monthly installments on or before the fifteenth day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the fifteenth day of each month, prepare and render a return on a form prescribed by the taxing city. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the city finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) Penalties. – A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing city has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(f) Repeal or Reduction. – A room occupancy tax levied by a city may be repealed or reduced by a resolution adopted by the governing body of the city. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

(g) This section applies only to Beech Mountain District W, to the Cities of Gastonia, Goldsboro, Greensboro, High Point, Kings Mountain, Lexington, Lincolnton, Lumberton, Monroe, Mount Airy, Shelby, Statesville, and Washington, to the Towns of Beech Mountain, Carolina Beach, Carrboro, Kure Beach, Mooreville, North Topsail Beach, Selma, Smithfield, St. Pauls, ~~and Wilkesboro~~, Wilkesboro, and Wrightsville Beach, and to the municipalities in Avery and Brunswick Counties."

### **MODIFY NEW HANOVER COUNTY ADMINISTRATIVE PROVISIONS**

**SECTION 3.** Section 36.1 of Chapter 908 of the 1983 Session Laws is recodified as Section 32(b) of Chapter 908 of the 1983 Session Laws.

**SECTION 4.** Part VIII of Chapter 908 of the 1983 Session Laws, as amended by Chapter 987 of the 1983 Session Laws, Chapters 726 and 971 of the 1985 Session Laws, Chapter 540 of the 1995 Session Laws, and Section 3 of this act, reads as rewritten:

"Part VIII. New Hanover Occupancy Tax.

"Sec. 31. Levy of Tax. – (a) Two-Percent Tax. – The New Hanover County Board of Commissioners may ~~by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto,~~ levy a room occupancy tax.

~~(b) Collection of the tax, and liability therefor, shall begin and continue only on and after the first day of a calendar month set by the New Hanover County Board of Commissioners in the resolution levying the tax, which in no case may be earlier than the first day of the second succeeding calendar month after the date of adoption of the resolution.~~

~~"Sec. 32. Occupancy Tax. The county room occupancy tax that may be levied under this Part shall be levy a room occupancy tax of two percent (2%) of the gross receipts derived from the rental of any accommodations within the county that are subject to room, lodging, or similar accommodation furnished by any hotel, motel, inn, tourist camp, or other similar place within the county that is subject to the three percent (3%) sales tax imposed by the State under G.S. 105-164.4(3). G.S. 105-164.4(a)(3). This tax is in addition to any local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, benevolent, or religious organizations.~~

(b) Additional One-Percent Tax. – In addition to the tax authorized by ~~Sections 31 and 32 of this Part,~~ subsection (a) of this section, the New Hanover County Board of Commissioners may levy a room occupancy and tourism development tax of one percent (1%) of the gross receipts derived from the rental of accommodations taxable

~~under those sections that subsection. The levy, collection, administration, and repeal of the tax authorized by this section, subsection, and the use of tax revenue from a tax levied under this section, subsection, shall be in accordance with Sections 31 through 36 35 of this Part. New Hanover County may not levy a tax under this section-subsection unless it also levies a tax under Sections 31 and 32 of this Part. subsection (a) of this section.~~

"Sec. 32. Definitions. – The following definitions apply in this Part:

- (1) Beach nourishment. – The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program along the shorelines of the Atlantic Ocean of North Carolina and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property. The term includes expenditures for any of the following:
  - a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies.
  - b. The nonfederal share of the cost required to construct these projects.
  - c. The costs associated with providing enhanced public beach access.
  - d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences.
- (2) Beach towns. – Carolina Beach, Kure Beach, and Wrightsville Beach.
- (3) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (4) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in the listed activities.
- (5) Tourism-related expenditures. – Expenditures that, in the judgment of the Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in an area by attracting tourists or business travelers to the area. The term includes tourism-related capital expenditures and beach nourishment.

"Sec. 33. Administration of Tax. – A tax levied under this act shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this act.(a) Any tax levied under this Part is due and payable to the county in monthly installments on or before the 15th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 15th day of each month, prepare and render a return on a form prescribed by the county. The return shall

~~state the total gross receipts derived in the preceding month from rentals upon which the tax is levied.~~

~~(b) Any person, firm, corporation, or association who fails or refuses to file the return required by this Part shall pay a penalty of ten dollars (\$10.00) for each day's omission.~~

~~(c) In case of failure or refusal to file the return or pay the tax for a period of 30 days after the time required for filing the return or for paying the tax, there shall be an additional tax, as a penalty, of five percent (5%) of the tax due, in addition to the penalty prescribed in subsection (b), with an additional tax of five percent (5%) for each additional month or fraction thereof until the occupancy tax is paid.~~

~~(d) Any person who willfully attempts in any manner to evade the occupancy tax imposed by this Part or to make a return and who willfully fails to pay the tax or make and file a return shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and shall be punished by a fine not to exceed one thousand dollars (\$1,000) or by imprisonment not to exceed six months, or both.~~

~~(e) In the event that a penalty or additional tax as a penalty is imposed upon or added to the tax levied under this Part, as prescribed in subsections (b) and (c) above, the Board of Commissioners of New Hanover County, upon petition of the taxpayer or his agent, may compromise, settle, or adjust the county's claim for the penalties imposed.~~

"Sec. 34. Establishment of the Cape Fear Coast Convention and Visitors Bureau as a Tourism Development Authority. – (a) Creation. – As soon as practicable before February 1, 2003, the board of commissioners shall adopt a resolution creating the Cape Fear Coast Convention and Visitors Bureau, a tourism development authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The county shall transfer to the Authority upon its creation all the assets of the county's convention and visitors bureau.

(b) Membership. – The Authority shall be composed of the following 15 voting members: five ex officio members or their designees and 10 additional members appointed by the board of commissioners.

(1) The ex officio members are listed below. Each ex officio member may designate to serve in the member's place an individual who is actively involved in promoting travel and tourism in the local community the member represents or who owns or manages a lodging facility in the local community the member represents.

a. The chair of the board of county commissioners.

b. The mayor of the City of Wilmington.

c. The mayors of the beach towns.

(2) The board of county commissioners shall appoint the members listed below. The resolution creating the Authority must provide for staggered terms for the appointed members.

a. The owner or manager of a hotel of 150 rooms or more in the town of Wrightsville Beach. This individual must have experience in promoting travel and tourism.

b. The owner or manager of a hotel in the town of Carolina Beach and the owner or manager of a hotel in the town of Kure Beach. These individuals must have experience in promoting travel and tourism.

- c. The owner or manager of a hotel of 150 rooms or more in the City of Wilmington. This individual must have experience in promoting travel and tourism.
- d. The owner or manager of a hotel of fewer than 150 rooms in the City of Wilmington. This individual must have experience in promoting travel and tourism.
- e. The owner or manager of a bed and breakfast facility. This individual must have experience in promoting travel and tourism.
- f. The owner or manager of a company that manages and rents more than 100 vacation rental properties. This individual must have experience in promoting travel and tourism.
- g. A representative of a tourism attraction in the county who is actively involved in the promotion of travel and tourism in the county.
- h. A representative of the Wilmington Chamber of Commerce who is actively involved in promoting travel and tourism in the county.
- i. The owner or manager of a restaurant business in the county.

(c) Administration. – The board of commissioners shall determine the compensation, if any, to be paid to members of the Authority. The resolution creating the Authority must designate one member of the Authority to serve as the initial chair. The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. During the first quarter of each calendar year beginning in 2004, the Authority must meet to elect a chair from among its members. The Finance Officer for New Hanover County shall be the ex officio finance officer of the Authority.

(d) Duties. – The Authority shall expend the net proceeds of the taxes distributed to it for the purposes provided by law. The Authority shall promote travel, tourism, and conventions in the county, sponsor tourist-related events and activities in the county, and finance tourist-related capital projects in the county.

(e) Reports. – The Authority shall report quarterly and at the close of the fiscal year on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require. It shall file these reports with the board of commissioners and with the governing body of each municipality in the county.

~~Collection of Tax. Every operator of a business subject to the tax levied by this Part shall, on and after the effective date of the levy of the tax, collect the two percent (2%) room occupancy tax provided by this Part.~~

~~This tax shall be collected as part of the charge for the furnishing of any taxable accommodations. The tax shall be stated and charged separately from the sales records, and shall be paid by the purchaser to the operator of the business as trustee for and on account of New Hanover County. It is the intent of this Part that the room occupancy tax levied by New Hanover County shall be added to the sales price and that the tax shall be passed on to the purchaser instead of being borne by the operator of the business. The county shall design, print, and furnish to all appropriate businesses in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax.~~

~~"Sec. 35. Disposition of Taxes Collected. (a) – New Hanover County shall distribute the net proceeds of the occupancy tax taxes levied under Section 31 of this Part as follows: provided in this section:~~

- (1) Sixty percent (60%) of the net proceeds shall be deposited in a special fund, the cash balance of which shall be deposited at interest or invested in accordance with G.S. ~~159-30; and~~ 159-30. These funds shall be used only for beach nourishment.
- (2) Forty percent (40%) of the net proceeds shall be distributed on a quarterly basis to the county and its municipalities in accordance with ~~the method by which the one percent (1%) local sales and use taxes levied in the county pursuant to Article 39 of Chapter 105 of the General Statutes are distributed.~~ Tourism Development Authority. These funds shall be used only to promote travel and tourism throughout New Hanover County. These funds shall not be used to plan, construct, operate, maintain, or in any way promote a civic center, convention center, public auditorium, or like facility.

'Net proceeds' means gross proceeds less the cost to the county of administering and collecting the tax.

~~Unless a change in the use of occupancy tax revenue is authorized pursuant to subsection (b), the revenue deposited in a special fund in accordance with subdivision (1) shall be used by the county to control beach erosion, and the revenue distributed between the county and its municipalities in accordance with subdivision (2) shall be used to promote travel and tourism. No revenue distributed under subdivision (2), however, may be used to plan, construct, operate, maintain, or in any way promote a civic center, convention center, public auditorium, or like facility.~~

~~(b) The purposes for which revenue from the room occupancy tax may be used by the county and its municipalities may be changed only by resolution of the New Hanover Board of County Commissioners after being approved by a majority of the votes cast in an election held in New Hanover County on the question of how revenue from the room occupancy tax should be used. The ballot presented to the qualified voters of the county in an election concerning the use of revenue from the room occupancy tax shall state all the proposed uses of this revenue and the percentage of the revenue to be used for each purpose. Any change in use of revenue from the room occupancy tax made by the county commissioners after voter approval may likewise be changed only by resolution of the county commissioners after being approved by the voters in another election.~~

~~The question of how revenue from the room occupancy tax should be spent may be submitted to the qualified voters of the county only at the time of a statewide general election. All elections under this section shall be conducted in accordance with the laws then governing elections in this State.~~

~~"Sec. 36. Repeal of Levy. (a) The board of commissioners may by resolution repeal the levy of the room occupancy tax in new Hanover County, but no repeal of taxes levied under this Part shall be effective until the end of the fiscal year in which the repeal resolution was adopted.~~

~~(b) No liability for any tax levied under this Part that attached prior to the date on which a levy is repealed is discharged as a result of the repeal, and no right to a refund of a tax that accrued prior to the effective date on which a levy is repealed may be denied as a result of the repeal."~~

**SECTION 5.** G.S. 153A-155 reads as rewritten:

**"§ 153A-155. Uniform provisions for room occupancy taxes.**

(a) Scope. – This section applies only to counties the General Assembly has authorized to levy room occupancy taxes.



(b) Levy. – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) Collection. – Every operator of a business subject to a room occupancy tax shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall be collected as part of the charge for furnishing a taxable accommodation. The tax shall be stated and charged separately from the sales records and shall be paid by the purchaser to the operator of the business as trustee for and on account of the taxing county. The tax shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business. The taxing county shall design, print, and furnish to all appropriate businesses and persons in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a business who collects a room occupancy tax may deduct from the amount remitted to the taxing county a discount equal to the discount the State allows the operator for State sales and use tax.

(d) Administration. – The taxing county shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the county finance officer in monthly installments on or before the 15th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 15th day of each month, prepare and render a return on a form prescribed by the taxing county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the county finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) Penalties. – A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing county has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(f) Repeal or Reduction. – A room occupancy tax levied by a county may be repealed or reduced by a resolution adopted by the governing body of the county. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

(g) This section applies only to Anson, Brunswick, Buncombe, Cabarrus, Carteret, Craven, Cumberland, Currituck, Dare, Davie, Durham, Granville, Madison, Montgomery, Nash, New Hanover, Pender, Person, Randolph, Richmond, Rowan, Scotland, Stanly, Transylvania, Tyrrell, Vance, and Washington Counties, and to the Township of Averagesboro in Harnett County."

#### **LIMITATION ON NEW HANOVER COUNTY CONVENTION CENTERS**

**SECTION 6.** G.S. 160A-489 reads as rewritten:

**"§ 160A-489. Auditoriums, coliseums, and convention centers.**

(a) Any city is authorized to establish and support public auditoriums, coliseums, and convention centers. As used in this section, "support" includes but is not limited to: acquisition, construction, and renovation of buildings and acquisition of the necessary land and other property therefor; purchase of equipment; compensation of personnel; and all operating and maintenance expenses of the facility. For the purposes set forth in this section, a city may appropriate funds not otherwise limited as to use by law.

(b) A convention center, or its agents, that is funded in whole or in part by occupancy tax proceeds may not enter into a contract with a hotel or lodging facility that requires the hotel or lodging facility to pay a fee, penalty, commission, or other charge to the convention center based on accommodations provided to individuals attending convention center functions. A convention center may not discriminate against a hotel or lodging facility that provides accommodations to individuals attending convention center functions based on the payment or nonpayment of fees, penalties, commissions, or other charges to the convention center."

**SECTION 7.** Section 6 of this act applies only to New Hanover County and the municipalities in New Hanover County.

**EFFECTIVE DATE**

**SECTION 8.** Sections 6, 7, and 8, and the amendments made by this act to Section 34 of Chapter 908 of the 1983 Session Laws, as amended, are effective when this act becomes law. The remainder of this act becomes effective February 1, 2003.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law on the date it was ratified.

**H.B. 1720****Session Law 2002-139****AN ACT TO AUTHORIZE THE CITY OF WILMINGTON TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Occupancy tax. – (a) Authorization and Scope. – If New Hanover County has created a Tourism Development Authority pursuant to Part VIII of Chapter 908 of the 1983 Session Laws, as amended, the Wilmington City Council may, by resolution, levy a local occupancy tax of three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the city that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose.

Before adopting a resolution levying a tax under this section, the Wilmington City Council must hold a public hearing on the question. The City Council must give at least 15 days' public notice of the hearing, including details on the proposed uses of the tax proceeds. After adopting the resolution, the City Council must immediately forward a copy of the resolution to the New Hanover County Board of Commissioners and the county manager. A tax levied under this subsection shall become effective no earlier than February 1, 2003.

**SECTION 1.(b)** Administration. – New Hanover County shall collect and administer a tax levied under this section. Except as otherwise provided in this section, a tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

**SECTION 1.(c)** Definitions. – The following definitions apply in this section:

- (1) Downtown Wilmington. – The area consisting of the Central Business District, the National Register Historic District, and the area extending to the Holmes Bridge and the Cape Fear River in the city of Wilmington, North Carolina.
- (2) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.
- (3) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in the listed activities.
- (4) Tourism Development Authority or Authority. – The Authority created by New Hanover County pursuant to Part VIII of Chapter 908 of the 1983 Session Laws, as amended.

**SECTION 1.(d)** Use of Tax Revenue. – If a tax is levied under this section, New Hanover County shall create a convention center account. The county shall remit the net proceeds of a tax levied under this section quarterly to the convention center account. Funds in the account, including interest or investment income on the account, may be used only as provided in this subsection:

- (1) The county shall hold the funds in the convention center account, including interest or investment income, until one or more of the conditions provided in this subsection have been met. When any of the conditions provided in subdivision (2), (3), or (4) of this subsection has been met, the proceeds shall be used as provided in that subdivision.
- (2) If, at the end of three years after the first levy of a tax under this section, the City of Wilmington has not demonstrated to the satisfaction of a Tourism Development Authority created by the county pursuant to a local act of the General Assembly that all financing and development arrangements for a convention center have been completed, the county shall remit all funds in the convention center account to the Tourism Development Authority. Thereafter, all tax proceeds remitted to the convention center account shall be remitted quarterly to the Tourism Development Authority. The Authority shall use these funds only to promote travel and tourism. For the purpose of this subdivision, completion of financing and development arrangements includes, at a minimum, obtaining financing commitments for construction, entering into contracts for construction and management, and securing the necessary land for the project.

- (3) If, within three years after the first levy of a tax under this section, the City of Wilmington demonstrates to the satisfaction of a Tourism Development Authority created by the county pursuant to a local act of the General Assembly that all financing and development arrangements for a convention center have been completed, the county shall remit all funds in the convention center account to the City of Wilmington. Thereafter, except as provided in subdivision (4) of this subsection, all tax proceeds remitted to the convention center account shall be remitted quarterly to the City of Wilmington. The City of Wilmington may use the funds only for construction, financing, operation, promotion, and maintenance of the convention center. For the purpose of this subdivision, completion of financing and development arrangements includes, at a minimum, obtaining financing commitments for construction, entering into contracts for construction and management, and securing the necessary land for the project.
- (4) If the condition set out in subdivision (3) of this subsection has been met but within four years after the first levy of a tax under this section, the City of Wilmington fails to demonstrate to the satisfaction of the Tourism Development Authority that construction has begun on a convention center in Downtown Wilmington, then the city must return to the county any funds it received under this subsection that have not been spent or committed. The county shall use these funds and any tax proceeds remitted thereafter to the convention center account only to promote travel and tourism in the city. If the county has created a Tourism Development Authority pursuant to a local act of the General Assembly, the county must remit the funds and future tax proceeds to the Tourism Development Authority. The Authority shall use these funds only to promote travel and tourism in the city.

**SECTION 1.(e) Reports.** – Each entity responsible for administering and spending the proceeds of a tax levied under this section must each annually publish a detailed, audited report on its receipts and expenditures of the occupancy tax proceeds during the preceding year. The text of the report must be included in the minutes of the entity's governing body and placed on a public web site, and must be made available in hard copy upon request.

**SECTION 2.** City administrative provisions. – G.S. 160A-215, as amended by S.L. 2002-95, reads as rewritten:

**"§ 160A-215. Uniform provisions for room occupancy taxes.**

(a) **Scope.** – This section applies only to municipalities the General Assembly has authorized to levy room occupancy taxes. For the purpose of this section, the term "city" means a municipality.

(b) **Levy.** – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) **Collection.** – Every operator of a business subject to a room occupancy tax shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall be collected as part of the charge for furnishing a taxable accommodation. The tax shall

be stated and charged separately from the sales records and shall be paid by the purchaser to the operator of the business as trustee for and on account of the taxing city. The tax shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business. The taxing city shall design, print, and furnish to all appropriate businesses and persons in the city the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a business who collects a room occupancy tax may deduct from the amount remitted to the taxing city a discount equal to the discount the State allows the operator for State sales and use tax.

(d) Administration. – The taxing city shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the city finance officer in monthly installments on or before the fifteenth day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the fifteenth day of each month, prepare and render a return on a form prescribed by the taxing city. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the city finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) Penalties. – A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing city has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(f) Repeal or Reduction. – A room occupancy tax levied by a city may be repealed or reduced by a resolution adopted by the governing body of the city. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

(g) This section applies only to Beech Mountain District W, to the Cities of Gastonia, Goldsboro, Greensboro, High Point, Kings Mountain, Lexington, Lincolnton, Lumberton, Monroe, Mount Airy, Shelby, Statesville, ~~and~~ Washington, and Wilmington, to the Towns of Beech Mountain, Carrboro, Jonesville, Mooresville, North Topsail Beach, Selma, Smithfield, St. Pauls, and Wilkesboro, and to the municipalities in Avery and Brunswick Counties."

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law on the date it was ratified.

**S.B. 1136**

**Session Law 2002-140**

AN ACT TO INCREASE THE ACREAGE LIMITATION ON SATELLITE ANNEXATIONS FOR THE VILLAGE OF MARVIN, AND TO MAKE A SATELLITE ANNEXATION TO THE TOWN OF BRUNSWICK.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 160A-58.1(b)(5) reads as rewritten:

"(b) A noncontiguous area proposed for annexation must meet all of the following standards:

- ...
- (5) The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, may not exceed ~~ten percent (10%)~~ fifty percent (50%) of the area within the primary corporate limits of the annexing city."

**SECTION 1.1.** The following described property, which shall be considered satellite corporate limits, is added to the corporate limits of the Town of Brunswick:

Beginning at a point marked by an iron at the southern intersection of N.C. Hwy. 130 with N.C. Hwy. 905, said point being located at a tie line South 19 degrees 33 minutes East 83.55 feet from a point marked by a nail at the intersection of the center lines of aforesaid highways; thence from said point of beginning and with the western 30 foot right of way line of N.C. Hwy. 130 South 40 degrees 35 minutes East 230.29 feet to a point marked by an iron in the center of a ditch; thence with the center of said ditch, also a line of lands of Kenneth Sasser, South 52 degrees 06 minutes West 199.74 feet to a point marked by an iron where said ditch intersects the eastern 30 foot right of way line of N.C. Hwy. 905; thence with the eastern right of way line of N.C. Hwy. 905 North 01 degrees 30 minutes East 297.70 to the point of beginning containing 0.52 acres, more or less, and being according to a survey dated January 27, 1984 by Lloyd R. Walker, Registered Land Surveyor.

**SECTION 2.** Section 1 of this act applies to the Village of Marvin only.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law on the date it was ratified.

## H.B. 1640

## Session Law 2002-141

AN ACT TO INCLUDE THE TOWN OF DUCK AS A MUNICIPALITY AUTHORIZED TO REGULATE AND CONTROL SWIMMING, PERSONAL WATERCRAFT, SURFING, AND LITTERING IN THE ATLANTIC OCEAN AND OTHER WATERWAYS ADJACENT TO THAT PORTION OF THE TOWN WITHIN ITS BOUNDARIES OR WITHIN ITS EXTRATERRITORIAL JURISDICTION; TO DESIGNATE THE TOWN COUNCIL OF THE TOWN OF DUCK AS THE GOVERNING BODY OF THE DUCK AREA BEAUTIFICATION DISTRICT; TO PERMIT THE TOWN OF MANTEO TO DECREASE THE DISTANCE WITHIN WHICH A VEHICLE MAY PARK FROM THE INTERSECTION OF CURB LINES; TO AMEND THE DEFINITION OF SUBDIVISION AS IT APPLIES IN CHOWAN COUNTY; TO ESTABLISH A NO-WAKE ZONE IN BERTIE COUNTY; AND TO ALTER THE COMPOSITION OF THE DARE COUNTY TOURISM BOARD.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 160A-176.2(b) reads as rewritten:

"(b) Subsection (a) of this section applies to the Towns of Atlantic Beach, Cape Carteret, Carolina Beach, Caswell Beach, Duck, Emerald Isle, Holden Beach, Kill Devil

Hills, Kitty Hawk, ~~Long Beach~~, Manteo, Nags Head, Oak Island, Ocean Isle Beach, Southern Shores, Sunset Beach, Topsail Beach, and Wrightsville Beach, ~~and Yaupon Beach~~, and the City of Southport only."

**SECTION 2.** Section 4 of Chapter 991 of the 1983 Session Laws, Regular Session 1984, as amended by Section 23(a) of Chapter 646 of the 1995 Session Laws, Regular Session 1996, reads as rewritten:

"**Sec. 4.** District Established; Tax Levy. If a majority of the qualified voters voting in an election called under Section 1 of this act vote in favor of creating the Duck Area Beautification District and authorizing the levy and collection of an ad valorem tax in the district, the Dare County Board of Commissioners shall, upon receipt of a certified copy of the election results, adopt a resolution creating the Duck Area Beautification District and shall file a copy of the resolution with the clerk of superior court of Dare County. ~~Upon establishing the Duck Area Beautification District, the Dare County Board of Commissioners~~ The Town Council of the Town of Duck may annually levy on behalf of the district an ad valorem tax on all taxable property in the district in an amount the ~~board~~ town council considers necessary to provide for the installation of underground power lines, not to exceed ten cents (10¢) for each one hundred dollars (\$100.00) taxable valuation of property. The proceeds of this tax shall be used only to provide for the underground installation of power lines in the district."

**SECTION 3.** Section 5 of Chapter 991 of the 1983 Session Laws, Regular Session 1984, reads as rewritten:

"**Sec. 5.** Nature of District; Governing Body. If created, the Duck Area Beautification District shall be a body politic and corporate and shall have the power to provide for the installation of underground power lines and do all acts reasonably necessary to fulfill this purpose. ~~The Dare County Board of Commissioners~~ Town Council of the Town of Duck shall serve, ex officio, as the governing body of the district, and the officers of the ~~board of county commissioners~~ town council shall likewise serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present."

**SECTION 4.** Section 3 of S.L. 1993-610, as amended by S.L. 1995-101, reads as rewritten:

"**Sec. 3.** Tax Levy. – If a majority of the qualified voters voting on the question in an election called under Section 1 of this act vote in favor of authorizing the levy and collection of ad valorem taxes in the district, the Dare County Board of Commissioners may levy on behalf of the district the ad valorem tax on all taxable property in the district in an amount the Board considers necessary to construct the sidewalks within the district not to exceed five cents (5¢) for each one hundred dollars (\$100.00) taxable valuation of property for two consecutive years beginning no later than the second fiscal year that begins after the election, and thereafter the ~~Board~~ Town Council of the Town of Duck may annually levy on behalf of the district an ad valorem tax in the amount necessary to maintain the sidewalks but not to exceed one cent (1¢) for each one hundred dollars (\$100.00) taxable valuation of property. The proceeds of these taxes shall be used only to construct and maintain the sidewalks within the district."

**SECTION 5.** Section 4 of S.L. 1993-610 reads as rewritten:

"**Sec. 4.** Governing Body. – All matters relative to the construction and maintenance of the sidewalks shall be decided by the ~~Dare County Board of Commissioners~~, Town Council of the Town of Duck, which is the governing body of the Duck Area Beautification District as provided in Chapter 991 of the 1983 Session Laws."

**SECTION 6.** Any Duck Area Beautification District tax levied by the Dare County Board of Commissioners pursuant to Chapter 991 of the 1983 Session Laws, Regular Session 1984, for the 2002 and prior tax years shall continue to be valid on and after the effective date of this act.

**SECTION 7.** G.S. 20-162(a) reads as rewritten:

"(a) No person shall park a vehicle or permit it to stand, whether attended or unattended, upon a highway in front of a private driveway or within 15 feet in either direction of a fire hydrant or the entrance to a fire station, nor within 25 feet from the intersection of curb lines or if none, then within 15 feet of the intersection of property lines at an intersection of highways; provided, that local authorities may by ordinance decrease the distance within which a vehicle may park in either direction of a fire hydrant. hydrant or from the intersection of curb lines. The local authority shall not decrease the distance from the intersection of curb lines to less than 15 feet."

**SECTION 8.** G.S. 153A-335 reads as rewritten:

**"§ 153A-335. "Subdivision" defined.**

For purposes of this Part, "subdivision" means all divisions of a tract or parcel of land into ~~two~~ three or more lots, building sites, or other divisions for the purpose of sale or building development (whether immediate or future) and includes all division of land involving the dedication of a new street or a change in existing streets; however, the following is not included within this definition and is not subject to any regulations enacted pursuant to this Part:

- (1) The combination or recombination of portions of previously subdivided and recorded lots if the total number of lots is not increased and the resultant lots are equal to or exceed the standards of the county as shown in its subdivision regulations;
- (2) The division of land into parcels greater than 10 acres if no street right-of-way dedication is involved;
- (3) The public acquisition by purchase of strips of land for widening or opening streets; ~~and~~
- (4) The division of a tract in single ownership the entire area of which is no greater than two acres into not more than three lots, if no street right-of-way dedication is involved and if the resultant lots are equal to or exceed the standards of the county as shown by its subdivision ~~regulations~~ regulations; ~~and~~
- (5) The gift of a parent of a single lot to the parent's child or each of the parent's children where no new road is involved, provided:
  - a. That each and every lot has dedicated right-of-way access to the State-maintained road serving the principal parcel or direct access to an approved private road as defined in the ordinance;  
and
  - b. There are no more than three conveyances under this subdivision."

**SECTION 9.** Effective with respect to appointments for terms commencing on or after January 1, 2003, Section 6(a) of Chapter 449 of the 1985 Session Laws, as rewritten by Chapter 177 of the 1991 Session Laws, reads as rewritten:

"(a) Appointment and Membership. When the Dare County Board of Commissioners adopts a resolution levying a tax under Section 3 and Section 4 of this act, it shall also adopt a resolution creating a tourism board to be known as the Dare County Tourism Board, which shall be a public authority under the Local Government



Budget and Fiscal Control Act. The tourism board shall consist of 13 members appointed by the board of commissioners as provided below. Members of the tourism board must be residents of Dare County. Members shall serve two-year terms except as provided below. No member may serve more than two successive two-year terms.

- (1) One member shall be a member of the board of directors of the Outer Banks Chamber of Commerce selected from nominees submitted by the board of directors of the Chamber of Commerce. This member shall serve an initial term of one year.
- (2) One member shall be a member of the board of directors of the Dare County Restaurant Association selected from nominees submitted by the board of directors of the Dare County Restaurant Association. This member shall serve an initial term of two years.
- (3) One member shall be a member of the board of directors of the Dare County Hotel/Motel Association selected from nominees submitted by the board of directors of the Dare County Hotel/Motel Association. This member shall serve an initial term of one year.
- (4) One member shall be a member of the board of directors of the Dare County Board of Realtors selected from nominees submitted by the board of directors of the Dare County Board of Realtors. This member shall serve an initial term of two years.
- (5) ~~Five-Six~~ members shall be one member from each of the town boards of Southern Shores, Kitty Hawk, Kill Devil Hills, Nags Head, and Manteo, who shall serve initial terms respectively of one year, two years, one year, two years, and one year, and one member from the town board of Duck, to serve an initial term of two years, and who shall be selected from nominees submitted by each of the respective town boards.
- (6) One member shall be a Dare County Commissioner. This member shall serve an initial term of two years.
- (7) ~~Three-Two~~ members 'at large' shall be from anywhere within Dare County. One of these members must be a resident of Hatteras Island. Two of these members shall serve initial terms of one year, and one shall serve an initial term of two years.

The board of commissioners may remove a member of the tourism board only for good cause. Members shall serve the full term for which appointed regardless whether the member is no longer a member of the appropriate board designated above. The Dare County Board of Commissioners shall determine the compensation to be paid to members of the tourism board."

**SECTION 9.1.(a)** It is unlawful to operate a vessel at greater than no-wake speed on the waters of the Roanoke River in Bertie County within 50 yards of either side of the point at which Stewart Street in the Town of Jamesville in Martin County abuts the river. No-wake speed is idle speed or a slow speed creating no appreciable wake.

**SECTION 9.1.(b)** With regard to marking the no-wake speed zone established in Section 1 of this act, Bertie County or its designee may place and maintain markers in accordance with the Uniform Waterway Marking System and any supplementary standards for that system adopted by the Wildlife Resources Commission. All markers of the no-wake speed zone shall be buoys or floating signs placed in the water or signs placed on pilings and shall be sufficient in number and size

so as to give adequate warning of the no-wake speed zone to vessels approaching from various directions.

**SECTION 9.1.(c)** This section is enforceable under G.S. 75A-17 as if it were a provision of Chapter 75A of the General Statutes.

**SECTION 9.1.(d)** Violation of this section is a Class 3 misdemeanor.

**SECTION 9.1.(e)** This section applies only to Bertie County.

**SECTION 9.1.(f)** This section is effective when it becomes law and is enforceable after markers complying with subsection (b) of this section are placed in the water.

**SECTION 10.** Section 7 of this act shall apply to the Town of Manteo only.

**SECTION 11.** Section 8 of this act shall apply to the County of Chowan only and applies to all subdivisions created on or after June 16, 1992.

**SECTION 12.** Sections 2 through 6 of this act become effective January 1, 2003. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law on the date it was ratified.

## H.B. 1651

## Session Law 2002-142

### AN ACT TO REGULATE HUNTING IN PITT COUNTY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** It is unlawful to hunt with a firearm from, on, or across the right-of-way of any public road or highway.

**SECTION 2.** It is unlawful to hunt while under the influence of an impairing substance. For purposes of this section, the term "impairing substance" includes alcohol, controlled substances under Chapter 90 of the General Statutes, any drug or psychoactive substance capable of impairing a person's physical or mental faculties, or any combination of those substances.

**SECTION 3.** It is unlawful to hunt with a firearm within 300 feet of any residence or occupied building without the written, signed, and dated permission of the owner or lessee of the land. This permission shall be renewed annually in order to remain active.

**SECTION 4.** It is unlawful to hunt or to discharge a firearm on or across posted land without the written, signed, and dated permission of the owner or lessee of the land. This permission shall be renewed annually in order to remain active.

**SECTION 5.** It is unlawful to release dogs on, or to allow them to run on, posted land without the written, signed, and dated permission of the owner or lessee of the land. This permission shall be renewed annually in order to remain active.

**SECTION 6.** Violation of the provisions of Sections 1 through 5 of this act is punishable as a Class 3 misdemeanor. Notwithstanding the provisions of G.S. 15A-1340.23, violation of those sections is punishable by a fine of up to two hundred fifty dollars (\$250.00). A second or subsequent violation of Section 2 of this act is punishable by a fine of at least two hundred fifty dollars (\$250.00) and the loss of hunting privileges for a period of 12 months from the date of the violation.

**SECTION 7.** This act is enforceable by law enforcement officers of the Wildlife Resources Commission, by sheriffs and deputy sheriffs, and by other peace officers with general subject matter jurisdiction.

**SECTION 8.** This act applies only to Pitt County. This act becomes effective November 1, 2002, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law on the date it was ratified.

**H.B. 1040****Session Law 2002-143**

**AN ACT RELATING TO THE TEMPORARY EXTENDED UNEMPLOYMENT BENEFITS SECOND TIER BENEFIT QUALIFICATION FOR NORTH CAROLINA.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 96-12.01(a1)(4) reads as rewritten:

"(4) There is an "on indicator" for this State for a week if the Commission determines, in accordance with the regulations of the United States Secretary of Labor, that for the period consisting of such week and the immediate preceding 12 weeks, the rate of insured unemployment (not seasonally adjusted) under this Chapter:

a. Equaled or exceeded one hundred twenty percent (120%) of the average of such rates for the corresponding 13-week period ending in each of the preceding two calendar years, and equaled or exceeded five percent (5%), or

b. Equaled or exceeded six percent ~~(6%)~~ (6%), or

c. With respect to benefits for weeks of unemployment in North Carolina beginning after May 1, 2002.

1. The average rate of total unemployment (seasonally adjusted), as determined by the United States Secretary of Labor, for the period consisting of the most recent three months for which data for all states are published before the close of such week equals or exceeds a six and one-half percent (6.5%), and

2. The average rate of total unemployment in the State (seasonally adjusted), as determined by the United States Secretary of Labor, for the three-month period referred to in sub-subdivision c.1. of this subdivision, equals or exceeds one hundred ten percent (110%) of such average for either or both of the corresponding three-month periods ending in the two preceding calendar years.

d. There is a State "off indicator" for a week with respect to sub-subdivision c. of this subdivision, only if, for the period consisting of such week and the immediately preceding 12 weeks, the option specified in sub-subdivision c. does not result in an "on indicator".

e. Total extended benefit amount.

1. The total extended benefit amount payment to any eligible individual with respect to the applicable benefit year shall be the least of the following amounts:

- I. Fifty percent (50%) of the total amount of regular benefits which were payable to the individual under this Chapter in the individual's applicable benefit year; or
  - II. Thirteen times the individual's weekly benefit amount that was payable to the individual under this Chapter for a week of total unemployment in the applicable benefit year.
2. I. Effective with respect to weeks beginning in a high unemployment period, sub-subdivision e.1. of this subdivision shall be applied by substituting:
- A. "Eighty percent (80%)" for "fifty percent (50%)" in sub-subdivision e.1.I., and
  - B. "Twenty" for "thirteen" in sub-subdivision e.1.II.
- II. For purposes of sub-subdivision 2.I., the term "high unemployment period" means any period during which an extended benefit period would be in effect if sub-subdivision c. of this subdivision were applied by substituting "eight percent (8%)" for "six and one-half percent (6.5%)".

**SECTION 1.1.** G.S. 96-12.01(g) reads as rewritten:

"(g) Prior to January 1, 1978, any extended benefits paid to any claimant under G.S. 96-12.01 shall not be charged to the account of the base period employer(s) who pay taxes as required by this Chapter. However, fifty percent (50%) of any such benefits paid shall be allocated as provided in G.S. 96-9(c)(2)a (except that G.S. 96-9(c)(2)b shall not apply), and the applicable amount shall be charged to the account of the appropriate employer paying on a reimbursement basis in lieu of taxes.

On and after January 1, 1978, the federal portion of any extended benefits shall not be charged to the account of any employer who pays taxes as required by this Chapter but the State portion of such extended benefits shall ~~be charged to~~ be:

- (1) Charged to the account of such ~~employer-employer~~; or
- (2) Not charged to the account of the employer under the provisions of G.S. 96-9(c)(2).

All state portions of the extended benefits paid shall be charged to the account of governmental entities or other employers not liable for FUTA taxes who are the base period employers."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of October, 2002.

Became law upon approval of the Governor at 2:55 p.m. on the 4<sup>th</sup> day of October, 2002.

**H.B. 1105**

**Session Law 2002-144**

AN ACT TO FUND THE OPERATIONS OF THE DEPARTMENT OF INSURANCE FOR THE FISCAL YEAR 2002-2003 THROUGH THE INSURANCE REGULATORY FUND BY EXPANDING THE PURPOSES FOR WHICH THE

FUND MAY BE USED AND BY CREDITING VARIOUS FEES COLLECTED BY THE DEPARTMENT AND OTHER AGENCIES UNDER THE DEPARTMENT INTO THE FUND FOR FISCAL YEAR 2002-2003, AND TO RESTORE THE 2002-2003 BUDGET REDUCTIONS SUSTAINED BY THE DEPARTMENT OF INSURANCE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 58-6-25(d) reads as rewritten:

"(d) Use of Proceeds. – The Insurance Regulatory Fund is created in the State treasury, under the control of the Office of State Budget and Management. The proceeds of the charge levied in this section and all fees collected under Articles 69 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the General Statutes shall be credited to the Fund. The Fund shall be placed in an interest-bearing account and any interest or other income derived from the Fund shall be credited to the Fund. Moneys in the Fund may be spent only pursuant to appropriation by the General Assembly and in accordance with the line item budget enacted by the General Assembly. The Fund is subject to the provisions of the Executive Budget Act, except that no unexpended surplus of the Fund shall revert to the General Fund. All money credited to the Fund shall be used to reimburse the General Fund for the following:

- (1) Money appropriated to the Department of Insurance to pay its expenses incurred in regulating the insurance industry and other industries in this State.
- (2) Money appropriated to State agencies to pay the expenses incurred in regulating the insurance industry, in certifying statewide data processors under Article 11A of Chapter 131E of the General Statutes, and in purchasing reports of patient data from statewide data processors certified under that Article.
- (3) Money appropriated to the Department of Revenue to pay the expenses incurred in collecting and administering the taxes on insurance companies levied in Article 8B of Chapter 105 of the General Statutes.
- (4) Money appropriated for the office of Managed Care Patient Assistance Program established under G.S. 143-730 to pay the actual costs of administering the program.
- (5) Money appropriated to the Department of Insurance for the implementation and administration of independent external review procedures required by Part 4 of Article 50 of this Chapter.
- (6) Money appropriated to the Department of Insurance to pay its expenses incurred in connection with providing staff support for State boards and commissions, including the North Carolina Manufactured Housing Board, State Fire and Rescue Commission, North Carolina Building Code Council, North Carolina Code Officials Qualification Board, Public Officers and Employees Liability Insurance Commission, North Carolina Home Inspector Licensure Board, and the Volunteer Safety Workers' Compensation Board.
- (7) Money appropriated to the Department of Insurance to pay its expenses incurred in connection with continuing education programs under Article 33 of this Chapter and in connection with the purchase and sale of copies of the North Carolina State Building Code."

**SECTION 2.** Article 33 of Chapter 58 of the General Statutes is amended by adding a new section to read:

**"§ 58-33-133. Continuing education course provider fees.**

(a) Each course provider shall submit a fee of one dollar (\$1.00) per approved credit hour per individual who successfully completes a course under G.S. 58-33-130.

(b) At the time a course provider submits an application to the Commissioner for approval of a course under G.S. 58-33-130, the provider shall pay to the Commissioner a filing fee of one hundred dollars (\$100.00) per course up to a two thousand five hundred dollars (\$2,500) per calendar year maximum.

(c) Fees collected by the Commissioner under this section shall be credited to the Department of Insurance Fund created under G.S. 58-6-25."

**SECTION 3.** G.S. 58-33-130(j) is repealed.

**SECTION 4.** G.S. 143-10(a) reads as rewritten:

"(a) There is created the North Carolina Manufactured Housing Board within the Department. The Board shall be composed of nine members as follows:

- (1) The Commissioner of Insurance or his designee.
- (2) A manufactured home manufacturer.
- (3) A manufactured home dealer.
- (4) A representative of the banking and finance business.
- (5) A representative of the insurance industry.
- (6) A manufactured home supplier.
- (7) A set-up contractor.
- (8) Two representatives of the general public.

The Commissioner or his designee shall chair the Board. The Governor shall appoint to the Board the manufactured home manufacturer and the manufactured home dealer. The General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121 shall appoint the representative of the banking and finance industry and the representative of the insurance industry. The General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121 shall appoint the manufactured home supplier and set-up contractor. The Commissioner shall appoint two representatives of the general public. Except for the representatives from the general public and the persons appointed by the General Assembly, each member of the Board shall be appointed by the appropriate appointing authority from a list of nominees submitted to the appropriate appointing authority by the Board of Directors of the North Carolina Manufactured Housing Institute. At least three nominations shall be submitted for each position on the Board. The members of the Board shall be residents of the State.

The members of the Board shall serve for terms of three years. In the event of any vacancy of a position appointed by the Governor or Commissioner, the appropriate appointing authority shall appoint a replacement in the same manner as provided for the original appointment to serve the remainder of the unexpired term. Vacancies in appointments made by the General Assembly shall be filled in accordance with G.S. 120-122. In the event of any vacancy, the appropriate appointing authority shall appoint a replacement to serve the remainder of the unexpired term. Such appointment shall be made in the same manner as provided for the original appointment. No member of the Board shall serve more than two consecutive, three-year terms.

The member of the Board representing the general public shall have no financial interest connected with the manufactured housing industry. No member of the Board

shall participate in any proceeding before the Board involving that member's own business.

Each member of the Board, except the Commissioner and any other State employee, shall receive per diem and allowances as provided with respect to occupational licensing boards by G.S. 93B-5. ~~All per diem and travel expenses shall be paid exclusively out of the fees received by the Board as authorized by this Article. In no case shall any salary, expense, or other obligation of the Board be charged against the General Fund of the State of North Carolina. All moneys and receipts shall be kept in a special fund by and for the use of the Board for the exclusive purpose of carrying out the provisions of this Article. At the end of the fiscal year, the Board shall retain fifteen percent (15%) of the unexpended funds collected and received during that year. The remaining eighty-five percent (85%) of these funds shall be credited to the General Fund. Fees collected by the Board under this Article shall be credited to the Department of Insurance Fund under G.S. 58-6-25.~~

**SECTION 5.** G.S. 143-138(g) reads as rewritten:

"(g) Publication and Distribution of Code. – The Building Code Council shall cause to be printed, after adoption by the Council, the North Carolina State Building Code and each amendment thereto. It shall, at the State's expense, distribute copies of the Code and each amendment to State and local governmental officials, departments, agencies, and educational institutions, as is set out in the table below. (Those marked by an asterisk will receive copies only on written request to the Council.)

| OFFICIAL OR AGENCY  | NUMBER OF COPIES  |
|---|-------------------|
| State Departments and Officials                                 |                   |
| Governor .....  | 1                 |
| Lieutenant Governor .....                                       | 1                 |
| Auditor .....   | 1                 |
| Treasurer .....   | 1                 |
| Secretary of State .....  | 1                 |
| Superintendent of Public Instruction .....                      | 1                 |
| Attorney General (Library) .....                                | 1                 |
| Commissioner of Agriculture .....                               | 1                 |
| Commissioner of Labor .....                                     | 1                 |
| Commissioner of Insurance .....                                 | 1                 |
| Department of Environment and Natural Resources .....           | 1                 |
| Department of Health and Human Services .....                   | 1                 |
| Department of Juvenile Justice and Delinquency Prevention ..... | 1                 |
| Board of Transportation .....                                   | 1                 |
| Utilities Commission .....                                      | 1                 |
| Department of Administration .....                              | 1                 |
| OFFICIAL OR AGENCY  | NUMBER OF COPIES  |
| Clerk of the Supreme Court .....                                | 1                 |
| Clerk of the Court of Appeals .....                             | 1                 |
| <del>Clerk of the Superior Court .....</del>                    | <del>1 each</del> |
| Department of Cultural Resources [State Library] .....          | <u>51</u>         |
| Supreme Court Library .....                                     | <u>21</u>         |
| Legislative Library .....                                       | 1                 |
| Office of Administrative Hearings .....                         | 1                 |
| Rules Review Commission .....                                   | 1                 |

Schools

All state-supported colleges and universities in the State of North Carolina ..... \*1 each

Local Officials

Clerks of the Superior Courts ..... 1 each  
 Chief Building Inspector of each incorporated municipality or county..... 1

In addition, the Building Code Council shall make additional copies available at such price as it shall deem reasonable to members of the general public. The proceeds from sales of the Building Code shall be credited to the Department of Insurance Fund under G.S. 58-6-25."

**SECTION 6.** G.S. 58-2-131(k) reads as rewritten:

"(k) When making an examination, the Commissioner may retain attorneys, appraisers, independent actuaries, independent certified public accountants, or other professionals and specialists as examiners. In the case of an examination of an insurer, the insurer shall bear the cost of retaining those persons."

**SECTION 7.** G.S. 58-2-133(b) reads as rewritten:

"(b) Notwithstanding the requirements of G.S. 58-2-131, the Commissioner may retain from time to time, on an individual basis, qualified actuaries, certified public accountants, or other similar individuals who are independently practicing their professions, even though they may from time to time be similarly employed or retained by persons subject to examination under the Examination Law. In the case of an examination of an insurer, the insurer shall bear the cost of retaining those persons."

**SECTION 8.** Article 2 of Chapter 58 of the General Statutes is amended by adding a new section to read:

**§ 58-2-136. Insurer records sent to Department for examination; expenses.**

(a) As used in this section, 'records' means all data relating to the property, assets, business, and affairs of the insurer being examined.

(b) In addition to the Commissioner's authority in G.S. 58-2-185 through G.S. 58-2-200 to compel the production of records, in lieu of sending examiners to the location of an insurer's records to conduct an examination under the Examination Law, the Commissioner may require the insurer to send copies of its records to the Department. The chief executive or financial officer of the insurer shall certify under oath that the copies are true and accurate copies of the insurer's records. The insurer being examined shall pay all expenses associated with the examination. The insurer is not liable for the salaries and benefits of Department employees. The refusal by an insurer to pay for expenses under this subsection is grounds for the suspension, revocation, or refusal of a license.

(c) If the Commissioner sends examiners to the location of an insurer's records to conduct an examination under the Examination Law, the insurer shall pay for the travel and subsistence expenses and other administrative expenses associated with the examination. The insurer is not liable for the salaries and benefits of Department employees. The refusal by an insurer to pay for expenses under this subsection is grounds for the suspension, revocation, or refusal of a license."

**SECTION 9.** If Senate Bill 1115, 2002 Regular Session becomes law, then Section 2.1 of that act reads as rewritten:

**"SECTION 2.1.** Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes



as enumerated are made for the fiscal year ending June 30, 2003, according to the schedule that follows. Amounts set out in brackets are reductions from General Fund appropriations for the 2002-2003 fiscal year.

...

|  |                      |
|--|----------------------|
| Department of Insurance                            |                      |
| Insurance  | (1,882,104) <u>0</u> |
| Insurance – Volunteer Safety Workers' Compensation | (2,500,000)"         |

**SECTION 10.** If Senate Bill 1115, 2002 Regular Session becomes law, then Section 2.2(a) of that act reads as rewritten:

"**SECTION 2.2.(a)** The General Fund availability used in adjusting the 2002-2003 fiscal year budget is shown below:

|   | <b>2002-2003</b>           |
|---|----------------------------|
| Beginning Unreserved Credit Balance   | 25,000,000                 |
| Revenues Based on Existing Tax Structure  | 12,793,950,000             |
| Nontax Revenues   |                            |
| Investment Income   | 115,300,000                |
| Judicial Fees   | 111,300,000                |
| Disproportionate Share  | 107,000,000                |
| Insurance   | 46,600,000                 |
| Other Nontax Revenues   | 98,900,000                 |
| Highway Trust Fund Transfer   | 172,400,000                |
| Highway Fund Transfer   | 15,300,000                 |
| <b>Subtotal Nontax Revenues</b>   | <b>666,800,000</b>         |
| <b>Total General Fund Availability</b>  | <b>13,485,750,000</b>      |
| Adjustments to Availability: 2002 Session   |                            |
| IRC Conformity (Includes Pensions and Education Changes,<br>Estate Tax Credit, Accelerated Depreciated) | 15,800,000                 |
| Delay 2001 Tax Breaks (Standard Deduction/Marriage Penalty,<br>Child Tax Credit)                        | 51,700,000                 |
| Conform Business Income   | 70,000,000                 |
| Correct LLC Franchise Tax   | 20,000,000                 |
| Conform Gift Tax Indexing   | (230,000)                  |
| Low Income Housing Credit   | (2,200,000)                |
| Repeal Reimbursements to Local Governments  | 333,400,000                |
| Project Tax Collect   | 32,500,000                 |
| Highway Trust Fund – recurring inflationary adjustment  | 80,000,000                 |
| Highway Trust Fund Transfer – one-time transfer   | 125,000,000                |
| Tobacco Settlement Trust Funds – divert MSA receipts from<br>Tobacco Trust Fund                         | 38,000,000                 |
| Tobacco Settlement Trust Funds – divert MSA receipts from<br>Health & Wellness Trust Fund               | 40,000,000                 |
| Transfer of Cash from Trust and Special Funds   | 20,438,259                 |
| Adjustment to Transfer from Insurance Regulatory Fund   | (1,282,104) <u>600,000</u> |

|   |   |
|---|---|
| Reimbursement for Unauthorized Substance Tax Division,<br>Department of Revenue | 885,884                                   |
| Nontax Revenue Offsets, Department of State Treasurer                           | 671,618                                   |
| Increase Collection Rates for Offender Fees                                     | 1,160,000                                 |
| Fee Increases   | 38,180,000                                |
| <b>Subtotal Adjustments to Availability: 2002 Session</b>                       | <b><del>864,023,657</del> 865,905,761</b> |

**Revised General Fund Availability for 2002-2003 Fiscal Year** **~~14,349,773,657~~**  
**14,351,655,761**

**Less: Total General Fund Appropriations for 2002-2003**

**Fiscal Year** **(14,349,773,657) (14,351,655,761)**

**Unappropriated Balance**

**0"**

**SECTION 11.** If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

**SECTION 12.** This act becomes effective July 1, 2002. Sections 1 through 8 of this act expire June 30, 2003.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law upon approval of the Governor at 2:58 p.m. on the 4<sup>th</sup> day of October, 2002.

**H.B. 348**

**Session Law 2002-145**

AN ACT TO IMPROVE COMPLIANCE WITH THE TOBACCO ESCROW STATUTE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The heading to Article 37 of Chapter 66 of the General Statutes reads as rewritten:

"Tobacco Reserve ~~Fund-Fund~~ and Escrow Compliance."

**SECTION 2.** G.S. 66-290 and G.S. 66-291 of Article 37 of Chapter 66 of the General Statutes are designated as Part 1 with the heading "Tobacco Reserve Fund".

**SECTION 3.** Article 37 of Chapter 66 of the General Statutes is amended by adding a new Part to read:

"Part 2. Tobacco Escrow Compliance.

**"§ 66-292. Definitions.**

The following definitions apply in this Part:

- (1) Brand family. – All styles of cigarettes sold under the same trademark and differentiated from one another by means of additional modifiers including, but not limited to, 'menthol', 'lights', 'kings', and '100s'.
- (2) Escrow agreement. – An agreement by which a qualified escrow fund is created and maintained.
- (3) Nonparticipating manufacturer. – A tobacco product manufacturer that is not a participating manufacturer.
- (4) Participating manufacturer. – Defined in subsection II(jj) of the Master Settlement Agreement.

**"§ 66-293. Sale of certain cigarettes prohibited.**

(a) Civil Penalty. – It is unlawful for a person required to pay taxes pursuant to Part 2 or 3 of Article 2A of Chapter 105 of the General Statutes to sell or deliver cigarettes belonging to a brand family of a nonparticipating manufacturer if the sale of the cigarettes is subject to such taxes unless the cigarettes are included on the compliant nonparticipating manufacturer's list prepared and made public by the Office of the Attorney General under G.S. 66-295 as of the date the person sells or delivers the cigarettes. It is not a violation of this subsection if the brand family was on the compliant nonparticipating manufacturer's list when the person purchased the cigarettes and the person sold or delivered the cigarettes within 60 days of the purchase. The Attorney General may impose a civil penalty on a person that it finds violates this subsection. The amount of the penalty may not exceed the greater of five hundred percent (500%) of the retail value of the cigarettes sold or five thousand dollars (\$5,000).

(b) Contraband. – Cigarettes described in subsection (a) of this section are contraband and may be seized by a law enforcement officer. The procedure for seizure and disposition of this contraband is the same as the procedure under G.S. 105-113.31 and G.S. 105-113.32 for non-tax-paid cigarettes.

**"§ 66-294. Duties of manufacturers.**

(a) Participating Manufacturers. – Unless the Office of the Attorney General provides a waiver, a participating manufacturer must submit to the Office of the Attorney General a list of all of the manufacturer's brand families by April 30<sup>th</sup> of each year. The participating manufacturer must notify the Office of the Attorney General of any changes to the list of brand families it offers for sale 30 days prior to the change.

(b) Nonparticipating Manufacturers. – A nonparticipating manufacturer must:

- (1) Appoint and continuously maintain a process service agent within the State of North Carolina to accept service of any notification or enforcement of an action under this Article. The manufacturer shall file a certified copy of each instrument appointing a process service agent with the Secretary of State and the Office of the Attorney General.
- (2) Submit an annual application to the Office of the Attorney General for inclusion of the nonparticipating manufacturer's products on the compliant nonparticipating manufacturer's list, in accordance with subsection (c) of this section.
- (3) Notify the Office of the Attorney General of any changes to the list of brand families it offers for sale 30 days prior to the change.
- (4) Have made the escrow payments required under G.S. 66-291(a)(2) for all cigarettes belonging to the brand families included in the list submitted in the application for inclusion and any brand families added to the list since it was submitted to the Office of the Attorney General.
- (5) Submit an escrow agreement to the Office of the Attorney General.
- (6) Not deliver cigarettes unless the cigarettes are included on the compliant nonparticipating manufacturer's list in effect on the date of delivery.

(c) Nonparticipating Manufacturer's Application. – A nonparticipating manufacturer must submit an application to the Office of the Attorney General by April 30<sup>th</sup> of each year for inclusion on the compliant nonparticipating manufacturers' list. The Attorney General may provide a waiver of the deadline for good cause. The application

must include a certification that the nonparticipating manufacturer has fulfilled the duties listed in subsection (b) of this section and a list of the brand families of the manufacturer offered for sale in the State during either the current calendar year or the previous calendar year. The certification must be in the form required by the Office of the Attorney General.

**"§ 66-295. Duties of Attorney General.**

(a) Annual Lists. – The Office of the Attorney General shall prepare the following lists annually and shall make those lists available for public inspection:

- (1) Participating manufacturers. – A list of the participating manufacturers and all brand families of each participating manufacturer that the manufacturer has identified to the Attorney General, in accordance with G.S. 66-294.
- (2) Compliant nonparticipating manufacturers. – A list of the nonparticipating manufacturers whose applications for inclusion have been found to be complete and accurate and whose escrow agreements have been approved by the Office of the Attorney General. The list must include those brand families that the manufacturer has identified to the Attorney General, in accordance with G.S. 66-294.

(b) Supplemental Lists. – The Office of the Attorney General must supplement the annual lists as necessary to reflect additions to or deletions of manufacturers and brand families. The Attorney General shall delete a nonparticipating manufacturer and its brand families from the list if it determines that the manufacturer fails to comply with the duties listed in G.S. 66-294. The Attorney General must add a nonparticipating manufacturer and its brand families to the list if it determines all of the following:

- (1) The nonparticipating manufacturer has submitted an application under G.S. 66-294, and it is found to be complete and accurate.
- (2) The Office of the Attorney General has approved the manufacturer's escrow agreement.
- (3) The manufacturer has made any past due payments owed to its escrow account for any of its listed brand families.
- (4) The manufacturer has resolved any outstanding penalty demands or adjudicated penalties for its listed brand families."

**SECTION 4.** G.S. 14-401.18 reads as rewritten:

**"§ 14-401.18. Sale of certain packages of cigarettes prohibited.**

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

- (1) Cigarette. – Defined in G.S. 105-113.4.
- (2) Package. – Defined in G.S. 105-113.4.

(b) Offenses. – A person who sells or holds for sale (other than for export to a foreign country) a package of cigarettes that meets one or more of the following descriptions commits a Class A1 misdemeanor and engages in an unfair trade practice prohibited by G.S. 75-1.1:

- (1) The package differs in any respect with the requirements of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. § 1331, for the placement of labels, warnings, or any other information upon a package of cigarettes that is to be sold within the United States.
- (2) The package is labeled "For Export Only," "U.S. Tax Exempt," "For Use Outside U.S.," or has similar wording indicating that the manufacturer did not intend that the product be sold in the United States.

- (3) The package was altered by adding or deleting the wording, labels, or warnings described in subdivision (1) or (2) of this subsection.
- (4) The package was imported into the United States after January 1, 2000, in violation of 26 U.S.C. § 5754.
- (5) The package violates federal trademark or copyright ~~laws.~~ laws, federal laws governing the submission of ingredient information to federal authorities pursuant to 15 U.S.C. § 1335a, federal laws governing the import of certain cigarettes pursuant to 19 U.S.C. § 1681 and 19 U.S.C. § 1681b, or any other provision of federal law or regulation.

(c) Contraband. – A package of cigarettes described in subsection (b) of this section is contraband and may be seized by a law enforcement officer. The procedure for seizure and disposition of this contraband is the same as the procedure under G.S. 105-113.31 and G.S. 105-113.32 for non-tax-paid cigarettes."

**SECTION 5.** Notwithstanding G.S. 66-294, as enacted by this act, the initial lists required to be submitted to the Office of the Attorney General must be submitted by November 1, 2002.

**SECTION 6.** G.S. 66-293, as enacted in Section 3 of this act, and Section 4 become effective January 1, 2003. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law upon approval of the Governor at 2:59 p.m. on the 4<sup>th</sup> day of October, 2002.

## H.B. 1665

## Session Law 2002-146

AN ACT TO AMEND TAX LAWS RELATED TO INTERSTATE AIR COURIERS AND TO AMEND THE WAGE STANDARD UNDER THE WILLIAM S. LEE QUALITY JOBS AND BUSINESS EXPANSION ACT TO ACCOUNT FOR THE VALUE OF HEALTH INSURANCE TO PART-TIME JOBS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 105-164.3(13) and (15) read as rewritten:

**"§ 105-164.3. Definitions.**

The following definitions apply in this Article:

...

(13) Hub. – Either of the following:

- a. An interstate air courier's hub is ~~the airport in this State that meets all of the following conditions:~~
  1. ~~The air courier has allocated to the airport under G.S. 105-338 more than sixty percent (60%) of its aircraft value apportioned to this State.~~
  2. ~~The air courier's primary function at the airport is to sort and distribute letters and packages received from multiple consolidation locations.~~
  3. ~~The air courier's primary function at the airport is not to consolidate letters and packages and deliver them to another airport for sorting and distribution.~~ the interstate

air courier's principal airport within the State for sorting and distributing letters and packages and from which the interstate air courier has, or expects to have upon completion of construction, no less than 150 departures a month under normal operating conditions.

- b. An interstate passenger air carrier's hub is the airport in this State that meets both of the following conditions:
1. The air carrier has allocated to the airport under G.S. 105-338 more than sixty percent (60%) of its aircraft value apportioned to this State.
  2. The majority of the air carrier's passengers boarding at the airport are connecting from other airports rather than originating at that airport.

- ...
- (15) ~~Interstate air courier. – A person engaged in the air courier services business, as defined in G.S. 105-129.2, in interstate commerce whose primary business is the furnishing of air delivery of individually addressed letters and packages for compensation, in interstate commerce, except by the United States Postal Service."~~

**SECTION 2.** G.S. 105-129.2A is amended by adding a new subsection to read:

"(a1) Sunset for Interstate Air Couriers. – Notwithstanding subsection (a) of this section, in the case of an interstate air courier that enters into a real estate lease on or before January 1, 2006, with an airport authority that provides for the lease of at least 100 acres of real property with a lease term in excess of 15 years, this Article is repealed effective for business activities that occur on or after January 1, 2010."

**SECTION 3.** G.S. 105-129.4(b) reads as rewritten:

"(b) Wage Standard. – A taxpayer is eligible for the credit for creating jobs or the credit for worker training if, for the calendar year the jobs are created or the worker training is provided, the average wage of the jobs for which the credit is claimed meets the wage standard and the average wage of all jobs at the location with respect to which the credit is claimed meets the wage standard. No credit is allowed for jobs not included in the wage calculation. A taxpayer is eligible for the credit for investing in machinery and equipment, the credit for research and development, the credit for investing in real property for a central office or aircraft facility, or the credit for substantial investment in other property if, for the calendar year the taxpayer engages in the activity that qualifies for the credit, the average wage of all jobs at the location with respect to which the credit is claimed meets the wage standard. In making the wage calculation, the taxpayer must include any positions that were filled for at least 1,600 hours during the calendar year the taxpayer engages in the activity that qualifies for the credit even if those positions are not filled at the time the taxpayer claims the credit.

Part-time jobs for which the taxpayer provides health insurance as provided in subsection (b2) of this section are considered to have an average weekly wage at least equal to the applicable percentage times the applicable average weekly wage for the county in which the jobs will be located. There may be a period of up to 100 days between the time at which an employee begins a part-time job and the time at which the taxpayer begins to provide health insurance for that employee.

Jobs meet the wage standard if they pay an average weekly wage that is at least equal to the applicable percentage times the applicable average weekly wage for the

county in which the jobs will be located, as computed by the Secretary of Commerce from data compiled by the Employment Security Commission for the most recent period for which data are available. The applicable percentage for jobs located in an enterprise tier one area is one hundred percent (100%). The applicable percentage for all other jobs is one hundred ten percent (110%). The applicable average weekly wage is the lowest of the following: (i) the average wage for all insured private employers in the county, (ii) the average wage for all insured private employers in the State, and (iii) the average wage for all insured private employers in the county multiplied by the county income/wage adjustment factor. The county income/wage adjustment factor is the county income/wage ratio divided by the State income/wage ratio. The county income/wage ratio is average per capita income in the county divided by the annualized average wage for all insured private employers in the county. The State income/wage ratio is the average per capita income in the State divided by the annualized average wage for all insured private employers in the State. The Department of Commerce must annually publish the wage standard for each county."

**SECTION 4.** G.S. 105-129.4(b1) reads as rewritten:

"(b1) Large Investment. – A taxpayer who is otherwise eligible for a tax credit under this Article becomes eligible for the large investment enhancements provided for credits under this Article if the Secretary of Commerce makes a written determination that the taxpayer is expected to purchase or lease, and place in service in connection with the eligible business within a two-year period, at least one hundred fifty million dollars (\$150,000,000) worth of one or more of the following: real property, machinery and equipment, or central office or aircraft facility property. In the case of an interstate air courier that has or is constructing a hub in this State, this investment may be placed in service in connection with the eligible business within a seven-year period. If the taxpayer fails to make the required level of investment within ~~this two-year~~the applicable period, the taxpayer forfeits the large investment enhancements as provided in subsection (d) of this section."

**SECTION 5.** G.S. 105-129.5(c) reads as rewritten:

"(c) Carryforward. – Any unused portion of a credit with respect to a large investment, with respect to the technology commercialization credit allowed in G.S. 105-129.9A, or with respect to substantial investment in other property under G.S. 105-129.12A may be carried forward for the succeeding 20 years. Any unused portion of a credit with respect to research and development activities under G.S. 105-129.10 may be carried forward for the succeeding 15 years. Any unused portion of a credit may be carried forward for the succeeding 10 years if, before the taxpayer claims the credit, the Secretary of Commerce makes a written determination that the taxpayer is expected to purchase or lease, and place in service in connection with the eligible business within a two-year period, at least fifty million dollars (\$50,000,000) worth of one or more of the following: real property, machinery and equipment, or central office or aircraft facility property. In the case of an interstate air courier that has or is constructing a hub in this State, this investment may be placed in service in connection with the eligible business within a seven-year period. If the taxpayer fails to make the required level of investment within ~~this two-year~~the applicable period, the taxpayer forfeits this enhanced carryforward period. Any unused portion of any other credit may be carried forward for the succeeding five years."

**SECTION 6.** G.S. 105-129.8(d) reads as rewritten:

"(d) Planned Expansion. – A taxpayer that signs a letter of commitment with the Department of Commerce to create at least twenty new full-time jobs in a specific area

within two years of the date the letter is signed qualifies for the credit in the amount allowed by this section based on the area's enterprise tier and development zone designation for that year even though the employees are not hired that year. In the case of an interstate air courier that has or is constructing a hub in this State, the applicable time period is seven years. The credit shall be available in the taxable year after at least twenty employees have been hired if the hirings are within the ~~two-year~~ applicable commitment period. The conditions outlined in subsection (a) apply to a credit taken under this subsection except that if the area is redesignated to a higher-numbered enterprise tier or loses its development zone designation after the year the letter of commitment was signed, the credit is allowed based on the area's enterprise tier and development zone designation for the year the letter was signed. If the taxpayer does not hire the employees within the ~~two-year~~ applicable period, the taxpayer does not qualify for the credit. However, if the taxpayer qualifies for a credit under subsection (a) in the year any new employees are hired, the taxpayer may take the credit under that subsection."

**SECTION 7.** G.S. 105-129.9(e) reads as rewritten:

"(e) **Planned Expansion.** – A taxpayer that signs a letter of commitment with the Department of Commerce to place specific eligible machinery and equipment in service in an area within two years after the date the letter is signed may, in the year the eligible machinery and equipment are placed in service in that area, calculate the credit for which the taxpayer qualifies based on the area's enterprise tier and development zone designation for the year the letter was signed. In the case of an interstate air courier that has or is constructing a hub in this State, the applicable time period is seven years. All other conditions apply to the credit, but if the area has been redesignated to a higher-numbered enterprise tier or has lost its development zone designation after the year the letter of commitment was signed, the credit is allowed based on the area's enterprise tier and development zone designation for the year the letter was signed. If the taxpayer does not place part or all of the specified eligible machinery and equipment in service within the ~~two-year~~ applicable period, the taxpayer does not qualify for the benefit of this subsection with respect to the machinery and equipment not placed in service within the ~~two-year~~ applicable period. However, if the taxpayer qualifies for a credit in the year the eligible machinery and equipment are placed in service, the taxpayer may take the credit for that year as if no letter of commitment had been signed pursuant to this subsection."

**SECTION 8.** Section 22 of S.L. 1998-55, as amended by Section 16(a) of S.L. 2001-476, reads as rewritten:

"Section 22. Section 10 of this act is effective for taxes imposed for taxable years beginning on or after July 1, 2001. Section 11 of this act becomes effective January 1, 1999, and expires January 1, ~~2008-2010~~. The remainder of Part III of this act becomes effective January 1, 2001, and applies to sales made on or after that date."

**SECTION 9.** It is the intent of the General Assembly that the provisions of this act not be expanded. If a court of competent jurisdiction holds any provision of this act invalid, the section containing that provision is repealed. The repeal of a section of this act under this section does not affect other provisions of this act that may be given affect without the invalid provision.

**SECTION 10.** Section 1 of this act becomes effective October 1, 2002, and applies to sales made on or after that date. Sections 8 and 9 of this act are effective when it becomes law. The remainder of this act is effective for taxable years that begin on or after January 1, 2002.



In the General Assembly read three times and ratified this the 30<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 3:21 p.m. on the 7<sup>th</sup> day of October, 2002.

**H.B. 1638****Session Law 2002-147**

AN ACT TO AUTHORIZE THE DEPARTMENT OF JUSTICE TO PROVIDE CRIMINAL RECORD CHECKS TO THE ALE DIVISION WHEN INVESTIGATING ABC PERMIT APPLICANTS, LOCAL LAW-ENFORCEMENT AGENCIES ISSUING PRECIOUS METAL DEALER PERMITS, THE PRIVATE PROTECTIVE SERVICES BOARD, THE ALARM SYSTEMS LICENSING BOARD, THE BOARD OF LAW EXAMINERS, THE MEDICAL BOARD, THE STATE BOARD OF DENTAL EXAMINERS, THE BOARD OF PHARMACY, THE BOARD OF MORTUARY SCIENCE, THE REAL ESTATE COMMISSION, THE COMMISSIONER OF LABOR WHEN INVESTIGATING PRIVATE PERSONNEL SERVICE LICENSE APPLICANTS, THE STRUCTURAL PEST CONTROL COMMITTEE, AND CITIES WHEN INVESTIGATING TAXI LICENSE APPLICANTS AND TO CHARGE A FEE FOR CONDUCTING THE CHECKS, AND TO CONFORM SEX OFFENDER LAWS TO FEDERAL REQUIREMENTS.

*The General Assembly of North Carolina enacts:*

**PART I. CRIMINAL HISTORY BACKGROUND CHECKS**

**SECTION 1.** G.S. 18B-902 reads as rewritten:

**"§ 18B-902. Application for permit; fees.**

(a) Form. – An application for an ABC permit shall be on a form prescribed by the Commission and shall be notarized. ~~The application shall be signed and sworn to by each~~Each person required to qualify under ~~G.S. 18B-900(e)~~G.S. 18B-900(c) shall sign and swear to the application and shall submit a full set of fingerprints with the application.

(b) Investigation. – Before issuing a new permit, the Commission, with the assistance of the ALE Division, shall investigate the applicant and the premises for which the permit is requested. The Commission may request the assistance of local ABC officers in investigating applications. An applicant shall cooperate fully with the investigation.

The Department of Justice may provide a criminal record check to the ALE Division for a person who has applied for a permit through the Commission. The ALE Division shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The ALE Division and the Commission shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall

be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.

(c) False Information. – Knowingly making a false statement in an application for an ABC permit shall be grounds for denying, suspending, revoking or taking other action against the permit as provided in G.S. 18B-104 and shall also be unlawful.

(d) Fees. – An application for an ABC permit shall be accompanied by payment of the following application fee:

- (1) On-premises malt beverage permit – \$400.00.
- (2) Off-premises malt beverage permit – \$400.00.
- (3) On-premises unfortified wine permit – \$400.00.
- (4) Off-premises unfortified wine permit – \$400.00.
- (5) On-premises fortified wine permit – \$400.00.
- (6) Off-premises fortified wine permit – \$400.00.
- (7) Brown-bagging permit – \$400.00, unless the application is for a restaurant seating less than 50, in which case the fee shall be \$200.00.
- (8) Special occasion permit – \$400.00.
- (9) Limited special occasion permit – \$50.00.
- (10) Mixed beverages permit – \$1,000.
- (11) Culinary permit – \$200.00.
- (12) Unfortified winery permit – \$300.00.
- (13) Fortified winery permit – \$300.00.
- (14) Limited winery permit – \$300.00.
- (15) Brewery permit – \$300.00.
- (16) Distillery permit – \$300.00.
- (17) Fuel alcohol permit – \$100.00.
- (18) Wine importer permit – \$300.00.
- (19) Wine wholesaler permit – \$300.00.
- (20) Malt beverage importer permit – \$300.00.
- (21) Malt beverage wholesaler permit – \$300.00.
- (22) Bottler permit – \$300.00.
- (23) Salesman permit – \$100.00.
- (24) Vendor representative permit – \$50.00.
- (25) Nonresident malt beverage vendor permit – \$100.00.
- (26) Nonresident wine vendor permit – \$100.00.
- (27) Any special one-time permit under G.S. 18B-1002 – \$50.00.
- (28) Winery special event permit – \$200.00.
- (29) Mixed beverages catering permit – \$200.00.
- (30) Guest room cabinet permit – \$1,000.
- (31) Liquor importer/bottler permit – \$500.00.
- (32) Cider and vinegar manufacturer permit – \$200.00.
- (33) Brew on premises permit – \$400.00.
- (34) Wine producer permit – \$300.00.
- (35) Wine tasting permit – \$100.00.

(e) Repealed by Session Laws 1998-95, s. 29, effective May 1, 1999.

(f) Fee Not Refundable. – The fee required by subsection (d) shall not be refunded.

(g) Fees to Treasurer. – All fees collected by the Commission under this or any other section of this Chapter shall be remitted to the State Treasurer for the General Fund."

**SECTION 2.** G.S. 66-165 reads as rewritten:

**"§ 66-165. Permits required.**

(a) Except as provided in subsection (c), it shall be unlawful for any person to engage as a dealer in the business of purchasing precious metals either as a separate business or in connection with other business operations without first obtaining a permit for the business from the local law-enforcement agency. The form of the permit and application therefor shall be as approved by the Department of Crime Control and Public Safety. The application shall be given under oath and shall be notarized. A 30-day waiting period from the date of filing of the application is required prior to initial issuance of a permit. A separate permit shall be issued for each location, place, or premises within the jurisdiction of the local law-enforcement agency which is used for the conduction of a precious metals business, and each permit shall designate the location, place or premises to which it applies. Such business shall not be conducted in any other place than that designated in the permit, and no business shall be conducted in a mobile home, trailer, camper, or other vehicle, or structure not permanently affixed to the ground or in any room customarily used for lodging in any hotel, motel, tourist court, or tourist home as defined in G.S. 105-61. The permit shall be posted in a prominent place on the designated premises. Permits shall be valid for a period of 12 months from the date issued and may be renewed without a waiting period upon filing of an application and payment of the annual fee. The annual fee for each dealer's permits within each jurisdiction shall be ten dollars (\$10.00) to provide for the administrative costs of the local law-enforcement agency, including purchase of required forms. The fee shall not be refundable even if the permits are denied or later suspended or revoked. Such permits shall be in addition to and not in lieu of other business licenses and are not transferable.

Any dealer applying to the local law-enforcement agency for a permit shall furnish the local law-enforcement agency with the following information:

- (1) His full name, and any other names used by the applicant during the preceding five years. In the case of a partnership, association, or corporation, the applicant shall list any partnership, association, or corporate names used during the preceding five years;
- (2) Current address, and all addresses used by the applicant during the preceding five years;
- (3) Physical description;
- (4) Age;
- (5) Driver's license number, if any, and state of issuance;
- (6) Recent photograph;
- (7) Record of felony ~~convictions; and~~ convictions;
- (8) Record of other convictions during the preceding five ~~years;~~ years; and
- (9) A full set of fingerprints of the applicant.

If the applicant for a dealer's permit is a partnership or association, all persons owning a ten percent (10%) or more interest in the partnership or association shall comply with the provisions of this subsection. Any such permits shall be issued in the name of the partnership or association.

If the applicant for a dealer's permit is a corporation, each officer, director and stockholder owning ten percent (10%) or more of the corporation's stock, of any class,

shall comply with the provisions of this subsection. Any such permits shall be issued in the name of the corporation.

No permit shall be issued to an applicant who, within five years prior to the date of application, has been convicted of a felony involving a crime of moral turpitude, or larceny, or receiving stolen goods or of similar charges in any federal court or a court of this or any other state. In the case of a partnership, association, or corporation, no permit shall be issued to any applicant with an officer, partner, or director who has, within five years prior to the date of application, been convicted of a felony involving a crime of moral turpitude, or larceny, or receiving stolen goods or of similar charges in any federal court or a court of this or any other state.

The Department of Justice may provide a criminal record check to the local law-enforcement agency for a person who has applied for a permit through the agency. The agency shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The agency shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.

(b) Every employee engaged in the precious metal business shall, within two days of being so engaged, register his name and address with the local law-enforcement agency and have his photograph taken by the agency. The agency shall issue to him a certificate of compliance with this section upon the applicant's payment of the sum of three dollars (\$3.00) to the agency. The permit shall be posted in the work area of the permit holder.

(c) A special occasion permit authorizes the permittee to purchase precious metals as a dealer participating in any trade shows, antique shows, and crafts shows conducted within the State. A special occasion permit shall be issued by any local law-enforcement agency; provided, however, that a permittee under subsection (a) shall apply for a special occasion permit with the local law-enforcement agency which issued such dealer's permit. An application for a permit shall be on a form as approved by the Department of Crime Control and Public Safety and shall be given under oath and notarized. A 30-day waiting period from the date of filing of the application is required prior to initial issuance of a permit.

Any dealer applying to a local law-enforcement agency for a special occasion permit shall furnish the local law-enforcement agency with the information required in an application for a dealer's permit as set forth in (a).

If the applicant for a special occasion permit is a partnership or association, all persons owning a ten percent (10%) or more interest in the partnership or association shall comply with the provisions of this subsection. Any such permits shall be issued in the name of the partnership or association.

If the applicant for a special occasion permit is a corporation, each officer, director and stockholder owning ten percent (10%) or more of the corporation's stock, of any

class, shall comply with the provisions of this subsection. Any such permits shall be issued in the name of the corporation.

No permit shall be issued to an applicant who, within five years prior to the date of application, has been convicted of a felony involving a crime of moral turpitude, or larceny, or receiving stolen goods or of similar charges in any federal court or a court of this or any other state. In the case of a partnership, association, or corporation, no permit shall be issued to any applicant with an officer, partner, or director who has, within five years prior to the date of application, been convicted of a felony involving a crime of moral turpitude, or larceny, or receiving stolen goods or of similar charges in any federal court or a court of this or any other state.

The Department of Justice may provide a criminal record check to the local law-enforcement agency for a person who has applied for a permit through the agency. The agency shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The agency shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.

The fee for an application for a special occasion permit shall be ten dollars (\$10.00) to provide for the administrative cost of the local law-enforcement agency including purchase of required forms. The fee shall not be refundable even if the permit is denied or is later suspended or revoked. Such permits shall be in addition to and not in lieu of other business licenses and are not transferable.

A special occasion permit shall be valid for 12 months from the date issued, unless earlier surrendered, suspended, or revoked. Application for renewal of a permit for an additional 12 months shall be on a form as approved by the Department of Crime Control and Public Safety and shall be accompanied by an application fee of ten dollars (\$10.00). A renewal fee shall not be refundable.

Each special occasion permit shall be posted in a prominent place on the premises of any show at which the permittee purchases precious metals."

**SECTION 3.** G.S. 74C-8(c) is amended by adding a new subdivision to read:

"(5) The Department of Justice may provide a criminal record check to the Private Protective Services Board for a person who has applied for a new or renewal license, registration, certification, or permit through the Private Protective Services Board. The Board shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of

Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subdivision privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subdivision."

**SECTION 4.** G.S. 74D-2(c) is amended by adding a new subdivision to read:

"(5) The Department of Justice may provide a criminal record check to the Alarm Systems Licensing Board for a person who has applied for a new or renewal license, registration, certification, or permit through the Alarm Systems Licensing Board. The Board shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subdivision privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subdivision."

**SECTION 5.** G.S. 84-24 reads as rewritten:

**"§ 84-24. Admission to practice.**

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

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

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

The Board of Law Examiners shall have full power and authority to make or cause to be made such examinations and investigations as may be deemed by it necessary to satisfy it that the applicants for admission to the Bar possess the qualifications of

character and general fitness requisite for an attorney and counselor-at-law and to this end the Board of Law Examiners shall have the power of subpoena and to summons and examine witnesses under oath and to compel their attendance and the production of books, papers and other documents and writings deemed by it to be necessary or material to the inquiry and shall also have authority to employ and provide assistance as may be required to enable it to perform its duties promptly and properly. Records, papers, and other documents containing information collected and compiled by the Board or its members or employees as a result of investigations, inquiries, or interviews conducted in connection with examinations or licensing matters, are not public records within the meaning of Chapter 132 of the General Statutes.

All applicants for admission to the Bar shall be fingerprinted to determine whether the applicant has a record of criminal conviction in this State or in any other state or jurisdiction. The information obtained as a result of the fingerprinting of an applicant shall be limited to the official use of the Board of Law Examiners in determining the character and general fitness of the applicant. ~~The Board of Law Examiners, subject to the approval of the Council shall by majority vote, from time to time, make, alter and amend such rules and regulations for admission to the Bar as in their judgment shall promote the welfare of the State and the profession: Provided, that any change in the educational requirements for admission to the Bar shall not become effective within two years from the date of the adoption of the change.~~

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

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

The Board of Law Examiners, subject to the approval of the Council, shall by majority vote, from time to time, make, alter, and amend such rules and regulations for admission to the Bar as in their judgment shall promote the welfare of the State and the profession: Provided, that any change in the educational requirements for admission to the Bar shall not become effective within two years from the date of the adoption of the change.

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

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

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

**SECTION 6.** G.S. 90-11 reads as rewritten:

**"§ 90-11. Qualifications of applicant for license.**

(a) Every applicant for a license to practice medicine or to perform medical acts, tasks, and functions as a physician assistant in the State shall satisfy the North Carolina Medical Board that the applicant is of good moral character and meets the other qualifications for the issuance of a license before any such license is granted by the Board to the applicant.

(b) The Department of Justice may provide a criminal record check to the Board for a person who has applied for a license through the Board. The Board shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection."

**SECTION 7.** G.S. 90-30 reads as rewritten:

**"§ 90-30. Examination and licensing of applicants; qualifications; causes for refusal to grant license; void licenses.**

(a) The North Carolina State Board of Dental Examiners shall grant licenses to practice dentistry to such applicants who are graduates of a reputable dental institution, who, in the opinion of a majority of the Board, shall undergo a satisfactory examination of proficiency in the knowledge and practice of dentistry, subject, however, to the further provisions of this section and of the provisions of this Article.

The applicant shall be of good moral character, at least 18 years of age at the time the application for examination is filed. The application shall be made to the said Board in writing and shall be accompanied by evidence satisfactory to said Board that the applicant is a person of good moral character, has an academic education, the standard of which shall be determined by the said Board; that he is a graduate of and has a diploma from a reputable dental college or the dental department of a reputable university or college recognized, accredited and approved as such by the said Board.

The North Carolina State Board of Dental Examiners is authorized to conduct both written or oral and clinical examinations of such character as to thoroughly test the qualifications of the applicant, and may refuse to grant license to any person who, in its discretion, is found deficient in said examination, or to any person guilty of cheating, deception or fraud during such examination, or whose examination discloses to the satisfaction of the Board, a deficiency in academic education. The Board may employ such dentists found qualified therefor by the Board, in examining applicants for licenses as it deems appropriate.

The North Carolina State Board of Dental Examiners may refuse to grant a license to



any person guilty of a crime involving moral turpitude, or gross immorality, or to any person addicted to the use of alcoholic liquors or narcotic drugs to such an extent as, in the opinion of the Board, renders the applicant unfit to practice dentistry.

Any license obtained through fraud or by any false representation shall be void ab initio and of no effect.

(b) The Department of Justice may provide a criminal record check to the North Carolina State Board of Dental Examiners for a person who has applied for a license through the Board. The Board shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection."

**SECTION 8.** G.S. 90-85.15 is amended by adding a new subsection to read:

"(c) The Department of Justice may provide a criminal record check to the Board for a person who has applied for a license through the Board. The Board shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection."

**SECTION 9.** G.S. 90-210.25(a) reads as rewritten:

**"§ 90-210.25. Licensing.**

(a) Qualifications, Examinations, Resident Traineeship and Licensure. –

(1) To be licensed for the practice of funeral directing under this Article, a person must:

- a. Be at least 18 years of age.
- b. Be of good moral character.
- c. Have completed a minimum of 32 semester hours or 48 quarter hours of instruction, including the subjects set out in sub-part e.1. of this subdivision, as prescribed by a mortuary science college approved by the Board or a school of mortuary science

- accredited by the American Board of Funeral Service Education.
- d. Have completed 12 months of resident traineeship as a funeral director, pursuant to the procedures and conditions set out in G.S. 90-210.25(a)(4), either before or after satisfying the educational requirement under sub-subdivision c. of this subdivision.
  - e. Have passed an oral or written funeral director examination on the following subjects:
    1. Psychology, sociology, funeral directing, business law, funeral law, funeral management, and accounting.
    2. Repealed by 1997-399, s. 5.
    3. Laws of North Carolina and rules of the Board of Mortuary Science and other agencies dealing with the care, transportation and disposition of dead human bodies.
- (2) To be licensed for the practice of embalming under this Article, a person must:
- a. Be at least 18 years of age.
  - b. Be of good moral character.
  - c. Be a graduate of a mortuary science college approved by the Board.
  - d. Have completed 12 months of resident traineeship as an embalmer pursuant to the procedures and conditions set out in G.S. 90-210.25(a)(4), either before or after satisfying the educational requirement under sub-subdivision c. of this subdivision.
  - e. Have passed an oral or written embalmer examination on the following subjects:
    1. Embalming, restorative arts, chemistry, pathology, microbiology, and anatomy.
    2. Repealed by 1997-399, s. 6.
    3. Laws of North Carolina and rules of the Board of Mortuary Science and other agencies dealing with the care, transportation and disposition of dead human bodies.
- (3) To be licensed for the practice of funeral service under this Article, a person must:
- a. Be at least 18 years of age.
  - b. Be of good moral character.
  - c. Be a graduate of a mortuary science college approved by the Board or a school of mortuary science accredited by the American Board of Funeral Service Education. Have completed a minimum of 32 semester hours or 48 quarter hours of instruction, including the subjects set out in sub-part e.1. of this subdivision, as prescribed by a mortuary science college approved by the Board or a school of mortuary science accredited by the American Board of Funeral Service Education.

- d. Have completed 12 months of resident traineeship as a funeral service licensee, pursuant to the procedures and conditions set out in G.S. 90-210.25(a)(4), either before or after satisfying the educational requirement under sub-subdivision c. of this subdivision.
  - e. Have passed an oral or written funeral service examination on the following subjects:
    - 1. Psychology, sociology, funeral directing, business law, funeral law, funeral management, and accounting.
    - 2. Embalming, restorative arts, chemistry, pathology, microbiology, and anatomy.
    - 3. Repealed by 1997-399, s. 7.
    - 4. Laws of North Carolina and rules of the Board of Mortuary Science and other agencies dealing with the care, transportation and disposition of dead human bodies.
- (4) a. A person desiring to become a resident trainee shall apply to the Board on a form provided by the Board. The application shall state that the applicant is not less than 18 years of age, of good moral character, and is the graduate of a high school or the equivalent thereof, and shall indicate the licensee under whom the applicant expects to train. A person training to become an embalmer may serve under either a licensed embalmer or a funeral service licensee. A person training to become a funeral director may serve under either a licensed funeral director or a funeral service licensee. A person training to become a funeral service licensee shall serve under a funeral service licensee. The application must be sustained by oath of the applicant and be accompanied by the appropriate fee. When the Board is satisfied as to the qualifications of an applicant it shall instruct the secretary to issue a certificate of resident traineeship.
- b. When a resident trainee leaves the proctorship of the licensee under whom the trainee has worked, the licensee shall file with the Board an affidavit showing the length of time served with the licensee by the trainee, and the affidavit shall be made a matter of record in the Board's office. The licensee shall deliver a copy of the affidavit to the trainee.
  - c. A person who has not completed the traineeship and wishes to do so under a licensee other than the one whose name appears on the original certificate may reapply to the Board for approval, without payment of an additional fee.
  - d. A certificate of resident traineeship shall be signed by the resident trainee and upon payment of the renewal fee shall be renewable one year after the date of original registration; but the certificate may not be renewed more than one time. The Board shall mail to each registered trainee at his last known address a notice that the renewal fee is due and that, if not paid within 30 days of the notice, the certificate will be canceled. A penalty, in addition to the renewal fee, shall be charged for a

late renewal, but the renewal of the registration of any resident trainee who is engaged in the active military service of the United States at the time renewal is due may, at the discretion of the Board, be held in abeyance for the duration of that service without penalties. No credit shall be allowed for the 12-month period of resident traineeship that shall have been completed more than three years preceding the examination for a license.

- e. All registered resident trainees shall report to the Board at least once every month during traineeship upon forms provided by the Board listing the work which has been completed during the preceding month of resident traineeship. The data contained in the reports shall be certified as correct by the licensee under whom the trainee has served during the period and by the licensed person who is managing the funeral service establishment. Each report shall list the following:
  - 1. For funeral director trainees, the conduct of any funerals during the relevant time period,
  - 2. For embalming trainees, the embalming of any bodies during the relevant time period,
  - 3. For funeral service trainees, both of the activities named in 1 and 2 of this subsection, engaged in during the relevant time period.
- f. To meet the resident traineeship requirements of G.S. 90-210.25(a)(1), G.S. 90-210.25(a)(2) and G.S. 90-210.25(a)(3) the following must be shown by the affidavit(s) of the licensee(s) under whom the trainee worked:
  - 1. That the funeral director trainee has, under supervision, assisted in directing at least 25 funerals during the resident traineeship,
  - 2. That the embalmer trainee has, under supervision, assisted in embalming at least 25 bodies during the resident traineeship,
  - 3. That the funeral service trainee has, under supervision assisted in directing at least 25 funerals and, under supervision, assisted in embalming at least 25 bodies during the resident traineeship.
- g. The Board may suspend or revoke a certificate of resident traineeship for violation of any provision of this Article.
- h. Each sponsor for a registered resident trainee must during the period of sponsorship be actively employed with a funeral establishment. The traineeship shall be a primary vocation of the trainee.
- i. Only one resident trainee may register and serve at any one time under any one person licensed under this Article.
- j., k. Repealed by Session Laws 1991, c. 528, s. 4.
- l. The Board shall register no more than one resident trainee at a funeral establishment that served 100 or fewer families during the 12 months immediately preceding the date of the

application, and shall register no more than one resident trainee for each additional 100 families served at the funeral establishment during the 12 months immediately preceding the date of the application.

- (5) The Board by regulation may recognize other examinations that the Board deems equivalent to its own.
- a. All licenses shall be signed by the president and secretary of the Board and the seal of the Board affixed thereto. All licenses shall be issued, renewed or duplicated for a period not exceeding one year upon payment of the renewal fee, and all licenses, renewals or duplicates thereof shall expire and terminate the thirty-first day of December following the date of their issue unless sooner revoked and canceled; provided, that the date of expiration may be changed by unanimous consent of the Board and upon 90 days' written notice of such change to all persons licensed for the practice of funeral directing, embalming and funeral service in this State.
  - b. The holder of any license issued by the Board who shall fail to renew the same on or before January 31 of the calendar year for which the license is to be renewed shall have forfeited and surrendered the license as of that date. No license forfeited or surrendered pursuant to the preceding sentence shall be reinstated by the Board unless it is shown to the Board that the applicant has, throughout the period of forfeiture, engaged full time in another state of the United States or the District of Columbia in the practice to which his North Carolina license applies and has completed for each such year continuing education substantially equivalent in the opinion of the Board to that required of North Carolina licensees; or has completed in North Carolina a total number of hours of accredited continuing education computed by multiplying five times the number of years of forfeiture; or has passed the North Carolina examination for the forfeited license. No additional resident traineeship shall be required. The applicant shall be required to pay all delinquent annual renewal fees and a reinstatement fee. The Board may waive the provisions of this section for an applicant for a forfeiture which occurred during his service in the armed forces of the United States provided he applies within six months following severance therefrom.
  - c. All licensees now or hereafter licensed in North Carolina shall take courses of study in subjects relating to the practice of the profession for which they are licensed, to the end that new techniques, scientific and clinical advances, the achievements of research and the benefits of learning and reviewing skills will be utilized and applied to assure proper service to the public.
  - d. As a prerequisite to the annual renewal of a license, the licensee must complete, during the year immediately preceding renewal, at least five hours of continuing education courses, approved by the Board prior to enrollment. A licensee who completes more

than five hours in a year may carry over a maximum of five hours as a credit to the following year's requirement. A licensee who is issued an initial license on or after July 1 does not have to satisfy the continuing education requirement for that year.

- e. The Board shall not renew a license unless fulfillment of the continuing education requirement has been certified to it on a form provided by the Board, but the Board may waive this requirement for renewal in cases of certified illness or undue hardship or where the licensee lives outside of North Carolina and does not practice in North Carolina, and the Board shall waive the requirement for all licensees who have been licensed in North Carolina for a continuous period of 25 years or more, and for all licensees who are, at the time of renewal, members of the General Assembly.
- f. The Board shall cause to be established and offered to the licensees, each calendar year, at least five hours of continuing education courses in subjects encompassing the license categories of embalming, funeral directing and funeral service. The Board may charge licensees attending these courses a reasonable registration fee in order to meet the expenses thereof and may also meet those expenses from other funds received under the provisions of this Article.
- g. Any person who having been previously licensed by the Board as a funeral director or embalmer prior to July 1, 1975, shall not be required to satisfy the requirements herein for licensure as a funeral service licensee, but shall be entitled to have such license renewed upon making proper application therefor and upon payment of the renewal fee provided by the provisions of this Article. Persons previously licensed by the Board as a funeral director may engage in funeral directing, and persons previously licensed by the Board as an embalmer may engage in embalming. Any person having been previously licensed by the Board as both a funeral director and an embalmer may upon application therefor receive a license as a funeral service licensee.
- h. The Department of Justice may provide a criminal record check to the Board for a person who has applied for a new or renewal license, or certification through the Board. The Board shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all

information pursuant to this subdivision privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subdivision."

**SECTION 10.** G.S. 90-224 is amended by adding a new subsection to read:

"(c) The Department of Justice may provide a criminal record check to the Board for a person who has applied for a new or renewal license through the Board. The Board shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection."

**SECTION 11.** G.S. 93A-4 is amended by adding a new subsection to read:

"(b1) The Department of Justice may provide a criminal record check to the Commission for a person who has applied for a license through the Commission. The Commission shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Commission shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection."

**SECTION 12.** G.S. 95-47.2(d) reads as rewritten:

- "(d) Upon the receipt of an application for a license the Commissioner:
- (1) Shall publish a notice of the pending application in a newspaper of general circulation in the area of the proposed location of the employment agency and may publish the notice in a newspaper of general circulation in each area in which the applicant (or if a corporation, the president and majority shareholder) has resided during the five years preceding the time of the application. The notice shall include a statement informing individuals of their right to protest the issuance of a license by filing within 10 days written comments with

the Commissioner. The protest shall be in writing and signed by the person filing the protest or by his authorized agent or attorney, and shall state reasons why the license should not be granted. Upon the filing of a protest, the Commissioner, if he determines the protest to be of such a nature that a hearing should be conducted and that the protest is for a cause on which denial of a license may properly be based, shall appoint a time and place for a hearing on the application and shall give at least seven days' notice of that time and place to the license applicant and to the person filing the protest. The hearing shall be conducted in accordance with the provisions of the rules of the Administrative Procedure Act;

- (2) Shall investigate the character, criminal record and business integrity of each applicant for agency license and shall investigate the criminal records of all persons listed as agency owners, officers, directors or managers. The applicant and all agency owners, officers, directors and managers shall assist the department in obtaining necessary information by authorizing the release of all relevant information;

- (2a) The Department of Justice may provide a criminal record check to the Commissioner for a person or agency who has applied for a license through the Commissioner. The Commissioner shall provide to the Department of Justice, along with the request, the fingerprints of all applicants, any additional information required by the Department of Justice, and a form signed by the applicants consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicants' fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Commissioner shall keep all information pursuant to this subdivision privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subdivision.

- (3) Upon completion of the investigation, or 30 days after the application was received, whichever is later, but in no case more than 45 days after the application was received, shall determine whether or not a license should be issued. The license shall be denied for any of the following reasons:
- a. If the applicant for agency license, or the president or majority shareholder of a corporate applicant, omits or falsifies any material information asked for in the application and required by the Commissioner;
  - b. If any owner, officer, director or manager of the employment agency:
    1. Has been convicted in any state of the criminal offense of embezzlement, obtaining money under false



- pretenses, forgery, conspiracy to defraud or any similar offense involving fraud or moral turpitude;
2. Was an owner, officer, director or manager of an employment agency or other business whose license was revoked or that was otherwise caused to cease operation by action of any State or federal agency or court because of violations of law or regulation relating to deceptive or unfair practices in the conduct of business;
  3. As an owner or manager of an employment agency or other business or as an employment counselor was found by any State or federal agency or court to have violated any law or regulation relating to deceptive or unfair practices in the conduct of business; or
  4. In any other demonstrable way engaged in deceptive or unfair practices in the conduct of business;
- c. If the employment agency will be operated on the same premises as a loan agency (as defined in G.S. 105-88) or collection agency (as defined in G.S. 58-70-15)."

**SECTION 13.** G.S. 106-65.26 is amended by adding a new subsection to read:

"(e) The Department of Justice may provide a criminal record check to the Committee for a person who has applied for a new or renewal license through the Committee. The Committee shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Committee shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection."

**SECTION 14.** G.S. 160A-304(a) reads as rewritten:

"(a) A city may by ordinance license and regulate all vehicles operated for hire in the city. The ordinance may require that the drivers and operators of taxicabs engaged in the business of transporting passengers for hire over the public streets shall obtain a license or permit from the city; provided, however, that the license or permit fee for taxicab drivers shall not exceed fifteen dollars (\$15.00). The ordinances may also specify the types of taxicab services which are legal in the municipality; provided, that in all cases shared-ride services as well as exclusive-ride services shall be legal. Shared-ride service is defined as a taxi service in which two or more persons with either different origins or with different destinations, or both, occupy a taxicab at one time. Exclusive-ride service is defined as a taxi service in which the first passenger or party requests exclusive use of the taxicab. In the event the applicant is to be subjected to a national criminal history background check, the ordinance shall specifically authorize

the use of FBI records. The ordinance shall require any applicant who is subjected to a national criminal history background check to be fingerprinted.

The Department of Justice may provide a criminal record check to the city for a person who has applied for a license or permit through the city. The city shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The city shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.

The following factors shall be deemed sufficient grounds for refusing to issue a permit or for revoking a permit already issued:

- (1) Conviction of a felony against this State, or conviction of any offense against another state which would have been a felony if committed in this State;
- (2) Violation of any federal or State law relating to the use, possession, or sale of alcoholic beverages or narcotic or barbiturate drugs;
- (3) Addiction to or habitual use of alcoholic beverages or narcotic or barbiturate drugs;
- (4) Violation of any federal or State law relating to prostitution;
- (5) Noncitizenship in the United States;
- (6) Habitual violation of traffic laws or ordinances.

The ordinance may also require operators and drivers of taxicabs to display prominently in each taxicab, so as to be visible to the passengers, the city taxi permit, the schedule of fares, a photograph of the driver, and any other identifying matter that the council may deem proper and advisable. The ordinance may also establish rates that may be charged by taxicab operators, may limit the number of taxis that may operate in the city, and may grant franchises to taxicab operators on any terms that the council may deem advisable."

**SECTION 15.** If the Private Security Officer Employment Standards Act of 2002 is enacted by the United States Congress, the State of North Carolina declines to participate in the background check system authorized by that act as a result of the enactment of this act.

## **PART II. CONFORM SEX OFFENDER REGISTRATION**

**SECTION 16.** G.S. 14-208.6 reads as rewritten:

### **"§ 14-208.6. Definitions.**

The following definitions apply in this Article:

- (1a) "Aggravated offense" means any criminal offense that includes either of the following: (i) engaging in a sexual act involving vaginal, anal, or oral penetration with a victim of any age through the use of force or the threat of serious violence; or (ii) engaging in a sexual act involving

- vaginal, anal, or oral penetration with a victim who is less than 12 years old.
- (1b) "County registry" means the information compiled by the sheriff of a county in compliance with this Article.
- (1c) "Division" means the Division of Criminal Statistics of the Department of Justice.
- (1d) "Employed" includes employment that is full-time or part-time for a period of time exceeding 14 days or for an aggregate period of time exceeding 30 days during any calendar year, whether financially compensated, volunteered, or for the purpose of government or educational benefit.
- (1e) "Institution of higher education" means any postsecondary public or private educational institution, including any trade or professional institution, college, or university.
- ~~(1d)~~(1f) "Mental abnormality" means a congenital or acquired condition of a person that affects the emotional or volitional capacity of the person in a manner that predisposes that person to the commission of criminal sexual acts to a degree that makes the person a menace to the health and safety of others.
- ~~(1e)~~(1g) "Nonresident student" means a person who is not a resident of North Carolina but who is enrolled in any type of school in the State on a part-time or full-time basis.
- ~~(1f)~~(1h) "Nonresident worker" means a person who is not a resident of North Carolina but who has employment or carries on a vocation in the State, on a part-time or full-time basis, with or without compensation or government or educational benefit, for more than 14 days, or for an aggregate period exceeding 30 days in a calendar year.
- ~~(1g)~~(1i) "Offense against a minor" means any of the following offenses if the offense is committed against a minor, and the person committing the offense is not the minor's parent: G.S. 14-39 (kidnapping), G.S. 14-41 (abduction of children), and G.S. 14-43.3 (felonious restraint). The term also includes the following if the person convicted of the following is not the minor's parent: a solicitation or conspiracy to commit any of these offenses; aiding and abetting any of these offenses.
- (2) "Penal institution" means:
- a. A detention facility operated under the jurisdiction of the Division of Prisons of the Department of Correction;
  - b. A detention facility operated under the jurisdiction of another state or the federal government; or
  - c. A detention facility operated by a local government in this State or another state.
- (2a) "Personality disorder" means an enduring pattern of inner experience and behavior that deviates markedly from the expectations of the individual's culture, is pervasive and inflexible, has an onset in adolescence or early adulthood, is stable over time, and leads to distress or impairment.
- (2b) "Recidivist" means a person who has a prior conviction for an offense that is described in G.S. 14-208.6(4).

- (3) "Release" means discharged or paroled.
- (4) "Reportable conviction" means:
  - a. A final conviction for an offense against a minor, a sexually violent offense, or an attempt to commit any of those offenses unless the conviction is for aiding and abetting. A final conviction for aiding and abetting is a reportable conviction only if the court sentencing the individual finds that the registration of that individual under this Article furthers the purposes of this Article as stated in G.S. 14-208.5.
  - b. A final conviction in another state of an offense, which if committed in this State, is substantially similar to an offense against a minor or a sexually violent offense as defined by this section.
  - c. A final conviction in a federal jurisdiction (including a court martial) of an offense, which is substantially similar to an offense against a minor or a sexually violent offense as defined by this section.
- (5) "Sexually violent offense" means a violation of G.S. 14-27.2 (first degree rape), G.S. 14-27.3 (second degree rape), G.S. 14-27.4 (first degree sexual offense), G.S. 14-27.5 (second degree sexual offense), G.S. 14-27.6 (attempted rape or sexual offense), G.S. 14-27.7 (intercourse and sexual offense with certain victims), G.S. 14-178 (incest between near relatives), G.S. 14-190.6 (employing or permitting minor to assist in offenses against public morality and decency), G.S. 14-190.16 (first degree sexual exploitation of a minor), G.S. 14-190.17 (second degree sexual exploitation of a minor), G.S. 14-190.17A (third degree sexual exploitation of a minor), G.S. 14-190.18 (promoting prostitution of a minor), G.S. 14-190.19 (participating in ~~in~~ the prostitution of a minor), or G.S. 14-202.1 (taking indecent liberties with children). The term also includes the following: a solicitation or conspiracy to commit any of these offenses; aiding and abetting any of these offenses.
- (6) "Sexually violent predator" means a person who has been convicted of a sexually violent offense and who suffers from a mental abnormality or personality disorder that makes the person likely to engage in sexually violent offenses directed at strangers or at a person with whom a relationship has been established or promoted for the primary purpose of victimization.
- (7) "Sheriff" means the sheriff of a county in this State.
- (8) "Statewide registry" means the central registry compiled by the Division in accordance with G.S. 14-208.14.
- (9) "Student" means a person who is enrolled on a full-time or part-time basis, in any postsecondary public or private educational institution, including any trade or professional institution, or other institution of higher education."

**SECTION 17.** G.S. 14-208.7(b) reads as rewritten:

"(b) The Division shall provide each sheriff with forms for registering persons as required by this Article. The registration form shall require:

- (1) The person's full name, each alias, date of birth, sex, race, height, weight, eye color, hair color, drivers license number, and home address;
- (2) The type of offense for which the person was convicted, the date of conviction, and the sentence imposed;
- (3) A current photograph; ~~and~~
- (4) The person's ~~fingerprints~~ fingerprints;
- (5) A statement indicating whether the person is a student or expects to enroll as a student within a year of registering. If the person is a student or expects to enroll as a student within a year of registration, then the registration form shall also require the name and address of the educational institution at which the person is a student or expects to enroll as a student; and
- (6) A statement indicating whether the person is employed or expects to be employed at an institution of higher education within a year of registering. If the person is employed or expects to be employed at an institution of higher education within a year of registration, then the registration form shall also require the name and address of the educational institution at which the person is or expects to be employed.

The sheriff shall photograph the individual at the time of registration and take fingerprints from the individual at the time of registration both of which will be kept as part of the registration form. The registrant will not be required to pay any fees for the photograph or fingerprints taken at the time of registration."

**SECTION 18.** G.S. 14-208.8(a) reads as rewritten:

"(a) At least 10 days, but not earlier than 30 days, before a person who will be subject to registration under this Article is due to be released from a penal institution, an official of the penal institution shall:

- (1) Inform the person of the person's duty to register under this Article and require the person to sign a written statement that the person was so informed or, if the person refuses to sign the statement, certify that the person was so informed;
- (2) Obtain the registration information required under G.S. ~~14-208.7(b)(1) and (2)~~, 14-208.7(b)(1), (2), (5), and (6), as well as the address where the person expects to reside upon the person's release; and
- (3) Send the Division and the sheriff of the county in which the person expects to reside the information collected in accordance with subdivision (2) of this subsection."

**SECTION 19.** G.S. 14-208.9 reads as rewritten:

**"§ 14-208.9. Change of ~~address~~; change of academic status or educational employment status.**

(a) If a person required to register changes address, the person shall provide written notice of the new address not later than the tenth day after the change to the sheriff of the county with whom the person had last registered. Upon receipt of the notice, the sheriff shall immediately forward this information to the Division. If the person moves to another county in this State, the Division shall inform the sheriff of the new county of the person's new residence.

(b) If a person required to register moves to another state, the person shall provide written notice of the new address not later than 10 days after the change to the

sheriff of the county with whom the person had last registered. Upon receipt of the notice, the sheriff shall notify the person that the person must comply with the registration requirements in the new state of residence. The sheriff shall also immediately forward the change of address information to the Division, and the Division shall inform the appropriate state official in the state to which the registrant moves of the person's new address.

(c) If a person required to register changes his or her academic status either by enrolling as a student or by terminating enrollment as a student, then the person shall provide written notice of the new status not later than the tenth day after the change to the sheriff of the county with whom the person registered. The written notice shall include the name and address of the institution of higher education at which the student is or was enrolled. Upon receipt of the notice, the sheriff shall immediately forward this information to the Division.

(d) If a person required to register changes his or her employment status either by obtaining employment at an institution of higher education or by terminating employment at an institution of higher education, then the person shall provide written notice of the new status not later than the tenth day after the change to the sheriff of the county with whom the person registered. The written notice shall include the name and address of the institution of higher education at which the person is or was employed. Upon receipt of the notice, the sheriff shall immediately forward this information to the Division."

**SECTION 20.** G.S. 14-208.11 reads as rewritten:

**"§ 14-208.11. Failure to register; falsification of verification notice; failure to return verification form; order for arrest.**

(a) A person required by this Article to register who does any of the following is guilty of a Class F felony:

- (1) Fails to register.
- (2) Fails to notify the last registering sheriff of a change of address.
- (3) Fails to return a verification notice as required under G.S. 14-208.9A.
- (4) Forges or submits under false pretenses the information or verification notices required under this Article.
- (5) Fails to inform the registering sheriff of enrollment or termination of enrollment as a student.
- (6) Fails to inform the registering sheriff of employment at an institution of higher education or termination of employment at an institution of higher education.

(a1) If a person commits a violation of subsection (a) of this section, the probation officer, parole officer, or any other law enforcement officer who is aware of the violation shall immediately arrest the person in accordance with G.S. 15A-401, or seek an order for the person's arrest in accordance with G.S. 15A-305.

(b) Before a person convicted of a violation of this Article is due to be released from a penal institution, an official of the penal institution shall conduct the prerelease notification procedures specified under G.S. 14-208.8(a)(2) and (3). If upon a conviction for a violation of this Article, no active term of imprisonment is imposed, the court pronouncing sentence shall, at the time of sentencing, conduct the notification procedures specified under G.S. 14-208.8(a)(2) and (3)."

**SECTION 21.** G.S. 14-208.14 reads as rewritten:

**"§ 14-208.14. Statewide registry; Division of Criminal Statistics designated custodian of statewide registry.**

(a) The Division of Criminal Statistics shall compile and keep current a central statewide sex offender registry. The Division is the State agency designated as the custodian of the statewide registry. As custodian the Division has the following responsibilities:

- (1) To receive from the sheriff or any other law enforcement agency or penal institution all sex offender registrations, changes of address, changes of academic or educational employment status, and prerelease notifications required under this Article or under federal law. The Division shall also receive notices of any violation of this Article, including a failure to register or a failure to report a change of address.
  - (2) To provide all need-to-know law enforcement agencies (local, State, campus, federal, and those located in other states) immediately upon receipt by the Division of any of the following: registration information, a prerelease notification, a change of address, a change of academic or educational employment status, or notice of a violation of this Article.
  - (2a) To notify the appropriate law enforcement unit at an institution of higher education as soon as possible upon receipt by the Division of relevant information based on registration information or notice of a change of academic or educational employment status. If an institution of higher education does not have a law enforcement unit, then the Division shall provide the information to the local law enforcement agency that has jurisdiction for the campus.
  - (3) To coordinate efforts among law enforcement agencies and penal institutions to ensure that the registration information, changes of address, prerelease notifications, and notices of failure to register or to report a change of address are conveyed in an appropriate and timely manner.
  - (4) To provide public access to the statewide registry in accordance with this Article.
- (b) The statewide registry shall include the following:
- (1) Registration information obtained by a sheriff or penal institution under this Article or from any other local or State law enforcement agency.
  - (2) Registration information received from a state or local law enforcement agency or penal institution in another state.
  - (3) Registration information received from a federal law enforcement agency or penal institution."

**PART III. EFFECTIVE DATE**

**SECTION 22.** Part I of this act is effective when it becomes law. Part II of this act is effective when it becomes law and applies to persons convicted on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law upon approval of the Governor at 2:27 p.m. on the 9<sup>th</sup> day of October, 2002.

AN ACT TO AMEND OR REPEAL VARIOUS ENVIRONMENTAL REPORTING REQUIREMENTS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 136-203 is repealed.

**SECTION 2.** Section 13.4 of S.L. 1999-329 reads as rewritten:

"Section 13.4. The ~~Environmental Management Commission~~ Department of Environment and Natural Resources shall report to the Environmental Review Commission on or before 1 October 2002 and on or before 1 October 2003 on its progress in implementing the ~~Lagoon Conversion Plan pursuant to the letter from Governor James B. Hunt, Jr. to Dr. David Moreau, Chairman, Environmental Management Commission, dated 13 May 1999, as a part of each quarterly report the Environmental Management Commission makes to the Environmental Review Commission pursuant to G.S. 143B-282(b).~~ Two-Year Action Plan for Livestock Operations."

**SECTION 3.** G.S. 113-145.6A reads as rewritten:

**"§ 113-145.6A. Clean Water Management Trust Fund: reporting requirement.**

(a) The Chair of the Board of Trustees shall report each year by ~~November 1~~ December to the Joint Legislative Commission on Governmental Operations, the ~~Environmental Review Commission and Commission,~~ the Subcommittees on Natural and Economic Resources of the House of Representatives and Senate Appropriations ~~Committees~~ Committees, and the Fiscal Research Division of the General Assembly regarding the implementation of this Article. ~~A written copy of the report shall also be sent to the Fiscal Research Division of the General Assembly by November 1 each year.~~

(b) ~~No later than November 1, 1997, and quarterly thereafter, the Chair of the Trustees shall submit to the Joint Legislative Commission on Governmental Operations, the Environmental Review Commission and the Subcommittees on Natural and Economic Resources of the House of Representatives and Senate Appropriations Committees~~ The report shall include a list of the projects awarded grants from the Fund that quarter for the previous 12-month period. The list shall include for each project a description of the project, the amount of the grant awarded for the project, and the total cost of the project. ~~A written copy of the list and other information regarding the projects shall also be sent to the Fiscal Research Division of the General Assembly by November 1, 1997, and for each subsequent quarter.~~

**SECTION 4.** G.S. 130A-294(i) reads as rewritten:

"(i) The Department shall develop a comprehensive hazardous waste management plan for the State. ~~This plan shall be completed by July 1, 1990 and shall be revised at two-year intervals thereafter.~~ State and shall revise the plan on or before 1 July of even-numbered years. The Department shall report to the Environmental Review Commission on or before 1 October of each year on the implementation of the comprehensive hazardous waste management plan. The report shall include an evaluation of how well the State and private parties are managing and cleaning up hazardous waste. The report shall also include make ~~make~~ recommendations to the Governor, ~~recognizant~~ State agencies, and the General Assembly on ways to: improve waste management; reduce the amount of waste generated; maximize resource recovery,



reuse, and conservation; and minimize the amount of hazardous waste which must be disposed of."

**SECTION 5.** G.S. 143-215.9A reads as rewritten:

**"§ 143-215.9A. Reports.**

(a) The Department shall ~~submit quarterly status reports~~ report to the Environmental Review Commission and the Fiscal Research Division ~~as required by this section, on or before 1 October of each year on the status of facilities discharging into surface waters during the previous fiscal year.~~ Each ~~The~~ report shall include:

- (1) The names and locations of all persons permitted under G.S. 143-215.1(c).
- (2) The number of compliance inspections of persons permitted under G.S. 143-215.1(c) that the Department has conducted since the last ~~report and the total number of inspections for that calendar year.~~ report.
- (3) The number of violations found during each inspection, including the date on which the violation occurred and the nature of the violation; the status of enforcement actions taken and pending; and the penalties imposed, collected, and in the process of being negotiated for each ~~such~~ violation.
- (4) Any other information that the Department determines to be appropriate or that is requested by the Environmental Review Commission or the Fiscal Research Division.

(b) The information to be included in the ~~reports~~ report pursuant to subsection (a) of this section shall be itemized by each regional office of the Department, with totals for the State indicated.

(c) ~~The Department shall submit the quarterly status reports required by this section for the previous calendar quarter no later than 15 October, 15 January, 15 April, and 15 July."~~

**SECTION 6.** G.S. 143-215.10M reads as rewritten:

**"§ 143-215.10M. Reports.**

(a) The Department shall ~~submit quarterly status reports~~ report to the Environmental Review Commission and the Fiscal Research Division on or before 1 October of each year as required by this section. Each report shall include:

- (1) The number of permits for animal waste management systems, itemized by type of animal subject to such permits, issued since the last ~~report and a total for that calendar year.~~ report.
- (2) The number of operations reviews of animal waste management systems that the Division of Soil and Water Conservation has conducted since the last ~~report and a total for that calendar year.~~ report.
- (3) The number of operations reviews of animal waste management systems conducted by agencies other than the Division of Soil and Water Conservation that have been conducted since the last ~~report and a total for that calendar year.~~ report.
- (4) The number of reinspections associated with operations reviews conducted by the Division of Soil and Water Conservation since the last ~~report and a total for that calendar year.~~ report.
- (5) The number of reinspections associated with operations reviews conducted by agencies other than the Division of Soil and Water Conservation since the last ~~report and a total for that calendar year.~~ report.

- (6) The number of compliance inspections of animal waste management systems that the Division of Water Quality has conducted since the last ~~report and a total for that calendar year report.~~
- (7) The number of follow-up inspections associated with compliance inspections conducted by the Division of Water Quality since the last ~~report and a total for that calendar year report.~~
- (8) The average length of time for each category of reviews and inspections under subdivisions (2) through (7) of this subsection.
- (9) The number of violations found during each category of review and inspection under subdivisions (2) through (7) of this subsection, the status of enforcement actions taken and pending, and the penalties imposed, collected, and in the process of being negotiated for each such violation.
- (10) Any other information that the Department determines to be appropriate or that is requested by the Environmental Review Commission or the Fiscal Research Division.

(b) The information to be included in the reports pursuant to subsection (a) of this section shall be itemized by each regional office of the Department, with totals for the State indicated.

~~(c) The Department shall submit the quarterly status reports required by this section for the previous calendar quarter no later than 15 October, 15 January, 15 April, and 15 July."~~

**SECTION 7.** G.S. 143-215.94M reads as rewritten:

**"§ 143-215.94M. Reports.**

(a) The Secretary shall present ~~a semiannual~~ an annual report to the Environmental Review Commission which shall include at least the following:

- (1) A list of all discharges or releases of petroleum from underground storage tanks;
- (2) A list of all cleanups requiring State funding through the Noncommercial Fund and a comprehensive budget to complete such cleanups;
- (3) A list of all cleanups undertaken by tank owners or operators and the status of these cleanups;
- (4) A statement of receipts and disbursements for both the Commercial Fund and the Noncommercial Fund;
- (5) A statement of all claims against both the Commercial Fund and the Noncommercial Fund, including claims paid, claims denied, pending claims, anticipated claims, and any other obligations;
- (6) The adequacy of both the Commercial Fund and the Noncommercial Fund to carry out the purposes of this Part together with any recommendations as to measures that may be necessary to assure the continued solvency of the Commercial Fund and the Noncommercial Fund; and
- (7) A statement of the condition of the Loan Fund and a summary of all activity under the Loan Fund.

(b) The ~~semiannual reports report~~ required by this section shall be made by the Secretary on or before ~~1 March and 1 September of each year beginning 1 March 1992 year.~~

**SECTION 8.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 2:27 p.m. on the 9<sup>th</sup> day of October, 2002.

**S.B. 1211****Session Law 2002-149**

AN ACT TO REMOVE BOONE'S CAVE STATE NATURAL AREA FROM THE STATE NATURE AND HISTORIC PRESERVE AND THE STATE PARKS SYSTEM, TO AUTHORIZE THE TRANSFER OF THIS PROPERTY TO DAVIDSON COUNTY FOR MANAGEMENT AS A PARK, AND TO ALLOW CERTAIN PUBLIC ENTITIES TO USE THE FIRE TOWER AT MOUNT JEFFERSON STATE NATURAL AREA FOR PUBLIC COMMUNICATIONS PURPOSES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 143-260.10 reads as rewritten:

**"§ 143-260.10. Components of State Nature and Historic Preserve.**

The following are components of the State Nature and Historic Preserve accepted by the North Carolina General Assembly pursuant to G.S. 143-260.8:

- (1) All lands and waters within the boundaries of the following units of the State Parks System as of April 3, 2001: Baldhead Island State Natural Area, Bay Tree Lake State Park, ~~Boone's Cave State Natural Area~~, Bullhead Mountain State Natural Area, Carolina Beach State Park, Cliffs of the Neuse State Park, Chowan Swamp State Natural Area, Dismal Swamp State Natural Area, Eno River State Park, Fort Fisher State Recreation Area, Fort Macon State Park, Goose Creek State Park, Gorges State Park, Hammocks Beach State Park, Hemlock Bluffs State Natural Area, Jones Lake State Park, Lake James State Park, Lake Norman State Park, Lake Waccamaw State Park, Lumber River State Park, Medoc Mountain State Park, Merchants Millpond State Park, Mitchells Millpond State Natural Area, ~~Mount Jefferson State Natural Area~~, Mount Mitchell State Park, Oconeechee Mountain State Natural Area, Pettigrew State Park, Pilot Mountain State Park, Raven Rock State Park, Run Hill State Natural Area, Singletary Lake State Park, Theodore Roosevelt State Natural Area, and Weymouth Woods-Sandhills Nature Preserve.

...

- (16) All lands and waters located within the boundaries of Mount Jefferson State Natural Area as of April 3, 2001. With respect to the communications tower site on the top of Mount Jefferson and located on that certain tract or parcel of land at Mount Jefferson State Natural Area in Ashe County, West Jefferson Township, described in Deed Book F-3, Page 94, the State may provide space at the communications tower site to State public safety and emergency management agencies for the placement of antennas, repeaters, and other communications devices for public communications purposes. Notwithstanding G.S. 146-29.2, the State may lease space at the communications tower site

to local governments in Ashe County for the placement of antennas, repeaters, and other communications devices for public communications purposes. State agencies and local governments that are authorized to place communications devices at the communications tower site pursuant to this subdivision may also locate at or near the communications tower site communications equipment that is necessary for the proper operation of the communications devices. The use of the communications tower site pursuant to this subdivision is authorized by the General Assembly as a purpose other than the public purposes specified in Article XIV, Section 5, of the North Carolina Constitution, Article 25B of Chapter 143 of the General Statutes, and Article 2C of Chapter 113 of the General Statutes."

**SECTION 2.** Boone's Cave State Natural Area is deleted from the State Parks System pursuant to G.S. 113-44.14. The State may transfer this property to Davidson County for management as a park. The instrument transferring this property shall provide that the State retains a possibility of reverter and shall provide that, in the event that Davidson County ceases to manage the property as a park, the property shall revert to the State. The State may not otherwise sell or exchange the property.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law upon approval of the Governor at 2:28 p.m. on the 9<sup>th</sup> day of October, 2002.

**S.B. 589**

**Session Law 2002-150**

**AN ACT TO PERMIT THE HIGHWAY USE OF OFF-ROAD VEHICLES USED IN AGRICULTURAL QUARANTINE PROGRAMS.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 20-51 is amended by adding a new subdivision to read:

**"§ 20-51. Exempt from registration.**

The following shall be exempt from the requirement of registration and certificate of title:

- ...
- (14) Any vehicle that meets all of the following:
- a. Is designed for use in work off the highway.
  - b. Is used for agricultural quarantine programs under the supervision of the Department of Agriculture and Consumer Services.
  - c. Is driven or moved on the highway for the purpose of going to and from nonhighway projects.
  - d. Is identified in a manner approved by the Division of Motor Vehicles.
  - e. Is operated by a person who possesses an identification card issued by the Department of Agriculture and Consumer Services."

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 23<sup>rd</sup> day of September, 2002.

Became law upon approval of the Governor at 2:30 p.m. on the 9<sup>th</sup> day of October, 2002.

**H.B. 1518****Session Law 2002-151**

AN ACT TO INCREASE THE INFORMAL BID LIMIT FOR DEPARTMENT OF TRANSPORTATION PROJECTS, TO MODIFY THE CURRENT AUTHORIZATION OF THE DEPARTMENT OF TRANSPORTATION TO AWARD DESIGN-BUILD CONTRACTS, AND CONCERNING CONTRACT REQUIREMENTS FOR IRON USED IN DOT PROJECTS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 136-28.1 reads as rewritten:

**"§ 136-28.1. Letting of contracts to bidders after advertisement; exceptions.**

(a) All contracts over ~~eight hundred thousand dollars (\$800,000)~~ one million two hundred thousand dollars (\$1,200,000) that the Department of Transportation may let for construction or repair necessary to carry out the provisions of this Chapter shall be let to a responsible bidder after public advertising under rules and regulations to be made and published by the Department of Transportation. The right to reject any and all bids shall be reserved to the Board of Transportation. Contracts for construction or repair for federal aid projects entered into pursuant to this section shall not contain the standardized contract clauses prescribed by 23 U.S.C. § 112(e) and 23 C.F.R. § 635.131(a) for differing site conditions, suspensions of work ordered by the engineer or significant changes in the character of the work. The Department of Transportation shall use only the contract provisions provided in the North Carolina Department of Transportation, Standard Specifications for Roads and Structures, January 1, 1984, except as each may be changed or provided for by rule adopted by the Board of Transportation in accordance with the Administrative Procedure Act.

(b) In those cases in which the amount of work to be let to contract for highway construction, maintenance, or repair is ~~eight hundred thousand dollars (\$800,000)~~ one million two hundred thousand dollars (\$1,200,000) or less, at least three informal bids shall be solicited. The term "informal bids" is defined as bids in writing, received pursuant to a written request, without public advertising. All such contracts shall be awarded to the lowest responsible bidder. The Secretary of Transportation shall keep a record of all bids submitted, which record shall be subject to public inspection at any time after the bids are opened.

(c) The construction, maintenance, and repair of ferryboats and all other marine floating equipment and the construction and repair of all types of docks by the Department of Transportation shall be deemed highway construction, maintenance, or repair for the purpose of G.S. 136-28.1 and Chapter 44A and Article 1 of Chapter 143, "The Executive Budget Act." In cases of a written determination by the Secretary of Transportation that the requirement for compatibility does not make public advertising feasible for the repair of ferryboats, the public advertising as well as the soliciting of informal bids may be waived.

(d) The construction, maintenance, and repair of the highway rest area buildings and facilities, weight stations and the Department of Transportation's participation in the construction of welcome center buildings shall be deemed highway construction,

maintenance, or repair for the purpose of G.S. 136-28.1 and G.S. 136-28.3 and Article 1 of Chapter 143 of the General Statutes, "The Executive Budget Act."

(e) The Department of Transportation may enter into contracts for construction, maintenance, or repair without complying with the bidding requirements of this section upon a determination of the Secretary of Transportation or the State Highway Administrator that an emergency exists and that it is not feasible or not in the public interest for the Department of Transportation to comply with the bidding requirements.

(f) Notwithstanding any other provision of law, the Department of Transportation may solicit proposals under rules and regulations adopted by the Department of Transportation for all contracts for professional engineering services and other kinds of professional or specialized services necessary in connection with highway construction, maintenance, or repair. In order to promote engineering and design quality and ensure maximum competition by professional firms of all sizes, the Department may establish fiscal guidelines and limitations necessary to promote cost-efficiencies in overhead, salary, and expense reimbursement rates. The right to reject any and all proposals is reserved to the Board of Transportation.

(g) The Department of Transportation may enter into contracts for research and development with educational institutions and nonprofit organizations without soliciting bids or proposals.

(h) The Department of Transportation may enter into contracts for applied research and experimental work without soliciting bids or proposals; provided, however, that if the research or work is for the purpose of testing equipment, materials, or supplies, the provisions of Article 3 of Chapter 143 of the General Statutes shall apply. The Department of Transportation is encouraged to solicit proposals when contracts are entered into with private firms when it is in the public interest to do so.

(i) The Department of Transportation may negotiate and enter into contracts with public utility companies for the lease, purchase, installation, and maintenance of generators for electricity for its ferry repair facilities.

~~(j) Notwithstanding any other provision of law, the Board of Transportation may award up to three contracts annually for construction of transportation projects on a design-build basis. These contracts may be awarded after a determination by the Department of Transportation that delivery of the projects must be expedited and that it is not in the public interest to comply with normal design and construction contracting procedures. Prior to the award of a design-build contract, the Secretary of Transportation shall report to the Joint Legislative Transportation Oversight Committee and to the Joint Legislative Commission on Governmental Operations on the nature and scope of the project and the reasons an award on a design-build basis will best serve the public interest."~~

**SECTION 2.** G.S. 136-28.11 reads as rewritten:

**"§ 136-28.11. Design-build construction of transportation projects.**

(a) Design-Build Contracts Authorized. – Notwithstanding any other provision of law, the Board of Transportation may award ~~up to three~~ contracts annually for 10 projects in fiscal year 2002-2003, and 25 projects in fiscal years 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, and 2008-2009 for construction of transportation projects on a design-build basis.

(b) Design-Build Contract Amounts; Basis of Award. – The Department may award contracts for the construction of transportation projects on a design-build basis of any amount. The Department shall endeavor to ensure design-build projects are awarded on a basis to maximize participation, competition, and cost benefit. On any project for

which the Department proposes to use the design-build contracting method, the Department shall attempt to structure and size the contracts for the project in order that contracting firms and engineering firms based in North Carolina have a fair and equal opportunity to compete for the contracts.

(c) Disadvantaged Business Participation Goals. – The provisions of G.S. 136-28.4 and 49 C.F.R. Part 26 shall apply to the award of contracts under this section.

(d) Findings Required. – These contracts may be awarded after a determination by the Department of Transportation that delivery of the projects must be expedited and that it is not in the public interest to comply with normal design and construction contracting procedures.

(e) Reporting Requirements. – The Department, for any proposed design-build project projected to have a construction cost in excess of one hundred million dollars (\$100,000,000), shall present to the Joint Legislative Transportation Oversight Committee information on the scope and nature of the project and the reasons the development of the project on a design-build basis will best serve the public interest. Prior to the award of a design-build contract, the Secretary of Transportation shall report to the Joint Legislative Transportation Oversight Committee and to the Joint Legislative Commission on Governmental Operations on the nature and scope of the project and the reasons an award on a design-build basis will best serve the public interest."

**SECTION 3.** G.S. 136-28.7 reads as rewritten:

**"§ 136-28.7. Contract requirements relating to construction materials.**

(a) The Department of Transportation shall require that every contract for construction or repair necessary to carry out the provisions of this Chapter shall contain a provision requiring that all steel and ~~element~~ iron permanently incorporated into the construction or repair project be produced in the United States.

(b) Subsection (a) shall not apply whenever the Department of Transportation determines in writing that this provision required by subsection (a) cannot be complied with because such products are not produced in the United States in sufficient quantities to meet the requirements of such contracts or cannot be complied with because the cost of such products produced in the United States unreasonably exceeds other such products.

(c) The Department of Transportation shall apply this section consistent with the requirements in 23 C.F.R. § 635.410(b)(4).

(d) The Department of Transportation shall not authorize, provide for, or make payments to any person pursuant to any contract containing the provision required by subsection (a) unless such person has fully complied with such provision."

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law upon approval of the Governor at 2:31 p.m. on the 9<sup>th</sup> day of October, 2002.

**H.B. 1519**

**Session Law 2002-152**

AN ACT TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO REFUSE TO ISSUE A CERTIFICATE OF TITLE FOR, AND TO REFUSE OR CANCEL THE REGISTRATION OF, A MOTOR VEHICLE OWNED BY A MOTOR CARRIER THAT IS DETERMINED TO BE AN IMMINENT HAZARD; TO CLARIFY THE DEFINITION OF INTERSTATE AND INTRASTATE MOTOR CARRIER; TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO DETERMINE THE

SAFETY FITNESS OF INTRASTATE MOTOR CARRIERS; AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO PROHIBIT THE INTRASTATE OPERATIONS OF A MOTOR CARRIER THAT IS DETERMINED TO BE AN IMMINENT HAZARD.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 20-54 is amended by adding a new subdivision to read:  
**"§ 20-54. Authority for refusing registration or certificate of title.**

The Division shall refuse registration or issuance of a certificate of title or any transfer of registration upon any of the following grounds:

...

- (9) The applicant motor carrier is subject to an order issued by the Federal Motor Carrier Safety Administration or the Division to cease all operations based on a finding that the continued operations of the motor carrier pose an 'imminent hazard' as defined in 49 C.F.R. § 386.72(b)(1)."

**SECTION 2.** G.S. 20-110 is amended by adding a new subsection to read:

"(m) The Division shall rescind and cancel the registration of vehicles of a motor carrier that is subject to an order issued by the Federal Motor Carrier Safety Administration or the Division to cease all operations based on a finding that the continued operations of the motor carrier pose an 'imminent hazard' as defined in 49 C.F.R. § 386.72(b)(1)."

**SECTION 3.** G.S. 20-376 reads as rewritten:

**"§ 20-376. Definitions.**

The following definitions apply in this Article:

- (1) Federal safety and hazardous materials regulations. – The federal motor carrier safety regulations contained in 49 C.F.R. Parts 171 through 180, 382, and 390 through 398.
- (2) Foreign commerce. – Commerce between any of the following:
  - a. A place in the United States and a place in a foreign country.
  - b. Places in the United States through any foreign country.
- (3) Interstate commerce. – As defined in 49 C.F.R. Part 390.5.
- (3a) Interstate motor carrier. – Any person, firm, or corporation that operates or controls a commercial motor vehicle as defined in 49 C.F.R. § 390.5 in interstate commerce.
- (4) Intrastate commerce. – As defined in 49 C.F.R. Part 390.5.
- (5) Intrastate motor carrier. – Any person, firm, or corporation that operates or controls a commercial motor vehicle as defined in G.S. 20-4.01(3d) in intrastate commerce."

**SECTION 4.** G.S. 20-381(a) is amended by adding a new subdivision to read:

- "(4) To determine the safety fitness of intrastate motor carriers, to assign safety ratings to intrastate motor carriers as defined in 49 C.F.R. §385.3, to direct intrastate motor carriers to take remedial action when required, to prohibit the operation of intrastate motor carriers rated unsatisfactory, to determine whether the continued operations of intrastate motor carriers pose an 'imminent hazard' as defined in 49 C.F.R. § 386.72(b)(1), and to prohibit the operation of an intrastate



motor carrier found to be an 'imminent hazard' as defined in 49 C.F.R. § 386.72(b)(1)."

**SECTION 5.** G.S. 20-381(a) is amended by adding a new subdivision to read:

"(5) To prohibit the intrastate operation of a motor carrier subject to an order issued by the Federal Motor Carrier Safety Administration to cease all operations based on a finding that the continued operations of the motor carrier pose an 'imminent hazard' as defined in 49 C.F.R. § 386.72(b)(1)."

**SECTION 6.** The Division shall adopt rules to implement the provisions of this act.

**SECTION 7.** This act becomes effective December 1, 2002.

In the General Assembly read three times and ratified this the 25<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 2:33 p.m. on the 9<sup>th</sup> day of October, 2002.

**S.B. 1238**

**Session Law 2002-153**

AN ACT TO ALLOW THE PURCHASE OF WITHDRAWN SERVICE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, TO CORRECT THE CALCULATION OF BENEFITS FOR MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM WHO PURCHASE WITHDRAWN SERVICE, AND TO INCREASE APPROPRIATIONS TO THE RETIREMENT SYSTEMS DIVISION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 128-26(i) reads as rewritten:

"(i) Notwithstanding any other provision of this Chapter, any person who withdrew his contributions in accordance with the provisions of G.S. 128-27(f) or 135-5(f) or the rules and regulations of the Law Enforcement Officers' Retirement System and who subsequently returns to service may, upon completion of ~~10~~ five years of prior and current membership service, repay in a total lump sum any and all of the accumulated contributions previously withdrawn with ~~sufficient interest added thereto to cover one half of the cost of providing such additional credit plus a fee to cover expense of handling which shall be determined by the Board of Trustees and receive credit for the service forfeited at time of withdrawal(s), provided that he left service prior to July 1, 1975.~~ interest compounded annually at the rate of six and one-half percent (6.5%) for each calendar year from the year of withdrawal to the year of repayment plus a fee to cover expense of handling which shall be determined by the Board of Trustees, and receive credit for the service forfeited at time of withdrawal(s). ~~Any person who leaves service after June 30, 1975, and who withdraws his contributions in accordance with G.S. 128-27(f) or 135-5(f) or the rules and regulations of the Law Enforcement Officers' Retirement System and who subsequently returns to service may, upon completion of 10 years of prior and current membership service, repay in a total lump sum any and all of the accumulated contributions previously withdrawn with sufficient interest added thereto to cover the full cost of providing such additional credit plus a fee to cover expense of handling which shall be determined by~~

~~the Board of Trustees and receive credit for the service forfeited at time of withdrawal(s). These provisions shall apply equally to retired members who had attained 10 five years of prior and current membership service prior to retirement. Cost as used in this subsection shall mean the amount of money required to provide additional retirement benefits based on service credit allowed at the time any adjustment to the service credit of a member is made. The retirement allowance of a retired member who restores service under this subsection shall be increased the month following the month payment is received. The increase in the retirement allowance shall be the difference between the initial retirement allowance, under any optional allowance elected at the time of retirement, and the amount of the retirement allowance, under any optional allowance elected at the time of retirement, to which the retired member would have been entitled had the service not been previously forfeited, adjusted by any increases in the retirement accrual rate occurring between the member's date of retirement and the date of payment. The increase in the retirement allowance shall not include any adjustment for cost-of-living increases granted since the date of retirement.~~"

**SECTION 2.** G.S. 128-26(k) reads as rewritten:

"(k) Notwithstanding any language to the contrary of any provision of this section, or of any repealed provision of this section that was repealed with the inchoate and accrued rights preserved, all repayments and purchases of service credits, allowed under the provisions of this section or of any repealed provision of this section that was repealed with inchoate and accrued rights preserved, must be made within three years after the member first becomes eligible to make such repayments and purchases. Any member who does not repay or purchase service credits within said three years after first eligibility to make such repayments and purchases may, under the same conditions as are otherwise required, repay or purchase service credits provided that the repayment or purchase equals the full cost of the service credits calculated on the basis of the assumptions used for purchases of the actuarial valuation of the System's liabilities and shall take into account the additional retirement allowance arising on account of such additional service credit commencing at the earliest age at which such member could retire on an unreduced retirement allowance as determined by the Board of Trustees upon the advice of the consulting actuary. Notwithstanding the foregoing provisions of this subsection that provide for the purchase of service credits, the terms "full cost", "full liability", and "full actuarial cost" include assumed annual post-retirement allowance increases, as determined by the Board of Trustees, from the earliest age at which a member could retire on an unreduced service allowance. Notwithstanding the foregoing, on and after January 1, 2003, the provisions of this subsection shall not apply to the repayment of contributions withdrawn pursuant to subsection (i) of this section."

**SECTION 3.** G.S. 128-26(n) is repealed.

**SECTION 4.** G.S. 135-4(k) reads as rewritten:

"(k) Notwithstanding any other provision of this Chapter, any person who withdrew his contributions in accordance with the provisions of G.S. 128-27(f) or G.S. 135-5(f) or the rules and regulations of the Law-Enforcement Officers' Retirement System and who subsequently returns to service may, upon completion of five years of membership service, repay in a total lump sum any and all of the accumulated contributions previously withdrawn with interest compounded annually at the rate of six and one-half percent (6.5%) for each calendar year from the year of withdrawal to the year of repayment plus a fee to cover expense of handling which shall be determined by the Board of Trustees, and receive credit for the service forfeited at time of withdrawal.

~~These provisions shall apply equally to retired members who had attained five years of membership service prior to retirement. The retirement benefit shall be increased the month following the receipt of payment. The retirement benefit shall not include any benefit as a result of retirement adjustments or cost-of-living increases granted since the date of retirement. The retirement benefit will be calculated based in the accrual rate at the time of purchase. The retirement allowance of a retired member who restores service under this subsection shall be increased the month following the month payment is received. The increase in the retirement allowance shall be the difference between the initial retirement allowance, under any optional allowance elected at the time of retirement, and the amount of the retirement allowance, under any optional allowance elected at the time of retirement, to which the retired member would have been entitled had the service not been previously forfeited, adjusted by any increases in the retirement accrual rate occurring between the member's date of retirement and the date of payment. The increase in the retirement allowance shall not include any adjustment for cost-of-living increases granted since the date of retirement.~~

Notwithstanding any provision to the contrary, a law enforcement officer who was transferred from the Law Enforcement Officers' Retirement System to this Retirement System pursuant to Article 12C of Chapter 143 of the General Statutes and withdrew his accumulated contributions prior to January 1, 1985, in accordance with G.S. 128-27(f) or G.S. 135-5(f) for non-law enforcement service and who has five years or more of membership service standing to his credit may repay in a total lump sum the accumulated contributions previously withdrawn with interest compounded annually at the rate of six and one-half percent (6.5%) for each calendar year from the year of withdrawal to the year of repayment plus a fee to cover expense of handling which shall be determined by the Board of Trustees, and receive credit for the service forfeited at time of withdrawal. ~~The retirement benefit shall be increased the month following the receipt of payment. The retirement benefit shall not include any benefit as a result of retirement adjustments or cost-of-living increases granted since the date of retirement. The retirement benefit will be calculated based in the accrual rate at the time of purchase-withdrawal(s). The retirement allowance of a retired member who restores service under this subsection shall be increased the month following the month payment is received. The increase in the retirement allowance shall be the difference between the initial retirement allowance, under any optional allowance elected at the time of retirement, and the amount of the retirement allowance, under any optional allowance elected at the time of retirement, to which the retired member would have been entitled had the service not been previously forfeited, adjusted by any increases in the retirement accrual rate occurring between the member's date of retirement and the date of payment. The increase in the retirement allowance shall not include any adjustment for cost-of-living increases granted since the date of retirement.~~"

**SECTION 4.1.** The appropriation to the Department of State Treasurer, Retirement Systems Division, is increased in the amount of two hundred forty-seven thousand seven hundred thirteen dollars (\$247,713) to fund eight two-year time-limited positions to implement the provisions of this act.

**SECTION 5.** This act becomes effective January 1, 2003.

In the General Assembly read three times and ratified this the 23<sup>rd</sup> day of September, 2002.

Became law upon approval of the Governor at 2:36 p.m. on the 9<sup>th</sup> day of October, 2002.

AN ACT TO PROVIDE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES WITH EXPLICIT AUTHORITY TO ASSESS A CIVIL PENALTY FOR A VIOLATION INVOLVING A VOLUNTARY REMEDIAL ACTION UNDER THE INACTIVE HAZARDOUS SITES PROGRAM CONDUCTED BY A PRIVATE ENVIRONMENTAL CONSULTING OR ENGINEERING FIRM AND TO EXPAND THE ENVIRONMENTAL PERMIT WAIVER AUTHORITY UNDER THE PROGRAM, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 130A-22(a) reads as rewritten:

"(a) The Secretary of Environment and Natural Resources may impose an administrative penalty on a person who violates Article 9 of this Chapter, rules adopted by the Commission pursuant to Article 9, or any order issued under Article 9. Each day of a continuing violation shall constitute a separate violation. The penalty shall not exceed five thousand dollars (\$5,000) per day in the case of a violation involving nonhazardous waste. The penalty shall not exceed twenty-five thousand dollars (\$25,000) per day in the case of a first violation involving hazardous waste as defined in G.S. 130A-290 or involving the disposal of medical waste as defined in G.S. 130A-290 in or upon water in a manner that results in medical waste entering waters or lands of the State; and shall not exceed fifty thousand dollars (\$50,000) per day for a second or further violation involving the disposal of medical waste as defined in G.S. 130A-290 in or upon water in a manner that results in medical waste entering waters or lands of the State. The penalty shall not exceed twenty-five thousand dollars (\$25,000) per day for a violation involving a voluntary remedial action implemented pursuant to G.S. 130A-310.9(c) or a violation of the rules adopted pursuant to G.S. 130A-310.12(b). If a person fails to pay a civil penalty within 60 days after the final agency decision or court order has been served on the violator, the Secretary of Environment and Natural Resources shall request the Attorney General to institute a civil action in the superior court of any county in which the violator resides or has his or its principal place of business to recover the amount of the assessment. Such civil actions must be filed within three years of the date the final agency decision or court order was served on the violator."

**SECTION 2.** G.S. 130A-310.3(e) reads as rewritten:

"(e) For any removal or remedial action conducted entirely on-site under this Part, to the extent that a permit would not be required under 42 U.S.C. § 9621(e) for a removal or remedial action conducted entirely on-site under CERCLA/SARA, the Secretary may grant a waiver from any State law or rule that requires that an environmental permit be obtained from the Department. The Secretary shall not waive any requirement that a permit be obtained unless either the removal or remedial action is being conducted pursuant to G.S. 130A-310.3(c), 130A-310.5, or 130A-310.6, or the owner, operator, or other responsible party has entered into an agreement with the Secretary to implement a voluntary remedial action plan under G.S. 130A-310.9(b). ~~Prior to granting a permit waiver, the~~ The Secretary shall invite public participation in the development of the remedial action plan in the manner set out in G.S. 130A-310.4 ~~130A-310.4~~ prior to granting a permit waiver, except for a removal or remedial action conducted pursuant to G.S. 130A-310.5."

**SECTION 3.** Section 1 of this act becomes effective October 1, 2002. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 25<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 2:38 p.m. on the 9<sup>th</sup> day of October, 2002.

**S.B. 1252****Session Law 2002-155**

AN ACT TO AMEND THE LAND CONSERVATION STATUTES OF THE STATE OF NORTH CAROLINA, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 113A-231 reads as rewritten:

**"§ 113A-231. Program to accomplish conservation purposes.**

The Department of Environment and Natural Resources shall develop a nonregulatory program that uses conservation tax credits as a prominent tool to accomplish conservation purposes, including the maintenance of ecological systems. As a part of this program, the Department shall exercise its powers to protect real property and interests in real property: donated for tax credit under G.S. 105-130.34 or G.S. 105-151.12; conserved with the use of other financial incentives; or, conserved through nonregulatory programs. The Department shall call upon the Attorney General for legal assistance in developing and implementing the program."

**SECTION 2.** G.S. 113A-232 reads as rewritten:

**"§ 113A-232. Conservation Grant Fund.**

(a) **Fund Created.** – The Conservation Grant Fund is created within the Department of Environment and Natural Resources. The Fund shall be administered by that Department. The purpose of the Fund is to stimulate the use of conservation ~~easements, easements and conservation tax credits,~~ to improve the capacity of private nonprofit land ~~trusts—trust~~ organizations to successfully accomplish conservation projects, to better equip real estate related professionals to pursue opportunities for conservation, to increase ~~citizen-landowner~~ participation in land and water conservation, and to provide an opportunity to leverage private and other public monies for conservation easements.

(b) **Fund Sources.** – The Conservation Grant Fund shall consist of any monies appropriated to it by the General Assembly and any monies received from public or private sources. Unexpended monies in the Fund that were appropriated from the General Fund by the General Assembly shall revert at the end of the fiscal year unless the General Assembly otherwise provides. Unexpended monies in the Fund from other sources shall not revert and shall remain available for expenditure in accordance with this Article.

(c) **Property Eligibility.** – In order for ~~land—real property or an interest in real property~~ to be the subject of a grant under this Article, the ~~land—real property or interest in real property~~ must possess or have a high potential to possess ecological value, must be reasonably restorable, and must qualify for tax credits under G.S. 105-130.34 or G.S. 105-151.12.

(c1) **Grant Eligibility.** – State conservation land management agencies, local government conservation land management agencies, and private nonprofit land trust

organizations are eligible to receive grants from the Conservation Grant Fund. Private nonprofit land trust organizations must be qualified pursuant to G.S. 105-130.34 and G.S. 105-151.12 and must be certified under section 501(c)(3) of the Internal Revenue Code.

(d) Use of Revenue. – Revenue in the Conservation Grant Fund may be used only for the following purposes:

- (1) The administrative costs of the Department in administering the Fund.
- (2) Conservation grants made in accordance with this Article.
- (3) To establish an endowment account, the interest from which will be used for a purpose described in ~~G.S. 113A-233(a)(3) or (a)(5)~~; G.S. 113A-233(a)."

**SECTION 3.** G.S. 113A-233 reads as rewritten:

**"§ 113A-233. Uses of a grant from the Conservation Grant Fund.**

(a) Allowable Uses. – A grant from the Conservation Grant Fund may be used only to pay for one or more of the following costs:

- (1) Reimbursement for total or partial transaction costs for a donation of real property or an interest in real property from an individual or corporation satisfying either of the following:
  - a. Insufficient financial ability to pay all costs or insufficient taxable income to allow these costs to be included in the donated value.
  - b. Insufficient tax burdens to allow these costs to be offset by the value of tax credits under G.S. 105-130.34 or G.S. 105-151.12 or by charitable deductions.
- (2) Management support, including initial baseline inventory and planning.
- (3) Monitoring compliance with conservation easements, the related use of riparian buffers, natural areas, and greenways, and the presence of ecological integrity.
- (4) Education on conservation, including information materials intended for landowners and education for staff and volunteers.
- (5) Stewardship of land.
- (6) Transaction ~~costs~~, costs for recipients, including legal expenses, closing and title costs, and unusual direct costs, such as overnight travel.
- (7) Administrative costs for short-term growth or for building capacity.

(b) Prohibition. – The Fund shall not be used to pay the purchase price ~~for any interest in land of real property or an interest in real property.~~"

**SECTION 4.** G.S. 113A-234 reads as rewritten:

**"§ 113A-234. Administration of grants.**

(a) Grant Procedures and Criteria. – The Secretary of Environment and Natural Resources shall establish the procedures and criteria for awarding grants from the Conservation Grant Fund. The criteria shall focus grants on those areas, approaches, and techniques that are likely to provide the optimum positive effect on environmental protection. The Secretary shall make the final decision on the award of grants and shall announce the award publicly in a timely manner.

(b) Grant Administration. – The Secretary may administer the grants under this Article or may contract for selected activities under this Article. If administrative

services are contracted, the Department shall establish guidance and criteria for its operation and contract with a statewide nonprofit land trust service organization."

**SECTION 5.** G.S. 113A-235 reads as rewritten:

**"§ 113A-235. Conservation easements.**

(a) Acquisition and Protection of Conservation Easements. – Ecological systems and appropriate public use of these systems may be protected through conservation easements, including conservation agreements under Article 4 of Chapter 121 of the General Statutes, the Conservation and Historic Preservation Agreements Act, and conservation easements under the Conservation Reserve Enhancement Program. The Department of Environment and Natural Resources shall work cooperatively with State and local agencies and qualified nonprofit organizations to monitor compliance with conservation easements and conservation agreements and to ensure the continued viability of the protected ecosystems. Soil and water conservation districts established under Chapter 139 of the General Statutes may acquire easements under the Conservation Reserve Enhancement Program by purchase or gift.

(b) Conveyance of Conservation Lands. – The Department may convey real property or an interest in real property that has been acquired ~~under the Conservation Reserve Enhancement Program for conservation in perpetuity~~ to a federal ~~or agency~~, State agency, a local government, or a ~~private, private~~ nonprofit conservation ~~organization to acquire, manage,~~ organization in accordance with State law governing the conveyance of real property. The grantee of real property or an interest in real property shall manage and maintain the real property or an interest in real property for the purposes set out in subsection (a) of this section. When conveying real property or an interest in real property under this subsection, the Department shall retain a possibility of reverter, a right of entry, or other appropriate property interest to ensure that the real property or interest in real property will continue to be managed and maintained in a manner that protects ecological systems and the appropriate public use of these systems. ~~A grantee of real property or an interest in real property under this subsection shall grant a conservation easement in the real property or interest in real property to the Department in a form that is acceptable to the Department.~~

(c) Report. – The Department shall report on the implementation of this Article to the Environmental Review Commission no later than 1 November of each year. The Department shall maintain an inventory of all conservation easements held by the Department. The inventory shall be included in the report required by this subsection."

**SECTION 6.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of October, 2002.

Became law upon approval of the Governor at 2:39 p.m. on the 9<sup>th</sup> day of October, 2002.

**H.B. 1523**

**Session Law 2002-156**

AN ACT TO AMEND VARIOUS PROPERTY TAX LAWS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 105-357(b)(2) reads as rewritten:

"(2) Penalty. – In addition to interest for nonpayment of taxes provided by G.S. 105-360 and in addition to any criminal penalties provided by law for the giving of worthless checks, the penalty for giving in payment of

taxes a check that is returned because of insufficient funds or nonexistence of an account of the drawer is twenty-five dollars (\$25.00) or ten percent (10%) of the amount of the check, whichever is greater, subject to a ~~minimum of one dollar (\$1.00) and a maximum of one thousand dollars (\$1,000)~~. This penalty does not apply if the tax collector finds that, when the check was presented for payment, the drawer of the check had sufficient funds in an account at a financial institution in this State to pay the check and, by inadvertence, the drawer of the check failed to draw the check on the account that had sufficient funds. This penalty shall be added to and collected in the same manner as the taxes for which the check was given."

**SECTION 1.2.** G.S. 105-358 reads as rewritten:

**"§ 105-358. Partial Waiver of penalties; partial payments.**

(a) Waiver. – A tax collector may, upon making a record of the reasons therefor, reduce or waive the ten percent (10%) penalty imposed on giving a worthless check under G.S. 105-357(b)(2).

(b) Partial Payments. – Unless otherwise directed by the governing body, the tax collector shall accept partial payments on taxes and issue partial payment receipts therefor.

When a payment is made on the tax for any year or on any installment, it shall first be applied to accrued penalties, interest, and costs and then to the principal amount of the tax or installment. In its discretion, the governing body may prescribe by uniform regulation the minimum amount or percentage of tax liability that may be accepted as a partial payment."

**SECTION 2.** G.S. 105-317.1 is amended by adding a new subsection to read:

"(c) A taxpayer who owns personal property taxable in the county may appeal the value, situs, or taxability of the property within 30 days after the date of the initial notice of value. If the assessor does not give separate written notice of the value to the taxpayer at the taxpayer's last known address, then the tax bill serves as notice of the value of the personal property. The notice must contain a statement that the taxpayer may appeal the value, situs, or taxability of the property within 30 days after the date of the notice. Upon receipt of a timely appeal, the assessor must arrange a conference with the taxpayer to afford the taxpayer the opportunity to present any evidence or argument regarding the value, situs, or taxability of the property. Within 30 days after the conference, the assessor must give written notice to the taxpayer of the assessor's final decision. Written notice of the decision is not required if the taxpayer signs an agreement accepting the value, situs, or taxability of the property. If an agreement is not reached, the taxpayer has 30 days from the date of the notice of the assessor's final decision to request review of that decision by the board of equalization and review or, if that board is not in session, by the board of county commissioners. Unless the request for review is given at the conference, it must be made in writing to the assessor. Upon receipt of a timely request for review, the provisions of G.S. 105-322 or G.S. 105-325, as appropriate, must be followed."

**SECTION 3.** G.S. 105-322(g)(5) reads as rewritten:

"(5) Duty to Change Abstracts and Records After Adjournment. – Following adjournment upon completion of its duties under subdivisions (g)(1) and (g)(2) of this subsection, the board may continue to meet to carry out the following duties:



- a. To hear and decide all appeals relating to discovered property under G.S. 105-312(d) and (k).
- b. To hear and decide all appeals relating to the appraisal, situs, and taxability of classified motor vehicles under G.S. 105-330.2(b).
- c. To hear and decide all appeals relating to audits conducted under G.S. 105-296(j) and relating to audits conducted under G.S. 105-296(j) and (l) of property classified at present-use value and property exempted or excluded from taxation.
- d. To hear and decide all appeals relating to personal property under G.S. 105-317.1(c)."

**SECTION 4.** Section 4 of S.L. 2001-506 reads as rewritten:

"**SECTION 4.** Section 1 of this act is effective for taxes imposed for taxable years beginning on or after July 1, ~~2002~~2003. Sections 2 and 3 of this act become effective January 1, 2002, and apply to manufactured home title cancellations and to declarations of intent, deeds, deeds of trust, and other instruments recorded after that date. The remainder of this act is effective when it becomes law."

**SECTION 5.(a)** G.S. 105A-2 reads as rewritten:

**"§ 105A-2. Definitions.**

The following definitions apply in this Chapter:

- (1) Claimant agency. – Either of the following:
  - a. A State agency.
  - b. A local agency acting through a clearinghouse or an organization pursuant to G.S. 105A-3(b1).
- (2) Debt. – Any of the following:
  - a. A sum owed to a claimant agency that has accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for the sum.
  - b. A sum a claimant agency is authorized or required by law to collect, such as child support payments collectible under Title IV, Part D of the Social Security Act.
  - c. A sum owed as a result of an intentional program violation or a violation due to inadvertent household error under the Food Stamp Program enabled by Chapter 108A, Article 2, Part 5.
  - d. Reserved for future codification purposes.
  - e. A sum owed as a result of having obtained public assistance payments under any of the following programs through an intentional false statement, intentional misrepresentation, intentional failure to disclose a material fact, or inadvertent household error:
    1. The Work First Program provided in Article 2 of Chapter 108A of the General Statutes.
    2. The State-County Special Assistance for Adults Program enabled by Part 3 of Article 2 of Chapter 108A of the General Statutes.
    3. A successor program of one of these programs.
- (3) Debtor. – An individual who owes a debt.
- (4) Department. – The Department of Revenue.

- (5) Reserved.
- (6) Local agency. – A county, to the extent it is not considered a State agency, or a municipality.
- (7) Net proceeds collected. – Gross proceeds collected through setoff against a debtor's refund minus the collection assistance ~~fee retained by the Department.~~ fees provided in G.S. 105A-13.
- (8) Refund. – An individual's North Carolina income tax refund.
- (9) State agency. – Any of the following:
  - a. A unit of the executive, legislative, or judicial branch of State government.
  - b. A county, to the extent it administers a program supervised by the Department of Health and Human Services or it operates a Child Support Enforcement Program, enabled by Chapter 110, Article 9, and Title IV, Part D of the Social Security Act."

**SECTION 5.(b)** G.S. 105A-5 reads as rewritten:

**"§ 105A-5. Local agency notice, hearing, and decision.**

(a) Prerequisite. – A local agency may not submit a debt for collection under this Chapter until it has given the notice required by this section and the claim has been finally determined as provided in this section.

(b) Notice. – A local agency must send written notice to a debtor that the agency intends to submit the debt owed by the debtor for collection by setoff. The notice must explain the basis for the agency's claim to the ~~debt and debt~~, that the agency intends to apply the debtor's refund against the ~~debt.~~ debt, and that a collection assistance fee of fifteen dollars (\$15.00) will be added to the debt if it is submitted for setoff. The notice must also inform the debtor that the debtor has the right to contest the matter by filing a request for a hearing with the local agency, must state the time limits and procedure for requesting the hearing, and must state that failure to request a hearing within the required time will result in setoff of the debt.

(c) Administrative Review. – A debtor who decides to contest a proposed setoff must file a written request for a hearing with the local agency within 30 days after the date the local agency mails a notice of the proposed action to the debtor. A request for a hearing is considered to be filed when it is delivered for mailing with postage prepaid and properly addressed. The governing body of the local agency or a person designated by the governing body must hold the hearing.

If the debtor disagrees with the decision of the governing body or the person designated by the governing body, the debtor may file a petition for a contested case under Article 3 of Chapter 150B of the General Statutes. The petition must be filed within 30 days after the debtor receives a copy of the local decision. Notwithstanding the provisions of G.S. 150B-2, a local agency is considered an agency for purposes of contested cases and appeals under this Chapter.

In a hearing under this section, an issue that has previously been litigated in a court proceeding cannot be considered.

(d) Decision. – A decision made after a hearing under this section must determine whether a debt is owed to the local agency and the amount of the debt.

(e) Return of Amount Set Off. – If a local agency submits a debt for collection under this Chapter without sending the notice required by subsection (b) of this section, the agency must send the taxpayer the entire amount set off plus the collection assistance ~~fee.~~ fees retained by the Department provided in G.S. 105A-13. Similarly, if a local agency submits a debt for collection under this Chapter after sending the required

notice but before final determination of the debt and a decision finds that the local agency is not entitled to any part of the amount set off, the agency must send the taxpayer the entire amount set off plus the collection assistance ~~fee-fees retained by the Department provided in G.S. 105A-13~~. That portion of the amount returned that reflects the collection assistance ~~fee-fees~~ must be paid from the local agency's funds.

If a local agency submits a debt for collection under this Chapter after sending the required notice and the net proceeds collected that are credited to the local agency for the debt exceed the amount of the debt, the local agency must send the balance to the debtor. No part of the collection assistance ~~fee-fees retained by the Department provided in G.S. 105A-13~~ may be returned when a notice was sent and a debt is owed but the debt is less than the amount set off.

Interest accrues on the amount of a refund returned to a taxpayer under this subsection in accordance with G.S. 105-266. A local agency that returns a refund to a taxpayer under this subsection must pay from the local agency's funds any interest that has accrued since the fifth day after the Department mailed the notice of setoff to the taxpayer."

**SECTION 5.(c)** G.S. 105A-13 reads as rewritten:

**"§ 105A-13. Collection assistance fees.**

(a) State Setoff. – To recover the costs incurred by the Department in collecting debts under this Chapter, a collection assistance fee of no more than fifteen dollars (\$15.00) is imposed on each debt collected through setoff. The Department must collect this fee as part of the debt and retain it. The Department must set the amount of the collection assistance fee based on its actual cost of collection under this Chapter for the immediately preceding year. ~~If the Department is able to collect only part of a debt through setoff, the collection assistance fee has priority over the remainder of the debt.~~ The collection assistance fee shall not be added to child support debts or collected as part of child support debts. Instead, the Department shall retain from collections under Division II of Article 4 of Chapter 105 of the General Statutes the cost of collecting child support debts under this Chapter.

(b) Repealed.

(c) Local Debts. – To recover the costs incurred by local agencies in submitting debts for collection under this Chapter, a local collection assistance fee of fifteen dollars (\$15.00) is imposed on each local agency debt submitted under G.S. 105A-3(b1) and collected through setoff. The Department must collect this fee as part of the debt and remit it to the clearinghouse that submitted the debt. The local collection assistance fee does not apply to child support debts.

(d) Priority. – If the Department is able to collect only part of a debt through setoff, the collection assistance fee provided in subsection (a) of this section has priority over the local collection assistance fee and over the remainder of the debt. The local collection assistance fee has priority over the remainder of the debt."

**SECTION 6.** Sections 1, 1.2, and 6 of this act are effective when they become law. Section 4 is effective on and after June 30, 2002. Sections 5(a), 5(b), and 5(c) become effective January 1, 2003. The remaining sections are effective for taxes imposed for taxable years beginning on or after July 1, 2003.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of October, 2002.

Became law upon approval of the Governor at 2:40 p.m. on the 9<sup>th</sup> day of October, 2002.

## H.B. 1501

## Session Law 2002-157

AN ACT CONCERNING UNLAWFUL ACCESS OR DAMAGE TO A GOVERNMENT COMPUTER OR CAUSING DENIAL OF SERVICE AFFECTING A GOVERNMENT COMPUTER.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 14-453 is amended by adding a new subdivision to read:

"(7a) "Government computer" means any computer, computer program, computer system, computer network, or any part thereof, that is owned, operated, or used by any State or local governmental entity."

**SECTION 2.** Article 60 of Chapter 14 of the General Statutes is amended by adding a new section to read:

**"§ 14-453.1. Exceptions.**

This Article does not apply to or prohibit:

- (1) Any terms or conditions in a contract or license related to a computer, computer network, software, computer system, database, or telecommunication device; or
- (2) Any software or hardware designed to allow a computer, computer network, software, computer system, database, information, or telecommunication service to operate in the ordinary course of a lawful business or that is designed to allow an owner or authorized holder of information to protect data, information, or rights in it."

**SECTION 3.** Article 60 of Chapter 14 of the General Statutes is amended by adding a new section to read:

**"§ 14-453.2. Jurisdiction.**

Any offense under this Article committed by the use of electronic communication may be deemed to have been committed where the electronic communication was originally sent or where it was originally received in this State. 'Electronic communication' means the same as the term is defined in G.S. 14-196.3(a)."

**SECTION 4.** Article 60 of Chapter 14 of the General Statutes is amended by adding a new section to read:

**"§ 14-454.1. Accessing government computers.**

(a) It is unlawful to willfully, directly or indirectly, access or cause to be accessed any government computer for the purpose of:

- (1) Devising or executing any scheme or artifice to defraud, or
- (2) Obtaining property or services by means of false or fraudulent pretenses, representations, or promises.

A violation of this subsection is a Class F felony.

(b) Any person who willfully and without authorization, directly or indirectly, accesses or causes to be accessed any government computer for any purpose other than those set forth in subsection (a) of this section is guilty of a Class H felony.

(c) Any person who willfully and without authorization, directly or indirectly, accesses or causes to be accessed any educational testing material or academic or vocational testing scores or grades that are in a government computer is guilty of a Class 1 misdemeanor.

(d) For the purpose of this section the phrase "access or cause to be accessed" includes introducing, directly or indirectly, a computer program (including a

self-replicating or a self-propagating computer program) into a computer, computer program, computer system, or computer network."

**SECTION 5.** G.S. 14-455 is amended by adding a new subsection to read:

"(a1) It is unlawful to willfully and without authorization alter, damage, or destroy a government computer. A violation of this subsection is a Class F felony."

**SECTION 6.** Article 60 of Chapter 14 of the General Statutes is amended by adding a new section to read:

**"§ 14-456.1. Denial of government computer services to an authorized user.**

(a) Any person who willfully and without authorization denies or causes the denial of government computer services is guilty of a Class H felony. For the purposes of this section, the term "government computer service" means any service provided or performed by a government computer as defined in G.S. 14-454.1.

(b) This section also applies to denial of services effectuated by introducing, directly or indirectly, a computer program (including a self-replicating or a self-propagating computer program) into a computer, computer program, computer system, or computer network."

**SECTION 7.** This act becomes effective December 1, 2002, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 2:41 p.m. on the 9<sup>th</sup> day of October, 2002.

#### **S.B. 1054**

#### **Session Law 2002-158**

AN ACT TO ESTABLISH A NONPARTISAN METHOD OF ELECTING SUPREME COURT JUSTICES AND COURT OF APPEALS JUDGES BEGINNING IN 2004; TO SET \$1,000 CONTRIBUTION LIMITS (\$2,000 FROM FAMILY MEMBERS) FOR JUDICIAL CAMPAIGNS BEGINNING IN 2004; TO ESTABLISH A PUBLIC CAMPAIGN FINANCING FUND THAT PROVIDES APPELLATE JUDICIAL CANDIDATES WHO AGREE TO CONTRIBUTION AND EXPENDITURE RESTRICTIONS WITH AN ALTERNATIVE MEANS OF FINANCING THEIR CAMPAIGNS BEGINNING IN 2004; TO SAFEGUARD CANDIDATES WHO OPT TO USE THAT SYSTEM BY PROHIBITING CERTAIN CONTRIBUTIONS TO THEIR OPPONENTS DURING THE TWENTY-ONE DAYS BEFORE AN ELECTION AND BY PROVIDING RESCUE MONEY WHEN THEY FACE LARGE EXPENDITURES BY OPPONENTS OR LARGE INDEPENDENT EXPENDITURES; TO PROVIDE A JUDICIAL VOTER GUIDE TO BE FINANCED BY THE FUND; TO PROVIDE THAT THE FUND SHALL BE ADMINISTERED BY THE STATE BOARD OF ELECTIONS ASSISTED BY AN ADVISORY COUNCIL; AND TO PROVIDE THAT THE FUND SHALL BE FINANCED BY METHODS INCLUDING A POSITIVE \$3 CHECK-OFF ON THE NORTH CAROLINA INCOME TAX AND A \$50 CONTRIBUTION BY ATTORNEYS WHEN THEY PAY THEIR PRIVILEGE LICENSE TAX.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 163 of the General Statutes is amended by adding a new Article to read:

"Article 22D."The North Carolina Public Campaign Financing Fund.**"§ 163-278.61. Purpose of the North Carolina Public Campaign Financing Fund.**

The purpose of this Article is to ensure the fairness of democratic elections in North Carolina and to protect the constitutional rights of voters and candidates from the detrimental effects of increasingly large amounts of money being raised and spent to influence the outcome of elections, those effects being especially problematic in elections of the judiciary, since impartiality is uniquely important to the integrity and credibility of the courts. Accordingly, this Article establishes the North Carolina Public Campaign Financing Fund as an alternative source of campaign financing for candidates who demonstrate public support and voluntarily accept strict fund-raising and spending limits. This Article is available to candidates for justice of the Supreme Court and judge of the Court of Appeals in elections to be held in 2004 and thereafter.

**"§ 163-278.62. Definitions.**

The following definitions apply in this Article:

- (1) Board. – The State Board of Elections.
- (2) Candidate. – An individual who becomes a candidate as described in G.S. 163-278.6(4). The term includes a political committee authorized by the candidate for that candidate's election.
- (3) Certified candidate. – A candidate running for office who chooses to receive campaign funds from the Fund and who is certified under G.S. 163-278.64(c).
- (4) Contested primary and contested general election. – An election in which there are more candidates than the number to be elected. A distribution from the Fund pursuant to this Article is not a 'contribution' and is not subject to the limitations of G.S. 163-278.13 or the prohibitions of G.S. 163-278.15 or G.S. 163-278.19.
- (5) Contribution. – Defined in G.S. 163-278.6. A distribution from the Fund pursuant to this Article is not a 'contribution' and is not subject to the limitations of G.S. 163-278.13 or the prohibitions of G.S. 163-278.15 or 163-278.19.
- (6) Expenditure. – Defined in G.S. 163-278.6.
- (7) Fund. – The North Carolina Public Campaign Financing Fund established in G.S. 163-278.63.
- (8) Independent expenditure. – Defined in G.S. 163-278.6.
- (9) Maximum qualifying contributions. – An amount of qualifying contributions equal to 60 times the filing fee for candidacy for the office.
- (10) Minimum qualifying contributions. – An amount of qualifying contributions equal to 30 times the filing fee for candidacy for the office.
- (11) Nonparticipating candidate. – A candidate running for office who is not seeking to be certified under G.S. 163-278.64(c).
- (12) Office. – A position on the North Carolina Court of Appeals or North Carolina Supreme Court.
- (13) Participating candidate. – A candidate for office who has filed a declaration of intent to participate under G.S. 163-278.64.
- (14) Political committee. – Defined in G.S. 163-278.6.
- (15) Qualifying contribution. – A contribution of not less than ten dollars

(\$10.00) and not more than five hundred dollars (\$500.00) in the form of a check or money order to the candidate or the candidate's committee that meets both of the following conditions:

- a. Made by any registered voter in this State.
  - b. Made during the qualifying period and obtained with the approval of the candidate or candidate's committee.
- (16) Qualifying period. – The period beginning September 1 in the year before the election and ending on the day of the primary of the election year.
- (17) Referendum committee. – Defined in G.S. 163-278.6.
- (18) Trigger for rescue funds. – The dollar amount at which rescue funds are released for certified candidates. In the case of a primary, the trigger equals the maximum qualifying contributions for participating candidates. In the case of a contested general election, the trigger equals the base level of funding available under G.S. 163-278.65(b)(4).

**"§ 163-278.63. North Carolina Public Campaign Financing Fund established; sources of funding.**

(a) Establishment of Fund. – The North Carolina Public Campaign Financing Fund is established to finance the election campaigns of certified candidates for office and to pay administrative and enforcement costs of the Board related to this Article. The Fund is a special, dedicated, nonlapsing, nonreverting fund. All expenses of administering this Article, including production and distribution of the Voter Guide required by G.S. 163-278.69 and personnel and other costs incurred by the Board, shall be paid from the Fund and not from the General Fund. Any interest generated by the Fund is credited to the Fund. The Board shall administer the Fund.

(b) Sources of Funding. – Money received from all the following sources must be deposited in the Fund:

- (1) Money from the North Carolina Candidates Financing Fund.
- (2) Designations made to the Public Campaign Financing Fund by individual taxpayers pursuant to G.S. 105-159.2.
- (3) Any contributions made by attorneys in accordance with G.S. 105-41.
- (4) Public Campaign Financing Fund revenues distributed for an election that remain unspent or uncommitted at the time the recipient is no longer a certified candidate in the election.
- (5) Money ordered returned to the Public Campaign Financing Fund in accordance with G.S. 163-278.70.
- (6) Voluntary donations made directly to the Public Campaign Financing Fund. Corporations, other business entities, labor unions, and professional associations may make donations to the Fund.

(c) Determination of Fund Amount. – By October 1, 2003, and every two years thereafter, the Board, in conjunction with the Advisory Council for the Public Campaign Financing Fund, shall prepare and provide to the Joint Legislative Commission on Governmental Operations of the General Assembly a report documenting, evaluating, and making recommendations relating to the administration, implementation, and enforcement of this Article. In its report, the Board shall set out the funds received to date and the expected needs of the Fund for the next election.

**"§ 163-278.64. Requirements for participation; certification of candidates.**

(a) Declaration of Intent to Participate. – Any individual choosing to receive campaign funds from the Fund shall first file with the Board a declaration of intent to

participate in the act as a candidate for a stated office. The declaration of intent shall be filed before or during the qualifying period and before collecting any qualifying contributions. In the declaration, the candidate shall swear or affirm that only one political committee, identified with its treasurer, shall handle all contributions, expenditures, and obligations for the participating candidate and that the candidate will comply with the contribution and expenditure limits set forth in subsection (d) of this section and all other requirements set forth in this Article or adopted by the Board. Failure to comply is a violation of this Article.

(b) Demonstration of Support of Candidacy. – Participating candidates who seek certification to receive campaign funds from the Fund shall first, during the qualifying period, obtain qualifying contributions from at least 350 registered voters in an aggregate sum that at least equals the amount of minimum qualifying contributions described in G.S. 163-278.62(10) but that does not exceed the amount of maximum qualifying contributions described in G.S. 163-278.62(9).

No payment, gift, or anything of value shall be given in exchange for a qualifying contribution.

(c) Certification of Candidates. – Upon receipt of a submittal of the record of demonstrated support by a participating candidate, the Board shall determine whether or not the candidate has complied with all the following requirements, if they apply to that candidate:

- (1) Signed and filed a declaration of intent to participate in this Article.
- (2) Submitted a report itemizing the appropriate number of qualifying contributions received from registered voters, which the Board shall verify through a random sample or other means it adopts. The report shall include the county of residence of each registered voter listed.
- (3) Qualified to receive votes on the ballot as a candidate for the office.
- (4) Otherwise met the requirements for participation in this Article.

The Board shall certify candidates complying with the requirements of this section as soon as possible and no later than five business days after receipt of a satisfactory record of demonstrated support.

(d) Restrictions on Contributions and Expenditures for Participating and Certified Candidates. – The following restrictions shall apply to contributions and expenditures with respect to participating and certified candidates:

- (1) Beginning January 1 of the year before the election and before the filing of a declaration of intent, a candidate for office may accept in contributions up to ten thousand dollars (\$10,000) from sources and in amounts permitted by Article 22A of this Chapter and may expend up to ten thousand dollars (\$10,000) for any campaign purpose. A candidate who exceeds either of these limits shall be ineligible to file a declaration of intent or receive funds from the Public Campaign Financing Fund.
- (2) From the filing of a declaration of intent through the end of the qualifying period, a candidate shall expend no more than an amount equal to the maximum qualifying contributions for that candidate, not including possible rescue funds or the remaining money raised pursuant to subdivision (1) of this subsection. Contributions a candidate may use to expend to that limit shall be limited to qualifying contributions and personal and family contributions permitted by subdivision (4) of this subsection.



- (3) After the qualifying period and through the date of the general election, the candidate shall expend only the funds the candidate receives from the Fund pursuant to G.S. 163-278.65(b)(4) plus any funds remaining from the qualifying period and possible rescue funds.
- (4) During the qualifying period, the candidate may contribute up to one thousand dollars (\$1,000) of that candidate's own money to the campaign and may accept in contributions one thousand dollars (\$1,000) from each member of that candidate's family consisting of spouse, parent, child, brother, and sister.
- (5) A candidate and the candidate's committee shall limit the use of all revenues permitted by this subsection to expenditures for campaign-related purposes only. The Board shall publish guidelines outlining permissible campaign-related expenditures.
- (6) Any contribution received by a participating or certified candidate that falls outside that permitted by this subsection shall be returned to the donor as soon as practicable. Contributions intentionally made, solicited, or accepted in violation of this Article are subject to civil penalties as specified in G.S. 163-278.70. The funds involved shall be forfeited to the Civil Penalty and Forfeiture Fund.
- (7) A candidate shall return to the Fund any amount distributed for an election that is unspent and uncommitted at the date of the election, or at the time the individual ceases to be a certified candidate, whichever occurs first. For accounting purposes, all qualifying, personal, and family contributions shall be considered spent before revenue from the Fund is spent or committed.

(e) Revocation. – A candidate may revoke, in writing to the Board, a decision to participate in the Public Campaign Financing Fund at any time before the deadline set by the Board for the candidate's submission of information for the Voter Guide described in G.S. 163-278.69. After a timely revocation, that candidate may accept and expend outside the limits of this Article without violating this Article. Within 10 days after revocation, a candidate shall return to the Board all money received from the Fund.  
**"§ 163-278.65. Distribution from the Fund.**

(a) Timing of Fund Distribution. – The Board shall distribute to a certified candidate revenue from the Fund in an amount determined under subdivision (b)(4) of this section within five business days after the certified candidate's name is approved to appear on the ballot in a contested general election, but no earlier than five business days after the primary.

(b) Amount of Fund Distribution. – By August 1, 2003, and no less frequently than every two years thereafter, the Board shall determine the amount of funds, rounded to the nearest one hundred dollars (\$100.00), to be distributed to certified candidates as follows:

- (1) Uncontested primaries. – No funds shall be distributed.
- (2) Contested primaries. – No funds shall be distributed except as provided in G.S. 163-278.67.
- (3) Uncontested general elections. – No funds shall be distributed.
- (4) Contested general elections. – Funds shall be distributed to a certified candidate for a position on the Court of Appeals in an amount equal to 125 times the candidate's filing fee as set forth in G.S. 163-107. Funds shall be distributed to a certified candidate for a position on the

Supreme Court in an amount equal to 175 times the candidate's filing fee as set forth in G.S. 163-107.

(c) Method of Fund Distribution. – The Board, in consultation with the State Treasurer and the State Controller, shall develop a rapid, reliable method of conveying funds to certified candidates. In all cases, the Board shall distribute funds to certified candidates in a manner that is expeditious, ensures accountability, and safeguards the integrity of the Fund. If the money in the Fund is insufficient to fully fund all certified candidates, then the available money shall be distributed proportionally, according to each candidate's eligible funding.

**"§ 163-278.66. Reporting requirements.**

(a) Reporting by Noncertified Candidates and Independent Expenditure Entities. – Any noncertified candidate with a certified opponent shall report total income, expenses, and obligations to the Board by facsimile machine or electronically within 24 hours after the total amount of campaign expenditures or obligations made, or funds raised or borrowed, exceeds eighty percent (80%) of the trigger for rescue funds as defined in G.S. 163-278.62(18). Any entity making independent expenditures in excess of three thousand dollars (\$3,000) in support of or opposition to a certified candidate shall report the total funds received, spent, or obligated for those expenditures to the Board by facsimile machine or electronically within 24 hours after the total amount of expenditures or obligations made, or funds raised or borrowed, for the purpose of making the independent expenditures, exceeds fifty percent (50%) of the trigger for rescue funds. After this 24-hour filing, the noncertified candidate or independent expenditure entity shall comply with an expedited reporting schedule by filing additional reports after receiving each additional amount in excess of one thousand dollars (\$1,000) or after making or obligating to make each additional expenditure(s) in excess of one thousand dollars (\$1,000). The schedule and forms for reports required by this subsection shall be made according to procedures developed by the Board.

(b) Reporting by Participating and Certified Candidates. – Notwithstanding other provisions of law, participating and certified candidates shall report any money received, including all previously unreported qualifying contributions, all campaign expenditures, obligations, and related activities to the Board according to procedures developed by the Board. A certified candidate who ceases to be certified or ceases to be a candidate or who loses an election shall file a final report with the Board and return any unspent revenues received from the Fund. In developing these procedures, the Board shall utilize existing campaign reporting procedures whenever practical.

(c) Timely Access to Reports. – The Board shall ensure prompt public access to the reports received in accordance with this Article. The Board may utilize electronic means of reporting and storing information.

**"§ 163-278.67. Rescue funds.**

(a) When Rescue Funds Become Available. – When any report or group of reports shows that 'funds in opposition to a certified candidate or in support of an opponent to that candidate' as described in this section, exceed the trigger for rescue funds as defined in G.S. 163-278.62(18), the Board shall issue immediately to that certified candidate an additional amount equal to the reported excess within the limits set forth in this section. 'Funds in opposition to a certified candidate or in support of an opponent to that candidate' shall be equal to the sum of the following:

- (1) Campaign expenditures or obligations made, or funds raised or borrowed, whichever is greater, reported by any one uncertified opponent of a certified candidate. Where a certified candidate has

more than one uncertified opponent, the measure shall be taken from the uncertified candidate showing the highest relevant dollar amount.

- (2) The sum of all expenditures reported in accordance with G.S. 163-278.66 of entities making independent expenditures in opposition to the certified candidate or in support of any opponent of that certified candidate.

(b) Limit on Rescue Funds in Contested Primary. – Total rescue funds to a certified candidate in a contested primary shall be limited to an amount equal to two times the maximum qualifying contributions for the office sought.

(c) Limit on Rescue Funds in Contested General Election. – Total rescue funds to a certified candidate in a contested general election shall be limited to an amount equal to two times the amount described in G.S. 163-278.65(b)(4).

**"§ 163-278.68. Enforcement and administration.**

(a) Enforcement by the Board. – The Board, with the advice of the Advisory Council for the Public Campaign Financing Fund, shall administer the provisions of this Article.

(b) Advisory Council for the Public Campaign Financing Fund. – There is established under the Board the Advisory Council for the Public Campaign Financing Fund to advise the Board on the rules, procedures, and opinions it adopts for the enforcement and administration of this Article and on the funding needs and operation of the Public Campaign Financing Fund. The Advisory Council shall consist of five members to be appointed as follows:

- (1) The Governor shall name two members from a list of individuals nominated by the State Chair of the political party with which the greatest number of registered voters is affiliated. The State Chair of that party shall submit to the Governor the names of five nominees.
- (2) The Governor shall name two members from a list of individuals nominated by the State Chair of the political party with which the second greatest number of registered voters is affiliated. The State Chair of that party shall submit to the Governor the names of five nominees.
- (3) The Board shall name one member by unanimous vote of all members of the Board. If the Board cannot reach unanimity on the appointment of that member, the Advisory Council shall consist of the remaining members.

No individual shall be eligible to be a member of the Advisory Council who would be ineligible to serve on a county board of elections in accordance with G.S. 163-30. The initial members shall be appointed by December 1, 2002. Of the initial appointees, two are appointed for one-year terms, two are appointed for two-year terms, and one is appointed for a three-year term according to random lot. Thereafter, appointees are appointed to serve four-year terms. An individual may not serve more than two full terms. The appointed members receive the legislative per diem pursuant to G.S. 120-3.1. One of the Advisory Council members shall be elected by the members as Chair. A vacancy during an unexpired term shall be filled in the same manner as the regular appointment for that term, but a vacancy appointment is only for the unexpired portion of the term.

(c) Appeals. – The initial decision on an issue concerning qualification, certification, or distribution of funds under this Article shall be made by the Executive Director of the Board. The procedure for challenging that decision is as follows:

- (1) An individual or entity aggrieved by a decision by the Executive Director of the Board may appeal to the full Board within three business days of the decision. The appeal shall be in writing and shall set forth the reasons for the appeal.
- (2) Within five business days after an appeal is properly made, and after due notice is given to the parties, the Board shall hold a hearing. The appellant has the burden of providing evidence to demonstrate that the decision of the Executive Director was improper. The Board shall rule on the appeal within three business days after the completion of the hearing.

(d) Board to Adopt Rules and Issue Opinions. – The Board shall adopt rules and issue opinions to ensure effective administration of this Article. Such rules and opinions shall include, but not be limited to, procedures for obtaining qualifying contributions, certification of candidates, addressing circumstances involving special elections, vacancies, recounts, withdrawals, or replacements, collection of revenues for the Fund, distribution of Fund revenue to certified candidates, return of unspent Fund disbursements, and compliance with this Article. The Board shall adopt procedures for the distribution of rescue money that further the purpose and avoid the subversion of G.S. 163-278.67. For races involving special elections, recounts, vacancies, withdrawals, or replacement candidates, the Board shall establish procedures for qualification, certification, disbursement of Fund revenues, and return of unspent Fund revenues. The Board shall fulfill each of these duties in consultation with the Advisory Council on the Public Campaign Financing Fund.

(e) Report to the Public. – The Advisory Council for the Public Campaign Financing Fund shall issue a report by March 1, 2005, and every two years thereafter that evaluates and makes recommendations about the implementation of this Article and the feasibility of expanding its provisions to include other candidates for State office based on the experience of the Fund and the experience of similar programs in other states. The Advisory Council shall also evaluate and make recommendations regarding how to address activities that could undermine the purpose of this Article, including spending that appears to target candidates receiving money from the Fund but that does not meet the definition of 'independent expenditures.'

**"§ 163-278.69. Voter education.**

(a) Judicial Voter Guide. – The Board shall publish a Judicial Voter Guide that explains the functions of the appellate courts and the laws concerning the election of appellate judges, the purpose and function of the Public Campaign Financing Fund, and the laws concerning voter registration. The Board shall distribute the Guide to as many voting-age individuals in the State as practical, through a mailing to all residences or other means it deems effective. The distribution shall occur no more than 28 days nor fewer than seven days before the primary and no more than 28 days nor fewer than seven days before the general election.

(b) Candidate Information. – The Judicial Voter Guide shall include information concerning all candidates for the Supreme Court and the Court of Appeals, as provided by those candidates according to a format provided to the candidates by the Board. The Board shall request information for the Guide from each candidate according to the following format:

- (1) Place of residence.
- (2) Education.
- (3) Occupation.

- (4) Employer.
- (5) Date admitted to the bar.
- (6) Legal/judicial experience.
- (7) Candidate statement, limited to 150 words. Concerning that statement, the Board shall send to the candidates instructions as follows: 'Your statement may include information such as your qualifications, your endorsements, your ratings, why you are seeking judicial office, why you would make a good judge, what distinguishes you from your opponent(s), your acceptance of spending and fund-raising limits to qualify to receive funds from the Public Campaign Financing Fund, and any other information relevant to your candidacy. The State Board of Elections will reject any portion of any statement which it determines contains obscene, profane, or defamatory language. The candidate shall have three days to resubmit the candidate statement if the Board rejects a portion of the statement.'

(c) Disclaimer. – The Judicial Voter Guide shall contain the following statement: 'The above statements do not express or reflect the opinions of the State Board of Elections.'

**"§ 163-278.70. Civil penalty.**

In addition to any other penalties that may be applicable, any individual, political committee, or other entity that violates any provision of this Article is subject to a civil penalty of up to ten thousand dollars (\$10,000) per violation or three times the amount of any financial transactions involved in the violation, whichever is greater. In addition to any fine, for good cause shown, a candidate found in violation of this Article may be required to return to the Fund all amounts distributed to the candidate from the Fund. If the Board makes a determination that a violation of this Article has occurred, the Board shall calculate and assess the amount of the civil penalty and shall notify the entity that is assessed the civil penalty of the amount that has been assessed. The Board shall then proceed in the manner prescribed in G.S. 163-278.34. In determining whether or not a candidate is in violation of this Article, the Board may consider as a mitigating factor any circumstances out of the candidate's control."

**SECTION 2.** G.S. 163-278.13 reads as rewritten:

**"§ 163-278.13. Limitation on contributions.**

(a) No individual, political committee, or other entity shall contribute to any candidate or other political committee any money or make any other contribution in any election in excess of four thousand dollars (\$4,000) for that election.

(b) No candidate or political committee shall accept or solicit any contribution from any individual, other political committee, or other entity of any money or any other contribution in any election in excess of four thousand dollars (\$4,000) for that election.

(c) Notwithstanding the provisions of subsections (a) and (b) of this section, it shall be lawful for a candidate or a candidate's spouse, parents, brothers and sisters to make a contribution to the candidate or to the candidate's treasurer of any amount of money or to make any other contribution in any election in excess of four thousand dollars (\$4,000) for that election.

(d) For the purposes of this section, the term "an election" means any primary, second primary, or general election in which the candidate or political committee may be involved, without regard to whether the candidate is opposed or unopposed in the

election, except that where a candidate is not on the ballot in a second primary, that second primary is not "an election" with respect to that candidate.

(e) This section shall not apply to any national, State, district or county executive committee of any political party. For the purposes of this section only, the term "political party" means only those political parties officially recognized under G.S. 163-96.

(e1) No referendum committee which received any contribution from a corporation, labor union, insurance company, business entity, or professional association may make any contribution to another referendum committee, to a candidate or to a political committee.

(e2) In order to make meaningful the provisions of Article 22D of this Chapter, the following provisions shall apply with respect to candidates for justice of the Supreme Court and judge of the Court of Appeals:

- (1) No candidate shall accept, and no contributor shall make to that candidate, a contribution in any election exceeding one thousand dollars (\$1,000) except as provided for elsewhere in this subsection.
- (2) A candidate may accept, and a family contributor may make to that candidate, a contribution not exceeding two thousand dollars (\$2,000) in an election if the contributor is that candidate's parent, child, brother, or sister.
- (3) No candidate shall accept, and no contributor shall make to that candidate, a contribution during the period beginning 21 days before the day of the general election and ending the day after the general election. This subdivision applies with respect to a candidate opposed in the general election by a certified candidate as defined in Article 22D of this Chapter who has not received the maximum rescue funds available under G.S. 163-278.67. The recipient of a contribution that apparently violates this subdivision has three days to return the contribution or file a detailed statement with the State Board of Elections explaining why the contribution does not violate this subdivision.

As used in this subsection, 'candidate' is also a political committee authorized by the candidate for that candidate's election. Nothing in this subsection shall prohibit a candidate or the spouse of that candidate from making a contribution or loan secured entirely by that individual's assets to that candidate's own campaign.

(f) Any individual, candidate, political committee, referendum committee, or other entity that violates the provisions of this section is guilty of a Class 2 misdemeanor."

**SECTION 3.** G.S. 105-41(a)(1) reads as rewritten:

**"§ 105-41. Attorneys-at-law and other professionals.**

(a) Every individual in this State who practices a profession or engages in a business and is included in the list below must obtain from the Secretary a statewide license for the privilege of practicing the profession or engaging in the business. A license required by this section is not transferable to another person. The tax for each license is fifty dollars (\$50.00).

- (1) An attorney-at-law. In addition to the tax, whenever an attorney pays the tax, the Department must give that attorney an opportunity to make a contribution of fifty dollars (\$50.00) to support the North Carolina Public Campaign Financing Fund established by G.S. 163-278.63.

Payment of the contribution is not required and is not considered part of the tax owed.

...."

**SECTION 4.** Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-159.2. Designation of tax to North Carolina Public Campaign Financing Fund.**

(a) Allocation to the North Carolina Public Campaign Financing Fund. – To ensure the financial viability of the North Carolina Public Campaign Financing Fund established in Article 22D of Chapter 163 of the General Statutes, the Department must allocate to that Fund three dollars (\$3.00) from the income taxes paid each year by each individual with an income tax liability of at least that amount, if the individual agrees. A taxpayer must be given the opportunity to indicate an agreement to that allocation in the manner described in subsection (b) of this section. In the case of a married couple filing a joint return, each individual must have the option of agreeing to the allocation. The amounts allocated under this subsection to the Fund must be credited to it on a quarterly basis.

(b) Returns. – Individual income tax returns must give an individual an opportunity to agree to the allocation of three dollars (\$3.00) of the individual's tax liability to the North Carolina Public Campaign Financing Fund. The Department must make it clear to the taxpayer that the dollars will support a nonpartisan court system, that the dollars will go to the Fund if the taxpayer marks an agreement, and that allocation of the dollars neither increases nor decreases the individual's tax liability. The following statement satisfies the intent of this requirement: 'Three dollars (\$3.00) will go to the North Carolina Public Campaign Financing Fund to support a nonpartisan court system, if you agree. Your tax remains the same whether or not you agree.' The Department must consult with the State Board of Elections to ensure that the information given to taxpayers complies with the intent of this section.

The Department must inform the entities it approves to reproduce the return of the requirements of this section and that a return may not reflect an agreement or objection unless the individual completing the return decided to agree or object after being presented with the information required by subsection (c) of this section. No software package used in preparing North Carolina income tax returns may default to an agreement or objection. A paid preparer of tax returns may not mark an agreement or objection for a taxpayer without the taxpayer's consent.

(c) Instructions. – The instruction for individual income tax returns must include the following explanatory statement: 'The North Carolina Public Campaign Financing Fund provides campaign money to nonpartisan candidates for the North Carolina Supreme Court and Court of Appeals who voluntarily accept strict campaign spending and fund-raising limits. The Fund also helps finance educational materials about voter registration, the role of the appellate courts, and the candidates seeking election as appellate judges in North Carolina. Three dollars (\$3.00) from the taxes you pay will go to the Fund if you mark an agreement. Regardless of what choice you make, your tax will not increase, nor will any refund you are entitled to be reduced.' "

**SECTION 5.** Article 22C of Chapter 163 of the General Statutes is repealed.

**SECTION 6.(a)** G.S. 105-269.6 is repealed.

**SECTION 6.(b)** In order to pay for its costs for the 2002-2003 fiscal year of programming, design, printing, and other expenses associated with implementing this

act, the Secretary of Revenue may draw funds not to exceed one hundred seventy-eight thousand six hundred dollars (\$178,600) from the North Carolina Candidates Financing Fund. After drawing those funds, the Secretary of Revenue shall transfer immediately to the North Carolina Public Campaign Financing Fund any remaining funds that were contributed to the North Carolina Candidates Financing Fund pursuant to G.S. 105-269.6 before its repeal by this section. Funds the Secretary of Revenue withdraws but then determines are not needed shall also be transferred to the North Carolina Public Campaign Financing Fund.

**SECTION 7.** Subchapter X of Chapter 163 of the General Statutes reads as rewritten:

**"SUBCHAPTER X. ELECTION OF APPELLATE, SUPERIOR SUPERIOR,  
AND DISTRICT COURT JUDGES.**

"Article 25.

"Nomination and Election of Appellate, Superior Superior, and District Court Judges.

**"§ 163-321. Applicability.**

The nomination and election of justices of the Supreme Court, judges of the Court of Appeals, and superior and district court judges of the General Court of Justice shall be as provided by this Article.

**"§ 163-322. Nonpartisan primary election method.**

(a) General. – Except as provided in G.S. 163-329, there shall be a primary to narrow the field of candidates to two candidates for each position to be filled if, when the filing period closes, there are more than two candidates for a single office or the number of candidates for a group of offices exceeds twice the number of positions to be filled. If only one or two candidates file for a single office, no primary shall be held for that office and the candidates shall be declared nominated. If the number of candidates for a group of offices does not exceed twice the number of positions to be filled, no primary shall be held for those offices and the candidates shall be declared nominated.

(b) Determination of Nominees. – In the primary, the two candidates for a single office receiving the highest number of votes, and those candidates for a group of offices receiving the highest number of votes, equal to twice the number of positions to be filled, shall be declared nominated. If two or more candidates receiving the highest number of votes each receive the same number of votes, the State Board of Elections shall determine their relative ranking by lot, and shall declare the nominees accordingly. The canvass of the primary shall be held on the same date as the primary canvass fixed under G.S. 163-188. The canvass shall be conducted in accordance with Article 16 of this Chapter.

(c) Determination of Election Winners. – In the election, the names of those candidates declared nominated without a primary and those candidates nominated in the primary shall be placed on the ballot. The candidate for a single office receiving the highest number of votes shall be elected. Those candidates for a group of offices receiving the highest number of votes, equal in number to the number of positions to be filled, shall be elected. If two candidates receiving the highest number of votes each received the same number of votes, the State Board of Elections shall determine the winner by lot.

**"§ 163-323. Notice of candidacy.**

(a) Form of Notice. – Each person offering to be a candidate for election shall do so by filing a notice of candidacy with the State Board of Elections in the following form, inserting the words in parentheses when appropriate:



Date: \_\_\_\_\_

I hereby file notice that I am a candidate for election to the office of \_\_\_\_\_ in the regular election to be held \_\_\_\_\_, \_\_\_\_.

Signed: \_\_\_\_\_  
(Name of Candidate)

Witness:

The notice of candidacy shall be either signed in the presence of the chairman or secretary of the State Board of Elections, or signed and acknowledged before an officer authorized to take acknowledgments who shall certify the notice under seal. An acknowledged and certified notice may be mailed to the State Board of Elections. In signing a notice of candidacy, the candidate shall use only the candidate's legal name and, in his discretion, any nickname by which commonly known. A candidate may also, in lieu of that candidate's first name and legal middle initial or middle name, if any, sign that candidate's nickname, provided the candidate appends to the notice of candidacy an affidavit that the candidate has been commonly known by that nickname for at least five years prior to the date of making the affidavit. The candidate shall also include with the affidavit the way the candidate's name (as permitted by law) should be listed on the ballot if another candidate with the same last name files a notice of candidacy for that office.

A notice of candidacy signed by an agent or any person other than the candidate himself shall be invalid.

(b) **(Effective until January 1, 2003)** Time for Filing Notice of Candidacy. – Candidates seeking election to the following offices shall file their notice of candidacy with the State Board of Elections no earlier than 12:00 noon on the first Monday in January and no later than 12:00 noon on the first Monday in February preceding the election:

- Judges of the superior courts.
- Judges of the district courts.

(b) **(Effective January 1, 2003)** Time for Filing Notice of Candidacy. – Candidates seeking election to the following offices shall file their notice of candidacy with the State Board of Elections no earlier than 12:00 noon on the second Monday in February and no later than 12:00 noon on the last business day in February preceding the election:

- Justices of the Supreme Court.
- Judges of the Court of Appeals.
- Judges of the superior courts.
- Judges of the district courts.

(c) **Withdrawal of Notice of Candidacy.** – Any person who has filed a notice of candidacy for an office shall have the right to withdraw it at any time prior to the date on which the right to file for that office expires under the terms of subsection (b) of this section.

(d) **Certificate That Candidate Is Registered Voter.** – Candidates shall file along with their notice a certificate signed by the chairman of the board of elections or the supervisor of elections of the county in which they are registered to vote, stating that the person is registered to vote in that county, and if the candidacy is for superior court

judge and the county contains more than one superior court district, stating the superior court district of which the person is a resident. In issuing such certificate, the chairman or supervisor shall check the registration records of the county to verify such information. During the period commencing 36 hours immediately preceding the filing deadline, the State Board of Elections shall accept, on a conditional basis, the notice of candidacy of a candidate who has failed to secure the verification ordered herein subject to receipt of verification no later than three days following the filing deadline. The State Board of Elections shall prescribe the form for such certificate, and distribute it to each county board of elections no later than the last Monday in December of each odd-numbered year.

(e) **Candidacy for More Than One Office Prohibited.** – No person may file a notice of candidacy for more than one office or group of offices described in subsection (b) of this section, or for an office or group of offices described in subsection (b) of this section and an office described in G.S. 163-106(c), for any one election. If a person has filed a notice of candidacy with a board of elections under this section or under G.S. 163-106(c) for one office or group of offices, then a notice of candidacy may not later be filed for any other office or group of offices under this section when the election is on the same date unless the notice of candidacy for the first office is withdrawn under subsection (c) of this section.

(f) **Notice of Candidacy for Certain Offices to Indicate Vacancy.** – In any election in which there are two or more vacancies for the office of justice of the Supreme Court, judge of the Court of Appeals, or district court judge to be filled by nominations, each candidate shall, at the time of filing notice of candidacy, file with the State Board of Elections a written statement designating the vacancy to which ~~he~~the candidate seeks election. Votes cast for a candidate shall be effective only for ~~his~~ election to the vacancy for which the candidate has given notice of candidacy as provided in this subsection.

A person seeking election for a specialized district judgeship established under G.S. 7A-147 shall, at the time of filing notice of candidacy, file with the State Board of Elections a written statement designating the specialized judgeship to which the person seeks nomination.

(g) No person may file a notice of candidacy for superior court judge unless that person is at the time of filing the notice of candidacy a resident of the judicial district as it will exist at the time the person would take office if elected. No person may be nominated as a superior court judge under G.S. 163-114 unless that person is at the time of nomination a resident of the judicial district as it will exist at the time the person would take office if elected. This subsection implements Article IV, Section 9(1) of the North Carolina Constitution which requires regular Superior Court Judges to reside in the district for which elected.

**"§ 163-324. Filing fees required of candidates; refunds.**

(a) **Fee Schedule.** – At the time of filing a notice of candidacy under this Article, each candidate shall pay to the State Board of Elections a filing fee for the office he seeks in the amount of one percent (1%) of the annual salary of the office sought.

(b) **Refund of Fees.** – If any person who has filed a notice of candidacy and paid the filing fee prescribed in subsection (a) of this section withdraws his notice of candidacy within the period prescribed in G.S. 163-323(c), he shall be entitled to have the fee he paid refunded. The chairman of the State Board of Elections shall cause a warrant to be drawn on the State Treasurer for the refund payment.

If any person who has filed a notice of candidacy and paid the filing fee prescribed in subsection (a) of this section dies prior to the date of the election, the personal representative of the estate shall be entitled to have the fee refunded if application is made to the board of elections to which the fee was paid no later than one year after the date of death, and refund shall be made in the same manner as in withdrawal of notice of candidacy.

**"§ 163-325. Petition in lieu of payment of filing fee.**

(a) General. – Any qualified voter who seeks election under this Article may, in lieu of payment of any filing fee required for the office he seeks, file a written petition requesting him to be a candidate for a specified office with the State Board of Elections.

(b) Requirements of Petition; Deadline for Filing. – If the candidate is seeking the office of justice of the Supreme Court, judge of the Court of Appeals, or superior or district court judge, that individual shall file a written petition with the State Board of Elections no later than 12:00 noon on Monday preceding the filing deadline before the primary. ~~The~~ If the office is justice of the Supreme Court or judge of the Court of Appeals, the petition shall be signed by 10,000 registered voters in the State. If the office is superior court or district court judge, the petition shall be signed by ten percent (10%) of the registered voters of the election area in which the office will be voted for. The board of elections shall verify the names on the petition, and if the petition and notice of candidacy are found to be sufficient, the candidate's name shall be printed on the appropriate ballot. Petitions must be presented to the county board of elections for verification at least 15 days before the petition is due to be filed with the State Board of Elections. The State Board of Elections may adopt rules to implement this section and to provide standard petition forms.

**"§ 163-326. Certification of notices of candidacy.**

(a) Names of Candidates Sent to Secretary of State. – Within three days after the time for filing notices of candidacy with the State Board of Elections under the provisions of G.S. 163-323(b) has expired, the chairman or secretary of that Board shall certify to the Secretary of State the name and address of each person who has filed with the State Board of Elections, indicating in each instance the office sought.

(b) Notification of Local Boards. – No later than 10 days after the time for filing notices of candidacy under the provisions of G.S. 163-323(b) has expired, the chairman of the State Board of Elections shall certify to the chairman of the county board of elections in each county in the appropriate district the names of candidates for nomination to the offices of justice of the Supreme Court, judge of the Court of Appeals, and superior and district court judge who have filed the required notice and paid the required filing fee or presented the required petition to the State Board of Elections, so that their names may be printed on the official judicial ballot for justice of the Supreme Court, judge of the Court of Appeals, and superior and district court.

(c) Receipt of Notification by County Board. – Within two days after receipt of each of the letters of certification from the chairman of the State Board of Elections required by subsection (b) of this section, each county elections board chairman shall acknowledge receipt by letter addressed to the chairman of the State Board of Elections.

**"§ 163-327. Vacancies of candidates or elected officers.**

(a) Death or Disqualification of Candidate Before Primary. – If a candidate for nomination in a primary dies or becomes disqualified before the primary but after the ballots have been printed, the State Board of Elections shall determine whether or not there is time to reprint the ballots. If the Board determines that there is not enough time to reprint the ballots, the deceased or disqualified candidate's name shall remain on the

ballots. If that candidate receives enough votes for nomination, such votes shall be disregarded and the candidate receiving the next highest number of votes below the number necessary for nomination shall be declared nominated. If the death or disqualification of the candidate leaves only two candidates for each office to be filled, the nonpartisan primary shall not be held and all candidates shall be declared nominees.

(b) **Death, Disqualification, or Resignation of Official After Election.** – If a person elected to the office of justice of the Supreme Court, judge of the Court of Appeals, or superior or district court judge dies, becomes disqualified, or resigns on or after election day and before he has qualified by taking the oath of office, the office shall be deemed vacant and shall be filled as provided by law.

**"§ 163-328. Failure of candidates to file; death or other disqualification of a candidate before election.**

(a) **Insufficient Number of Candidates.** – If when the filing period expires, candidates have not filed for an office to be filled under this Article, the State Board of Elections shall extend the filing period for five days for any such offices.

(b) **Death or Other Disqualification of Candidate; Reopening Filing.** – If there is no primary because only one or two candidates have filed for a single office, or the number of candidates filed for a group of offices does not exceed twice the number of positions to be filled, and thereafter a candidate dies or otherwise becomes disqualified before the election and before the ballots are printed, the State Board of Elections shall, upon notification of the death or other disqualification, immediately reopen the filing period for an additional five days during which time additional candidates shall be permitted to file for election. If the ballots have been printed at the time the State Board of Elections receives notice of the candidate's death or other disqualification, the Board shall determine whether there will be sufficient time to reprint them before the election if the filing period is reopened for three days. If the Board determines that there will be sufficient time to reprint the ballots, it shall reopen the filing period for three days to allow other candidates to file for election, and such election shall be conducted on the plurality basis.

(c) **Vacancy Caused by Nominated Candidate; Ballots Not Reprinted.** – If the ballots have been printed at the time the State Board of Elections receives notice of a candidate's death, other disqualification, or resignation, and if the Board determines that there is not enough time to reprint the ballots before the election if the filing period is reopened for three days, then regardless of the number of candidates remaining for the office or group of offices, the ballots shall not be reprinted and the name of the vacated candidate shall remain on the ballots. If a vacated candidate should poll the highest number of votes in the election for a single office or enough votes to be elected to one of a group of offices, the State Board of Elections shall declare the office vacant and it shall be filled in the manner provided by law.

**"§ 163-329. Elections to fill vacancy created after primary filing period to use plurality method.**

(a) **General.** – If a vacancy is created in the office of justice of the Supreme Court, judge of the Court of Appeals, or judge of superior court after the filing period for the primary opens but more than 60 days before the general election, and under the Constitution of North Carolina an election is to be held for that position, such that the office shall be filled in the general election as provided in G.S. 163-9, the election to fill the office for the remainder of the term shall be conducted without a primary using the plurality method as provided in subsection (b) of this section. If a vacancy is created in the office of justice of the Supreme Court, judge of the Court of Appeals, or judge of

superior court before the filing period for the primary opens, and under the Constitution of North Carolina an election is to be held for that position, such that the office shall be filled in the general election as provided in G.S. 163-9, the election to fill the office for the remainder of the term shall be conducted in accordance with G.S. 163-322.

(b) Plurality Election Rules. – Elections under this section shall be conducted using the following rules:

- (1) The filing period shall be prescribed by the State Board of Elections, but in no event may it be less than five working days. If a vacancy occurs in a second office in the same superior court district after the first filing period established under the section has closed, the State Board of Elections shall reopen filing for a period of not less than five working days for the office of justice of the Supreme Court, judge of the Court of Appeals, or superior court judge. All persons filing in either filing period shall run as a group and the election results shall be determined by subdivision (3) of this subsection.
- (2) When more than one person is seeking election to a single office, the candidate who receives the highest number of votes shall be declared elected.
- (3) When more persons are seeking election to two or more offices (constituting a group) than there are offices to be filled, those candidates receiving the highest number of votes, equal in number to the number of offices to be filled, shall be declared elected.
- (4) If two or more candidates receiving the highest number of votes each receive the same number of votes, the board of elections shall resolve the tie in accordance with G.S. 163-182.8.
- (5) Except as provided in this section, the provisions of this Article apply to elections conducted under this section.

**"§ 163-330. Voting in primary.**

Any person who will become qualified by age or residence to register and vote in the general election for which the primary is held, even though not so qualified by the date of the primary, shall be entitled to register for the primary and general election prior to the primary and then to vote in the primary after being registered. Such person may register not earlier than 60 days nor later than the last day for making application to register under G.S. 163-82.6(c) prior to the primary.

**"§ 163-331. Date of primary.**

The primary shall be held on the same date as established for primary elections under G.S. 163-1(b).

**"§ 163-332. Ballots.**

(a) General. – In elections there shall be official ballots. The ballots shall be printed to conform to the requirement of G.S. 163-165.6(c) and to show the name of each person who has filed notice of candidacy, and the office for which each aspirant is a candidate.

Only those who have filed the required notice of candidacy with the proper board of elections, and who have paid the required filing fee or qualified by petition, shall have their names printed on the official primary ballots. Only those candidates properly nominated shall have their names appear on the official general election ballots.

(b) Ballots to Be Furnished by County Board of Elections. – It shall be the duty of the county board of elections to print official ballots for the following offices to be voted for in the primary:

Justice of the Supreme Court.

Judge of the Court of Appeals.

Superior court judge.

District court judge.

In printing ballots, the county board of elections shall be governed by instructions of the State Board of Elections with regard to width, color, kind of paper, form, and size of type.

Three days before the election, the chairman of the county board of elections shall distribute official ballots to the chief judge of each precinct in his county, and the chief judge shall give a receipt for the ballots received. On the day of the primary, it shall be the chief judge's duty to have all the ballots so delivered available for use at the precinct voting place.

"§ 163-333: Repealed by Session Laws 2001-398, s. 15, effective January 1, 2002.

"§ 163-334. **Counting of ballots.**

Counting of ballots in primaries and elections held under this Article shall be under the same rules as for counting of ballots in nonpartisan municipal elections under Article 24 of this Chapter.

"§ 163-335. **Other rules.**

Except as provided by this Article, the conduct of elections shall be governed by Subchapter VI of this Chapter."

**SECTION 8.** G.S. 163-106(c) reads as rewritten:

"(c) **(Effective January 1, 2003)** Time for Filing Notice of Candidacy. – Candidates seeking party primary nominations for the following offices shall file their notice of candidacy with the State Board of Elections no earlier than 12:00 noon on the second Monday in February and no later than 12:00 noon on the last business day in February preceding the primary:

Governor

Lieutenant Governor

All State executive officers

~~Justices of the Supreme Court, Judges of the Court of Appeals~~

United States Senators

Members of the House of Representatives of the United States

District attorneys

Candidates seeking party primary nominations for the following offices shall file their notice of candidacy with the county board of elections no earlier than 12:00 noon on the second Monday in February and no later than 12:00 noon on the last business day in February preceding the primary:

State Senators

Members of the State House of Representatives

All county offices."

**SECTION 9.** G.S. 163-106(d) reads as rewritten:

"(d) Notice of Candidacy for Certain Offices to Indicate Vacancy. – In any primary in which there are ~~two or more vacancies for Chief Justice and associate justices of the Supreme Court, two or more vacancies for judge of the Court of Appeals,~~ ~~or~~ two vacancies for United States Senator from North Carolina, each candidate shall, at the time of filing notice of candidacy, file with the State Board of Elections a written statement designating the vacancy to which he seeks nomination. Votes cast for a candidate shall be effective only for his nomination to the vacancy for which he has given notice of candidacy as provided in this subsection."

**SECTION 10.** G.S. 163-107(a) reads as rewritten:

"(a) Fee Schedule. – At the time of filing a notice of candidacy, each candidate shall pay to the board of elections with which he files under the provisions of G.S. 163-106 a filing fee for the office he seeks in the amount specified in the following tabulation:

| Office Sought   | Amount of Filing   |
|---|--|
| Governor  | One percent (1%) of the annual salary of the office sought   |
| Lieutenant Governor   | One percent (1%) of the annual salary of the office sought   |
| All State executive offices   | One percent (1%) of the annual salary of the office sought   |
| All <del>Justices, Judges, and</del> District Attorneys of the General Court of Justice <del>other than superior and district court judge</del> | One percent (1%) of the annual salary of the office sought   |
| United States Senator   | One percent (1%) of the annual salary of the office sought   |
| Members of the United States House of Representatives   | One percent (1%) of the annual salary of the office sought   |
| State Senator   | One percent (1%) of the annual salary of the office sought   |
| Member of the State House of Representatives  | One percent (1%) of the annual salary of the office sought   |
| All county offices not compensated by fees  | One percent (1%) of the annual salary of the office sought   |
| County commissioners, if compensated entirely by fees   | Ten dollars (\$10.00)  |
| Members of county board of education, if compensated entirely by fees   | Five dollars (\$5.00)  |
| Sheriff, if compensated entirely by fees  | Forty dollars (\$40.00), plus one percent (1%) of the income of the office above four thousand dollars (\$4,000) |
| Clerk of superior court, if compensated entirely by fees  | Forty dollars (\$40.00), plus one percent (1%) of the income of the office above four thousand dollars (\$4,000) |
| Register of deeds, if compensated entirely by fees  | Forty dollars (\$40.00), plus one percent (1%) of the income of the office above four thousand dollars (\$4,000) |
| Any other county office, if compensated entirely by fees  | Twenty dollars (\$20.00), plus one percent (1%) of the income of the office above two thousand dollars (\$2,000) |
| All county offices compensated partly by salary and partly by fees  | One percent (1%) of the first annual salary to be received (exclusive of fees)".                                 |

**SECTION 11.** G.S. 163-107.1(b) reads as rewritten:

"(b) If the candidate is seeking the office of United States Senator, Governor, Lieutenant Governor, or any State executive officer, ~~Justice of the Supreme Court or Judge of the Court of Appeals~~, the petition must be signed by 10,000 registered voters who are members of the political party in whose primary the candidate desires to run, except that in the case of a political party as defined by G.S. 163-96(a)(2) which will be making nominations by primary election, the petition must be signed by ten percent (10%) of the registered voters of the State who are affiliated with the same political party in whose primary the candidate desires to run, or in the alternative, the petition shall be signed by no less than 10,000 registered voters regardless of the voter's political party affiliation, whichever requirement is greater. The petition must be filed with the State Board of Elections not later than 12:00 noon on Monday preceding the filing deadline before the primary in which he seeks to run. The names on the petition shall be verified by the board of elections of the county where the signer is registered, and the petition must be presented to the county board of elections at least 15 days before the petition is due to be filed with the State Board of Elections. When a proper petition has been filed, the candidate's name shall be printed on the primary ballot."

**SECTION 12.** G.S. 163-111(c)(1) reads as rewritten:

"(1) A candidate who is apparently entitled to demand a second primary, according to the unofficial results, for one of the offices listed below, and desiring to do so, shall file a request for a second primary in writing or by telegram with the Executive Director of the State Board of Elections no later than 12:00 noon on the seventh day (including Saturdays and Sundays) following the date on which the primary was conducted, and such request shall be subject to the certification of the official results by the State Board of Elections. If the vote certification by the State Board of Elections determines that a candidate who was not originally thought to be eligible to call for a second primary is in fact eligible to call for a second primary, the Executive Director of the State Board of Elections shall immediately notify such candidate and permit him to exercise any options available to him within a 48-hour period following the notification:

Governor,

Lieutenant Governor,

All State executive officers,

~~Justices, Judges, or District Attorneys of the General Court of Justice, other than superior and district court judges,~~

United States Senators,

Members of the United States House of Representatives,

State Senators in multi-county senatorial districts, and

Members of the State House of Representatives in multi-county representative districts."

**SECTION 13.** G.S. 163-123(g) reads as rewritten:

"(g) Municipal and Nonpartisan Elections Excluded. – This section does not apply to municipal elections conducted under Subchapter IX of Chapter 163 of the General Statutes, and does not apply to nonpartisan elections except for ~~superior court judge~~ elections under Article 25 of this Chapter."

**SECTION 14.** G.S. 163-165.6(b)(3) reads as rewritten:



"(3) ~~Partisan offices-offices, regardless of the size of the constituency, shall be listed before nonpartisan offices.~~"

**SECTION 15.** The provisions of this act are severable. If any provision of this act is held invalid by a court of competent jurisdiction, the invalidity does not affect other provisions of the act that can be given effect without the invalid provision.

**SECTION 15.1.** Nothing in this act obligates the General Assembly to appropriate funds to implement it now or in the future.

**SECTION 16.** Section 1 of this act is effective when it becomes law, provided that distributions from the Fund shall begin in the 2004 election year. Section 2 becomes effective January 1, 2003. Section 3 becomes effective July 1, 2003. Sections 4 and 6(a) become effective for taxable years beginning on or after January 1, 2003. Section 5 becomes effective January 1, 2003. Sections 7 through 13 become effective with respect to primaries and elections held on or after January 1, 2004. Except as otherwise provided in this act, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law upon approval of the Governor at 1:54 p.m. on the 10<sup>th</sup> day of October, 2002.

**S.B. 1217**

**Session Law 2002-159**

AN ACT TO MAKE TECHNICAL CORRECTIONS AND CONFORMING CHANGES TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION; TO RESTORE THE DEFINITION OF FAMILY CARE HOME TO ITS ORIGINAL LANGUAGE AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION; AND TO MAKE VARIOUS OTHER CHANGES TO THE GENERAL STATUTES AND SESSION LAWS.

*The General Assembly of North Carolina enacts:*

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

**SECTION 1.** G.S. 7A-273(2) reads as rewritten:

**"§ 7A-273. Powers of magistrates in infractions or criminal actions.**

In criminal actions or infractions, any magistrate has power:

...

- (2) In misdemeanor or infraction cases involving alcohol offenses under Chapter 18B of the General Statutes, traffic offenses, hunting, fishing, State park and recreation area rule offenses under Chapter 113 of the General Statutes, boating offenses under Chapter 75A of the General Statutes, and littering offenses under ~~G.S. 14-399(e)~~, G.S. 14-399(c) and G.S. 14-399(c1), to accept written appearances, waivers of trial or hearing and pleas of guilty or admissions of responsibility, in accordance with the schedule of offenses and fines or penalties promulgated by the Conference of Chief District Judges pursuant to G.S. 7A-148, and in such cases, to enter judgment and collect the fines or penalties and costs;

...."

**SECTION 2.(a)** G.S. 14-27.1(1) reads as rewritten:

**"§ 14-27.1. Definitions.**

As used in this Article, unless the context requires otherwise:

- (1) "Mentally ~~defective~~"–disabled" means (i) a victim who suffers from mental retardation, or (ii) a victim who suffers from a mental disorder, either of which temporarily or permanently renders the victim substantially incapable of appraising the nature of his or her conduct, or of resisting the act of vaginal intercourse or a sexual act, or of communicating unwillingness to submit to the act of vaginal intercourse or a sexual act.

...."

**SECTION 2.(b)** G.S. 14-27.3(a)(2) reads as rewritten:

**"§ 14-27.3. Second-degree rape.**

(a) A person is guilty of rape in the second degree if the person engages in vaginal intercourse with another person:

...

- (2) Who is mentally ~~defective~~,–disabled, mentally incapacitated, or physically helpless, and the person performing the act knows or should reasonably know the other person is mentally ~~defective~~,disabled, mentally incapacitated, or physically helpless."

**SECTION 2.(c)** G.S. 14-27.5(a)(2) reads as rewritten:

**"§ 14-27.5. Second-degree sexual offense.**

(a) A person is guilty of a sexual offense in the second degree if the person engages in a sexual act with another person:

...

- (2) Who is mentally ~~defective~~,disabled, mentally incapacitated, or physically helpless, and the person performing the act knows or should reasonably know that the other person is mentally ~~defective~~,disabled, mentally incapacitated, or physically helpless."

**SECTION 2.(d)** G.S. 15-144.1(c) reads as rewritten:

"(c) If the victim is a person who is mentally ~~defective~~,disabled, mentally incapacitated, or physically helpless it is sufficient to allege that the defendant unlawfully, willfully, and feloniously did carnally know and abuse a person who was mentally ~~defective~~,disabled, mentally incapacitated or physically helpless, naming such victim, and concluding as aforesaid. Any bill of indictment containing the averments and allegations herein named shall be good and sufficient in law for the rape of a mentally ~~defective~~,disabled, mentally incapacitated or physically helpless person and all lesser included offenses."

**SECTION 2.(e)** G.S. 15-144.2(c) reads as rewritten:

"(c) If the victim is a person who is mentally ~~defective~~,disabled, mentally incapacitated, or physically helpless it is sufficient to allege that the defendant unlawfully, willfully, and feloniously did engage in a sex offense with a person who was mentally ~~defective~~,disabled, mentally incapacitated or physically helpless, naming such victim, and concluding as aforesaid. Any bill of indictment containing the averments and allegations herein named shall be good and sufficient in law for a sex offense against a mentally ~~defective~~,disabled, mentally incapacitated or physically helpless person and all lesser included offenses."

**SECTION 2.(f)** This section becomes effective December 1, 2002, and applies to offenses committed on or after that date.

**SECTION 3.(a)** G.S. 14-309.7(a) reads as rewritten:

"(a) An exempt organization may not operate a bingo game at a location without a license. Application for a bingo license shall be made to the Department of ~~Health and Human Services~~Crime Control and Public Safety on a form prescribed by the Department. The Department shall charge an annual application fee of one hundred dollars (\$100.00) to defray the cost of issuing bingo licenses and handling bingo audit reports. The fees collected shall be deposited in the General Fund of the State. This license shall expire one year after the granting of the license. This license may be renewed yearly, if the applicant pays the application fee and files an audit with the Department pursuant to G.S. 14-309.11. A copy of the application and license shall be furnished to the local law-enforcement agency in the county or municipality in which the licensee intends to operate before bingo is conducted by the licensee."

**SECTION 3.(b)** G.S. 14-309.7(e) reads as rewritten:

"(e) An exempt organization that wants to conduct only an annual or semiannual bingo game may apply to the Department of ~~Health and Human Services~~Crime Control and Public Safety for a limited occasion permit. The Department of ~~Health and Human Services~~Crime Control and Public Safety may require such information as is reasonable and necessary to determine that the bingo game is conducted in accordance with the provisions of this Part but may not require more information than previously specified in this section for application of a regular license. The application shall be made to the Department on prescribed forms at least 30 days prior to the scheduled date of the bingo game. In lieu of the reporting requirements of G.S. 14-309.11(b) the exempt organization shall file with the licensing agency and local law-enforcement a report on prescribed forms no later than 30 days following the conduct of the bingo game for which the permit was obtained. Such report may require such information as is reasonable and necessary to determine that the bingo game was conducted in accordance with the provisions of this Part but may not require more information than specified in G.S. 14-309.11(b). Any licensed exempt organization may donate or loan its equipment or use of its premises to an exempt organization which has secured a limited occasion permit provided such arrangement is disclosed in the limited occasion permit application and is approved by the Department of ~~Health and Human Services~~Crime Control and Public Safety. Except as stated above, all provisions of this Part shall apply to any exempt organization operating a bingo game under this provision."

**SECTION 4.(a)** G.S. 14-309.11(b) reads as rewritten:

"(b) An audit of the account required by subsection (a) of this section shall be prepared annually for the period of January 1 through December 31 or otherwise as directed by the Department of ~~Health and Human Services~~Crime Control and Public Safety and shall be filed with the Department of ~~Health and Human Services~~Crime Control and Public Safety and the local law-enforcement agency at a time directed by the Department of ~~Health and Human Services~~Crime Control and Public Safety. The audit shall be prepared on a form approved by the Department of ~~Health and Human Services~~Crime Control and Public Safety and shall include the following information:

- (1) The number of bingo games conducted or sponsored by the exempt organization;
- (2) The location and date at which each bingo game was conducted and the prize awarded;
- (3) The gross receipts of each bingo game;
- (4) The cost or amount of any prize given at each bingo game;
- (5) The amount paid in prizes at each session;
- (6) The net return to the exempt organization; and

- (7) The disbursements from the separate account and the purpose of those disbursements, including the date of each transaction and the name and address of each payee."

**SECTION 4.(b)** G.S. 14-309.11(d) reads as rewritten:

"(d) All books, papers, records and documents relevant to determining whether an organization has acted or is acting in compliance with this section shall be open to inspection by the law-enforcement agency or its designee, or the district attorney or his designee, or the Department of ~~Health and Human Services~~Crime Control and Public Safety at reasonable times and during reasonable hours."

**SECTION 5.** G.S. 14-313(b) reads as rewritten:

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

**N.C. LAW STRICTLY PROHIBITS**

**THE PURCHASE OF TOBACCO PRODUCTS**

**BY PERSONS UNDER THE AGE OF 18.**

**PROOF OF AGE REQUIRED.**

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

A person engaged in the sale of tobacco products shall demand proof of age from a prospective purchaser if the person has reasonable grounds to believe that the prospective purchaser is under 18 years of age. Failure to demand proof of age as required by this subsection is a Class 2 misdemeanor if in fact the prospective purchaser is under 18 years of age. Proof that the defendant demanded, was shown, and reasonably relied upon proof of age in the case of a retailer, or any other documentary or written evidence of age in the case of a nonretailer, or that the defendant relied on the electronic system established and operated by the Division of Motor Vehicles pursuant to G.S. 20-37.02, shall be a defense to any action brought under this subsection. Retail distributors of tobacco products shall train their sales employees in the requirements of this law."

**SECTION 6.** G.S. 20-28(a1) reads as rewritten:

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

- (1) At the time of the offense, the person's license was revoked solely under G.S. 20-16.5; and

- (2) a. The offense occurred more than ~~30~~45 days after the effective date of a revocation order issued under G.S. 20-16.5(f) and the period of revocation was ~~30~~45 days as provided under subdivision (3) of that subsection; or
- b. The offense occurred more than ~~40~~30 days after the effective date of the revocation order issued under any other provision of G.S. 20-16.5; or
- (3) At the time of the offense the person had met the requirements of G.S. 50-13.12, or G.S. 110-142.2 and was eligible for reinstatement of the person's drivers license privilege as provided therein.

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

**SECTION 7.** G.S. 25-3-118(h) reads as rewritten:

"(h) A ~~seal~~sealed instrument otherwise subject to this Article is governed by the time limits of G.S. 1-47(2)."

**SECTION 8.** G.S. 28A-13-3(c) reads as rewritten:

"(c) Prior to the personal representative exercising possession, custody or control over real property of the estate he shall petition the clerk of court to obtain an order authorizing such possession, custody or control. The petition shall include:

- (1) A description of the real property which is the subject of the petition;
- (2) The names, ages, and addresses, if known, of the devisees and heirs of the decedent;
- (3) A statement by the personal representative that he has determined that such possession, custody or control is in the best interest of the administration of the estate.

The devisees and heirs will be made parties to the proceeding by service of summons in the manner prescribed by law. If the clerk of court determines that it is in the best interest of the administration of the estate to authorize the personal representative to take possession, custody or control he shall grant an order authorizing that power. If a special proceeding has been instituted by the personal representative pursuant to G.S. 28A-15-1(c), the personal representative may petition for ~~sale, lease or mortgage~~possession, custody, or control of any real property as a part of that proceeding and is not required to institute a separate special proceeding."

**SECTION 9.** G.S. 28A-15-1(c) reads as rewritten:

"(c) If it shall be determined by the personal representative that it is in the best interest of the administration of the estate to sell, lease, or mortgage any real estate or interest therein to obtain money for the payment of debts and other claims against the decedent's estate, the personal representative shall institute a special proceeding before the clerk of superior court for such purpose pursuant to Article 17 of this Chapter, except that no such proceeding shall be required for a sale made pursuant to authority given by will. A general provision granting authority to the personal representative to sell the testator's real property, or incorporation by reference of the provisions of G.S. 32-27(2) shall be sufficient to eliminate the necessity for a proceeding under Article 17. If a special proceeding has been instituted by the personal representative pursuant to G.S. 28A-13-3(c), the personal representative may petition for ~~possession, custody or control~~sale, lease, or mortgage of any real property as a part of that proceeding and is not required to institute a separate special proceeding."

**SECTION 10.** G.S. 47A-17 reads as rewritten:

**"§ 47A-17. Termination of unit ownership; no bar to reestablishment.**

The removal provided for in ~~the preceding section~~ G.S. 47A-16 shall in no way bar the subsequent resubmission of the property to the provisions of this Article."

**SECTION 11.** G.S. 48-2-206(h) reads as rewritten:

"(h) Transfer under ~~G.S. 1-272~~ G.S. 1-301.2 and appeal under G.S. 1-279.1 shall be as for an adoption proceeding."

**SECTION 12.** G.S. 48-2-601 reads as rewritten:

**"§ 48-2-601. Hearing on, or disposition of, adoption petition; transfer of adoption proceeding; timing.**

(a) If it appears to the court that a petition to adopt a minor is not contested, the court may dispose of the petition without a formal hearing.

(a1) If an issue of fact, an equitable defense, or a request for equitable relief is raised before the clerk, the clerk shall transfer the proceeding to the district court under G.S. 1-301.2.

(b) No later than 90 days after a petition for adoption has been filed, the court shall set a date and time for hearing or disposing of the petition.

(c) The hearing or disposition must take place no later than six months after the petition is filed, but the court for cause may extend the time for the hearing or disposition."

**SECTION 13.(a)** G.S. 51-1(1)b. reads as rewritten:

"b. With the consequent declaration by the minister or magistrate that the persons are husband and wife; or"

**SECTION 13.(b)** Any marriage solemnized on or after October 1, 2001, and before the effective date of this act and otherwise valid is not invalid because the minister or magistrate failed to declare the persons husband and wife.

**SECTION 14.** G.S. 51-8 reads as rewritten:

**"§ 51-8. License issued by register of deeds.**

Every register of deeds shall, upon proper application, issue a license for the marriage of any two persons who are able to answer the questions regarding age, marital status, and intention to marry, and, based on the answers, the register of deeds determines the persons are authorized to be married in accordance with the laws of this State. In making a determination as to whether or not the parties are authorized to be married under the laws of this State, the register of deeds may require the applicants for the license to marry to present certified copies of birth certificates ~~or birth registration cards provided for in G.S. 130-73~~, or such other evidence as the register of deeds deems necessary to ~~such~~ the determination. The register of deeds may administer an oath to any person presenting evidence relating to whether or not parties applying for a marriage license are eligible to be married pursuant to the laws of this State. Each applicant for a marriage license shall provide on the application the applicant's social security number. If an applicant does not have a social security number and is ineligible to obtain one, the applicant shall present a statement to that effect, sworn to or affirmed before an officer authorized to administer oaths. Upon presentation of a sworn or affirmed statement, the register of deeds shall issue the license, provided all other requirements are met, and retain the statement with the register's copy of the license. The register of deeds shall not issue a marriage license unless all of the requirements of this section have been met."

**SECTION 15.** G.S. 55-1-20(j) is repealed.

**SECTION 16.** The catch line of G.S. 78C-20 reads as rewritten:

**"§ 78C-20. ~~Alternative methods~~ Methods of registration."**

**SECTION 17.** G.S. 59-73.33(b)(2) reads as rewritten:

"(2) To have appointed the Secretary of State as its registered agent for service of process in any such proceeding. Service on the Secretary of State of any such process shall be made by delivering to and leaving with the Secretary of State, or with any clerk authorized by the Secretary of State to accept service of process, duplicate copies of such process and the fee required by G.S. ~~59-35.2~~ ~~59-35.1(e)~~. Upon receipt of service of process on behalf of a surviving business entity in the manner provided for in this section, the Secretary of State shall immediately mail a copy of the process by registered or certified mail, return receipt requested, to the surviving business entity. If the surviving business entity is authorized to transact business or conduct affairs in this State, the address for mailing shall be its principal office designated in the latest document filed with the Secretary of State that is authorized by law to designate the principal office or, if there is no principal office on file, its registered office. If the surviving business entity is not authorized to transact business or conduct affairs in this State, the address for mailing shall be the mailing address designated pursuant to G.S. 59-73.32(a)(3)."

**SECTION 18.(a)** G.S. 114-10(2a) is recodified as G.S. 114-10.01.

**SECTION 18.(b)** G.S. 114-10.01, as recodified by Section 18(a) of this

act, reads as rewritten:

**"§ 114-10.01. Collection of traffic law enforcement statistics."**

~~(2a)~~(a) In addition to the duties set forth in G.S. 114-10, the Division of Criminal Statistics shall ~~to~~ collect, correlate, and maintain the following information regarding traffic law enforcement by law enforcement officers:

- a.~~(1)~~ The number of drivers stopped for routine traffic enforcement by law enforcement officers, the officer making each stop, the date each stop was made, the agency of the officer making each stop, and whether or not a citation or warning was ~~issued~~ issued.
- b.~~(2)~~ Identifying characteristics of the drivers stopped, including the race or ethnicity, approximate age, and ~~gender~~ gender.
- e.~~(3)~~ The alleged traffic violation that led to the ~~stop~~ stop.
- d.~~(4)~~ Whether a search was instituted as a result of the ~~stop~~ stop.
- e.~~(5)~~ Whether the vehicle, personal effects, driver, or passenger or passengers were searched, and the race or ethnicity, approximate age, and gender of each person ~~searched~~ searched.
- f.~~(6)~~ Whether the search was conducted pursuant to consent, probable cause, or reasonable suspicion to suspect a crime, including the basis for the request for consent, or the circumstances establishing probable cause or reasonable ~~suspicion~~ suspicion.
- g.~~(7)~~ Whether any contraband was found and the type and amount of any such ~~contraband~~ contraband.
- h.~~(8)~~ Whether any written citation or any oral or written warning was issued as a result of the ~~stop~~ stop.
- i.~~(9)~~ Whether an arrest was made as a result of either the stop or the ~~search~~ search.

- ~~j.~~(10) Whether any property was seized, with a description of that ~~property;~~property.
- ~~k.~~(11) Whether the officers making the stop encountered any physical resistance from the driver or passenger or ~~passengers;~~passengers.
- ~~l.~~(12) Whether the officers making the stop engaged in the use of force against the driver, passenger, or passengers for any ~~reason;~~reason.
- ~~m.~~(13) Whether any injuries resulted from the ~~stop;~~stop.
- ~~n.~~(14) Whether the circumstances surrounding the stop were the subject of any investigation, and the results of that ~~investigation;~~and investigation.
- ~~o.~~(15) The geographic location of the stop; if the officer making the stop is a member of the State Highway Patrol, the location shall be the Highway Patrol District in which the stop was made; for all other law enforcement officers, the location shall be the city or county in which the stop was made.

(b) For purposes of this ~~subdivision;~~section, "law enforcement officer" ~~means;~~means any of the following:

- ~~1.~~(1) All State law enforcement ~~officers;~~officers.
- ~~2.~~(2) Law enforcement officers employed by county sheriffs or county police ~~departments;~~departments.
- ~~3.~~(3) Law enforcement officers employed by police departments in municipalities with a population of 10,000 or more ~~and persons;~~and persons.
- ~~4.~~(4) Law enforcement officers employed by police departments in municipalities employing five or more full-time sworn officers for every 1,000 in population, as calculated by the Division for the calendar year in which the stop was made.

(c) The information required by this ~~subdivision;~~section need not be collected in connection with impaired driving checks under G.S. 20-16.3A or other types of roadblocks, vehicle checks, or checkpoints that are consistent with the laws of this State and with the State and federal constitutions, except when those stops result in a warning, search, seizure, arrest, or any of the other activity described in ~~sub-subdivisions d. through n. of this subdivision;~~subdivisions (4) through (14) of subsection (a) of this section.

(d) The identity of the law enforcement officer making the stop required by ~~sub-subdivision a. of this subdivision;~~subdivision (1) of subsection (a) of this section may be accomplished by assigning anonymous identification numbers to each officer in an agency. The correlation between the identification numbers and the names of the officers shall not be a public record, and shall not be disclosed by the agency except when required by order of a court of competent jurisdiction to resolve a claim or defense properly before the court.

(e) The Division shall publish and distribute by December 1 of each year a list indicating the law enforcement officers that will be subject to the provisions of this ~~subdivision;~~section during the calendar year commencing on the following January 1."

**SECTION 19.** G.S. 116-209.25(c1)(2) reads as rewritten:

"(2) The investment manager is subject to the jurisdiction and regulation of the United States ~~Security~~Securities and Exchange Commission."

**SECTION 20.** The introductory language of G.S. 143-640(c) reads as rewritten:



"(c) Membership. – The Commission shall consist of ~~28~~29 members, as follows:"

**SECTION 21.(a)** G.S. 163-119 reads as rewritten:

**"§ 163-119. Voting by unaffiliated voter in party primary.**

If a political party has, by action of its State Executive Committee reported to the State Board of Elections by resolution delivered no later than the first day of December preceding a primary, provided that unaffiliated voters may vote in the primary of that party, an unaffiliated voter may vote in the primary of that party by announcing that intention under ~~G.S. 163-150(a)~~G.S. 163-166.7(a). For a party to withdraw its permission, it must do so by action of its State Executive Committee, similarly reported to the State Board of Elections no later than the first day of December preceding the primary where the withdrawal is to become effective."

**SECTION 21.(b)** G.S. 163-122(b) reads as rewritten:

"(b) Form of Petition. – Petitions requesting an unaffiliated candidate to be placed on the general election ballot shall contain on the heading of each page of the petition in bold print or in all capital letters the words: "THE UNDERSIGNED REGISTERED VOTERS IN \_\_\_\_\_ COUNTY HEREBY PETITION ON BEHALF OF \_\_\_\_\_ AS AN UNAFFILIATED CANDIDATE FOR THE OFFICE OF \_\_\_\_\_ IN THE NEXT GENERAL ELECTION. THE UNDERSIGNED HEREBY PETITION THAT SUBJECT CANDIDATE BE PLACED ON THE APPROPRIATE BALLOT UPON COMPLIANCE WITH THE PROVISIONS CONTAINED IN G.S. 163-122."

**SECTION 21.(c)** G.S. 163-276 reads as rewritten:

**"§ 163-276. Convicted officials; removal from office.**

Any public official who shall be convicted of violating any provision of Article ~~13~~14A or 22 of this Chapter, in addition to the punishment provided by law, shall be removed from office by the judge presiding, and, if the conviction is for a felony, shall be disqualified from voting until his citizenship is restored as provided by law."

**SECTION 21.(d)** G.S. 163-278.9(4a) reads as rewritten:

"(4a) 48-Hour Report. – A political committee or political party that receives a contribution or transfer of funds from any political committee shall disclose within 48 hours of receipt a contribution or transfer of one thousand dollars (\$1,000) or more received before an election but after the period covered by the last preelection-report but due before an that election. The disclosure shall be by report to the State Board of Elections identifying the source and amount of the funds. The State Board of Elections shall specify the form and manner of making the report."

**SECTION 21.(e)** G.S. 163-278.9A(a)(2a) reads as rewritten:

"(2a) 48-Hour Report. – A referendum committee that receives a contribution or transfer of funds from any political committee shall disclose within 48 hours of receipt a contribution or transfer of one thousand dollars (\$1,000) or more received before a referendum but after the period covered by the last preelection-report but due before an election-that referendum. The disclosure shall be by report to the State Board of Elections identifying the source and amount of such funds. The State Board of Elections shall specify the form and manner of making the report."

**SECTION 21.(f)** G.S. 163-278.33 reads as rewritten:

**"§ 163-278.33. Applicability of Article 22.**

Sections 163-271 through 163-278 shall be applicable to the offices covered by this Article and ~~G.S. 163-269~~ G.S. 163-271 through 163-278 shall be applicable to all elective offices not covered by this Article."

**SECTION 21.(g)** G.S. 163-323(d) reads as rewritten:

"(d) Certificate That Candidate Is Registered Voter. – Candidates shall file along with their notice a certificate signed by the chairman of the board of elections or the ~~supervisor~~ director of elections of the county in which they are registered to vote, stating that the person is registered to vote in that county, and if the candidacy is for superior court judge and the county contains more than one superior court district, stating the superior court district of which the person is a resident. In issuing such certificate, the chairman or ~~supervisor~~ director shall check the registration records of the county to verify such information. During the period commencing 36 hours immediately preceding the filing deadline, the State Board of Elections shall accept, on a conditional basis, the notice of candidacy of a candidate who has failed to secure the verification ordered herein subject to receipt of verification no later than three days following the filing deadline. The State Board of Elections shall prescribe the form for such certificate, and distribute it to each county board of elections no later than the last Monday in December of each odd-numbered year."

**SECTION 21.(h)** Article 13A of Chapter 163 of the General Statutes is recodified as Article 14A of Chapter 163 of the General Statutes.

**SECTION 22.(a)** Section 1.2 of Chapter 282 of the 1967 Session Laws is codified as the last sentence of G.S. 20-126(a).

**SECTION 22.(b)** G.S. 20-126(a), as amended by Section 22(a) of this act, reads as rewritten:

"(a) No person shall drive a motor vehicle on the streets or highways of this State unless equipped with an inside rearview mirror of a type approved by the Commissioner, which provides the driver with a clear, undistorted, and reasonably unobstructed view of the highway to the rear of such vehicle; provided, a vehicle so constructed or loaded as to make such inside rearview mirror ineffective may be operated if equipped with a mirror of a type to be approved by the Commissioner located so as to reflect to the driver a view of the highway to the rear of such vehicle. A violation of this subsection shall not constitute negligence per se in civil actions. Farm tractors, self-propelled implements of husbandry and construction equipment and all self-propelled vehicles not subject to registration under this Chapter are exempt from the provisions of this section. Provided that pickup trucks equipped with an outside rearview mirror approved by the Commissioner shall be exempt from the inside rearview mirror provision of this section. Any inside mirror installed in any motor vehicle by its manufacturer shall be deemed to comply with the provisions of this ~~Act~~ subsection."

**SECTION 23.** Effective January 1, 2002, Section 8 of S.L. 2001-390 is repealed.

**PART II. FAMILY CARE HOME DEFINITION**

**SECTION 24.** G.S. 168-21(1) reads as rewritten:

"(1) "Family care home" means ~~an adult care~~ a home with support and supervisory personnel that provides room and board, personal care and

habilitation services in a family environment for not more than six resident handicapped persons."

### PART III. OTHER CHANGES

**SECTION 25.** G.S. 7A-39.3(b) reads as rewritten:

"(b) In addition to the compensation or retirement allowance he would otherwise be entitled to receive by law, each emergency justice or emergency judge recalled for temporary active service shall be paid by the State his actual expenses, plus ~~one hundred fifty dollars (\$150.00)~~ three hundred dollars (\$300.00) for each day of active service rendered upon recall. No recalled retired or emergency justice or judge shall receive from the State total annual compensation for judicial services in excess of that received by an active justice or judge of the bench to which the justice or judge is being recalled."

**SECTION 26.** G.S. 7B-3000(g) reads as rewritten:

"(g) Except as provided in subsection (d) of this section, a juvenile's record shall be destroyed only as authorized by G.S. 7B-3200 or by rules adopted by the ~~Department of Juvenile Justice and Delinquency Prevention~~ Administrative Office of the Courts."

**SECTION 27.** G.S. 10A-16 reads as rewritten:

**"§ 10A-16. Acts of notaries public in certain instances validated.**

(a) Any acknowledgment taken and any instrument notarized by a person prior to qualification as a notary public but after commissioning or recommissioning as a notary public, or by a person whose notary commission has expired, is hereby validated. The acknowledgment and instrument shall have the same legal effect as if the person qualified as a notary public at the time the person performed the act.

(b) All documents bearing a notarial seal and which contain any of the following errors are validated and given the same legal effect as if the errors had not occurred:

- (1) ~~in which the~~ The date of the expiration of the notary's commission is stated, whether correctly or erroneously, or having a ~~erroneously.~~
- (2) The notarial seal that ~~that~~ does not contain a readable impression of the notary's name, ~~or~~ contains an incorrect spelling of the notary's name, or ~~that~~ does not bear the name of the notary exactly as it appears on the commission, as required by ~~G.S. 10A-11, or where the~~ G.S. 10A-11.
- (3) The notary's signature does not comport exactly with the name on the notary commission or on the notary seal, as required by ~~G.S. 10A-9, or~~ G.S. 10A-9.
- (4) The notarial seal contains typed, printed, drawn, or handwritten material added to the seal, fails to contain the words "North Carolina" or the abbreviation "N. C.", or contains correct information except that instead of the abbreviation for North Carolina contains the abbreviation for another state ~~are validated and given the same legal effect as if the errors had not occurred.~~ state.

(c) All deeds of trust in which the notary was named in the document as a trustee only are validated.

(d) This section applies to notarial acts performed on or before ~~April 15, 2001~~ July 1, 2002."

**SECTION 28.** G.S. 14-234(d4) reads as rewritten:

"(d4) Subsection (a) of this section does not apply to an application for, or the receipt of a grant or other financial assistance from, the Tobacco Trust Fund created

under Article 75 of Chapter 143 of the General Statutes by a member of the Tobacco Trust Fund Commission or an entity in which a member of the Commission has an interest provided that the requirements of ~~G.S. 143-717(g)~~ G.S. 143-717(h) are met."

**SECTION 28.5.** If House Bill 1402, 2001 Session, becomes law, G.S. 15C-11, as enacted by that act, reads as rewritten:

**"§ 15C-11. Limited liability.**

The State, agencies of North Carolina, and their officers, officials, employees, and agents, both past and present, in their official and individual capacities, shall be immune and held harmless from any liability in any action brought by or on behalf of any person injured or harmed by the actions or inactions of these entities and individuals in implementing this Chapter. However, if ~~the Attorney General determines that~~ an employee's actions resulting in harm were not within the course and scope of the employee's duties, then that employee may be subject to suit as an individual to the extent permitted by the laws of the State of North Carolina."

**SECTION 29.** G.S. 17C-6(a) reads as rewritten:

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

- (1) Promulgate rules and regulations for the administration of this Chapter, which rules may require (i) the submission by any criminal justice agency of information with respect to the employment, education, retention, and training of its criminal justice officers, and (ii) the submission by any criminal justice training school of information with respect to its criminal justice training programs that are required by this ~~Chapter;~~Chapter.
- (2) Establish minimum educational and training standards that must be met in order to qualify for entry level employment and retention as a criminal justice officer in temporary or probationary status or in a permanent ~~position;~~position.
- (3) Certify and recertify, pursuant to the standards that it has established for the purpose, persons as qualified under the provisions of this Chapter to be employed at entry level and retained as criminal justice ~~officers;~~officers.
- (4) Establish minimum standards for the certification of criminal justice training schools and programs or courses of instruction that are required by this ~~Chapter;~~Chapter.
- (5) Certify and recertify, pursuant to the standards that it has established for the purpose, criminal justice training schools and programs or courses of instruction that are required by this ~~Chapter;~~Chapter.
- (6) Establish minimum standards and levels of education and experience for all criminal justice instructors and school directors who participate in programs or courses of instruction that are required by this ~~Chapter;~~Chapter.
- (7) Certify and recertify, pursuant to the standards that it has established for the purpose, criminal justice instructors and school directors who participate in programs or courses of instruction that are required by this ~~Chapter;~~Chapter.
- (8) Investigate and make such evaluations as may be necessary to

determine if criminal justice agencies, schools, and individuals are complying with the provisions of this ~~Chapter~~, Chapter.

- (9) Adopt and amend bylaws, consistent with law, for its internal management and ~~control~~, control.
- (10) Enter into contracts incident to the administration of its authority pursuant to this ~~Chapter~~, Chapter.
- (11) Establish minimum standards and levels of training for certification and periodic recertification of operators of and instructors for training programs in radio microwave, laser, and other electronic speed-measuring ~~instruments~~, instruments.
- (12) Certify and recertify, pursuant to the standards that it has established, operators and instructors for training programs for each approved type of radio microwave, laser, and other electronic speed-measuring ~~instruments~~, instruments.
- (13) In conjunction with the Secretary of Crime Control and Public Safety, approve use of specific models and types of radio microwave, laser, and other speed-measuring instruments and establish the procedures for operation of each approved instrument and standards for calibration and testing for accuracy of each approved instrument.
- (14) Establish minimum standards for in-service training for criminal justice officers."

**SECTION 30.** G.S. 20-11(j) reads as rewritten:

"(j) Duration and Fee. – A limited learner's permit expires on the eighteenth birthday of the permit holder. A limited provisional license expires on the eighteenth birthday of the license holder. A limited learner's permit or limited provisional license issued under this section that expires on a weekend or State holiday shall remain valid through the fifth regular State business day following the date of expiration. A full provisional license expires on the date set under G.S. 20-7(f). The fee for a limited learner's permit or a limited provisional license is ten dollars (\$10.00). The fee for a full provisional license is the amount set under G.S. 20-7(i)."

**SECTION 31.** G.S. 20-37.20(b) reads as rewritten:

"(b) Foreign Diplomat. – The Division must notify the United States Department of State within 15 days after it receives one ~~of~~ or more of the following reports for a holder of a ~~driver's~~ drivers license issued by the United States Department of State:

- (1) A report of a conviction for a violation of State law or local ordinance relating to motor vehicle traffic control, other than parking violations.
- (2) A report of a civil revocation order."

**SECTION 31.1.** If House Bill 1745, 2001 Session, becomes law, G.S. 20-63(b) reads as rewritten:

"(b) Every license plate shall have displayed upon it the registration number assigned to the vehicle for which it is issued, the name of the State of North Carolina, which may be abbreviated, and the year number for which it is issued or the date of expiration. A plate issued for a commercial vehicle, as defined in G.S. 20-4.2(1), and weighing 26,001 pounds or more, must bear the word "commercial," unless the plate is a special registration plate authorized in G.S. 20-79.4 or the commercial vehicle is a trailer or is licensed for 6,000 pounds or less. The plate issued for vehicles licensed for 7,000 pounds through 26,000 pounds must bear the word "weighted".

A registration plate issued by the Division for a private passenger vehicle or for a private hauler vehicle licensed for 6,000 pounds or less, other than a Friends of the

Great Smoky Mountains National Park special registration ~~plate,~~ plate or a Rocky Mountain Elk Foundation special registration plate shall be a "First in Flight" plate. A "First in Flight" plate shall have the words "First in Flight" printed at the top of the plate above all other letters and numerals. The background of the plate shall depict the Wright Brothers biplane flying over Kitty Hawk Beach, with the plane flying slightly upward and to the right."

**SECTION 31.5.(a)** If House Bill 314, 2001 Session, becomes law, the catch line of G.S. 20-196.3 is deleted and reads as rewritten: "**Who may hold supervisory positions over sworn members of the Patrol.**"

**SECTION 31.5.(b)** If House Bill 314, 2001 Session, becomes law, Section 18 of that act reads as rewritten:

"**SECTION 18.** This act becomes effective ~~December 1, 2002.~~ January 1, 2003."

**SECTION 32.** G.S. 20-354.6(2) reads as rewritten:

"(2) An itemized description of all labor, parts, and merchandise supplied and the costs of all labor, parts, and merchandise supplied. No itemized description is required to be provided to the ~~consumer~~ customer for labor, parts, and merchandise supplied when a third party has indicated to the motor vehicle repair shop that the repairs will be paid for under a service contract, under a mechanical breakdown contract, or under a manufacturer's warranty, without charge to the ~~consumer-customer.~~"

**SECTION 33.** Article 9A of Chapter 25 of the General Statutes (G.S. 25-9A-101 through G.S. 25-9A-102), as enacted by Section 1 of S.L. 2002-88, is recodified as Article 25 of Chapter 53 of the General Statutes (G.S. 53-425 through G.S. 53-426).

**SECTION 33.5.** G.S. 50-20(b)(4) reads as rewritten:

"(4) "Divisible property" means all real and personal property as set forth below:

- a. All appreciation and diminution in value of marital property and divisible property of the parties occurring after the date of separation and prior to the date of distribution, except that appreciation or diminution in value which is the result of postseparation actions or activities of a spouse shall not be treated as divisible property.
- b. All property, property rights, or any portion thereof received after the date of separation but before the date of distribution that was acquired as a result of the efforts of either spouse during the marriage and before the date of separation, including, but not limited to, commissions, bonuses, and contractual rights.
- c. Passive income from marital property received after the date of separation, including, but not limited to, interest and dividends.
- d. Increases and decreases in marital debt and financing charges and interest related to marital debt."

**SECTION 34.(a)** G.S. 59-73.12(a) reads as rewritten:

"(a) After a plan of conversion has been approved by the converting business entity as provided in G.S. 59-73.11, the converting business entity shall deliver articles of conversion to the Secretary of State for filing. The articles of conversion shall state:

- (1) That the domestic partnership is being formed pursuant to a conversion of another business entity;
- (2) The name of the resulting domestic partnership, a designation of its mailing address, and a commitment to file with the Secretary of State a statement of any subsequent change in its mailing address;
- (3) The name of the converting business entity, its type of business entity, and the state or country whose laws govern its organization and internal affairs; and
- (4) That a plan of conversion has been approved by the converting business entity as required by law.

If the resulting domestic partnership is to be a registered limited liability partnership when the conversion takes effect, then instead of ~~separately filing the converting business entity delivering the~~ articles of ~~conversion,~~ conversion to the Secretary of State ~~for filing,~~ the articles of conversion shall be included as part of the application for registration filed pursuant to G.S. 59-84.2 in addition to the matters otherwise required or permitted by law.

If the plan of conversion is abandoned after the articles of conversion have been filed with the Secretary of State but before the articles of conversion become effective, ~~the converting business entity an amendment to the articles of conversion withdrawing the articles of conversion shall deliver be delivered to the Secretary of State for filing prior to the time the articles of conversion become effective an amendment to the articles of conversion withdrawing the articles of conversion effective."~~

**SECTION 34.(b)** G.S. 59-1052 reads as rewritten:

**"§ 59-1052. Filing of certificate of limited ~~partnership by converting business entity.~~ partnership."**

(a) After a plan of conversion has been approved by the converting business entity as provided in G.S. 59-1051, ~~the converting business entity shall deliver a~~ certificate of limited partnership ~~shall be delivered~~ to the Secretary of State for filing. In addition to the matters required or permitted by G.S. 59-201, the certificate of limited partnership shall contain articles of conversion stating:

- (1) That the domestic limited partnership is being formed pursuant to a conversion of another business entity;
- (2) The name of the converting business entity, its type of business entity, and the state or country whose laws govern its organization and internal affairs; and
- (3) That a plan of conversion has been approved by the converting business entity in the manner required by law.

If the plan of conversion is abandoned after the certificate of limited partnership has been filed with the Secretary of State but before the certificate of limited partnership becomes effective, ~~the converting business entity an amendment withdrawing the certificate of limited partnership shall deliver be delivered to the Secretary of State for filing prior to the time the articles of organization become effective an amendment to the certificate of limited partnership withdrawing the certificate of limited partnership effective.~~

(b) The conversion takes effect when the certificate of limited partnership becomes effective.

(c) Repealed by Session Laws 2001-387, s. 141.

(d) Certificates of conversion shall also be registered as provided in G.S. 47-18.1."

**SECTION 35.(a)** G.S. 70-28(1) reads as rewritten:

"(1) "Chief Archaeologist" means the Chief ~~Archaeologist, Archaeology Branch, Archaeology and Historic Preservation Section, Division of~~ the Office of Archives and History, Department of Cultural Resources."

**SECTION 35.(b)** G.S. 70-48(5) reads as rewritten:

"(5) "State Archaeologist" means the head of the ~~Archaeology Branch, Archaeology and Historic Preservation Section, Division~~ Section of the Office of Archives and History, Department of Cultural Resources."

**SECTION 35.(c)** G.S. 70-49(a) reads as rewritten:

"(a) The Department of Cultural Resources, ~~Division~~ Office of Archives and History shall establish the North Carolina Archaeological Record Program. The purpose of the Program shall be to assist private owners of archaeological resources in the preservation and protection of those resources. Participation in the Program shall be voluntary."

**SECTION 35.(d)** G.S. 74-50(b3)(7) reads as rewritten:

"(7) ~~Division~~ Office of Archives and History, Department of Cultural Resources."

**SECTION 35.(e)** G.S. 105-129.36(b)(4) reads as rewritten:

"(4) State Historic Preservation Officer. – The ~~Director of the Division of Archives and History or the Director's Deputy Secretary of Archives and History or the Deputy Secretary's~~ designee who acts to administer the historic preservation programs within the State."

**SECTION 35.(f)** G.S. 120-37(f) reads as rewritten:

"(f) Following adjournment sine die of each session of the General Assembly, each principal clerk shall retain in his office for a period of two years every bill and resolution considered by but not enacted or adopted by his house, together with the calendar books and other records deemed worthy of retention. At the end of two years, these materials shall be turned over to the ~~Division~~ Office of Archives and History of the Department of Cultural Resources for ultimate retention or disposition."

**SECTION 35.(g)** G.S. 121-7 reads as rewritten:

**"§ 121-7. Historical museums.**

(a) The Department of Cultural Resources shall maintain and administer State historic attractions under the management of the ~~Division~~ Office of Archives and History ~~and the North Carolina Museum of History Division~~ for the collection, preservation, study, and exhibition of authentic artifacts and other historical materials relating to the history and heritage of North Carolina. The Department, with the approval of the Historical Commission, may acquire, either by purchase, gift, or loan such artifacts and materials, and, having acquired them, shall according to accepted museum practices classify, accession, preserve, and where feasible exhibit such materials and make them available for study. Within available funds, one or more branch museums of history or specialized regional history museums may be established and administered by the Department. The Department of Cultural Resources, subject to the availability of staff and funds, may give financial, technical, and professional assistance to nonstate historical museums sponsored by governmental agencies and nonprofit organizations according to regulations adopted by the North Carolina Historical Commission.



The Department of Cultural Resources may, with the explicit approval of the North Carolina Historical Commission sell, trade, or place on permanent loan any artifact owned by the State of North Carolina and in the custody of and curated by the ~~Museum of History Division or Division Office~~ of Archives and History, unless the sale, trade, or loan would be contrary to the terms of acquisition. The net proceeds of any sale, after deduction of the expenses attributable to that sale, shall be deposited to the State treasury to the credit of ~~either the Division Office of Archives and History Artifact Fund or the Museum of History Artifact Fund, as appropriate,~~ and shall be used only for the purchase of other artifacts. No artifact curated by any agency of the Department of Cultural Resources may be pledged or mortgaged.

(b) Insofar as practicable, the ~~Division Office~~ of Archives and History shall accession and maintain records showing provenance, value, location, and other pertinent information on such furniture, furnishings, decorative items, and other objects as have historical or cultural importance and which are owned by or to be acquired by the State for use in the State Capitol and the Executive Mansion, and, upon request of the Department of Administration, any other state-owned building. When any such item or object has been entered in the accession records of the ~~Division Office~~ of Archives and History, the custodian of such item or object shall, upon its removal from the premises upon which it was located or when it is otherwise disposed of, submit to the ~~Division Office~~ of Archives and History sufficient details concerning its removal or disposition to permit an adequate entry in the accession records to the end that its location or disposition, and authority for such change, shall be shown therein.

(c) Title to an artifact whose ownership is unknown or whose owner cannot be located passes to the Department of Cultural Resources if:

- (1) The artifact was placed on loan with the ~~Division Office~~ of Archives and History ~~or the North Carolina Museum of History Division~~ for a period of time exceeding five years or for an indefinite period of time or the artifact's status with the ~~Division Office~~ of Archives and History ~~or the North Carolina Museum of History Division~~ as a loan, gift, purchase, or other arrangement is unknown; and
- (2) The artifact has been a part of the inventory of the ~~Division Office~~ of Archives and History ~~or the North Carolina Museum of History Division~~ for more than five years; and
- (3) The Department of Cultural Resources makes a reasonable effort, including a diligent search of its own ~~records~~ records, to locate and inform the owner, his heirs or successors, that ~~either the Division Office of Archives and History or the North Carolina Museum of History Division~~ is holding the artifact and to clarify the artifact's status with that ~~Division Office~~.

To initiate the procedure to clarify title to an artifact, the Department of Cultural Resources shall mail, first class postage prepaid, a notice to the last known address of the owner of the artifact or the last known address of the owner's heirs or successors. The Department need not mail a notice, if after exercising due diligence to find a record within the Department of Cultural Resources indicating the owner of the artifact and his latest address, that information is not available. If no claim is made within 90 days from the date that notice is mailed, the Department of Cultural Resources shall publish a notice in three papers of general circulation once a week for four consecutive weeks. If, at the end of 30 days, no claim of ownership is submitted to the Department of Cultural Resources, the Department may determine that legal title to the artifact is vested in the

~~Division-Office of Archives and History or the North Carolina Museum of History~~  
~~Division-History.~~

(d) Any person claiming legal title to an artifact to which the North Carolina ~~Division-Office of Archives and History or the North Carolina Museum of History~~ ~~Division~~ also claims title as provided by subsection (c) may file a claim with the Department of Cultural Resources on a form prescribed by the Department. If the claimant is not the owner from whom the Department originally obtained the artifact, the claimant shall state in addition to any other information required by the Department, the facts surrounding the unavailability of the person who originally loaned or bestowed the property to the ~~Division-Office of Archives and History or the North Carolina Museum of History~~ ~~Division~~ and the basis for the claim to title of the artifact. If the Department of Cultural Resources is satisfied that the claim is valid and that the claimant is the legal owner of the artifact, the Department shall return the artifact to the owner. If the Department determines that the claim is not valid and rejects the claim to the artifact, the claimant may appeal the determination as provided by Chapter 150B."

**SECTION 35.(h)** G.S. 121-8(b) reads as rewritten:

"(b) Surveys of Historic Properties. – The Department of Cultural Resources shall conduct a continuing statewide survey to identify, document, and record properties having historical, architectural, archaeological, or other cultural significance to the State, its communities, and the nation. Upon approval of the North Carolina Historical Commission, the ~~Director of the Division~~ Deputy Secretary of Archives and History or his designee as the State Historic Preservation Officer, may nominate appropriate properties for entry in the National Register of Historic Places as established by the National Historic Preservation Act of 1966, Public Law 89-665, 16 U.S.C. section 470. The Department of Cultural Resources shall maintain a permanent file containing research reports, descriptions, photographs, and other appropriate documentation relating to properties deemed worthy of inclusion in the statewide survey."

**SECTION 35.(i)** G.S. 132-6.1(b) reads as rewritten:

"(b) Every public agency shall create an index of computer databases compiled or created by a public agency on the following schedule:

State agencies by July 1, 1996;

Municipalities with populations of 10,000 or more, counties with populations of 25,000 or more, as determined by the 1990 U.S. Census, and public hospitals in those counties, by July 1, 1997;

Municipalities with populations of less than 10,000, counties with populations of less than 25,000, as determined by the 1990 U.S. Census, and public hospitals in those counties, by July 1, 1998;

Political subdivisions and their agencies that are not otherwise covered by this schedule, after June 30, 1998.

The index shall be a public record and shall include, at a minimum, the following information with respect to each database listed therein: a list of the data fields; a description of the format or record layout; information as to the frequency with which the database is updated; a list of any data fields to which public access is restricted; a description of each form in which the database can be copied or reproduced using the agency's computer facilities; and a schedule of fees for the production of copies in each available form. Electronic databases compiled or created prior to the date by which the index must be created in accordance with this subsection may be indexed at the public agency's option. The form, content, language, and guidelines for the index and the

databases to be indexed shall be developed by the ~~Division~~Office of Archives and History in consultation with officials at other public agencies."

**SECTION 35.(j)** G.S. 143B-127 reads as rewritten:

**"§ 143B-127. Contracts with registered groups.**

The Department of Cultural Resources, ~~Division~~Office of Archives and History shall sign contracts for the performance of military historical dramas on State-owned property only with historical military reenactment groups properly registered pursuant to this Part."

**SECTION 35.(k)** G.S. 143B-62 reads as rewritten:

**"§ 143B-62. North Carolina Historical Commission – creation, powers and duties.**

There is hereby created the North Carolina Historical Commission of the Department of Cultural Resources to give advice and assistance to the Secretary of Cultural Resources and to promulgate rules and regulations to be followed in the acquisition, disposition, preservation, and use of records, artifacts, real and personal property, and other materials and properties of historical, archaeological, architectural, or other cultural value, and in the extension of State aid to other agencies, counties, municipalities, organizations, and individuals in the interest of historic preservation.

(1) The Historical Commission shall have the following powers and duties:

- a. To advise the Secretary of Cultural Resources on the scholarly editing, writing, and publication of historical materials to be issued under the name of the ~~Department~~Department.
- b. To evaluate and approve proposed nominations of historic, archaeological, architectural, or cultural properties for entry on the National Register of Historic ~~Places~~Places.
- c. To evaluate and approve the State plan for historic preservation as provided for in Chapter ~~121~~121.
- d. To evaluate and approve historic, archaeological, architectural, or cultural properties proposed to be acquired and administered by the ~~State~~State.
- e. To evaluate and prepare a report on its findings and recommendations concerning any property not owned by the State for which State aid or appropriations are requested from the Department of Cultural Resources, and to submit its findings and recommendations in accordance with Chapter ~~121~~121.
- f. To serve as an advisory and coordinative mechanism in and by which State undertakings of every kind that are potentially harmful to the cause of historic preservation within the State may be discussed, and where possible, resolved, particularly by evaluating and making recommendations concerning any State undertaking which may affect a property that has been entered on the National Register of Historic Places as provided for in Chapter 121 of the General Statutes of North ~~Carolina~~Carolina.
- g. To exercise any other powers granted to the Commission by provisions of Chapter 121 of the General Statutes of North ~~Carolina~~Carolina.
- h. To give its professional advice and assistance to the Secretary of Cultural Resources on any matter which the Secretary may

- refer to it in the performance of the Department's duties and responsibilities provided for in Chapter 121 of the General Statutes of North ~~Carolina~~; Carolina.
- i. To serve as a search committee to seek out, interview, and recommend to the Secretary of Cultural Resources one or more experienced and professionally trained historian(s) for either the position of ~~Director of the Division~~ Deputy Secretary of Archives and History or the position of the ~~Director of the North Carolina Museum of History Division~~ when a vacancy occurs, and to assist and cooperate with the Secretary in periodic reviews of the performance of the ~~Directors and the Divisions~~; and Deputy Secretary.
  - j. To assist and advise the Secretary of Cultural Resources and the ~~Director of the Division~~ Deputy Secretary of Archives and History, and the ~~Director of the North Carolina Museum of History Division~~ History in the development and implementation of plans and priorities for the State's historical programs.
- (2) The Historical Commission shall have the power and duty to establish standards and provide rules and regulations as follows:
- a. For the acquisition and use of historical materials suitable for acceptance in the North Carolina ~~Division~~ Office of Archives and History or the ~~North Carolina Museum of History Division~~; History.
  - b. For the disposition of public records under provisions of Chapter 121 of the General Statutes of North ~~Carolina~~; and Carolina.
  - c. For the certification of records in the North Carolina State Archives as provided in Chapter 121 of the General Statutes of North ~~Carolina~~; Carolina.
  - d. For the use by the public of historic, architectural, archaeological, or cultural properties as provided in Chapter 121 of the General Statutes of North ~~Carolina~~; Carolina.
  - e. For the acquisition of historic, archaeological, architectural, or cultural properties by the ~~State~~; State.
  - f. For the extension of State aid or appropriations through the Department of Cultural Resources to counties, municipalities, organizations, or individuals for the purpose of historic preservation or ~~restoration~~; and restoration.
  - fl. For the extension of State aid or appropriations through the Department of Cultural Resources to nonstate-owned nonprofit history ~~museums~~; museums.
  - g. For qualification for grants-in-aid or other assistance from the federal government for historic preservation or restoration as provided in Chapter 121 of the General Statutes of North Carolina. This section shall be construed liberally in order that the State and its citizens may benefit from such grants-in-aid.
- (3) The Commission shall adopt rules and regulations consistent with the provisions of this section. All current rules and regulations heretofore

adopted by the Executive Board of the State Department of Archives and History, the Historic Sites Advisory Committee, the North Carolina Advisory Council on Historical Preservation, the Executive Mansion Fine Arts Commission, and the Memorials Commission shall remain in full force and effect unless and until repealed or superseded by action of the Historical Commission. All rules and regulations adopted by the Commission shall be enforced by the Department of Cultural Resources."

**SECTION 35.(1)** G.S. 143B-132 reads as rewritten:

**"§ 143B-132. Andrew Jackson Historic Memorial Committee.**

(a) The State of North Carolina and its citizens have long noted and recognized the origins and early life of Andrew Jackson, the nation's seventh president, in the Waxhaw region along the North Carolina-South Carolina border. It is important that this State recognize the origins and early life of this outstanding national leader in Western North Carolina. It is necessary to plan an appropriate memorial in Union County, North Carolina, to commemorate and display for all Americans the origins and early life of Andrew Jackson.

(b) There is created an Andrew Jackson Historic Memorial Committee to consist of 12 members, six appointed by the Speaker of the House of Representatives and six appointed by the President Pro Tempore of the Senate. Members shall serve four-year terms. Vacancies shall be filled by the appointing officer for the unexpired term.

(c) The primary duties and responsibilities of the Committee are:

- (1) To assist the ~~Division-Office~~ of Archives and History, Department of Cultural Resources in determining the need for a permanent memorial to honor Andrew Jackson and to commemorate and display the origins and early life of Jackson in the Waxhaw ~~region;~~region.
- (2) To assist the ~~Division-Office~~ of Archives and History, Department of Cultural Resources in determining the location, design, content, and form of a memorial, if the Committee determines that one is needed, at one of the sites associated with the early life of Andrew ~~Jackson;~~Jackson.
- (3) To assist the ~~Division-Office~~ of Archives and History, Department of Cultural Resources in determining the most appropriate methods for proceeding with the establishment and operation of the memorial, including methods for obtaining the necessary financial resources for property acquisition, capital expenditures, and operational ~~expenses;~~ and expenses.
- (4) To select appropriate qualified researchers and research institutions to assist the Committee in undertaking any required studies to complete the Committee's duties and responsibilities.

(d) Members of this Committee may not receive per diem, travel reimbursement, or subsistence allowances.

(e) Administrative and staff services for the Committee shall be provided by the ~~Division-Office~~ of Archives and History, Department of Cultural Resources, which shall also provide the Committee with information in its possession relating to past research concerning the origins and early life of Andrew Jackson. In addition, the ~~Division Office~~ of Archives and History, Department of Cultural Resources shall assist the Committee in preparing a report for submission to the General Assembly.

(f) Funds for the operation of the Committee shall be provided by the Department of Cultural Resources."

**SECTION 35.(m)** G.S. 160A-400.6 reads as rewritten:

**"§ 160A-400.6. Required landmark designation procedures.**

As a guide for the identification and evaluation of landmarks, the commission shall undertake, at the earliest possible time and consistent with the resources available to it, an inventory of properties of historical, architectural, prehistorical, and cultural significance within its jurisdiction. Such inventories and any additions or revisions thereof shall be submitted as expeditiously as possible to the ~~Division~~Office of Archives and History. No ordinance designating a historic building, structure, site, area or object as a landmark nor any amendment thereto may be adopted, nor may any property be accepted or acquired by a preservation commission or the governing board of a municipality, until all of the following procedural steps have been taken:

- (1) The preservation commission shall (i) prepare and adopt rules of procedure, and (ii) prepare and adopt principles and guidelines, not inconsistent with this Part, for altering, restoring, moving, or demolishing properties designated as landmarks.
- (2) The preservation commission shall make or cause to be made an investigation and report on the historic, architectural, prehistorical, educational or cultural significance of each building, structure, site, area or object proposed for designation or acquisition. Such investigation or report shall be forwarded to the ~~Division~~Office of Archives and History, North Carolina Department of Cultural Resources.
- (3) The Department of Cultural Resources, acting through the State Historic Preservation Officer shall either upon request of the department or at the initiative of the preservation commission be given an opportunity to review and comment upon the substance and effect of the designation of any landmark pursuant to this Part. Any comments shall be provided in writing. If the Department does not submit its comments or recommendation in connection with any designation within 30 days following receipt by the Department of the investigation and report of the commission, the commission and any city or county governing board shall be relieved of any responsibility to consider such comments.
- (4) The preservation commission and the governing board shall hold a joint public hearing or separate public hearings on the proposed ordinance. Reasonable notice of the time and place thereof shall be given. All meetings of the commission shall be open to the public, in accordance with the North Carolina Open Meetings Law, Chapter 143, Article 33C.
- (5) Following the joint public hearing or separate public hearings, the governing board may adopt the ordinance as proposed, adopt the ordinance with any amendments it deems necessary, or reject the proposed ordinance.
- (6) Upon adoption of the ordinance, the owners and occupants of each designated landmark shall be given written notification of such designation insofar as reasonable diligence permits. One copy of the ordinance and all amendments thereto shall be filed by the

preservation commission in the office of the register of deeds of the county in which the landmark or landmarks are located. Each designated landmark shall be indexed according to the name of the owner of the property in the grantee and grantor indexes in the register of deeds office, and the preservation commission shall pay a reasonable fee for filing and indexing. In the case of any landmark property lying within the zoning jurisdiction of a city, a second copy of the ordinance and all amendments thereto shall be kept on file in the office of the city or town clerk and be made available for public inspection at any reasonable time. A third copy of the ordinance and all amendments thereto shall be given to the city or county building inspector. The fact that a building, structure, site, area or object has been designated a landmark shall be clearly indicated on all tax maps maintained by the county or city for such period as the designation remains in effect.

- (7) Upon the adoption of the landmarks ordinance or any amendment thereto, it shall be the duty of the preservation commission to give notice thereof to the tax supervisor of the county in which the property is located. The designation and any recorded restrictions upon the property limiting its use for preservation purposes shall be considered by the tax supervisor in appraising it for tax purposes."

**SECTION 35.(n)** G.S. 163-278.22 reads as rewritten:

**"§ 163-278.22. Duties of State Board.**

It shall be the duty and power of the State Board:

- (1) To prescribe forms of statements and other information required to be filed by this Article, to furnish such forms to the county boards of elections and individuals, media or others required to file such statements and information, and to prepare, publish and distribute or cause to be distributed to all candidates at the time they file notices of candidacy a manual setting forth the provisions of this Article and a prescribed uniform system for accounts required to file statements by this ~~Article;~~Article.
- (2) To accept and file any information voluntarily supplied that exceeds the requirements of this ~~Article;~~Article.
- (3) To develop a filing, coding, and cross-indexing system consonant with the purposes of this ~~Article;~~Article.
- (4) To make statements and other information filed with it available to the public at a charge not to exceed actual cost of ~~copying;~~copying.
- (5) To preserve reports and statements filed under this Article. Such reports and statements, after a period of two years following the election year, may be transferred to the Department of Cultural Resources, ~~Division~~Office of Archives and History, and shall be preserved for a period of 10 years.
- (6) To prepare and publish such reports as it may deem ~~appropriate;~~appropriate.
- (7) To make investigations to the extent the Board deems necessary with respect to statements filed under the provisions of this Article and with respect to alleged failures to file any statement required under the provisions of this Article, and, upon complaint under oath by any

registered voter, with respect to alleged violations of any part of this ~~Article; and Article.~~

- (8) After investigation, to report apparent violations by candidates, political committees, referendum committees, individuals or persons to the proper district attorney as provided in G.S. 163-278.27.
- (9) To prescribe and furnish forms of statements and other material to the county boards of elections for distribution to candidates and committees required to be filed with the county boards.
- (10) To instruct the chairman and director of elections of each county board as to their respective duties and responsibilities relative to the administration of this Article.
- (11) To require appropriate certification of delinquent or late filings from the county boards of elections and to execute the same responsibilities relative to such reports as provided in G.S. 163-278.27.
- (12) To assist county boards of elections in resolving questions arising from the administration of this Article.
- (13) To require county boards of elections to hold such hearings, make such investigations, and make reports to the State Board as the State Board deems necessary in the administration of this Article.
- (14) To calculate, assess, and collect civil penalties pursuant to this Article."

**SECTION 36.(a)** G.S. 87-21 is amended by adding a new subsection to read:

"(i) The provisions of this Article shall not apply to a retailer, as defined in G.S. 105-164.3(35), who, in the ordinary course of business, enters into a transaction with a buyer in which the retailer of a good and the services necessary for the installation of the good, contracts with a licensee under this Article to provide the installation services if the contract, containing the licensee's license number, is signed by the buyer, the retailer, and the licensee. All services rendered pursuant to this section by the licensee must be performed in compliance with all local permit and inspection requirements."

**SECTION 36.(b)** This section becomes effective March 1, 2003.

**SECTION 37.** G.S. 90-85.3(b1) and (r) read as rewritten:

**"§ 90-85.3. Definitions.**

...

(b1) "Clinical pharmacist practitioner" means a licensed pharmacist who meets the guidelines and criteria for such title established by the joint subcommittee of the North Carolina Medical Board and the North Carolina Board of Pharmacy and is authorized to enter into drug therapy management agreements with physicians in accordance with the provisions of ~~G.S. 90-18.3-G.S. 90-18.4.~~

...

(r) "Practice of pharmacy" means the responsibility for: interpreting and evaluating drug orders, including prescription orders; compounding, dispensing and labeling prescription drugs and devices; properly and safely storing drugs and devices; maintaining proper records; and controlling pharmacy goods and services. A pharmacist may advise and educate patients and health care providers concerning therapeutic values, content, uses and significant problems of drugs and devices; assess, record and report adverse drug and device reactions; take and record patient histories relating to drug and device therapy; monitor, record and report drug therapy and device usage; perform drug utilization reviews; and participate in drug and drug source selection and



device and device source selection as provided in G.S. 90-85.27 through G.S. 90-85.31. A pharmacist who has received special training may be authorized and permitted to administer drugs pursuant to a specific prescription order in accordance with rules adopted by each of the Boards of Pharmacy, the Board of Nursing, and the North Carolina Medical Board. The rules shall be designed to ensure the safety and health of the patients for whom such drugs are administered. An approved clinical pharmacist practitioner may collaborate with physicians in determining the appropriate health care for a patient, subject to the provisions of ~~G.S. 90-18.3~~ G.S. 90-18.4.

...."

**SECTION 37.5.(a)** G.S. 115C-302.1(j) reads as rewritten:

"(j) Parental Leave. – A teacher may use annual leave, personal leave, or leave without pay to care for a newborn child or for a child placed with the teacher for adoption or foster care. A teacher may also use up to 30 days of sick leave to care for a child placed with the teacher for adoption. The leave may be for consecutive workdays during the first 12 months after the date of birth or placement of the child, unless the teacher and local board of education agree otherwise."

**SECTION 37.5.(b)** Article 23 of Chapter 115C of the General Statutes is amended by adding the following new section to read:

**§ 115C-336.1. Parental leave.**

A school employee may use annual leave or leave without pay to care for a newborn child or for a child placed with the employee for adoption or foster care. A school employee may also use up to 30 days of sick leave to care for a child placed with the employee for adoption. The leave may be for consecutive workdays during the first 12 months after the date of birth or placement of the child, unless the school employee and the local board of education agree otherwise."

**SECTION 38.** G.S. 116-22(2), as amended by Section 9.11(a) of S.L. 2002-126, reads as rewritten:

"(2) "Student" shall mean a person enrolled in and attending an ~~institution's main permanent campus institution~~ located in the State who qualifies as a resident of North Carolina in accordance with definitions of residency that may from time to time be adopted by the Board of Governors of the University of North Carolina and published in the residency manual of said Board; and a person who has not received a bachelor's degree, or qualified therefor, and who is otherwise classified as an undergraduate under such regulations as the Board of Governors of the University of North Carolina may promulgate. The enrollment figures required by G.S. 116-19 through 116-22 shall be the number of full-time equivalent students as computed under regulations prescribed by the Board of Governors of the University of North Carolina. Qualification for in-State tuition under G.S. 116-143.3 makes a person a "student" as defined in this subdivision."

**SECTION 39.** G.S. 120-3(a) reads as rewritten:

"(a) The Speaker of the House shall be paid an annual salary of thirty-eight thousand one hundred fifty-one dollars (\$38,151) payable monthly, and an expense allowance of one thousand four hundred thirteen dollars (\$1,413) per month. The President Pro Tempore of the Senate shall be paid an annual salary of thirty-eight thousand one hundred fifty-one dollars (\$38,151) payable monthly, and an expense allowance of one thousand four hundred thirteen dollars ~~(1,413)~~ (\$1,413) per month. The Speaker Pro Tempore of the House shall be paid an annual salary of twenty-one

thousand seven hundred thirty-nine dollars (\$21,739) payable monthly, and an expense allowance of eight hundred thirty-six dollars ~~(836.00)~~ (\$836.00) per month. The Deputy President Pro Tempore of the Senate shall be paid an annual salary of twenty-one thousand seven hundred thirty-nine dollars (\$21,739) payable monthly, and an expense allowance of eight hundred thirty-six dollars (\$836.00) per month. The majority and minority leaders in the House and the majority and minority leaders in the Senate shall be paid an annual salary of seventeen thousand forty-eight dollars (\$17,048) payable monthly, and an expense allowance of six hundred sixty-six dollars (\$666.00) per month."

**SECTION 40.(a)** G.S. 122C-118.1(a) reads as rewritten:

"(a) An area board shall have no fewer than 11 and no more than 25 members. In a single-county area authority, the members shall be appointed by the board of county commissioners. Except as otherwise provided, in areas consisting of more than one county, each board of county commissioners within the area shall appoint one commissioner as a member of the area board. These members shall appoint the other members. The boards of county commissioners within the multicounty area shall have the option to appoint the members of the area board in a manner other than as required under this section by adopting a resolution to that effect. The boards of county commissioners in a multicounty area authority shall indicate in the business plan each board's method of appointment of the area board members in accordance with ~~G.S. 122C-155.2(b)~~ G.S. 122C-115.2(b). These appointments shall take into account sufficient citizen participation, equitable representation of the disability groups, and equitable representation of participating counties. Individuals appointed to the board shall include an individual with financial expertise or a county finance officer, an individual with expertise in management or business, and an individual representing the interests of children. A member of the board may be removed with or without cause by the initial appointing authority. Vacancies on the board shall be filled by the initial appointing authority before the end of the term of the vacated seat or within 90 days of the vacancy, whichever occurs first, and the appointments shall be for the remainder of the unexpired term."

**SECTION 40.(b)** G.S. 122C-143.2(c) reads as rewritten:

"(c) The Memorandum of Agreement shall include the area authority activities that will be supported by grants allocated in accordance with ~~G.S. 147.1(e)(2)~~ G.S. 122C-147.1(d)(2)."

**SECTION 41.** G.S. 131E-184(d) reads as rewritten:

"(d) ~~The~~ In accordance with, and subject to the limitations of G.S. 148-19.1, the Department shall exempt from certificate of need review persons contracting to provide the construction and operation of a new chemical dependency or substance abuse facility for the purpose of providing inpatient chemical dependency or substance abuse services solely to inmates of the Department of Correction, as described in G.S. 148-19.1-Correction. If an inpatient chemical dependency or substance abuse facility provides services both to inmates of the Department of Correction and to members of the general public, only the portion of the facility that serves inmates shall be exempt from certificate of need review."

**SECTION 41.5.** G.S. 136-176(a1)(1) reads as rewritten:

"(a1) The Department may use two hundred twenty million dollars (\$220,000,000) in fiscal year 2001-2002, two hundred five million dollars (\$205,000,000) in fiscal year 2002-2003, and two hundred fifty-five million dollars (\$255,000,000) in fiscal year 2003-2004 of the cash balance of the Highway Trust Fund for the following purposes:

- (1) For primary route pavement preservation. – One hundred seventy million dollars (\$170,000,000) in fiscal year 2001-2002, and one hundred fifty million dollars (\$150,000,000) in each of the fiscal years 2002-2003 and 2003-2004. Up to ten percent (10%) of the amount for each of the fiscal years 2001-2002, 2002-2003, and 2003-2004 is available in that fiscal year, at the discretion of the Secretary of Transportation, ~~for~~ for:
- a. ~~highway~~ Highway improvement projects that further economic growth and development in small urban and rural areas, that are in the Transportation Improvement Program, and that are individually approved by the Board of ~~Transportation~~ Transportation; or
  - b. Highway improvements that further economic development in the State and that are individually approved by the Board of Transportation.

...."

**SECTION 42.** G.S. 143-128(b) and (f1) read as rewritten:

**"§ 143-128. Requirements for certain building contracts.**

...

(b) Separate-prime contracts. – When the State, county, municipality, or other public body uses the separate-prime contract system, it shall accept bids for each subdivision of work for which specifications are required to be prepared under subsection (a) of this section and shall award the respective work specified separately to responsible and reliable persons, firms or corporations regularly engaged in their respective lines of work. When the estimated cost of work to be performed in any single subdivision or branch for which separate bids are required by this subsection is less than twenty-five thousand dollars (\$25,000), the same may be included in the contract for one of the other subdivisions or branches of the work, irrespective of total project cost. The contracts shall be awarded to the lowest responsible, responsive bidders, taking into consideration quality, performance, the time specified in the bids for performance of the contract, and compliance with G.S. 143-128.2. Bids may also be accepted from and awards made to separate contractors for other categories of work.

Each separate contractor shall be directly liable to the State of North Carolina, or to the county, municipality, or other public body and to the other separate contractors for the full performance of all duties and obligations due respectively under the terms of the separate contracts and in accordance with the plans and specifications, which shall specifically set forth the duties and obligations of each separate contractor. For the purpose of this section, "separate contractor" means any person, firm or corporation who shall enter into a contract with the State, or with any county, municipality, or other public entity to erect, construct, alter or repair any building or buildings, or parts of any building or buildings.

...

(f1) Dispute resolution. – A public entity shall use the dispute resolution process adopted by the State Building Commission pursuant to ~~G.S. 143-135.26(12)~~, G.S. 143-135.26(11), or shall adopt another dispute resolution process, which shall include mediation, to be used as an alternative to the dispute resolution process adopted by the State Building Commission. This dispute resolution process will be available to all the parties involved in the public entity's construction project including the public entity, the architect, the construction manager, the contractors, and the first-tier and lower-tier

subcontractors and shall be available for any issues arising out of the contract or construction process. The public entity may set a reasonable threshold, not to exceed fifteen thousand dollars (\$15,000), concerning the amount in controversy that must be at issue before a party may require other parties to participate in the dispute resolution process. The public entity may require that the costs of the process be divided between the parties to the dispute with at least one-third of the cost to be paid by the public entity, if the public entity is a party to the dispute. The public entity may require in its contracts that a party participate in mediation concerning a dispute as a precondition to initiating litigation concerning the dispute.

...."

**SECTION 43.** G.S. 143-299.4 reads as rewritten:

**"§ 143-299.4. Payment of State excess liability.**

For each claim payable during any fiscal year in excess of one hundred fifty thousand dollars (\$150,000) per claim arising under this Article, or Article 31A or 31B of this Chapter, on account of injury or damage to any one person, each State agency shall transfer to the Office of State Budget and Management its proportionate share of that agency's estimated lapsed salaries, as determined by the Director of the Budget, and the Director of the Budget shall use these transferred funds to pay the balance of that claim in excess of one hundred fifty thousand dollars (\$150,000). However, if the Director of the Budget determines that the agency liable for the claim has the resources to pay the full claim even though it exceeds one hundred fifty thousand dollars (\$150,000), then the Director of the Budget may, in the Director's discretion, require the agency to pay the full claim. Additionally, the Director of the Budget may, in the Director's discretion, limit the number of agencies required to transfer funds to the agency liable for the claim to pay the balance of the claim."

**SECTION 45.** G.S. 143-730 is amended by adding a new subsection to read:

"(e) All health information in the possession of the Managed Care Patient Assistance Program is confidential and is not a public record pursuant to G.S. 132-1 or any other applicable statute.

For purposes of this section, "health information" means any of the following:

- (1) Information relating to the past, present, or future physical or mental health or condition of an individual.
- (2) Information relating to the provision of health care to an individual.
- (3) Information relating to the past, present, or future payment for the provision of health care to an individual.
- (4) Information, in any form, that identifies or may be used to identify an individual, that is created by, provided by, or received from any of the following:
  - a. An individual or an individual's spouse, parent, legal guardian, or designated representative.
  - b. A health care provider, health plan, employer, health care clearinghouse, or an entity doing business with these entities."

**SECTION 46.** G.S. 143B-289.44 reads as rewritten:

**"§ 143B-289.44. North Carolina Aquariums; fees; fund.**

...

(b) Fund. – The North Carolina Aquariums Fund is hereby created as a special and nonreverting fund. The North Carolina Aquariums Fund shall be used for repair, renovation, expansion, maintenance, educational exhibit construction, and operational

expenses at existing aquariums and to match private funds that are raised for these purposes.

(c) Disposition of Fees. – All entrance fee receipts shall be credited to the North Carolina Aquariums Fund. ~~The Secretary of Environment and Natural Resources may expend monies from the North Carolina Aquariums Fund only upon the authorization of the General Assembly.~~

...."

**SECTION 47.** G.S. 143B-480.2(a), as amended by Section 18.6(a) of S.L. 2002-126, reads as rewritten:

"(a) Eligibility for Assistance. – Sexual assault victims or victims of attempted sexual assault are eligible for assistance under this Program if the sexual assault or the attempted sexual assault is reported to a law enforcement officer within five days of the occurrence of the assault or the attempted sexual assault ~~or~~ and if a forensic medical examination is performed within five days of the sexual assault or the attempted sexual assault. The Secretary may waive either five-day requirement for good cause. The term "sexual assault" as used in this section refers to the following crimes: first-degree rape as defined in G.S. 14-27.2, second-degree rape as defined in G.S. 14-27.3, first-degree sexual offense as defined in G.S. 14-27.4, second-degree sexual offense as defined in G.S. 14-27.5, or statutory rape as defined in G.S. 14-27.7A."

**SECTION 48.** G.S. 147-64.6(c)(18), as amended by Section 27.2(b) of S.L. 2002-126, reads as rewritten:

"(18) The Auditor shall, after consultation and in coordination with the State Chief Information Officer, assess, confirm, and report on the security practices of information technology systems. If an agency has adopted standards pursuant to G.S. 147-33.82(d)(1) or (2), the audit shall be in accordance with those standards. The Auditor's assessment of information security practices shall include an assessment of network vulnerability. The Auditor may conduct network penetration or any similar procedure as the Auditor may deem necessary. The Auditor may enter into a contract with a State agency under G.S. 147-33.82(d)(3) for an assessment of network vulnerability, including network penetration or any similar procedure. Any contract with the Auditor for the assessment and testing shall be on a cost-reimbursement basis. The Auditor may investigate reported information technology security breaches, cyber attacks, and cyber fraud in State government. The Auditor shall issue public reports on the general results of the reviews undertaken pursuant to this subdivision but may provide agencies with detailed reports of the security issues identified pursuant to this subdivision which shall not be disclosed as provided in G.S. 132-6.1(c). The Auditor shall provide the State Chief Information Officer with detailed reports of the security issues identified pursuant to this subdivision. For the purposes of this subdivision only, the Auditor is exempt from the provisions of Article 3 of Chapter 143 of the General Statutes in retaining contractors."

**SECTION 49.** G.S. 150B-1(d)(7) reads as rewritten:

"(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

- ...
- (7) The North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan in administering the provisions of Parts ~~2 and 3~~ 2, 3, 4, and 5 of Article 3 of Chapter 135 of the General Statutes.

...."

**SECTION 50.(a)** G.S. 153A-149(c)(10b) reads as rewritten:

"(c) Each county may levy property taxes for one or more of the purposes listed in this subsection up to a combined rate of one dollar and fifty cents (\$1.50) on the one hundred dollars (\$100.00) appraised value of property subject to taxation. Authorized purposes subject to the rate limitation are:

...

- (10b) Economic Development. – To provide for economic development as authorized by G.S. 158-7.1 and G.S. 158-12.

...."

**SECTION 50.(b)** G.S. 160A-209(c)(10b) reads as rewritten:

"(c) Each city may levy property taxes for one or more of the following purposes subject to the rate limitation set out in subsection (d):

...

- (10b) Economic Development. – To provide for economic development as authorized by G.S. 158-7.1 and G.S. 158-12.

...."

**SECTION 51.** Effective January 1, 2002, G.S. 153A-250 reads as rewritten:

**"§ 153A-250. Ambulance services.**

(a) A county may by ordinance franchise ambulance services provided in the county to the public at large, whether the service is based inside or outside the county. The ordinance may:

- (1) Grant franchises to ambulance operators on terms set by the board of commissioners;
- (2) Make it unlawful to provide ambulance services or to operate an ambulance in the county without such a franchise;
- (3) Limit the number of ambulances that may be operated within the county;
- (4) Limit the number of ambulances that may be operated by each franchised operator;
- (5) Determine the areas of the county that may be served by each franchised operator;
- (6) Establish and from time to time revise a schedule of rates, fees, and charges that may be charged by franchised operators;
- (7) Set minimum limits of liability insurance for each franchised operator;
- (8) Establish other necessary regulations consistent with and supplementary to any statute or any Department of Health and Human Services regulation relating to ambulance services.

Before it may adopt an ordinance pursuant to this subsection, the board of commissioners must first hold a public hearing on the need for ambulance services. The board shall cause notice of the hearing to be published once a week for two successive weeks before the hearing. After the hearing the board may adopt an ordinance if it finds that to do so is necessary to assure the provision of adequate and continuing ambulance service and to preserve, protect, and promote the public health, safety, and welfare.

If a person, firm, or corporation is providing ambulance services in a county or any portion thereof on the effective date of an ordinance adopted pursuant to this subsection, the person, firm, or corporation is entitled to a franchise to continue to serve that part of the county in which the service is being provided. The board of commissioners shall determine whether the person, firm, or corporation so entitled to a franchise is in compliance with ~~Chapter 130, Article 26~~; Chapter 131E, Article 7; and if that is the case, the board shall grant the franchise.

(b) In lieu of or in addition to adopting an ordinance pursuant to subsection (a) of this section, a county may operate or contract for ambulance services in all or a portion of the county. A county may appropriate for ambulance services any revenues not otherwise limited as to use by law, and may establish and from time to time revise schedules of rates, fees, charges, and penalties for the ambulance services. A county may operate its ambulance services as a line department or may create an ambulance commission and vest in it authority to operate the ambulance services.

(c) A city may adopt an ordinance pursuant to and under the procedures of subsection (a) of this section and may operate or contract for ambulance services pursuant to subsection (b) of this section if (i) the county in which the city is located has adopted a resolution authorizing the city to do so or (ii) the county has not, within 180 days after being requested by the city to do so, provided for ambulance services within the city pursuant to this section. Any action taken by a city pursuant to this subsection shall apply only within the corporate limits of the city.

If a city is exercising a power granted by this subsection, the county in which the city is located may thereafter take action to provide for ambulance service within the city, either under subsection (a) or subsection (b) of this section, only after having given to the city 180 days' notice of the county's intention to take action. At the end of the 180 days, the city's authority under this subsection is preempted by the county.

(d) A county or a city may contract with a franchised ambulance operator or with another county or city for ambulance service to be provided upon the call of a department or agency of the county or city. A county may contract with a franchised ambulance operator for transportation of indigents or persons certified by the county department of social services to be public assistance recipients.

(e) Each county or city operating ambulance services is subject to the provisions of ~~Chapter 130, Article 26 ("Regulation of Ambulance Services")~~; Chapter 131E, Article 7 ("Regulation of Emergency Medical Services").

**SECTION 52.** G.S. 160A-23.1(d) reads as rewritten:

"(d) If the council adopts the resolution provided for in subsection (a) of this section and does not adopt the changes, or does adopt the changes, but approval under the Voting Rights Act of 1965, as amended, is required, and notice of such approval is not received, by the end of the third day before the opening of the filing period, the municipal election shall be rescheduled as provided in this subsection and current officeholders shall hold over until their successors are elected and qualified. For cities using the:

- (1) Partisan primary and election method under G.S. 163-291, the primary shall be held on the primary election date for county officers in 2002, the second primary, if necessary, shall be held on the second primary election date for county officers in 2002, and the general election shall be held on the general election date for county officers in 2002;
- (2) Nonpartisan primary and election method under G.S. 163-294, the primary shall be held on the primary election date for county officers

in 2002 and the election shall be held on the date for the second primary for county officers in 2002;

- (3) Nonpartisan plurality election method under G.S. 163-292, the election shall be held on the primary election date for county officers in 2002;
- (4) Election and runoff method under G.S. 163-293, the election shall be held on the primary election date for county officers in 2002 and the runoffs, if necessary, shall be held on the date for the second primary for county officers in 2002.

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

**SECTION 53.** Effective July 1, 2002, G.S. 161-14(b) reads as rewritten:

"(b) All ~~instruments~~instruments, ~~except instruments conforming to the provisions of G.S. 25-9-521,~~ presented for registration on paper shall meet all of the following requirements:

- (1) Be eight and one-half inches by eleven inches or eight and one-half inches by fourteen inches.
- (2) Have a blank margin of three inches at the top of the first page and blank margins of one-half inches on the remaining sides of the first page and on all sides of subsequent pages.
- (3) Be typed or printed in black on white paper in a legible font. A font size no smaller than 10 points shall be considered legible. Blanks in an instrument may be completed in pen and corrections to an instrument may be made in pen.
- (4) Have text typed or printed on one side of a page only.
- (5) State the type of instrument at the top of the first page.

If an instrument does not meet these requirements, the register of deeds shall register the instrument after collecting the fee for nonstandard documents as required by G.S. 161-10(a)(19) in addition to all other applicable recording fees. However, if an instrument fails to meet the requirements because it contains print in a font size smaller than 10 points, the register of deeds may register the instrument without collecting the fee for nonstandard documents if, in the discretion of the register of deeds, the instrument is legible."

**SECTION 54.** G.S. 162-58 reads as rewritten:

**"§ 162-58. Counties may work prisoners.**

The board of commissioners of the several counties may enact by resolution all necessary rules and regulations for work on projects to benefit units of State or local government by persons convicted of ~~crimes~~misdemeanors or felonies and imprisoned in the local confinement facilities or satellite jail/work release units of their respective counties. The sheriff shall approve rules and regulations enacted by the board. Prisoners working under this section shall be supervised by county employees or by the sheriff. The rules enacted by the board of county commissioners and approved by the sheriff shall specify a procedure for ensuring that county employees supervising prisoners pursuant to this section be provided with notice that the persons placed under their supervision are inmates from a local confinement facility or a satellite jail/work release unit."



**SECTION 55.(a)** G.S. 163-106(a) reads as rewritten:

"(a) Notice and Pledge. – No one shall be voted for in a primary election ~~unless he shall have~~ without having filed a notice of candidacy with the appropriate board of elections, State or county, as required by this section. To this end every candidate for selection as the nominee of a political party shall file with and place in the possession of the board of elections specified in subsection (c) of this section, a notice and pledge in the following form:

"Date \_\_\_\_\_

I hereby file notice as a candidate for nomination as \_\_\_\_\_ in the \_\_\_\_\_ party primary election to be held on \_\_\_\_\_, \_\_\_\_\_. I affiliate with the \_\_\_\_\_ party, (and I certify that I am now registered on the registration records of the precinct in which I reside as an affiliate of the \_\_\_\_\_ party.)

I pledge that if I am defeated in the primary, I will not run for any office as a write-in candidate in the next general election.

Signed \_\_\_\_\_  
Name of candidate

Witness:  
\_\_\_\_\_

(Title of witness)"

Each candidate shall sign ~~his~~ the notice of candidacy in the presence of the chairman or secretary of the board of elections, State or county, with which ~~he~~ the candidate files. In the alternative, a candidate may have ~~his~~ the candidate's signature on the notice of candidacy acknowledged and certified to by an officer authorized to take acknowledgments and administer oaths, in which case the candidate may mail ~~his~~ or deliver by commercial courier service the candidate's notice of candidacy to the appropriate board of elections.

In signing ~~his~~ the notice of candidacy the candidate shall use only ~~his~~ that candidate's legal name ~~and, in his discretion, and may use any~~ nickname by which he is commonly known. A candidate may also, in lieu of ~~his~~ that candidate's legal first name and legal middle initial or middle name (if any) sign ~~his~~ a nickname, provided that ~~he~~ the candidate appends to the notice of candidacy an affidavit that ~~he~~ the candidate has been commonly known by that nickname for at least five years prior to the date of making the affidavit. The candidate shall also include with the affidavit the way ~~his~~ that candidate's name (as permitted by law) should be listed on the ballot if another candidate with the same last name files a notice of candidacy for that office.

A notice of candidacy signed by an agent or any person other than the candidate ~~himself~~ shall be invalid.

Prior to the date on which candidates may commence filing, the State Board of Elections shall print and furnish, at State expense, to each county board of elections a sufficient number of the notice of candidacy forms prescribed by this subsection for use by candidates required to file with county boards of elections."

**SECTION 55.(b)** G.S. 163-98 reads as rewritten:

**"§ 163-98. General election participation by new political party.**

In the first general election following the date on which a new political party qualifies under the provisions of G.S. 163-96, it shall be entitled to have the names of its candidates for national, State, congressional, and national and local offices printed on the official ballots, ~~but it shall not be entitled to have the names of candidates for other offices printed on State, district, or county ballots at that election.~~ballots.

For the first general election following the date on which it qualifies under G.S. 163-96, a new political party shall select its candidates by party convention. Following adjournment of the nominating convention, but not later than the first day of July prior to the general election, the president of the convention shall certify to the State Board of Elections the names of persons chosen in the convention as the new party's candidates for State, congressional, and national offices in the ensuing general election. The State Board of Elections shall print names thus certified on the appropriate ballots as the nominees of the new party. The State Board of Elections shall send to each county board of elections the list of any new party candidates so that the county board can add those names to the appropriate ballot."

**SECTION 55.(c)** G.S. 120-93 reads as rewritten:

**"§ 120-93. County boards of elections to notify candidates of economic-interest-statement requirements.**

Each county board of elections shall provide for notification of the economic-interest-statement requirements of G.S. 120-89, 120-96, and 120-98 to be given to any candidate filing for nomination or election to the General Assembly at the time of his or her filing in the particular county. Each county board of elections shall also provide notification of those requirements to each candidate nominated by a new party under G.S. 163-98 for the General Assembly, if the candidate will be on the ballot in that county. The county board shall notify the new-party candidate immediately upon that county board's being notified by the State Board of Elections that the party has certified that candidate's nomination."

**SECTION 55.(d)** G.S. 120-98(a) reads as rewritten:

"(a) If a candidate does not file the statement of economic interest within the time required by this Article, the county board of elections shall immediately notify the candidate by registered mail, restricted delivery to addressee only, that, if the statement is not received within 15 days, the candidate shall not be certified as the ~~nominee of his party.~~ party nominee, or in the case of a candidate nominated by a new party under G.S. 163-98 that the candidate shall be decertified by the State Board of Elections. If the statement is not received within 15 days of notification, the board of elections authorized to certify a candidate as nominee to the office shall not certify the candidate as nominee under any circumstances, regardless of the number of candidates for the nomination and regardless of the number of votes the candidate receives in the primary. If the delinquent candidate was nominated by a new party under G.S. 163-98, the State Board of Elections shall decertify the candidate, and no county board of elections shall place the candidate's name on the general election ballot as nominee of the party. A vacancy thus created on a party's ticket shall be considered a vacancy for the purposes of G.S. 163-114, and shall be filled according to the procedures set out in G.S. 163-114."

**SECTION 55.(e)** G.S. 163-213.5 reads as rewritten:

**"§ 163-213.5. Nomination by petition.**

Any person seeking the endorsement by the national political party for the office of President of the United States, or any group organized in this State on behalf of, and

with the consent of, such person, may file with the State Board of Elections petitions signed by 10,000 persons who, at the time they signed are registered and qualified voters in this State and are affiliated, by such registration, with the same political party as the candidate for whom the petitions are filed. Such petitions shall be presented to the county board of elections 10 days before the filing deadline and shall be certified promptly by the chairman of the board of elections of the county in which the signatures were obtained and shall be filed by the petitioners with the State Board of Elections no later than 5:00 P.M. on the date the State Board of Elections is required to meet as directed by G.S. 163-213.4.

The petitions must state the name of the candidate for nomination, along with a letter of approval signed by such candidate. Said petitions must also state the name and address of the chairman of any such group organized to circulate petitions authorized under this section. The requirement for signers of such petitions shall be the same as now required under provisions of G.S. 163-96(b)(1) and (2). The requirement of the respective chairmen of county boards of elections shall be the same as now required under the provisions of G.S. 163-96(b)(1) and (2) as they relate to the chairman of the county board of elections.

~~The group of petitioners shall pay to the chairman of the county board of elections a fee of ten cents (10¢) for each signature he is required to examine under the provisions of this section.~~

The State Board of Elections shall forthwith determine the sufficiency of petitions filed with it and shall immediately communicate its determination to the chairman of such group organized to circulate petitions. The form and style of petition shall be as prescribed by the State Board of Elections."

**SECTION 55.(f)** G.S. 130A-48 reads as rewritten:

**"§ 130A-48. Procedure for incorporating district.**

A sanitary district shall be incorporated as follows. Either fifty-one percent (51%) or more of the resident freeholders within a proposed sanitary district or fifty-one percent (51%) or more of the freeholders within a proposed sanitary district, whether or not the freeholders are residents of the proposed sanitary district, may petition the county board of commissioners of the county in which all or the largest portion of the land of the proposed district is located. This petition shall set forth the boundaries of the proposed sanitary district and the objectives of the proposed district. For the purposes of this Part, the term "freeholder" shall mean a person holding a deed to a tract of land within the district or proposed district, and also shall mean a person who has entered into a contract to purchase a tract of land within the district or proposed district, is making payments pursuant to a contract and will receive a deed upon completion of the contractual payments. The contracting purchaser, rather than the contracting seller, shall be deemed to be the freeholder. The county tax office shall be responsible for checking the freeholder status of those persons signing the petition. That office shall also be responsible for confirming the location of the property owned by those persons. Upon receipt of the petition, the county board of commissioners, through its chairperson, shall notify the Department and the chairperson of the county board of commissioners of any other county or counties in which any portion of the proposed district lies of the receipt of the petition. The chairperson shall request that the Department hold a joint public hearing with the county commissioners of all the counties in which a portion of the district lies concerning the creation of the proposed sanitary district. The Secretary and the chairperson of the county board of commissioners shall name a time and place within the proposed district to hold the public hearing. The chairperson of the county

board of commissioners shall give prior notice of the hearing by posting a notice at the courthouse door of the county and also by publication at least once a week for four successive weeks in a newspaper published in the county. In the event the hearing is to be before a joint meeting of the county boards of commissioners of more than one county, or in the event the land to be affected lies in more than one county, publication and notice shall be made in each of the affected counties. In the event that all matters pertaining to the creation of this sanitary district cannot be concluded at the hearing, the hearing may be continued at a time and place within the proposed district named by the Department."

**SECTION 55.(g)** G.S. 69-25.1 reads as rewritten:

**"§ 69-25.1. Election to be held upon petition of voters.**

Upon the petition of thirty-five percent (35%) of the resident freeholders living in an area lying outside the corporate limits of any city or town, which area is described in the petition and designated as "

\_\_\_\_\_ (Here insert name)

Fire District," the board of county commissioners of the county shall call an election in said district for the purpose of submitting to the qualified voters therein the question of levying and collecting a special tax on all taxable property in said district, of not exceeding fifteen cents (15¢) on the one hundred dollars (\$100.00) valuation of property, for the purpose of providing fire protection in said district. The county tax office shall be responsible for checking the freeholder status of those individuals signing the petition and confirming the location of the property owned by those individuals. Unless specifically excluded by other law, the provisions of Chapter 163 of the General Statutes concerning petitions for referenda and elections shall apply. If the voters reject the special tax under the first paragraph of this section, then no new election may be held under the first paragraph of this section within two years on the question of levying and collecting a special tax under the first paragraph of this section in that district, or in any proposed district which includes a majority of the land within the district in which the tax was rejected.

Upon the petition of thirty-five percent (35%) of the resident freeholders living in an area which has previously been established as a fire protection district and in which there has been authorized by a vote of the people a special tax not exceeding ten cents (10¢) on the one hundred dollars (\$100.00) valuation of property within the area, the board of county commissioners shall call an election in said area for the purpose of submitting to the qualified voters therein the question of increasing the allowable special tax for fire protection within said district from ten cents (10¢) on the one hundred dollars (\$100.00) valuation to fifteen cents (15¢) on the one hundred dollars (\$100.00) valuation on all taxable property within such district. Elections on the question of increasing the allowable tax rate for fire protection shall not be held within the same district at intervals less than two years."

**SECTION 55.(h)** G.S. 139-6 reads as rewritten:

**"§ 139-6. District board of supervisors – elective members; certain duties.**

After the issuance of the certificate of organization of the soil and water conservation district by the Secretary of State, an election shall be held in each county of the district to elect the members of the soil and water conservation district board of supervisors as herein provided.

The district board of supervisors shall consist of three elective members to be elected in each county of the district, and that number of appointive members as

provided in G.S. 139-7. Upon the creation of a district, the first election of the members shall be held at the next succeeding election for county officers.

All elections for members of the district board of supervisors shall be held at the same time as the regular election for county officers beginning in November 1974. The election shall be nonpartisan and no primary election shall be held. The election shall be held and conducted by the county board of elections.

Candidates shall file their notice of candidacy on forms prescribed by the county board of elections. The notice of candidacy must be filed no earlier than noon on the second Monday in June and no later than 12:00–noon on the first Friday in July preceding the election. The candidate shall pay a filing fee of five dollars (\$5.00) at the time ~~he files of filing~~ the notice of candidacy.

Beginning with the election to be held in November 1974, the two candidates receiving the highest number of votes shall be elected for a term of four years, and the candidate receiving the next highest number of votes shall be elected for a term of two years; thereafter, as their terms expire, their successors shall be elected for terms of four years. If the position of district supervisor is not filled by failure to elect, then the office shall be deemed vacant upon the expiration of the term of the incumbent, and the office shall be filled as provided in G.S. 139-7.

The persons elected in 1974 and thereafter shall take office on the first Monday in December following their election.

The terms of the present members of the soil and water conservation districts, both elective and appointive members, are hereby extended to or terminated on the first Monday in December 1974.

All qualified voters of the district shall be eligible to vote in the election. Except as provided in this Chapter, the election shall be held in accordance with the applicable provisions of Articles 23 and 24 of Chapter 163 of the General Statutes.

The district board of supervisors, after the appointment of the appointive members has been made, shall select from its members a chairman, a vice-chairman and a secretary. It shall be the duty of the district board of supervisors to perform those powers, duties, and authority conferred upon supervisors under this Chapter; to develop annual county and district goals and plans for soil conservation work therein; to request agencies, whose duties are such as to render assistance in soil and water conservation, to set forth in writing what assistance they may have available in the county and district."

**SECTION 55.(i)** G.S. 163-227.3 reads as rewritten:

**"§ 163-227.3. Date by which absentee ballots must be available for voting.**

(a) ~~The State Board of Elections~~ A board of elections shall provide absentee ballots of the kinds ~~to be furnished by the State Board, to the county boards of elections~~ needed 50 days prior to the date on which the election shall be conducted unless 45 days is authorized by the State Board of Elections under G.S. 163-22(k) or there shall exist an appeal before the State Board or the courts not concluded, in which case the State Board board shall provide the ballots as quickly as possible upon the conclusion of such an appeal. However, in the case of municipal elections, absentee ballots shall be made available no later than 30 days before an election. In every instance the ~~State Board~~ board of elections shall exert every effort to provide absentee ballots, of the kinds ~~to be furnished by the State Board, to each county~~ needed by the date on which absentee voting is authorized to commence. ~~In any case where absentee ballots are printed by the county board of elections, that county board shall follow the direction of the State Board in delaying absentee ballots while an appeal is pending and in providing them as soon as possible thereafter.~~

(b) ~~Second Primary. – The State Board of Elections~~ board of elections shall provide absentee ballots, of the kinds ~~to be furnished by the State Board,~~ needed, as quickly as possible after the ballot information for a second primary has been determined."

**SECTION 55.(j)** G.S. 163-109 is repealed.

**SECTION 55.(k)** G.S. 163-278.14(b) reads as rewritten:

"(b) No individual or person shall give, and no candidate, committee or treasurer shall accept, any monetary contribution in excess of one hundred dollars (\$100.00) unless such contribution be in the form of a check, draft, ~~or money order~~ order, credit card charge, debit, or other noncash method that can be subject to written verification. The State Board of Elections may prescribe guidelines as to the reporting and verification of any method of contribution payment allowed under this Article. For a contribution made by credit card, the credit card account number of a contributor is not a public record."

**SECTION 55.(l)** G.S. 163-278.30 reads as rewritten:

**"§ 163-278.30. Candidates for federal offices to file information reports.**

Candidates for nomination in a party primary or for election in a general or special election to the offices of United States Senator, member of the United States House of Representatives, President or Vice-President of the United States shall file with the Board all reports they or political committee treasurers or other agents acting for them are required to file under the Federal Election Campaign Act of 1971, P.L. 92-225, as amended (T. 2, U.S.C. section 439). Those reports shall be filed with the Board at the times required by that act. The Board shall, with respect to those reports, have the following duties only:

- (1) To receive and maintain in an orderly manner all reports and statements required to be filed with it;
- (2) To preserve reports and statements filed under the Federal Election Campaign Act. Such reports and statements, after a period of two years following the election year, may be transferred to the Department of Cultural Resources, Division of Archives and History, and shall be preserved for a period of 10 years or for such period as may be required by federal law.
- (3) To make the reports and statements filed with it available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the day during which they were received, and to permit copying of any such report or statement by hand or by duplicating machine, requested by any individual, at the expense of such individual; and
- (4) To compile and maintain a current list of all statements or parts of statements pertaining to each candidate.

Any duty of a candidate to file and the State Board to receive and make available under this section may be met by an agreement between the State Board and the Federal Election Commission, the effect of which is for the Federal Election Commission to provide promptly to the State Board the information required by this section."

**SECTION 55.(m)** G.S. 163-230.1(a) reads as rewritten:

"(a) A qualified voter who is eligible to vote by absentee ballot under G.S. 163-226(a) or that voter's near relative or verifiable legal guardian, shall request in writing an application for absentee ballots, so that the county board of elections receives the request not later than 5:00 P.M. on the Tuesday before the election. That written

request shall be signed by the voter, the voter's near relative, or the voter's verifiable legal guardian. The county board of elections shall enter in the register of absentee requests, applications, and ballots issued the information required in G.S. 163-228 as soon as each item of that information becomes available. Upon receiving the application, the county board of elections shall cause to be mailed to that voter in a single package:

- (1) The official ballots the voter is entitled to vote;
- (2) A container-return envelope for the ballots, printed in accordance with G.S. 163-229; and
- (3) Repealed by Session Laws 1999-455, s. 10.
- (4) An instruction sheet.

The ballots, envelope, and instructions shall be mailed to the voter by the county board's chairman, member, officer, or employee as determined by the board and entered in the register as provided by this Article."

**SECTION 55.(n)** G.S. 163-278.6(1) reads as rewritten:

"(1) The term "board" means the State Board of Elections with respect to all candidates for ~~State and multi-county district~~ State, legislative, and judicial offices and the county or municipal board of elections with respect to all candidates for ~~single-county district~~, county and municipal offices. The term means the State Board of Elections with respect to all statewide referenda and the county or municipal board of elections conducting all local referenda."

**SECTION 55.(o)** G.S. 163-165.1 is amended by adding a new subsection to read:

"(e) Voted ballots shall be treated as confidential, and no person other than elections officials performing their duties may have access to voted ballots except by court order or order of the appropriate board of elections as part of the resolution of an election protest or investigation of an alleged election irregularity or violation. Voted ballots shall not be disclosed to members of the public in such a way as to disclose how a particular voter voted, unless a court orders otherwise."

**SECTION 55.(p)** Subsections 55(a) through 55(n) of this section become effective January 1, 2003, and apply to all primaries and elections held on and after that date. Subsection 55(o) is effective when this act becomes law.

**SECTION 56.** G.S. 163-132.3 is amended by adding a new subsection to read:

"(e) During the period beginning October 1, 2002, and ending December 31, 2003, no county board of elections may change any precinct boundary. However, a county that has a precinct line that does not follow a 2000 Census Block Boundary may change that precinct line to conform to the way that precinct is shown on the General Assembly's redistricting database, provided the total population of the area moved from one precinct to another is not greater than ten percent (10%) of the total population of either precinct. A county board of elections proposing a change to a precinct during this period shall submit that change to the Legislative Services Office, which shall examine the proposed change and give its opinion of its compliance with this subsection to the Executive Director of the State Board of Elections. If the proposed change is in compliance with this subsection, the Executive Director shall approve it."

**SECTION 57.(a)** Article 20 of Chapter 163 of the General Statutes is amended by adding a new section to read:

**"§ 163-230.2. Method of requesting absentee ballots.**

(a) Valid Types of Written Requests. – A written request for an absentee ballot as required by G.S. 163-230.1 is valid only if it is written entirely by the requester personally, or is on a form generated by the county board of elections and signed by the requester. The county board of elections shall issue a request form only to the voter seeking to vote by absentee ballot or to a person authorized by G.S. 163-230.1 to make a request for the voter. If a requester, due to disability or illiteracy, is unable to complete a written request, that requester may receive assistance in writing that request from an individual of that requester's choice.

(b) Invalid Types of Written Requests. – A request is not valid if it does not comply with subsection (a) of this section. If a county board of elections receives a request for an absentee ballot that does not comply with subsection (a) of this section, the board shall not issue an application and ballot under G.S. 163-230.1.

(c) Rules by State Board. – The State Board of Elections shall adopt rules for the enforcement of this section."

**SECTION 57.(b)** This section becomes effective January 1, 2003, and applies to all primaries and elections held on or after that date.

**SECTION 57.1.(a)** G.S. 163-278.7(b) reads as rewritten:

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

- (1) The Name, Address and Purpose of the Candidate, Political Committee, or Referendum Committee. – When the political committee or referendum committee is created pursuant to G.S. 163-278.19(b), the name shall be or include the name of the corporation, insurance company, business entity, labor union or professional association whose officials, employees, or members established the committee. When the political committee or referendum committee is not created pursuant to G.S. 163-278.19(b), the name shall be or include the economic interest, if identifiable, principally represented by the committee's organizers or intended to be advanced by use of the committee's receipts.
- (2) The names, addresses, and relationships of affiliated or connected candidates, political committees, referendum committees, political parties, or similar organizations;
- (3) The territorial area, scope, or jurisdiction of the candidate, political committee, or referendum committee;
- (4) The name, address, and position with the candidate or political committee of the custodian of books and accounts;
- (5) The name and party affiliation of the candidate(s) whom the committee is supporting or opposing, and the office(s) involved;
- (5a) The name of the referendum(s) which the referendum committee is supporting or opposing, and whether the committee is supporting or opposing the referendum;
- (6) The name of the political committee or political party being supported or opposed if the committee is supporting the ticket of a particular political or political party;
- (7) A listing of all banks, safety deposit boxes, or other depositories used, including the names and numbers of all accounts maintained and the numbers of all such safety deposit boxes ~~used~~used, provided that the



Board shall keep any account number included in any report required by this Article confidential except as necessary to conduct an audit or investigation, except as required by a court of competent jurisdiction, or unless confidentiality is waived by the treasurer. Disclosure of an account number in violation of this subdivision shall not give rise to a civil cause of action. This limitation of liability does not apply to the disclosure of account numbers in violation of this subdivision as a result of gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable.

- (8) The name or names and address or addresses of any assistant treasurers appointed by the treasurer. Such assistant treasurers shall be authorized to act in the name of the treasurer, who shall be fully responsible for any act or acts committed by an assistant treasurer, and the treasurer shall be fully liable for any violation of this Article committed by any assistant treasurer; and
- (9) Any other information which might be requested by the Board that deals with the campaign organization of the candidate or referendum committee."

**SECTION 57.1.(b)** This section becomes effective January 1, 2003, and applies to any report filed on or after that date. The State Board of Elections may redact, and may authorize county boards of elections to redact, account numbers from public copies of reports filed prior to January 1, 2003.

**SECTION 57.3.(a)** G.S. 163-278.19(a) reads as rewritten:

"(a) Except as provided in subsections (b), (d), (e), ~~and (f)~~-(f), and (g) of this section it shall be unlawful for any corporation, business entity, labor union, professional association or insurance company directly or indirectly:

- (1) To make any contribution to a candidate or political committee (except a loan of money by a national or State bank or federal or State savings and loan association made in accordance with the applicable banking or savings and loan association laws and regulations and in the ordinary course of business) or to make any expenditure to support or oppose the nomination or election of a clearly identified candidate;
- (2) To pay or use or offer, consent or agree to pay or use any of its money or property for any contribution to a candidate or political committee or for any expenditure to support or oppose the nomination or election of a clearly identified candidate; or
- (3) To compensate, reimburse, or indemnify any person or individual for money or property so used or for any contribution or expenditure so made;

and it shall be unlawful for any officer, director, stockholder, attorney, agent or member of any corporation, business entity, labor union, professional association or insurance company to aid, abet, advise or consent to any such contribution or expenditure, or for any person or individual to solicit or knowingly receive any such contribution or expenditure. Supporting or opposing the election of clearly identified candidates includes supporting or opposing the candidates of a clearly identified political party. Any officer, director, stockholder, attorney, agent or member of any corporation, business entity, labor union, professional association or insurance company aiding or abetting in any contribution or expenditure made in violation of this section shall be guilty of a Class 2 misdemeanor, and shall in addition be liable to such corporation,

business entity, labor union, professional association or insurance company for the amount of such contribution or expenditure, and the same may be recovered of him upon suit by any stockholder or member thereof."

**SECTION 57.3.(b)** G.S. 163-278.19 is amended by adding a new subsection to read:

"(g) If a political committee has as its only purpose accepting contributions and making expenditures to influence elections, and that political committee incorporates as a nonprofit corporation to shield its participants from liability created outside this Chapter, that political committee is not considered to be a corporation for purposes of this section. Incorporation of a political committee does not relieve any individual, person, or other entity of any liability, duty, or obligation created pursuant to any provision of this Chapter. To obtain the benefits of this subsection, an incorporating political committee must state exactly the following language as the only purpose for which the corporation can be organized: "to accept contributions and make expenditures to influence elections as a political committee pursuant to G.S. 163-278.6(14) only." No political committee shall do business as a political committee after incorporation unless it has been certified by the State Board of Elections as being in compliance with this subsection."

**SECTION 57.3.(c)** This section becomes effective January 1, 2003.

**SECTION 57.5.** G.S. 166A-6.01(b)(2), as amended by Section 1 of S.L. 2002-24, reads as rewritten:

"(2) Public assistance. – State disaster assistance in the form of public assistance grants may be made available to eligible entities located within the disaster area on the following terms and conditions:

- a. Eligible entities shall meet the following qualifications:
  1. The eligible entity suffers a minimum of ten thousand dollars (\$10,000) in uninsurable losses;
  2. The eligible entity suffers uninsurable losses in an amount equal to or exceeding one-half percent (0.5%) of the annual operating budget;
  3. For a state of disaster proclaimed pursuant to G.S. 166A-6(a) after ~~November 1, 2003~~, the deadline established by the Federal Emergency Management Agency pursuant to the Disaster Mitigation Act of 2002, P.L. 106-390, the eligible entity shall have a hazard mitigation plan approved pursuant to the Stafford Act; and
  4. For a state of disaster proclaimed pursuant to G.S. 166A-6(a) after August 1, 2002, the eligible entity shall be participating in the National Flood Insurance Program in order to receive public assistance for flooding damage.
- b. Eligible entities shall be required to provide non-State matching funds equal to twenty-five percent (25%) of the eligible costs of the public assistance grant.
- c. An eligible entity that receives a public assistance grant pursuant to this subsection may use the grant for the following purposes only:
  1. Debris clearance.
  2. Emergency protective measures.

3. Roads and bridges.
4. Crisis counseling.
5. Assistance with public transportation needs."

**SECTION 58.** Section 2(b) of S.L. 2001-403 is repealed.

**SECTION 58.7.** Section 20.12 of S.L. 2001-424, as amended by Section 13.2(c) of Session Law 2002-126, reads as rewritten:

"**SECTION 20.12.(c1)** The funds appropriated by this section shall be paid by electronic transfer in two equal installments, the first no later than ~~September 1, 2002,~~ November 1, 2002, and the second subsequent to acceptable submission of the annual report due to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division by January 15, 2003, as specified in subdivision (f)(2) of this section."

**SECTION 59.** Section 21.19(y) of S.L. 2001-424, as amended by Section 10.11(a) of S.L. 2002-126, reads as rewritten:

"**SECTION 21.19.(y)** The Department of Health and Human Services may apply federal transfer of assets policies, as described in Title XIX, Section 1917(c) of the Social Security Act, including the attachment of liens, to real property excluded as "income producing", tenancy-in-common, or as nonhomesite property made "income producing" under Title XIX, Section 1902(r)(2) of the Social Security Act. The transfer of assets policy shall apply ~~only~~ to an institutionalized individual or the individual's spouse as defined in Title XIX, Section 1917(c) of the Social Security Act. The transfer of assets policy shall also apply to any noninstitutionalized individuals or spouse of such individuals as defined in Title XIX, Section 1917(c) and as described in an approved Title XIX State Plan. This subsection becomes effective no earlier than October 1, 2001. Federal transfer of asset policies and attachment of liens to properties excluded as tenancy-in-common or as nonhomesite property made "income producing" in accordance with this subsection shall become effective not earlier than November 1, 2002. The application of transfer of assets policy to noninstitutionalized individuals shall become effective no less than 30 days after all Medicaid recipients have been notified and shall not apply to any transfers occurring prior to the implementation of the policy to noninstitutionalized individuals."

**SECTION 60.** Section 3 of S.L. 2001-505 reads as rewritten:

"**SECTION 3.** The Public Officers and Employees Liability Insurance Commission in the Department of Insurance shall effect and place professional liability insurance coverage under G.S. 58-32-15 for local health department sanitarians defended by the State ~~under G.S. 143-300.8~~ under G.S. 58-32-15. ~~G.S. 143-300.8.~~ For insurance purposes only under G.S. 58-32-15, local health department sanitarians are considered to be employees of the Department of Environment and Natural Resources."

**SECTION 61.** The introductory language of Section 12 of S.L. 2002-16 reads as rewritten:

"**SECTION 12.** ~~G.S. 105-467(b)(6)~~ G.S. 105-467(a)(6) reads as rewritten:"

**SECTION 61.5.** Section 4 of S.L. 2002-96 reads as rewritten:

"**SECTION 4.** This act is effective when it becomes ~~law~~ law in Craven, Nash, and Pamlico counties. This act becomes effective July 1, 2003, in all other counties of the State, except that it may be implemented at an earlier date in any county by the Register of Deeds of that county."

**SECTION 62.** Section 4 of S.L. 2002-94 is repealed.

**SECTION 63.** The introductory language of Section 1 of S.L. 2002-103 reads as rewritten:

"SECTION 1. ~~G.S. 115C-47~~ G.S. 115C-12 is amended by adding a new subdivision to read:"

**SECTION 64.(a)** Section 6 of S.L. 2002-107 reads as rewritten:

"SECTION 6. This act is effective when it becomes ~~law~~ law, and Sections 1 and 4 apply to bidding opportunities advertised on or after that date."

**SECTION 64.(c)** G.S. 133-3, as amended by Section 5 of S.L. 2002-107, reads as rewritten:

**"§ 133-3. Specifications to carry competitive items; substitution of materials.**

All architects, engineers, designers, or draftsmen, when providing design services, or writing specifications, directly or indirectly, for materials to be used in any city, county or State work, shall specify in their plans the required performance and design characteristics of such materials. However, when it is impossible or impractical to specify the required performance and design characteristics for such materials, then the architect, engineer, designer or draftsman may use a brand name specification so long as they cite three or more examples of items of equal design or equivalent design, which would establish an acceptable range for items of equal or equivalent design. The specifications shall state clearly that the cited examples are used only to denote the quality standard of product desired and that they do not restrict bidders to a specific brand, make, manufacturer or specific name; that they are used only to set forth and convey to bidders the general style, type, character and quality of product desired; and that equivalent products will be acceptable. Where it is impossible to specify performance and design characteristics for such materials and impossible to cite three or more items due to the fact that there are not that many items of similar or equivalent design in competition, then as many items as are available shall be cited. On all city, county or State works, the maximum interchangeability and compatibility of cited items shall be required. The brand of product used on a city, county or State work shall not limit competitive bidding on future works. Specifications may list one or more preferred brands as an alternate to the base bid in limited circumstances. Specifications containing a preferred brand alternate under this section must identify the performance standards that support the preference. Performance standards for the preference must be approved in advance by the owner in an open meeting. Any alternate approved by the owner shall be approved only where (i) the preferred alternate will provide cost savings, maintain or improve the functioning of any process or system affected by the preferred item or items, or both, and (ii) a justification identifying these criteria is made available in writing to the public. Substitution of materials, items, or equipment of equal or equivalent design shall be submitted to the architect or engineer for approval or disapproval; such approval or disapproval shall be made by the architect or engineer prior to the opening of bids. The purpose of this statute is to mandate and encourage free and open competition on public contracts."

**SECTION 64.(d)** Section 64(c) of this act becomes effective January 1, 2003, and applies to bidding opportunities advertised on or after that date.

**SECTION 65.** It is the intent of the General Assembly that Sections 1 through 7 of S.L. 2002-120 shall be effective prospectively only and shall not apply to pending litigation or claims that accrued before the effective date of S.L. 2002-120. Nothing in Section 1 through 7 of S.L. 2002-120 shall be construed as a waiver of the sovereign immunity of the State or any other defenses as to any claim for damages, other recovery of funds, including attorneys' fees, or injunctive relief from the State by any unit of local government or political subdivision of the State.

**SECTION 66.** S.L. 2002-126 is amended by adding a new section to read:

**"TRANSFER OF COMMUNITY SERVICE CONSULTANT POSITION**

**SECTION 19.8.** Effective August 1, 2002, personnel position # 4101-0000-0000-067, Community Service Consultant, is transferred from the Department of Administration to the Office of State Personnel."

**SECTION 66.5.** If House Bill 1105, 2001 Session, becomes law, G.S. 58-6-25(d)(6) and G.S. 58-6-25(d)(7), as enacted by that act, are recodified as G.S. 58-6-25(d)(7) and G.S. 58-6-25(d)(8), respectively.

**SECTION 67.** If House Bill 1245, 2001 Session, becomes law, Section 2 of that act reads as rewritten:

"**SECTION 2.** The Division of Motor Vehicles shall implement the requirements of Section 1 of this act at the earliest practical date, but no later than April 1, 2003."

**SECTION 68.** If House Bill 1745, 2001 Session, becomes law, the introductory language of Section 4 of that act reads as rewritten:

"**SECTION 4.** G.S. 20-79.4(b) is amended by adding ~~two~~three new subdivisions to read:".

**SECTION 69.** Section 2.2(h) of S.L. 2002-126 reads as rewritten:

"**SECTION 2.2.(h)** The General Assembly finds that over the last two fiscal years, the cost of the Medicaid program has increased over one billion dollars (\$1,000,000,000). The downturn in the economy has caused an unforeseeable increase in the number of persons eligible for the program. Even with the significant expansion funds appropriated for the increased costs, transfers of funds to meet obligations for the 2001-2002 fiscal year, and significant cost-savings measures imposed by the General Assembly and the Department of Health and Human Services, Medicaid will still need additional State funds next year to cover increased costs.

The General Assembly further finds that due to the downturn in the economy and the loss of jobs in various sectors of the economy, the State must undertake various economic initiatives.

Funds transferred pursuant to this section shall be used only for Medicaid and for economic initiatives.

Notwithstanding G.S. 143-16.4(a2), of the funds ~~ereditied~~added to the Tobacco Trust Account from the Master Settlement Agreement settlement payments pursuant to Section 6(2) of S.L. 1999-2 during the 2002-2003 fiscal year, the sum of thirty-eight million dollars (\$38,000,000) shall be transferred from the Department of Agriculture and Consumer Services, Budget Code 23703 (Tobacco Trust Fund) to the State Controller to be deposited in Nontax Budget Code 19978 (Intra State Transfers) to support General Fund appropriations for the 2002-2003 fiscal year.

Notwithstanding G.S. 143-16.4(a1), of the funds ~~ereditied~~added to the Health Trust Account from the Master Settlement Agreement settlement payments pursuant to Section 6(2) of S.L. 1999-2 during the 2002-2003 fiscal year, the sum of forty million dollars (\$40,000,000) shall be transferred from the Department of State Treasurer, Budget Code 23460 (Health and Wellness Trust Fund) to the State Controller to be deposited in Nontax Budget Code 19978 (Intra State Transfers) to support General Fund appropriations for the 2002-2003 fiscal year.

Notwithstanding G.S. 147-86.30(c), the Health and Wellness Trust Fund Commission may transfer up to eighteen million dollars (\$18,000,000) from the Fund Reserve created in G.S. 147-86.30 to the Health and Wellness Trust Fund nonreserved funds to be expended in accordance with G.S. 147-86.30(d) during the 2002-2003 fiscal year."

**SECTION 69.3.** Section 3.1 of S.L. 2002-126 reads as rewritten:

"SECTION 3.1. Appropriations from the Highway Fund of the State for the maintenance and operation of the Department of Transportation, and for other purposes as enumerated are made for the fiscal year ending June 30, 2003, according to the schedule that follows. Amounts set out in brackets are reductions from Highway Fund appropriations for the 2002-2003 fiscal year.

**Current Operations - Highway Fund****2002-2003**

|  |                       |                    |
|--|-----------------------|--------------------|
| Administration                                       | (362,232)             | (90,000)           |
| Operations   |                       | —                  |
| Construction and Maintenance                         |                       |                    |
| a. Construction                                      |                       |                    |
| (01) Primary Construction                            |                       | —                  |
| (02) Secondary Construction                          | (1,887,000)           |                    |
| (03) Urban Construction                              | 7,000,000             |                    |
| (04) Access and Public Service Roads                 |                       | —                  |
| (05) Contingency Construction                        | 5,000,000             |                    |
| (06) Spot Safety Construction                        |                       | —                  |
| b. State Funds to Match Federal Highway Aid          |                       | —                  |
| c. State Maintenance                                 | <del>13,823,411</del> | <u>13,551,179</u>  |
| d. Ferry Operations                                  |                       | —                  |
| e. Capital Improvements                              |                       | —                  |
| f. State Aid to Municipalities                       |                       | (1,887,000)        |
| g. State Aid for Public Transportation and Railroads |                       | 14,350,000         |
| h. OSHA – State                                      |                       | —                  |
| Governor's Highway Safety Program                    |                       | —                  |
| Division of Motor Vehicles                           |                       | —                  |
| Reserves and Transfers                               |                       | <u>(6,039,551)</u> |
| GRAND TOTAL HIGHWAY FUND                             |                       | \$ 29,997,628".    |

SECTION 69.5. Section 5.2(a) of S.L. 2002-126 reads as rewritten:

"SECTION 5.2.(a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 2003, according to the following schedule:

**COMMUNITY DEVELOPMENT BLOCK GRANT**

|                                  |             |
|----------------------------------|-------------|
| 01. State Administration         | \$1,000,000 |
| 02. Urgent Needs and Contingency | 1,000,000   |
| 03. Scattered Site Housing       | 13,100,000  |
| 04. Economic Development         | 8,710,000   |
| 05. Community Revitalization     | 13,500,000  |
| 06. State Technical Assistance   | 450,000     |
| 07. Housing Development          | 2,100,000   |

08. Infrastructure

5,140,000

## TOTAL COMMUNITY DEVELOPMENT

BLOCK GRANT - ~~2002-2003~~ Program Year \$45,000,000"**SECTION 69.6.(a)** Section 5.2(d) of S.L. 2002-126 reads as rewritten:

**"SECTION 5.2.(d)** Limitations on Community Development Block Grant Funds. – Of the funds appropriated in this section for the Community Development Block Grant, the following shall be allocated in each category for each program year: up to one million dollars (\$1,000,000) may be used for State administration; ~~up to not less than one million dollars (\$1,000,000) may be used for Urgent Needs and Contingency;~~ Contingency, but any funds in excess of one million dollars (\$1,000,000) may be taken only from categories 01,02,04,06, and 08 of subsection (a) of this section; up to thirteen million one hundred thousand dollars (\$13,100,000) may be used for Scattered Site Housing; up to eight million seven hundred ten thousand dollars (\$8,710,000) may be used for Economic Development; not less than thirteen million five hundred thousand dollars (\$13,500,000) shall be used for Community Revitalization; up to four hundred fifty thousand dollars (\$450,000) may be used for State Technical Assistance; up to two million one hundred thousand dollars (\$2,100,000) may be used for Housing Development; up to five million one hundred forty thousand dollars (\$5,140,000) may be used for Infrastructure. If federal block grant funds are reduced or increased by the Congress of the United States after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable."

**SECTION 69.6.(b)** Section 5.2 of S.L. 2002-126 is amended by adding a new subsection to read:

**"SECTION 5.2.(f)** Notwithstanding Section 5.2 of S.L. 2001-424, up to four million dollars (\$4,000,000) of funds appropriated in Section 5.2 of S.L. 2001-424 to the Department of Commerce for Economic Development may be used for Urgent Needs and Contingency for drought recovery."

**SECTION 70.** The introductory language of Section 7.30 of S.L. 2002-126 reads as rewritten:

**"SECTION 7.30.** Effective January 1, 2003, G.S. 115C-174.12 reads as rewritten:"

**SECTION 70.5.(a)** Section 7.44 of S.L. 2002-126 reads as rewritten:

**"SECTION 7.44.** Notwithstanding G.S. 115C-174.11(a), the Department of Public Instruction may administer a standardized reading test measure for a ~~one time, one year only,~~ pilot study of the comparative predictive validity of the reading assessment used in kindergarten through second grade. This standardized measure may be administered to a ~~sample of students in a maximum of five percent (5%) of the eligible public schools,~~ including eligible charter schools, and is limited to the extent necessary to receive funds as part of the federal Reading First Grant. The results of this standardized measure shall not be used to evaluate, promote, or retain any student."

**SECTION 70.5.(b).** This section applies only to the extent that and at such times as it is necessary to receive and retain funds as part of the federal Reading First Grant. This section expires at the time that the federal Reading First Grant expires. In the event that the State is not awarded funds as a part of the federal Reading First Grant, the Department shall not continue to implement Section 7.44 of S.L. 2002-126, as rewritten by this section.

**SECTION 71.** S.L. 2002-126 is amended by adding a new section to read:

**"TRANSFER OF COMMUNITY COLLEGE POSITION**

**SECTION 8.9.** Personnel position # 6800-1500-0075-052, High School Apprenticeship Consultant, is transferred from the North Carolina Community College System to the Department of Public Instruction."

**SECTION 72.** Section 9.7 of S.L. 2002-126 reads as rewritten:

"**SECTION 9.7.** The Chancellor of each constituent institution shall report to the Board of Governors of The University of North Carolina on the reductions made to the General Fund budget codes in order to meet the reduction reserve amounts for that institution. The President of The University of North Carolina shall report to the Board of Governors of The University of North Carolina on the reductions made to the General Fund budget codes controlled by the Board in order to meet the reduction reserve amounts for those entities. The Board of Governors shall make a summary report to the Fiscal Research Division by ~~October 31~~, November 30, 2002, on all reductions made by these entities and constituent institutions in order to reduce the budgets by the targeted amounts."

**SECTION 73.** Section 10.3(b) of S.L. 2002-126 reads as rewritten:

"**SECTION 10.3.(b)** The Department shall report the results of its review to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division not later than ~~December 1, 2002~~, February 15, 2003. The report shall include staffing requirements for adult day care and adult day health programs as compared to adult care homes, assisted living facilities, and nursing homes in the State. The report shall also compare staffing ratios in North Carolina to those of other states, including those states that border North Carolina. The report shall be conducted by the Department, Office of Long-Term Care, or by an independent contractor and shall contain all of the following specific information:

- (1) Number of staff required per resident.
- (2) Education/work experience required and preferred as a basis for hire.
- (3) Specific job duties outlined in job descriptions.
- (4) Rationale and justification for establishing the existing staff ratios in the Division of Aging's policy for adult day care and adult day health care.
- (5) An analysis of the variance in staffing requirements among adult day care and adult day health programs, adult care homes, assisted living facilities, and nursing homes.
- (6) Identification of the entities responsible for licensing and monitoring quality for all providers of long-term care in the State.
- (7) Recommendations for changes to existing policies based on findings of the Department's review."

**SECTION 74.** Section 10.11(c) of S.L. 2002-126 reads as rewritten:

"**SECTION 10.11.(c)** When implementing the Supplemental Security Income (SSI) method for considering equity value of income producing property, the Department shall, to the maximum extent possible, employ procedures to mitigate the hardship to Medicaid enrollees occurring from application of the Supplemental Security Income (SSI) method. The Department shall continue to exclude the equity value of life estate and tenancy-in-common property when determining resource eligibility for Medicaid, even if the property is also income producing."

**SECTION 75.** Section 10.19(b) of S.L. 2002-126 reads as rewritten:

"**SECTION 10.19.(b)** The Secretary of Health and Human Services shall not request or require supplemental rebates from pharmaceutical manufacturers."



**SECTION 75.5.** Section 13.3(c) of S.L. 2002-126 reads as rewritten:

"**SECTION 13.3.(c)** North Carolina REAL Enterprises and the other agencies listed in subsections (a) and (b) of this section shall do the following for the programs for which funds are appropriated in this section:

By January 15, 2003, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:

- (1) State fiscal year ~~2002-2003~~ 2001-2002 program activities, objectives, and accomplishments;
- (2) State fiscal year ~~2002-2003~~– 2001-2002 itemized expenditures and fund sources;
- (3) State fiscal year ~~2003-2004~~ 2002-2003 planned activities, objectives, and accomplishments including actual results through December 31, 2002; and
- (4) State fiscal year ~~2003-2004~~ 2002-2003 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 2002."

**SECTION 76.(a)** Section 13.7 of S.L. 2002-126 is repealed.

**SECTION 76.(b)** Section 13.9 of S.L. 2002-126 reads as rewritten:

"**SECTION 13.9.** The Kenan-Flagler Business School ("Business School") of the University of North Carolina at Chapel Hill shall study the effectiveness of the economic development activities of the North Carolina Department of Commerce ("Commerce") and the Regional Economic Development Commissions ("Commissions"). In conducting its study the Business School shall work with Commerce and the Commissions to do the following:

- (1) Identify how Commerce and the Commissions can improve communication, implement a more coordinated and efficient recruitment and retention effort throughout the State, and avoid duplication of effort,
- (2) Establish specific performance measures and outcomes relevant to the mission, goals, and objectives of Commerce and the Commissions,
- (3) Develop a "scorecard" that can be used to measure the extent to which Commerce and the Commissions have achieved their goals, objectives, and outcomes, and
- (4) Recommend a performance-based funding mechanism that will inform the General Assembly's decisions regarding appropriations to Commerce and the Commissions.

The Business School also may include in its study and recommendations any other information it deems relevant to the study and its intent.

The Business School shall report its findings and recommendations to ~~the Senate Appropriations Subcommittee on Natural and Economic Resources, the Senate Full Appropriations Chairs, the Joint Legislative Commission on Governmental Operations, and the members of the General Assembly and to the Fiscal Research Division~~ by March 15, 2003."

**SECTION 77.** S.L. 2002-126 is amended by adding a new section to read:

"Requested by: Representatives Baddour, Culpepper

**CLARIFY EARNED TIME FOR MEDICALLY AND PHYSICALLY UNFIT INMATES**

**SECTION 17.19.** Subsection (b) of Section 25.1 of S.L. 2001-424 reads as rewritten:

**'SECTION 25.1.(b)** This section is effective when it becomes law and applies to inmates serving sentences on or after that date. Inmates sentenced under the Fair Sentencing Act or prior law who meet the criteria established pursuant to this section may be awarded gain time.'"

**SECTION 78.** Section 18.6(c) of S.L. 2002-126 reads as rewritten:

**"SECTION 18.6.(c)** This section becomes effective ~~December 1,~~October 15, 2002."

**SECTION 79.** The "Requested by" text for Section 18.7 of S.L. 2002-126 reads as rewritten:

"Requested by: Senators Thomas, Wellons, Ballance, Rand, Garrou, Plyler, Odom, Lee; Representatives Baddour, ~~Decker,~~ Culpepper, Haire, Luebke, Easterling, Oldham, Redwine".

**SECTION 80.** Section 19.4 of S.L. 2002-126 reads as rewritten:

**"SECTION 19.4.** The Department of Administration, State Property Office, in consultation with all State agencies, shall identify regional offices established throughout the State in all State agencies and shall develop a plan that provides for the consolidation of the individual regional offices into a central facility in each region, giving consideration to sharing space and utilizing vacant space, and to availability of space in all agencies, including university and community college campuses. The Department shall report its findings and recommendations to the Chairs of the Appropriations Committees of the Senate and House of Representatives and to the Fiscal Research Division by ~~November 1, 2002.~~February 1, 2003."

**SECTION 81.** Section 21.2 of S.L. 2002-126 reads as rewritten:

**"SECTION 21.2.** The Office of State Budget and Management shall study the feasibility of charging an admission fee to the State's museums and other similar facilities open to the public. The Office of State Budget and Management shall conduct the study in consultation with the Fiscal Research Division of the Legislative Services Office. The Office of State Budget and Management shall complete this study and report to the Chairs of the Senate and House of Representatives Appropriations Committees by ~~November 1, 2002.~~February 1, 2003."

**SECTION 82.** Section 28.3A of S.L. 2002-126 reads as rewritten:

**"SECTION 28.3A.** Any person who is a full-time permanent employee on September 30, 2002, of (i) a local board of education, ~~except for an employee who receives a salary increment pursuant to Section 7.1, 7.2, or 7.45 of this act,~~ or (ii) the State, who is eligible for annual leave shall have a one-time additional 10 days of annual leave credited on that date. Local board of education employees paid on salary schedules in Section 7.1 or 7.2 of this act are not eligible to receive this additional annual leave unless they are at the top of their respective salary schedules and do not receive a salary increment for the 2002-2003 fiscal year. Employees paid under Section 7.45 of this act shall not be eligible for this additional annual leave unless they are at the top of their respective salary schedules and do not receive a salary increment for the 2002-2003 fiscal year. That leave shall be accounted for separately, and shall remain available until used, notwithstanding any other limitation on the total number of days of annual leave that may be carried forward. Part-time permanent employees and 9- or 10-month employees shall receive a pro rata amount of the 10 days.

The General Assembly encourages the State Board of Community Colleges to adopt rules authorizing the colleges to provide special annual leave bonuses, compensation

bonuses, or other employee benefits to their employees. Included within this may be salary increases within available funds to employees not receiving special annual leave bonuses."

**SECTION 83.** If Senate Bill 1238, 2001 Session, becomes law, Sections 4.1 and 5 of that act read as rewritten:

**"SECTION 4.1.** ~~The appropriation to the Department of State Treasurer, Retirement Systems Division, is increased~~ Treasurer is authorized to increase the requirements and receipts for the operating budget of the Retirement Systems Division in the amount of two hundred forty-seven thousand seven hundred thirteen dollars (\$247,713) for the fiscal year 2002-2003 and the fiscal year 2003-2004 to fund eight two-year time-limited positions to implement the provisions of this act.

**SECTION 5.** ~~This Sections 4.1 and 5 of this act become effective November 1, 2002, and the remainder of this act becomes effective January 1, 2003.~~

**SECTION 84.** The following budget reductions in the Department of Health and Human Services, as provided in the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets, dated September 18, 2002, are modified as follows:

- (1) The reduction in funding in the Division of Facility Services under the heading "17 Legal Services" is for the elimination of the contract with the Department of Justice for one paralegal position. This reduction does not require the elimination of a personnel position in the Division.
- (2) The reduction in funding for the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services under the heading "40 Mental Retardation Centers" is modified by deleting "1.0 Outreach Specialist II" and substituting "2.0 Outreach Specialist II"; and by deleting "1.0 Patient Review Coordinator".
- (3) The reduction in funding for the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services under the heading "State Psychiatric Hospitals" is modified by deleting "1.0 Patient Relations Representative III" and substituting "1.0 Patient Relations Representative IV".
- (4) The reduction in funding in the Division of Vocation Rehabilitation under the heading "111 Position Eliminations" is modified by deleting "Eliminates 24.0 vacant and 2.0 filled positions:" and substituting "Eliminates 23.0 vacant and 2.0 filled positions:"; by deleting "8.0 Office Assistant III's" and substituting "7.5 Office Assistant III's"; and by deleting "1.0 Processing Assistant III" and substituting ".5 Processing Assistant III". Twenty-five personnel positions are eliminated by this reduction.
- (5) The reduction in funding for Office of Education Services under the heading "122 Central Preschool Program" is modified by deleting "Eliminates 7.0 vacant and 2.0 filled preschool staff positions" and substituting "Eliminates 6.75 vacant and 2.0 filled preschool staff positions"; and by deleting "1.0 EDA II" and substituting ".75 EDA II". Eight and three-fourths personnel positions are eliminated by this reduction.
- (6) The reduction in funding for Office of Education Services under the heading "131 Positions at WNCSD" is modified by deleting

"Abolishes 14.75 vacant and 1.0 filled positions" and substituting "Abolishes 11.75 vacant and 1.0 filled positions"; by deleting "1.0 Computer Support Tech II"; and by deleting "5.0 Teachers" and substituting "3.0 Teachers". Twelve and three-fourths positions are eliminated by this reduction.

**SECTION 85.** The following positions in the Office of State Personnel, as provided in the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets, dated September 18, 2002, are modified as follows:

- (1) Delete "HR Partner - #4000-0500-0004-320 – (\$35,535)" and substitute "HR Partner - #4000-0300-0004-320 – (\$35,535)"; and
- (2) Delete "HR Partner - #4000-0500-0004-946 – (\$36,396)" and substitute "HR Partner - #4000-0300-0004-946 – (\$36,396)".

**SECTION 86.** Notwithstanding any other provision of law, the Department of Health and Human Services shall expend from funds available in the 2002-2003 fiscal year the sum of two million dollars (\$2,000,000) for the purpose of planning and preliminary design through the schematic phase of replacement hospitals for Cherry and Broughton psychiatric hospitals. The Department shall ensure that the identification and use of the funds for these purposes do not adversely impact direct services for mental health, developmental disabilities, or substance abuse and do not impact adversely area or county mental health, developmental disabilities, and substance abuse services programs. The replacement hospitals for Cherry Hospital and Broughton Hospital shall be located in the Counties of Wayne and Burke to serve the Eastern and Western regions of the State.

**SECTION 87.** Any employee subject to a reduction in force action pursuant to Executive Order Number 22 whose position was ultimately funded in S.L. 2002-126 shall maintain the employee's career State employee status as provided in G.S. 126-1.1. Employees may also purchase vacation leave up to the amount that they had accrued, not to exceed 240 hours, prior to the date of their separation. Employees who had accrued in excess of 240 hours of annual leave shall have that balance reinstated. These employees shall also receive the "Special Annual Leave Bonus" as specified in Section 28.3A of S.L. 2002-126.

**SECTION 88.** Notwithstanding G.S. 12-3.1(a)(2), the North Carolina Locksmith Licensing Board may adopt its initial fees as authorized by G.S. 74F-9 without prior consultation with the Joint Legislative Commission on Governmental Operations. The North Carolina Locksmith Licensing Board shall report on the amount and purpose of its initial fees to the Joint Legislative Commission on Governmental Operations prior to the next meeting of the Joint Legislative Commission on Governmental Operations following the adoption of the initial fees.

**SECTION 89.** Notwithstanding any other provision of law to the contrary, the General Assembly may authorize the use of monies from its reserve to pay the dues for the Southern Legislative Conference and other associated organizations for the 2002-2003 fiscal year.

**SECTION 91.** The Secretary of Health and Human Services shall maintain all existing educational and research programs in psychiatry and psychology conducted by the University of North Carolina School of Medicine and the Psychology Department within the School of Arts and Sciences at the University of North Carolina at Chapel Hill at Dorothea Dix Hospital and John Umstead Hospital, unless the programs are otherwise modified by the University of North Carolina School of Medicine or the School of Arts and Sciences. The University of North Carolina School

of Medicine shall retain authority over all educational and research programs in psychiatry, and the University of North Carolina School of Arts and Sciences shall retain authority over all educational and research programs in psychology conducted at these hospitals and any new State psychiatric hospital. The Secretary shall consult with the University of North Carolina School of Medicine in programmatic, operational, and facility planning of the new psychiatric hospital to ensure appropriate patient treatment and continuation of educational and research programs conducted by the University of North Carolina School of Medicine. Likewise, the Secretary shall consult with the University of North Carolina School of Arts and Sciences to ensure appropriate continuation of educational and research programs conducted by the University of North Carolina School of Arts and Sciences.

**SECTION 91.1.** Nothing in the General Statutes or any local act entitles any charter school, prior to July 1, 2003, to recover retroactively any funds from penalties, fines, and forfeitures or supplemental school taxes.

**SECTION 91.2.** Section 11.1(a) of S.L. 2002-126 is repealed.

**SECTION 91.3.** Notwithstanding the provisions of S.L. 2002-126, the provisions of Section 4 of Chapter 589 of the 1995 Session Laws remain in effect and the Judicial Department shall use the sum of thirty-eight thousand one hundred thirty-two dollars (\$38,132) in funds available to the Department to continue a superior court judicial assistant position in Superior Court District 19B. That position is currently assigned to a regular superior court judge, but in the event that the position becomes vacant, it shall be reassigned to the senior resident superior court judge.

**SECTION 92.** Unless otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 4<sup>th</sup> day of October, 2002.

Became law upon approval of the Governor at 11:28 a.m. on the 11<sup>th</sup> day of October, 2002.

**H.B. 1777**

**Session Law 2002-160**

AN ACT TO DELAY THE EFFECTIVE DATE OF CERTAIN ADMINISTRATIVE RULES GOVERNING SANITATION OF HOSPITALS, NURSING HOMES, REST HOMES, AND OTHER INSTITUTIONS; TO PROVIDE FOR A FIELD TEST OF THOSE RULES; TO AUTHORIZE THE COMMISSION FOR HEALTH SERVICES TO ADOPT TEMPORARY AND PERMANENT RULES TO AMEND THOSE RULES; TO AUTHORIZE THE MEDICAL CARE COMMISSION TO ADOPT TEMPORARY AND PERMANENT RULES GOVERNING LICENSING OF FAMILY CARE HOMES AND HOMES FOR THE AGED AND INFIRM; AND TO REQUIRE THE SECRETARY OF HEALTH AND HUMAN SERVICES AND THE COMMISSION FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES TO DEVELOP A PROCESS FOR EXPEDITING REVIEW OF REQUESTS FOR WAIVERS FROM RULES PERTAINING TO MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Notwithstanding G.S. 150B-21.3(b), amendments to the following rules governing sanitation of hospitals, nursing homes, rest homes, and other

institutions, adopted by the Commission for Health Services and approved by the Rules Review Commission on 18 October 2001, become effective 1 March 2003: 15A NCAC 18A .1301 (Definitions), 15A NCAC 18A .1302 (Approval of Plans), 15A NCAC 18A .1304 (Inspections), 15A NCAC 18A .1305 (Grading Residential Care Facilities in Institutions), 15A NCAC 18A .1306 (Public Display of Grade Card), 15A NCAC 18A .1307 (Reinspections), 15A NCAC 18A .1308 (Approved Institutions), 15A NCAC 18A .1309 (Floors), 15A NCAC 18A .1310 (Walls and Ceilings), 15A NCAC 18A .1312 (Toilet: Handwashing: Laundry: and Bathing Facilities), 15A NCAC 18A .1313 (Water Supply), 15A NCAC 18A .1314 (Drinking Water Facilities: Ice Handling), 15A NCAC 18A .1315 (Liquid Wastes), 15A NCAC 18A .1316 (Solid Wastes), 15A NCAC 18A .1317 (Vermin Control: Premises: Animal Maintenance), 15A NCAC 18A .1318 (Miscellaneous), 15A NCAC 18A .1319 (Furnishings and Patient Contact Items), 15A NCAC 18A .1320 (Food Service Utensils and Equipment), 15A NCAC 18A .1322 (Milk and Milk Products), 15A NCAC 18A .1323 (Food Protection), and 15A NCAC 18A .1324 (Employees).

**SECTION 2.** Notwithstanding G.S. 150B-21.3(b), 15A NCAC 18A .1327 (Incorporated Rules) adopted by the Commission for Health Services and approved by the Rules Review Commission on 18 October 2001 becomes effective 1 March 2003.

**SECTION 3.** Notwithstanding G.S. 150B-21.3(b), amendments to 15A NCAC 18A .1311 (Lighting, Ventilation and Moisture Control) and 15A NCAC 18A .1321 (Food Supplies) adopted by the Commission for Health Services and approved by the Rules Review Commission on 15 November 2001 become effective 1 March 2003.

**SECTION 4.** The Division of Environmental Health of the Department of Environment and Natural Resources, with the assistance of local health departments, shall field test the amended rules listed in Sections 1 through 3 of this act by conducting trial inspections of a representative sample of facilities subject to the amended rules throughout the State. Trial inspections under the amended rules shall be performed during the period 1 October 2002 through 1 February 2003 in conjunction with the regular inspection of the representative sample of facilities under rules in effect during the field test period. A facility that is subject to a trial inspection shall not be liable for an enforcement action for any violation of an amended rule that is observed during a trial inspection but may be liable for an enforcement action under rules in effect during the field test period. The purposes of the field test shall be to determine what expenditures, if any, will be required of facilities in order to comply with the amended rules and whether the amended rules will result in lower inspection grades for facilities. As a part of the field test, the Division shall also review the amended rules, giving particular attention to applicable federal regulations and to the incorporation by reference of any other rules or standards in the amended rules, to determine whether the amended rules will result in any duplication or conflict in applicable requirements or standards and whether the amended rules will result in duplicative or conflicting inspection or enforcement policies or procedures. The Division of Environmental Health shall compile and analyze field test data to determine whether any of the amended rules should be revised. The Division shall report the results of the field test required by this section, any recommendations to the Commission for Health Services regarding revisions to the amended rules, and the status of any recommended rule revisions to the Environmental Review Commission on or before 1 March 2003.

**SECTION 5.** The Division of Environmental Health of the Department of Environment and Natural Resources shall offer training to staff of facilities that are subject to the amended rules listed in Sections 1 through 3 of this act. Training shall be

offered in the various regions of the State as appropriate and shall include information on the requirements of the amended rules, enforcement policies and procedures, and updated information as to any revisions to the amended rules that may be recommended as a result of the field test of the amended rules required by Section 4 of this act.

**SECTION 6.(a)** This act constitutes a recent act of the General Assembly within the meaning of G.S. 150B-21.1(a).

**SECTION 6.(b)** Notwithstanding Sections 1 through 3 of this act, the Commission for Health Services may adopt temporary and permanent rules to further delay the effective date of any of the rules listed in Sections 1 through 3 of this act. The Commission for Health Services may adopt temporary and permanent rules to revise any of the rules listed in Sections 1 through 3 of this act.

**SECTION 6.(c)** The Medical Care Commission may adopt temporary and permanent rules to amend Subchapter 42C (Licensing of Family Care Homes) and Subchapter 42D (Licensing of Homes for the Aged and Infirm) of Chapter 42 (Individual and Family Support) of Title 10 (Department of Health and Human Services) of the North Carolina Administrative Code. Prior to the adoption of temporary rules under this subsection, the Commission shall:

- (1) Consult with persons who may be interested in the subject matter of the temporary rule during the development of the text of the proposed temporary rule.
- (2) Notify persons on the mailing list that the Commission maintains pursuant to G.S. 150B-21.2(d) of its intent to adopt a temporary rule.
- (3) Publish a notice of intent to adopt a temporary rule in the North Carolina Register. The notice shall set out the text of the proposed temporary rule and include the name of the person to whom questions and written comment on the proposed rule may be submitted. The Commission shall accept written comment on the proposed temporary rule for at least 30 days after the notice of intent to adopt the temporary rule is published in the North Carolina Register.
- (4) Hold at least one public hearing on the proposed temporary rule.

**SECTION 6.(d)** Notwithstanding 26 NCAC 2C .0102(11), the Commission for Health Services and the Medical Care Commission may adopt temporary rules as provided in this section until 1 July 2003.

**SECTION 7.(a)** For the purpose of promoting innovation and efficiency and improving quality of care in the implementation of mental health system reform, the Secretary of Health and Human Services, and the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services shall expedite the process for waiver of rules authorized under G.S. 122C-112.1 and G.S. 122C-114 as provided in this section.

**SECTION 7.(b)** If an area authority or county program requests a waiver of one or more rules adopted by the Secretary of Health and Human Services or by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services in order to implement its business plan developed under G.S. 122C-115.2, then the Secretary shall review and approve or deny the request for waiver of one or more rules adopted by the Secretary within 10 days of receipt of the request for waiver. The Commission shall review and approve or deny the request for waiver of one or more rules adopted by the Commission not later than its next regularly scheduled meeting following receipt of the request. The waiver must comply with this section and with rules governing the waiver of rules adopted under G.S. 122C-112.1 and G.S. 122C-114,

except that if under the rules the time for review of the waiver is longer than the time required under this section, then this section applies. If the request for waiver is denied, the denial shall be in writing and shall state the grounds on which the denial is based. Appeals of denial of the waiver shall be in accordance with applicable rules adopted pursuant to G.S. 122C-112.1 and G.S. 122C-114. If the request for waiver is approved, the waiver shall be in effect for a period not to exceed three years or the period for which the business plan to which the waiver applies is in effect, whichever is shorter. Prior to considering, or presenting to the Commission for consideration, a request for waiver submitted pursuant to this section, the Secretary shall review the request to ensure that the waiver furthers the purposes of mental health reform, does not compromise quality of care, effectiveness, and efficiency in program administration and service delivery, and meets the requirements of the business plan under G.S. 122C-115.2. Upon a finding by the Secretary that the request for waiver complies with this section, the request for waiver shall be reviewed in accordance with this section.

**SECTION 7.(c)** The Secretary shall report on the Department's activities under this section to the Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. The report shall be submitted by 1 October 2002 and annually thereafter.

**SECTION 8.** This act is effective when it becomes law. Section 7 of this act expires 1 July 2005.

In the General Assembly read three times and ratified this the 26<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 11:00 a.m. on the 17<sup>th</sup> day of October, 2002.

**H.B. 623****Session Law 2002-161****AN ACT TO PROMOTE ENERGY EFFICIENCY IN STATE-OWNED BUILDINGS.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The title of Part 2 of Article 3B of Chapter 143 of the General Statutes reads as rewritten:

"Part 2. Guaranteed Energy Savings Contracts for ~~Local~~ Governmental Units."

**SECTION 2.** G.S. 143-64.17 reads as rewritten:

**"§ 143-64.17. Definitions.**

As used in this Part:

- (1) "Energy conservation measure" means a facility alteration, training, or services related to the operation of the facility, when the alteration, training, or services provide anticipated energy savings. Energy conservation measure includes any of the following:
  - a. Insulation of the building structure and systems within the building.
  - b. Storm windows or doors, caulking, weatherstripping, multiglazed windows or doors, heat-absorbing or heat-reflective glazed or coated window or door systems, additional glazing, reductions in glass area, or other window or door system modifications that reduce energy consumption.
  - c. Automatic energy control systems.



- d. Heating, ventilating, or air-conditioning system modifications or replacements.
  - e. Replacement or modification of lighting fixtures to increase the energy efficiency of a lighting system without increasing the overall illumination of a facility, unless an increase in illumination is necessary to conform to the applicable State or local building code or is required by the light system after the proposed modifications are made.
  - f. Energy recovery systems.
  - g. Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings.
  - h. Other energy conservation measures.
- (2) "Energy savings" means a measured reduction in fuel costs, energy costs, or operating costs created from the implementation of one or more energy conservation measures when compared with an established baseline of previous fuel costs, energy costs, or operating costs developed by the ~~local~~-governmental unit.
- (2a) "Governmental unit" means either a local governmental unit or a State governmental unit.
- (3) "Guaranteed energy savings contract" means a contract for the evaluation, recommendation, or implementation of energy conservation measures, including the design and installation of equipment or the repair or replacement of existing equipment, in which all payments, except obligations on termination of the contract before its expiration, are to be made over time, and in which energy savings are guaranteed to exceed costs.
- (4) "Local governmental unit" means any board or governing body of a political subdivision of the State, including any board of a community college, any school board, or an agency, commission, or authority of a political subdivision of the State.
- (5) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures.
- (6) "Request for proposals" means a negotiated procurement initiated by a ~~local~~-governmental unit by way of a published notice that includes the following:
- a. The name and address of the ~~local~~-governmental unit.
  - b. The name, address, title, and telephone number of a contact person in the ~~local~~-governmental unit.
  - c. Notice indicating that the ~~local~~-governmental unit is requesting qualified providers to propose energy conservation measures through a guaranteed energy savings contract.
  - d. The date, time, and place where proposals must be received.
  - e. The evaluation criteria for assessing the proposals.
  - f. A statement reserving the right of the ~~local~~-governmental unit to reject any or all the proposals.
  - g. Any other stipulations and clarifications the ~~local~~-governmental unit may require.

- (7) "State governmental unit" means the State or a department, an agency, a board, or a commission of the State, including the Board of Governors of The University of North Carolina and its constituent institutions."

**SECTION 3.** G.S. 143-64.17A reads as rewritten:

**"§ 143-64.17A. Solicitation of guaranteed energy savings contracts.**

(a) Before entering into a guaranteed energy savings contract, a ~~local~~ governmental unit shall issue a request for proposals. Notice of the request shall be published at least 15 days in advance of the time specified for opening of the proposals in at least one newspaper of general circulation in the geographic area for which the local governmental unit is ~~responsible~~ responsible or, in the case of a State governmental unit, in which the facility or facilities are located. No guaranteed energy savings contract shall be awarded by any ~~governing body~~ governmental unit unless at least two proposals have been received from qualified providers. Provided that if after the publication of the notice of the request for proposals, fewer than two proposals have been received from qualified providers, the ~~governing body of the local~~ governmental unit shall again publish notice of the request and if as a result of the second notice, one or more proposals by qualified providers are received, the ~~governing body~~ governmental unit may then open the proposals and select a qualified provider even if only one proposal is received.

(b) The ~~local~~ governmental unit shall evaluate a sealed proposal from any qualified provider. Proposals shall contain estimates of all costs of installation, modification, or remodeling, including costs of design, engineering, installation, maintenance, repairs, ~~and~~ debt service, and estimates of energy savings.

(c) ~~Proposals~~ In the case of a local governmental unit, proposals received pursuant to this section shall be opened by a member or an employee of the governing body of the local governmental unit at a public opening at which the contents of the proposals shall be announced and recorded in the minutes of the governing body. Proposals shall be evaluated for the local governmental unit by a licensed architect or engineer on the basis of:

- (1) The information required in subsection (b) of this section; and
- (2) The criteria stated in the request for proposals.

The local governmental unit may require a qualified provider to include in calculating the cost of a proposal for a guaranteed energy savings contract any reasonable fee payable by the local governmental unit for evaluation of the proposal by a licensed architect or professional engineer not employed as a member of the staff of the local governmental unit or the qualified provider.

(c1) In the case of a State governmental unit, proposals received pursuant to this section shall be opened by a member or an employee of the State governmental unit at a public opening and the contents of the proposals shall be announced at this opening. Proposals shall be evaluated for the State governmental unit by a licensed architect or engineer who is either privately retained, employed with the Department of Administration, or employed as a member of the staff of the State governmental unit. The proposal shall be evaluated on the basis of the information required in subsection (b) of this section and the criteria stated in the request for proposals.

The State governmental unit shall require a qualified provider to include in calculating the cost of a proposal for a guaranteed energy savings contract any reasonable fee payable by the State governmental unit for evaluation of the proposal by a licensed architect or professional engineer not employed as a member of the staff of

the State governmental unit or the qualified provider. The Department of Administration may charge the State governmental unit a reasonable fee for the evaluation of the proposal if the Department's services are used for the evaluation and the cost paid by the State governmental unit to the Department of Administration shall be calculated in the cost of the proposal under this subsection.

(d) The ~~local~~-governmental unit shall select the qualified provider that it determines to best meet the needs of the ~~local~~ governmental unit by evaluating all of the following:

- (1) Prices ~~offered~~; offered.
- (2) Proposed costs of construction, financing, maintenance, and ~~training~~; training.
- (3) Quality of the products ~~proposed~~; proposed.
- (4) Amount of energy ~~savings~~; savings.
- (5) General reputation and performance capabilities of the qualified ~~providers~~; providers.
- (6) Substantial conformity with the specifications and other conditions set forth in the request for ~~proposals~~; proposals.
- (7) Time specified in the proposals for the performance of the ~~contract~~; and contract.
- (8) Any other factors the ~~local~~ governmental unit deems necessary, which factors shall be made a matter of record.

(e) Nothing in this section shall limit the authority of ~~local~~-governmental units as set forth in Article 3D of this Chapter."

**SECTION 4.** G.S. 143-64.17B reads as rewritten:

**"§ 143-64.17B. Guaranteed energy savings contracts.**

(a) A ~~local~~-governmental unit may enter into a guaranteed energy savings contract with a qualified provider if all of the following apply:

- (1) The term of the contract does not exceed 12 years from the date of the installation and acceptance by the ~~local~~ governmental unit of the energy conservation measures provided for under the contract.
- (2) The ~~local~~-governmental unit finds that the energy savings resulting from the performance of the contract will equal or exceed the total cost of the contract.
- (3) The energy conservation measures to be installed under the contract are for an existing building.

(b) Before entering into a guaranteed energy savings contract, the ~~local~~ governmental unit shall provide published notice of the time and place or of the meeting at which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose. The notice must be published at least 15 days before the date of the proposed award or meeting.

(c) A qualified provider entering into a guaranteed energy savings contract under this Part shall provide a bond to the ~~local~~-governmental unit in the amount equal to one hundred percent (100%) of the total cost of the guaranteed energy savings contract to assure the provider's faithful performance. Any bonds required by this subsection shall be subject to the provisions of Article 3 of Chapter 44A of the General Statutes. If the savings resulting from a guaranteed energy savings contract are not as great as projected under the contract and all required shortfall payments to the ~~local~~-governmental unit have not been made, the ~~local~~-governmental unit may terminate the contract without incurring any additional obligation to the qualified provider.

(d) As used in this section, "total cost" shall include, but not be limited to, costs of construction, costs of financing, and costs of maintenance and training during the term of the contract. "Total cost" does not include any obligations on termination of the contract before its expiration, provided that those obligations are disclosed when the contract is executed.

(e) A guaranteed energy savings contract may not require the local governmental unit to purchase a maintenance contract or other maintenance agreement from the qualified provider who installs energy conservation measures under the contract if the local unit of government takes appropriate action to budget for its own forces or another provider to maintain new systems installed and existing systems affected by the guaranteed energy savings contract."

**SECTION 5.** G.S. 143-64.17C is repealed.

**SECTION 6.** G.S. 143-64.17D reads as rewritten:

**"§ 143-64.17D. Contract continuance.**

A guaranteed energy savings contract may extend beyond the fiscal year in which it becomes effective. Such a contract shall stipulate that it does not constitute a ~~debt, liability, or obligation of any local governmental unit or a~~ direct or indirect pledge of the taxing power or full faith and credit of any unit of local government governmental unit."

**SECTION 7.** Part 2 of Article 3B of Chapter 143 of the General Statutes is amended by adding the following new section to read:

**"§ 143-64.17F. State agencies to use contracts when feasible.**

State governmental units shall evaluate the use of guaranteed energy savings contracts in reducing energy costs and may use those contracts when feasible and practical. The Department of Administration, through the State Energy Office, shall adopt rules for agency evaluation of guaranteed energy savings contracts. Prior to adopting any rules pursuant to this section, the Department shall consult with and obtain approval of those rules from the State Treasurer."

**SECTION 8.** Part 2 of Article 3B of Chapter 143 of the General Statutes is amended by adding the following new sections to read:

**"§ 143-64.17H. Guaranteed energy savings contract reporting requirements.**

A State governmental unit that enters into a guaranteed energy savings contract must report the contract and the terms of the contract to the State Energy Office of the Department of Administration within 30 days of the date the contract is entered into. In addition, within 60 days after each annual anniversary date of a guaranteed energy savings contract, the State governmental unit must report the status of the contract to the State Energy Office, including any details required by the State Energy Office. The State Energy Office shall compile the information for each fiscal year and report it to the Joint Legislative Commission on Governmental Operations and to the Local Government Commission annually by December 1. In compiling the information, the State Energy Office shall include information on the energy savings expected to be realized from a contract and shall evaluate whether expected savings have in fact been realized.

**"§ 143-64.17I. Installment and lease purchase contracts.**

A local governmental unit may provide for the acquisition, installation, or maintenance of energy conservation measures acquired pursuant to this Part by installment or lease purchase contracts in accordance with and subject to the provisions of G.S. 160A-20 and G.S. 160A-19, as applicable.

**"§ 143-64.17J. Financing by State governmental units.**

State governmental units may finance the acquisition, installation, or maintenance of

energy conservation measures acquired pursuant to this Part in the manner and to the extent set forth in Article 8 of Chapter 142 of the General Statutes or as otherwise authorized by law.

**"§ 143-64.17K. Inspection and compliance certification for State governmental units.**

The provisions of G.S. 143-341(3) shall not apply to any energy conservation measure for State governmental units provided pursuant to this Part, except as specifically set forth in this section. Except as otherwise exempt under G.S. 116-31.11, the following shall apply to all energy conservation measures provided to State governmental units pursuant to this Part:

- (1) The provisions of G.S. 133-1.1.
- (2) Inspection and certification by:
  - a. The applicable local building inspector under Part 4 of Article 18 of Chapter 153A of the General Statutes or Part 5 of Article 19 of Chapter 160A of the General Statutes; or
  - b. At the election of the State governmental unit, the Department of Administration under G.S. 143-341(3)d.

The cost of compliance with this section may be included in the cost of the project in accordance with G.S. 143-64.17A(c1) and may be included in the cost financed under Article 8 of Chapter 142 of the General Statutes."

**SECTION 9.** Chapter 142 of the General Statutes is amended by adding a new Article to read:

"Article 8.

"State Energy Conservation Finance Act.

**"§ 142-60. Short title.**

This Article is the State Energy Conservation Finance Act.

**"§ 142-61. Definitions.**

The following definitions apply in this Article:

- (1) Certificates of participation. – Certificates or other instruments delivered by a special corporation as provided in this Article evidencing the assignment of proportionate and undivided interests in the rights to receive payments to be made by the State pursuant to one or more financing contracts.
- (2) Cost. – The term includes:
  - a. The cost of construction, modification, rehabilitation, renovation, improvement, acquisition, or installation in connection with an energy conservation measure.
  - b. The cost of engineering, architectural, and other consulting services as may be required, including the cost of performing the technical analysis in accordance with G.S. 143-64.17A and inspection and certification in accordance with G.S. 143-64.17K.
  - c. Finance charges, reserves for debt service and other types of reserves required pursuant to a financing contract or any other related documentation, and interest prior to and during construction, and, if deemed advisable by the State Treasurer, for a period not exceeding two years after the estimated date of completion of construction.
  - d. Administrative expenses and charges.

- e. The cost of bond insurance, investment contracts, credit and liquidity facilities, interest rate swap agreements and other derivative products, financial and legal consultants, and related costs of the incurrence or issuance of the financing contract to the extent and as determined by the State Treasurer.
  - f. The cost of reimbursing the State for payments made for any costs described in this subdivision.
  - g. Any other costs and expenses necessary or incidental to implementing the purposes of this Article.
- (3) Credit facility. – An agreement that:
- a. Is entered into by the State with a bank, savings and loan association, or other banking institution, an insurance company, reinsurance company, surety company or other insurance institution, a corporation, investment banking firm or other investment institution, or any financial institution or other similar provider of a credit facility, which provider may be located within or without the United States of America; and
  - b. Provides for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption, or acceleration), redemption premium, if any, and interest with respect to any financing contract payable on demand or tender by the owner in consideration of the State agreeing to repay the provider of the credit facility in accordance with the terms and provisions of the agreement.
- (4) Energy conservation measure. – Defined in G.S. 143-64.17.
- (5) Energy conservation property. – Buildings, equipment, or other property with respect to which an energy conservation measure is undertaken.
- (6) Financing contract. – An installment financing contract entered into pursuant to the provisions of this Article to finance the cost of an energy conservation measure.
- (7) Person. – An individual, a firm, a partnership, an association, a corporation, a limited liability company, or any other organization or group acting as a unit.
- (8) Special corporation. – A nonprofit corporation created under Chapter 55A of the General Statutes for the purpose of facilitating the incurrence of certificates of participation indebtedness by the State under this Article.
- (9) State governmental unit. – Defined in G.S. 143-64.17.
- (10) State Treasurer. – The incumbent Treasurer, from time to time, of the State.

**"§ 142-63. Authorization of financing contract.**

Subject to the terms and conditions set forth in this Article, a State governmental unit that has solicited a guaranteed energy conservation measure pursuant to G.S. 143-64.17A or G.S. 143-64.17B or the State Treasurer, as designated by the Council of State, is authorized to execute and deliver, for and on behalf of the State of North Carolina, a financing contract to finance the costs of the energy conservation measure. The aggregate principal amount payable by the State under financing contracts entered

pursuant to this Article shall not exceed fifty million dollars (\$50,000,000) at any one time.

**"§ 142-64. Procedure for incurrence or issuance of financing contract.**

(a) When a State governmental unit has solicited a guaranteed energy conservation measure, the State governmental unit shall request that the State Treasurer approve the State governmental unit's entering into a financing contract to finance the cost of the energy conservation measure. In connection with the request, the State governmental unit shall provide to the State Treasurer any information the State Treasurer requests in order to evaluate the request. In the event that the State Treasurer determines that financing efficiencies will be realized through the combining of financing contracts, then the State Treasurer is authorized to execute and deliver, for and on behalf of the State of North Carolina, subject to the terms and conditions set forth in this Article, a financing contract for the purpose of financing the cost of the multiple energy conservation measures.

(b) A financing contract may be entered into pursuant to this Article only after all of the following conditions are met:

- (1) The Office of State Budget and Management has certified that resources are expected to be available to the State to pay the payments to fall due under the financing contract as they become due and payable.
- (2) The Council of State has approved the execution and delivery of the financing contract by resolution that sets forth all of the following:
  - a. The not-to-exceed term or final maturity of the financing contract, which shall be no later than 12 years from the date the financing contract is entered.
  - b. The not-to-exceed interest rate or rates (or the equivalent thereof), which may be fixed or vary over a period of time, with respect to the financing contract.
  - c. The appropriate officers of the State to execute and deliver the financing contract and all other documentation relating to it.
- (3) The State Treasurer has approved the financing contract and all other documentation related to it, including any deed of trust, security agreement, trust agreement or any credit facility.

The resolution of the Council of State shall include any other matters the Council of State considers appropriate.

(c) In determining whether to approve a financing contract under subdivision (b)(3) of this section, the State Treasurer may consider the factors the State Treasurer considers relevant in order to find and determine all of the following:

- (1) The principal amount to be advanced to the State under the financing contract is adequate and not excessive for the purpose of paying the cost of the energy conservation measure.
- (2) The increase, if any, in State revenues necessary to pay the sums to become due under the financing contract are not excessive.
- (3) The financing contract can be entered into on terms desirable to the State.
- (4) In the case of delivery of certificates of participation, the sale of certificates of participation will not have an adverse effect upon any scheduled or proposed sale of obligations of the State or any State agency.

(d) The Office of State Budget and Management is authorized to certify that funds are expected to be available to the State to make the payments due under a financing contract entered into under the provisions of this section as the payments become due and payable. In so certifying, the Office of State Budget and Management may take into account expected decreases in appropriations to the State governmental unit that will offset payments expected to be made under the financing contract.

**"§ 142-65. Security; other requirements.**

(a) In order to secure the performance by the State of its obligations under a financing contract or any other related documentation, the State may grant a lien on, or security interest in, all or any part of the energy conservation property or the land upon which the energy conservation property is or will be located.

(b) No deficiency judgment may be rendered against the State or any State governmental unit in any action for breach of any obligation contained in a financing contract or any other related documentation, and the taxing power of the State is not and may not be pledged directly or indirectly to secure any moneys due under a financing contract or any other related documentation. In the event that the General Assembly does not appropriate funds sufficient to make payments required under a financing contract or any other related documentation, the net proceeds received from the sale, lease, or other disposition of the property subject to the lien or security interest created pursuant to subsection (a) of this section shall be applied to satisfy these payment obligations in accordance with the deed of trust, security agreement, or other documentation creating the lien or security interest. These net proceeds are hereby appropriated for the purpose of making these payments. Any net proceeds in excess of the amount required to satisfy the obligations of the State under the financing contract or any other related documentation shall be paid to the State Treasurer for deposit to the General Fund of the State.

(c) Neither a financing contract nor any other related documentation shall contain a nonsubstitution clause that restricts the right of the State to (i) continue to provide a service or conduct an activity or (ii) replace or provide a substitute for any State property that is the subject of an energy conservation measure.

(d) A financing contract may include provisions requesting the Governor to submit in the Governor's budget proposal, or any amendments or supplements to it, appropriations necessary to make the payments required under the financing contract.

(e) A financing contract may contain any provisions for protecting and enforcing the rights and remedies of the person advancing moneys or providing funds under the financing contract that are reasonable and not in violation of law, including covenants setting forth the duties of the State in respect of the purposes to which the funds advanced under a financing contract may be applied, and the duties of the State with respect to the property subject to the lien or security interest created pursuant to subsection (a) of this section, including, without limitation, provisions relating to insuring and maintaining any property and the custody, safeguarding, investment, and application of moneys.

(f) The interest component of the installment payments to be made under a financing contract may be calculated based upon a fixed or variable interest rate or rates as determined by the State Treasurer.

(g) If the State Treasurer determines that it is in the best interest of the State, the State may enter into, or arrange for the delivery of, a credit facility to secure payment of the payments due under a financing contract or to secure payment of the purchase price of any certificates of participation delivered as provided in this Article.



**"§ 142-66. Payment provisions.**

The payment of amounts payable by the State under a financing contract and any other related documentation during any fiscal biennium or fiscal year shall be limited to funds appropriated for that purpose by the General Assembly in its discretion. No provision of this Article and no financing contract or any other related documentation shall be construed or interpreted as creating a pledge of the faith and credit of the State or any agency, department, or commission of the State within the meaning of any constitutional debt limitation.

**"§ 142-67. Certificates of participation.**

(a) If the State Treasurer determines that the State would realize debt service savings under one or more financing contracts if certificates of participation are issued with respect to the rights to receive payments under the financing contract, then the State Treasurer is authorized to take actions, with the consent of the Council of State, that will effectuate the delivery of certificates of participation for that purpose.

(b) Terms; Interest. – Certificates of participation may be sold by the State Treasurer in the manner, either at public or private sale, and for any price or prices that the State Treasurer determines to be in the best interest of the State and to effect the purposes of this Article, except that the terms of the sale must also be approved by the special corporation. Interest payable with respect to certificates of participation shall accrue at the rate or rates determined by the State Treasurer with the approval of the special corporation.

(c) Trust Agreement. – Certificates of participation may be delivered pursuant to a trust agreement or similar instrument with a corporate trustee approved by the State Treasurer.

**"§ 142-68. Tax exemption.**

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

**"§ 142-69. Other agreements.**

The State Treasurer may authorize, execute, obtain, or otherwise provide for bond insurance, investment contracts, credit and liquidity facilities, credit enhancement facilities, interest rate swap agreements and other derivative products, and any other related instruments and matters the State Treasurer determines are desirable in connection with entering into financing contracts and issuing certificates of participation pursuant to this Article. The State Treasurer is authorized to employ and designate any financial consultants, underwriters, fiduciaries, and bond attorneys to be associated with any financing contracts or certificates of participation under this Article as the State Treasurer considers appropriate.

**"§ 142-70. Investment eligibility.**

Financing contracts entered into pursuant to this Article, and any certificates of participation relating to them, are securities or obligations in which all of the following may invest, including capital in their control or belonging to them: public officers, agencies, and public bodies of the State and its political subdivisions; insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, and other financial

institutions engaged in business in the State; and executors, administrators, trustees, and other fiduciaries. Financing contracts entered pursuant to this Article, and any certificates of participation relating to them, are securities or obligations that may properly and legally be deposited with and received by any officer or agency of the State or any political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision is now or may later be authorized by law."

**SECTION 10.** G.S. 160A-20(h) reads as rewritten:

"(h) As used in this section, the term 'unit of local government' means any of the following:

- (1) A county.
- (2) A city.
- (3) A water and sewer authority created under Article 1 of Chapter 162A of the General Statutes.
- (3a) A metropolitan sewerage district created under Article 5 of Chapter 162A of the General Statutes.
- (3b) A sanitary district created under Part 2 of Article 2 of Chapter 130A of the General Statutes.
- (4) An airport authority whose situs is entirely within a county that has (i) a population of over 120,000 according to the most recent federal decennial census and (ii) an area of less than 200 square miles.
- (5) An airport authority in a county in which there are two incorporated municipalities with a population of more than 65,000 according to the most recent federal decennial census.
- (5a) An airport board or commission authorized by agreement between two cities pursuant to G.S. 63-56, one of which is located partially but not wholly in the county in which the jointly owned airport is located, and where the board or commission provided water and wastewater services off the airport premises before January 1, 1995; ~~provided 1995, except~~ that the authority granted by this ~~section-subdivision~~ may be exercised by such a board or commission with respect to water and wastewater systems or improvements only.
- (6) A local school administrative unit whose board of education is authorized to levy a school tax.
- (6a) Any other local school administrative unit, but only for the purpose of financing energy conservation measures acquired pursuant to Part 2 of Article 3B of Chapter 143 of the General Statutes.
- (6b) A community college, but only for the purpose of financing energy conservation measures acquired pursuant to Part 2 of Article 3B of Chapter 143 of the General Statutes.
- (7) An area mental health, developmental disabilities, and substance abuse authority, acting in accordance with G.S. 122C-147.
- (8) A consolidated city-county, as defined by G.S. 160B-2(1).
- (9) Repealed by Session Laws 2001-414, s. 52, effective September 14, 2001.
- (10) A regional natural gas district, as defined by Article 28 of this Chapter.
- (11) A regional public transportation authority or a regional transportation authority created pursuant to Article 26 or Article 27 of this Chapter.

- (12) A nonprofit corporation or association operating or leasing a public hospital as defined in G.S. 159-39."

**SECTION 11.** G.S. 143-129.4 reads as rewritten:

**"§ 143-129.4. Guaranteed energy savings contracts.**

The solicitation and evaluation of proposals for guaranteed energy savings contracts, as defined in Part 2 of Article 3B of this Chapter, and the letting of contracts for these proposals are ~~governed solely~~ not governed by this Article but instead are governed by the provisions of that Part; except that guaranteed energy savings contracts are subject to the requirements of ~~G.S. 143-128.2~~ G.S. 143-128.2 and G.S. 143-135.3."

**SECTION 11.1.** G.S. 133-4.1 reads as rewritten:

**"§ 133-4.1. Guaranteed energy savings contracts.**

Except for ~~G.S. 133-1.1~~ G.S. 133-1 and 133-1.1, the provisions of this Article shall not apply to energy conservation measures undertaken as part of a guaranteed energy savings contract entered into pursuant to the provisions of Part 2 of Article 3B of Chapter 143 of the General Statutes."

**SECTION 12.** Nothing in this act limits the use of any method of contracting authorized by local law or other applicable laws.

**SECTION 13.** This act becomes effective January 1, 2003, and applies to contracts entered into on or after that date.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 11:05 a.m. on the 17<sup>th</sup> day of October, 2002.

**H.B. 1245**

**Session Law 2002-162**

AN ACT TO PROVIDE THAT MALE RESIDENTS AGE EIGHTEEN THROUGH TWENTY-FIVE COMPLY WITH THE SELECTIVE SERVICE SYSTEM'S REGISTRATION REQUIREMENTS WHEN APPLYING FOR A DRIVERS LICENSE OR IDENTIFICATION CARD AND TO MAKE STATEWIDE A LOCAL ACT TO PERMIT THE REMOVAL OF FILED DD FORM 214 AND OTHER DISCHARGE PAPERS OR FOR THE REDACTING OF THE FORM OR FORMS WHEN A COPY IS REQUESTED BY PERSONS OTHER THAN THE FILER OR A MEMBER OF HIS FAMILY, WHICH CURRENTLY APPLIES ONLY IN CRAVEN, NASH, AND PAMLICO COUNTIES.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Article 2 of Chapter 20 of the General Statutes is amended by adding a new section to read:

**"§ 20-9.2. Selective service system registration requirements.**

(a) Any male United States citizen or immigrant who is at least 18 years of age but less than 26 years of age shall be registered in compliance with the requirements of the Military Selective Service Act, 50 U.S.C. § 453 (1948), when applying for the issuance, renewal, or duplication of a drivers license, commercial drivers license, or identification card.

(b) The Division shall forward in an electronic format the necessary personal information of the applicants identified in subsection (a) of this section required for registration to the Selective Service System. An application for the issuance, renewal, or duplication of a drivers license, commercial drivers license, or identification card

constitutes an affirmation that the applicant has already registered with the Selective Service System or that he authorizes the Division to forward the necessary information to the Selective Service System for registration. The Division shall notify the applicant that his application for the issuance, renewal, or duplication of a drivers license, commercial drivers license, or identification card serves as his consent to be registered with the Selective Service System pursuant to this section."

**SECTION 1.1.** Section 3 of S.L. 2002-96 is repealed.

**SECTION 2.** The Division of Motor Vehicles shall implement the requirements of this act at the earliest practical date, but no later than April 1, 2003.

**SECTION 3.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 11:10 a.m. on the 17<sup>th</sup> day of October, 2002.

## S.B. 866

## Session Law 2002-163

### AN ACT TO MAKE CHANGES TO THE PERSONS WITH DISABILITIES PROTECTION ACT.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 168A-2(a) reads as rewritten:

"(a) The purpose of this Chapter is to ensure equality of opportunity, to promote independent living, self-determination, and economic self-sufficiency, and to encourage and enable all persons with disabilities to participate fully to the maximum extent of their abilities in the social and economic life of the State, to engage in remunerative employment, to use available public accommodations and public services, and to otherwise pursue their rights and privileges as inhabitants of this State."

**SECTION 2.** G.S. 168A-3 reads as rewritten:

#### "§ 168A-3. Definitions.

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

- (1) 'Disabling condition' means any condition or characteristic that renders a person a person with a disability.
- (1a) 'Discriminatory practice' means any practice prohibited by this Chapter.
- (2) 'Employer' means any person employing 15 or more full-time employees within the State, but excluding a person whose only employees are hired to work as domestic or farm workers at that person's home or farm.
- (3) 'Employment agency' means a person regularly undertaking with or without compensation to procure for employees opportunities to work for an employer and includes an agent of such a person.
- (4) Recodified as § 168A-3(7).
- (4a) 'Information technology' has the same meaning as in G.S. 147-33.81. The term also specifically includes information transaction machines.
- (5) Recodified as § 168A-3(1).
- (6) 'Labor organization' means an organization of any kind, an agency or employee representation committee, a group association, or a plan, in which employees participate and which exists for the purpose, in

- whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours, or other terms or conditions of employment.
- (7) 'Person' includes any individual, partnership, association, corporation, labor organization, legal representative, trustee, receiver, and the State and its departments, agencies, and political subdivisions.
- (7a) 'Person with a disability' means any person who (i) has a physical or mental impairment which substantially limits one or more major life activities; (ii) has a record of such an impairment; or (iii) is regarded as having such an impairment. As used in this subdivision, the term:
- a. 'Physical or mental impairment' means (i) any physiological disorder or abnormal condition, cosmetic disfigurement, or anatomical loss, caused by bodily injury, birth defect or illness, affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or (ii) any mental disorder, such as mental retardation, organic brain syndrome, mental illness, specific learning disabilities, and other developmental disabilities, but (iii) excludes (A) sexual preferences; (B) active alcoholism or drug addiction or abuse; and (C) any disorder, condition or disfigurement which is temporary in nature leaving no residual impairment.
  - b. 'Major life activities' means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.
  - c. 'Has a record of such an impairment' means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits major life activities.
  - d. 'Is regarded as having an impairment' means (i) has a physical or mental impairment that does not substantially limit major life activities but that is treated as constituting such a limitation; (ii) has a physical or mental impairment that substantially limits major life activities because of the attitudes of others; or (iii) has none of the impairments defined in paragraph a. of this subdivision but is treated as having such an impairment.
- (8) 'Place of public accommodations' includes, but is not limited to, any place, facility, store, other establishment, hotel, or motel, which supplies goods or services on the premises to the public or which solicits or accepts the patronage or trade of any person.
- (9) 'Qualified person with a disability' means:
- a. With regard to employment, a person with a disability who can satisfactorily perform the duties of the job in question, with or without reasonable accommodation, (i) provided that the person with a disability shall not be held to standards of performance different from other employees similarly employed, and (ii) further provided that the disabling condition does not create an unreasonable risk to the safety or health of the person with a

- disability, other employees, the employer's customers, or the public;
- b. With regard to places of public accommodation a person with a disability who can benefit from the goods or services provided by the place of public accommodation; and
  - c. With regard to public services and public transportation a person with a disability who meets prerequisites for participation that are uniformly applied to all participants, such as income or residence, and that do not have the effect of discriminating against persons with a disability.
- (10) 'Reasonable accommodations' means:
- a. With regard to employment, making reasonable physical changes in the workplace, including, but not limited to, making facilities accessible, modifying equipment and providing mechanical aids to assist in operating equipment, or making reasonable changes in the duties of the job in question that would accommodate the known disabling conditions of the person with a disability seeking the job in question by enabling him or her to satisfactorily perform the duties of that job; provided that 'reasonable accommodation' does not require that an employer:
    - 1. Hire one or more employees, other than the person with a disability, for the purpose, in whole or in part, of enabling the person with a disability to be employed; or
    - 2. Reassign duties of the job in question to other employees without assigning to the employee with a disability duties that would compensate for those reassigned; or
    - 3. Reassign duties of the job in question to one or more other employees where such reassignment would increase the skill, effort or responsibility required of such other employee or employees from that required prior to the change in duties; or
    - 4. Alter, modify, change or deviate from bona fide seniority policies or practices; or
    - 5. Provide accommodations of a personal nature, including, but not limited to, eyeglasses, hearing aids, or prostheses, except under the same terms and conditions as such items are provided to the employer's employees generally; or
    - 6. ~~Make physical changes to accommodate a person with a disability where:~~
      - I. ~~For a new employee the cost of such changes would exceed five percent (5%) of the annual salary or annualized hourly wage for the job in question; or~~
      - II. ~~For an existing employee the cost of the changes would bring the total cost of physical changes made to accommodate the employee's disabling conditions since the beginning of the employee's~~

~~employment with the employer to greater than five percent (5%) of the employee's current salary or current annualized hourly wage; or~~

- ~~7.6.~~ Make any changes that would impose on the employer an undue hardship, ~~provided that the costs of less than five percent (5%) of an employee's salary or annualized wage as determined in subsection (6) above shall be presumed not to be an undue hardship.~~
- b. With regard to a place of public accommodations, making reasonable efforts to accommodate the disabling conditions of a person with a disability, including, but not limited to, making facilities accessible to and usable by persons with a disability, redesigning equipment, provide mechanical aids or other assistance, or using alternative accessible locations, provided that reasonable accommodations does not require efforts which would impose an undue hardship on the entity involved.
- (11) 'Undue hardship' means a significant difficulty or expense. The following factors shall be considered in determining whether an accommodation would impose an undue hardship:
- a. The nature and cost of the accommodations needed under this Chapter.
  - b. The overall financial resources of the particular facility or facilities involved in the provision of the accommodation, the number of persons employed at the facility, the effect on expenses and resources at the facility, and any other impact on the operation of the facility.
  - c. The overall effect on the financial resources of the covered entity, the number of persons employed by the covered entity, and the number, type, and location of the covered entity's facilities.
  - d. The type of operations of the covered entity, including the composition, structure, and functions of the workforce of the entity, the geographic separateness of the particular facility to the covered entity, and the administrative or fiscal relationship of the particular facility to the covered entity."

**SECTION 3.** G.S. 168A-7 reads as rewritten:

**"§ 168A-7. Discrimination in public service.**

(a) It is a discriminatory practice for a State department, institution, or agency, or any political subdivision of the State or any person that contracts with the above for the delivery of public services including but not limited to education, health, social services, recreation, and rehabilitation, to refuse to provide reasonable aids and adaptations necessary for a known qualified person with a disability to use or benefit from existing public services operated by such entity; provided that the aids and adaptations do not impose an undue hardship on the entity involved. This subsection includes equivalent services provided via information technology.

(b) A State department, institution, or agency, any political subdivision of the State, and any person that contracts with these entities for the delivery of public services shall administer its services programs, and activities in the most integrated setting appropriate to the needs of persons with disabilities."

**SECTION 4.** Chapter 168A of the General Statutes is amended by adding a new section to read:

**"§ 168A-10.1. Dispute resolution in public services discrimination cases.**

The North Carolina Office on the Americans with Disabilities Act shall adopt rules to provide a consistent and comprehensive mechanism for accommodating requests regarding accessibility to public services, and shall adopt dispute resolution procedures to govern responsiveness to those requests. This section does not authorize the North Carolina Office on the Americans with Disabilities Act to adopt rules or procedures that apply to the resolution of matters constituting grounds for a contested case under Chapter 126 of the General Statutes."

**SECTION 5.** This act becomes effective January 1, 2003. The provisions of G.S. 168A-7 added by this act apply to information technology placed into service on or after January 1, 2004.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 11:15 a.m. on the 17<sup>th</sup> day of October, 2002.

**S.B. 163**

**Session Law 2002-164**

AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE RESEARCH COMMISSION'S STUDY COMMITTEE ON GROUP HOMES TO ADDRESS LICENSURE ISSUES AND THE NEEDS OF LOCAL SCHOOL ADMINISTRATIVE UNITS IN WHICH GROUP HOMES FOR CHILDREN ARE LOCATED.

*The General Assembly of North Carolina enacts:*

**SECTION 1.(a)** Section 21.60(g) of S.L. 2001-424 reads as rewritten:

**"SECTION 21.60.(g)** The Department of Health and Human Services, in conjunction with the Department of Juvenile Justice and Delinquency Prevention, the Department of Public Instruction, and other affected agencies, shall report on the following Program information:

- (1) The number and other demographic information of children served.
- (2) The amount and source of funds expended to implement the Program.
- (3) Information regarding the number of children screened, specific placement of children including the placement of children in programs or facilities outside of the child's home county, and treatment needs of children served.
- (4) The average length of stay in residential treatment, transition, and return to home.
- (5) The number of children diverted from institutions or other out-of-home placements such as training schools and State psychiatric hospitals and a description of the services provided.
- (6) Recommendations on other areas of the Program that need to be improved.
- (7) Other information relevant to successful implementation of the Program.
- (8) A method of identifying and tracking children placed outside of the family unit in group homes or therapeutic foster care home settings."



**SECTION 1.(b)** The Department of Health and Human Services, in conjunction with the Department of Juvenile Justice and Delinquency Prevention, the Department of Public Instruction, and other affected agencies, shall submit a report on April 1, 2003, on the method of identifying and tracking children placed outside of the family unit in group homes or therapeutic foster care home settings to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division.

**SECTION 2.** G.S. 115C-140.1(a) reads as rewritten:

"(a) Notwithstanding the provisions of any other statute and without regard for the place of domicile of a parent or guardian, the cost of a free appropriate public education for a child with special needs who is placed in or assigned to a group home, foster home or other similar facility, pursuant to State and federal law, shall be borne by the local board of education in which the group home, foster home or other similar facility is located. However, the local school administrative unit in which a child is domiciled shall transfer to the local school administrative unit in which the institution is located an amount equal to the actual local cost in excess of State and federal funding required to educate that child in the local school administrative unit for the fiscal year. Nothing in this section obligates any local board of education to bear any cost for the care and maintenance of a child with special needs in a group home, foster home or other similar facility."

**SECTION 3.** The State Board of Education shall provide for a local school administrative unit to request funds from the Group Homes Program for Children with Disabilities if a child assigned to that unit was not in that unit's April headcount for exceptional children for the previous school year, even if the local school administrative unit received Group Homes Program funds for that child for a portion of the preceding school year.

**SECTION 4.1.** G.S. 122C-23 is amended by adding a new subsection (e1) to read:

"(e1) The Department shall not enroll any new provider for Medicaid Home or Community Based services or other Medicaid services, as defined in 42 C.F.R. 440.90, 42 C.F.R. 440.130(d), and 42 C.F.R. 440.180, or issue a license for a new facility or a new service to any applicant meeting any of the following criteria:

- (1) Was the owner, principal, or affiliate of a licensable facility under Chapter 122C or Chapter 131D that had its license revoked until 60 months after the date of the revocation.
- (2) Is the owner, principal, or affiliate of a licensable facility that was assessed a penalty for a Type A or Type B violation under Article 3 of this Chapter until 60 months after the date of the violation.
- (3) Is the owner, principal, or affiliate of a licensable facility that had its license summarily suspended or downgraded to provisional status as a result of violations under G.S. 122C-24.1(a) until 60 months after the date of reinstatement or restoration of the license.
- (4) Is the owner, principal, or affiliate of a licensable facility that had its license summarily suspended or downgraded to provisional status as a result of violations under Article 1A of Chapter 131D until 60 months after the date of reinstatement or restoration of the license."

**SECTION 4.2.** G.S. 122C-111 reads as rewritten:

**"§ 122C-111. (Effective July 1, 2002) Administration.**

The Secretary shall administer and enforce the provisions of this Chapter and the rules of the Commission and shall operate State facilities. An area director or program director shall administer the programs of the area authority or county program, as applicable, and enforce applicable State laws, rules of the Commission, and rules of the Secretary. The Secretary in cooperation with area and county program directors and State facility directors shall provide for the coordination of public services between area authorities, county programs, and State facilities. The area authority or county program shall monitor the provision of mental health, developmental disability, and substance abuse services for compliance with the law, which monitoring shall not supercede or duplicate the regulatory authority or functions of agencies of the Department."

**SECTION 4.3.** G.S. 122C-115.2(b)(2) is amended by adding a new subdivision i. to read:

"i. The resources available and needed within the catchment area to prevent out-of-community placements and shall include input from the community public agencies."

**SECTION 4.4.** G.S. 131D-10.3 is amended by adding a new subsection (h) to read:

"(h) The Department shall not enroll any new provider for Medicaid Home or Community Based services or other Medicaid services, as defined in 42 C.F.R. 440.90, 42 C.F.R. 440.130(d), and 42 C.F.R. 440.180, or issue a license for a new facility or a new service to any applicant meeting any of the following criteria:

- (1) Was the owner, principal, or affiliate of a licensable facility under Chapter 122C or Chapter 131D that had its license revoked until 60 months after the date of the revocation.
- (2) Is the owner, principal, or affiliate of a licensable facility that was assessed a penalty for a Type A or Type B violation under Article 3 of Chapter 122C until 60 months after the date of the violation.
- (3) Is the owner, principal, or affiliate of a licensable facility that had its license summarily suspended or downgraded to provisional status as a result of violations under G.S. 122C-24.1(a) until 60 months after the date of reinstatement or restoration of the license.
- (4) Is the owner, principal, or affiliate of a licensable facility that had its license summarily suspended or downgraded to provisional status as a result of violations under Article 1A of Chapter 131D until 60 months after the date of reinstatement or restoration of the license."

**SECTION 4.5.** G.S. 143B-139.1 reads as rewritten:

**"§ 143B-139.1. Secretary of Health and Human Services to adopt rules applicable to local health and human services agencies.**

The Secretary of the Department of Health and Human Services may adopt rules applicable to local health and human services agencies for the purpose of program evaluation, fiscal audits, and collection of third-party payments. The Secretary may adopt and enforce rules governing:

- (1) The placement of individuals in licensable facilities located outside the individual's community and ability of the providers to return the individual to the individual's community as soon as possible without detriment to the individual or the community.
- (2) The monitoring of mental health, developmental disability, and substance abuse services.

- (3) The communication procedures between the area authority or county program, the local department of social services, the local education authority, and the criminal justice agency, if involved with the individual, regarding the placement of the individual outside the individual's community and the transfer of the individual's records in accordance with law.
- (4) The enrollment and revocation of enrollment of Medicaid providers who have been previously sanctioned by the Department and want to provide services under this Article."

**SECTION 4.6.** G.S. 150B-21.1 is amended by adding a new subsection (a10) to read:

"(a10) Notwithstanding the provisions of subsection (a) of this section, the Department of Health and Human Services may adopt temporary rules concerning the placement of individuals in facilities licensed under Article 2 of Chapter 122C of the General Statutes and the enrollment of providers of services to such individuals in the Medicaid program. After having the proposed temporary rule published in the North Carolina Register and at least 30 days prior to adopting a temporary rule pursuant to this subsection, the Department shall:

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

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

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

**SECTION 4.7.** G.S. 7B-505 reads as rewritten:

**"§ 7B-505. Place of nonsecure custody.**

A juvenile meeting the criteria set out in G.S. 7B-503 may be placed in nonsecure custody with the department of social services or a person designated in the order for temporary residential placement in:

- (1) A licensed foster home or a home otherwise authorized by law to provide such care; or
- (2) A facility operated by the department of social services; or
- (3) Any other home or facility, including a relative's home approved by the court and designated in the order.

In placing a juvenile in nonsecure custody under this section, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative unless the court finds that placement with the relative would be contrary to the best interests of the juvenile. In placing a juvenile in nonsecure custody under this section, the court shall also consider whether it is in the juvenile's best interest to remain in the juvenile's community of residence. In placing a juvenile in nonsecure custody under this section, the court shall consider the Indian Child Welfare Act, Pub. L. No. 95-608, 25 U.S.C. §§ 1901, et seq., as amended,

and the Howard M. Metzenbaum Multiethnic Placement Act of 1994, Pub. L. No. 103-382, 108 Stat. 4056, as amended, as they may apply. Placement of a juvenile with a relative outside of this State must be in accordance with the Interstate Compact on the Placement of Children, Article 38 of this Chapter."

**SECTION 4.8.** G.S. 7B-903(a)(2)c. reads as rewritten:

- "c. Place the juvenile in the custody of the department of social services in the county of the juvenile's residence, or in the case of a juvenile who has legal residence outside the State, in the physical custody of the department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state. The director may, unless otherwise ordered by the court, arrange for, provide, or consent to, needed routine or emergency medical or surgical care or treatment. In the case where the parent is unknown, unavailable, or unable to act on behalf of the juvenile, the director may, unless otherwise ordered by the court, arrange for, provide, or consent to any psychiatric, psychological, educational, or other remedial evaluations or treatment for the juvenile placed by a court or the court's designee in the custody or physical custody of a county department of social services under the authority of this or any other Chapter of the General Statutes. Prior to exercising this authority, the director shall make reasonable efforts to obtain consent from a parent or guardian of the affected juvenile. If the director cannot obtain such consent, the director shall promptly notify the parent or guardian that care or treatment has been provided and shall give the parent frequent status reports on the circumstances of the juvenile. Upon request of a parent or guardian of the affected juvenile, the results or records of the aforementioned evaluations, findings, or treatment shall be made available to such parent or guardian by the director unless prohibited by G.S. 122C-53(d). If a juvenile is removed from the home and placed in custody or placement responsibility of a county department of social services, the director shall not allow unsupervised visitation with, or return physical custody of the juvenile to, the parent, guardian, custodian, or caretaker without a hearing at which the court finds that the juvenile will receive proper care and supervision in a safe home.

In placing a juvenile in out-of-home care under this section, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative unless the court finds that the placement is contrary to the best interests of the juvenile. In placing a juvenile in out-of-home care under this section, the court shall also consider whether it is in the juvenile's best interest to remain in the juvenile's community of residence. Placement of a juvenile with

a relative outside of this State must be in accordance with the Interstate Compact on the Placement of Children."

**SECTION 4.9.** G.S. 7B-2502(a) reads as rewritten:

"(a) In any case, the court may order that the juvenile be examined by a physician, psychiatrist, psychologist, or other qualified expert as may be needed for the court to determine the needs of the juvenile. In the case of a juvenile adjudicated delinquent for committing an offense that involves the possession, use, sale, or delivery of alcohol or a controlled substance, the court shall require the juvenile to be tested for the use of controlled substances or alcohol within 30 days of the adjudication. In the case of any juvenile adjudicated delinquent, the court may, if it deems it necessary, require the juvenile to be tested for the use of controlled substances or alcohol. The results of these initial tests conducted pursuant to this subsection shall be used for evaluation and treatment purposes only. In placing a juvenile in out-of-home care under this section, the court shall also consider whether it is in the juvenile's best interest to remain in the juvenile's community of residence."

**SECTION 4.10.** G.S. 7B-2503 reads as rewritten:

**"§ 7B-2503. Dispositional alternatives for undisciplined juveniles.**

The following alternatives for disposition shall be available to the court exercising jurisdiction over a juvenile who has been adjudicated undisciplined. In placing a juvenile in out-of-home care under this section, the court shall also consider whether it is in the juvenile's best interest to remain in the juvenile's community of residence. The court may combine any of the applicable alternatives when the court finds it to be in the best interests of the juvenile:

- (1) In the case of any juvenile who needs more adequate care or supervision or who needs placement, the judge may:
  - a. Require that the juvenile be supervised in the juvenile's own home by a department of social services in the juvenile's county of residence, a juvenile court counselor, or other personnel as may be available to the court, subject to conditions applicable to the parent, guardian, or custodian or the juvenile as the judge may specify; or
  - b. Place the juvenile in the custody of a parent, guardian, custodian, relative, private agency offering placement services, or some other suitable person; or
  - c. Place the juvenile in the custody of a department of social services in the county of the juvenile's residence, or in the case of a juvenile who has legal residence outside the State, in the physical custody of a department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state. An order placing a juvenile in the custody or placement responsibility of a county department of social services shall contain a finding that the juvenile's continuation in the juvenile's own home would be contrary to the juvenile's best interest. This placement shall be reviewed in accordance with G.S. 7B-906. The director may, unless otherwise ordered by the judge, arrange for, provide, or consent to, needed routine or emergency medical or surgical care or treatment. In the case where the parent is unknown, unavailable, or unable to act on

behalf of the juvenile or juveniles, the director may, unless otherwise ordered by the judge, arrange for, provide or consent to any psychiatric, psychological, educational, or other remedial evaluations or treatment for the juvenile placed by a judge or the judge's designee in the custody or physical custody of a county department of social services under the authority of this or any other Chapter of the General Statutes. Prior to exercising this authority, the director shall make reasonable efforts to obtain consent from a parent, guardian, or custodian of the affected juvenile. If the director cannot obtain consent, the director shall promptly notify the parent, guardian, or custodian that care or treatment has been provided and shall give the parent, guardian, or custodian frequent status reports on the circumstances of the juvenile. Upon request of a parent, guardian, or custodian of the affected juvenile, the results or records of the aforementioned evaluations, findings, or treatment shall be made available to the parent, guardian, or custodian by the director unless prohibited by G.S. 122C-53(d).

- (2) Place the juvenile under the protective supervision of a juvenile court counselor for a period of up to three months, with an extension of an additional three months in the discretion of the court.
- (3) Excuse the juvenile from compliance with the compulsory school attendance law when the court finds that suitable alternative plans can be arranged by the family through other community resources for one of the following:
  - a. An education related to the needs or abilities of the juvenile including vocational education or special education;
  - b. A suitable plan of supervision or placement; or
  - c. Some other plan that the court finds to be in the best interests of the juvenile."

**SECTION 4.11.** The Department of Health and Human Services shall report to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services and to the Senate Health and Human Services Appropriations Subcommittee and the House of Representatives Appropriations Subcommittee on Health and Human Services by June 1, 2003, regarding the business plan information required by G.S. 122C-115.2(b), as amended by Section 4.3 of this act.

**SECTION 5.** Section 1 of this act becomes effective January 1, 2003. Sections 2 and 3 of this act become effective July 1, 2003. The remainder of this act is effective when it becomes law. Section 4.6 of this act expires on October 1, 2004.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 3:08 p.m. on the 23<sup>rd</sup> day of October, 2002.

## H.B. 1007

## Session Law 2002-165

AN ACT TO MAKE CLARIFYING, CONFORMING, AND TECHNICAL AMENDMENTS TO VARIOUS LAWS RELATED TO THE ENVIRONMENT,

PUBLIC HEALTH, AND NATURAL RESOURCES, AS RECOMMENDED BY  
THE ENVIRONMENTAL REVIEW COMMISSION.

*The General Assembly of North Carolina enacts:*

**PART I. VARIOUS TECHNICAL CORRECTIONS.**

**SECTION 1.1.** G.S. 87-98.2(1) reads as rewritten:

"(1) Commission. – The Well Contractors Certification ~~Commission~~Commission, as established by G.S. 143B-301.11."

**SECTION 1.2.** G.S. 95-194(e) reads as rewritten:

"(e) Upon written request of the Fire Chief, an employer shall prepare an emergency response plan for the facility ~~which shall include, but not be limited to, that includes~~ facility evacuation procedures, a list of emergency equipment available at the facility, and copies of other emergency response plans, such as the contingency plan required under ~~North Carolina Hazardous Waste Management Rules~~rules governing the management of hazardous waste adopted pursuant to Article 9 of Chapter 130A of the General Statutes. A copy of the emergency response plan or any prefire plan or emergency response plan required under applicable North Carolina or federal statute or rule or regulation shall, upon written request by the Fire Chief, be given to the Fire Chief."

**SECTION 1.3.** The catch line for G.S. 120-70.60 reads as rewritten:

"§ 120-70.60. ~~Committee~~Commission established."

**SECTION 1.4.** The title of Article 19 of Chapter 120 of the General Statutes reads as rewritten:

"Article 19.

Commission on ~~Agriculture, Forestry, and Seafood~~Agriculture and Forestry  
Awareness."

**SECTION 1.5.** G.S. 143-215.104S reads as rewritten:

"§ 143-215.104S. Appeals.

Any person who is aggrieved by a decision of the Commission under G.S. ~~143-215.104E~~143-215.104F through G.S. 143-215.104O may commence a contested case by filing a petition under G.S. 150B-23 within 60 days after the Commission's decision. If no contested case is initiated within the allotted time period, the Commission's decision shall be final and not subject to review. The Commission shall make the final agency decision in contested cases initiated pursuant to this section. Notwithstanding the provisions of G.S. 6-19.1, no party seeking to compel remediation of dry-cleaning solvent contamination in excess of that required by a dry-cleaning solvent remediation agreement approved by the Commission shall be eligible to recover attorneys' fees. The Commission shall not delegate its authority to make a final agency decision pursuant to this section."

**SECTION 1.6.** G.S. 143-215.56(a)(1) reads as rewritten:

"(1) Request technical assistance from the competent State and federal agencies, including the Army Corps of Engineers, the Natural ~~Resource~~Resources Conservation Service, the Tennessee Valley Authority, the Federal Emergency Management Agency, the North Carolina Department of Crime Control and Public Safety, the North Carolina Geodetic Survey, the North Carolina Geological Survey, and the U.S. Geological Survey, or successor agencies."

**SECTION 1.7.** G.S. 143-215.107(a)(9) reads as rewritten:

"(9) To regulate the content of motor fuels, as defined in ~~G.S. 119-16~~; G.S. 105-449.60, to require use of reformulated gasoline as the Commission determines necessary, to implement the requirements of Title II and implementing regulations adopted by the United States Environmental Protection Agency, and to develop standards and plans to implement this subdivision. Rules may authorize the use of marketable oxygen credits for gasoline as provided in federal requirements."

**SECTION 1.8.** G.S. 143-258 is repealed.

**SECTION 1.9.** G.S. 143B-282(a) reads as rewritten:

"(a) There is hereby created the Environmental Management Commission of the Department of Environment and Natural Resources with the power and duty to promulgate rules to be followed in the protection, preservation, and enhancement of the water and air resources of the State.

(1) Within the limitations of G.S. 143-215.9 concerning industrial health and safety, the Environmental Management Commission shall have all of the following powers and duties:

...

c. To conduct and direct that investigations be conducted pursuant to ~~G.S. 143-215.3~~ and ~~G.S. 143-215.108(b)(5)-143-215.108(c)(5)~~.

...

(2) The Environmental Management Commission shall adopt rules:

a. For air quality standards, emission control standards and classifications for air contaminant sources pursuant to ~~G.S. 143-215.107~~; 143-215.107.

b. For water quality standards and classifications pursuant to G.S. 143-214.1 and ~~G.S. 143-215~~; G.S. 143-215.

c. To implement water and air quality reporting pursuant to ~~G.S. 143-215.68~~; Part 7 of Article 21 of Chapter 143 of the General Statutes.

d. To be applied in capacity use areas pursuant to ~~G.S. 143-215.14~~; 143-215.14.

e. To implement the issuance of permits for water use within capacity use areas pursuant to ~~G.S. 143-215.20~~; 143-215.15 and G.S. 143-215.16.

...."

**SECTION 1.10.** G.S. 143B-290(1) reads as rewritten:

"(1) The North Carolina Mining Commission shall have the following powers and duties:

a. To act as the advisory body to the ~~Interstate Mining Compact pursuant to G.S. 74-38(a)~~; Governor pursuant to Article V(a) of the Interstate Mining Compact, as set out in G.S. 74-37.

b. ~~To adopt and modify rules to implement Chapter 74, Article 6, pursuant to G.S. 74-44(b)~~;

c. To hear permit appeals, conduct a full and complete hearing on such controversies and affirm, modify, or overrule permit decisions made by the Department pursuant to ~~G.S. 74-61~~; and G.S. 74-61.



- d. To promulgate rules necessary to administer the Mining Act of 1971, pursuant to ~~G.S. 74-63~~; G.S. 74-63.
- e. To promulgate rules necessary to administer the Control of Exploration for Uranium in North Carolina Act of 1983, pursuant to G.S. 74-86."

**SECTION 1.11.** G.S. 143B-301.12(f) reads as rewritten:

"(f) Removal. – The Governor may remove any member of the Commission from office for misfeasance, malfeasance, or nonfeasance, as provided in G.S. ~~143-13~~.143B-13."

**SECTION 1.12.** The introductory language of Section 5 of S.L. 2002-4 reads as rewritten:

"**SECTION 5.** G.S. ~~143-215-114A~~ 143-215.114A is amended by adding a new subsection to read:"

**PART II. SEDIMENTATION CORRECTIONS.**

**SECTION 2.1.** G.S. 74-49(7)(f) reads as rewritten:

- "f. Excavation or grading where all of the following apply:
  1. The excavation or grading is conducted to provide soil or other unconsolidated material to be used without further processing for a single off-site construction project for which an erosion and sedimentation control plan has been approved in accordance with Article 4 of Chapter 113A of the General Statutes.
  2. The affected land, including nonpublic access roads, does not exceed five acres.
  3. The excavation or grading is completed within one year.
  4. The excavation or grading does not involve blasting, the removal of material from rivers or streams, the disposal of off-site waste on the affected land, or the surface disposal of groundwater beyond the affected land.
  5. The excavation or grading is not in violation of any local ordinance.
  6. An erosion and sedimentation control plan for the excavation or grading has been approved in accordance with Article 4 of Chapter 113A of the General Statutes."

**SECTION 2.2.** G.S. 113A-54(c)(3) reads as rewritten:

"(3) Contain conservation standards for various types of soils and land uses, which standards shall include criteria and alternative techniques and methods for the control of erosion and ~~sediment~~ sedimentation resulting from land-disturbing activities."

**SECTION 2.3.** G.S. 113A-54(d) reads as rewritten:

"(d) In implementing the erosion and sedimentation control program, the Commission shall:

- (1) Assist and encourage local governments in developing erosion and ~~sediment~~ sedimentation control programs and, as a part of this assistance, the Commission shall develop a model local erosion and sedimentation control ordinance. The Commission shall approve, approve as modified, or disapprove local programs submitted to it pursuant to G.S. 113A-60.

- (2) Assist and encourage other State agencies in developing erosion and sedimentation control programs to be administered in their jurisdictions. The Commission shall approve, approve as modified, or disapprove programs submitted pursuant to G.S. 113A-56 and from time to time shall review these programs for compliance with rules adopted by the Commission and for adequate enforcement.
- (3) Develop recommended methods of control of sedimentation and prepare and make available for distribution publications and other materials dealing with sedimentation control techniques appropriate for use by persons engaged in land-disturbing activities, general educational materials on erosion and sedimentation control, and instructional materials for persons involved in the enforcement of this Article and erosion and sedimentation control rules, ordinances, regulations, and plans.
- (4) Require submission of erosion and sedimentation control plans by those responsible for initiating land-disturbing activities for approval prior to commencement of the activities."

**SECTION 2.4.** G.S. 113A-54.2 reads as rewritten:

**"§ 113A-54.2. Approval Fees.**

(a) The Commission may establish a fee schedule for the review and approval of erosion and sedimentation control plans under this Article. In establishing the fee schedule, the Commission shall consider the administrative and personnel costs incurred by the Department for reviewing the plans and for related compliance activities. An application fee may not exceed fifty dollars (\$50.00) per acre of disturbed land shown on an erosion and sedimentation control plan or of land actually disturbed during the life of the project.

(b) The Sedimentation Account is established as a nonreverting account within the Department. Fees collected under this section shall be credited to the Account and shall be applied to the costs of administering this Article.

(c) Repealed by Session Laws 1991 (Reg. Sess., 1992), c. 1039, s. 3.

(d) This section may not limit the existing authority of local programs approved pursuant to this Article to assess fees for the approval of erosion and sedimentation control plans."

**SECTION 2.5.** G.S. 113A-56(b) reads as rewritten:

"(b) The Commission may delegate the jurisdiction conferred by G.S. 113A-56(a), in whole or in part, to any other State agency that has submitted an erosion and sedimentation control program to be administered by it, if ~~such~~the program has been approved by the Commission as being in conformity with the general State program."

**SECTION 2.6.** G.S. 113A-57(3) reads as rewritten:

"(3) Whenever land-disturbing activity is undertaken on a tract comprising more than one acre, if more than one acre is uncovered, the person conducting the land-disturbing activity shall install ~~such sedimentation and erosion and sedimentation~~ control devices and practices ~~as that~~ are sufficient to retain the sediment generated by the land-disturbing activity within the boundaries of the tract during construction upon and development of ~~said the~~ tract, and shall plant or otherwise provide a permanent ground cover sufficient to restrain erosion after completion of construction or development within a time period to be specified by rule of the Commission."

**SECTION 2.7.** G.S. 113A-58(1) reads as rewritten:

"(1) Inspect or cause to be inspected the sites of land-disturbing activities to determine whether applicable laws, regulations or erosion and sedimentation control plans are being complied with;"

**SECTION 2.8.** G.S. 113A-60 reads as rewritten:

**"§ 113A-60. Local erosion and sedimentation control programs.**

(a) ~~Any~~ A local government may submit to the Commission for its approval an erosion and ~~sediment~~ sedimentation control program for its jurisdiction, and to this end local governments are authorized to adopt ordinances and regulations necessary to establish and enforce erosion and ~~sediment~~ sedimentation control programs. Local governments are authorized to create or designate agencies or subdivisions of local government to administer and enforce the programs. An ordinance adopted by a local government shall at least meet and may exceed the minimum requirements of this Article and the rules adopted pursuant to this Article. Two or more units of local government are authorized to establish a joint program and to enter into any agreements that are necessary for the proper administration and enforcement of the program. The resolutions establishing any joint program must be duly recorded in the minutes of the governing body of each unit of local government participating in the program, and a certified copy of each resolution must be filed with the Commission.

(b) The Commission shall review each program submitted and within 90 days of receipt thereof shall notify the local government submitting the program that it has been approved, approved with modifications, or disapproved. The Commission shall only approve a program upon determining that its standards equal or exceed those of this Article and rules adopted pursuant to this Article.

(c) If the Commission determines that any local government is failing to administer or enforce an approved erosion and ~~sediment~~ sedimentation control program, it shall notify the local government in writing and shall specify the deficiencies of administration and enforcement. If the local government has not taken corrective action within 30 days of receipt of notification from the Commission, the Commission shall assume administration and enforcement of the program until such time as the local government indicates its willingness and ability to resume administration and enforcement of the program."

**SECTION 2.9.** G.S. 113A-61 reads as rewritten:

**"§ 113A-61. Local approval of erosion and sedimentation control plans.**

(a) For those land-disturbing activities for which prior approval of an erosion and sedimentation control plan is required, the Commission may require that a local government that administers an erosion and ~~sediment~~ sedimentation control program approved under G.S. 113A-60 require the applicant to submit a copy of the erosion and sedimentation control plan to the appropriate soil and water conservation district or districts at the same time the applicant submits the erosion and sedimentation control plan to the local government for approval. The soil and water conservation district or districts shall review the plan and submit any comments and recommendations to the local government within 20 days after the soil and water conservation district received the erosion and sedimentation control plan or within any shorter period of time as may be agreed upon by the soil and water conservation district and the local government. Failure of a soil and water conservation district to submit comments and recommendations within 20 days or within agreed upon shorter period of time shall not delay final action on the proposed plan by the local government.

(b) Local governments shall review each erosion and sedimentation control plan submitted to them and within 30 days of receipt thereof shall notify the person submitting the plan that it has been approved, approved with modifications, or disapproved. A local government shall only approve a plan upon determining that it complies with all applicable State and local regulations for erosion and ~~sediment~~ sedimentation control.

(b1) A local government shall condition approval of a draft erosion and sedimentation control plan upon the applicant's compliance with federal and State water quality laws, regulations, and rules. A local government shall disapprove an erosion and sedimentation control plan if implementation of the plan would result in a violation of rules adopted by the Environmental Management Commission to protect riparian buffers along surface waters. A local government may disapprove an erosion and sedimentation control plan upon finding that an applicant or a parent, subsidiary, or other affiliate of the applicant:

- (1) Is conducting or has conducted land-disturbing activity without an approved plan, or has received notice of violation of a plan previously approved by the Commission or a local government pursuant to this Article and has not complied with the notice within the time specified in the ~~notice;~~notice.
- (2) Has failed to pay a civil penalty assessed pursuant to this Article or a local ordinance adopted pursuant to this Article by the time the payment is ~~due;~~due.
- (3) Has been convicted of a misdemeanor pursuant to G.S. 113A-64(b) or any criminal provision of a local ordinance adopted pursuant to this ~~Article;~~Article.
- (4) Has failed to substantially comply with State rules or local ordinances and regulations adopted pursuant to this Article.

(b2) In the event that an erosion and sedimentation control plan is disapproved by a local government pursuant to subsection (b1) of this section, the local government shall so notify the Director of the Division of Land Resources within 10 days of ~~such~~the disapproval. The local government shall advise the applicant and the Director in writing as to the specific reasons that the plan was disapproved. Notwithstanding the provisions of subsection (c) of this section, the applicant may appeal the local government's disapproval of the plan directly to the Commission. For purposes of this subsection and subsection (b1) of this section, an applicant's record may be considered for only the two years prior to the application date.

(c) The disapproval or modification of any proposed erosion and sedimentation control plan by a local government shall entitle the person submitting the plan to a public hearing if ~~such~~the person submits written demand for a hearing within 15 days after receipt of written notice of the disapproval or modification. The hearings shall be conducted pursuant to procedures adopted by the local government. If the local government upholds the disapproval or modification of a proposed erosion and sedimentation control plan following the public hearing, the person submitting the erosion and sedimentation control plan ~~shall be~~is entitled to appeal the local government's action disapproving or modifying the plan to the Commission. The Commission, by regulation, shall direct the Secretary to appoint such employees of the Department as may be necessary to hear appeals from the disapproval or modification of erosion and sedimentation control plans by local governments. In addition to providing for the appeal of local government decisions disapproving or modifying

erosion and sedimentation control plans to designated employees of the Department, the Commission shall designate an erosion and sedimentation control plan review committee consisting of three members of the Commission. The person submitting the erosion and sedimentation control plan may appeal the decision of an employee of the Department who has heard an appeal of a local government action disapproving or modifying an erosion and sedimentation control plan to the erosion and sedimentation control plan review committee of the Commission. Judicial review of the final action of the erosion and sedimentation control plan review committee of the Commission may be had in the superior court of the county in which the local government is situated.

(d) Repealed by Session Laws 1989, c. 676, s. 4."

**SECTION 2.10.** G.S. 113A-61.1 reads as rewritten:

**"§ 113A-61.1. Inspection of land-disturbing activity; notice of violation.**

(a) The Commission, a local government that administers an erosion and ~~sediment~~sedimentation control program approved under G.S. 113A-60, or other approving authority shall provide for inspection of land-disturbing activities to ensure compliance with this Article and to determine whether the measures required in an erosion and sedimentation control plan are effective in controlling erosion and ~~sediment~~sedimentation resulting from the land-disturbing activity. Notice of this right of inspection shall be included in the certificate of approval of each erosion and sedimentation control plan.

(b) No person shall willfully resist, delay, or obstruct an authorized representative of the Commission, an authorized representative of a local government, or an employee or an agent of the Department while the representative, employee, or agent is inspecting or attempting to inspect a land-disturbing activity under this section.

(c) If the Secretary, a local government that administers an erosion and ~~sediment~~sedimentation control program approved under G.S. 113A-60, or other approving authority determines that the person engaged in the land-disturbing activity has failed to comply with this Article, the Secretary, local government, or other approving authority shall immediately serve a notice of violation upon that person. The notice may be served by any means authorized under G.S. 1A-1, Rule 4. A notice of violation shall specify a date by which the person must comply with this Article and inform the person of the actions that need to be taken to comply with this Article. Any person who fails to comply within the time specified is subject to additional civil and criminal penalties for a continuing violation as provided in G.S. 113A-64."

**SECTION 2.11.** G.S. 113A-62 reads as rewritten:

**"§ 113A-62. Cooperation with the United States.**

The Commission is authorized to cooperate and enter into agreements with any agency of the United States government in connection with plans for erosion and sedimentation control with respect to land-disturbing activities on lands that are under the jurisdiction of such agency."

**SECTION 2.12.** G.S. 113A-64 reads as rewritten:

**"§ 113A-64. Penalties.**

(a) Civil Penalties. –

(1) Any person who violates any of the provisions of this Article or any ordinance, rule, or order adopted or issued pursuant to this Article by the Commission or by a local government, or who initiates or continues a land-disturbing activity for which an erosion and sedimentation control plan is required except in accordance with the terms, conditions, and provisions of an approved plan, is subject to a

civil penalty. The maximum civil penalty for a violation is five thousand dollars (\$5,000). A civil penalty may be assessed from the date of the violation. Each day of a continuing violation shall constitute a separate violation.

- (2) The Secretary or a local government that administers an erosion and ~~sediment~~ sedimentation control program approved under G.S. 113A-60 shall determine the amount of the civil penalty and shall notify the person who is assessed the civil penalty of the amount of the penalty and the reason for assessing the penalty. The notice of assessment shall be served by any means authorized under G.S. 1A-1, Rule 4, and shall direct the violator to either pay the assessment or contest the assessment within 30 days by filing a petition for a contested case under Article 3 of Chapter 150B of the General Statutes. If a violator does not pay a civil penalty assessed by the Secretary within 30 days after it is due, the Department shall request the Attorney General to institute a civil action to recover the amount of the assessment. If a violator does not pay a civil penalty assessed by a local government within 30 days after it is due, the local government may institute a civil action to recover the amount of the assessment. The civil action may be brought in the superior court of any county where the violation occurred or the violator's residence or principal place of business is located. A civil action must be filed within three years of the date the assessment was due. An assessment that is not contested is due when the violator is served with a notice of assessment. An assessment that is contested is due at the conclusion of the administrative and judicial review of the assessment.

...

(b) Criminal Penalties. – Any person who knowingly or willfully violates any provision of this Article or any ordinance, rule, regulation, or order duly adopted or issued by the Commission or a local government, or who knowingly or willfully initiates or continues a land-disturbing activity for which an erosion and sedimentation control plan is required, except in accordance with the terms, conditions, and provisions of an approved plan, shall be guilty of a Class 2 misdemeanor ~~which that~~ may include a fine not to exceed five thousand dollars (\$5,000)."

**SECTION 2.13.** G.S. 113A-64.1 reads as rewritten:

"§ 113A-64.1. **Restoration of areas affected by failure to comply.**

The Secretary or a local government that administers a local erosion and ~~sediment~~ sedimentation control program approved under G.S. 113A-60 may require a person who engaged in a land-disturbing activity and failed to retain sediment generated by the activity, as required by G.S. 113A-57(3), to restore the waters and land affected by the failure so as to minimize the detrimental effects of the resulting pollution by sedimentation. This authority is in addition to any other civil or criminal penalty or injunctive relief authorized under this Article."

**SECTION 2.14.** G.S. 113A-65(b) reads as rewritten:

"(b) Violation of Local Program. – Whenever the governing body of a local government having jurisdiction has reasonable cause to believe that any person is violating or is threatening to violate any ordinance, rule, regulation, or order adopted or issued by the local government pursuant to this Article, or any term, condition or provision of an erosion and sedimentation control plan over which it has jurisdiction,

may, either before or after the institution of any other action or proceeding authorized by this Article, institute a civil action in the name of the local government for injunctive relief to restrain the violation or threatened violation. The action shall be brought in the superior court of the county in which the violation is occurring or is threatened."

**SECTION 2.15.** G.S. 113A-66(a) reads as rewritten:

"(a) Any person injured by a violation of this Article or any ordinance, rule, or order duly adopted by the Secretary or a local government, or by the initiation or continuation of a land-disturbing activity for which an erosion and sedimentation control plan is required other than in accordance with the terms, conditions, and provisions of an approved plan, may bring a civil action against the person alleged to be in violation (including the State and any local government). The action may ~~seek~~seek any of the following:

- (1) Injunctive ~~relief~~relief.
- (2) An order enforcing the law, rule, ordinance, order, or erosion and sedimentation control plan ~~violated~~or violated.
- (3) Damages caused by the ~~violation~~or violation.
- (4) ~~Both damages and an enforcement order~~.

If the amount of actual damages as found by the court or jury in suits brought under this subsection is five thousand dollars (\$5,000) or less, the plaintiff shall be awarded costs of litigation including reasonable attorneys fees and expert witness fees."

**SECTION 2.16.** G.S. 113A-125(c) reads as rewritten:

"(c) Within the meaning of this section, 'existing regulatory permits' include dredge and fill permits issued pursuant to G.S. 113-229; sand dune permits issued pursuant to G.S. 104B-4; air pollution control and water pollution control permits, special orders or certificates issued pursuant to G.S. 143-215.1 and 143-215.2, or any other permits, licenses, authorizations, approvals or certificates issued by the Board of Water and Air Resources pursuant to Chapter 143; capacity use area permits issued pursuant to G.S. 143-215.15; final approval of dams pursuant to G.S. 143-215.30; floodway permits issued pursuant to G.S. 143-215.54; water diversion authorizations issued pursuant to G.S. 143-354(c); oil refinery permits issued pursuant to G.S. 143-215.99; mining operating permits issued pursuant to G.S. 74-51; permissions for construction of wells issued pursuant to G.S. 87-88; and rules concerning pesticide application within the coastal area issued pursuant to G.S. 143-458; approvals by the Department of Health and Human Services of plans for water supply, drainage or sewerage, pursuant to G.S. 130-161.1 and 130-161.2; standards and approvals for solid waste disposal sites and facilities, adopted by the Department of Health and Human Services pursuant to Chapter 130, Article 13B; permits relating to sanitation of shellfish, crustacea or scallops issued pursuant to Chapter 130, Articles 14A or 14B; permits, approvals, authorizations and rules issued by the Department of Health and Human Services pursuant to Articles 23 or 24 of Chapter 130 with reference to mosquito control programs or districts; any permits, licenses, authorizations, rules, approvals or certificates issued by the Department of Health and Human Services relating to septic tanks or water wells; oil or gas well rules and orders issued for the protection of environmental values or resources pursuant to G.S. 113-391; a certificate of public convenience and necessity issued by the State Utilities Commission pursuant to Chapter 62 for any public utility plant or system, other than a carrier of persons or property; permits, licenses, leases, options, authorization or approvals relating to the use of State forestlands, State parks or other state-owned land issued by the State Department of Administration, the State Department of Natural and Economic Resources or any other

State department, agency or institution; any approvals of erosion and sedimentation control plans that may be issued by the North Carolina Sedimentation Control Commission pursuant to G.S. 113A-60 or 113A-61; and any permits, licenses, authorizations, rules, approvals or certificates issued by any State agency pursuant to any environmental protection legislation not specified in this subsection that may be enacted prior to the permit changeover date."

**SECTION 2.17.** G.S. 139-55(b)(2) reads as rewritten:

"(2) Nonstructural measures such as ~~sediment~~-sedimentation control ordinances and flood plain zoning ordinances enacted and enforced by local governments to alleviate flooding;"

**SECTION 2.18.** G.S. 143-215.74(b)(5) reads as rewritten:

"(5) Funding may be provided to assist practices including conservation tillage, diversions, filter strips, field borders, critical area plantings, ~~sediment~~-sedimentation control structures, sod-based rotations, grassed waterways, strip-cropping, terraces, cropland conversion to permanent vegetation, grade control structures, water control structures, closure of lagoons, emergency spillways, riparian buffers or equivalent controls, odor control best management practices, insect control best management practices, and animal waste management systems and application. Funding for animal waste management shall be allocated for practices in river basins such that the funds will have the greatest impact in improving water quality."

**SECTION 2.19.** G.S. 153A-357(b) reads as rewritten:

"(b) No permit shall be issued pursuant to subsection (a) for any land-disturbing activity, as defined in G.S. 113A-52(6), for any activity covered by G.S. 113A-57, unless an erosion and sedimentation control plan has been approved by the Sedimentation Pollution Control Commission pursuant to G.S. 113A-54(d)(4) or by a local government pursuant to G.S. 113A-61 for the site of the activity or a tract of land including the site of the activity."

**SECTION 2.20.** G.S. 160A-417(b) reads as rewritten:

"(b) No permit shall be issued pursuant to subsection (a) for any land-disturbing activity, as defined in G.S. 113A-52(6), for any activity covered by G.S. 113A-57, unless an erosion and sedimentation control plan has been approved by the Sedimentation Pollution Control Commission pursuant to G.S. 113A-54(d)(4) or by a local government pursuant to G.S. 113A-61 for the site of the activity or a tract of land including the site of the activity."

### **PART III. EFFECTIVE DATE.**

**SECTION 3.1.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 3:09 p.m. on the 23<sup>rd</sup> day of October, 2002.

AN ACT TO ADOPT THE PROVISIONS OF THE REVISED INTERSTATE COMPACT FOR THE SUPERVISION OF ADULT OFFENDERS AND TO PROVIDE FOR NORTH CAROLINA TO PARTICIPATE IN THE



INTERNATIONAL PRISONER TRANSFER PROGRAM ADMINISTERED BY  
THE UNITED STATES DEPARTMENT OF JUSTICE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 148 of the General Statutes is amended by adding a new Article to read:

"Article 4B.

"Interstate Compact for the Supervision of Adult Offenders.

**"§ 148-65.4. Short title.**

This Article may be cited as "The Interstate Compact for the Supervision of Adult Offenders".

**"§ 148-65.5. Governor to execute compact; form of compact.**

The Governor of North Carolina is authorized and directed to execute a compact on behalf of the State of North Carolina with any state of the United States legally joining therein in the form substantially as follows:

Preamble.

Whereas: The Interstate Compact for the Supervision of Parolees and Probationers was established in 1937, it is the earliest corrections "compact" established among the states, and has not been amended since its adoption over 62 years ago;

Whereas: This compact is the only vehicle for the controlled movement of adult parolees and probationers across state lines, and it currently has jurisdiction over more than a quarter of a million offenders;

Whereas: The complexities of the compact have become more difficult to administer, and many jurisdictions have expanded supervision expectations to include currently unregulated practices such as victim input, victim notification requirements, and sex offender registration;

Whereas: After hearings, national surveys, and a detailed study by a task force appointed by the National Institute of Corrections, the overwhelming recommendation has been to amend the document to bring about an effective management capacity that addresses public safety concerns and offender accountability;

Whereas: The General Assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety. The Governor is hereby authorized and directed to enter into a compact on behalf of the State of North Carolina with any state of the United States and other territorial possessions of the United States legally joining therein in the form substantially as follows;

Whereas: Upon the adoption of this Interstate Compact for the Supervision of Adult Offenders, it is the intention of the General Assembly to repeal the previous Interstate Compact for the Supervision of Parolees and Probationers one year after the effective date of this compact.

Article I.

Purpose.

(a) The compacting states to this Interstate Compact recognize that each state is responsible for the supervision of adult offenders in the community who are authorized pursuant to the bylaws and rules of this compact to travel across state lines both to and from each compacting state in such a manner as to track the location of offenders.

transfer supervision authority in an orderly and efficient manner, and when necessary return offenders to the originating jurisdictions. The compacting states also recognize that Congress, by enacting the Crime Control Act, 4 U.S.C. § 112 (1965), has authorized and encouraged compacts for cooperative efforts and mutual assistance in the prevention of crime.

(b) It is the purpose of this compact and the Interstate Commission created hereunder, through means of joint and cooperative action among the compacting states:

- (1) To provide the framework for the promotion of public safety and to protect the rights of victims through the control and regulation of the interstate movement of offenders in the community;
- (2) To provide for the effective tracking, supervision, and rehabilitation of these offenders by the sending and receiving states; and
- (3) To equitably distribute the costs, benefits, and obligations of the compact among the compacting states.

(c) In addition, this compact will:

- (1) Create an Interstate Commission which will establish uniform procedures to manage the movement between states of adults placed under community supervision and released to the community under the jurisdiction of courts, paroling authorities, corrections, or other criminal justice agencies, which will promulgate rules to achieve the purpose of this compact;
- (2) Ensure an opportunity for input and timely notice to victims and to jurisdictions where defined offenders are authorized to travel or to relocate across state lines;
- (3) Establish a system of uniform data collection, access to information on active cases by authorized criminal justice officials, and regular reporting of compact activities to heads of state councils, state executive, judicial, and legislative branches and criminal justice administrators;
- (4) Monitor compliance with rules governing interstate movement of offenders and initiate interventions to address and correct noncompliance; and
- (5) Coordinate training and education regarding regulations of interstate movement of offenders for officials involved in such activity.

(d) The compacting states recognize that there is no "right" of any offender to live in another state and that duly accredited officers of a sending state may at all times enter a receiving state and there apprehend and retake any offender under supervision subject to the provision of this compact and bylaws and rules promulgated hereunder. It is the policy of the compacting states that the activities conducted by the Interstate Commission created herein are the formation of the public policies and are therefore public business.

## Article II. Definitions.

(a) As used in this compact, unless the context clearly requires a different construction:

- (1) "Adult" means both individuals legally classified as adults and juveniles treated as adults by court order, statute, or operation of law.
- (2) "Bylaws" means those bylaws established by the Interstate

- Commission for its governance, or for directing or controlling the Interstate Commission's actions or conduct.
- (3) "Compact Administrator" means the individual in each compacting state appointed pursuant to the terms of this compact responsible for the administration and management of the state's supervision and transfer of offenders subject to the terms of this compact, the rules adopted by the Interstate Commission, and policies adopted by the state council under this compact.
  - (4) "Compacting state" means any state that has enacted the enabling legislation for this compact.
  - (5) "Commissioner" means the voting representative of each compacting state appointed pursuant to Article III of this compact.
  - (6) "Interstate Commission" means the Interstate Commission for Adult Offender Supervision established by this compact.
  - (7) "Member" means the commissioner of a compacting state or designee, who shall be a person officially connected with the commissioner.
  - (8) "Noncompacting state" means any state that has not enacted the enabling legislation for this compact.
  - (9) "Offender" means an adult placed under, or subject to, supervision as the result of the commission of a criminal offense and released to the community under the jurisdiction of courts, paroling authorities, corrections, or other criminal justice agencies.
  - (10) "Person" means any individual, corporation, business enterprise, or other legal entity, either public or private.
  - (11) "Rules" means acts of the Interstate Commission, duly promulgated pursuant to Article VIII of this compact, substantially affecting interested parties in addition to the Interstate Commission, which shall have the force and effect of law in the compacting states.
  - (12) "State" means a state of the United States, the District of Columbia, and any other territorial possessions of the United States.
  - (13) "State council" means the resident member of the State Council for Interstate Adult Offender Supervision created by each state under Article III of this compact.

### Article III.

#### The Compact Commission.

(a) The compacting states hereby create the "Interstate Commission for Adult Offender Supervision". The Interstate Commission shall be a body corporate and joint agency of the compacting states. The Interstate Commission shall have all the responsibilities, powers, and duties set forth herein, including the power to sue and be sued, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states in accordance with the terms of this compact.

(b) The Interstate Commission shall consist of commissioners selected and appointed by resident members of a State Council for Interstate Adult Offender Supervision for each state. In addition to the commissioners who are the voting representatives of each state, the Interstate Commission shall include individuals who are not commissioners but who are members of interested organizations; such

noncommissioner members must include a member of the national organizations of governors, legislators, state chief justices, attorneys general, and crime victims. All noncommissioner members of the Interstate Commission shall be ex officio (nonvoting) members. The Interstate Commission may provide in its bylaws for such additional, ex officio, nonvoting members as it deems necessary.

(c) Each compacting state represented at any meeting of the Interstate Commission is entitled to one vote. A majority of the compacting states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the Interstate Commission.

(d) The Interstate Commission shall meet at least once each calendar year. The chairperson may call additional meetings and, upon the request of 27 or more compacting states, shall call additional meetings. Public notice shall be given of all meetings, and meetings shall be open to the public.

(e) The Interstate Commission shall establish an executive committee that shall include commission officers, members, and others as shall be determined by the bylaws. The executive committee oversees the day-to-day activities managed by the executive director and Interstate Commission staff; administers enforcement and compliance with the provisions of the compact, its bylaws, and as directed by the Interstate Commission; and performs other duties as directed by the commission or set forth in the bylaws.

#### Article IV. The State Council.

(a) Each member state shall create a State Council for Interstate Adult Offender Supervision that shall be responsible for the appointment of the commissioner who shall serve on the Interstate Commission from that state. Each state council shall appoint as its commissioner the Compact Administrator from that state to serve on the Interstate Commission in such capacity under or pursuant to applicable law of the member state. While each member state may determine the membership of its own state council, its membership must include at least one representative from the legislative, judicial, and executive branches of government, victims groups, and compact administrators.

(b) Each compacting state retains the right to determine the qualifications of the Compact Administrator, who shall be appointed by the state council or by the Governor in consultation with the legislature and the judiciary. In addition to appointment of its own commissioner to the National Interstate Commission, each state council shall exercise oversight and advocacy concerning its participation in Interstate Commission activities and other duties as may be determined by each member state including, but not limited to, development of policy operations and procedures of the compact within that state.

#### Article V. Powers and Duties of the Interstate Commission.

The Interstate Commission shall have the following powers:

- (1) To adopt a seal and suitable bylaws governing the management and operation of the Interstate Commission.
- (2) To promulgate rules that shall have the force and effect of statutory law and shall be binding in the compacting states to the extent and in the manner provided in this compact.

- (3) To oversee, supervise, and coordinate the interstate movement of offenders subject to the terms of this compact and any bylaws adopted and rules promulgated by the compact commission.
- (4) To enforce compliance with compact provisions, Interstate Commission rules, and bylaws, using all necessary and proper means, including, but not limited to, the use of judicial process.
- (5) To establish and maintain offices.
- (6) To purchase and maintain insurance and bonds.
- (7) To borrow, accept, or contract for services of personnel, including, but not limited to, members and their staffs.
- (8) To establish and appoint committees and hire staff when it deems necessary for the carrying out of its functions including, but not limited to, an executive committee as required by Article III which shall have the power to act on behalf of the Interstate Commission in carrying out its powers and duties hereunder.
- (9) To elect or appoint such officers, attorneys, employees, agents, or consultants, and to fix their compensation, define their duties, and determine their qualifications; and to establish the Interstate Commission's personnel policies and programs relating to, among other things, conflicts of interest, rates of compensation, and qualifications of personnel.
- (10) To accept any and all donations and grants of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of same.
- (11) To lease, purchase, accept contributions or donations of, or otherwise to own, hold, improve, or use any property, real, personal, or mixed.
- (12) To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed.
- (13) To establish a budget and make expenditures and levy dues as provided in Article X of this compact.
- (14) To sue or be sued.
- (15) To provide for dispute resolution among compacting states.
- (16) To perform such functions as may be necessary or appropriate to achieve the purposes of this compact.
- (17) To report annually to the legislatures, governors, judiciary, and state councils of the compacting states concerning the activities of the Interstate Commission during the preceding year. Such reports shall also include any recommendations that may have been adopted by the Interstate Commission.
- (18) To coordinate education, training, and public awareness regarding the interstate movement of offenders for officials involved in such activity.
- (19) To establish uniform standards for the reporting, collecting, and exchanging of data.

#### Article VI.

##### Organization and Operation of the Interstate Commission.

- (a) Bylaws. – The Interstate Commission shall, by a majority of the members, within 12 months of the first Interstate Commission meeting, adopt bylaws to govern its

conduct as may be necessary or appropriate to carry out the purposes of the compact, including, but not limited to:

- (1) Establishing the fiscal year of the Interstate Commission;
- (2) Establishing an executive committee and such other committees as may be necessary and providing reasonable standards and procedures:
  - a. For the establishment of committees, and
  - b. Governing any general or specific delegation of any authority or function of the Interstate Commission;
- (3) Providing reasonable procedures for calling and conducting meetings of the Interstate Commission, and ensuring reasonable notice of each such meeting;
- (4) Establishing the titles and responsibilities of the officers of the Interstate Commission;
- (5) Providing reasonable standards and procedures for the establishment of the personnel policies and programs of the Interstate Commission. Notwithstanding any civil service or other similar laws of any compacting state, the bylaws shall exclusively govern the personnel policies and programs of the Interstate Commission;
- (6) Providing a mechanism for winding up the operations of the Interstate Commission and the equitable return of any surplus funds that may exist upon the termination of the compact after the payment and/or reserving of all of its debts and obligations;
- (7) Providing transition rules for "start-up" administration of the compact; and
- (8) Establishing standards and procedures for compliance and technical assistance in carrying out the compact.

(b) Officers and Staff. – The Interstate Commission shall, by a majority of the members, elect from among its members a chair and a vice-chair, each of whom shall have such authorities and duties as may be specified in the bylaws. The chair or, in the chair's absence or disability, the vice-chair shall preside at all meetings of the Interstate Commission. The officers so elected shall serve without compensation or remuneration from the Interstate Commission; provided that, subject to the availability of budgeted funds, the officers shall be reimbursed for any actual and necessary costs and expenses incurred by them in the performance of their duties and responsibilities as officers of the Interstate Commission.

The Interstate Commission shall, through its executive committee, appoint or retain an executive director for such period, upon such terms and conditions and for such compensation as the Interstate Commission may deem appropriate. The executive director shall serve as secretary to the Interstate Commission, and hire and supervise such other staff as may be authorized by the Interstate Commission, but shall not be a member.

(c) Corporate Records of the Interstate Commission. – The Interstate Commission shall maintain its corporate books and records in accordance with the bylaws.

(d) Qualified Immunity, Defense, and Indemnification. – The members, officers, executive director, and employees of the Interstate Commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused or arising out of any actual or alleged act, error, or omission that occurred within the scope of Interstate

Commission employment, duties, or responsibilities; provided, that nothing in this paragraph shall be construed to protect any such person from suit and/or liability for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of any such person.

The Interstate Commission shall defend the commissioner of a compacting state, or the commissioner's representatives or employees, or the Interstate Commission's representatives or employees, in any civil action seeking to impose liability, arising out of any actual or alleged act, error, or omission that occurred within the scope of Interstate Commission employment, duties, or responsibilities, or that the defendant had a reasonable basis for believing occurred within the scope of Interstate Commission employment, duties, or responsibilities; provided, that the actual or alleged act, error, or omission did not result from intentional wrongdoing on the part of such person.

The Interstate Commission shall indemnify and hold the commissioner of a compacting state, the appointed designee or employees, or the Interstate Commission's representatives or employees, harmless in the amount of any settlement or judgment obtained against such persons arising out of any actual or alleged act, error, or omission that occurred within the scope of Interstate Commission employment, duties, or responsibilities, or that such persons had a reasonable basis for believing occurred within the scope of Interstate Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from gross negligence or intentional wrongdoing on the part of such person.

#### Article VII.

##### Activities of the Interstate Commission.

(a) The Interstate Commission shall meet and take such actions as are consistent with the provisions of this compact.

(b) Except as otherwise provided in this compact and unless a greater percentage is required by the bylaws, in order to constitute an act of the Interstate Commission, such act shall have been taken at a meeting of the Interstate Commission and shall have received an affirmative vote of a majority of the members present.

(c) Each member of the Interstate Commission shall have the right and power to cast a vote to which the compacting state is entitled and to participate in the business and affairs of the Interstate Commission. A member shall vote in person on behalf of the state and shall not delegate a vote to another member state. However, a state council shall appoint another authorized representative, in the absence of the commissioner from that state, to cast a vote on behalf of the member state at a specified meeting. The bylaws may provide for members' participation in meetings by telephone or other means of telecommunication or electronic communication. Any voting conducted by telephone or other means of telecommunication or electronic communication shall be subject to the same quorum requirements of meetings where members are present in person.

(d) The Interstate Commission shall meet at least once during each calendar year. The chairperson of the Interstate Commission may call additional meetings at any time and, upon the request of a majority of the members, shall call additional meetings.

(e) The Interstate Commission's bylaws shall establish conditions and procedures under which the Interstate Commission shall make its information and official records available to the public for inspection or copying. The Interstate Commission may exempt from disclosure any information or official records to the extent they would adversely affect personal privacy rights or proprietary interests. In promulgating such

rules, the Interstate Commission may make available to law enforcement agencies records and information otherwise exempt from disclosure, and may enter into agreements with law enforcement agencies to receive or exchange information or records subject to nondisclosure and confidentiality provisions.

(f) Public notice shall be given of all meetings, and all meetings shall be open to the public, except as set forth in the rules or as otherwise provided in the compact. The Interstate Commission shall promulgate rules consistent with the principles contained in the "Government in Sunshine Act", U.S.C. § 552(b), as may be amended. The Interstate Commission and any of its committees may close a meeting to the public where it determines by two-thirds vote that an open meeting would be likely to:

- (1) Relate solely to the Interstate Commission's internal personnel practices and procedures;
- (2) Disclose matters specifically exempted from disclosure by statute;
- (3) Disclose trade secrets or commercial or financial information which is privileged or confidential;
- (4) Involve accusing any person of a crime or formally censuring any person;
- (5) Disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;
- (6) Disclose investigatory records compiled for law enforcement purposes;
- (7) Disclose information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of, the Interstate Commission with respect to a regulated entity for the purpose of regulation or supervision of such entity;
- (8) Disclose information, the premature disclosure of which would significantly endanger the life of a person or the stability of a regulated entity; and
- (9) Specifically relate to the Interstate Commission's issuance of a subpoena, or its participation in a civil action or proceeding.

(g) For every meeting closed pursuant to this provision, the Interstate Commission's chief legal officer shall publicly certify that, in the officer's opinion, the meeting may be closed to the public and shall reference each relevant exemptive provision. The Interstate Commission shall keep minutes which shall fully and clearly describe all matters discussed in any meeting and shall provide a full and accurate summary of any actions taken and the reasons therefor, including a description of each of the views expressed on any item and the record of any recall vote (reflected in the vote of each member on the question). All documents considered in connection with any action shall be identified in such minutes.

(h) The Interstate Commission shall collect standardized data concerning the interstate movement of offenders as directed through its bylaws and rules which shall specify the data to be collected, the means of collection, and data exchange and reporting requirements.

#### Article VIII.

##### Rule-making Functions of the Interstate Commission.

(a) The Interstate Commission shall promulgate rules in order to effectively and efficiently achieve the purposes of the compact including transition rules governing



administration of the compact during the period in which it is being considered and enacted by the states.

(b) Rule making shall occur pursuant to the criteria set forth in this article and the bylaws and rules adopted pursuant thereto. Such rule making shall substantially conform to the principles of the federal Administrative Procedure Act, 5 U.S.C.S. section 551, et seq., and the Federal Advisory Committee Act, 5 U.S.C. § 1, et seq., as may be amended (hereinafter "APA"). All rules and amendments shall become binding as of the date specified in each rule or amendment.

(c) If a majority of the legislatures of the compacting states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact, then such rule shall have no further force and effect in any compacting state.

(d) When promulgating a rule, the Interstate Commission shall:

- (1) Publish the proposed rule stating with particularity the text of the rule that is proposed and the reason for the proposed rule;
- (2) Allow persons to submit written data, facts, opinions, and arguments, which information shall be publicly available;
- (3) Provide an opportunity for an informal hearing; and
- (4) Promulgate a final rule and its effective date, if appropriate, based on the rule-making record. Not later than 60 days after a rule is promulgated, any interested person may file a petition in the United States District Court for the District of Columbia or in the Federal District Court where the Interstate Commission's principle office is located for judicial review of such rule. If the court finds that the Interstate Commission's action is not supported by substantial evidence, (as defined in the APA), in the rule-making record, the court shall hold the rule unlawful and set it aside. Subjects to be addressed within 12 months after the first meeting must, at a minimum, include:
 
  - a. Notice to victims and opportunity to be heard;
  - b. Offender registration and compliance;
  - c. Violations/returns;
  - d. Transfer procedures and forms;
  - e. Eligibility for transfer;
  - f. Collection of restitution and fees from offenders;
  - g. Data collection and reporting;
  - h. The level of supervision to be provided by the receiving state;
  - i. Transition rules governing the operation of the compact and the Interstate Commission during all or part of the period between the effective date of the compact and the date on which the last eligible state adopts the compact; and
  - j. Mediation, arbitration, and dispute resolution.

(e) The existing rules governing the operation of the previous compact superceded by this Act shall be null and void 12 months after the first meeting of the Interstate Commission created hereunder.

(f) Upon determination by the Interstate Commission that an emergency exists, it may promulgate an emergency rule which shall become effective immediately upon adoption, provided that the usual rule-making procedures provided hereunder shall be retroactively applied to said rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule.

Article IX.Oversight, Enforcement, and Dispute Resolution by the Interstate Commission.

(a) Oversight. – The Interstate Commission shall oversee the interstate movement of adult offenders in the compacting states and shall monitor such activities being administered in noncompacting states that may significantly affect compacting states.

The courts and executive agencies in each compacting state shall enforce this compact and shall take all actions necessary and appropriate to effectuate the compact's purposes and intent. In any judicial or administrative proceeding in a compacting state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the Interstate Commission, the Interstate Commission shall be entitled to receive all service of process in any such proceeding and shall have standing to intervene in the proceeding for all purposes.

(b) Dispute Resolution. – The compacting states shall report to the Interstate Commission on issues or activities of concern to them and cooperate with and support the Interstate Commission in the discharge of its duties and responsibilities.

The Interstate Commission shall attempt to resolve any disputes or other issues which are subject to the compact and which may arise among compacting states and noncompacting states.

The Interstate Commission shall enact a bylaw or promulgate a rule providing for both mediation and binding dispute resolution for disputes among the compacting states.

(c) Enforcement. – The Interstate Commission, in the reasonable exercise of its discretion, shall enforce the provisions of this compact using any and all means set forth in Article XII, subsection (b) of this compact.

Article X.Finance.

(a) The Interstate Commission shall pay or provide for the payment of the reasonable expenses of its establishment, organization, and ongoing activities.

(b) The Interstate Commission shall levy on and collect an annual assessment for each compacting state to cover the cost of the internal operations and activities of the Interstate Commission and its staff that must be in a total amount sufficient to cover the Interstate Commission's annual budget as approved each year. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the Interstate Commission, taking into consideration the population of the state and the volume of interstate movement of offenders in each compacting state and shall promulgate a rule binding upon all compacting states which governs said assessment.

(c) The Interstate Commission shall not incur any obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Interstate Commission pledge the credit of any of the compacting states, except by and with the authority of the compacting state.

(d) The Interstate Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Interstate Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Interstate Commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the Interstate Commission.

Article XI.  
Compacting State, Effective Date, and Amendment.

(a) Any state, as defined in Article II of this compact, is eligible to become a compacting state.

(b) The compact shall become effective and binding upon legislative enactment of the compact into law by no less than 35 of the states. The initial effective date shall be the later of July 1, 2002, or upon enactment into law by the 35<sup>th</sup> jurisdiction. Therefore, it shall become effective and binding as to any other compacting state, upon enactment of the compact into law by that state. The governors of nonmember states or their designees will be invited to participate in Interstate Commission activities on a nonvoting basis prior to adoption of the compact by all states and territories of the United States.

(c) Amendments to the compact may be proposed by the Interstate Commission for enactment by the compacting states. No amendment shall become effective and binding upon the Interstate Commission and the compacting states unless and until it is enacted into law by unanimous consent of the compacting states.

Article XII.  
Withdrawal, Default, Termination, and Judicial Enforcement.

(a) Withdrawal. – Once effective, the compact shall continue in force and remain binding upon each and every compacting state; provided that a compacting state may withdraw from the compact ("withdrawing state") by enacting a statute specifically repealing the statute which enacted the compact into law.

The effective date of withdrawal is the effective date of the repeal.

The withdrawing state shall immediately notify the Chair of the Interstate Commission in writing upon the introduction of legislation repealing this compact in the withdrawing state. The Interstate Commission shall notify the other compacting states of the withdrawing state's intent to withdraw within 60 days of its receipt thereof.

The withdrawing state is responsible for all assessments, obligations, and liabilities incurred through the effective date of withdrawal, including any obligations, the performance of which extend beyond the effective date of withdrawal.

Reinstatement following withdrawal of any compacting state shall occur upon the withdrawing state's reenacting the compact or upon such later date as determined by the Interstate Commission.

(b) Default. – If the Interstate Commission determines that any compacting state has at any time defaulted ("defaulting state") in the performance of any of its obligations or responsibilities under this compact, the bylaws, or any duly promulgated rules, the Interstate Commission may impose any or all of the following penalties:

- (1) Fines, fees, and costs in such amounts as are deemed to be reasonable as fixed by the Interstate Commission;
- (2) Remedial training and technical assistance as directed by the Interstate Commission;
- (3) Suspension and termination of membership in the compact. Suspension shall be imposed only after all other reasonable means of securing compliance under the bylaws and rules have been exhausted. Immediate notice of suspension shall be given by the Interstate Commission to the Governor; the Chief Justice or Chief Judicial

Officer of the state; the Majority and Minority Leaders of the defaulting state's legislature; and the state council.

The grounds of default include, but are not limited to, failure of a compacting state to perform such obligations or responsibilities imposed upon it by this compact, Interstate Commission bylaws, or duly promulgated rules. The Interstate Commission shall immediately notify the defaulting state in writing of the penalty imposed by the Interstate Commission on the defaulting state pending a cure of the default. The Interstate Commission shall stipulate the conditions and the time period within which the defaulting state must cure its default. If the defaulting state fails to cure the default within the time period specified by the Interstate Commission, in addition to any other penalties imposed herein, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the compacting states, and all rights, privileges, and benefits conferred by this compact shall be terminated from the effective date of suspension. Within 60 days of the effective date of termination of a defaulting state, the Interstate Commission shall notify the Governor; the Chief Justice or Chief Judicial Officer of the state; the Majority and Minority Leaders of the defaulting state's legislature; and the state council of such termination.

The defaulting state is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including any obligations the performance of which extends beyond the effective date of termination.

The Interstate Commission shall not bear any costs relating to the defaulting state unless otherwise mutually agreed upon between the Interstate Commission and the defaulting state. Reinstatement following termination of any compacting state requires both a reenactment of the compact by the defaulting state and the approval of the Interstate Commission pursuant to the rules.

(c) Judicial Enforcement. – The Interstate Commission may, by majority vote of the members, initiate legal action in the United States District Court for the District of Columbia or, at the discretion of the Interstate Commission, in the Federal District where the Interstate Commission has its offices to enforce compliance with the provisions of the compact, its duly promulgated rules and bylaws against any compacting state in default. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation including reasonable attorney's fees.

(d) Dissolution of Compact. – The compact dissolves effective upon the date of the withdrawal or default of the compacting state that reduces membership in the compact to one compacting state.

Upon the dissolution of this compact, the compact becomes null and void and shall be of no further force or effect, and the business and affairs of the Interstate Commission shall be wound up, and any surplus funds shall be distributed in accordance with the bylaws.

### Article XIII.

#### Severability and Construction.

(a) The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provision of the compact shall be enforceable.

(b) The provisions of this compact shall be liberally constructed to effectuate its purposes.

Article XIV.Binding Effect of Compact and Other Laws.

(a) Other Laws. – Nothing herein prevents the enforcement of any other law of a compacting state that is not inconsistent with this compact.

All compacting states' laws conflicting with this compact are superseded to the extent of the conflict.

(b) Binding Effect of the Compact. – All lawful actions of the Interstate Commission, including all rules and bylaws promulgated by the Interstate Commission, are binding upon the compacting states.

All agreements between the Interstate Commission and the compacting states are binding in accordance with their terms.

Upon the request of a party to a conflict over meaning or interpretation of Interstate Commission actions, and upon a majority vote of the compacting states, the Interstate Commission may issue advisory opinions regarding such meaning or interpretation.

In the event any provision of this compact exceeds the constitutional limits imposed on the legislature of any compacting state, the obligations, duties, powers, or jurisdiction sought to be conferred by such provision upon the Interstate Commission shall be ineffective, and such obligations, duties, powers, or jurisdiction shall remain in the compacting state and shall be exercised by the agency thereof to which such obligations, duties, powers, or jurisdiction are delegated by law in effect at the time this compact becomes effective.

**"§ 148-65.6. Implementation of the compact.**

(a) The North Carolina State Council for Interstate Adult Offender Supervision shall be established, consisting of 11 members. The Secretary of Correction, or the Secretary's designee, shall serve as the Compact Administrator for the State of North Carolina and as North Carolina's Commissioner to the Interstate Compact Commission. The Secretary of Correction, or the Secretary's designee, is a member of the State Council and serves as chairperson of the State Council. The remaining members of the State Council shall consist of the following:

- (1) One member representing the executive branch, to be appointed by the Governor;
- (2) One member from a victim's assistance group, to be appointed by the Governor;
- (3) One at-large member, to be appointed by the Governor;
- (4) One member of the Senate, to be appointed by the President Pro Tempore of the Senate;
- (5) One member of the House of Representatives, to be appointed by the Speaker of the House of Representatives;
- (6) A superior court judge, to be appointed by the Chief Justice of the Supreme Court; and
- (7) Four members representing the Division of Community Corrections, to be appointed by the Director of the Division of Community Corrections.

(b) The State Council shall meet at least twice a year and may also hold special meetings at the call of the chairperson. All terms are for three years.

(c) The State Council may advise the Compact Administrator on participation in the Interstate Commission activities and administration of the compact.

(d) The members of the State Council shall serve without compensation but shall be reimbursed for necessary travel and subsistence expenses in accordance with the policies of the Office of State Budget and Management.

(e) The State Council shall act in an advisory capacity to the Secretary of Correction concerning this State's participation in Interstate Commission activities and other duties as may be determined by each member state, including recommendations for policy concerning the operations and procedures of the compact within this State.

(f) The Governor shall by executive order provide for any other matters necessary for implementation of the compact at the time that it becomes effective, and, except as otherwise provided for in this section, the State Council may promulgate rules or regulations necessary to implement and administer the compact.

**"§ 148-65.7. Supervision fee.**

Persons supervised in this State pursuant to this compact shall pay the supervision fee specified in G.S. 15A-1374(c). The fee shall be paid to the clerk of court in the county in which the person initially receives supervision services in this State.

**"§ 148-65.8. Interstate parole and probation hearing procedures.**

(a) Where supervision of an offender is being administered pursuant to the Interstate Compact for the Supervision of Adult Offenders, the appropriate judicial or administrative authorities in this State shall notify the Compact Administrator of the sending state whenever, in their view, consideration should be given to retaking or reincarceration for a parole, probation, or post-release supervision violation. Prior to the giving of any such notification, a hearing shall be held in accordance with this section within a reasonable time, unless such hearing is waived by the offender. The appropriate officer or officers of this State shall, as soon as practicable following termination of any such hearing, report to the sending state, furnish a copy of the hearing record, and make recommendations regarding the disposition to be made of the offender by the sending state. Pending any proceeding pursuant to this section, the appropriate officers of this State may take custody of and detain the offender involved for a period not to exceed 15 days prior to the hearing and, if it appears to the hearing officer or officers that retaking or reincarceration is likely to follow, for such reasonable period after the hearing or waiver as may be necessary to arrange for the retaking or reincarceration.

(b) Any hearing pursuant to this section may be before the Administrator of the Interstate Compact for the Supervision of Adult Offenders, a deputy of the Administrator, any other person appointed by the Administrator, or any person authorized pursuant to the laws of this State to hear cases of alleged parole, probation, or post-release supervision violation, except that no hearing officer shall be the person making the allegation of violation.

(c) With respect to any hearing pursuant to this section, the offender:

- (1) Shall have reasonable notice in writing of the nature and content of the allegations to be made, including notice that its purpose is to determine whether there is probable cause to believe that the offender has committed a violation that may lead to a revocation of parole, probation, or post-release supervision.
- (2) Shall be permitted to advise with any persons whose assistance the offender reasonably desires, prior to the hearing.
- (3) Shall have the right to confront and examine any persons who have made allegations against the offender, unless the hearing officer determines that such confrontation would present a substantial present or subsequent danger of harm to such person or persons.

- (4) May admit, deny, or explain the violation alleged and may present proof, including affidavits and other evidence, in support of the offender's contentions. A record of the proceedings shall be made and preserved.

(d) In any case of alleged parole or probation violation by a person being supervised in another state pursuant to the Interstate Compact for the Supervision of Adult Offenders, any appropriate judicial or administrative officer or agency in another state may hold a hearing on the alleged violation. Upon receipt of the record of a parole, probation, or post-release supervision violation hearing held in another state pursuant to a statute substantially similar to this section, that record shall have the same standing and effect as though the proceeding of which it is a record was had before the appropriate officer or officers in this State, and any recommendations contained in or accompanying the record shall be fully considered by the appropriate officer or officers of this State in making disposition of the matter.

**"§ 148-65.9. North Carolina sentence to be served in another jurisdiction.**

The Post-Release Supervision and Parole Commission, with the concurrence of the Secretary of Correction, may direct that the balance of any sentence imposed by the courts of this State shall be served concurrently with a sentence or sentences in another state or federal institution and may effect a transfer of custody of such individual to the other jurisdiction for such purpose. In the event the individual's sentence liability in the other jurisdiction terminates prior to the expiration of the individual's North Carolina sentence, the individual shall be either paroled (if eligible) or returned to the prison department of this State, in the discretion of the Post-Release Supervision and Parole Commission."

**SECTION 2.** Article 4A of Chapter 148 of the General Statutes is repealed.

**SECTION 3.** This act shall not be construed to obligate the General Assembly to appropriate any funds to implement the provisions of this act. The Department of Correction shall implement the provisions of this act with funds that are otherwise appropriated or available to the Department.

**SECTION 4.** Chapter 148 of the General Statutes is amended by adding a new Article to read:

"Article 13.

"Transfer of Convicted Foreign Citizens Under Federal Treaty.

**"§ 148-122. Transfer of convicted foreign citizens under treaty; consent by Governor.**

If a treaty in effect between the United States and a foreign country provides for the transfer or exchange of convicted offenders to the country of which the offenders are citizens or nationals, the Governor may, on behalf of the State and subject to the terms of the treaty, authorize the Secretary of Correction to consent to the transfer or exchange of offenders and take any other action necessary to initiate the participation of the State in the treaty."

**SECTION 5.** Section 2 of this act becomes effective one year after the effective date of Section 1 of this act. Section 4 of this act becomes effective January 1, 2003. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 3:10 p.m. on the 23<sup>rd</sup> day of October, 2002.

AN ACT TO DIRECT UNITS OF LOCAL GOVERNMENT TO EVALUATE THEIR EFFORTS TO CONSERVE WATER, TO DIRECT THE ENVIRONMENTAL MANAGEMENT COMMISSION TO ADOPT RULES GOVERNING WATER CONSERVATION AND WATER REUSE, TO ESTABLISH A GOAL TO REDUCE WATER CONSUMPTION BY STATE AGENCIES BY AT LEAST TEN PERCENT, TO DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO EVALUATE WATER CONSERVATION AND WATER EFFICIENCY PROGRAMS IN THE STATE, AND TO DIRECT THE UTILITIES COMMISSION TO STUDY METHODS TO FUND AND PROMOTE THE DEVELOPMENT OF GREEN POWER IN NORTH CAROLINA.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 143-355(l) reads as rewritten:

"(l) Each unit of local government that provides public water service or that plans to provide public water service shall, either individually or together with other units of local government, prepare a local water supply plan and submit it to the Department. The Department shall provide technical assistance with the preparation of plans to units of local government upon request and to the extent that the Department has resources available to provide assistance. At a minimum, local units of government shall include in local water supply plans all information that is readily available to them. Plans shall include present and projected population, industrial development, water use within the service area, present and future water supplies, an estimate of the technical assistance that may be needed at the local level to address projected water ~~needs,~~needs, current and future water conservation and water reuse programs, and any other related information as the Department may require in the preparation of a State water supply plan. Local plans shall be revised to reflect changes in relevant data and projections at least once each five years unless the Department requests more frequent revisions. The revised plan shall include the current and anticipated reliance by the local government unit on surface water transfers as defined by G.S. 143-215.22G. Local plans and revised plans shall be submitted to the Department once they have been approved by the unit(s) of local government."

**SECTION 2.** G.S. 143-355(m) reads as rewritten:

"(m) In order to assure the availability of adequate supplies of good quality water to protect the public health and to support desirable economic growth, the Department shall develop a State water supply plan. The State water supply plan shall include the information and projections required to be included in local ~~plans,~~plans, a summary of water conservation and water reuse programs described in local plans, a summary of the technical assistance needs indicated by local plans, and shall indicate the extent to which the various local plans are compatible. The State plan shall identify potential conflicts among the various local plans and ways in which local water supply programs could be better coordinated."

**SECTION 3.(a)** Pursuant to subdivisions (1) and (8) of G.S. 143-354(a), the Environmental Management Commission shall develop and implement rules governing water conservation and water reuse during drought and water emergency situations. The rules shall establish minimum standards and practices for water conservation and water reuse for all of the following classes of water users:

- (1) Publicly owned and privately owned water supply systems.



- (2) State agencies.
- (3) Local governments.
- (4) Business and industrial users of water.
- (5) Agricultural and horticultural users of water.

**SECTION 3.(b)** In developing the rules authorized by subsection (a) of this section, the Environmental Management Commission shall consult with representatives of water users and advocacy groups listed in subsection (a) of Section 5 of this act.

**SECTION 3.(c)** Rules adopted pursuant to subsection (a) of this section shall not supercede or modify existing rules governing water used in the generation of electricity. This section shall not be construed to authorize the Commission to adopt temporary rules. The Commission shall adopt permanent rules so that the rules will become effective following legislative review pursuant to G.S. 150B-21.3(b) by the 2005 Regular Session of the General Assembly.

**SECTION 4.** There is hereby established a goal to reduce water consumption by State agencies by at least 10 percent (10%). As used in this section, the term "State agencies" includes all agencies of the executive branch of the government of North Carolina, the General Assembly, the General Court of Justice, and The University of North Carolina. For State agencies that purchase water or that otherwise have reliable records of their water consumption for the 2001-2002 fiscal year, the goal shall apply to the consumption of water during the 2002-2003 fiscal year as compared to water consumed during the 2001-2002 fiscal year. State agencies that do not have reliable records of their water consumption during the 2001-2002 fiscal year shall (i) endeavor to reduce water consumption to the maximum extent possible during the 2002-2003 fiscal year, (ii) maintain records of their water consumption during the 2002-2003 fiscal year, and (iii) determine their progress toward achieving the goal on the basis of reductions in water consumed during the 2003-2004 fiscal year.

**SECTION 5.(a)** The Department of Environment and Natural Resources shall evaluate water conservation measures being implemented in the State and identify incentive programs and other voluntary programs that can help foster water conservation and water reuse. In conducting its study, the Department shall specifically evaluate water conservation measures being implemented or advocated by the following:

- (1) Publicly owned and privately owned water supply systems.
- (2) State agencies.
- (3) Local governments.
- (4) Business and industrial users of water.
- (5) Environmental protection and natural resource advocacy groups.
- (6) Electric utilities.
- (7) Agricultural and horticultural users of water.
- (8) Residential users of water.

**SECTION 5.(b)** The Department shall submit an interim report no later than 15 March 2003, and shall submit a final report no later than 15 February 2004, as to its findings and recommendations to the Environmental Review Commission and the Environmental Management Commission.

**SECTION 6.(a)** The North Carolina Utilities Commission shall include the following additional items in the study it is presently conducting for the Commission on the Future of Electric Service in North Carolina referred to as "Investigation of Green Power and Public Benefit Fund Voluntary Check-Off Programs":

- (1) Identification of funding mechanisms in addition to voluntary purchase of green power blocks that would stimulate green power production in the State.
- (2) Identification of incentives in addition to funding mechanisms that would stimulate green power production in the State.
- (3) Identification of barriers that would impede green power production in the State and strategies to address those barriers.
- (4) Identification of appropriate methods of promoting the purchase of green power by the various electric customer groups.
- (5) Identification of methods whereby the State can provide incentives and resources that would stimulate the production and use of green power that would protect water quality; promote water conservation and water reuse; protect air quality; protect public health, safety, welfare, and the environment; and provide for the safe and efficient disposal of animal waste in the State.

**SECTION 6.(b)** In making recommendations to address the additional items listed in subsection (a) of this section, the North Carolina Utilities Commission shall consider the impact of its recommendations on residential, commercial, and industrial consumers of electricity in the State.

**SECTION 6.(c)** The North Carolina Utilities Commission shall make its final report on its investigation of green power and public benefit fund voluntary check-off programs, including the additional items set forth in subsection (a) of this section, to the Commission on the Future of Electric Service in North Carolina and the Environmental Review Commission not later than 15 March 2003. The delivery of this report shall not preclude either of the receiving commissions from asking for additional information or reports on these subjects.

**SECTION 7.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 3:12 p.m. on the 23<sup>rd</sup> day of October, 2002.

## S.B. 1281

## Session Law 2002-168

AN ACT TO CLARIFY TORT CLAIM AND DUTY TO DEFEND EMPLOYEES LIABILITY OF OCCUPATIONAL LICENSING BOARDS; TO MAKE VARIOUS CHANGES TO THE STATUTES GOVERNING THE REAL ESTATE COMMISSION; TO AUTHORIZE THE BOARD OF LANDSCAPE ARCHITECTS TO RETAIN PRIVATE COUNSEL; AND TO REQUIRE PROFESSIONAL EMPLOYER ORGANIZATIONS TO REGISTER WITH THE DEPARTMENT OF INSURANCE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 93B is amended by adding the following new section to read:

**"§ 93B-16. Occupational board liability for negligent acts.**

**(a) An occupational licensing board may purchase commercial insurance of any kind to cover all risks or potential liability of the board, its members, officers,**

employees, and agents, including the board's liability under Articles 31 and 31A of Chapter 143 of the General Statutes.

(b) Occupational licensing boards shall be deemed State agencies for purposes of Articles 31 and 31A of Chapter 143 of the General Statutes, and board members and employees of occupational licensing boards shall be considered State employees for purposes of Articles 31 and 31A of Chapter 143 of the General Statutes. To the extent an occupational licensing board purchases commercial liability insurance coverage in excess of one hundred fifty thousand dollars (\$150,000) per claim for liability arising under Article 31 or 31A of Chapter 143 of the General Statutes, the provisions of G.S. 143-299.4 shall not apply. To the extent that an occupational licensing board purchases commercial insurance coverage for liability arising under Article 31 or 31A of Chapter 143 of the General Statutes, the provisions of G.S. 143-300.6(c) shall not apply.

(c) The purchase of insurance by an occupational licensing board under this section shall not be construed to waive sovereign immunity or any other defense available to the board, its members, officers, employees, or agents in an action or contested matter in any court, agency, or tribunal. The purchase of insurance by an occupational licensing board shall not be construed to alter or expand the limitations on claims or payments established in G.S. 143-299.2 or limit the right of board members, officers, employees, or agents to defense by the State as provided by G.S. 143-300.3."

**SECTION 2.** G.S. 143-300.2(4) reads as rewritten:

"(4) "The State" includes all departments, agencies, boards, commissions, institutions, bureaus, and authorities of the State. Community colleges and colleges, technical colleges—colleges, and occupational licensing boards regulated by Chapter 93B of the General Statutes shall be deemed State agencies for purposes of this Article."

**SECTION 3.** G.S. 93A-3(f) reads as rewritten:

"(f) The Commission is authorized to ~~expend expense reserve funds as defined in G.S. 93A-3(b) for the purpose of conducting~~ acquire, hold, convey, rent, encumber, alienate, and otherwise deal with real property in the same manner as a private person or corporation, subject only to the approval of the Governor and Council of State. The rents, proceeds, and other revenues and benefits of the ownership of real property shall inure to the Commission. Collateral pledged by the Commission for any encumbrance of real property shall be limited to the assets, income, and revenues of the Commission. Leases, deeds, and other instruments relating to the Commission's interest in real property shall be valid when executed by the executive director of the Commission. The Commission may create and conduct education and information programs relating to the real estate ~~brokerage~~ business for the information, education, guidance and protection of the general public, licensees, and applicants for license. The education and information programs may include preparation, printing and distribution of publications and articles and the conduct of conferences, seminars, and lectures. The Commission may claim the copyright to written materials it creates and may charge fees for publications and programs."

**SECTION 4.** G.S. 93A-4 reads as rewritten:

**"§ 93A-4. Applications for licenses; fees; qualifications; examinations; privilege licenses; renewal or reinstatement of license; power to enforce provisions.**

(a) Any person, partnership, corporation, limited liability company, association, or other business entity hereafter desiring to enter into business of and obtain a license as a real estate broker or real estate salesperson shall make written application for such

license to the Commission in the form and manner prescribed by the Commission. Each applicant for a license as a real estate broker or real estate salesperson shall be at least 18 years of age. Each applicant for a license as a real estate salesperson shall, within three years preceding the date application is made, have satisfactorily completed, at a school approved by the Commission, a real estate fundamentals course consisting of at least 67 hours of classroom instruction in subjects determined by the Commission, or shall possess real estate education or experience in real estate transactions which the Commission shall find equivalent to the course. Each applicant for a license as a real estate broker shall, within three years preceding the date the application is made, have satisfactorily completed, at a school approved by the Commission, an education program consisting of at least 60 hours of classroom instruction in subjects determined by the Commission, which shall be in addition to the course required for a real estate salesperson license, or shall possess real estate education or experience in real estate transactions which the Commission shall find equivalent to the education program. Each applicant for a license as a real estate broker or real estate salesperson shall be required to pay a fee, fixed by the Commission but not to exceed thirty dollars (\$30.00).

(b) Except as otherwise provided in this Chapter, any person who submits an application to the Commission in proper manner for a license as real estate broker or a license as real estate salesperson shall be required to take an oral or written examination. The Commission may allow an applicant to elect to take the examination by computer as an alternative to the written or oral examination and may require the applicant to pay the Commission or a provider contracted by the Commission the actual cost of administering the computerized examination. The cost of the computerized examination shall be in addition to any other fees the applicant is required to pay under subsection (a) of this section. The examination shall determine the applicant's qualifications with due regard to the paramount interests of the public as to the applicant's competency. A person holding a real estate salesperson license in this State and applying for a real estate broker license shall not be required to take an additional examination under this subsection. A person who fails the license examination shall be entitled to know the result and score. A person who passes the exam shall be notified only that the person passed the examination. Whether a person passed or failed the examination shall be a matter of public record; however, the scores for license examinations shall not be considered public records. Nothing in this subsection shall limit the rights granted to any person under G.S. 93B-8.

An applicant for licensure under this Chapter shall satisfy the Commission that he or she possesses the competency, honesty, truthfulness, integrity, and general moral character necessary to protect the public interest and promote public confidence in the real estate brokerage business. If the results of any required competency examination and investigation of the applicant's moral character shall be satisfactory to the Commission, then the Commission shall issue to the applicant a license, authorizing the applicant to act as a real estate broker or real estate salesperson in the State of North Carolina, upon the payment of privilege taxes now required by law or that may hereafter be required by law.

(c) All licenses issued by the Commission under the provisions of this Chapter shall expire on the 30th day of June following issuance or on any other date that the Commission may determine and shall become invalid after that date unless reinstated. A license may be renewed 45 days prior to the expiration date by filing an application with and paying to the Executive Director of the Commission the license renewal fee. The license renewal fee is thirty dollars (\$30.00) unless the Commission sets the fee at a

higher amount. The Commission may set the license renewal fee at an amount that does not exceed fifty dollars (\$50.00). The license renewal fee may not increase by more than five dollars (\$5.00) during a 12-month period. The Commission may adopt rules establishing a system of license renewal in which the licenses expire annually with varying expiration dates. These rules shall provide for prorating the annual fee to cover the initial renewal period so that no licensee shall be charged an amount greater than the annual fee for any 12-month period. ~~All licenses reinstated after the expiration date thereof shall be subject to a late filing fee of five dollars (\$5.00) in addition to the required renewal fee.~~ The fee for reinstatement of an expired license shall be fifty-five dollars (\$55.00). In the event a licensee fails to obtain a reinstatement of such license within ~~12~~ six months after the expiration date thereof, the Commission may, in its discretion, consider such person as not having been previously licensed, and thereby subject to the provisions of this Chapter relating to the issuance of an original license, including the examination requirements set forth herein. Duplicate licenses may be issued by the Commission upon payment of a fee of five dollars (\$5.00) by the licensee. Commission certification of a licensee's license history shall be made only after the payment of a fee of ten dollars (\$10.00).

(d) The Commission is expressly vested with the power and authority to make and enforce any and all reasonable rules and regulations connected with license application, examination, renewal, and reinstatement as shall be deemed necessary to administer and enforce the provisions of this Chapter. The Commission is further authorized to adopt reasonable rules and regulations necessary for the approval of real estate schools, instructors, and textbooks and rules that prescribe specific requirements pertaining to instruction, administration, and content of required education courses and programs.

(e) Nothing contained in this Chapter shall be construed as giving any authority to the Commission nor any licensee of the Commission as authorizing any licensee to engage in the practice of law or to render any legal service as specifically set out in G.S. 84-2.1 or any other legal service not specifically referred to in said section."

**SECTION 5.** G.S. 93A-6 is amended by adding a new subsection to read:

"(f) In any contested case in which the Commission takes disciplinary action authorized by any provision of this Chapter, the Commission may also impose reasonable conditions, restrictions, and limitations upon the license, registration, or approval issued to the disciplined person or entity. In any contested case concerning an application for licensure, time share project registration, or school, sponsor, instructor, or course approval, the Commission may impose reasonable conditions, restrictions, and limitations on any license, registration, or approval it may issue as a part of its final decision."

**SECTION 6.** G.S. 114-4.2G is repealed.

**SECTION 7.** G.S. 89A-3.1 reads as rewritten:

**"§ 89A-3.1. Board's powers and duties.**

The Board shall have the following powers and duties:

- (1) Administer and enforce the provisions of this Chapter.
- (2) Adopt rules to administer and enforce the provisions of this Chapter.
- (3) Examine and determine the qualifications and fitness of applicants for registration and renewal of registration.
- (4) Determine the qualifications of firms, partnerships, or corporations applying for a certificate of registration.

- (5) Issue, renew, deny, suspend, or revoke certificates of registration and conduct any disciplinary actions authorized by this Chapter.
- (6) Establish and approve continuing education requirements for persons registered under this Chapter.
- (7) Receive and investigate complaints from members of the public.
- (8) Conduct investigations for the purpose of determining whether violations of this Chapter or grounds for disciplining registrants exist.
- (9) Conduct administrative hearings in accordance with Article 3 of Chapter 150B of the General Statutes.
- (10) Maintain a record of all proceedings conducted by the Board and make available to registrants and other concerned parties an annual report of all Board action.
- (11) Employ and fix the compensation of personnel that the Board determines is necessary to carry out the provisions of this Chapter and incur other expenses necessary to perform the duties of the Board.
- (12) Adopt and publish a code of professional conduct for all registrants.
- (13) Adopt a seal containing the name of the Board for use on all certificates of registration and official reports issued by the Board.
- (14) Retain private counsel subject to G.S. 114-2.3."

**SECTION 8.** Chapter 58 of the General Statutes is amended by adding the following new Article to read:

"Article 89.

"North Carolina Professional Employer Organization Act.

**"§ 58-89-1. Title.**

This Article shall be known and may be cited as the "North Carolina Professional Employer Organization Act".

**"§ 58-89-5. Definitions.**

In this Article:

- (1) "Applicant" means a person applying for a registration under this Article.
- (2) "Control", including the terms "controlling", "controlled by", and "under common control with", has the same meaning as in G.S. 58-19-5(2).
- (3) "Managed services" means services provided by an organization that is the sole employer of employees whom it supplies to staff and to manage a specific portion of a company's workforce or a specific facility within a company on an ongoing basis. The managed services organization has responsibility for ensuring the capabilities and skills of the employees it supplies or provides, for all employer functions, for supervisory responsibility over the employees, and for management accountability of the facility or function.
- (4) "Person" has the same meaning as in G.S. 58-1-5(9).
- (5) "Personnel placement services" means a service that offers job placement services in which the personnel placement service organization assists persons interested in finding a job with companies that are seeking employees. Companies that hire persons through a personnel placement service are the sole employers of the persons hired, and the personnel placement service does not have any responsibility as an employer.

- (6) "Professional employer organization" means a person that offers professional employer services and includes "staff leasing services companies", "employee leasing companies", "staff leasing companies", and "administrative employers" who offer or propose to offer professional employer services in this State.
- (7) "Professional employer organization group" means a combination of professional employer organizations that operates under a group registration issued under this Article.
- (8) "Professional employer services" means an arrangement by which employees of a registrant are assigned to work at a client company and in which employment responsibilities are in fact shared by the registrant and the client company, the employee's assignment is intended to be of a long-term or continuing nature, rather than temporary or seasonal in nature, and a majority of the workforce at a client company work site or a majority of the personnel of a specialized group within that workforce consists of assigned employees of the registrant. "Professional employer services" does not include services that provide temporary employees or independent contractors, personnel placement services, managed services, payroll services that do not involve employee staffing or leasing, or similar groups that do not meet the requirements of this subdivision.
- (9) "Temporary employees" means persons employed under an arrangement by which an organization hires its own employees and assigns them to a client company to support or supplement the client's workforce in a special work situation, including:
- a. An employee absence;
  - b. A temporary skill shortage;
  - c. A seasonal workload; or
  - d. A special assignment or project.

**"§ 58-89-10. Rules.**

(a) The Commissioner may adopt rules necessary to implement, administer, and enforce the provisions of this Article.

(b) Each registrant is subject to this Article and to the rules adopted by the Commissioner.

(c) Nothing in this Article preempts the existing statutory or rule-making authority of any other State agency or entity to regulate professional employer services in a manner consistent with the statutory authority of that State agency or entity.

**"§ 58-89-15. Registration required; professional employer organization groups.**

(a) No person shall engage in or offer professional employer services in this State unless the person is registered with the Department of Insurance under this Article.

(b) Two or more professional employer organizations that are controlled by the same ultimate parent, entity, or persons may be registered as a professional employer organization group. A professional employer organization group may satisfy the requirements of this Article on a consolidated basis.

(c) An applicant for an initial professional employer organization registration shall file with the Commissioner the information required by subsection (d) of this section on a form prescribed by the Commissioner accompanied by the registration fee. No application is complete until the Commissioner has received all required information.

(d) The registration application shall, at a minimum, be comprised of all of the following information:

- (1) The name, organizational structure, and date of organization of the applicant, the addresses of the principal office and all offices in this State, the name of the contact person, and the taxpayer or employer identification number.
- (2) A list by jurisdiction of each name under which the applicant has operated in the preceding five years, including any alternative names, names of predecessors, and, if known, successor business entities. The list required by this subdivision shall include the parent company name and any trade name, trademark, or service mark of the applicant.
- (3) A list of all officers and controlling persons of the applicant, their biographical information, including their management background, and an affidavit from each attesting to his or her good moral character and management competence.
- (4) The location of the business records of the applicant.
- (5) Evidence that the applicant has paid all of its obligations for payroll-related taxes, workers' compensation insurance, and employee benefits. All disputed amounts shall be disclosed in the application.
- (6) Any other information the Commissioner deems necessary.

(e) An application for registration of a professional employer organization group shall contain the information required by this section for each member of the group.

(f) If the Commissioner finds that the applicant has not fully met the requirements for registration, the Commissioner shall refuse to register the applicant and shall notify the applicant in writing of the denial, stating the grounds for the denial. Within 30 days after service of the notification, the applicant may make a written demand upon the Commissioner for a review to determine the reasonableness of the Commissioner's action. The review shall be completed without undue delay, and the applicant shall be notified promptly in writing as to the outcome of the review. Within 30 days after service of the notification as to the outcome, the applicant may make a written demand upon the Commissioner for a hearing under Article 3A of Chapter 150B of the General Statutes if the applicant disagrees with the outcome.

**"§ 58-89-20. Fees.**

(a) Each applicant for registration shall pay to the Commissioner, before the issuance of the registration, a nonrefundable application fee of two hundred fifty dollars (\$250.00).

(b) Fees collected by the Commissioner under this Article shall be credited to the Department of Insurance Fund created under G.S. 58-6-25.

**"§ 58-89-25. Prohibited acts.**

No person shall do any of the following:

- (1) Engage in or offer professional employer services without being registered under this Article as a professional employer organization.
- (2) Use the name or title "staff leasing company", "employee leasing company", "registered staff leasing company", "staff leasing services company", "professional employer organization", or "administrative employer" or otherwise represent that the person is registered under this Article unless the person is registered under this Article.
- (3) Represent as the person's own the license of another person or represent that a person is registered if the person is not registered.



- (4) Give materially false or forged evidence to the Commissioner in connection with obtaining a registration.

**"§ 58-89-30. Criminal penalty.**

A person who violates G.S. 58-89-25 commits a Class H felony. Any officer or controlling person who willfully violates any provision of this Article may be subject to any and all criminal penalties available under State law."

**SECTION 9.** The Department of Insurance shall report to the 2005 General Assembly on the implementation, administration, and enforcement of Article 89 of Chapter 58 of the General Statutes, as enacted in Section 8 of this act. In its report, the Department shall recommend any statutory changes required to regulate professional employer organizations and enforce Article 89 of Chapter 58 of the General Statutes.

**SECTION 10.** Notwithstanding G.S. 58-89-30, each professional employer organization operating within this State as of January 1, 2003, shall complete its initial registration not later than 180 days after January 1, 2003. Each professional employer organization not operating within this State as of January 1, 2003, shall complete its initial registration prior to commencement of operations within this State.

**SECTION 11.** Sections 8 through 10 of this act become effective January 1, 2003, and apply to any contracts entered into, any business conducted, and any actions taken on or after that date. The remainder of this act becomes effective October 1, 2002.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 3:13 p.m. on the 23<sup>rd</sup> day of October, 2002.

**H.B. 1307**

**Session Law 2002-169**

AN ACT TO AMEND THE MORTGAGE LENDING ACT TO AUTHORIZE LICENSURE OF EXCLUSIVE MORTGAGE BROKERS UNDER CERTAIN CIRCUMSTANCES, TO REQUIRE CRIMINAL HISTORY BACKGROUND CHECKS ON APPLICANTS AND LICENSEES UNDER THE MORTGAGE LENDING ACT, AND TO PROVIDE FOR THE APPROVAL OF EDUCATIONAL COURSES UNDER THE MORTGAGE LENDING ACT.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 53-243.01 is amended by adding a new subdivision to read:

**"(7a)** Exclusive mortgage broker – An individual who acts as a mortgage broker exclusively for a single mortgage banker or single exempt person and who is licensed under the provisions of G.S. 53-243.05(c)(1a)."

**SECTION 2.** G.S. 53-243.01(14) reads as rewritten:

**"(14)** Mortgage broker. – A person who acts as a mortgage broker as that term is defined in subdivision (1) of this section. The term "mortgage broker" includes an exclusive mortgage broker, except when expressly provided otherwise."

**SECTION 3.** G.S. 53-243.05(a) reads as rewritten:

"(a) Any person, other than an exempt person, desiring to obtain a license ~~as a loan officer, mortgage banker, or mortgage broker~~ pursuant to this Article shall make written application for licensure to the Commissioner on forms prescribed by the Commissioner. In accordance with rules adopted by the Commission, the application shall contain any information the Commissioner deems necessary regarding the following:

- (1) The applicant's name and address and social security number.
- (2) The applicant's form and place of organization, if applicable.
- (3) The applicant's proposed method of and locations for doing business, if applicable.
- (4) The qualifications and business history of the applicant and, if applicable, the business history of any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the applicant, including:
  - (i) a description of any injunction or administrative order by any state or federal authority to which the person is or has been subject;
  - (ii) a conviction of a misdemeanor involving fraudulent dealings or moral turpitude or relating to any aspect of the residential mortgage lending business;
  - (iii) any felony convictions.
- (5) With respect to an application for licensing as a mortgage banker or broker, the applicant's financial condition, credit history, and business history; and with respect to the application for licensing as a loan officer, the applicant's credit history and business history.
- (6) The applicant's consent to a criminal history record check and a set of the applicant's fingerprints in a form acceptable to the Commissioner. Refusal to consent to a criminal history record check may constitute grounds for the Commissioner to deny licensure to the applicant."

**SECTION 4.** G.S. 53-243.05(c) reads as rewritten:

"(c) In addition to the requirements under subsection (a) of this section, each applicant for licensure as a mortgage broker or mortgage banker at the time of application and at all times thereafter shall comply with the following requirements:

- (1) ~~If-Except as provided for in subdivision (1a) of this subsection, if the applicant is a sole proprietor, the applicant shall have at least three years of experience in residential mortgage lending or other experience or competency requirements as the Commissioner may impose. Experience as an exclusive mortgage broker shall not constitute mortgage-lending experience under this subdivision.~~
- (1a) If an individual applicant to be licensed as a mortgage broker meets all other requirements for licensure under this section but does not meet the requirements of subdivision (1) of this subsection, the individual applicant may be licensed as an exclusive mortgage broker upon compliance with all of the following:
  - a. Successfully complete both a residential mortgage-lending course approved by the Commissioner of not less than 40 hours of classroom instruction, and a written examination approved by the Commissioner.
  - b. Act exclusively as a mortgage broker for a single mortgage banker licensee or single exempt mortgage banker for whom the broker shall be deemed an agent, who shall be responsible for

- supervising the broker as required by this Article, who shall sign the license application of the applicant, and who shall be jointly and severally liable with the broker for any claims arising out of the broker's mortgage lending activities.
- c. Shall be compensated for the broker's mortgage brokering activities on a basis that is not dependent upon the loan amount, interest rate, fees, or other terms of the loans brokered.
  - d. Shall not handle borrower or other third-party funds in connection with the brokering or closing of mortgage loans.
- (2) If the applicant is a general or limited partnership, at least one of its general partners shall have the experience as described under subdivision (1) of this subsection.
  - (3) If the applicant is a corporation, at least one of its principal officers shall have the experience as described under subdivision (1) of this subsection.
  - (4) If the applicant is a limited liability company, at least one of its managers shall have the experience as described under subdivision (1) of this subsection."

**SECTION 5.** G.S. 53-243.05(e) reads as rewritten:

"(e) Every applicant for initial licensure shall pay a filing fee of one thousand dollars (\$1,000) for licensure as a mortgage broker or mortgage banker or fifty dollars (\$50.00) for licensure as a loan ~~officer~~ officer, in addition to the actual cost of obtaining credit reports and State and national criminal history record checks."

**SECTION 6.** G.S. 53-243.05(i) reads as rewritten:

"(i) If the Commissioner determines that an applicant meets the qualifications for licensure and finds that the financial responsibility, character, and general fitness of the applicant are such as to command the confidence of the community and to warrant belief that the business will be operated honestly and fairly, the Commissioner shall issue a license to the applicant. In addition, for an applicant qualifying as an exclusive mortgage broker, the Commissioner shall determine if the mortgage broker/mortgage banker relationship is in the public interest."

**SECTION 7.** G.S. 53-243.06 reads as rewritten:

**"§ 53-243.06. License renewal; termination.**

(a) All licenses issued by the Commissioner under the provisions of this Article shall expire annually on the 30th day of June following issuance or on any other date that the Commissioner may determine. The license shall become invalid after that date unless renewed. A license may be renewed 45 days prior to the expiration date by compliance with subsection (b1) of this section and by paying to the ~~Commissioner~~ Commissioner, in addition to the actual cost of obtaining credit reports and State and national criminal history record checks as the Commissioner may require, a renewal fee as follows:

- (1) Licensed mortgage bankers shall pay an annual fee of five hundred dollars (\$500.00) and one hundred dollars (\$100.00) for each branch office.
- (2) Licensed mortgage brokers shall pay an annual fee of five hundred dollars (\$500.00) and one hundred dollars (\$100.00) for each branch office. Licensed exclusive mortgage brokers shall pay an annual fee of five hundred dollars (\$500.00).
- (3) Licensed loan officers shall pay an annual fee of fifty dollars (\$50.00).

(b) If a license is not renewed prior to the applicable expiration date, then an additional two hundred fifty dollars (\$250.00) in addition to the renewal fee under subsection (a) of this section shall be assessed as a late fee to any renewal. In the event a licensee fails to obtain a reinstatement of the license within 90 days after the date the license expires, the Commissioner may require the licensee to comply with the requirements for the initial issuance of a license under the provisions of this Article.

(b1) When required by the Commissioner, the licensee shall furnish to the Commissioner the licensee's consent to a criminal history record check and a set of the licensee's fingerprints in a form acceptable to the Commissioner. Refusal to consent to a criminal history record check may constitute grounds for the Commissioner to deny renewal of licensure to the licensee.

(c) Licenses issued under this Article are not assignable. Control of a licensee shall not be acquired through a stock purchase or other device without the prior written consent of the Commissioner. The Commissioner shall not give written consent if the Commissioner finds that any of the grounds for denial, revocation, or suspension of a license pursuant to G.S. 53-243.12 are applicable to the acquiring person."

**SECTION 8.** G.S. 53-243.07 reads as rewritten:

**"§ 53-243.07. Continuing education.**

(a) As a condition of license renewal, the Commissioner may adopt rules to require continuing education of licensees under this Article for the purpose of enhancing the professional competence and professional responsibility of ~~mortgage bankers, mortgage brokers, and loan officers~~ all licensees. The rules may include criteria for:

- (1) The content of continuing education courses.
- (2) Accreditation of continuing education sponsors and programs.
- (3) Accreditation of videotape or other audiovisual programs.
- (4) Computation of credit.
- (5) Special cases and exemptions.
- (6) General compliance procedures.
- (7) Sanctions for noncompliance.

(b) Annual continuing professional education requirements shall be determined by the Commissioner. However, the requirements shall not exceed eight credit hours within a one-year period.

(c) The Commissioner may require education providers of the fundamentals mortgage lending course required under the provisions of G.S. 53-243.05(b)(2) and the continuing education courses required under this section to file information regarding the contents and materials of proposed courses to satisfy the education requirements with the Commissioner for review and approval. The Commissioner may set fees for the initial and continuing review of courses for which credit hours will be granted. The initial filing fee for review of materials shall not exceed five hundred dollars (\$500.00) and the fee for continued review shall not exceed two hundred fifty dollars (\$250.00) per annum per course offered."

**SECTION 9.** G.S. 53-243.08 reads as rewritten:

**"§ 53-243.08. Managing principals and branch managers.**

Each mortgage broker or mortgage banker licensed under this Article shall have a managing principal who operates the business under that person's full charge, control, and supervision. Mortgage bankers and mortgage brokers, other than exclusive mortgage brokers, may operate branch offices subject to the requirements of this Article. Each principal and branch office of a mortgage broker or mortgage banker licensed under this ~~Article~~ Article, other than an exclusive mortgage broker qualifying

under G.S. 53-243.05(c)(1a), shall have a manager who meets the experience requirements under G.S. 53-243.05(c)(1). The managing principal for a licensee's business may also serve as the branch manager of one of the licensee's branch offices. Each mortgage broker or mortgage banker licensed under this Article shall file a form as prescribed by the Commissioner indicating the business's designation of managing principal and branch manager for each branch and each individual's acceptance of the responsibility. Each mortgage broker or mortgage banker licensed under this Article shall notify the Commissioner of any change in its managing principal or branch manager designated for each branch. Any licensee who does not comply with this provision shall have the licensee's license suspended pursuant to G.S. 53-243.12 until the licensee—licensee, other than an exclusive mortgage broker, complies with this section. Any individual licensee who operates as a sole proprietorship shall be considered a managing principal for the purposes of this Article."

**SECTION 10.** G.S. 53-243.12 is amended by adding a new subsection to read:

"(l) In addition to the authority to require criminal history background checks as set forth in G.S. 53-243.05 and G.S. 53-243.06, the Commissioner shall have the authority to require a criminal history background check at any other time as a condition of continued licensure. Upon the request of the Commissioner, a licensee shall furnish to the Commissioner the licensee's consent to a criminal history record check and a set of the licensee's fingerprints in a form acceptable to the Commissioner. Refusal to consent to a criminal history record check under this subsection may constitute grounds for the Commissioner to suspend or revoke the license of the licensee."

**SECTION 11.** Article 19A of Chapter 53 of the General Statutes is amended by adding a new section to read:

**"§ 53-243.16. Criminal history record checks.**

The Department of Justice may provide a criminal record check to the Commissioner for a person who has applied for or holds a mortgage broker, exclusive mortgage broker, or loan officer license through the Commissioner under this Article. The Commissioner shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Commissioner shall keep all information pursuant to this section privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge a fee for each applicant for conducting the checks of criminal history records authorized by this section."

**SECTION 12.** This act is effective when it becomes law and applies to persons who apply for licensure or licensure renewal under Article 19A of Chapter 53 of the General Statutes on or after that date.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 3:13 p.m. on the 23<sup>rd</sup> day of October, 2002.

AN ACT TO AMEND THE LAW GOVERNING PLANNING BY THE DEPARTMENT OF TRANSPORTATION, AND TO REQUIRE THE BOARD OF TRANSPORTATION TO REDESIGNATE NC 136 IN IREDELL AND CABARRUS COUNTIES AS NC 3 TO HONOR DALE EARNHARDT.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 136-28.6 reads as rewritten:

**"§ 136-28.6. Private contract participation by the Department of Transportation.**

(a) The Department of Transportation may participate in private engineering and construction contracts for State highways.

(b) In order to qualify for State participation, the project must be:

- (1) The construction of a street or highway on the Transportation Improvement Plan adopted by the Department of Transportation; or
- (2) The construction of a street or highway on a mutually adopted ~~thoroughfare plan~~ transportation plan that is designated a Department of Transportation responsibility.

(c) Only those projects in which the developer furnishes the right-of-way without cost to the Department of Transportation are eligible.

(d) The Department's participation shall be limited to fifty percent (50%) of the amount of any engineering contract and/or any construction contract let by the developer for the project.

(e) Participation in the contracts shall be limited to cost associated with normal practices of the Department of Transportation.

(f) Plans for the project must meet Department of Transportation standards and shall be approved by the Department of Transportation.

(g) Projects shall be constructed in accordance with the plans and specifications approved by the Department of Transportation.

(h) The Secretary shall report in writing, on a quarterly basis, to the Joint Legislative Commission on Governmental Operations on all agreements entered into between a private developer and the Department of Transportation for participation in private engineering and construction contracts under this section.

(i) Municipalities may participate financially in private engineering and construction contracts for projects pertaining to streets or highways which are on a mutually adopted ~~thoroughfare plan~~ transportation plan for said municipality."

**SECTION 2.** G.S. 136-211 reads as rewritten:

**"§ 136-211. Department authorized to establish Rural Transportation Planning Organizations.**

(a) Authorization. – The Department of Transportation is authorized to form Rural Transportation Planning Organizations.

(b) Area Represented. – Rural Transportation Planning Organizations shall include representatives from contiguous areas in three to fifteen counties, with a total population of the entire area represented of at least 50,000 persons according to the latest population estimate of the Office of State Planning. Noncontiguous counties adjacent to the same Metropolitan Planning Organization may form a Rural Transportation Planning Organization. Areas already included in a Metropolitan Planning Organization shall not be included in the area represented by a Rural Transportation Planning Organization.

(c) Membership. – The Rural Transportation Planning Organization shall consist of local elected officials or their designees and representatives of local transportation systems in the area as agreed to by all parties in a memorandum of understanding.

(d) Formation; Memorandum of Understanding. – The Department shall notify local elected officials and representatives of local transportation systems around the State of the opportunity to form Rural Transportation Planning Organizations. The Department shall work cooperatively with interested local elected officials, their designees, and representatives of local transportation systems to develop a proposed area, membership, functions, and responsibilities of a Rural Transportation Planning Organization. The agreement of all parties shall be included in a memorandum of understanding approved by the membership of a proposed Rural Transportation Planning Organization and the Secretary of the Department of Transportation."

**SECTION 3.** G.S. 136-213 reads as rewritten:

**"§ 136-213. Administration and staff.**

(a) Administrative Entity. – Each Rural Transportation Planning Organization, working in cooperation with the Department, shall select an appropriate administrative entity for the organization. Eligible administrative entities include, but are not limited to, regional economic development agencies, regional councils of government, chambers of commerce, and local governments.

(b) Professional Staff. – The Department, each Rural Transportation Planning Organization, and any adjacent Metropolitan Planning Organization shall cooperatively determine the appropriate professional planning staff needs of the organization.

(c) Funding. – If funds are appropriated for that purpose, the Department may make grants to Rural Transportation Planning Organizations ~~for professional planning staff.~~ to carry out the duties listed in G.S. 136-212. The members of the Rural Transportation Planning Organization shall contribute at least twenty percent (20%) of the cost of any staff resources employed by the ~~organization.~~ organization to carry out the duties listed in G.S. 136-212. The Department may make additional planning grants to economically distressed counties, as designated by the North Carolina Department of Commerce."

**SECTION 4.** Chapter 136 of the General Statutes is amended by adding a new section to read:

**"§ 136-18.5.1. Dale Earnhardt Highway.**

The Board of Transportation shall designate State Highway 136 in Iredell and Cabarrus counties as State Highway 3, which shall be known as the 'Dale Earnhardt Highway'."

**SECTION 5.** State Highway 3 in Currituck County shall be designated as State Highway 136.

**SECTION 6.** G.S. 105-164.3(22) reads as rewritten:

"(22) Moped. – A vehicle that has two or three wheels, no external shifting device, and a motor that does not exceed 50 cubic centimeters piston displacement and cannot propel the vehicle at a speed greater than ~~20~~ 30 miles per hour on a level surface."

**SECTION 7.** The Joint Legislative Transportation Oversight Committee shall study the creation of a moped identification tag program administered by a third-party contractor approved by the Commissioner of Motor Vehicles. The Committee shall report its findings and recommendations on this issue to the General Assembly by March 1, 2003.

**SECTION 8.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 3:43 p.m. on the 23<sup>rd</sup> day of October, 2002.

**H.B. 1402****Session Law 2002-171**

AN ACT TO ESTABLISH AN ADDRESS CONFIDENTIALITY PROGRAM FOR VICTIMS OF DOMESTIC VIOLENCE, SEXUAL OFFENSE, AND STALKING.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The General Statutes are amended by adding a new Chapter to read:

"Chapter 15C.

"Address Confidentiality Program.

**"§ 15C-1. Purpose.**

The purpose of this Chapter is to enable the State and the agencies of North Carolina to respond to requests for public records without disclosing the location of a victim of domestic violence, sexual offense, or stalking; to enable interagency cooperation in providing address confidentiality for victims of domestic violence, sexual offense, or stalking; and to enable the State and its agencies to accept a program participant's use of an address designated by the Office of the Attorney General as a substitute address.

**"§ 15C-2. Definitions.**

The following definitions apply in this Chapter:

- (1) Actual address or address. – A residential, work, or school street address as specified on the individual's application to be a program participant under this Chapter.
- (2) Address Confidentiality Program or Program. – A program in the Office of the Attorney General to protect the confidentiality of the address of a relocated victim of domestic violence, sexual offense, or stalking to prevent the victim's assailants or potential assailants from finding the victim through public records.
- (3) Agency of North Carolina or agency. – Includes every elected or appointed State or local public office, public officer, or official; institution, board, commission, bureau, council, department, authority, or other unit of government of the State or of any local government; or unit, special district, or other political subdivision of State or local government.
- (4) Application assistant. – An employee of an agency or nonprofit organization who provides counseling, referral, shelter, or other specialized services to victims of domestic violence, sexual offense, or stalking and who has been designated by the Attorney General to assist individuals with applications to participate in the Address Confidentiality Program.
- (5) Attorney General. – Office of the Attorney General.
- (6) Person. – Any individual, corporation, limited liability company, partnership, trust, estate, or other association or any state, the United States, or any subdivision thereof.



- (7) Program participant. – An individual accepted into the Address Confidentiality Program in accordance with this Chapter.
- (8) Public record. – A public record as defined in Chapter 132 of the General Statutes.
- (9) Substitute address. – An address designated by the Attorney General under the Address Confidentiality Program.
- (10) Victim of domestic violence. – An individual against whom domestic violence, as described in G.S. 50B-1, has been committed.
- (11) Victim of a sexual offense. – An individual against whom a sexual offense, as described in Article 7A of Chapter 14 of the General Statutes, has been committed.
- (12) Victim of stalking. – An individual against whom stalking, as described in G.S. 14-277.3, has been committed.

**"§ 15C-3. Address Confidentiality Program.**

The General Assembly establishes the Address Confidentiality Program in the Office of the Attorney General to protect the confidentiality of the address of a relocated victim of domestic violence, sexual offense, or stalking to prevent the victim's assailants or potential assailants from finding the victim through public records. Under this Program, the Attorney General shall designate a substitute address for a program participant and act as the agent of the program participant for purposes of service of process and receiving and forwarding first-class mail or certified or registered mail. The Attorney General shall not be required to forward any mail other than first-class mail or certified or registered mail to the program participant. The Attorney General shall not be required to track or otherwise maintain records of any mail received on behalf of a program participant unless the mail is certified or registered mail.

**"§ 15C-4. Filing and certification of applications; authorization card.**

(a) An individual who wants to participate in the Address Confidentiality Program shall file an application with the Attorney General with the assistance of an application assistant. Any of the following individuals may apply to the Attorney General to have an address designated by the Attorney General to serve as the substitute address of the individual:

- (1) An adult individual.
- (2) A parent or guardian acting on behalf of a minor when the minor resides with the individual.
- (3) A guardian acting on behalf of an incapacitated individual.

(b) The application shall be dated, signed, and verified by the applicant and shall be signed by the application assistant who assisted in the preparation of the application.

(c) The application shall contain all of the following:

- (1) A statement by the applicant that the applicant is a victim of domestic violence, sexual offense, or stalking and that the applicant fears for the applicant's safety or the safety of the applicant's child.
- (2) Evidence that the applicant is a victim of domestic violence, sexual offense, or stalking. This evidence may include any of the following:
  - a. Law enforcement, court, or other federal or state agency records or files.
  - b. Documentation from a domestic violence program if the applicant is alleged to be a victim of domestic violence.

- c. Documentation from a religious, medical, or other professional from whom the applicant has sought assistance in dealing with the alleged domestic violence, sexual offense, or stalking.
- (3) A statement by the applicant that disclosure of the applicant's address would endanger the applicant's safety or the safety of the applicant's child.
  - (4) A statement by the applicant that the applicant has or will confidentially relocate in North Carolina.
  - (5) A designation of the Attorney General as an agent for the applicant for purposes of service of process and the receipt of first-class mail or certified or registered mail.
  - (6) The mailing address and telephone number where the applicant can be contacted by the Attorney General.
  - (7) The address that the applicant requests not to be disclosed by the Attorney General that directly relates to the increased risk of domestic violence, sexual offense, or stalking.
  - (8) A statement as to whether there is any existing court order or court action involving the applicant related to divorce proceedings, child support, child custody, or child visitation and the court that issued the order or has jurisdiction over the action.
  - (9) A statement by the applicant that to the best of the applicant's knowledge, the information contained in the application is true.
  - (10) A recommendation of an application assistant that the applicant have an address designated by the Attorney General to serve as the substitute address of the applicant.

(d) Upon the filing of a properly completed application, the Attorney General shall certify the applicant as a program participant. Upon certification, the Attorney General shall issue an Address Confidentiality Program authorization card to the program participant. The Address Confidentiality Program authorization card shall remain valid for so long as the program participant remains certified under the Program.

(e) Applicants shall be certified for four years following the date of filing unless the certification is withdrawn or canceled prior to the end of the four-year period. A program participant may withdraw the certification by filing a request for withdrawal acknowledged before a notary with the Attorney General. A certification may be renewed by filing an application containing the information required by G.S. 15C-3 with the Attorney General at least 30 days prior to expiration of the current certification.

**§ 15C-5. Change of name, address, or telephone number.**

(a) A program participant shall notify the Attorney General within 30 days after the program participant has obtained a legal name change by providing the Attorney General a certified copy of any judgment or order evidencing the change or any other documentation the Attorney General deems to be sufficient evidence of the name change. If the program participant fails to notify the Attorney General of a name change in the manner provided in this subsection, the Attorney General shall cancel the certification of the program participant in the Program.

(b) A program participant shall notify the Attorney General of a change in address or telephone number from the address or telephone number listed for the program participant on the application at least seven days before the change occurs. If the program participant fails to notify the Attorney General of a change in address or

telephone number in the manner provided in this subsection, the Attorney General shall cancel the certification of the program participant in the Program.

**"§ 15C-6. Falsifying application information.**

An applicant who falsely attests in an application that disclosure of the applicant's address would endanger the applicant's safety or the safety of the applicant's child or who knowingly provides false information when applying for certification or renewal shall lose certification in the Program. The Attorney General shall investigate violations of this section. Upon finding that a violation has occurred, the Attorney General shall assess a civil penalty against the applicant not to exceed five hundred dollars (\$500.00).

**"§ 15C-7. Certification cancellation; records.**

(a) The Attorney General shall cancel the certification of a program participant under any of the following circumstances:

- (1) The program participant files a request for withdrawal of the certification pursuant to G.S. 15C-4.
- (2) The program participant fails to notify the Attorney General of a change in the program participant's name, address, or telephone number listed on the application pursuant to G.S. 15C-5.
- (3) The program participant submitted false information in applying for certification to the Program in violation of G.S. 15C-6.
- (4) Mail forwarded to the program participant by the Attorney General is returned as undeliverable.

(b) The provisions of Article 3 of Chapter 150B of the General Statutes shall not apply to any cancellation of certification by the Attorney General pursuant to subsection (a) of this section.

(c) The Attorney General shall send notice of cancellation to the program participant. Notice of cancellation shall set out the reasons for cancellation. The program participant shall have 30 days to appeal the cancellation decision under procedures developed by the Attorney General.

(d) Any records or documents pertaining to a program participant shall be maintained in accordance with The General Schedule for State Agencies as established by the Department of Cultural Resources.

(e) An individual who ceases to be a program participant is responsible for notifying persons who use the substitute address designated by the Attorney General as the program participant's address that the designated substitute address is no longer the individual's address.

**"§ 15C-8. Address use by State or local agencies.**

(a) The program participant, and not the Attorney General, is responsible for requesting that agencies of North Carolina use the address designated by the Attorney General as the substitute address of the program participant.

(b) Except as otherwise provided in this section, when a program participant submits a current and valid Address Confidentiality Program authorization card to an agency of North Carolina, the agency shall accept the address designation by the Attorney General on the authorization card as the program participant's substitute address when creating a new public record.

(c) An agency may request a waiver from the requirements of the Address Confidentiality Program by submitting a waiver request to the Attorney General. The agency's waiver request shall be in writing and include an explanation of why the agency cannot meet its statutory or administrative obligations by possessing or using the substitute address and an affirmation that, if the Attorney General accepts the waiver,

the agency will only use the program participant's actual address for those statutory or administrative purposes.

(d) The Attorney General's acceptance or denial of an agency's waiver request shall be made in writing and include a statement of specific reasons for acceptance or denial. Acceptance or denial of an agency's waiver request is not subject to further review.

(e) A board of elections shall use the actual address of a program participant for all election-related purposes and shall keep the address confidential from the public under the provisions of G.S. 163-82.10(d). Use of the actual address on letters placed in the United States mail by a board of elections shall not be considered a breach of confidentiality. The substitute address designation provided by the Attorney General shall not be used as an address for voter registration or verification purposes.

(f) For purposes of levying and collecting property taxes on motor vehicles pursuant to Article 22A of Chapter 105 of the General Statutes, the Attorney General shall issue to the county, city, or town assessor or tax collector a list containing the names and actual addresses of program participants residing in that county, city, or town. This list shall be used only for the purposes of listing, appraising, or assessing taxes on motor vehicles and collecting property taxes on motor vehicles in the county, city, or town. The county, city, or town assessor or tax collector or any current or former officer, employee, or agent of any county, city, or town, who in the course of service to or employment by the county, city, or town has access to the name and actual address of a program participant, shall not disclose this information to any other person.

(g) The substitute address designated by the Attorney General shall not be used for purposes of listing, appraising, or assessing taxes on property and collecting taxes on property under the provisions of Subchapter II of Chapter 105 of the General Statutes.

(h) The substitute address designated by the Attorney General shall not be used as an address by any register of deeds on recorded documents or for the purpose of indexing land registered under Article 4 of Chapter 43 of the General Statutes in the index of registered instruments pursuant to G.S. 161-22.

(i) A local school administrative unit shall use the actual address of a program participant for any purpose related to admission or assignment pursuant to Article 25 of Chapter 115C of the General Statutes and shall keep the actual address confidential from the public under the provisions of this Article. The substitute address designated by the Attorney General shall not be used as an address for admission or assignment purposes. For purposes of student records created under Chapter 115C of the General Statutes, the substitute address designated by the Attorney General shall be used.

(j) Except as otherwise provided in this section, a program participant's actual address and telephone number maintained by an agency of North Carolina is not a public record within the meaning of Chapter 132 of the General Statutes. A program participant's actual address or telephone number maintained by the Attorney General or disclosed by the Attorney General pursuant to this Chapter is not a public record within the meaning of Chapter 132 of the General Statutes.

**"§ 15C-9. Disclosure of address prohibited.**

(a) The Attorney General is prohibited from disclosing any address or telephone number of a program participant other than the substitute address designated by the Attorney General, except under the following circumstances:

- (1) The information is requested by a federal, state, or local law enforcement agency for official use only.
- (2) The information is required by direction of a court order. However,

any person to whom a program participant's address or telephone number has been disclosed shall not disclose the address or telephone number to any other person unless permitted to do so by order of the court.

- (3) Upon request by an agency to verify the participation of a specific program participant when the verification is for official use only.
- (4) Upon request by an agency, in the manner provided for by G.S. 15C-8.
- (5) The program participant is required to disclose the program participant's actual address as part of a registration required by Article 27A of Chapter 14 of the General Statutes.

(b) The Attorney General shall provide immediate notification of disclosure to a program participant when disclosure is made pursuant to subdivision (2) or (4) of subsection (a) of this section.

(c) If, at the time of application, an applicant is subject to a court order related to divorce proceedings, child support, child custody, or child visitation, the Attorney General shall notify the court that issued the order of the certification of the program participant in the Address Confidentiality Program and the substitute address designated by the Attorney General. If, at the time of application, an applicant is involved in a court action related to divorce proceedings, child support, child custody, or child visitation, the Attorney General shall notify the court having jurisdiction over the action of the certification of the applicant in the Address Confidentiality Program and the substitute address designated by the Attorney General.

(d) No person shall knowingly and intentionally obtain a program participant's actual address or telephone number from the Attorney General or an agency knowing that the person is not authorized to obtain the address information.

(e) No employee of the Attorney General or an agency shall knowingly and intentionally disclose a program participant's actual address or telephone number to a person known to the employee to be prohibited from receiving the program participant's actual address or telephone number, unless the disclosure is permissible by law. This subsection only applies when an employee obtains a program participant's actual address or telephone number during the course of the employee's official duties and, at the time of disclosure, the employee has specific knowledge that the actual address or telephone number disclosed belongs to a program participant.

(f) Any person who knowingly and intentionally obtains or discloses information in violation of this Chapter shall be guilty of a Class 1 misdemeanor and assessed a fine not to exceed two thousand five hundred dollars (\$2,500).

**"§ 15C-10. Assistance for program applicants.**

The Attorney General shall designate agencies of North Carolina and nonprofit organizations that provide counseling and shelter services to victims of domestic violence, sexual offense, or stalking to assist individuals applying to be program participants. Any assistance and counseling rendered by the Office of the Attorney General or its designee to applicants shall in no way be construed as legal advice.

**"§ 15C-11. Limited liability.**

The State, agencies of North Carolina, and their officers, officials, employees, and agents, both past and present, in their official and individual capacities, shall be immune and held harmless from any liability in any action brought by or on behalf of any person injured or harmed by the actions or inactions of these entities and individuals in implementing this Chapter. However, if the Attorney General determines that an employee's actions resulting in harm were not within the course and scope of the

employee's duties, then that employee may be subject to suit as an individual to the extent permitted by the laws of the State of North Carolina.

**"§ 15C-12. Rule-making authority.**

The Attorney General is authorized to adopt any rules deemed necessary to carry out the provisions of this Chapter.

**"§ 15C-13. Additional time for action.**

Whenever the laws of this State provide a program participant a legal right to act within a prescribed period of 10 days or less after the service of a notice or other paper upon the program participant, and the notice or paper is served upon the program participant by mail pursuant to this Chapter, five days shall be added to the prescribed period."

**SECTION 2.** G.S. 1A-1, Rule 6, is amended by adding a new subsection to read:

"(f) Additional time for Address Confidentiality Program participants. – Whenever a person participating in the Address Confidentiality Program established by Chapter 15C of the General Statutes has a legal right to act within a prescribed period of 10 days or less after the service of a notice or other paper upon the program participant, and the notice or paper is served upon the program participant by mail, five days shall be added to the prescribed period."

**SECTION 3.** Article 2 of Chapter 51 of the General Statutes is amended by adding the following section:

**"§ 51-16.1. Form of license for Address Confidentiality Program participant.**

If a person submits to the local register of deeds a current and valid Address Confidentiality Program authorization card issued pursuant to the provisions of Chapter 15C of the General Statutes, the local register of deeds shall use the substitute address designated by the Address Confidentiality Program when creating a new marriage license."

**SECTION 4.** G.S. 115C-320 reads as rewritten:

**"§ 115C-320. Certain records open to inspection.**

Each local board of education shall maintain a record of each of its employees, showing the following information with respect to each employee: name, age, date of original employment or appointment, current position, title, current salary, date and amount of most recent increase or decrease in salary, date of most recent promotion, demotion, transfer, suspension, separation, or other change in position classification, and the office or station to which the employee is currently assigned. Subject only to rules and regulations for the safekeeping of records adopted by the local board of education, every person having custody of the records shall permit them to be inspected and examined and copies made by any person during regular business hours. The name of a participant in the Address Confidentiality Program established pursuant to Chapter 15C of the General Statutes shall not be open to inspection and shall be redacted from any record released pursuant to this section. Any person who is denied access to any record for the purpose of inspecting, examining or copying the record shall have a right to compel compliance with the provisions of this section by application to a court of competent jurisdiction for a writ of mandamus or other appropriate relief."

**SECTION 5.** G.S. 115C-366 is amended by adding a new subsection to read:

"(g) Any local school administrative unit may use the actual address of a program participant for any purpose related to admission or assignment pursuant to this Article as long as the address is kept confidential from the public under the provisions of

Chapter 15C of the General Statutes. The substitute address designated by the Attorney General shall not be used as an address for admission or assignment purposes."

**SECTION 6.** G.S. 115C-402 is amended by adding a new subsection to read:

"(f) The actual address and telephone number of a student who is a participant in the Address Confidentiality Program established pursuant to Chapter 15C of the General Statutes or a student with a parent who is a participant in the Address Confidentiality Program established pursuant to Chapter 15C of the General Statutes shall be kept confidential from the public and shall not be disclosed except as provided in Chapter 15C of the General Statutes."

**SECTION 7.** G.S. 132-1.1 reads as rewritten:

**"§ 132-1.1. Confidential communications by legal counsel to public board or agency; State tax information; public enterprise billing information; ~~information; information;~~ Address Confidentiality Program information.**

(a) Confidential Communications. – Public records, as defined in G.S. 132-1, shall not include written communications (and copies thereof) to any public board, council, commission or other governmental body of the State or of any county, municipality or other political subdivision or unit of government, made within the scope of the attorney-client relationship by any attorney-at-law serving any such governmental body, concerning any claim against or on behalf of the governmental body or the governmental entity for which such body acts, or concerning the prosecution, defense, settlement or litigation of any judicial action, or any administrative or other type of proceeding to which the governmental body is a party or by which it is or may be directly affected. Such written communication and copies thereof shall not be open to public inspection, examination or copying unless specifically made public by the governmental body receiving such written communications; provided, however, that such written communications and copies thereof shall become public records as defined in G.S. 132-1 three years from the date such communication was received by such public board, council, commission or other governmental body.

(b) State and Local Tax Information. – Tax information may not be disclosed except as provided in G.S. 105-259. As used in this subsection, "tax information" has the same meaning as in G.S. 105-259. Local tax records that contain information about a taxpayer's income or receipts may not be disclosed except as provided in G.S. 153A-148.1 and G.S. 160A-208.1.

(c) Public Enterprise Billing Information. – Billing information compiled and maintained by a city or county or other public entity providing utility services in connection with the ownership or operation of a public enterprise is not a public record as defined in G.S. 132-1. Nothing contained herein is intended to limit public disclosure by a city or county of billing information:

- (i) that the city or county determines will be useful or necessary to assist bond counsel, bond underwriters, underwriters' counsel, rating agencies or investors or potential investors in making informed decisions regarding bonds or other obligations incurred or to be incurred with respect to the public enterprise;
- (ii) that is necessary to assist the city, county, State, or public enterprise to maintain the integrity and quality of services it provides; or
- (iii) that is necessary to assist law enforcement, public safety, fire protection, rescue, emergency management, or judicial officers in the performance of their duties.

As used herein, "billing information" means any record or information, in whatever form, compiled or maintained with respect to individual customers by any owner or operator of a public enterprise, as defined in G.S. 160A-311 and G.S. 153A-274, or other public entity providing utility services, relating to services it provides or will provide to the customer.

(d) Address Confidentiality Program Information. – The actual address and telephone number of a program participant in the Address Confidentiality Program established under Chapter 15C of the General Statutes is not a public record within the meaning of Chapter 132. The actual address and telephone number of a program participant may not be disclosed except as provided in Chapter 15C of the General Statutes."

**SECTION 8.** G.S. 163-82.10(d) reads as rewritten:

"(d) Exception for Address of Certain Registered Voters. – Notwithstanding subsections (b) and (c) of this section, if a registered voter submits to the county board of elections a copy of a protective order without attachments, if any, issued to that person under G.S. 50B-3 or a lawful order of any court of competent jurisdiction restricting the access or contact of one or more persons with a registered voter or a current and valid Address Confidentiality Program authorization card issued pursuant to the provisions of Chapter 15C of the General Statutes, accompanied by a signed statement that the voter has good reason to believe that the physical safety of the voter or a member of the voter's family residing with the voter would be jeopardized if the voter's address were open to public inspection, that voter's address is a public record but shall be kept confidential as long as the protective order remains in ~~effect~~-effect or the voter remains a certified program participant in the Address Confidentiality Program. That voter's name, precinct, and the other data contained in that voter's registration record shall remain a public record. That voter's signed statement submitted under this subsection is a public record but shall be kept confidential as long as the protective order remains in ~~effect~~-effect or the voter remains a certified program participant in the Address Confidentiality Program. It is the responsibility of the voter to provide the county board with a copy of the valid protective order in ~~effect~~-effect or a current and valid Address Confidentiality Program authorization card issued pursuant to the provisions of Chapter 15C of the General Statutes. The voter's actual address shall be used for any election-related purpose by any board of elections. That voter's address shall be available for inspection by a law enforcement agency or by a person identified in a court order, if inspection of the address by that person is directed by that court order. It shall not be a violation of this section if the address of a voter who is participating in the Address Confidentiality Program is discovered by a member of the public in public records disclosed by a county board of elections prior to December 1, 2001."

**SECTION 9.** No General Fund appropriations shall be used to implement this act. The Attorney General and all other agencies to which this act applies shall implement the provisions of this act with funds that are or will become available as a result of the settlement of the case entitled State of Florida, et al. v. Nine West Group, Inc., and John Does 1-500, Civil Action No. 00 CIV 1707 (BDP), U.S.D.C., Southern District of New York, or other grants or funds that are not appropriated from the General Fund.

**SECTION 10.** This act becomes effective January 1, 2003.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.



Became law upon approval of the Governor at 10:50 a.m. on the 31<sup>st</sup> day of October, 2002.

**H.B. 1734**

**Session Law 2002-172**

AN ACT TO ESTABLISH AND MODIFY VARIOUS ECONOMIC INCENTIVE PROGRAMS FOR BUSINESS AND INDUSTRY; TO AMEND PROVISIONS RELATING TO INDUSTRIAL AND POLLUTION CONTROL FACILITIES FINANCING; TO AUTHORIZE PLANNING AND DEVELOPMENT FOR A BIOPHARMACEUTICAL TRAINING CENTER AND A CANCER REHABILITATION TREATMENT CENTER; AND TO MAKE TECHNICAL AND CONFORMING CHANGES.

*The General Assembly of North Carolina enacts:*

**PART 1. BILL LEE ACT**

**SECTION 1.1.** G.S. 105-129.9(a) and (c) read as rewritten:

"(a) General Credit. – If a taxpayer that has purchased or leased eligible machinery and equipment places them in service in this State during the taxable year, the taxpayer is allowed a credit equal to ~~seven percent (7%)~~ the applicable percentage of the excess of the eligible investment amount over the applicable threshold. Machinery and equipment are eligible if they are capitalized by the taxpayer for tax purposes under the Code and not leased to another party. In addition, in the case of a large investment, machinery and equipment that are not capitalized by the taxpayer are eligible if the taxpayer leases them from another party. The credit may not be taken for the taxable year in which the machinery and equipment are placed in service but shall be taken in equal installments over the seven years following the taxable year in which they are placed in service. The applicable percentage is as follows:

| <u>Area Enterprise Tier</u> | <u>Applicable Percentage</u> |
|-----------------------------|------------------------------|
| <u>Tier One</u>             | <u>7%</u>                    |
| <u>Tier Two</u>             | <u>7%</u>                    |
| <u>Tier Three</u>           | <u>6%</u>                    |
| <u>Tier Four</u>            | <u>5%</u>                    |
| <u>Tier Five</u>            | <u>4%</u>                    |

...

(c) Threshold. – The applicable threshold is the appropriate amount set out in the following table based on the enterprise tier where the eligible machinery and equipment are placed in service during the taxable year. If the taxpayer places eligible machinery and equipment in service at more than one establishment in an enterprise tier during the taxable year, the threshold applies separately to the eligible machinery and equipment placed in service at each establishment. If the taxpayer places eligible machinery and equipment in service at an establishment over the course of a two-year period, the applicable threshold for the second taxable year is reduced by the eligible investment amount for the previous taxable year.

| Area Enterprise Tier | Threshold |
|----------------------|-----------|
| Tier One             | \$ -0-    |
| Tier Two             | 100,000   |
| Tier Three           | 200,000   |

|           |           |           |
|-----------|-----------|-----------|
| Tier Four | 500,000   | 1,000,000 |
| Tier Five | 1,000,000 | 2,000,000 |

**SECTION 1.2.** G.S. 105-129.4 is amended by adding a new subsection to read:

"(b6) **Overdue Tax Debts.** – A taxpayer is not eligible for a credit allowed under this Article if, at the time the taxpayer claims an installment or carryforward of the credit, the taxpayer has received a notice of an overdue tax debt and that overdue tax debt has not been satisfied or otherwise resolved."

**SECTION 1.3.(a)** If House Bill 1665, 2001 General Assembly, does not become law, then G.S. 105-129.4(b) reads as rewritten:

"(b) **Wage Standard.** – A taxpayer is eligible for the credit for creating jobs ~~or the credit for worker training in an enterprise tier three, four, or five area~~ if, for the calendar year the jobs are ~~created or the worker training is provided~~, created, the average wage of the jobs for which the credit is claimed meets the wage standard and the average wage of all jobs at the location with respect to which the credit is claimed meets the wage standard. No credit is allowed for jobs not included in the wage calculation. A taxpayer is eligible for the credit for investing in machinery and equipment, the credit for research and development, or the credit for investing in real property for a central office or aircraft facility, ~~or the credit for substantial investment in other property facility in a tier three, four, or five area~~ if, for the calendar year the taxpayer engages in the activity that qualifies for the credit, the average wage of all jobs at the location with respect to which the credit is claimed meets the wage standard. In making the wage calculation, the taxpayer must include any positions that were filled for at least 1,600 hours during the calendar year the taxpayer engages in the activity that qualifies for the credit even if those positions are not filled at the time the taxpayer claims the credit. For a taxpayer with a taxable year other than a calendar year, the taxpayer must use the wage standard for the calendar year in which the taxable year begins. No wage standard applies to credits for activities in an enterprise tier one or two area.

Jobs meet the wage standard if they pay an average weekly wage that is at least equal to ~~the applicable percentage times one hundred ten percent (110%)~~ of the applicable average weekly wage for the county in which the jobs will be located, as computed by the Secretary of Commerce from data compiled by the Employment Security Commission for the most recent period for which data are available. ~~The applicable percentage for jobs located in an enterprise tier one area is one hundred percent (100%). The applicable percentage for all other jobs is one hundred ten percent (110%).~~ The applicable average weekly wage is the lowest of the following: (i) the average wage for all insured private employers in the county, (ii) the average wage for all insured private employers in the State, and (iii) the average wage for all insured private employers in the county multiplied by the county income/wage adjustment factor. The county income/wage adjustment factor is the county income/wage ratio divided by the State income/wage ratio. The county income/wage ratio is average per capita income in the county divided by the annualized average wage for all insured private employers in the county. The State income/wage ratio is the average per capita income in the State divided by the annualized average wage for all insured private employers in the State. The Department of Commerce must annually publish the wage standard for each county."

**SECTION 1.3.(b)** If House Bill 1665, 2001 General Assembly, becomes law, then G.S. 105-129.4(b) reads as rewritten:

"(b) Wage Standard. – A taxpayer is eligible for the credit for creating jobs ~~or the credit for worker training in an enterprise tier three, four, or five area~~ if, for the calendar year the jobs are ~~created or the worker training is provided,~~created, the average wage of the jobs for which the credit is claimed meets the wage standard and the average wage of all jobs at the location with respect to which the credit is claimed meets the wage standard. No credit is allowed for jobs not included in the wage calculation. A taxpayer is eligible for the credit for investing in machinery and equipment, the credit for research and development, or the credit for investing in real property for a central office or aircraft facility, ~~or the credit for substantial investment in other property facility in a tier three, four, or five area~~ if, for the calendar year the taxpayer engages in the activity that qualifies for the credit, the average wage of all jobs at the location with respect to which the credit is claimed meets the wage standard. In making the wage calculation, the taxpayer must include any positions that were filled for at least 1,600 hours during the calendar year the taxpayer engages in the activity that qualifies for the credit even if those positions are not filled at the time the taxpayer claims the credit. For a taxpayer with a taxable year other than a calendar year, the taxpayer must use the wage standard for the calendar year in which the taxable year begins. No wage standard applies to credits for activities in an enterprise tier one or two area.

Part-time jobs for which the taxpayer provides health insurance as provided in subsection (b2) of this section are considered to have an average weekly wage at least equal to the applicable percentage times the applicable average weekly wage for the county in which the jobs will be located. There may be a period of up to 100 days between the time at which an employee begins a part-time job and the time at which the taxpayer begins to provide health insurance for that employee.

Jobs meet the wage standard if they pay an average weekly wage that is at least equal to ~~the applicable percentage times~~one hundred ten percent (110%) of the applicable average weekly wage for the county in which the jobs will be located, as computed by the Secretary of Commerce from data compiled by the Employment Security Commission for the most recent period for which data are available. ~~The applicable percentage for jobs located in an enterprise tier one area is one hundred percent (100%). The applicable percentage for all other jobs is one hundred ten percent (110%).~~ The applicable average weekly wage is the lowest of the following: (i) the average wage for all insured private employers in the county, (ii) the average wage for all insured private employers in the State, and (iii) the average wage for all insured private employers in the county multiplied by the county income/wage adjustment factor. The county income/wage adjustment factor is the county income/wage ratio divided by the State income/wage ratio. The county income/wage ratio is average per capita income in the county divided by the annualized average wage for all insured private employers in the county. The State income/wage ratio is the average per capita income in the State divided by the annualized average wage for all insured private employers in the State. The Department of Commerce must annually publish the wage standard for each county."

**SECTION 1.4.** G.S. 105-129.3A is amended by adding a new subsection to read:

"(d) Parcel of Property Partially in a Development Zone. – For the purposes of this section, a parcel of property that is located partially within a development zone is considered entirely within the development zone if all of the following conditions are satisfied:

- (1) At least fifty percent (50%) of the parcel is located within the development zone.
- (2) The parcel was in existence and under common ownership prior to the most recent federal decennial census.
- (3) The parcel is a portion of land made up of one or more tracts or tax parcels of land that is surrounded by a continuous perimeter boundary."

**SECTION 1.5.** G.S. 105-129.2 is amended by adding a new subdivision to read:

**"§ 105-129.2. Definitions.**

The following definitions apply in this Article:

...

(17a) Overdue tax debt. – Defined in G.S. 105-243.1."

**SECTION 1.6.** In addition to heightening the incentive effect of the William S. Lee Quality Jobs and Business Expansion Act in lower-tiered counties, the changes in Section 1.1 of this act are intended to reduce the cost of the Act and make more revenues available to the State of North Carolina in future years. It is the intent of the General Assembly in making these changes to provide a source of funds that could be used in future years to support other, more targeted economic development programs aimed at helping create new jobs in North Carolina.

**SECTION 1.7.** Section 1.1 of this act is effective for taxable years beginning on or after January 1, 2003, and applies to business activities that occur on or after January 1, 2003, but does not apply to business activities that occur on or after January 1, 2003, that are subject to a letter of commitment signed under G.S. 105-129.9 before January 1, 2003. Sections 1.2 through 1.5 of this act are effective for taxable years beginning on or after January 1, 2003. The remainder of this part is effective when it becomes law.

## **PART 2. JOB DEVELOPMENT INVESTMENT GRANT PROGRAM**

**SECTION 2.1.(a)** Article 10 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 2F.

"Job Development Investment Grant Program.

**"§ 143B-437.44. Legislative findings and purpose.**

The General Assembly finds that:

- (1) It is the policy of the State of North Carolina to stimulate economic activity and to create new jobs for the citizens of the State by encouraging and promoting the expansion of existing business and industry within the State and by recruiting and attracting new business and industry to the State.
- (2) Both short-term and long-term economic trends at the State, national, and international levels have made the successful implementation of the State's economic development policy and programs both more critical and more challenging; and the decline in the State's traditional industries, and the resulting adverse impact upon the State and its citizens, have been exacerbated in recent years by adverse national and State economic trends that contribute to the reduction in the State's

- industrial base and that inhibit the State's ability to sustain or attract new and expanding businesses.
- (3) The economic condition of the State is not static and recent changes in the State's economic condition have created economic distress that requires a reevaluation of certain existing State programs and the enactment of a new program as provided in this Part that are designed to stimulate new economic activity and to create new jobs within the State.
  - (4) The enactment of this Part is necessary to stimulate the economy, facilitate economic recovery, and create new jobs in North Carolina; and this Part will promote the general welfare and confer, as its primary purpose and effect, benefits on citizens throughout the State through the creation of new jobs, an enlargement of the overall tax base, an expansion and diversification of the State's industrial base, and an increase in revenue to the State and its political subdivisions.
  - (5) The purpose of this Part is to stimulate economic activity and to create new jobs within the State.
  - (6) It is not the intent of the General Assembly that grants provided through this Part be used as venture capital funds, business incubator funds, or business start-up funds or to otherwise fund the initial capitalization needs of new businesses.
  - (7) Nothing in this Part shall be construed to constitute a guarantee or assumption by the State of any debt of any business or to authorize the taxing power or the full faith and credit of the State to be pledged.

**"§ 143B-437.45. Definitions.**

The following definitions apply in this Part:

- (1) Agreement. – A community economic development agreement under G.S. 143B-437.51.
- (2) Base years. – The first two complete calendar years following the effective date of an agreement.
- (3) Business. – A corporation, sole proprietorship, cooperative association, partnership, S corporation, limited liability company, nonprofit corporation, or other form of business organization, located either within or outside this State.
- (4) Committee. – The Economic Investment Committee established pursuant to G.S. 143B-437.48.
- (5) Eligible position. – A position created by a business and filled by a new full-time employee in this State during the base years or in subsequent years of a grant.
- (6) Full-time employee. – A person who is employed for consideration for at least 35 hours a week, whose wages are subject to withholding under Article 4A of Chapter 105 of the General Statutes, and who is determined by the Committee to be employed in a permanent position according to criteria it develops in consultation with the Attorney General. The term does not include any person who works as an independent contractor or on a consulting basis for the business.
- (7) New employee. – A full-time employee who represents a net increase in the number of the business's employees statewide. The term includes an employee who previously filled an eligible position who is

rehired or called back from a layoff that occurs during or following the base years to a vacant position previously held by that employee or to a new position established during or following the base years.

- (8) Overdue tax debt. – Defined in G.S. 105-243.1.
- (9) Related member. – Defined in G.S. 105-130.7A.
- (10) Withholdings. – The amount withheld by a business from the wages of employees in eligible positions under Article 4A of Chapter 105 of the General Statutes.

**"§ 143B-437.46. Job Development Investment Grant Program.**

(a) Program. – There is established the Job Development Investment Grant Program to be administered by the Economic Investment Committee. In order to foster job creation and investment in the economy of this State, the Committee may enter into negotiated agreements with businesses to provide grants in accordance with the provisions of this Part. The Committee, in consultation with the Attorney General, shall develop criteria to be used in determining whether the conditions of this section are satisfied and whether the project described in the application is otherwise consistent with the purposes of this Part. Before entering into an agreement, the Committee must find that all the following conditions are met:

- (1) The project proposed by the business will create, during the term of the agreement, a net increase in employment in this State by the business.
- (2) The project will benefit the people of this State by increasing opportunities for employment and by strengthening this State's economy by, for example, providing worker training opportunities, constructing and enhancing critical infrastructure, increasing development in strategically important industries, or increasing the State and local tax base.
- (3) The project is consistent with economic development goals for the State and for the area where it will be located.
- (4) A grant under this Part is necessary for the completion of the project in this State.
- (5) The total benefits of the project to the State outweigh its costs and render the grant appropriate for the project.

(b) Cap. – The maximum number of agreements the Committee may enter into each calendar year is 15.

(c) Ceiling. – The maximum amount of total annual liability for grants for agreements entered into in any single calendar year may not exceed ten million dollars (\$10,000,000). No agreement may be entered into that, when considered together with other existing agreements entered into during that calendar year, could cause the State's potential total annual liability for grants entered into in that calendar year to exceed this amount.

**"§ 143B-437.47. Eligible projects.**

(a) Minimum Number of Eligible Positions. – A business may apply to the Committee for a grant for any project that creates the minimum number of eligible positions as set out in the table below. If the project will be located in more than one enterprise tier area, the location with the highest enterprise tier area designation determines the minimum number of eligible positions that must be created.

| <u>Enterprise Tier Area</u> | <u>Number of Eligible Positions</u> |
|-----------------------------|-------------------------------------|
| <u>Tier One</u>             | <u>10</u>                           |
| <u>Tier Two</u>             | <u>10</u>                           |

|                   |           |
|-------------------|-----------|
| <u>Tier Three</u> | <u>10</u> |
| <u>Tier Four</u>  | <u>20</u> |
| <u>Tier Five</u>  | <u>20</u> |

(b) Ineligible Businesses. – A project that consists solely of retail facilities is not eligible for a grant under this Part. If a project consists of both retail facilities and nonretail facilities, only the portion of the project consisting of nonretail facilities is eligible for a grant, and only the withholdings from employees in eligible positions that are employed exclusively in the portion of the project that represents nonretail facilities may be used to determine the amount of the grant. If a warehouse facility is part of a retail facility and supplies only that retail facility, the warehouse facility is not eligible for a grant. For the purposes of this Part, catalog distribution centers are not retail facilities.

A project that consists of a professional or semiprofessional sports team or club is not eligible for a grant under this Part.

(c) Health Insurance. – A business is eligible for a grant under this Part only if the business provides health insurance for all of the full-time employees of the project with respect to which the grant is made. For the purposes of this subsection, a business provides health insurance if it pays at least fifty percent (50%) of the premiums for health care coverage that equals or exceeds the minimum provisions of the basic health care plan of coverage recommended by the Small Employer Carrier Committee pursuant to G.S. 58-50-125.

Each year that a business receives a grant under this Part, the business must provide with the submission required under G.S. 143B-437.52 a certification that the business continues to provide health insurance for all full-time employees of the project with respect to which the grant is made. If the business ceases to provide health insurance to all full-time employees of the project with respect to which a grant is made, the Committee shall amend or terminate the agreement as provided in G.S. 143B-437.53.

(d) Wage Standard. – In order for a business to be eligible for a grant under this Part, the average wage of all jobs at the location with respect to which a grant is made must meet the wage standard set out in G.S. 105-129.4(b). If a project is to be located at more than one location, the average wage of all jobs at a location must meet the wage standard set out in G.S. 105-129.4(b) in order for that location to be included in the agreement.

(e) Safety and Health Programs. – In order for a business to be eligible for a grant under this Part, the business must have no citations under the Occupational Safety and Health Act that have become a final order within the past three years for willful serious violations or for failing to abate serious violations with respect to the location for which the grant is made. For the purposes of this subsection, "serious violation" has the same meaning as in G.S. 95-127.

**"§ 143B-437.48. Economic Investment Committee established.**

(a) Membership. – The Economic Investment Committee is established. The Committee consists of the following members:

- (1) The Secretary of Commerce.
- (2) The Secretary of Revenue.
- (3) The Director of the Office of State Budget and Management.
- (4) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives.
- (5) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate.

The members of the Committee appointed by the General Assembly may not be members of the General Assembly. The members of the Committee appointed by the General Assembly serve two-year terms that begin upon appointment.

(b) Decision Required. – The Committee may act only upon a decision of three of its five members.

(c) Conflict of Interest. – It is unlawful for a former member of the Committee to, within two years after the end of service on the Committee, provide services for compensation, as an employee, consultant, or otherwise, to any business or a related member of the business that was awarded a grant under this Part while the former member was serving on the Committee. Violation of this subsection is a Class 1 misdemeanor. In addition to the penalties imposed under G.S. 15A-1340.23, the court shall also make a finding as to what compensation was received by the defendant for services in violation of this section and shall order the defendant to forfeit that compensation.

If a person is convicted under this section, the person shall not provide services for compensation, as an employee, consultant, or otherwise, to any business or a related member of the business that was awarded a grant under this Part while the former member was serving on the Committee until two years after the person's conviction under this section.

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

- (1) Publish the proposed criteria on the Department of Commerce's web site.
- (2) Provide notice to persons who have requested notice of proposed criteria.
- (3) Accept oral and written comments on the proposed criteria.

(e) Sunshine. – Meetings of the Committee are subject to the open meetings requirements of Article 33C of Chapter 143 of the General Statutes. All documents of the Committee, including applications for grants, are public records governed by Chapter 132 of the General Statutes and any applicable provisions of the General Statutes protecting confidential information.

**"§ 143B-437.49. Applications; fees; reports; study.**

(a) Application. – A business shall apply, under oath, to the Committee for a grant on a form prescribed by the Committee that includes at least all of the following:

- (1) The name of the business, the proposed location of the project, and the type of activity in which the business will engage at the project site or sites.
- (2) The names and addresses of the principals or management of the business, the nature of the business, and the form of business organization under which it is operated.
- (3) The financial statements of the business prepared by a certified public accountant and any other financial information the Committee considers necessary.
- (4) The number of eligible positions proposed to be created during the base years and thereafter and the salaries for these positions.
- (5) An estimate of the total withholdings.
- (6) Certification that the business will provide health insurance to all full-time employees of the project.



- (7) Information concerning other locations, including locations in other states and countries, being considered for the project and the nature of any benefits that would accrue to the business if the project were to be located in one of those locations.
- (8) Information concerning any other State or local government incentives for which the business is applying or that it has an expectation of receiving.
- (9) Any other information necessary for the Committee to evaluate the application.

A business may apply, in one consolidated application in a form and manner determined by the Committee, for a grant on its own behalf as a business and for grants on behalf of the related members of the business who may qualify under this Part.

The Committee will consider an application by a business for grants on behalf of its related members only if the related members for whom the application is submitted have assigned to the business any claim of right the related members may have under this Part to apply for grants individually during the term of the agreement and have agreed to cooperate with the business in providing to the Committee all the information required for the initial application and the agreement, and any other information the Committee may require for the purposes of this Part. The applicant business is responsible for providing to the Committee all the information required under this Part.

If a business applies for a grant on behalf of its related members, the related members included in the application may be permitted to meet the qualifications for a grant collectively by participating in a project that meets the requirements of this Part. The amount of a grant may be calculated under the terms of this Part as if the related members were all collectively one business entity. Any conditions for a grant, other than the number of eligible positions created, apply to each related member who is listed in the application as participating in the project. The grants awarded shall be paid to the applicant business. A grant received under this Part by a business may be apportioned to the related members in a manner determined by the business. In order for an agreement to be executed, each related member included in the application must sign the agreement and agree to abide by its terms.

(b) Application Fee. – When filing an application under this section, the business must pay the Committee a fee of five thousand dollars (\$5,000). The fee is due at the time the application is filed. The Secretary of Commerce, the Secretary of Revenue, and the Director of the Office of State Budget and Management shall determine the allocation of the fee imposed by this section among their agencies. The proceeds of the fee are receipts of the agency to which they are credited.

(c) Annual Reports. – The Committee shall publish a report on the Job Development Investment Grant Program on or before April 30 of each year. The report shall include the following:

- (1) A listing of each community economic development agreement negotiated and entered into during the preceding calendar year, including the name of the business, the cost/benefit analysis conducted by the Committee during the application process, a description of the project, the term of the agreement, the percentage used to determine the amount of the grant, and the amount of the grant made under the agreement during that year.
- (2) An update on the status of projects under agreements entered into before the preceding calendar year.

- (3) The number and enterprise tier area of eligible positions created by projects with respect to which grants were awarded.
- (4) The wage levels of all eligible positions created by projects with respect to which grants are awarded, aggregated and listed in increments of five thousand dollars (\$5,000).
- (5) The amount of new income tax revenue received from withholdings related to the projects for which grants were awarded.
- (6) The criteria developed by the Committee, in consultation with the Attorney General, to implement this Part and any changes in those criteria from the previous calendar year.
- (7) The effectiveness of the program in recruiting new and expanding businesses.
- (8) The environmental impact of businesses that have received grants under the program.
- (9) The geographic distribution of grants, by number and amount, awarded under the program.
- (10) An explanation of whether the projects with respect to which agreements are entered into involve new businesses in the State or expanding existing businesses in the State.
- (11) A listing of all businesses making an application under this Part and an explanation of whether each business ultimately located the project in this State regardless of whether the business was awarded a grant for the project under this Part.
- (12) The division and use of fees collected by the Committee under this section and under G.S. 143B-437.52.

(d) Quarterly Reports. – The Committee shall publish a report on the Job Development Investment Grant Program within two months of the end of each quarter. This report shall include a listing of each community economic development agreement negotiated and entered into during the preceding quarter, including the name of the business, the cost/benefit analysis conducted by the Committee during the application process, a description of the project, and the amount of the grant expected to be made under the agreement during the current fiscal year.

(e) Study. – The Committee shall conduct a study to determine the minimum funding level required to implement the Job Development Investment Grant Program successfully. The Committee shall report the results of this study to the House of Representatives Finance Committee, the Senate Finance Committee, the House of Representatives Appropriations Subcommittee on Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division no later than March 1 of each year.

**"§ 143B-437.50. Calculation of minimum and maximum grants; factors considered.**

(a) Subject to the limitations of subsection (d) of this section, the amount of the grant awarded in each case shall be a percentage of the withholdings of eligible positions. The percentage shall be no less than ten percent (10%) and no more than seventy-five percent (75%) of the withholdings of the eligible positions for a period of years. The percentage used to determine the amount of the grant shall be based on criteria developed by the Committee, in consultation with the Attorney General, after considering at least the following:

- (1) The number of eligible positions to be created.
- (2) The expected duration of those positions.

- (3) The type of contribution the business can make to the long-term growth of the State's economy.
  - (4) The amount of other financial assistance the project will receive from the State or local governments.
  - (5) The total dollar investment the business is making in the project.
  - (6) Whether the project utilizes existing infrastructure and resources in the community.
  - (7) Whether the project is located in a development zone.
  - (8) The number of eligible positions that would be filled by residents of a development zone.
  - (9) The extent to which the project will mitigate unemployment in the State and locality.
- (b) The term of the grant shall not exceed 12 years starting with the first year a grant is made.
- (c) The grant may be based only on eligible positions created during the base years, unless the Committee makes an explicit determination that the grant shall also be based on additional eligible positions created during the remainder of the term of the grant.
- (d) The percentage established in the agreement shall be reduced by one-fourth for any eligible position that is located in an enterprise tier four or five area.
- (e) A business that is receiving any other grant by operation of State law may not receive an amount as a grant pursuant to this Part that, when combined with any other grants, exceeds seventy-five percent (75%) of the withholdings of the business, unless the Committee makes an explicit finding that the additional grant is necessary to secure the project.
- (f) The amount of a grant associated with any specific eligible position may not exceed six thousand five hundred dollars (\$6,500) in any year.

**"§ 143B-437.51. Community economic development agreement.**

- (a) Terms. – Each community economic development agreement shall include at least the following:
- (1) A detailed description of the proposed project that will result in job creation and the number of new employees to be hired in the base years and later years.
  - (2) The term of the grant and the criteria used to determine the first year for which the grant may be claimed.
  - (3) The number of eligible positions that are subjects of the grant and a description of those positions and the location of those positions.
  - (4) The amount of the grant based on a percentage of withholdings.
  - (5) A method for determining the number of new employees hired during a grant year.
  - (6) A method for the business to report annually to the Committee the number of eligible positions for which the grant is to be made.
  - (7) A requirement that the business report to the Committee annually the aggregate amount of withholdings during the grant year.
  - (8) A provision permitting an audit of the payroll records of the business by the Committee from time to time as the Committee considers necessary.
  - (9) A provision that requires the Committee to amend an agreement pursuant to G.S. 143B-437.53.

- (10) A provision that requires the business to maintain operations at the project location or another location approved by the Committee for at least one hundred fifty percent (150%) of the term of the grant and a provision to permit the Committee to recapture all or part of the grant at its discretion if the business does not remain at the site for the required term.
- (11) A provision that requires the business to maintain employment levels in this State at the level of the year immediately preceding the base years.
- (12) A provision establishing the conditions under which the grant agreement may be terminated, in addition to those under G.S. 143B-437.53, and under which grant funds may be recaptured by the Committee.
- (13) A provision stating that unless the agreement is amended or terminated pursuant to G.S. 143B-437.53, the agreement is binding and constitutes a continuing contractual obligation of the State and the business.
- (14) A provision setting out any allowed variation in the terms of the agreement that will not subject the business to amendment or termination of the agreement under G.S. 143B-437.53.
- (15) A provision that prohibits the business from manipulating or attempting to manipulate employee withholdings with the purpose of increasing the amount of the grant and that requires the Committee to terminate the agreement and take action to recapture grant funds if the Committee finds that the business has manipulated or attempted to manipulate withholdings with the purpose of increasing the amount of the grant.
- (16) A provision requiring that the business engage in fair employment practices as required by State and federal law and a provision encouraging the business to use small contractors, minority contractors, physically handicapped contractors, and women contractors whenever practicable in the conduct of its business.
- (17) A provision encouraging the business to hire North Carolina residents.
- (18) A provision encouraging the business to use the North Carolina State Ports.
- (19) A provision stating that the State is not obligated to make any annual grant payment unless and until the State has received withholdings from the business in an amount that exceeds the amount of the grant payment.
- (20) A provision describing the manner in which the amount of a grant will be measured and administered to ensure compliance with the provisions of G.S. 143B-437.46(c).
- (21) A provision stating that any recapture of a grant and any amendment to an agreement reducing the amount of the grant or the term of the agreement must, at a minimum, be proportional to the failure to comply measured relative to the condition or criterion with respect to which the failure occurred.
- (22) A provision stating that any disputes over interpretation of the agreement shall be submitted to binding arbitration.

- (23) A provision stating that the amount of a grant associated with any specific eligible position may not exceed six thousand five hundred dollars (\$6,500) in any year.
- (24) A provision stating that the business agrees to submit to an audit at any time that the Committee requires one.

(b) Approval of Attorney General. – The Attorney General shall review the terms of all proposed agreements entered into by the Committee. To be effective against the State, an agreement entered into under this Part must be signed personally by the Attorney General.

**"§ 143B-437.52. Grant recipient to submit records.**

(a) No later than February 1 of each year, for the preceding grant year, every business that is awarded a grant under this Part shall submit to the Committee a copy of its State and federal tax returns showing business and nonbusiness income and a report showing withholdings as a condition of its continuation in the grant program. In addition, the business shall submit to the Committee an annual payroll report showing the eligible positions that are created during the base years and the new eligible positions created during each subsequent year of the grant. When making a submission under this section, the business must pay the Committee a fee of one thousand five hundred dollars (\$1,500). The fee is due at the time the submission is made. The Secretary of Commerce, the Secretary of Revenue, and the Director of the Office of State Budget and Management shall determine the allocation of the fee imposed by this section among their agencies. The proceeds of the fee are receipts of the agency to which they are credited.

(b) The Committee may require any information that it considers necessary to effectuate the provisions of this Part.

(c) The Committee may require any business receiving a grant to submit to an audit at any time.

**"§ 143B-437.53. Failure to comply with agreement.**

(a) If the business receiving a grant fails to meet or comply with any condition or requirement set forth in an agreement or with criteria developed by the Committee in consultation with the Attorney General, the Committee shall amend the agreement to reduce the amount of the grant or the term of the agreement and may terminate the agreement. Any reduction of the grant is applicable to the grant year immediately following the grant year in which the Committee amends the agreement. The reduction in the amount or the term must, at a minimum, be proportional to the failure to comply measured relative to the condition or criterion with respect to which the failure occurred.

(b) If a business fails to maintain employment at the levels stipulated in the agreement or otherwise fails to comply with any condition of the agreement for any two consecutive years, the Committee shall terminate the agreement.

(c) Notwithstanding the provisions of subsections (a) and (b) of this section, if the Committee finds that the business has manipulated or attempted to manipulate employee withholdings with the purpose of increasing the amount of a grant, the Committee shall immediately terminate the agreement and take action to recapture any grant funds disbursed in any year in which the Committee finds the business manipulated or attempted to manipulate employee withholdings with the purpose of increasing the amount of the grant.

**"§ 143B-437.54. Disbursement of grant.**

A business may not receive an annual disbursement of a grant if, at the time of disbursement, the business has received a notice of an overdue tax debt and that overdue tax debt has not been satisfied or otherwise resolved. A business may receive an annual disbursement of a grant only after the Committee has certified to the State Controller that there are no outstanding overdue tax debts and that the business has met the terms and conditions of the agreement. No amount shall be disbursed to a business as a grant under this Part in any year until the Secretary of Revenue has certified to the Committee (i) that there are no outstanding overdue tax debts of the business and (ii) the amount of withholdings received in that year by the Department of Revenue from the business. A business that has met the terms of the agreement shall make an annual certification of this to the Committee. The Committee shall verify this information and certify to the State Controller that the terms of the agreement have been met. The Committee shall further certify to the State Controller the amount of a grant for which the business is eligible under the agreement and the amount of a grant for which the business would be eligible under the agreement without regard to G.S. 143B-437.50(d). The State Controller shall remit a check to the business in the amount of the certified grant amount within 90 days of receiving the certification of the Committee.

**"§ 143B-437.55. Transfer to Industrial Development Fund.**

At the time the State Controller remits a check to a business under G.S. 143B-437.54, the State Controller shall transfer to the Utility Account of the Industrial Development Fund an amount equal to the amount certified by the Committee as the difference between the amount of the grant and the amount of the grant for which the business would be eligible without regard to G.S. 143B-437.50(d).

**"§ 143B-437.56. Authority.**

The authority of the Committee to enter into new agreements begins January 1, 2003, and expires January 1, 2005."

**SECTION 2.1.(b)** In developing criteria under G.S. 143B-437.46 for the awarding of grants under Part 2F of Article 10 of Chapter 143B of the General Statutes and under G.S. 143B-437.50 for determining the percentage upon which the amount of a grant is based, the Economic Investment Committee, in consultation with the Attorney General, may consider criteria that address the following:

- (1) Factors related to the economic impact of the project, such as the following:
  - a. Impact on gross regional product and gross State product.
  - b. Costs and benefits of the project to the State, including the expected return on investment made in the project by the State.
  - c. Number of direct jobs that will be created by the project, the wages of those jobs, and the total payroll for the project.
  - d. Number of induced short-term, project-related jobs expected to be generated by the project as well as the number of long-term permanent jobs expected to be generated indirectly in the economy as a result of the project.
  - e. Dollar value of the investment, including the size of the investment in real versus personal property and expected depreciation rates.
  - f. Economic circumstances of the county and region, including the extent to which the project will serve to mitigate unemployment.
  - g. The expected time frame during which the project is expected

- to pay back in State tax revenues the amount of any grants to be paid out.
- h. The economic demands the project is expected to place upon the community or communities in which it will locate.
  - i. The number of eligible positions that would be filled by residents of development zones.
- (2) Factors related to the strategic importance of the project to the State, region, or locality, such as the following:
- a. The extent to which the project builds or enhances an industrial cluster.
  - b. The extent to which the project falls within a classification of business and industry that the Department of Commerce regards as a target for growth and expansion in the State.
  - c. The ability of the project to attract follow-on investment in the State by suppliers and vendors.
  - d. The extent to which the project serves to maintain and grow jobs in the State in a business undergoing an internal restructuring or rationalization process.
  - e. The extent to which the project can be expected to contribute significantly to and support the local community.
- (3) Factors related to the quality of jobs, such as the following:
- a. The wage level and status of the jobs to be created.
  - b. The quality and value of benefits offered by the company.
  - c. The potential for employee advancement.
  - d. The extent of training programs offered by the company.
  - e. The sustainability of the jobs in the future.
  - f. The workplace safety record of the company.
- (4) Factors related to the quality of the industry and the project, such as the following:
- a. The nature of the project and the project's relationship to the larger business of the company.
  - b. The nature of the industrial classification of the project and the nature of the business of the company undertaking it.
  - c. The long-term prospects for growth at the project site or sites.
  - d. The long-term prospects for growth of the company and the industry within the United States.
  - e. The financial stability of the company associated with the project.
- (5) Factors related to the environmental impact of the project, such as the following:
- a. The nature of the business to be conducted.
  - b. The ability of the project to satisfy State, federal, and local environmental law and regulations.
- (6) The degree to which use of the program has been geographically dispersed among the various regions of the State and between rural and urban areas.
- (7) Other factors that the Economic Investment Committee considers relevant that are not inconsistent with this section and that the Committee determines will further the purposes of Part 2F of Article 10 of Chapter 143B of the General Statutes.

**SECTION 2.2.(a)** G.S. 143B-437.01(a)(1) reads as rewritten:

"(1) The funds shall be used for (i) installation of or purchases of equipment for eligible industries, (ii) structural repairs, improvements, or renovations of existing buildings to be used for expansion of eligible industries, or (iii) construction of or improvements to new or existing water, sewer, gas, telecommunications, high-speed broadband, or electrical utility distribution lines or equipment for existing or new or proposed industrial buildings to be used for eligible industries. To be eligible for funding, the water, sewer, gas, telecommunications, high-speed broadband, or electrical utility lines or facilities shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the specific eligible industrial activity."

**SECTION 2.2.(b)** G.S. 143B-437.01(b1) reads as rewritten:

"(b1) Utility Account. – There is created within the Industrial Development Fund a special account to be known as the Utility Account to provide funds to assist the local government units of enterprise tier ~~one and tier two~~ one, two, and three areas, as defined in G.S. 105-129.3, in creating jobs in eligible industries. The Department of Commerce shall adopt rules providing for the administration of the program. Except as otherwise provided in this subsection, those rules shall be consistent with the rules adopted with respect to the Industrial Development Fund. The rules shall provide that the funds in the Utility Account may be used only for construction of or improvements to new or existing water, sewer, gas, telecommunications, high-speed broadband, or electrical utility distribution lines or equipment for existing or new or proposed industrial buildings to be used for eligible industrial operations. To be eligible for funding, the water, sewer, gas, telecommunications, high-speed broadband, or electrical utility lines or facilities shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the specific industrial activity. There shall be no maximum funding amount per new job to be created or per project."

**SECTION 2.3.** G.S. 105-259(b), as amended by S.L. 2002-87, is amended by adding a new subdivision to read:

"(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

...  
 (29) To provide to the Economic Investment Committee established pursuant to G.S. 143B-437.48 information necessary to implement Part 2F of Article 10 of Chapter 143B of the General Statutes."

**SECTION 2.4.(a)** G.S. 153A-149(c)(10b) reads as rewritten:

"(c) Each county may levy property taxes for one or more of the purposes listed in this subsection up to a combined rate of one dollar and fifty cents (\$1.50) on the one hundred dollars (\$100.00) appraised value of property subject to taxation. Authorized purposes subject to the rate limitation are:

...  
 (10b) Economic Development. – To provide for economic development as authorized by G.S. 158-7.1 and G.S. 158-12."

**SECTION 2.4.(b)** G.S. 160A-209(c)(10b) reads as rewritten:



"(c) Each city may levy property taxes for one or more of the following purposes subject to the rate limitation set out in subsection (d):

...

(10b) Economic Development. – To provide for economic development as authorized by G.S. 158-7.1 and G.S. 158-12."

**SECTION 2.5.** G.S. 120-123 is amended by adding a new subdivision to read:

**"§ 120-123. Service by members of the General Assembly on certain boards and commissions.**

No member of the General Assembly may serve on any of the following boards or commissions:

...

(75) The Economic Investment Committee established under G.S. 143B-437.48."

**SECTION 2.6.** G.S. 150B-1(d) is amended by adding a new subdivision to read:

"(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

...

(10) The Economic Investment Committee in developing criteria for the Job Development Investment Grant Program under Part 2F of Article 10 of Chapter 143B of the General Statutes."

**SECTION 2.7.** The Revenue Laws Study Committee created in Article 12L of Chapter 120 of the General Statutes shall study the use, the effectiveness, and the cost versus benefits of the Job Development Investment Grant Program created in this act, the Bill Lee Act credits in Chapter 105 of the General Statutes, and the Industrial Recruitment Competitive Fund. The Study Committee may report the results of its study and any recommendations to the 2004 Regular Session of the 2003 General Assembly and shall make a final report by March 15, 2005, to the 2005 General Assembly.

**SECTION 2.8.** This part is effective when it becomes law.

### **PART 3. FILM INDUSTRY INCENTIVES**

**SECTION 3.1.** G.S. 143B-434.3(a) reads as rewritten:

"(a) Creation and Purpose of Account. – There is created in the Department of Commerce, Division of Tourism, Film, and Sports Development, the Film Industry Development Account to provide annual grants as incentives to production companies that engage in production activities in this State. The Division of Tourism, Film, and Sports Development shall administer this program in accordance with the following provisions:

- (1) To be eligible for a grant, a production company must engage in production activities in this ~~State~~State with expenditures in this State of at least one million dollars (\$1,000,000). A grant may not be used for political or issue advertising.
- (2) A grant may not exceed fifteen percent (15%) of the amount the production company spends for goods and services in this State during the calendar year.
- (3) A grant may not exceed two hundred thousand dollars (\$200,000) per production."

**SECTION 3.2.** The Revenue Laws Study Committee created in Article 12L of Chapter 120 of the General Statutes shall study options for additional economic incentives for the film industry and shall make a report to the 2003 General Assembly on its findings, including any recommendations for legislative action.

**SECTION 3.3.** This part is effective when it becomes law.

#### **PART 4. NORTH CAROLINA RAILROAD CONDEMNATION AUTHORITY**

**SECTION 4.1.** G.S. 40A-3(a)(4) reads as rewritten:

"(a) Private Condemnors. – For the public use or benefit, the persons or organizations listed below shall have the power of eminent domain and may acquire by purchase or condemnation property for the stated purposes and other works which are authorized by law.

- ...
- (4) Any railroad company has the power of eminent domain for the purposes of: constructing union depots; maintaining, operating, improving or straightening lines or of altering its location; constructing double tracks; constructing and maintaining new yards and terminal facilities or enlarging its yard or terminal facilities; connecting two of its lines already in operation not more than six miles apart; or constructing an industrial ~~siding ordered by the Utilities Commission as provided in G.S. 62-232.~~siding."

**SECTION 4.2.** This part is effective when it becomes law.

#### **PART 5. INDUSTRIAL AND POLLUTION CONTROL FACILITIES FINANCING**

**SECTION 5.1.** The General Assembly finds that there are small manufacturing companies in the State that are eligible for industrial development bond financing for capital improvements and expansions, but are not able to take advantage of that financing because of the administrative costs involved. This problem can be addressed by reviving the composite bond program under Chapter 159D of the General Statutes, under which the North Carolina Capital Facilities Finance Agency could combine several series of bonds into a single bond offering, thereby reducing transaction costs and permitting eligible small manufacturers to access tax exempt financing for capital investments. The composite bond program would be facilitated by the changes proposed to Chapter 159D in this part that will streamline the procedures for composite issues by requiring only one public hearing and align the review standard for bonds issued as part of a composite bond program with the standard for bonds issued by county industrial development projects.

**SECTION 5.2.** G.S. 159D-7(d) reads as rewritten:

"(d) ~~Public Hearing.~~Hearing, Generally. – The Secretary of Commerce shall not approve any proposed project pursuant to this section unless the governing body of the county in which the project is located has first conducted a public hearing and, at or after the public hearing, approved in principle the issuance of bonds under this Article for the purpose of paying all or part of the cost of the proposed project. Notice of the public hearing shall be published at least once in at least one newspaper of general circulation in the county not less than 14 days before the public hearing. The notice shall describe generally the bonds proposed to be issued and the proposed project,

including its general location, and any other information the governing body considers appropriate or the Secretary of Commerce prescribes for the purpose of providing the Secretary with the views of the community. The notice shall also state that following the public hearing the agency intends to file an application for approval of the proposed project with the Secretary of Commerce.

(d1) Public Hearing, Multiple Projects. – Notwithstanding subsection (d) of this section, in the event the bonds proposed to be issued are to finance more than one project, the public hearing shall be conducted by the agency or by a hearing officer designated by the agency to conduct public hearings. The public hearing may be held at any location designated by the agency. Notice of the public hearing shall be published at least once in at least one newspaper of general circulation in each county in which a proposed project is to be located not less than 14 days before the public hearing. The notice shall describe generally the bonds proposed to be issued and any proposed project in that county, including its general location, and any other information the agency considers appropriate or the Secretary of Commerce prescribes for the purpose of providing the Secretary with the views of the community. A copy of the notice of public hearing must be mailed to the board of county commissioners of any county in which a proposed project is to be located and to the governing body of any municipality in which a proposed project is to be located."

**SECTION 5.3.** G.S. 159D-8(b) reads as rewritten:

"(b) In determining whether a proposed bond issue should be approved, the Local Government Commission may consider, without limitation, the following:

- (1) Whether the proposed operator and obligor have demonstrated or can demonstrate the financial responsibility and capability to fulfill their obligations with respect to the financing agreement. In making such determination, the commission may consider the operator's experience and the obligor's ratio of current assets to current liabilities, net worth, earnings trends and coverage of fixed charges, the nature of the industry or business involved and its stability and any additional security such as credit enhancement, insurance, guaranties or property to be pledged or secure such bonds.
- (2) Whether the political subdivisions in or near which the proposed project is to be located have the ability to cope satisfactorily with the impact of such project and to provide, or cause to be provided, the public facilities and services, including utilities, that will be necessary for such project and on account of any increase in population which are expected to result therefrom.
- (3) Whether the proposed date and manner of sale will have an adverse effect upon any scheduled or anticipated sale of obligations by the State or any political subdivision or any agency of either of them."

**SECTION 5.4.** This part becomes effective January 1, 2003.

## **PART 6. CAPITAL PLANNING COSTS FOR BIOPHARMACEUTICAL TRAINING CENTER AND CANCER REHABILITATION TREATMENT CENTER.**

**SECTION 6.** The State Board of Community Colleges, the Board of Governors of The University of North Carolina, and the North Carolina Biotechnology Center are authorized to initiate planning and development of a new

biopharmaceutical/bioprocess manufacturing training center to be centrally located and related training facilities to be located at various community colleges. The Board of Directors of the University of North Carolina Health Care System is authorized to initiate planning and development of a new cancer rehabilitation and treatment center to be located at the University of North Carolina Hospitals at Chapel Hill.

## PART 7. GENERAL PROVISIONS

**SECTION 7.1.** The provisions of this act are severable. If any provision of this act is held invalid by a court of competent jurisdiction, the invalidity does not affect other provisions of the act that can be given effect without the invalid provision.

**SECTION 7.2.** Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 11:55 a.m. on the 31<sup>st</sup> day of October, 2002.

### H.B. 1726

### Session Law 2002-173

AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING, WITHOUT APPROPRIATIONS FROM THE GENERAL FUND, OF CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The purpose of this act is: (i) to authorize the construction, by certain constituent institutions of The University of North Carolina, of the capital improvements projects listed in this act for the respective institutions, and (ii) to authorize the financing of these projects with funds available to the institutions from gifts, grants, receipts, self-liquidating indebtedness, or other funds, or any combination of these funds, but not including funds appropriated from the General Fund of the State.

**SECTION 2.** The capital improvements projects, and their respective costs, authorized by this act to be constructed and financed as provided in Section 1 and Section 5 of this act are as follows:

|    |   |                        |
|----|---|------------------------|
| 1. | Appalachian State University<br>Residence Halls Comprehensive Renovations                         | \$12,000,000           |
| 2. | East Carolina University<br>Clement Residence Hall Renovations<br>West End Dining Hall Supplement | 2,833,000<br>3,357,000 |
| 3. | Elizabeth City State University<br>Renovation of Campus Dining Facility                           | 1,178,000              |
| 4. | Fayetteville State University<br>Athletic Facilities Improvements                                 | 2,766,550              |

|     |  |                      |
|-----|--|----------------------|
| 5.  | North Carolina State University  |                      |
|     | Soccer, Track, and Softball Complex  | 4,500,000            |
|     | Fire Safety – Residence Halls  | 1,300,000            |
|     | University Apartments for Upperclassmen Housing                              | 77,260,700           |
|     | Parking Expansion Projects   | 1,000,000            |
| 6.  | The University of North Carolina at Chapel Hill                              |                      |
|     | 208 West Franklin Street   | 4,000,000            |
|     | Kenan, McIver, Alderman Residence Hall Renovations                           | 10,500,000           |
|     | Residence College Phase II   | 46,500,000           |
|     | School of Medicine Research Facilities                                       | 77,700,000           |
|     | Ramshead Development   | 12,800,000           |
|     | Hot Water Replacement Phase II   | 5,000,000            |
| 7.  | University of North Carolina at Charlotte                                    |                      |
|     | Residence Hall Phase VIII  | 22,000,000           |
|     | Brocker Health Center  | 7,150,000            |
|     | Parking Deck G   | 8,300,000            |
| 8.  | The University of North Carolina at Pembroke                                 |                      |
|     | Surface Parking Lot  | 275,000              |
|     | University Center Expansion  | 3,000,000            |
|     | Improvements to Student Recreation Facilities                                | 600,000              |
| 9.  | The University of North Carolina at Wilmington                               |                      |
|     | University Union Building Expansion and Renovation<br>(Supplemental Funding) | 22,400,000           |
|     | Parking – 650 Spaces   | 3,000,000            |
|     | Wagoner Hall Renovations   | 4,000,000            |
|     | Residence Hall Renovations   | 6,000,000            |
| 10. | Western Carolina University  |                      |
|     | Hospitality Management Center  | 8,000,000            |
|     | Student Recreation Center  | <u>11,500,000</u>    |
|     | <b>TOTAL</b>   | <b>\$358,920,250</b> |

**SECTION 3.** The capital improvements projects listed in this section were authorized in S.L. 2000-03. The capital improvements projects, and their respective costs, authorized by this act to be financed as provided in Section 1 and Section 5 of this act, are as follows:

|    |   |              |
|----|---|--------------|
| 1. | North Carolina State University                 |              |
|    | College of Engineering Phase II                 | \$ 8,000,000 |
|    | CVM Research Lab Building                       | 14,584,000   |
|    | Centennial Campus Building                      | 4,064,000    |
| 2. | The University of North Carolina at Chapel Hill |              |
|    | Carrington Hall Addition                        | 2,077,900    |

|   |                  |
|---|------------------|
| Science Complex Phase I   | 18,037,500       |
| 3. The University of North Carolina at Pembroke<br>Auxiliary Services Complex and Student Bookstore | 1,500,000        |
| 4. The University of North Carolina at Wilmington<br>Westside Building Expansion                    | <u>3,000,000</u> |
| TOTAL   | \$ 51,263,400    |

**SECTION 4.** At the request of the Board of Governors of The University of North Carolina and upon determining that it is in the best interest of the State to do so, the Director of the Budget may authorize an increase or decrease in the cost of, or a change in the method of funding, the projects authorized by this act. In determining whether to authorize a change in cost or funding, the Director of the Budget shall consult with the Joint Legislative Commission on Governmental Operations.

**SECTION 5.** Pursuant to G.S. 116D-26, the Board of Governors may issue, subject to the approval of the Director of the Budget, at one time or from time to time, special obligation bonds of the Board of Governors for the purpose of paying all or any part of the cost of acquiring, constructing, or providing for the projects authorized by this act. The maximum principal amount of bonds to be issued shall not exceed the specified project costs in Sections 2 and 3 of this act plus six million dollars (\$6,000,000) for related additional costs, such as issuance expenses, funding of reserve funds, and capitalized interest.

**SECTION 6.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law upon approval of the Governor at 1:40 p.m. on the 31<sup>st</sup> day of October, 2002.

### S.B. 1443

### Session Law 2002-174

AN ACT TO FACILITATE JOB SHARING BY PUBLIC SCHOOL TEACHERS AND TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY ISSUES RELATED TO EMPLOYEE BENEFITS FOR SCHOOL EMPLOYEES, COMMUNITY COLLEGE EMPLOYEES, AND STATE EMPLOYEES IN JOB-SHARING AND PART-TIME POSITIONS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 115C of the General Statutes is amended by adding a new section to read:

**"§ 115C-302.2. Job sharing by classroom teachers.**

(a) The General Assembly finds that there is a shortage of qualified classroom teachers available in certain areas of certification, grade levels, and geographical areas of the State. The elimination of administrative and fiscal limitations on job-sharing arrangements would make teaching an attractive option for well-qualified classroom teachers who do not wish to work full time.

(b) A 'classroom teacher in a job-sharing position' is a person who:

(1) Is employed by a local board of education as a public school teacher

for fifty percent (50%) of the teacher workweek, as defined by that local board of education;

- (2) Is paid on the teacher salary schedule;
- (3) Spends at least seventy percent (70%) of his or her work time in classroom instruction; and
- (4) Is sharing a teacher position with one other employee of that local board of education who meets the requirements of subdivisions (1) through (3) of this subsection.

The term does not include certified instructional support personnel or certified school services personnel such as guidance counselors, media coordinators, psychologists, social workers, audiologists, speech and language pathologists, and nurses.

(c) The State Board of Education shall adopt rules to facilitate job sharing by classroom teachers. These rules shall provide that a classroom teacher in a job-sharing position shall receive paid legal holidays, annual vacation leave, sick leave, and personal leave on a pro rata basis. Such a teacher shall also receive service credit under the Teachers' and State Employees' Retirement System as provided in G.S. 135-4(b) and insurance benefits as provided in Article 3 of Chapter 135 of the General Statutes."

**SECTION 2.** G.S. 135-1(25), as rewritten by Section 1 of S.L. 2002-110, reads as rewritten:

**"§ 135-1. Definitions.**

The following words and phrases as used in this Chapter, unless a different meaning is plainly required by the context, shall have the following meanings:

- ...
- (25) "Teacher" shall mean any teacher, helping teacher, classroom teacher in a job-sharing position as defined in G.S. 115C-302.2(b) except for a beneficiary in that position, librarian, principal, supervisor, superintendent of public schools or any full-time employee, city or county, superintendent of public instruction, or any full-time employee of Department of Public Instruction, president, dean or teacher, or any full-time employee in any educational institution supported by and under the control of the State: Provided, that the term "teacher" shall not include any part-time, temporary, or substitute teacher or ~~employee, employee~~ except for a classroom teacher in a job-sharing position, and shall not include those participating in an optional retirement program provided for in G.S. 135-5.1 or G.S. 135-5.4. In all cases of doubt, the Board of Trustees, hereinbefore defined, shall determine whether any person is a teacher as defined in this Chapter. On and after August 1, 2001, a person who is a nonimmigrant alien and who otherwise meets the requirements of this subdivision shall not be excluded from the definition of "teacher" solely because the person holds a temporary or time-limited visa. Notwithstanding the foregoing, the term "teacher" shall not include any nonimmigrant alien employed in elementary or secondary public schools (whether employed in a full-time, part-time, temporary, permanent, or substitute teacher position) and participating in an exchange visitor program designated by the United States Department of State pursuant to 22 C.F.R. Part 62.

...."

**SECTION 3.** G.S. 135-4(b) reads as rewritten:

"(b) The Board of Trustees shall fix and determine by appropriate rules and regulations how much service in any year is equivalent to one year of service, but in no case shall more than one year of service be creditable for all services in one year. Service rendered for the regular school year in any district shall be equivalent to one year's service. Service rendered by a classroom teacher in a job-sharing position shall be credited at the rate of one-half year for each regular school year of employment."

**SECTION 4.** G.S. 135-40.2 is amended by adding a new subsection to read:

"(a2) A classroom teacher in a job-sharing position as defined in G.S. 115C-302.2(b) shall be eligible for coverage under the Plan, on a partially contributory basis, subject to the provisions of G.S. 135-40.3. If these employees elect to participate in the Plan, the employing unit shall pay fifty percent (50%) of the Plan's total noncontributory premiums. Individual employees shall pay the balance of the total noncontributory premiums not paid by the employing unit."

**SECTION 5.** The Legislative Research Commission shall study issues relating to employee benefits for public school employees, community college employees, and employees of State departments and institutions, in part-time and in job-sharing positions. In the course of the study the Commission shall consider whether the benefits currently offered are adequate to attract and retain qualified applicants in public school, community college, and State employment, the need to facilitate job sharing for public school employees other than teachers, the possibility of providing insurance and retirement benefits to employees working less than three-fourths time, the appropriate formula for computing retirement credit for part-time employees, and other issues related to employee benefits for employees in part-time and job-sharing positions. The Commission shall report on the results of this study to the 2003 General Assembly.

**SECTION 6.** Nothing in this act shall be construed to require local school administrative units to place part-time employees in job-sharing positions or to hire employees in job-sharing positions.

**SECTION 7.** Sections 1 through 4 of this act become effective January 1, 2003. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law upon approval of the Governor at 1:42 p.m. on the 31<sup>st</sup> day of October, 2002.

**H.B. 1100****Session Law 2002-175**

**AN ACT TO PROVIDE CONSUMERS AND FINANCIAL INSTITUTIONS  
GREATER PROTECTION FROM FRAUDULENT FINANCIAL  
TRANSACTIONS.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 14-119 reads as rewritten:

**"§ 14-119. Forgery of notes, checks, and other securities.~~securities; counterfeiting of instruments.~~**

(a) ~~If a person makes, forges, or counterfeits:~~

(1) ~~Any bill, note, warrant, check, order, or similar instrument in imitation of, or purporting to be, a bill, note, warrant, check, order, or similar~~



~~instrument of or on any financial institution or governmental unit, or any cashier or officer of such an institution or unit; or~~

- (2) ~~Any security purporting to be issued by, or on behalf of, any corporation, financial institution, or governmental unit,~~

~~with the intent to injure or defraud any person, corporation, financial institution, or governmental unit, he shall be punished as a Class I felon. It is unlawful for any person to forge or counterfeit any instrument, or possess any counterfeit instrument, with the intent to injure or defraud any person, financial institution, or governmental unit. Any person in violation of this subsection is guilty of a Class I felony.~~

(b) ~~For purposes of this section:~~

- (1) ~~"Financial institution" means any mutual fund, money market fund, credit union, savings and loan association, bank, or similar institution.~~
- (2) ~~"Governmental unit" means the United States, any United States territory, any state of the United States, or any political subdivision of any state.~~

(b) Any person who transports or possesses five or more counterfeit instruments with the intent to injure or defraud any person, financial institution, or governmental unit is guilty of a Class G felony.

(c) As used in this Article, the term:

- (1) "Counterfeit" means to manufacture, copy, reproduce, or forge an instrument that purports to be genuine, but is not, because it has been falsely copied, reproduced, forged, manufactured, embossed, encoded, duplicated, or altered.
- (2) "Financial institution" means any mutual fund, money market fund, credit union, savings and loan association, bank, or similar institution, either foreign or domestic.
- (3) "Governmental unit" means the United States, any United States territory, any state of the United States, any political subdivision, agency, or instrumentality of any state, or any foreign jurisdiction.
- (4) "Instrument" means (i) any currency, bill, note, warrant, check, order, or similar instrument of or on any financial institution or governmental unit, or any cashier or officer of the institution or unit; or (ii) any security issued by, or on behalf of, any corporation, financial institution, or governmental unit."

**SECTION 2.** G.S. 14-113.8 is amended by adding a new subdivision to read:

"(10) Scanning Device. – "Scanning device" means a scanner, reader, or any other device that is used to access, read, scan, obtain, memorize, or store, temporarily or permanently, information encoded on a financial transaction card."

**SECTION 3.** G.S. 14-113.9(a) reads as rewritten:

"(a) A person is guilty of financial transaction card theft ~~when~~ when the person does any of the following:

- (1) ~~He takes,~~ Takes, obtains or withholds a financial transaction card from the person, possession, custody or control of another without the cardholder's consent and with the intent to use it; or who, with knowledge that it has been so taken, obtained or withheld, receives the financial transaction card with intent to use it or to sell it, or to transfer it to a person other than the issuer or the ~~cardholder,~~ cardholder.

- (2) ~~He receives~~ Receives a financial transaction card that he knows to have been lost, mislaid, or delivered under a mistake as to the identity or address of the cardholder, and who retains possession with intent to use it or to sell it or to transfer it to a person other than the issuer or the ~~cardholder; or cardholder.~~
- (3) ~~He, not~~ Not being the issuer, sells a financial transaction card or buys a financial transaction card from a person other than the ~~issuer; or issuer.~~
- (4) ~~He, not~~ Not being the issuer, during any 12-month period, receives financial transaction cards issued in the names of two or more persons which he has reason to know were taken or retained under circumstances which constitute a violation of G.S. 14-113.13(a)(3) and subdivision (3) of subsection (a) of this section.
- (5) With the intent to defraud any person, either (i) uses a scanning device to access, read, obtain, memorize, or store, temporarily or permanently, information encoded on another person's financial transaction card, or (ii) receives the encoded information from another person's financial transaction card."

**SECTION 4.** G.S. 14-113.20 reads as rewritten:

**"§ 14-113.20. Financial identity fraud.**

(a) A person who knowingly obtains, possesses, or uses ~~personal~~ identifying information of another ~~person-person, living or dead, without the consent of that other person,~~ with the intent to fraudulently represent that the person is the other person for the purposes of making financial or credit transactions in the other person's ~~name-name,~~ to obtain anything of value, benefit, or advantage, or for the purpose of avoiding legal consequences is guilty of a felony punishable as provided in G.S. 14-113.22(a).

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

- (1) Social security numbers.
- (2) Drivers license numbers.
- (3) Checking account numbers.
- (4) Savings account numbers.
- (5) Credit card numbers.
- (6) Debit card numbers.
- (7) Personal Identification (PIN) Code as defined in G.S. 14-113.8(6).
- (8) Electronic identification numbers.
- (9) Digital signatures.
- (10) Any other numbers or information that can be used to access a person's financial resources.
- (11) Biometric data.
- (12) Fingerprints.
- (13) Passwords.
- (14) Parent's legal surname prior to marriage.

(c) It shall not be a violation under this ~~section~~ Article for a person to do any of the following:

- (1) Lawfully obtain credit information in the course of a bona fide consumer or commercial transaction.
- (2) Lawfully exercise, in good faith, a security interest or a right of offset by a creditor or financial institution.

- (3) Lawfully comply, in good faith, with any warrant, court order, levy, garnishment, attachment, or other judicial or administrative order, decree, or directive, when any party is required to do so."

**SECTION 5.** Article 19C of Chapter 14 of the General Statutes is amended by adding a new section to read:

**"§ 14-113.20A. Trafficking in stolen identities.**

(a) It is unlawful for a person to sell, transfer, or purchase the identifying information of another person with the intent to commit financial identity fraud, or to assist another person in committing financial identity fraud, as set forth in G.S. 14-113.20.

(b) A violation of this section is a felony punishable as provided in G.S. 14-113.22(a1)."

**SECTION 6.** G.S. 14-113.22(b) reads as rewritten:

"(b) Notwithstanding subsection (a) of this section, any person who commits an act made unlawful by this Article may also be liable for damages under G.S. 1-539.2C. ~~knowingly obtains, possesses, or uses personal identifying information of another person without the consent of that other person, with the intent to fraudulently represent that the person is the other person for the purposes of making financial or credit transactions in the other person's name or for the purpose of avoiding legal consequences, shall be liable to the other person for civil damages of up to five thousand dollars (\$5,000) for each incident, or three times the amount of actual damages, if any, sustained by the person damaged, whichever amount is greater. A person damaged as set forth in this subsection may also institute a civil action to enjoin and restrain future acts which would constitute a violation of this subsection. The court, in an action brought under this subsection, may award reasonable attorneys' fees to the prevailing party."~~

**SECTION 7.** Effective December 1, 2002, G.S. 14-113.22, as amended by Section 6 of this act, reads as rewritten:

**"§ 14-113.22. Punishment and liability.**

(a) ~~A violation of G.S. 14-113.20~~G.S.14-113.20(a) is punishable as a Class H-G felony, except if it is punishable as a Class F felony if: (i) the victim suffers arrest, detention, or conviction as a proximate result of the offense, or (ii) the person is in possession of the identifying information pertaining to three or more separate persons. then the violation is punishable as a Class G felony.

(a1) A violation of G.S. 14-113.20A is punishable as a Class E felony.

(a2) The court may order a person convicted under G.S. 14-113.20 or G.S. 14-113.20A to pay restitution pursuant to Article 81C of Chapter 15A of the General Statutes for financial loss caused by the violation to any person. Financial loss included under this subsection may include, in addition to actual losses, lost wages, attorneys' fees, and other costs incurred by the victim in correcting his or her credit history or credit rating, or in connection with any criminal, civil, or administrative proceeding brought against the victim resulting from the misappropriation of the victim's identifying information.

(b) ~~Notwithstanding subsection (a)~~subsection (a), (a1), or (a2) of this section, any person who commits an act made unlawful by this Article may also be liable for damages under G.S. 1-539.2C.

(c) In any case in which a person obtains identifying information of another person in violation of ~~G.S. 14-113.20~~this Article, uses that information to commit a crime in addition to a violation of ~~G.S. 14-113.20~~this Article, and is convicted of that

additional crime, the court records shall reflect that the person whose identity was falsely used to commit the crime did not commit the crime."

**SECTION 8.** Article 43 of Chapter 1 of the General Statutes is amended by adding a new section to read:

**"§ 1-539.2C. Damages for identity fraud.**

(a) Any person whose property or person is injured by reason of an act made unlawful by Article 19C of Chapter 14 of the General Statutes may sue for civil damages. Damages may be in an amount of up to five thousand dollars (\$5,000) for each incident, or three times the amount of actual damages, whichever amount is greater. A person seeking damages as set forth in this section may also institute a civil action to enjoin and restrain future acts that would constitute a violation of this section. The court, in an action brought under this section, may award reasonable attorneys' fees to the prevailing party.

(b) If the identifying information of a deceased person is used in a manner made unlawful by Article 19C of Chapter 14 of the General Statutes, the deceased person's estate shall have the right to recover damages pursuant to subsection (a) of this section.

(c) The venue for any civil action brought under this section shall be the county in which the plaintiff resides or any county in which any part of the alleged violation of G.S. 14-113.20 or G.S. 14-113.20A took place, regardless of whether the defendant was ever actually present in that county. Civil actions under this section must be brought within three years from the date on which the identity of the wrongdoer was discovered or reasonably should have been discovered.

(d) Civil action under this section does not depend on whether or not a criminal prosecution has been or will be instituted under Article 19C of Chapter 14 of the General Statutes for the acts which are the subject of the civil action. The rights and remedies provided by this section are in addition to any other rights and remedies provided by law."

**SECTION 9.** This act become effective December 1, 2002, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 1:44 p.m. on the 31<sup>st</sup> day of October, 2002.

**H.B. 1537**

**Session Law 2002-176**

AN ACT TO AMEND VARIOUS ENVIRONMENTAL LAWS TO: (1) EXTEND THE PILOT PROGRAM FOR INSPECTION OF ANIMAL WASTE MANAGEMENT SYSTEMS AND TO AMEND THE REPORTING REQUIREMENT FOR THE PILOT PROGRAM, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION; (2) PROVIDE THAT MEMBERS OF THE SOIL AND WATER CONSERVATION COMMISSION MAY HOLD CONCURRENT OFFICES CONSISTENT WITH THE PROVISIONS OF THE CONSTITUTION OF NORTH CAROLINA; (3) AUTHORIZE THE SOIL AND WATER CONSERVATION COMMISSION TO APPROVE GRANTS FOR SMALL WATERSHED PROJECTS RELATED TO DAM REHABILITATION AND IMPROVEMENT; (4) PROVIDE THAT MEMBERS OF THE ENVIRONMENTAL REVIEW COMMISSION WHO ARE NOT REELECTED TO THE GENERAL ASSEMBLY MAY COMPLETE THEIR TERM OF

SERVICE ON THE COMMISSION; (5) PROVIDE THAT THE EASTERN BAND OF CHEROKEE INDIANS IN NORTH CAROLINA MAY RECEIVE FUNDS FROM THE CLEAN WATER REVOLVING LOAN AND GRANT FUND; (6) AUTHORIZE THE STATE INFRASTRUCTURE COUNCIL TO MEET IN THE LEGISLATIVE BUILDING AND LEGISLATIVE OFFICE BUILDING IN CERTAIN CIRCUMSTANCES; AND (7) AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO TRANSFER FUNDS FROM THE GENERAL WATER SUPPLY REVOLVING LOAN AND GRANT ACCOUNT TO THE EMERGENCY WATER SUPPLY REVOLVING LOAN ACCOUNT IN ORDER TO ASSIST WATER SUPPLY SYSTEMS EXPERIENCING A DROUGHT EMERGENCY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.1.** Section 15.4(a) of S.L. 1997-443, as amended by Section 3.1 of S.L. 1999-329 and Section 5 of S.L. 2001-254, reads as rewritten:

"(a) The Department of Environment and Natural Resources shall develop and implement a pilot program to begin no later than 1 November 1997, and to terminate 1 September ~~2002,2003~~, regarding the annual inspections of animal operations that are subject to a permit under Article 21 of Chapter 143 of the General Statutes. The Department shall select two counties located in a part of the State that has a high concentration of swine farms to participate in this pilot program. In addition, Brunswick County shall be added to the program. Notwithstanding G.S. 143-215.10F, the Division of Soil and Water Conservation of the Department of Environment and Natural Resources shall conduct inspections of all animal operations that are subject to a permit under Article 21 of Chapter 143 of the General Statutes in these three counties at least once a year to determine whether any animal waste management system is causing a violation of water quality standards and whether the system is in compliance with its animal waste management plan or any other condition of the permit. The personnel of the Division of Soil and Water Conservation who are to conduct these inspections in each of these three counties shall be located in an office in the county in which that person will be conducting inspections. As part of this pilot program, the Department of Environment and Natural Resources shall establish procedures whereby resources within the local Soil and Water Conservation Districts serving the three counties are used for the quick response to complaints and reported problems previously referred only to the Division of Water Quality of the Department of Environment and Natural Resources."

**SECTION 1.2.** Section 3.3 of S.L. 1999-329, as amended by Section 6 of S.L. 2001-254, reads as rewritten:

"Section 3.3. The Department of Environment and Natural Resources, in consultation with both the Division of Water Quality and the Division of Soil and Water Conservation, shall submit interim reports no later than 15 October 1999, 15 April 2000, 15 October 2000, 15 April 2001, 15 October 2001, ~~and 15 April 2002,2002~~, and 15 April ~~2003~~ and shall submit a final report no later than ~~15 October 2002~~ 15 October 2003 to the Environmental Review Commission and to the Fiscal Research Division. These reports shall indicate whether the pilot program has increased the effectiveness of the annual inspections program or the response to complaints and reported problems, specifically whether the pilot program had resulted in identifying violations earlier, taking corrective actions earlier, increasing compliance with the animal waste management plans and permit conditions, improving the time to respond to discharges, complaints, and

reported problems, improving communications between farmers and Department employees, and any other consequences deemed pertinent by the Department. These reports shall also compare the costs of conducting operations reviews and inspections under the pilot program with the costs of conducting operations reviews and inspections pursuant to G.S. 143-215.10D and G.S. 143-215.10F. The final report shall include a recommendation as to whether to continue or expand the pilot program under this act. The Environmental Review Commission may recommend to the 2003 General Assembly whether to continue or expand the pilot program under this act and may make any related legislative proposals."

**SECTION 2.** G.S. 143B-295 reads as rewritten:

**"§ 143B-295. Soil and Water Conservation Commission – members; selection; removal; compensation; quorum; services.**

(a) The Soil and Water Conservation Commission of the Department of Environment and Natural Resources shall be composed of seven members appointed by the Governor. The Commission shall be composed of the following members:

- (1) The president, first vice-president, and immediate past president of the North Carolina Association of Soil and Water Conservation Districts. Vacancies arising in any of these positions shall be filled through appointment by the Governor upon the nomination by the executive committee of the North Carolina Association of Soil and Water Conservation Districts;
- (2) Three supervisor members nominated by the North Carolina Association of Soil and Water Conservation Districts from its own membership representing the three major geographical regions of the State and appointed by the Governor;
- (3) One member appointed at large by the Governor.

(b) ~~The initial members of the Commission shall be the members of the Soil Conservation Committee who shall serve for a period equal to the remainder of their current terms on the Soil Conservation Committee. At the end of the respective terms of office of the initial members of the Commission, their successors,~~ The members of the Commission, except those members serving in an ex officio capacity, shall be appointed for terms of three years and shall serve until their successors are appointed and qualified. Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death or disability of a member shall be for the balance of the unexpired term.

(c) The office of member of the Soil and Water Conservation Commission may be held concurrently with any other elected or appointed office, as authorized by G.S. 128-1.1 and Article VI, Section 9, of the Constitution of North Carolina.

(d) The Governor shall have the power to remove any member of the Commission from office for misfeasance, malfeasance, and nonfeasance according to the provisions of ~~G.S. 143B-13 of the Executive Organization Act of 1973~~ G.S. 143B-13.

(e) The members of the Commission shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

(f) A majority of the Commission shall constitute a quorum for the transaction of business.

(g) All clerical and other services required by the Commission shall be supplied by the Secretary of Environment and Natural Resources."

**SECTION 3.** G.S. 139-54 reads as rewritten:

**"§ 139-54. Purposes for which grants may be requested.**

Applications for grants may be made for the nonfederal share of small watershed projects for the following purposes in amounts not to exceed the percentage of the nonfederal costs indicated:

- (1) Land rights acquisition for impounding or retarding water – fifty percent ~~(50%)~~; (50%).
- (2) Engineering fees – fifty percent ~~(50%)~~; (50%).
- (3) Anticipated future and present water supply needs in conjunction with watershed improvement works or projects as described in G.S. 139-37.1 – fifty percent ~~(50%)~~; (50%).
- (4) Installation of recreational facilities and services (to include land acquisition) as described in G.S. 139-46 – fifty percent ~~(50%)~~; (50%).
- (5) Construction costs for water management (drainage or irrigation) purposes, including utility and road relocations not funded by the State Department of Transportation – sixty-six and two-thirds percent ~~(66 2/3%)~~; (66 2/3%).
- (6) Conservation and replacement of fish and wildlife habitat as described in G.S. 139-46 – seventy-five percent (75%).
- (7) Rehabilitation or improvement of water resources structural measures in accordance with criteria established by the Natural Resources Conservation Service of the United States Department of Agriculture pursuant to the Watershed Protection and Flood Prevention Act of 1954, as amended by the Small Watershed Rehabilitation Amendments of 2000 (Pub. L. No. 106-472, 114 Stat. 2007), codified at 16 U.S.C. § 1001, et. seq.; the Dam Safety Law of 1967, G.S. 143-215.23, et. seq.; and rules adopted pursuant thereto – fifty percent (50%)."

**SECTION 4.** G.S. 120-70.42 reads as rewritten:

**"§ 120-70.42. Membership; cochairs; vacancies; quorum.**

(a) The Environmental Review Commission shall consist of six Senators appointed by the President Pro Tempore of the Senate, six Representatives appointed by the Speaker of the House of Representatives, who shall serve at the pleasure of their appointing officer, the Chair of the Senate Committee on ~~Environment-Agriculture, Environment, and Natural Resources, Resources or the equivalent committee,~~ and the Chair of the House of Representatives Committee on ~~the Environment.~~ Environment and Natural Resources or the equivalent committee.

(b) The President Pro Tempore of the Senate shall designate one Senator to serve as cochair and the Speaker of the House of Representatives shall designate one Representative to serve as cochair.

(c) Except as otherwise provided in this subsection, a member of the Commission shall continue to serve for so long as the member remains a member of the General Assembly and no successor has been appointed. A member of the Commission who does not seek reelection or is not reelected to the General Assembly may complete a term of service on the Commission until the day on which a new General Assembly convenes. A member of the Commission who resigns or is removed from service in the General Assembly shall be deemed to have resigned or been removed from service on the Commission. Any vacancy ~~which~~ that occurs on the Environmental Review Commission shall be filled in the same manner as the original appointment.

(d) A quorum of the Environmental Review Commission shall consist of eight members."

**SECTION 5.** G.S. 159G-3(10) reads as rewritten:

"(10) 'Local government unit' means a county, city, town, incorporated village, consolidated city-county, as defined by G.S. 160B-2(1), including such a consolidated city-county acting with respect to an urban service district defined by a consolidated city-county, sanitary district, metropolitan sewerage district, metropolitan water district, county water and sewer district, water and sewer authority, joint agency authorized by agreement between two cities and towns to operate an airport pursuant to G.S. 63-56 and that also provided water and wastewater services off the airport premises before January 1, 1995, ~~or~~ joint agency created pursuant to Part 1 of Article 20 of Chapter 160A of the General ~~Statutes~~.Statutes, or the Eastern Band of Cherokee Indians in North Carolina."

**SECTION 6.** G.S. 143B-344.32 reads as rewritten:**"§ 143B-344.32. Staff and offices.**

The Department of Environment and Natural Resources shall provide office space and staff for the State Infrastructure Council as requested by the Council. Upon the request of a chair of the State Infrastructure ~~Council~~,Council who is also a member of the General Assembly, the Legislative Services Office shall also provide professional staff services to the Council. Upon the request of a chair of the State Infrastructure Council who is also a member of the General Assembly, the Council may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission."

**SECTION 7.** G.S. 159G-6(c) reads as rewritten:

"(c) **Water Supply Accounts.** – The sums allocated in G.S. 159G-4 and accruing to the various Water Supply Accounts in each fiscal year shall be used to provide revolving loans and grants to applicants as provided below. The Department of Environment and Natural Resources shall disburse no funds from the Water Supply Accounts except upon receipt of written approval of the disbursement from the ~~Division of Environmental Health~~.Secretary of Environment and Natural Resources.

- (1) **General Water Supply Revolving Loan and Grant Account.** – The funds in the General Water Supply Revolving Loan and Grant Account shall be used exclusively for the purpose of providing for revolving construction loans and grants in connection with water supply systems generally and not upon a county allotment basis.
- (2) **High-Unit Cost Water Supply Account.** – The funds in the High-Unit Cost Water Supply Account shall be available for grants to applicants for high-unit cost water supply systems, on the same basis as provided in G.S. 159G-6(b)(2) for high-unit cost wastewater projects.
- (3) **Emergency Water Supply Revolving Loan Account.** – The funds in the Emergency Water Supply Revolving Loan Account shall be available for revolving emergency loans to applicants in the event the ~~Division of Environmental Health~~Secretary of Environment and Natural Resources certifies either that a serious public health hazard, related to the water supply system, or that a drought emergency is present or imminent in a community.
- (4) **Inter-Account Transfers.** – The Department of Environment and Natural Resources may transfer funds from the General Water Supply Revolving Loan and Grant Account to the Emergency Water Supply



revolving Loan Account in the event that the Secretary of Environment and Natural Resources certifies that a drought emergency exists and that additional emergency funds are needed to assist water supply systems that are experiencing a drought emergency."

**SECTION 8.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law upon approval of the Governor at 1:47 p.m. on the 31<sup>st</sup> day of October, 2002.

**S.B. 204**

**Session Law 2002-177**

AN ACT TO ESTABLISH THE ROANOKE RIVER BASIN BI-STATE COMMISSION AND ROANOKE RIVER BASIN ADVISORY COMMITTEE.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 77 of the General Statutes is amended by adding a new Article to read:

"Article 7.

"Roanoke River Basin Bi-State Commission; Roanoke River Basin Advisory Committee.

"Part 1. Roanoke River Basin Bi-State Commission.

**"§ 77-90. Definitions.**

The following definitions apply in this Article:

- (1) 'Commission' means the Roanoke River Basin Bi-State Commission.
- (2) 'Roanoke River Basin' or 'Basin' means that land area designated as the Roanoke River Basin by the North Carolina Department of Environment and Natural Resources pursuant to G.S. 143-215.8B and the Virginia State Water Control Board pursuant to Code of Virginia § 62.1-44.38.

**"§ 77-91. Commission established; purposes.**

There is established the Roanoke River Basin Bi-State Commission. The Commission shall be composed of members from the State of North Carolina and the Commonwealth of Virginia. The purposes of the Commission shall be to:

- (1) Provide guidance and make recommendations to local, state, and federal legislative and administrative bodies, and to others as it deems necessary and appropriate, for the use, stewardship, and enhancement of the water, and other natural resources, for all citizens within the Basin.
- (2) Provide a forum for discussion of issues affecting the Basin's water quantity and water quality and issues affecting other natural resources.
- (3) Promote communication, coordination, and education among stakeholders within the Basin.
- (4) Identify problems and recommend appropriate solutions.
- (5) Undertake studies and prepare, publish, and disseminate information through reports, and in other forms, related to water quantity, water quality, and other natural resources of the Basin.

**"§ 77-92. Membership; terms of office; eligibility for appointment.**

(a) The Roanoke River Basin Bi-State Commission shall consist of 18 members with each state appointing nine members. The North Carolina delegation to the Commission shall consist of the six members of the General Assembly of North

Carolina appointed to the North Carolina Roanoke River Basin Advisory Committee and three nonlegislative members of the North Carolina Roanoke River Basin Advisory Committee, established pursuant to G.S. 77-103, who represent different geographical areas of the North Carolina portion of the Basin, to be appointed by the Governor of North Carolina. The Virginia delegation to the Commission shall be appointed as determined by the Commonwealth of Virginia.

(b) All members appointed to the Commission from the State of North Carolina and the Commonwealth of Virginia shall reside within the Basin's watershed. Members of the North Carolina House of Representatives, the North Carolina Senate, the Virginia House of Delegates, the Virginia Senate, and federal legislators, who have not been appointed to the Commission and whose districts include any portion of the Basin, may serve as nonvoting ex officio members of the Commission.

(c) Except as provided in this subsection, members of the North Carolina delegation to the Commission shall serve at the pleasure of the Governor of North Carolina. The Governor of North Carolina may not remove a legislative member of the North Carolina delegation to the Commission during the legislator's term of office, except that the Governor may remove any member of the North Carolina delegation to the Commission for misfeasance, malfeasance, or nonfeasance as provided in G.S. 143B-13. A legislative member of the North Carolina delegation to the Commission who ceases to be a member of the General Assembly of North Carolina shall cease to be a member of the Commission. The terms of members of the Virginia delegation to the Commission shall be determined by the Commonwealth of Virginia.

(d) Each state's delegation to the Commission may meet separately to discuss Basin-related issues affecting their state and may report their findings independently of the Commission.

**"§ 77-93. Powers and duties.**

(a) The Commission shall have no regulatory authority.

(b) To perform its duties and objectives, the Commission shall have the following powers:

- (1) To develop rules and procedures for the conduct of its business or as may be necessary to perform its duties and carry out its objectives, including, but not limited to, selecting a chairman and vice-chairman, rotating chairmanships, calling meetings, and establishing voting procedures. Rules and procedures developed pursuant to this subdivision shall be effective upon an affirmative vote by a majority of the Commission members.
- (2) To establish standing and ad hoc advisory committees pursuant to G.S. 77-94 in addition to the North Carolina Roanoke River Basin Advisory Committee established pursuant to Part 2 of this Article and the Virginia Roanoke River Basin Advisory Committee established pursuant to Chapter 5.4 of Title 62.1 of the Code of Virginia, which shall be constituted in a manner to ensure a balance between recognized interests. The Commission shall determine the purpose of each advisory committee.
- (3) To seek, apply for, accept, and expend gifts, grants and donations, services, and other aid from public or private sources. With the exception of funds provided by the planning district commissions, councils of governments, and commissions and funds appropriated by the General Assemblies of Virginia and North Carolina, the Commission

may accept funds only after an affirmative vote by a majority of the members of the Commission or by following any other procedures that are established by the Commission for the conduct of its business.

- (4) To establish a nonprofit corporation to assist in the details of administering its affairs and in raising funds.
- (5) To enter into contracts and execute all instruments necessary or appropriate.
- (6) To perform any lawful acts necessary or appropriate for the furtherance of its work.

**"§ 77-94. Standing and ad hoc committees.**

To facilitate communication among stakeholders in the Basin, and to maximize participation by all interested parties, the Commission shall establish both standing and ad hoc committees. The Commission shall appoint the members of the standing and ad hoc committees in accordance with guidelines adopted by the Commission. The standing committees shall include all of the following:

- (1) Permit holders. – The Commission shall identify those entities that hold permits issued by a federal, state, or local regulatory agency pertaining to the water of the Basin. The entities may recommend representatives to be appointed to the committees by the Commission.
- (2) Roanoke River Basin interest groups. – The Commission shall identify interest groups that may recommend representatives to be appointed to the committees by the Commission.
- (3) Public officials and governmental entities. – The committees shall be composed of representatives of each county, city, and town located completely or partially within the Basin. Also, other governmental entities that the Commission deems appropriate may recommend one member to be appointed to the committees by the Commission. The committees may also include the United States Senators from North Carolina and Virginia or their designees, and any member of the United States House of Representatives or the Representative's designee, whose district includes any portion of the Basin, if the members elect to serve on the committees.
- (4) Agriculture, forestry, and soil and water conservation districts. – The Commission shall identify persons who represent agricultural and forestry interests throughout the Basin and representatives from the soil and water conservation districts within the Basin and shall appoint representatives from these groups to the committees.

**"§ 77-95. Staffing and support.**

(a) The North Carolina Department of Environment and Natural Resources and the Virginia Department of Environmental Quality shall provide staff support to the Commission. Additional staff may be hired or contracted by the Commission through funds raised by or provided to it. The duties and compensation of any additional staff shall be determined and fixed by the Commission, within available resources.

(b) All agencies of the State of North Carolina and the Commonwealth of Virginia shall cooperate with the Commission and, upon request, shall assist the Commission in fulfilling its responsibilities. The North Carolina Secretary of Environment and Natural Resources and the Virginia Secretary of Natural Resources or their designees shall each serve as the liaison between their respective state agencies and the Commission.

**"§ 77-96. Funding.**

(a) The Commission shall annually adopt a budget that shall include the Commission's estimated expenses. Funding for the Commission shall be shared and apportioned between the State of North Carolina and the Commonwealth of Virginia. The appropriation of public funds to the Commission shall be provided through each state's regular process for appropriating public funds. The North Carolina councils of governments and commissions named in G.S. 77-103(b)(5) shall bear a proportion of North Carolina's share of the expenses, which may be in the form of in-kind contributions.

(b) The Commission shall designate a fiscal agent.

(c) The accounts and records of the Commission showing the receipt and disbursement of funds from whatever source derived shall be in the form that the North Carolina Auditor and the Virginia Auditor of Public Accounts prescribe, provided that the accounts shall correspond as nearly as possible to the accounts and records for such matters maintained by similar enterprises. The accounts and records of the Commission shall be subject to an annual audit by the North Carolina Auditor and the Virginia Auditor of Public Accounts or their legal representatives, and the costs of the audit services shall be borne by the Commission. The results of the audits shall be delivered to the Joint Legislative Commission on Governmental Operations of the General Assembly of North Carolina and as provided by the Commonwealth of Virginia.

**"§ 77-97. Compensation and expenses of Commission members.**

(a) The appointed members of the North Carolina delegation to the Commission shall receive per diem, subsistence, and travel expenses as follows:

(1) Commission members who are members of the General Assembly at the rate established in G.S. 120-3.1.

(2) Commission members who are officials or employees of the State or of local government agencies at the rate established in G.S. 138-6.

(3) All other Commission members at the rate established in G.S. 138-5.

(b) The members of the Virginia delegation to the Commission shall receive compensation as provided by the Commonwealth of Virginia.

(c) All expenses shall be paid from funds appropriated or otherwise available to the Commission.

**"§ 77-98. Annual report.**

The Commission shall submit an annual report, including any recommendations, to the Governor of North Carolina, the Environmental Review Commission of the General Assembly of North Carolina, the Governor of Virginia, and the General Assembly of Virginia.

**"§ 77-99. Termination.**

The General Assembly of North Carolina may terminate the Commission by repealing this Part. The Commission shall terminate if the General Assembly of Virginia repeals the provisions of the Code of Virginia that are comparable to this Part.

"Part 2. Roanoke River Basin Advisory Committee.

**"§ 77-103. Committee established; membership; terms; vacancies.**

(a) The North Carolina Roanoke River Basin Advisory Committee is established as an advisory committee to the North Carolina delegation to the Roanoke River Basin Bi-State Commission. The purpose of the Advisory Committee is to assist the delegation in achieving the purposes of the Commission as set out in G.S. 77-91 and in fulfilling the powers and duties set out in G.S. 77-93.

(b) The Advisory Committee shall be composed of 21 members as follows:

- (1) Three members of the House of Representatives whose districts include a part of the North Carolina portion of the Basin, to be appointed by the Speaker of the House of Representatives.
- (2) Three members of the Senate whose districts include a part of the North Carolina portion of the Basin, to be appointed by the President Pro Tempore of the Senate.
- (3) The member of the United States House of Representatives who represents North Carolina Congressional District 1, if the Representative elects to serve on the Advisory Committee, or that Representative's designee.
- (4) The member of the United States House of Representatives who represents North Carolina Congressional District 13, if the Representative elects to serve on the Advisory Committee, or that Representative's designee.
- (5) Twelve persons who reside within the North Carolina portion of the Basin, who represent the diversity of interests in the Basin, and who have demonstrated interest, experience, or expertise in water-related Basin issues, appointed as provided in this subdivision. The chief executive officer of each of the following councils and commissions shall each appoint two persons, one of whom may be the chief executive officer and at least one of whom shall reside in the area served by the council or commission, as members of the Advisory Committee:
  - a. Piedmont Triad Council of Governments.
  - b. Northwest Piedmont Council of Governments.
  - c. Kerr-Tar Regional Council of Governments.
  - d. Upper Coastal Plain Council of Governments.
  - e. Mid-East Commission.
  - f. Albemarle Economic Development Commission.
- (6) The Secretary of Environment and Natural Resources or the Secretary's designee.

(c) The terms of each member of the Advisory Committee appointed as provided in subdivision (5) of subsection (b) of this section shall be two years. The term of one of these members shall expire on 1 January of even-numbered years, and the term of the other member shall expire on 1 January of odd-numbered years. A member who is appointed pursuant to subdivision (5) of subsection (b) of this section who attends at least one-half of the meetings of the Advisory Committee held during the member's term may be reappointed to another term, but no member shall serve more than three consecutive terms. The terms of all other members of the Advisory Committee shall begin when the member is appointed and end when the member's term as Representative, Senator, United States Representative, or Secretary ends. An appointment to fill a vacancy on the Advisory Committee shall be for the unexpired balance of the term. A vacancy on the Advisory Committee shall be filled in the same manner as the original appointment.

**"§ 77-104. Cochairs; meetings.**

The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each appoint one member of the Advisory Committee as Cochair. The Advisory Committee shall meet upon the call of the Cochairs.

**"§ 77-105. Expenses of members.**

Members of the Advisory Committee shall receive no salary or per diem as a result of service on the Advisory Committee but shall receive necessary subsistence and travel expenses in accordance with the provisions of G.S. 120-3.1, 138-5, and 138-6, as applicable.

**"§ 77-106. Staffing; meeting facilities; assistance by agencies.**

The Department of Environment and Natural Resources shall provide staffing and meeting facilities for the Advisory Committee. All agencies of the State shall cooperate with the Advisory Committee and, upon request, shall assist the Advisory Committee in fulfilling its responsibilities."

**SECTION 2.** In making initial appointments to the Roanoke River Basin Advisory Committee pursuant to G.S. 77-103(b)(5), as enacted by Section 1 of this act, the chief executive officer of each council and commission listed in G.S. 77-103(b)(5) shall designate one member to serve a term that begins at the time of appointment and expires on 1 January 2004 and another member to serve a term that begins at the time of appointment and expires on 1 January 2005. Thereafter, all appointments shall be for terms of two years and shall expire as provided in G.S. 77-103(c).

**SECTION 3.** This act becomes effective 1 October 2002.

In the General Assembly read three times and ratified this the 1<sup>st</sup> day of October, 2002.

Became law upon approval of the Governor at 1:55 p.m. on the 31<sup>st</sup> day of October, 2002.

**S.B. 1275****Session Law 2002-178**

AN ACT TO DIRECT THE STATE BOARD OF EDUCATION TO DEVELOP A PLAN TO IMPROVE THE STATE'S TRACKING OF DROPOUT DATA, TO EXAMINE THE ACCOUNTABILITY FORMULA TO REWARD HIGH SCHOOLS FOR REDUCING THEIR DROPOUT RATE, TO IDENTIFY CURRENT STATE TECHNICAL HIGH SCHOOLS AND CAREER CENTERS AND TO COOPERATE WITH THE STATE BOARD OF COMMUNITY COLLEGES TO ENCOURAGE CONCURRENT ENROLLMENT, TO STUDY THE RELATIONSHIP BETWEEN ACADEMIC RIGOR AND REDUCING THE DROPOUT RATE, TO ENCOURAGE LOCAL BOARDS OF EDUCATION TO PLACE EXCELLENT, EXPERIENCED TEACHERS IN GRADES SEVEN THROUGH NINE, TO DIRECT THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO STUDY WHETHER RAISING THE COMPULSORY ATTENDANCE AGE TO EIGHTEEN WILL REDUCE THE DROPOUT RATE, TO DIRECT THE STATE BOARD OF EDUCATION TO ADOPT A POLICY TO REQUIRE KINDERGARTEN THROUGH EIGHTH GRADE TEACHERS TO TAKE THREE RENEWAL CREDITS IN READING METHODS COURSES, TO DIRECT THE UNC BOARD OF GOVERNORS TO STUDY WHETHER TO REQUIRE AT LEAST TWO READING METHODS COURSES FOR ALL ELEMENTARY EDUCATION MAJORS AND AT LEAST ONE READING METHODS COURSE FOR ALL MIDDLE GRADES EDUCATION MAJORS, TO DIRECT THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO STUDY THE FISCAL AND INSTRUCTIONAL ACCOUNTABILITY OF LOCAL SCHOOL ADMINISTRATIVE UNITS, AND TO DIRECT THE STATE BOARD OF EDUCATION TO TAKE OVER ALL

POWERS AND DUTIES RELATED TO A SCHOOL WHEN THAT SCHOOL AND ITS LOCAL BOARD OF EDUCATION FAIL TO IMPLEMENT RECOMMENDATIONS OF AN ASSISTANCE TEAM ASSIGNED TO THAT SCHOOL.

*The General Assembly of North Carolina enacts:*

**SECTION 1.(a)** G.S. 115C-12 is amended by adding a new subdivision to read:

"(27a) Reducing School Dropout Rates. – The State Board of Education shall develop a statewide plan to improve the State's tracking of dropout data so that accurate and useful comparisons can be made over time. The plan shall include, at a minimum, how dropouts are counted and the methodology for calculating the dropout rate, the ability to track students' movements among schools and districts, and the ability to provide information on who drops out and why."

**SECTION 1.(b)** The State Board of Education shall make a report on this plan to the Joint Legislative Education Oversight Committee by December 15, 2002.

**SECTION 2.(a)** The State Board of Education shall examine the accountability system for high schools created under the School-Based Management and Accountability Program. In particular, the State Board shall review, and make appropriate changes to, the growth composite for high schools so that the composite includes a growth standard that increases the weight currently given for a change in dropout rates, thus rewarding high schools for reducing dropout rates and improving graduation rates.

**SECTION 2.(b)** The State Board of Education, in cooperation with the State Board of Community Colleges, shall identify technical high schools and career centers currently in operation in the State and make recommendations to strengthen concurrent enrollment opportunities with the community colleges. The State Board shall report its findings to the Joint Legislative Education Oversight Committee by December 15, 2002.

**SECTION 2.(c)** The State Board of Education (Board) shall study the relationship between academic rigor and reducing the school dropout rate. As part of this study, the Board shall include the following:

- (1) The development of a proposal to accelerate the learning of students able to complete high school in three years;
- (2) The elimination of low-level classes at the middle and high school levels;
- (3) The examination of the appropriateness of electives and exploratory courses at the middle school level;
- (4) A review of current vocational courses to determine the rigor of the content; and
- (5) The development of up-to-date standards for vocational/technical teachers.

The Board shall report its findings to the Joint Legislative Education Oversight Committee by January 15, 2003.

**SECTION 3.** G.S. 115C-47 is amended by adding a new subdivision to read:

"(42) Local boards of education are encouraged to adopt policies that require superintendents to assign to the core academic courses, in seventh

through ninth grades, teachers who have at least four years' teaching experience and who have received within the last three years an overall rating on a formal evaluation that is at least above standard."

**SECTION 4.** The Joint Legislative Education Oversight Committee shall study whether raising the compulsory attendance age to 18 will reduce the dropout rate and increase the high school graduation rate. The Committee shall report its findings and recommendations to the 2003 General Assembly.

**SECTION 5.(a)** The State Board of Education shall adopt a policy that requires kindergarten through eighth grade teachers to take three renewal credits in reading methods courses during each five-year license renewal cycle.

**SECTION 5.(b)** The University of North Carolina Board of Governors shall study whether to require at least two reading methods courses for all elementary education majors and at least one reading methods course for all middle grades education majors in teacher education programs. The study also shall examine appropriate reading-teaching pedagogy and reading-teaching methods to be required in these courses in light of G.S. 115C-81.2 and the requirements of the federal Reading First Program under Part B of Title I of P.L. 107-110. The study also shall document the course changes and personnel changes made to implement G.S. 115C-81.2. As part of the study, the Board shall review the reading methods course requirements by majors in the teacher education programs at Appalachian State and East Carolina University. The Board shall report its findings to the Joint Legislative Education Oversight Committee by December 15, 2002.

**SECTION 6.** The Joint Legislative Education Oversight Committee shall study the fiscal and instructional accountability of local school administrative units. As part of this study, the Committee shall:

- (1) Evaluate the fiscal management and instructional leadership provided by local school administrative units.
- (2) Analyze whether local school administrative units are utilizing their funding and resources in a proper, strategic manner with regard to their at-risk children.
- (3) Evaluate State fiscal controls that are available to ensure that local allocation of funding and resources is cost-effective and is appropriately focused on enhancing educational leadership, teaching the standard course of study, and improving student learning.
- (4) Analyze State and local procedures for identifying superintendents, principals, and teachers who need additional training or assistance in order to implement a strategic and cost-effective instructional program that meets the needs of all children, including at-risk children, so that they obtain a sound basic education by achieving grade level, or above, academic performance.
- (5) Identify current and possible actions that the State may implement in order to correct ineffective instructional leadership or teaching in a school or school system. In particular, the Committee shall ensure that fair and efficient procedures are available to the State for removing ineffective superintendents, principals, or teachers and for replacing them with effective, competent ones.

The Committee shall report its findings and any recommendations to the 2003 General Assembly.



**SECTION 7.** G.S. 115C-105.38 is amended by adding the following new subsection to read:

"(b1) Report to the State Board of Education if a school and its local board of education are not responsive to the team's recommendations. A copy of that report shall be made available to the local board, and the local board shall have an opportunity to respond. Notwithstanding G.S. 115C-36 and other provisions of this Chapter, if the State Board confirms that the school and local board have failed to take appropriate steps to improve student performance at that school, the State Board shall assume all powers and duties previously conferred upon that local board and that school and shall have general control and supervision of all matters pertaining to that school until student performance at the school meets or exceeds the standards set for the school. The State Board may, as it considers appropriate, delegate any powers and duties to that local board or school before the school meets or exceeds those standards."

**SECTION 8.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 23<sup>rd</sup> day of September, 2002.

Became law upon approval of the Governor at 4:15 p.m. on the 31<sup>st</sup> day of October, 2002.

## H.B. 1508

## Session Law 2002-179

AN ACT TO PROMOTE READINESS FOR AND TO IMPROVE MANAGEMENT OF A PUBLIC HEALTH THREAT THAT MAY RESULT FROM A TERRORIST INCIDENT USING NUCLEAR, BIOLOGICAL, OR CHEMICAL AGENTS AND TO AMEND THE NORTH CAROLINA MEDICAL CARE COMMISSION'S RULE-MAKING AUTHORITY REGARDING STANDARDS AND CRITERIA FOR THE EDUCATION AND CREDENTIALING OF PERSONS TO ADMINISTER TREATMENT FOR ANAPHYLAXIS, AND TO PROVIDE THAT MEDICAL REVIEW CONFIDENTIALITY APPLIES TO AMBULATORY SURGICAL CENTERS, AND TO AMEND THE NORTH CAROLINA HAZARDOUS MATERIALS EMERGENCY ACT TO PROVIDE FOR REGIONAL RESPONSES TO TERRORIST INCIDENTS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Chapter 130A of the General Statutes is amended by adding the following new Article to read:

"Article 22.

"A Terrorist Incident Using Nuclear, Biological, or Chemical Agents.

**"§ 130A-475. Suspected terrorist attack.**

(a) If the State Health Director reasonably suspects that a public health threat may exist and that the threat may have been caused by a terrorist incident using nuclear, biological, or chemical agents, the State Health Director is authorized to order any of the following:

- (1) Require any person or animal to submit to examinations and tests to determine possible exposure to the nuclear, biological, or chemical agents.
- (2) Test any real or personal property necessary to determine the presence of nuclear, biological, or chemical agents.
- (3) Evacuate or close any real property, including any building, structure,

or land when necessary to investigate suspected contamination of the property. The period of closure during an investigation shall not exceed 10 calendar days. If the State Health Director determines that a longer period of closure is necessary to complete the investigation, the Director may institute an action in superior court to order the property to remain closed until the investigation is completed.

- (4) Limit the freedom of movement or action of a person or animal that is contaminated with, or reasonably suspected of being contaminated with, a biological, chemical or nuclear agent that may be conveyed to other persons or animals.
- (5) Limit access by any person or animal to an area or facility that is housing persons or animals whose movement or action has been limited under subdivision (4) of this subsection or to an area or facility that is contaminated with, or reasonably suspected of being contaminated with, a biological, chemical or nuclear agent that may be conveyed to other persons or animals. Nothing in this subdivision shall be construed to restrict the access of authorized health care, law enforcement, or emergency medical services personnel to quarantine or isolation premises as necessary in conducting their duties.

(b) The authority under subsection (a) of this section shall be exercised only when and so long as a public health threat may exist, all other reasonable means for correcting the problem have been exhausted, and no less restrictive alternative exists. Before applying the authority under subdivision (4) or (5) of subsection (a) of this section to livestock or poultry for the purpose of preventing the direct or indirect conveyance of a biological, chemical or nuclear agent to persons, the State Health Director shall consult with the State Veterinarian in the Department of Agriculture and Consumer Services.

The period of limited freedom of movement or access under subdivisions (4) and (5) of subsection (a) of this section shall not exceed 10 calendar days. Any person substantially affected by that limitation may institute, in superior court in Wake County or in the county in which the limitation is imposed, an action to review the limitation. If a person or a person's representative requests a hearing, the hearing shall be held within 72 hours of the filing of the request, excluding Saturdays and Sundays. The person substantially affected by that limitation is entitled to be represented by counsel of the person's own choice or if the person is indigent, the person shall be represented by counsel appointed in accordance with Article 36 of Chapter 7A of the General Statutes and the rules adopted by the Office of Indigent Defense Services. The court shall reduce the limitation if it determines, by the preponderance of the evidence, that the limitation is not reasonably necessary to prevent or limit the conveyance of biological, chemical or nuclear agents to others, and may apply such conditions to the limitation as the court deems reasonable and necessary.

If the State Health Director determines that a 10-calendar-day limitation on freedom of movement or access is not adequate to protect the public health, the State Health Director must institute in superior court in the county in which the limitation is imposed, an action to obtain an order extending the period limiting the freedom of movement or access. If the person substantially affected by the limitation has already instituted an action in superior court in Wake County, the State Health Director must institute the action in superior court in Wake County. The court shall continue the limitation for a period not to exceed 30 days, subject to conditions it deems reasonable

and necessary, if it determines by the preponderance of the evidence, that additional limitation is reasonably necessary to prevent or limit the conveyance of biological, chemical, or nuclear agents to others. Before the expiration of an order issued under this section, the State Health Director may move to continue the order for additional periods not to exceed 30 days each.

(c) If the State Health Director reasonably suspects that there exists a public health threat that may have been caused by a terrorist incident using nuclear, biological, or chemical agents, the State Health Director shall notify the Governor and the Secretary of Crime Control and Public Safety. If the Secretary of Crime Control and Public Safety reasonably suspects that a public health threat may exist and that the threat may have been caused by a terrorist incident using nuclear, biological, or chemical agents, the Secretary shall notify the Governor and the State Health Director.

(d) For the purpose of this Article, the term "public health threat" means a situation that is likely to cause an immediate risk to human life, an immediate risk of serious physical injury or illness, or an immediate risk of serious adverse health effects.

(e) Nothing in this section shall limit any authority otherwise granted to local or State public health officials under this Chapter.

**"§ 130A-476. Access to health information.**

(a) Notwithstanding any other provision of law, a health care provider, a person in charge of a health care facility, or a unit of State or local government may report to the State Health Director or a local health director any events that may indicate the existence of a case or outbreak of an illness, condition, or health hazard that may have been caused by a terrorist incident using nuclear, biological, or chemical agents. Events that may be reported include unusual types or numbers of symptoms or illnesses presented to the provider, unusual trends in health care visits, or unusual trends in prescriptions or purchases of over-the-counter pharmaceuticals. To the extent practicable, a person who makes a report under this subsection shall not disclose personally identifiable information. A person disclosing or not disclosing information pursuant to this subsection is immune from any civil or criminal liability that might otherwise be incurred or imposed based on the disclosure or lack of disclosure provided that the health care provider was acting in good faith and without malice. In any proceeding involving liability, good faith and lack of malice are presumed. Notwithstanding the foregoing, if a health care provider or unit of State or local government willfully does not disclose information pursuant to this subsection, the immunity from civil or criminal liability provided under this subsection shall not be available if the person had actual knowledge that a condition or illness was caused by use of a nuclear, biological, or chemical weapon of mass destruction as defined in G.S. 14-288.21(c).

(b) The State Health Director may issue a temporary order requiring health care providers to report symptoms, diseases, conditions, trends in use of health care services, or other health-related information when necessary to conduct a public health investigation or surveillance of an illness, condition, or health hazard that may have been caused by a terrorist incident using nuclear, biological, or chemical agents. The order shall specify which health care providers must report, what information is to be reported, and the period of time for which reporting is required. The period of time for which reporting is required pursuant to a temporary order shall not exceed 90 days. The Commission may adopt rules to continue the reporting requirement when necessary to protect the public health.

(c) The State Health Director and a local health director may examine, review,

and obtain a copy of records containing confidential or protected health information, or a summary of pertinent portions of those records, that pertain to a report authorized by subsection (a) or required by subsection (b) of this section.

(d) A person who makes a report pursuant to subsection (b) of this section or permits examination, review, or copying of medical records pursuant to subsection (c) of this section is immune from any civil or criminal liability that otherwise might be incurred or imposed as a result of complying with those subsections.

(e) Confidential or protected health information received by the State Health Director or a local health director pursuant to this section shall be confidential and shall not be released, except when the release is:

- (1) Made pursuant to any other provision of law;
- (2) To another federal, state, or local public health agency for the purpose of preventing or controlling a public health threat; or
- (3) To a court or law enforcement official or law enforcement officer for the purpose of enforcing the provisions of this Chapter or for the purpose of investigating a terrorist incident using nuclear, biological, or chemical agents. A court or law enforcement official or law enforcement officer who receives the information shall not disclose it further, except (i) when necessary to conduct an investigation of a terrorist incident using nuclear, biological, or chemical agents, or (ii) when the State Health Director or a local health director seeks the assistance of the court or law enforcement official or law enforcement officer in preventing or controlling the public health threat and expressly authorizes the disclosure as necessary for that purpose.

(f) The State Health Director shall develop a voluntary pilot program for hospitals and urgent care centers to provide emergency department data in order to assist the State Health Director with public health surveillance. A hospital or urgent care center that elects to participate in the program must provide all required emergency department data as a condition of participation in the program. Upon receipt of such data, the State Health Director shall remove from the entire data set the following direct identifiers of patients or of relatives, employers, or household members of patients: names; postal address information, other than town or city, state, and the first five digits of the zip code; geocode information; telephone numbers; fax numbers; electronic mail addresses; social security numbers; medical record numbers; health plan beneficiary numbers; account numbers; certificate or license numbers; vehicle identifiers and serial numbers, including license plate numbers; device identifiers and serial numbers; web universal resource locators (URLs); Internet protocol (IP) address numbers; biometric identifiers, including finger and voice prints; and full face photographic images and any comparable images.

(g) In this section the following terms shall include:

- (1) "Health care provider" includes a physician licensed to practice medicine in North Carolina or a person who is licensed, certified, or credentialed to practice or provide health care services, including, but not limited to, pharmacists, dentists, physician assistants, registered nurses, licensed practical nurses, advanced practice nurses, chiropractors, respiratory care therapists, and emergency medical technicians; and
- (2) "Health care facility" includes hospitals, skilled nursing facilities, intermediate care facilities, psychiatric facilities, rehabilitation

facilities, home health agencies, ambulatory surgical facilities, or any other health care related facility, whether publicly or privately owned.

**"§ 130A-477. Abatement of public health threat.**

If it is determined that a public health threat may exist because of the contamination of property caused by a terrorist incident using nuclear, biological, or chemical agents, the State Health Director may order any action to abate that public health threat. To the extent that any owner, lessee, operator, or other person in control of the property is innocent of culpability in the creation of the public health threat, that person shall not be responsible for the costs of abating the public health threat.

**"§ 130A-478. Tort liability.**

Article 31 of Chapter 143 applies to negligent acts committed by any officer, employee, involuntary servant or agent of the State acting pursuant to this Article."

**SECTION 2.(a)** G.S. 130A-149, "Biological agents registry; rules; penalties", is recodified as G.S. 130A-479.

**SECTION 2.(b)** G.S. 130A-29(c)(10) reads as rewritten:

"(10) Pertaining to the biological agents registry in accordance with ~~G.S. 130A-149~~ G.S. 130A-479."

**SECTION 3.** G.S. 130A-133 is repealed.

**SECTION 4.** G.S. 130A-2 reads as rewritten:

**"§ 130A-2. Definitions.**

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

- (1) "Commission" means the Commission for Health Services.
- (1a) "Communicable condition" means the state of being infected with a communicable agent but without symptoms.
- (1b) "Communicable disease" means an illness due to an infectious agent or its toxic products which is transmitted directly or indirectly to a person from an infected person or animal through the agency of an intermediate animal, host, or vector, or through the inanimate environment.
- (2) "Department" means the Department of Health and Human Services.
- (3) "Imminent hazard" means a situation ~~which~~ that is likely to cause an immediate threat to human life, an immediate threat of serious physical injury, an immediate threat of serious adverse health effects, or a serious risk of irreparable damage to the environment if no immediate action is taken.
- (3a) "Isolation authority" means the authority to issue an order to limit the freedom of movement or action of a person or animal with a communicable disease or communicable condition for the period of communicability to prevent the direct or indirect conveyance of the infectious agent from the person or animal to other persons or animals who are susceptible or who may spread the agent to others.
- (4) "Local board of health" means a district board of health or a public health authority board or a county board of health.
- (5) "Local health department" means a district health department or a public health authority or a county health department.
- (6) "Local health director" means the administrative head of a local health department appointed pursuant to this Chapter.

- (6a) "Outbreak" means an occurrence of a case or cases of a disease in a locale in excess of the usual number of cases of the disease.
- (7) "Person" means an individual, corporation, company, association, partnership, unit of local government or other legal entity.
- (7a) "Quarantine authority" means the authority to issue an order to limit the freedom of movement or action of persons or animals which have been exposed to or are reasonably suspected of having been exposed to a communicable disease or communicable condition for a period of time as may be necessary to prevent the spread of that disease. Quarantine authority also means the authority to issue an order to limit access by any person or animal to an area or facility that may be contaminated with an infectious agent. The term also means the authority to issue an order to limit the freedom of movement or action of persons who have not received immunizations against a communicable disease when the State Health Director or a local health director determines that the immunizations are required to control an outbreak of that disease.
- (8) "Secretary" means the Secretary of Health and Human Services.
- (9) "Unit of local government" means a county, city, consolidated city-county, sanitary district or other local political subdivision, authority or agency of local government.
- (10) "Vital records" means birth, death, fetal death, marriage, annulment and divorce records registered under the provisions of Article 4 of this Chapter."

**SECTION 5.** G.S. 130A-145 reads as rewritten:

**"§ 130A-145. ~~Local health director has quarantine~~ Quarantine and isolation authority.**

(a) The State Health Director and a local health director and the State Health Director are empowered to exercise quarantine and isolation authority. Quarantine and isolation authority shall be exercised only when and so long as the public health is endangered, all other reasonable means for correcting the problem have been exhausted, and no less restrictive alternative exists.

(b) No person other than a person authorized by the State Health Director or local health director shall enter quarantine or isolation premises. Nothing in this subsection shall be construed to restrict the access of authorized health care, law enforcement, or emergency medical services personnel to quarantine or isolation premises as necessary in conducting their duties.

(c) Before applying quarantine or isolation authority to livestock or poultry for the purpose of preventing the direct or indirect conveyance of an infectious agent to persons, the State Health Director or a local health director shall consult with the State Veterinarian in the Department of Agriculture and Consumer Services.

(d) When quarantine or isolation limits the freedom of movement of a person or animal or of access to a person or animal whose freedom of movement is limited, the period of limited freedom of movement or access shall not exceed 10 calendar days. Any person substantially affected by that limitation may institute in superior court in Wake County or in the county in which the limitation is imposed an action to review that limitation. If a person or a person's representative requests a hearing, the hearing shall be held within 72 hours of the filing of that request, excluding Saturdays and Sundays. The person substantially affected by that limitation is entitled to be

represented by counsel of the person's own choice or if the person is indigent, the person shall be represented by counsel appointed in accordance with Article 36 of Chapter 7A of the General Statutes and the rules adopted by the Office of Indigent Defense Services. The court shall reduce the limitation if it determines, by the preponderance of the evidence, that the limitation is not reasonably necessary to prevent or limit the conveyance of a communicable disease or condition to others.

If the State Health Director or the local health director determines that a 10-calendar-day limitation on freedom of movement or access is not adequate to protect the public health, the State Health Director or local health director must institute in superior court in the county in which the limitation is imposed an action to obtain an order extending the period of limitation of freedom of movement or access. If the person substantially affected by the limitation has already instituted an action in superior court in Wake County, the State Health Director must institute the action in superior court in Wake County. The court shall continue the limitation for a period not to exceed 30 days if it determines, by the preponderance of the evidence, that the limitation is reasonably necessary to prevent or limit the conveyance of a communicable disease or condition to others. Before the expiration of an order issued under this section, the State Health Director or local health director may move to continue the order for additional periods not to exceed 30 days each."

**SECTION 6.** G.S. 130A-20 reads as rewritten:

**"§ 130A-20. Abatement of an imminent hazard.**

(a) If the Secretary or a local health director determines that an imminent hazard exists, the Secretary or a local health director may order the owner, lessee, operator, or other person in control of the property to abate the imminent hazard or may, after notice to or reasonable attempt to notify the owner, lessee, operator, or other person in control of the property enter upon any property and take any action necessary to abate the imminent hazard. If the Secretary or a local health director abates the imminent hazard, the ~~The~~ Department or the local health department shall have a lien on the property of the owner, lessee, operator, or other person in control of the property where the imminent hazard existed for the cost of the abatement of the imminent hazard ~~in the nature of a mechanic's and materialmen's lien as provided in Chapter 44A and the lien may be enforced as provided therein.~~ hazard. The lien may be enforced in accordance with procedures provided in Chapter 44A of the General Statutes. The lien may be defeated by a showing that an imminent hazard did not exist at the time the Secretary or the local health director took the action. The owner, lessee, operator, or any other person against whose property the lien has been filed may defeat the lien by showing that that person was not culpable in the creation of the imminent hazard.

(b) The Secretary of Environment and Natural Resources and a local health director shall have the same rights enumerated in subsection (a) of this section to enforce the provisions of Articles 8, 9, 10, 11, and 12 of this Chapter."

**SECTION 7.** G.S. 130A-143 reads as rewritten:

**"§ 130A-143. Confidentiality of records.**

All information and records, whether publicly or privately maintained, that identify a person who has AIDS virus infection or who has or may have a disease or condition required to be reported pursuant to the provisions of this Article shall be strictly confidential. This information shall not be released or made public except under the following circumstances:

- (1) Release is made of specific medical or epidemiological information for statistical purposes in a way that no person can be identified;

- (2) Release is made of all or part of the medical record with the written consent of the person or persons identified or their guardian;
- (3) Release is made to health care personnel providing medical care to the patient;
- (4) Release is necessary to protect the public health and is made as provided by the Commission in its rules regarding control measures for communicable diseases and conditions;
- (5) Release is made pursuant to other provisions of this Article;
- (6) Release is made pursuant to subpoena or court order. Upon request of the person identified in the record, the record shall be reviewed in camera. In the trial, the trial judge may, during the taking of testimony concerning such information, exclude from the courtroom all persons except the officers of the court, the parties and those engaged in the trial of the ~~ease~~-case;
- (7) Release is made by the Department or a local health department to a court or a law enforcement ~~officer~~-official for the purpose of enforcing ~~the provisions of this Article pursuant to Article 1, Part 2 of this Chapter.~~ this Article or Article 22 of this Chapter, or investigating a terrorist incident using nuclear, biological, or chemical agents. A law enforcement official who receives the information shall not disclose it further, except (i) when necessary to enforce this Article or Article 22 of this Chapter, or when necessary to conduct an investigation of a terrorist incident using nuclear, biological, or chemical agents, or (ii) when the Department or a local health department seeks the assistance of the law enforcement official in preventing or controlling the spread of the disease or condition and expressly authorizes the disclosure as necessary for that purpose;
- (8) Release is made by the Department or a local health department to another federal, state or local public health agency for the purpose of preventing or controlling the spread of a communicable disease or communicable condition;
- (9) Release is made by the Department for bona fide research purposes. The Commission shall adopt rules providing for the use of the information for research purposes;
- (10) Release is made pursuant to G.S. 130A-144(b); or
- (11) Release is made pursuant to any other provisions of law that specifically authorize or require the release of information or records related to AIDS."

**SECTION 8.** G.S. 106-24.1 reads as rewritten:

**"§ 106-24.1. Confidentiality of information collected and published.**

All information published by the Department of Agriculture and Consumer Services pursuant to this Part shall be classified so as to prevent the identification of information received from individual farm operators. All information received pursuant to this Part from individual farm operators shall be held confidential by the Department and its employees. Information collected by the Department from individual farm operators for the purposes of its animal health programs may be disclosed by the State Veterinarian when, in his judgment, the disclosure will assist in the implementation of these programs. Animal disease diagnostic tests that identify the owner of the animal shall not be disclosed without the permission of the owner unless the State Veterinarian



determines that disclosure is necessary to prevent the spread of an animal disease or to protect the public health."

**SECTION 9.** G.S. 106-307.2 reads as rewritten:

**"§ 106-307.2. Reports of infectious disease in livestock and poultry to State Veterinarian.**

(a) All persons practicing veterinary medicine in North Carolina shall report promptly to the State Veterinarian the existence of any reportable contagious or infectious disease in livestock and poultry. The Board of Agriculture shall establish by rule a list of animal diseases and conditions to be reported and the time and manner of reporting.

(b) The State Veterinarian shall notify the State Health Director and the Director of the Division of Environmental Health in the Department of Environment and Natural Resources when the State Veterinarian receives a report indicating an occurrence or potential outbreak of anthrax, arboviral infections, brucellosis, epidemic typhus, hantavirus infections, murine typhus, plague, psittacosis, Q fever, hemorrhagic fever, virus infections, and any other disease or condition transmissible to humans that the State Veterinarian determines may have been caused by a terrorist act."

**SECTION 10.** G.S. 130A-152(b) is repealed.

**SECTION 11.** G.S. 143-518 reads as rewritten:

**"§ 143-518. Confidentiality of patient information.**

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

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

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

- a. Is of sufficient scientific importance to outweigh the intrusion into the privacy of the patient that would result from the disclosure;
  - b. Is impracticable without the use or disclosure of identifying health information;
  - c. Contains safeguards to protect the information from redisclosure;
  - d. Contains safeguards against identifying, directly or indirectly, any patient in any report of the research project; and
  - e. Contains procedures to remove or destroy at the earliest opportunity, consistent with the purposes of the project, information that would enable the patient to be identified, unless an institutional review board authorizes retention of identifying information for purposes of another research project.
- (7) Release is made to a statewide data processor, as defined in Article 11A of Chapter 131E of the General Statutes, in which case the data is deemed to have been submitted as if it were required to have been submitted under that Article.

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

(b) Charges, accounts, credit histories, and other personal financial records compiled and maintained by the Department or EMS providers in connection with the admission, treatment, and discharge of individual patients are strictly confidential and shall not be released."

**SECTION 12.** G.S. 166A-5(3) is amended by adding a new sub-subdivision to read:

"b1. Coordination with the State Health Director to amend or revise the North Carolina Emergency Operations Plan regarding public health matters. At a minimum, the revisions to the Plan shall provide for the following:

1. The epidemiologic investigation of a known or suspected threat caused by nuclear, biological, or chemical agents.
2. The examination and testing of persons and animals that may have been exposed to a nuclear, biological, or chemical agent.
3. The procurement and allocation of immunizing agents and prophylactic antibiotics.
4. The allocation of the National Pharmaceutical Stockpile.
5. The appropriate conditions for quarantine and isolation in order to prevent further transmission of disease.
6. Immunization procedures.
7. The issuance of guidelines for prophylaxis and treatment of exposed and affected persons."

**SECTION 13.** G.S. 143-508(d)(11) reads as rewritten:

"(11) Establish standards and criteria for the education and credentialing of persons trained to administer lifesaving treatment to a person who suffers a severe adverse reaction to ~~insect stings~~ agents that might cause anaphylaxis."

**SECTION 14.** G.S. 15A-401(b) reads as rewritten:

- "(b) Arrest by Officer Without a Warrant. –
- (1) Offense in Presence of Officer. – An officer may arrest without a warrant any person who the officer has probable cause to believe has committed a criminal offense in the officer's presence.
  - (2) Offense Out of Presence of Officer. – An officer may arrest without a warrant any person who the officer has probable cause to believe:
    - a. Has committed a felony; or
    - b. Has committed a misdemeanor, and:
      1. Will not be apprehended unless immediately arrested, or
      2. May cause physical injury to himself or others, or damage to property unless immediately arrested; or
    - c. Has committed a misdemeanor under G.S. 14-72.1, 14-134.3, 20-138.1, or 20-138.2; or
    - d. Has committed a misdemeanor under G.S. 14-33(a), 14-33(c)(1), 14-33(c)(2), or 14-34 when the offense was committed by a person with whom the alleged victim has a personal relationship as defined in G.S. 50B-1; or
    - e. Has committed a misdemeanor under G.S. 50B-4.1(a).
  - (3) Repealed by Session Laws 1991, c. 150.
  - (4) A law enforcement officer may detain an individual arrested for violation of an order limiting freedom of movement or access issued pursuant to G.S. 130A-475 or G.S. 130A-145 in the area designated by the State Health Director or local health director pursuant to such order. The person may be detained in such area until the initial appearance before a judicial official pursuant to G.S. 15A-511 and G.S. 15A-534.5."

**SECTION 15.** Article 26 of Chapter 15A is amended by adding a new section to read:

**"§ 15A-534.5. Detention to protect public health.**

If a judicial official conducting an initial appearance finds by clear and convincing evidence that a person arrested for violation of an order limiting freedom of movement or access issued pursuant to G.S. 130A-475 or G.S. 130A-145 poses a threat to the health and safety of others, the judicial official shall deny pretrial release and shall order the person to be confined in an area or facility designated by the judicial official. Such pretrial confinement shall terminate when a judicial official determines that the confined person does not pose a threat to the health and safety of others. These determinations shall be made only after the State Health Director or local health director has made recommendations to the court."

**SECTION 16.** G.S. 7A-451(a) is amended by adding the following new subdivision:

- "(17) A proceeding involving limitation on freedom of movement or access pursuant to G.S. 130A-475 or G.S. 130A-145."

**SECTION 17.** G.S. 130A-157 reads as rewritten:

**"§ 130A-157. Religious exemption.**

If the bona fide religious beliefs of an adult or the parent, guardian or person in loco parentis of a child are contrary to the immunization requirements contained in this ~~Part~~, Chapter, the adult or the child shall be exempt from the requirements. Upon submission of a written statement of the bona fide religious beliefs and opposition to the

immunization requirements, the person may attend the college, university, school or facility without presenting a certificate of immunization."

**SECTION 18.** G.S. 90-21.22A(c) reads as rewritten:

"(c) The proceedings of a medical review committee, the records and materials it produces, and the materials it considers shall be confidential and not considered public records within the meaning of G.S. 132-1, 131E-309, or 58-2-100; and shall not be subject to discovery or introduction into evidence in any civil action against a provider of health care services who directly provides services and is licensed under this Chapter, a PSO licensed under Article 17 of Chapter 131E of the General Statutes, an ambulatory surgical facility licensed under Chapter 131E of the General Statutes, or a hospital licensed under Chapter 122C or Chapter 131E of the General Statutes or that is owned or operated by the State, which civil action results from matters that are the subject of evaluation and review by the committee. No person who was in attendance at a meeting of the committee shall be required to testify in any civil action as to any evidence or other matters produced or presented during the proceedings of the committee or as to any findings, recommendations, evaluations, opinions, or other actions of the committee or its members. However, information, documents, or records otherwise available are not immune from discovery or use in a civil action merely because they were presented during proceedings of the committee. A member of the committee may testify in a civil action but cannot be asked about his or her testimony before the committee or any opinions formed as a result of the committee hearings."

**SECTION 19.** G.S. 131E-95(b) reads as rewritten:

"(b) The proceedings of a medical review committee, the records and materials it produces and the materials it considers shall be confidential and not considered public records within the meaning of G.S. 132-1, "'Public records' defined," and shall not be subject to discovery or introduction into evidence in any civil action against a ~~hospital~~ hospital, an ambulatory surgical facility licensed under Chapter 131E of the General Statutes, or a provider of professional health services which results from matters which are the subject of evaluation and review by the committee. No person who was in attendance at a meeting of the committee shall be required to testify in any civil action as to any evidence or other matters produced or presented during the proceedings of the committee or as to any findings, recommendations, evaluations, opinions, or other actions of the committee or its members. However, information, documents, or records otherwise available are not immune from discovery or use in a civil action merely because they were presented during proceedings of the committee. A member of the committee or a person who testifies before the committee may testify in a civil action but cannot be asked about his testimony before the committee or any opinions formed as a result of the committee hearings."

**SECTION 20.(a)** Article 1 of Chapter 90 is amended by adding a new section to read:

**"§ 90-12.2. Disasters and emergencies.**

In the event of an occurrence which the Governor of the State of North Carolina has declared a disaster or when the Governor has declared a state of emergency, or in the event of an occurrence for which a county or municipality has enacted an ordinance to deal with states of emergency under G.S. 14-288.12, 14-288.13, or 14-288.14, or to protect the public health, safety, or welfare of its citizens under Article 22 of Chapter 130A of the General Statutes, G.S. 160A-174(a) or G.S. 153A-121(a), as applicable, the Board may waive the requirements of this Article in order to permit the provision of emergency health services to the public."

**SECTION 20.(b)** G.S. 166A-14(d) reads as rewritten:

"(d) As used in this section, the term "emergency management worker" shall include any full or part-time paid, volunteer or auxiliary employee of this State or other states, territories, possessions or the District of Columbia, of the federal government or any neighboring country or of any political subdivision thereof or of any agency or organization performing emergency management services at any place in this State, subject to the order or control of or pursuant to a request of the State government or any political subdivision thereof. The term "emergency management worker" under this section shall also include a person performing emergency health care services under G.S. 90-12.2."

**SECTION 21.(a)** G.S. 166A-20(b) reads as rewritten:

"(b) The purpose of this Article is to establish a system of regional response to hazardous materials emergencies and terrorist incidents in the State to protect the health and safety of its citizens."

**SECTION 21.(b)** G.S. 166A-21 is amended by adding a new subdivision to read:

"(7) 'Terrorist incident' means activities that occur within the territorial jurisdiction of the United States, involve acts dangerous to human life that are a violation of the criminal laws of the United States or of any state, and are intended to do one of the following:

- a. Intimidate or coerce a civilian population.
- b. Influence the policy of a government by intimidation or coercion.
- c. Affect the conduct of a government by mass destruction, assassination, or kidnapping."

**SECTION 21.(c)** G.S. 166A-22(a) reads as rewritten:

"(a) The Secretary shall adopt rules establishing a regional response program for hazardous materials emergencies and terrorist incidents, to be administered by the Division of Emergency Management. To the extent possible, the regional response program shall be coordinated with other emergency planning activities of the State. The regional response program shall include at least six hazmat teams located strategically across the State that are available to provide regional response to hazardous materials or terrorist incidents requiring technician-level entry capability and 24-hour dispatch and communications capability at the Division of Emergency Management Operations Center. The rules for the program shall include:

- (1) Standards, including training, equipment, and personnel standards required to operate a regional response team with technician-level entry capability.
- (2) Guidelines for the dispatch of a regional response team to a hazardous materials or terrorist incident.
- (3) Guidelines for the on-site operations of a regional response team.
- (4) Standards for administration of a regional response team, including procedures for reimbursement of response costs.
- (5) Refresher and specialist training for members of regional response teams.
- (6) Procedures for recovering the costs of a response to a hazardous materials or terrorist incident from persons determined to be responsible for the emergency.

- (7) Procedures for bidding and contracting for the provision of a hazmat team for the regional response program.
- (8) Criteria for evaluating bids for the provision of a hazmat team for regional response.
- (9) Delineation of the roles of the regional response team, local fire department and local public safety personnel, the Division of Emergency Management's area coordinator, and other State agency personnel responding to the scene of a hazardous materials or terrorist incident."

**SECTION 21.(d)** G.S. 166A-23 reads as rewritten:

**"§ 166A-23. Contracts; equipment loans.**

(a) The Secretary may contract with any unit or units of local government for the provision of a regional response team to implement the regional response program. Contracts are to be let consistent with the bidding and contract standards and procedures adopted pursuant to G.S. 166A-22(a)(7) and (8). In entering into contracts with units of local government, the Secretary may agree to provide:

- (1) A loan of equipment, including a hazmat vehicle, necessary for the provision technician-level entry capability;
- (2) Reimbursement of personnel costs when a regional response team is authorized by the Department to respond to a hazmat or terrorist incident, including the cost of call-back personnel;
- (3) Reimbursement for use of equipment and vehicles owned by the regional response team;
- (4) Replacement of disposable materials and damaged equipment;
- (5) Costs of medical surveillance for members of the regional response team, including baseline, maintenance, and exit physicals;
- (6) Training expenses; and
- (7) Other provisions agreed to by the Secretary and the regional response team.

(b) The Secretary shall not agree to provide reimbursement for:

- (1) Costs of clean-up activities, after a spill or leak has been contained;
- (2) Local response not requiring technician-level entry capability; or
- (3) Standby time.

(c) Any contract entered into between the Secretary and a unit of local government for the provision of a regional response team shall specify that the members of the regional response team, when performing their duties under the contract, shall not be employees of the State and shall not be entitled to benefits under the Teachers' and State Employees' Retirement System or for the payment by the State of federal social security, employment insurance, or workers' compensation.

(d) Regional response teams that have the use of a State hazmat vehicle may use the vehicle for local purposes. Where a State vehicle is used for purposes other than authorized regional response to a hazardous materials or terrorist incident, the regional response team shall be liable for repairs or replacements directly attributable to the nonauthorized response."

**SECTION 21.(e)** G.S. 166A-24 reads as rewritten:

**"§ 166A-24. Immunity of Regional Response Team Personnel.**

Members of a regional response team shall be protected from liability under the provisions of G.S. 166A-14(a) while responding to a hazardous materials or terrorist incident pursuant to authorization from the Division of Emergency Management."

**SECTION 21.(f)** G.S. 166A-25 reads as rewritten:

**"§ 166A-25. Right of entry.**

A regional response team, when authorized to respond to a release or threatened release of hazardous ~~materials~~, materials or when authorized to respond to a terrorist or threatened or imminent terrorist incident, may enter onto any private or public property on which the release ~~or terrorist incident~~ has occurred or on which there is an imminent threat of such ~~release~~. release or terrorist incident. A regional response team may also enter, under such circumstances, any adjacent or surrounding property in order to respond to the release or threatened release of hazardous material or to monitor, control, and contain the release or perform any other action in mitigation of a hazardous materials or terrorist incidents."

**SECTION 21.(g)** G.S. 166A-26(a) reads as rewritten:

"(a) The Regional Response Team Advisory Committee is created. The Secretary shall appoint the members of the Committee and shall designate the chair. In making appointments, the Secretary shall take into consideration the expertise of the appointees in the management of hazardous materials emergencies. The Secretary shall appoint one representative from:

- (1) The Division of Emergency Management;
- (2) The North Carolina Highway Patrol;
- (3) The State Fire and Rescue Commission; ~~Commission~~; Commission of the Department of Insurance;
- (4) The Department of Environment and Natural Resources;
- (5) The Department of Transportation;
- (6) The Department of Agriculture and Consumer Services;
- (7) The Chemical Industry Council of North Carolina;
- (8) The N.C. Association of Hazardous Materials Responders;
- (9) Each regional response ~~team~~ team;
- (10) The State Bureau of Investigation.

In addition to the persons listed above, the Secretary shall appoint to the Advisory Committee three persons designated jointly by the North Carolina Fire Chiefs Association and the North Carolina State Firemen's Association."

**SECTION 22.** This act becomes effective October 1, 2002.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 4:31 p.m. on the 31<sup>st</sup> day of October, 2002.

**S.B. 98**

**Session Law 2002-180**

AN ACT TO AUTHORIZE STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION, TO CREATE AND EXTEND VARIOUS STUDY COMMITTEES AND COMMISSIONS, AND TO AUTHORIZE OR DIRECT STATE AGENCIES AND LEGISLATIVE OVERSIGHT COMMITTEES AND COMMISSIONS TO STUDY SPECIFIED ISSUES.

*The General Assembly of North Carolina enacts:*

**PART I. TITLE**

**SECTION 1.** This act shall be known as "The Studies Act of 2002".

**PART II. LEGISLATIVE RESEARCH COMMISSION**

**SECTION 2.1.** The Legislative Research Commission may study the topics listed below. When applicable, the bill or resolution that originally proposed the issue or study and the name of the sponsor is listed. Unless otherwise specified, the listed bill or resolution refers to the measure introduced in the 2002 Regular Session of the 2001 General Assembly. The Commission may consider the original bill or resolution in determining the nature, scope, and aspects of the study. The following groupings are for reference only:

- (1) Government Regulatory Issues:
  - a. Bringing charter schools under the Tort Claims Act for school bus accidents (Bonner)
  - b. Naturopathy (H.B. 1091 – Hill)
  - c. Alcoholic beverage laws, including special provisions relating to sports clubs (Smith)
- (2) Transportation Issues:
  - a. State ports (H.B. 1706 – McComas)
  - b. Motorcycle safety (H.B. 107 – Baker; Gibson)
- (3) Consumer Issues:
  - a. Internet spam (H.B. 1712 – Insko)
- (4) Other:
  - a. Employer benefits, including retirement, early retirement, disability benefits (Nye)
  - b. Excluding airports from the public enterprise billing information privacy law (S.B. 1214 – Rand)
  - c. Earlier organization of the General Assembly to expedite session (H.B. 280 – Redwine)
  - d. Establishing Mounted Horse/Caisson Patrol Unit (Metcalf)
  - e. Jail Safety Standards (H.B. 1479-Thompson)

**SECTION 2.1A.** Study Issues Related to Criminal History Record Checks of Employees of Long-Term Care Providers (H.B. 1561 – Earle; S.B. 1264 – Harris, Rand) – The Legislative Research Commission may study how federal law affects the distribution of national criminal history record check information requested for nursing homes, home care agencies, adult care homes, assisted living facilities, and area mental health, developmental disabilities, and substance abuse services authorities, and the problems federal restrictions pose for effective and efficient implementation of State-required criminal record checks. The study may include the following:

- (1) Ways in which national record checks may be obtained and reviewed for these facilities to effectuate State policies and protections of facility residents, and the advantages, disadvantages, and costs of various approaches to implementation.
- (2) A review of ways in which national record checks are obtained by the Division of Child Development, Department of Health and Human Services, and other State agencies, and related costs to the State.
- (3) Solutions adopted by other states to effectively and efficiently implement criminal record check requirements, including costs to the State in implementing these solutions.
- (4) Other issues relevant to State requirements for criminal history record checks in long-term care facilities.



**SECTION 2.1B.** Study State Personnel System Statutes (Gibson) – The Legislative Research Commission may study Chapter 126 of the General Statutes, particularly the provisions relating to benefits enhancements, career status, exemptions, compensation, demonstration projects, and employee relations, to determine whether changes can be made to simplify and streamline the law to enable the State Personnel Commission to adopt policy and rules more effectively and efficiently.

**SECTION 2.1C.** Study Relationship Between Professions of Engineering and Landscape Architecture (Culpepper) – The Legislative Research Commission may study the relationship between the professions of engineering and landscape architecture.

The study shall include an examination of:

- (1) The qualifications and education of landscape architects.
- (2) The definition of landscape architecture in G.S. 89A-1(3).
- (3) The areas of overlap or common practice regarding the scope of the professions of engineering and landscape architecture.
- (4) The governance and procedures of the State Board of Examiners for Engineers and Surveyors and the Board of Landscape Architects in their respective roles in protecting the public health, safety, and welfare of the people of the State.

In considering appointees to the committee to study this matter, the appointing authorities shall consider inclusion of representatives of the following groups:

- (1) The State Board of Landscape Architects.
- (2) The State Board of Examiners for Engineers and Surveyors.
- (3) The Consulting Engineers Council of North Carolina.
- (4) The North Carolina Chapter of the American Society of Landscape Architects.
- (5) The Professional Engineers of North Carolina, Inc.
- (6) The North Carolina League of Landscape Architects.
- (7) The academic community involved in instruction in the area of engineering and landscape architecture.

**SECTION 2.1D.** Study Revival of Notice of Settlement Act (Warwick) – The Legislative Research Commission may study issues related to the feasibility and desirability of providing a means of recording a notice document prior to a real estate closing that would establish at that time the priority of title documents recorded later in connection with that real estate closing. If this study is undertaken, the Commission shall examine, among other issues, the relationship between the use of notice documents that could fix, in advance of closing, the priority of title documents and the requirements imposed by Chapter 45A of the General Statutes, the Good Funds Settlement Act.

**SECTION 2.1E.** Study Ways to Decrease Homelessness (Reeves) –

(a) The Legislative Research Commission may study ways to decrease the number of persons experiencing homelessness in this State. For purposes of this section, "homelessness" means the condition of any person who lacks a sanitary and safe 24-hour residence and who has a primary nighttime residence that is a publicly or privately operated, supervised shelter designed to provide temporary living accommodations including, but not limited to, the following: welfare hotels, congregate shelters, transitional housing or a facility, institution, structure or dwelling that provides a temporary residence for an individual in need of custodial care and any public or

private place not designed for, or ordinarily used as, regular living accommodations. If it undertakes this study, the Commission shall consider the following:

- (1) How much in-State resources will be necessary to support local communities in responding to recent federal Department of Housing and Urban Development mandates for continued eligibility to receive McKinney-Vento Homeless Assistance funding, including:
  - a. The creation of Homeless Management Information Systems, data collection on the homeless, including unduplicated counts of the homeless, their use of services, and the effectiveness of local assistance systems by 2004.
  - b. Development and implementation of policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correctional programs and institutions) in order to prevent the discharge from immediately resulting in homelessness for persons.
  - c. Coordination and development of a 10-year plan to end chronic homelessness.
- (2) Estimating the number of units required by geographic area to house homeless individuals and families, and the types of housing support systems required to ease or end homelessness for persons being discharged from correctional, mental health, substance abuse services, foster care, family income supports (TANF) and other institutions and systems.
- (3) Identifying the number of housing units affordable to very low income and extremely low-income households according to the definition of those households used by the federal Department of Housing and Urban Development.
- (4) Identifying obstacles to affordable housing development, including development of supportive housing for homeless persons and persons with disabilities, in State law and policy, zoning practices, and local ordinances.
- (5) The coordinated services necessary to a plan to end homelessness among individuals and families, including adult education, employment training and placement, family stabilization and reunification services, the Head Start program, child care and after-school services, substances abuse and mental health counseling and treatment, primary and preventive health care services, post-criminal justice rehabilitation and reintegration services, housing and rental assistance, transportation services, energy and conservation assistance, group adult foster care and other elder home care services, and nutrition.

(b) If it undertakes this study, the Commission shall consult with the members of the North Carolina Interagency Council for Coordinating Homeless Programs.

**SECTION 2.2.** Committee Membership. – For each Legislative Research Commission committee created during the 2001-2003 biennium, the cochairs of the Legislative Research Commission shall appoint the committee membership.

**SECTION 2.3.** Reporting Date. – For each of the topics the Legislative Research Commission decides to study under this part or pursuant to G.S. 120-30.17(1),

the Commission may report its findings, together with any recommended legislation, to the 2003 General Assembly.

**SECTION 2.4.** Funding. – From the funds available to the General Assembly, the Legislative Services Commission may allocate additional monies to fund the work of the Legislative Research Commission.

**PART III. EXTEND THE 1898 WILMINGTON RACE RIOT COMMISSION (H.B. 1555 – Wright; Redwine, Ballantine)**

**SECTION 3.1.** Section 17.1(c) of S.L. 2000-138 reads as rewritten:

"**Section 17.1.(c)** The Commission shall consist of 13 members, each of whom shall serve a ~~two-year~~four-year term. Commission members shall be appointed on or before September 1, 2000, as follows:

- (1) The President Pro Tempore of the Senate shall appoint three members.
- (2) The Speaker of the House of Representatives shall appoint three members.
- (3) The Governor shall appoint three public members, one of whom shall be a historian.
- (4) The Mayor and City Council of the City of Wilmington shall appoint two members.
- (5) The New Hanover County Commissioners shall appoint two members.

The Commission shall terminate on ~~December 31, 2002~~December 31, 2004."

**SECTION 3.2.** Section 17.1(g) of S.L. 2000-138 reads as rewritten:

"**Section 17.1.(g)** The Commission's officers shall consist of two cochairs, a vice-chair, and other officers deemed necessary by the Commission to carry out the purposes of this Article. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall appoint the cochairs of the Commission. All other officers shall be elected by the Commission. All officers shall serve for ~~two-year~~four-year terms and shall serve until their successors are elected and qualified."

**SECTION 3.3.** Section 17.1(j) of S.L. 2000-138 reads as rewritten:

"**Section 17.1.(j)** The Commission may submit to the General Assembly an interim report of its findings and recommendations. The Commission shall submit to the General Assembly a final report of its findings and recommendations no later than ~~December 31, 2002~~December 31, 2004. The final report may include suggestions for a permanent marker or memorial of the riot and whether to designate the event as a historic site."

**PART IV. ESTABLISH ON-LINE VOTING COMMISSION STUDY (H.B. 1759 – Nesbitt)**

**SECTION 4.1.** There is created an On-Line Voting Commission. The Commission shall be composed of 19 members. Twelve members shall be appointed as follows:

- (1) The President Pro Tempore of the Senate shall appoint four members, including at least one county board of elections member, with no more than three of the four affiliated with the same political party.
- (2) The Speaker of the House of Representatives shall appoint four members, including at least one county elections director, with no more than three of the four affiliated with the same political party.
- (3) The Governor shall appoint four members, including at least one county commissioner and at least one minority-party member of the State Board of Elections.

The Chair and the Executive Director of the State Board of Elections, the Executive Director of the Information Resources Management Commission, and the State Chief Information Officer shall be ex officio members. The State chairs of the three political parties whose nominees for Governor received the largest number of votes in the most recent general election for Governor shall be ex officio members. All members of the Commission, whether appointed or ex officio, shall be voting members.

**SECTION 4.2.** The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Commission from their appointees.

**SECTION 4.3.** The On-Line Voting Commission shall study the feasibility of establishing a system of voting on the Internet in North Carolina elections. The study shall include such aspects of the issue as the following:

- (1) The state of technology with regard to on-line voting.
- (2) The experience of other states and other jurisdictions in use of on-line voting.
- (3) Comprehensibility of the process to the average voter.
- (4) Any unevenness in accessibility to or comfort level with on-line voting among different types of voters, and strategies for overcoming any such "digital divide".
- (5) Concerns of privacy and security.
- (6) Cost.

**SECTION 4.4.** With the prior approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional staff to assist in the work of the On-Line Voting Commission and may provide for additional staffing by the State Board of Elections, Office of the Attorney General, and the Institute of Government. With prior approval of the State Board of Elections, the On-Line Voting Commission may hold its meetings in the offices of the State Board. With the prior approval of the Legislative Services Commission, the On-Line Voting Commission may hold its meetings in the State Legislative Building or the Legislative Office Building.

**SECTION 4.5.** The Commission shall submit a final written report of its findings and recommendations on or before the convening of the 2003 General Assembly. The report shall be filed with the President Pro Tempore of the Senate and the Speaker of the House of Representatives, the Principal Clerks of the Senate and the House of Representatives, and the Legislative Librarian. Upon filing its final report, the Commission shall terminate.

**SECTION 4.6.** Members of the Commission shall be paid per diem, subsistence, and travel allowances as follows:

- (1) Commission members who are also members of the General Assembly, at the rate established in G.S. 120-3.1.
- (2) Commission members who are officials or employees of the State or local government agencies, at the rate established in G.S. 138-6.
- (3) All other Commission members, at the rate established in G.S. 138-5.

**SECTION 4.7.** All State departments and agencies, local boards of elections, and local governments and their subdivisions shall cooperate with the Commission and, upon request, shall furnish to the Commission and its staff any information in their possession or available to them.

**SECTION 4.8.** From funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the On-Line Voting Commission.

**PART V. DEPARTMENT OF HEALTH AND HUMAN SERVICES STUDIES**

**SECTION 5.1.** Prescription Drug Access/Coordination (H.B. 1560 – Earle; S.B. 1199 – Carter) – The Department of Health and Human Services shall study ways the State can coordinate and facilitate public access to public and private free and discount prescription drug programs for senior citizens. In undertaking this study, the Department shall consider the coordination and facilitation methods being implemented by other states. On or before January 1, 2003, the Department shall report its findings and recommendations to the North Carolina Study Commission on Aging. The report shall include the following:

- (1) A description of the various coordination and facilitation methods considered.
- (2) A description of the coordination and facilitation methods of other states.
- (3) A recommendation as to the best way to coordinate and facilitate access in this State, which shall include the reasons for the recommendation, a fiscal analysis of the cost of the recommendation, and whether any legislation is necessary to implement the recommendation.

**SECTION 5.2.** Group Health Insurance for Long-Term Care Staff Study With Department of Insurance (H.B. 1559 – Earle; S.B. 1196 – Swindell) – The Department of Health and Human Services, in consultation with the Department of Insurance, shall study ways to establish a group health insurance purchasing arrangement for staff, including paraprofessionals, in residential and nonresidential long-term care facilities and agencies, as described in Recommendation #22 of the Institute of Medicine's (IOM) Long-Term Care Task Force Final Report of January 2001. The Department shall report its findings and recommendations to the North Carolina Study Commission on Aging on or before January 1, 2003.

**PART VI. LEGISLATIVE STUDY COMMISSION ON COMPANION ANIMALS (Allred, Culpepper; Hagan)**

**SECTION 6.1.** There is created the Legislative Study Commission on Companion Animals. The purpose of the Commission is to review the laws regarding the treatment of companion animals.

**SECTION 6.2.** The Commission shall consist of 16 members as follows:

- (1) Two members appointed by the President Pro Tempore of the Senate.
- (2) Two members appointed by the Speaker of the House of Representatives.
- (3) The following persons, appointed by the President Pro Tempore of the Senate:
  - a. An employee of an animal shelter.
  - b. A local governmental official interested in the welfare of companion animals.
  - c. Two persons who are companion animal advocates.
  - d. A representative of the North Carolina Veterinary Medical Association.
  - e. A small animal veterinary practitioner.
- (4) The following persons, appointed by the Speaker of the House of Representatives:
  - a. An employee of an animal shelter.
  - b. A local governmental official interested in the welfare of companion animals.

- c. Two persons who are companion animal advocates.
- d. A representative of the State Veterinarian's Office.
- e. A member of the North Carolina Department of Health Veterinary Office.

**SECTION 6.3.** The President Pro Tempore shall designate one Senator as cochair, and the Speaker shall designate one Representative as cochair. Vacancies on the Commission shall be filled by the same appointing authority as made the initial appointment.

**SECTION 6.4.** The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call of the cochairs. The Commission may meet in the Legislative Building or the Legislative Office Building. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

**SECTION 6.5.** In conducting the study, the Commission shall consider the following:

- (1) The operation of public and private animal shelters, including the conditions of shelters, size, staff, budgets, euthanasia processes and procedures, and public and private adoption programs.
- (2) Ways to reduce the unwanted companion animal population through spay-neuter programs, including an analysis of current programs, ways to increase the effectiveness of programs, and the cost savings associated with reducing the companion animal population through these programs.
- (3) Minimum standards and responsibilities required of companion animal owners.
- (4) The need and feasibility of licensing commercial breeders and kennel operators.

**SECTION 6.6.** The Commission may make an interim report to the 2003 General Assembly not later than its convening, and shall make its final report to the 2004 Regular Session of the 2003 General Assembly upon its convening. The Commission shall terminate the earlier of the filing its final report or upon the convening of the 2004 Regular Session of the 2003 General Assembly.

**SECTION 6.7.** From funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission.

## **PART VIII. JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE STUDIES**

**SECTION 8.1.** The Joint Legislative Education Oversight Committee may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2003 General Assembly.

**SECTION 8.2.** Recruitment and Retention of Teaching Personnel (H.B. 1715 – Yongue) – The Committee may study issues regarding the recruitment and

retention of teaching personnel in the public schools. If it undertakes this study, the Committee shall recommend ways to remove barriers and improve the ability of Local Education Agencies to recruit quality teachers, retain teachers currently employed by the LEAs, and attract second career teachers to positions in the public schools. Issues that may be addressed in this study include the following:

- (1) Enhancing or weighting the current salary schedule to increase the salary for first year teachers.
- (2) Granting licensure reciprocity to teachers who have been tested and licensed in other states.
- (3) Developing alternative licensure opportunities to attract second career teachers.
- (4) Providing tuition support for alternative licensure candidates.
- (5) Providing training for alternative licensure candidates through the community college system.
- (6) Processing initial licensure requests at the local level.
- (7) Expanding teacher-training programs in the State in order to produce more teachers.
- (8) Strategies for expanding the pool of qualified teachers.
- (9) Using recruitment and retention incentives to attract and retain high-quality teachers, especially in low-performing schools and in fields of certification in which there are shortages of teachers.

**SECTION 8.3.** Local Flexibility for School Systems (H.B. 1757 – Yongue)

– The Committee may study the issue of whether local boards of education have the fiscal and administrative flexibility they need to operate the public schools efficiently and effectively. In the course of its study, the Committee shall consider current constraints on school boards with regard to expenditures of State funds and purchases of supplies, textbooks, and other goods and services.

**PART IX. REVENUE LAWS STUDY COMMITTEE**

**SECTION 9.1.** The Revenue Laws Study Committee may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2003 General Assembly.

**SECTION 9.2.** Sales Tax on Construction Materials (H.B. 1717 – J. Crawford) – The Committee may study how the sales and use tax should be applied to asphalt and cement used in the performance of contracts.

**SECTION 9.3.** Mobile Home Property Tax Collection – The Committee may study issues related to county collection of property taxes on mobile homes.

**PART X. JOINT LEGISLATIVE HEALTH CARE OVERSIGHT COMMITTEE**

**SECTION 10.1.** The Joint Legislative Health Care Oversight Committee may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2003 General Assembly.

**SECTION 10.2.** Health Care Profession Licensing Boards – The Committee may study the feasibility of establishing a uniform appointments process for licensing boards that regulate health care professionals under Chapter 90 of the General Statutes for the purpose of insuring that appointments to each health care licensing board includes representatives of all licensees of the respective board.

**PART XI. LEGISLATIVE STUDY COMMISSION ON THE HORACE WILLIAMS AIRPORT**

**SECTION 11.1.** Commission Established. – There is established a Legislative Study Commission on the Horace Williams Airport.

**SECTION 11.2.** Membership. – The Commission shall be composed of six members as follows:

- (1) Three members of the House of Representatives appointed by the Speaker of the House of Representatives.
- (2) Three members of the Senate appointed by the President Pro Tempore of the Senate.

**SECTION 11.3.** Duties of the Commission. – The Commission shall study the utility of maintaining the operation of the Horace Williams Airport in Chapel Hill, taking into consideration issues of safety, access, and expense of operation.

**SECTION 11.4.** Vacancies. – A vacancy shall be filled by the officer who made the original appointment.

**SECTION 11.5.** Cochairs. – The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall designate cochairs of the Commission from among their respective appointees. The Commission shall meet upon the call of the cochairs. A quorum of the Commission shall be four members.

**SECTION 11.6.** Expenses of Members. – Members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

**SECTION 11.7.** Staff. – The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, and the expenses related to the clerical employees shall be borne by the Commission.

**SECTION 11.8.** Consultants. – The Commission may employ consultants to assist with the study as provided in G.S. 120-32.02. Before expending any funds for a consultant, the Commission shall report to the Joint Legislative Commission on Governmental Operations on the consultant selected, the work products to be provided by the consultant, and the cost of the contract, including an itemization of the cost components.

**SECTION 11.9.** Meetings During Legislative Session. – The Commission may meet during a regular or extra session of the General Assembly, subject to approval of the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

**SECTION 11.10.** Meeting Location. – The Commission shall meet at various locations around the State in order to promote greater public participation in its deliberations. Subject to the approval of the Legislative Services Commission, the Commission may meet in the State Legislative Building or the Legislative Office Building.

**SECTION 11.11.** Report. – The Commission shall submit a final report of its findings and recommendations to the 2003 General Assembly on or before its convening. Upon the earlier of the filing of its final report or the convening of the 2003 General Assembly, the Commission shall terminate.

**SECTION 11.12.** Funds. – Of the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds to implement the provisions of this part.

**PART XII. LEGISLATIVE STUDY COMMISSION ON THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM (Kerr, Reeves; Black, Baddour, Redwine)**

**SECTION 12.1.** There is established the Legislative Study Commission on



the Teachers' and State Employees' Retirement System. The Commission shall study the Teachers' and State Employees' Retirement System, including establishing early retirement for State employees, the accumulation of vacation benefits as it relates to those who work eight-hour shifts and those who work 12-hour shifts, and other issues relating to solvency, benefits, or the financial health of the retirement system.

**SECTION 12.2.** The Commission shall consist of seven members appointed as follows:

- (1) Two members appointed by the President Pro Tempore of the Senate; one shall be a member of the Senate at the time of appointment; the second individual shall be a retired State employee.
- (2) Two members appointed by the Speaker of the House of Representatives; one shall be a member of the House of Representatives at the time of appointment; the second individual shall be a State employee.
- (3) The President of the State Employees Association of North Carolina, Inc.
- (4) The State Treasurer, or the Treasurer's designee.
- (5) The President of the North Carolina Association of Educators.

**SECTION 12.3.** The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Commission from their appointees.

**SECTION 12.4.** The Commission may employ an outside consultant with expertise in the area of public sector retirement to assist the Commission in its work pursuant to the procedure set forth in G.S. 120-32.02. The consultant shall not be a State employee or a person currently under contract with the State to provide services. If necessary, the Commission may hire other employees as provided in G.S. 120-32.02.

**SECTION 12.5.** With the prior approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional staff to assist in the work of the Commission. With the prior approval of the Legislative Services Commission, the Commission may hold its meetings in the State Legislative Building or the Legislative Office Building.

**SECTION 12.6.** The Commission shall submit a final written report of its findings and recommendations on or before the convening of the 2003 General Assembly. All reports shall be filed with the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Legislative Librarian. Upon filing its final report, the Commission shall terminate.

**SECTION 12.7.** Members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

**SECTION 12.8.** All State departments and agencies shall cooperate with the Study Commission and, upon request, shall furnish to the Commission and its staff any information in their possession or available to them.

**SECTION 12.9.** From funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission.

### **PART XIII. JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE STUDIES**

**SECTION 13.1.** The Joint Legislative Transportation Oversight Committee may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2003 General Assembly.

**SECTION 13.2.** I-95 Tolls (J. Crawford) – The Committee may study the feasibility of tolls on Interstate 95 from the South Carolina to Virginia borders.

**PART XIV. STATE DISABILITY INCOME PLAN STUDY COMMISSION**

**SECTION 14.1.** There is established a State Disability Income Plan Study Commission.

**SECTION 14.2.** The Commission shall be comprised of seven members as follows:

- (1) Two persons appointed by the President Pro Tempore of the Senate. One of these appointees shall be a State employee.
- (2) Two persons appointed by the Speaker of the House of Representatives. One of these appointees shall be a State employee.
- (3) The State Treasurer, or the Treasurer's designee.
- (4) The Executive Administrator of the Teachers' and State Employees' Comprehensive Major Medical Plan.
- (5) The President of the North Carolina Association of Educators, or the President's designee.

Any vacancy shall be filled by the officer who made the original appointment.

**SECTION 14.3.** The Commission shall study the plan design, funding, and administration of the Disability Income Plan of North Carolina established pursuant to Article 6 of Chapter 135 of the General Statutes to determine what changes, if any, should be made to the Plan. The Commission shall consider what changes could be made to the Plan that would enhance the efficiency of and reduce the cost of the Plan to the State and its employees.

**SECTION 14.4.** The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall designate cochairs of the Commission from among their respective appointees. The Commission shall meet upon the call of the cochairs. Members of the Commission shall receive per diem, subsistence, and travel allowance in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate. The Commission, while in the discharge of official duties, may exercise all powers provided for under the provisions of G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission shall terminate the earlier of the delivery of its final report or December 31, 2003.

**SECTION 14.5.** The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. Subject to the approval of the Legislative Services Commission, the Commission may meet in the Legislative Building or the Legislative Office Building.

**SECTION 14.6.** The Commission shall employ an actuary with expertise in the area of disability income insurance to assist the Commission in its work pursuant to the procedure set forth in G.S. 120-32.02. This actuary shall not be a State employee or a person currently under contract with the State to provide services. If necessary, the Commission may hire other employees as provided in G.S. 120-32.02.

**SECTION 14.7.** The Commission may meet during a regular or extra session of the General Assembly, subject to approval of the President Pro Tempore of the Senate and the Speaker of the House of Representatives.

**SECTION 14.8.** The Commission shall submit a report of the results of its study, including any legislative recommendations, to the General Assembly not later than December 31, 2003.

**SECTION 14.9.** Of the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds to implement the provisions of this part.

**PART XV. ESTABLISH STATEWIDE EMERGENCY PREPAREDNESS STUDY COMMISSION (Carter)**

**SECTION 15.1.** Commission Established. – There is established the Statewide Emergency Preparedness Study Commission.

**SECTION 15.2.** Membership. – The Commission membership shall be representative of the different geographical regions of the State and shall include members from rural areas of the State to the extent practicable. The Commission shall consist of 20 members as follows:

- (1) The Governor shall appoint eight members: one trauma center physician recommended by the North Carolina College of Emergency Physicians, one representative of the Office of Emergency Medical Services, one practicing paramedic, one trauma center nurse, one trauma center finance or operations director, one representative of a law enforcement agency that is also an EMS first responder, one firefighter, and one representative of the State Emergency Medical Services Advisory Council.
- (2) The President Pro Tempore of the Senate shall appoint six members: three members of the Senate, one trauma center surgeon, one State trauma system regional advisory committee (RAC) coordinator, and one air medical rescue worker.
- (3) The Speaker of the House of Representatives shall appoint six members: three members of the House of Representatives, one representative of the North Carolina Medical Care Commission, one representative of the American College of Surgeons' Committee on Trauma, and one EMS administrator or educator.

**SECTION 15.3.** Duties. – The Commission shall study the delivery of emergency medical services in this State and shall:

- (1) Examine the current funding of the State Trauma System, focusing on the financial needs of the System and identifying funding options to meet those needs.
- (2) Analyze impediments to the seamless delivery of care to trauma victims, including legal, administrative, logistical, and other barriers, and determine means of streamlining the delivery of improved and more efficient care.
- (3) Examine ways of improving the quality and delivery of care to trauma and emergency victims in terms of transportation, equipment, education, and personnel needs, as well as the need for additional trauma centers and improved coordination of existing centers.
- (4) Examine methods of improving North Carolina's readiness to handle trauma resulting from massive disasters.
- (5) Any other matters related to the delivery of emergency medical services.

**SECTION 15.4.** Report. – The Commission shall submit a final written report of its findings and recommendations to the 2005 General Assembly and may submit progress reports to the 2003 General Assembly. The Commission may include in its progress reports or the final report its recommendations for meeting the financial

needs of the Statewide Trauma System, as well as any recommendations for streamlining the delivery of care through regional trauma systems. The reports shall also include any legislative proposals necessary to implement those recommendations and an analysis of any fiscal impact of each recommendation. The Commission shall terminate upon filing its final report.

**SECTION 15.5.** Expenses of Members. – Members of the Commission shall be paid per diem, subsistence, and travel allowances as follows:

- (1) Commission members who are also members of the General Assembly, at the rate established in G.S. 120-3.1.
- (2) Commission members who are officials or employees of the State or local government agencies, at the rate established in G.S. 138-6.
- (3) All other Commission members, at the rate established in G.S. 138-5.

**SECTION 15.6.** Cochairs; Meetings. – Cochairs of the Commission shall be designated by the Speaker of the House of Representatives and the President Pro Tempore of the Senate from among their respective appointees. The Commission shall meet upon the call of the cochairs. A majority of the members of the Commission shall constitute a quorum. The Commission may meet during a regular or special session of the General Assembly, subject to approval of the Speaker of the House of Representatives and the President Pro Tempore of the Senate. The Legislative Services Commission shall provide adequate meeting space to the Commission in the State Legislative Building or the Legislative Office Building.

**SECTION 15.7.** Staff. – With the prior approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional staff to assist in the work of the Commission.

**SECTION 15.8.** Cooperation by Government Agencies. – The Commission may call upon any department, agency, institution, or officer of the State or any political subdivision of the State for facilities, data, or other assistance. All State departments and agencies, local governments, and their subdivisions shall cooperate with the Commission and, upon request, shall furnish to the Commission and its staff any information in their possession or available to them.

**SECTION 15.9.** Funding. – From funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission.

**PART XVI. LEGISLATIVE STUDY COMMISSION ON SECURITIES FRAUD ENFORCEMENT LAWS (Rand)**

Whereas, the recent wave of corporate fraud has harmed investors, employees, and the economic condition of our State and nation; and

Whereas, federal investigations into financial fraud have implicated executives, consultants, attorneys, accountants, brokers, advisers, and others;

Whereas, accountability is a vital principle in both the public and the private sector;

Whereas, the State pension fund lost \$100 million in the financial scandals;

Whereas, the State Treasurer has demanded that companies that do business with the State place a top priority on ethics and accountability;

Whereas, those who invest their savings in the market are also investing their trust in others to treat their funds with honesty and integrity;

Whereas, current penalties for financial fraud are inconsistent with punishments for other white-collar crimes; and

Whereas, the people of our State deserve far better than to lose their investments to fraudulent actions.

**SECTION 16.1.** There is established the Legislative Study Commission on Securities Fraud Enforcement Laws. The Commission shall study the State securities fraud enforcement laws and the provisions of Senate Bill 1455, 4<sup>th</sup> Edition, Strengthen Securities Fraud Enforcement Laws, introduced in the 2002 Session of the 2001 General Assembly.

**SECTION 16.2.** The Commission shall consist of 11 members appointed as follows:

- (1) Three members of the Senate appointed by the President Pro Tempore of the Senate.
- (2) Three members of the House of Representatives appointed by the Speaker of the House of Representatives.
- (3) Two persons from the Securities Division of the Office of the Secretary of State appointed by the Speaker of the House of Representatives.
- (4) One member of the North Carolina Bar Association appointed by the Speaker of the House of Representatives.
- (5) One member of the Trial Lawyers Association appointed by the President Pro Tempore of the Senate.
- (6) One member of the Securities Industry Association appointed by the President Pro Tempore of the Senate.

**SECTION 16.3.** The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Study Commission from their appointees.

**SECTION 16.4.** The Commission may hire consultants or other employees to assist it in its work as provided in G.S. 120-32.02.

**SECTION 16.5.** With the prior approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional staff to assist in the work of the Commission. With the prior approval of the Legislative Services Commission, the Commission may hold its meetings in the State Legislative Building or the Legislative Office Building.

**SECTION 16.6.** The Commission shall submit a final written report of its findings and recommendations on or before March 15, 2003. All reports shall be filed with the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Legislative Librarian. Upon filing its final report, the Commission shall terminate.

**SECTION 16.7.** Members of the Study Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

**SECTION 16.8.** All State departments and agencies shall cooperate with the Commission and, upon request, shall furnish to the Study Commission and its staff any information in their possession or available to them.

**SECTION 16.9.** From funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Study Commission.

**PART XVII. DOT STUDY PLACING OF TOLLS ON I-95 (Shaw of Cumberland, Gulley of Durham)**

**SECTION 17.1.** The Department of Transportation shall study the feasibility

of charging a toll on I-95 and directing use of toll proceeds for expansion and maintenance of I-95.

**SECTION 17.2.** In considering whether a toll road is feasible, the Department shall do all of the following:

- (1) Evaluate the need to expand and maintain I-95.
- (2) Estimate the cost and benefits of charging a toll to expand or maintain I-95.
- (3) Estimate the costs to establish, construct, purchase, maintain, equip, and operate any structure or facilities associated with a toll road.
- (4) Estimate the schedule of tolls and fees that would be needed to generate sufficient revenue for expansion and maintenance of I-95.
- (5) Evaluate impact of federal law on placement of tolls on I-95.

**SECTION 17.3.** The Department shall report its findings and recommendations, including any estimates of efficiencies and cost savings that may be produced, to the Joint Legislative Transportation Oversight Committee and the House of Representatives and Senate Appropriations Subcommittees on Transportation by March 1, 2003.

#### **PART XVIII. GENERAL STATUTES COMMISSION STUDY**

**SECTION 18.1.** (Clodfelter) The General Statutes Commission is directed to study and report to the 2003 General Assembly on the question of the personal representative's authority to take possession of and dispose of real property of an estate without an order of the court. The study shall include the issues included in the provisions of House Bill 716, Second Edition, of the 2001 General Assembly, and an examination of the application of G.S. 28A-15-1, 28A-15-2, and 32-27(2). The report shall include any recommended legislation necessary to implement the Commission's recommendations.

**SECTION 18.2.** The General Statutes Commission may study and report to the 2003 General Assembly on the question of whether North Carolina should allow a method for the distribution of property coming to an estate after the estate is closed without the necessity of reopening the estate. As part of the study, the Commission may consider, among other things, the deed of distribution concept used in South Carolina as codified in the South Carolina General Statutes, Section 62-3-907, et seq., and other related statutes. The Commission may also consider recent statewide situations that have arisen from payments to closed estates arising from the Bailey and Smith/Shaver cases, and payments made to tobacco producers and allotment holders under Phase II of the Tobacco Master Settlement Agreement. The Commission may consult with the Estate Law Section of the North Carolina Bar Association and the Administrative Office of the Courts, in addition to any other interested persons. The report may include any recommended legislation necessary to implement the Commission's recommendations.

#### **PART XIX. HOUSE SELECT STUDY COMMITTEE ON VIDEO GAMING MACHINES**

**SECTION 19.1.** Committee Established. – There is established the House Select Study Committee on Video Gaming Machines, hereafter referred to in this part as the "House Select Committee".

**SECTION 19.2.** Membership. – The Speaker of the House of Representatives shall appoint 15 members to serve as members of the House Select Committee; 11 members of the House of Representatives and four public members. In the event that a vacancy occurs on the House Select Committee, the Speaker of the House of Representatives shall appoint a replacement.

**SECTION 19.3. Duties.** – The House Select Committee shall study:

- (1) The federal and State regulation of video gaming machines.
- (2) The problems associated with the operation of video gaming machines in the State of North Carolina, including the issues of illegal cash payouts, illegally programmed video gaming machines, and money laundering.
- (3) The difficulties associated with the enforcement of the video gaming laws of the State of North Carolina.
- (4) The most appropriate law enforcement agency, such as the sheriff, the Alcohol Law Enforcement Division of the Department of Crime Control and Public Safety, or other law enforcement agency, to enforce the video gaming laws of the State of North Carolina.
- (5) The effect of the decision in Helton v. Good, 208 F. Supp. 2d 597 (W.D.N.C.), on the video gaming laws of the State of North Carolina.
- (6) The potential impact that a ban on video gaming machines would have on the casino operations of the Eastern Band of the Cherokee Indians.
- (7) The feasibility of levying a fee on video gaming machines and using the revenue to enforce the current video gaming laws of the State of North Carolina.

**SECTION 19.4. Report.** – The House Select Committee shall report its findings and recommendations, including any proposed legislation, no later than the convening of the 2003 General Assembly by filing a report with the House Principal Clerk and the Legislative Librarian. The House Select Committee shall terminate upon the filing of its report.

**SECTION 19.5. Powers.** – The House Select Committee, while in the discharge of its official duties, may exercise all the powers provided under the provisions of G.S. 120-19 through G.S. 120-19.4.

**SECTION 19.6. Cochairs; Meetings.** – The Speaker of the House of Representatives shall designate two cochairs of the House Select Committee from among the respective appointees. The House Select Committee shall meet upon the call of the cochairs. A majority of the members of the House Select Committee shall constitute a quorum.

The House Select Committee may meet during a regular or special session of the General Assembly, subject to approval of the Speaker of the House of Representatives. The Legislative Services Commission shall grant adequate meeting space to the House Select Committee in the State Legislative Building or the Legislative Office Building.

**SECTION 19.7. Expenses of Members.** – Members of the House Select Committee shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, G.S. 138-5, or G.S. 138-6, as appropriate.

**SECTION 19.8. Staff.** – The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the House Select Committee in its work. The House of Representatives' Supervisor of Clerks shall assign clerical staff to the House Select Committee.

**SECTION 19.9. Funding.** – The expenses incurred in the operation of the House Select Committee shall be paid from funds appropriated for the operation of the House of Representatives as authorized by the Speaker of the House of Representatives under G.S. 120-35.

**PART XX. LEGISLATIVE REGIONAL ECONOMIC DEVELOPMENT  
COMMISSION REPORTING REQUIREMENTS STUDY COMMISSION**

**SECTION 20.1.** Commission Established. – There is established a Legislative Regional Economic Development Commission Reporting Requirements Study Commission.

**SECTION 20.2.** Membership. – The Commission shall be composed of 18 members as follows:

- (1) The Executive Director or President of each of the seven Regional Economic Development Commissions of the State appointed by the Speaker of the House of Representatives.
- (2) Two members of the House Appropriations Subcommittee on Natural and Economic Resources appointed by the Speaker of the House of Representatives.
- (3) The Chairman of the Board of each of the seven Regional Economic Development Commissions of the State appointed by the President Pro Tempore of the Senate.
- (4) Two members of the Senate Appropriations Subcommittee on Natural and Economic Resources appointed by the President Pro Tempore of the Senate.

**SECTION 20.3.** Duties of the Commission. – The Commission shall study the current reporting requirements applicable to the seven Regional Economic Development Commissions of the State.

**SECTION 20.4.** The President Pro Tempore shall designate one Senator as cochair, and the Speaker shall designate one Representative as cochair. Vacancies on the Commission shall be filled by the same appointing authority as made the initial appointment.

**SECTION 20.5.** The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call of the cochairs. The Commission may meet in the Legislative Building or the Legislative Office Building. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, G.S. 138-5, or G.S. 138-6, as appropriate.

**SECTION 20.6.** The Commission shall make its final report to the 2003 General Assembly upon its convening.

**SECTION 20.7.** From funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission.

**PART XXI. BILL AND RESOLUTION REFERENCES**

**SECTION 21.** The listing of the original bill or resolution in this act is for reference purposes only and shall not be deemed to have incorporated by reference any of the substantive provisions contained in the original bill or resolution.



**PART XXII. EFFECTIVE DATE AND APPLICABILITY**

**SECTION 22.** Except as otherwise specifically provided, this act is effective when it becomes law. If a study is authorized both in this act and in the Current Operations Appropriations Act of 2002, the study shall be implemented in accordance with the Current Operations Appropriations Act of 2002 as ratified.

In the General Assembly read three times and ratified this the 4<sup>th</sup> day of October, 2002.

Became law upon approval of the Governor at 4:36 p.m. on the 31<sup>st</sup> day of October, 2002.

**S.B. 832****Session Law 2002-181**

**AN ACT TO PROVIDE FOR CONTRACT FINANCING AND SURETY BONDS FOR SMALL BUSINESSES THAT CONTRACT WITH GOVERNMENTAL AGENCIES.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Article 10 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 18. Small Business Contractor Act.

**"§ 143B-472.75. Purpose and intent.**

The purpose and intent of this Part is to foster economic development and the creation of jobs by providing financial assistance to financially responsible small businesses that are unable to obtain adequate financing and bonding assistance in connection with contracts.

**"§ 143B-472.76. Definitions.**

The following definitions apply in this Part:

- (1) Authority. – The North Carolina Small Business Contractor Authority created in this Part.
- (2) Internal Revenue Code. – The Code as defined in G.S. 105-228.90.
- (3) Contract term. – The term of a contract, including the maintenance or warranty period required by the contract and the period during which the surety may be liable for latent defects.
- (4) Government agency. – The federal government, the State, an agency, or a political subdivision of the federal government or the State, or a utility regulated by the North Carolina Utilities Commission.
- (5) Related party. – A party related to the applicant in a manner that would require an attribution of stock to or from the party under section 318 of the Internal Revenue Code.
- (6) Secretary. – The Secretary of Commerce.

**"§ 143B-472.77. Authority creation; powers.**

(a) Creation. – The North Carolina Small Business Contractor Authority is created within the Department of Commerce.

(b) Membership. – The Authority consists of 11 members appointed as follows:

- (1) Four members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, one of whom has experience in underwriting surety bonds.
- (2) Four members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, one

of whom is a present or former governmental employee with experience in administering public contracts.

- (3) Three members appointed by the Governor, one of whom is a licensed general contractor and one of whom is experienced in working for private, nonprofit, small, or underutilized businesses.

(c) Terms. – Members serve four-year terms, except initial appointments. There is no prohibition against reappointment for subsequent terms. Initial appointments shall begin on January 1, 2003. Each appointing authority shall designate two of its initial appointments to serve four-year terms and the remainder of its initial appointments to serve three-year terms.

(d) Chair. – The chair shall be elected annually by the members of the Authority from the membership of the Authority and shall be a voting member.

(e) Compensation. – The Authority members shall receive no salary as a result of serving on the Authority but are entitled to per diem and allowances in accordance with G.S. 138-5.

(f) Meetings. – The Secretary shall convene the first meeting of the Authority within 60 days after January 1, 2003. Meetings shall be held as necessary as determined by the Authority.

(g) Quorum. – A majority of the members of the Authority constitutes a quorum for the transaction of business. A vacancy in the membership of the Authority does not impair the right of the quorum to exercise all rights and to perform all duties of the Authority.

(h) Vacancies. – A vacancy on the Authority resulting from the resignation of a member or otherwise is filled in the same manner in which the original appointment was made, for the balance of the unexpired term. Vacancies in appointments made by the General Assembly shall be filled in accordance with G.S. 120-122.

(i) Removal. – Members may be removed in accordance with G.S. 143B-13. A member who misses three consecutive meetings of the Authority may be removed for nonfeasance.

(j) Powers and Duties. – The Authority has the following powers and duties:

- (1) To accept grants, loans, contributions, and services.
- (2) To employ staff, procure supplies, services, and property, and enter into contracts, leases, or other legal agreements, including the procurement of reinsurance, to carry out the purposes of the Authority.
- (3) To acquire, manage, operate, dispose of, or otherwise deal with property, take assignments of rentals and leases, and enter into contracts, leases, agreements, and arrangements that are necessary or incidental to the performance of the duties of the Authority, upon terms and conditions that it considers appropriate.
- (4) To specify the form and content of applications, guaranty agreements, or agreements necessary to fulfill the purposes of this Part.
- (5) To acquire or take assignments of documents executed, obtained, or delivered in connection with assistance provided by the Authority under this Part.
- (6) To fix, determine, charge, and collect any premiums, fees, charges, costs, and expenses in connection with any assistance provided by the Authority under this Part.
- (7) To adopt rules, in accordance with Chapter 150B of the General Statutes, to implement this Part.

- (8) To take any other action necessary to carry out its purposes.
- (9) To report quarterly to the Joint Legislative Commission on Governmental Operations on the activities of the Authority, including the amount of rates, sureties, and bonds.

(k) Limitations. – Notwithstanding any other provision of this Part, the Authority may not provide financial assistance that constitutes raising money on the credit of the State or pledging the faith and credit or the taxing power of the State directly or indirectly for the payment of any debt. Before providing financial assistance to an applicant under this Part, the Authority must obtain the written certification of the Attorney General that the proposed financial assistance does not constitute raising money on the credit of the State or pledging the faith of the State directly or indirectly for the payment of any debt as provided in Section 3(2) of Article V of the North Carolina Constitution.

**"§ 143B-472.78. Eligibility.**

To qualify for assistance under this Part, an applicant must meet all of the following requirements:

- (1) The applicant must be a small business concern that meets the applicable size standards established by the United States Small Business Administration for business loans based on the industry in which the concern, including its affiliates, is primarily engaged and based on the industry in which the concern, not including its affiliates, is primarily engaged. In addition, in the case of an application for bonding assistance, the applicant, including its affiliates, may not have receipts for construction and service contracts in excess of the maximum amount established by the United States Small Business Administration for surety bond guarantee assistance.
- (2) The applicant must be an individual, or be controlled by one or more individuals, with a reputation for financial responsibility, as determined from creditors, employers, and other individuals with personal knowledge. If the applicant is other than a sole proprietorship, at least seventy percent (70%) of the business must be owned by individuals with a reputation for financial responsibility.
- (3) The applicant must be a resident of this State or be incorporated in this State and must have its principal place of business in this State.
- (4) The applicant must demonstrate to the satisfaction of the Authority that it has been unable to obtain adequate financing or bonding on reasonable terms through an authorized company. If the applicant is applying for a guarantee of a loan, the applicant must have applied for and been denied a loan by a financial institution.

**"§ 143B-472.79. Small Business Contract Financing Fund.**

(a) Creation and Use. – The Small Business Contract Financing Fund is created as a special revenue fund. Revenue in the Fund does not revert at the end of a fiscal year, and interest and other investment income earned by the Fund accrues to the Fund. The Authority shall use the Fund to make direct loans and guaranty payments required by defaults and to pay the portion of the administrative expenses of the Authority related to making these loans and payments.

(b) Content. – The Small Business Contract Financing Fund consists of all of the following revenue:

- (1) Funds appropriated to the Fund by the State.

- (2) Repayments of principal of and interest on direct loans.
- (3) Premiums, fees, and any other amounts received by the Authority with respect to financial assistance provided by the Authority.
- (4) Proceeds designated by the Authority from the sale, lease, or other disposition of property or contracts held or acquired by the Authority.
- (5) Investment income of the Fund.
- (6) Any other moneys made available to the Fund.

**"§ 143B-472.80. Contract performance assistance authorized.**

(a) Type. – The Authority is authorized to provide the following contract performance assistance:

- (1) A guarantee of a loan made to the applicant.
- (2) If the applicant demonstrates to the satisfaction of the Authority that it is unable to obtain money from any other source, a loan to the applicant.

(b) Qualification. – The Authority shall not lend money to an applicant or guarantee a loan unless all of the following requirements are met:

- (1) The applicant meets the requirements of G.S. 143B-472.78.
- (2) The loan is to be used to perform an identified contract, of which the majority of funding is provided by a government agency or a combination of government agencies.
- (3) The loan is to be used for working capital or equipment needed to perform the contract, the cost of which can be repaid from contract proceeds, if the Authority has entered into an agreement with the applicant necessary to secure the loan or guaranty.

(c) Terms and Conditions. – The Authority shall set the terms and conditions for loans and for the guarantee of loans. When the Authority lends money from the Small Business Contract Financing Fund, it shall prepare loan documents that include all of the following:

- (1) The rate of interest on the loan, which shall not exceed any applicable statutory limit for a loan of the same type.
- (2) A payment schedule that provides money to the applicant in the amounts and at the times that the applicant needs the money to perform the contract for which the loan is made.
- (3) A requirement that, before each advance of money is released to the applicant, the applicant and the Authority must co-sign the request for the money.
- (4) Provisions for repayment of the loan.
- (5) Any other provision the Authority considers necessary to secure the loan, including an assignment of, or a lien on, payment under the contract, if allowable.

(d) Maturity. – A loan made by the Authority shall mature not later than the date the applicant is to receive full payment under the identified contract, unless the Authority determines that a later maturity date is required to fulfill the purposes of this Part.

(e) Diversity. – In selecting applicants for assistance, the Authority must consider the need to serve all geographic and political areas and subdivisions of the State.

(f) Limitation. – The total amount of loan guarantees and loans issued to each recipient during a fiscal year shall not exceed fifteen percent (15%) of the amount of money in the Fund as of the beginning of that fiscal year.

**"§ 143B-472.81. Small Business Surety Bond Fund.**

(a) Creation and Use. – The Small Business Surety Bond Fund is created as a special revenue fund. Revenue in the Fund does not revert at the end of a fiscal year, and interest and other investment income earned by the Fund accrues to the Fund. The Authority shall use the Fund for the purposes of and to pay the expenses of the Authority related to providing bonding assistance.

(b) Content. – The Small Business Surety Bond Fund consists of all of the following revenue:

- (1) Funds appropriated to the Fund by the State.
- (2) Premiums, fees, and any other amounts received by the Authority with respect to bonding assistance provided by the Authority.
- (3) Proceeds designated by the Authority from the sale, lease, or other disposition of property or contracts held or acquired by the Authority.
- (4) Investment income of the Fund.
- (5) Any other moneys made available to the Fund.

**"§ 143B-472.82. Bonding assistance authorized.**

(a) Guaranty. – Subject to the restrictions of this Part, the Authority, on application, may guarantee a surety for losses incurred under a bid bond, payment bond, or performance bond on an applicant's contract, of which the majority of the funding is provided by a government agency or a combination of government agencies, up to ninety percent (90%) of the surety's losses, or nine hundred thousand dollars (\$900,000), whichever is less. The term of a guaranty under this section shall not exceed the contract term. The Authority may vary the terms and conditions of the guaranty from surety to surety, based on the Authority's history of experience with the surety and other factors that the Authority considers relevant.

(b) Notice. – When the Authority provides a guaranty under this section with respect to a contract, it must give the government agencies that are parties to the contract written notice of the guaranty.

(c) Bonds. – The Authority may execute and perform bid bonds, performance bonds, and payment bonds as a surety for the benefit of an applicant in connection with a contract, of which the majority of the funding is provided by a government agency or a combination of government agencies.

(d) Obligation of State. – The total amount of guarantees issued and bonds executed shall not exceed ninety percent (90%) of the amount of money in the Small Business Surety Bond Fund. The Authority shall not pledge any money other than money in the Fund for payment of a loss or bond. No action by the Authority constitutes the creation of a debt secured by a pledge of the taxing power or the faith and credit of the State or any of its political subdivisions. The face of each guarantee issued or bond executed shall contain a statement that the Authority is obligated to pay the guarantee or bond only from the revenue in the Small Business Surety Bond Fund and that neither the taxing power nor the faith and credit of the State or any of its political subdivisions is pledged in payment of the guarantee or bond. Nothing in this subsection limits the ability of the Authority to obtain reinsurance.

(e) Limitation. – The total amount of bonding assistance provided to each recipient during a fiscal year shall not exceed fifteen percent (15%) of the amount of money in the Fund as of the beginning of that fiscal year.

(f) Payment. – If the Authority considers it prudent, it may require that payment be made either to the contractor and lending institution or to the bonding authority.

**"§ 143B-472.83. Bonding assistance conditions.**

(a) Requirements. – To obtain bonding assistance under this Part, an applicant must meet the eligibility requirements of G.S. 143B-472.78 and must demonstrate to the satisfaction of the Authority that all of the following apply:

- (1) A bond is required in order to bid on a contract or to serve as a prime contractor or subcontractor.
- (2) A bond is not obtainable on reasonable terms and conditions without assistance under this Part.
- (3) The applicant will not subcontract more than seventy-five percent (75%) of the face value of the contract.

(b) Default. – If an applicant or a person that is a related party with respect to the applicant has ever defaulted on a bond or guaranty provided by the Authority, the Authority may approve a guaranty or bond under this Part only if one of the following applies:

- (1) Five years have elapsed since the time of the default.
- (2) Every default by the applicant or related party in any program administered by the Authority has been cured.

(c) Economic Effect. – Before issuing a guaranty or bond, the Authority must determine that the contract for which a bond is sought to be guaranteed or issued has a substantial economic effect. To determine the economic effect of a contract, the Authority must consider all of the following:

- (1) The amount of the guaranty obligation.
- (2) The terms of the bond to be guaranteed.
- (3) The number of new jobs that will be created by the contract to be bonded.
- (4) Any other factor that the Authority considers relevant.

**"§ 143B-472.84. Surety bonding line.**

The Authority may, on application, establish a surety bonding line in order to issue or guarantee multiple bonds to an applicant within preapproved terms, conditions, and limitations.

**"§ 143B-472.85. Application.**

To apply for assistance from the Authority under this Part, an applicant and, where applicable, a surety must submit to the Authority an application on a form prescribed by the Authority. The application must include any information and documentation the Authority considers necessary to enable the Authority to evaluate the application in accordance with this Part. The Authority may require an applicant to provide an audited balance sheet unless the Authority determines that such a requirement is not necessary or appropriate to fulfill the purposes of this Part.

**"§ 143B-472.86. Premiums and fees.**

(a) Amount. – The Authority shall by rule set the premiums and fees to be paid for providing assistance under this Part. The premiums and fees set by the Authority shall be payable in the amounts, at the time, and in the manner that the Authority requires. The premiums and fees may vary in amount among transactions and at different stages during the terms of transactions.

(b) Rate Standards. – The rate standards in G.S. 58-40-20 apply to premiums set by the Authority under this section. The Authority may also use the forms and rates of rating or advisory organizations licensed under G.S. 58-40-50 or G.S. 58-40-55. The Authority may vary from these rates in order to broaden participation by small businesses that are unable to obtain adequate financing and bonding assistance in

connection with contracts. The premiums set and forms developed by the Authority under this section must be approved by the Commissioner of Insurance before they may be used.

(c) Forms. – The Authority shall develop forms to be used for financing and bonding assistance.

**"§ 143B-472.87. False statements; penalty.**

(a) Documents. – It is unlawful to knowingly make or cause any false statement or report to be made in any application or in any document submitted to the Authority.

(b) Statements. – It is unlawful to make or cause any false statement or report to be made to the Authority for the purpose of influencing the action of the Authority on an application for assistance or affecting assistance, whether or not assistance has been previously extended.

(c) Penalty. – A violation of this section is a Class 2 misdemeanor."

**SECTION 2.(a)** This act becomes effective January 1, 2003, and applies to offenses committed or causes of action arising on or after that date.

**SECTION 2.(b)** This act expires June 30, 2006. The expiration of this act does not affect prosecutions for offenses committed before that date, and the statutes that would be applicable but for this act remain applicable to those prosecutions. The expiration of this act does not affect any guarantees or bonds executed prior to the expiration.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 4:37 p.m. on the 31<sup>st</sup> day of October, 2002.

**H.B. 1313**

**Session Law 2002-182**

AN ACT TO ESTABLISH THE INTERPRETER AND TRANSLITERATOR LICENSURE ACT FOR PERSONS WHO ARE DEAF OR HARD-OF-HEARING AND TO MAKE CONFORMING CHANGES TO CHAPTER 8B AND CHAPTER 143B.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The General Statutes are amended by adding a new Chapter to read:

"Chapter 90D.

"Interpreters and Transliterators.

**"§ 90D-1. Title.**

This Chapter may be cited as the 'Interpreter and Transliterator Licensure Act'.

**"§ 90D-2. Declaration of purpose.**

The practice of manual or oral interpreting and transliterating services affects the public health, safety, and welfare, and therefore the licensure of these practices is necessary to ensure minimum standards of competency and to provide the public with safe and accurate manual or oral interpreting or transliterating services. It is the purpose of this Chapter to provide for the regulation of persons offering manual or oral interpreting or transliterating services to individuals who are deaf, hard-of-hearing, or dependent on the use of manual modes of communication in this State.

**"§ 90D-3. Definitions.**

The following definitions apply in this Chapter:

- (1) Board. – The North Carolina Interpreter and Transliterator Licensing Board.
- (2) Cued speech. – A tool that utilizes a phonetically based system to enable spoken language to appear visibly through the use of eight handshapes in four locations in combination with natural mouth movements to allow sounds of spoken language to appear differently.
- (3) Educational interpreter or transliterator. – A person who provides accessible communication, using the most understandable language model, to individuals in prekindergarten through grade 12 or in any institution of higher education.
- (4) Interpreter. – A person who practices the act of interpreting as defined in this section.
- (5) Interpreting. – The process of providing accessible communication, between and among persons who are deaf or hard-of-hearing and those who are hearing. This process includes, but is not limited to, communication between American Sign Language and English. It may also involve various other modalities that involve visual, gestural, and tactile methods.
- (6) License. – A certificate that evidences approval by the Board that a person has successfully completed the requirements set forth in G.S. 90D-7 entitling the person to perform the functions and duties of an interpreter or transliterator.
- (7) Provisional license. – A certificate issued by the Board under G.S. 90D-8 enabling a person to perform the functions and duties of an interpreter or transliterator until the person has successfully completed all of the requirements set forth in G.S. 90D-7.
- (8) Transliterating. – The process of providing accessible communication between one or more hearing persons and one or more deaf or hard-of-hearing persons using a form of manually coded English.
- (9) Transliterator. – A person who practices the act of transliterating as defined in this section.

**"§ 90D-4. License required; exemptions.**

(a) Except as provided in Chapter 8B of the General Statutes, no person shall practice or offer to practice as an interpreter or transliterator for a fee or other consideration, represent himself or herself as a licensed interpreter or transliterator, or use the title 'Licensed Interpreter for the Deaf', 'Licensed Transliterator for the Deaf', or any other title or abbreviation to indicate that the person is a licensed interpreter or transliterator unless that person is currently licensed under this Chapter.

(b) The provisions of this Chapter do not apply to:

- (1) Persons providing interpreting or transliterating services in religious proceedings.
- (2) Persons providing interpreting or transliterating services in mentoring or training programs approved by the Board.
- (3) An intern under the supervision of a person licensed under this Chapter to provide interpreting or transliterating services.
- (4) Persons providing interpreting or transliterating services in an emergency situation until a licensed interpreter or transliterator can be obtained. An emergency situation is one where the deaf or hard-of-



hearing person is in substantial danger of death or irreparable harm if interpreting or transliterating services are not provided immediately.

- (5) Educational interpreters or transliterators.

**"§ 90D-5. Creation of the Board.**

(a) The North Carolina Interpreter and Transliterater Licensing Board is created.

(b) Composition and Terms. – The Board shall consist of nine members who shall serve staggered terms. The initial Board members shall be selected on or before January 1, 2003, as follows:

- (1) A member of the North Carolina Association of the Deaf (NCAD) who is deaf and familiar with the interpreting process. This member shall be appointed by the Governor and serve for a term of two years.
- (2) An interpreter who is a member of the North Carolina Registry of Interpreters for the Deaf, Inc., (NCRID) with five years experience in a community setting and who is licensed to practice as an interpreter or transliterator under this Chapter. This member shall be appointed by the Governor and serve for a term of three years.
- (3) An employee of the North Carolina Department of Health and Human Services. This member shall be appointed by the Governor, upon recommendation of the Secretary of the Department, and serve a term of three years.
- (4) An interpreter or transliterator for deaf-blind individuals who is licensed to practice as an interpreter or transliterator under this Chapter or a deaf-blind individual who is a member of the North Carolina Deaf-Blind Association and who has knowledge of the interpreting process. This member shall be appointed by the General Assembly, upon recommendation of the President Pro Tempore of the Senate, and serve for a term of three years.
- (5) A cued speech or oral transliterator licensed to practice as an interpreter or transliterator under this Chapter. This member shall be appointed by the General Assembly, upon recommendation of the President Pro Tempore of the Senate, and serve for a term of two years.
- (6) A member of Self Help for Hard of Hearing (SHHH) with knowledge of the interpreting process and deafness. This member shall be appointed by the General Assembly, upon recommendation of the President Pro Tempore of the Senate, and serve for a term of three years.
- (7) An interpreter who is a member of the North Carolina Registry of Interpreters for the Deaf, Inc., (NCRID) with five years experience in an educational setting in grades K-12 and who is licensed to practice as an interpreter or transliterator under this Chapter. This member shall be appointed by the General Assembly, upon recommendation of the Speaker of the House of Representatives, and serve for a term of two years.
- (8) A faculty member of an Interpreter Training Program (ITP), an Interpreter Preparation Program (IPP), or a qualified or professional certified instructor of the American Sign Language Teachers Association (ASLTA). This member shall be appointed by the General

Assembly, upon recommendation of the Speaker of the House of Representatives, and serve for a term of two years.

- (9) A public member. This member shall be appointed by the General Assembly, upon recommendation of the Speaker of the House of Representatives, and serve a term of two years. For purposes of this section, a public member shall not be licensed under this Chapter or have an immediate family member who is deaf or hard-of-hearing.

Upon the expiration of the terms of the initial Board members, each member shall be appointed for a term of three years and shall serve until a successor is appointed and qualified. No member may serve more than two consecutive full terms.

(c) Qualifications. – All members of the Board who are required to be licensed under this Chapter shall reside or be employed in North Carolina and shall remain in active practice and in good standing with the Board as a licensee during their terms.

(d) Vacancies. – A vacancy shall be filled in the same manner as the original appointment. Appointees to fill vacancies shall serve the remainder of the unexpired term and until their successors have been duly appointed and qualified.

(e) Removal. – The Board may remove any of its members for neglect of duty, incompetence, or unprofessional conduct. A member subject to disciplinary proceedings as a licensee shall be disqualified from participating in the official business of the Board until the charges have been resolved.

(f) Compensation. – Each member of the Board shall receive per diem and reimbursement for travel and subsistence as provided in G.S. 93B-5.

(g) Officers. – The officers of the Board shall be a chair, a vice-chair, and other officers deemed necessary by the Board to carry out the purposes of this Chapter. All officers shall be elected by the Board for two-year terms and shall serve until their successors are elected and qualified.

(h) Meetings. – The Board shall hold at least two meetings each year to conduct business. The Board shall establish procedures governing the calling, holding, and conducting of regular and special meetings. A majority of the Board shall constitute a quorum.

**"§ 90D-6. Powers of the Board.**

The Board shall have the power and duty to:

- (1) Administer this Chapter.
- (2) Adopt, amend, or repeal rules necessary to carry out the provisions of this Chapter, subject to the provisions of Chapter 150B of the General Statutes.
- (3) Employ and fix the compensation of personnel that the Board determines is necessary to carry into effect the provisions of this Chapter and to incur other expenses necessary to effectuate this Chapter.
- (4) Examine and determine the qualifications and fitness of applicants for licensure, renewal of licensure, and reciprocal licensure.
- (5) Issue, renew, deny, suspend, or revoke licenses and carry out any disciplinary actions authorized by this Chapter.
- (6) Set fees as authorized in G.S. 90D-10.
- (7) Conduct investigations for the purpose of determining whether violations of this Chapter or grounds for disciplining licensees exist.
- (8) Maintain a record of all proceedings and make available to licensees and other concerned parties an annual report of all Board action.

- (9) Keep on file in its office at all times a complete record of the names, addresses, license numbers, and renewal license numbers of all persons entitled to practice under this Chapter.
- (10) Adopt a seal containing the name of the Board for use on all licenses and official reports issued by the Board.
- (11) Adopt rules for continuing education requirements.

**"§ 90D-7. Requirements for licensure.**

(a) Upon application to the Board and the payment of the required fees, an applicant may be licensed as an interpreter or transliterator if the applicant meets all of the following qualifications:

- (1) Is 18 years of age or older.
- (2) Is of good moral character as determined by the Board.
- (3) Meets one of the following criteria:
  - a. Holds a valid National Association of the Deaf (NAD), level 4 or 5 certification.
  - b. Is nationally certified by the Registry of Interpreters for the Deaf, Inc., (RID).
  - c. Has a national certification recognized by the National Cued Speech Association (NCSA).
  - d. Holds a quality assurance North Carolina Interpreter Classification System (NCICS) level A or B classification in effect on January 1, 2000.

(b) Effective July 1, 2008, any person who applies for initial licensure as an interpreter or transliterator shall hold at least a two-year degree from a regionally accredited institution.

(c) The Department of Justice may provide a criminal record check to the Board for a person who has applied for a new, provisional, or renewal license through the Board. The Board shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subdivision privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.

**"§ 90D-8. Provisional license.**

(a) Upon application to the Board and the payment of the required fees, an applicant may be issued a one-time provisional license as an interpreter or transliterator if the applicant meets all of the following qualifications:

- (1) Is at least 18 years of age.
- (2) Is of good moral character as determined by the Board.
- (3) Completes two continuing education units approved by the Board. These units must be completed for each renewable year.
- (4) Satisfies one of the following:

- a. Holds a quality assurance North Carolina Interpreter Classification System (NCICS) level C classification.
- b. Holds a valid National Association of the Deaf (NAD) level 2 or 3 certification.
- c. Holds a current Educational Interpreter Performance Assessment (EIPA) level 3 or above classification.
- d. Holds the following certificates for cued language transliterating coursework: Educational Interpreting Defined, Cued Language Transliterating (CLT) Skill Development I, II, and III, and Ethical Decision Making I.
- e. Holds at least a two-year interpreting degree from a regionally accredited institution.

(b) A provisional license issued under this section shall be valid for one year. Upon expiration, a provisional license may be renewed for an additional one-year period in the discretion of the Board. However, a provisional license shall not be renewed more than three times. The Board may, in its discretion, grant an extension after the third time the provisional license has been renewed under circumstances to be established in rules adopted by the Board.

(c) Effective July 1, 2008, any person who applies for initial licensure on a provisional basis as an interpreter or transliterator shall hold at least a two-year degree from a regionally accredited institution.

**"§ 90D-9. Reciprocity; licensure of nonresident.**

(a) The Board may issue a license to a qualified applicant who resides in this State and holds an interpreter or transliterator license in another state if that state has standards of competency that are substantially equivalent to those provided in this Chapter.

(b) The Board may issue a license to a nonresident if the person meets the requirements of this Chapter or the person resides in a state that recognizes licenses issued by the Board.

**"§ 90D-10. Expenses and fees.**

(a) All salaries, compensation, and expenses incurred or allowed for the purposes of this Chapter shall be paid by the Board exclusively out of the fees received by the Board as authorized by this Chapter or from funds received from other sources. In no case shall any salary, expense, or other obligations of the Board be charged against the General Fund.

(b) The Board may impose the following fees not to exceed the amounts listed below:

|            |                                    |                 |
|------------|------------------------------------|-----------------|
| <u>(1)</u> | <u>License</u>                     | <u>\$225.00</u> |
| <u>(2)</u> | <u>Provisional license</u>         | <u>\$225.00</u> |
| <u>(3)</u> | <u>License renewal</u>             | <u>\$150.00</u> |
| <u>(4)</u> | <u>Provisional license renewal</u> | <u>\$150.00</u> |
| <u>(5)</u> | <u>Duplicate license</u>           | <u>\$10.00.</u> |

**"§ 90D-11. License renewal.**

Each license issued under this Chapter shall be renewed on or before October 1 of each year. All applications for renewal shall be filed with the Board and shall be accompanied by the renewal fee as required by G.S. 90D-10 and written proof of satisfactory completion of continuing education requirements adopted by the Board. Licenses that are not renewed shall automatically lapse, and the licensee shall be required to reapply for licensure in accordance with rules adopted by the Board.

**"§ 90D-12. Disciplinary action.**

The Board may deny, suspend, revoke, or refuse to license an interpreter or transliterator or applicant for any of the following:

- (1) Giving false information to or withholding information from the Board in procuring or attempting to procure a license.
- (2) Having been convicted of or pled guilty or no contest to a crime that indicates the person is unfit or incompetent to perform interpreter or transliterator services or that indicates the person has deceived or defrauded the public.
- (3) Having been disciplined by the Registry of Interpreters for the Deaf, Inc., (RID).
- (4) Demonstrating gross negligence, incompetency, or misconduct in performing interpreter or transliterator services.
- (5) Failing to pay child support after having been ordered to do so by a court of competent jurisdiction.
- (6) Willfully violating any provisions of this Chapter or rules adopted by the Board.

**"§ 90D-13. Injunctive relief.**

If the Board finds that a person who does not have a license issued under this Chapter claims to be a licensed interpreter or transliterator or is engaging in practice as an interpreter or transliterator in violation of this Chapter, the Board may apply in its own name to the superior court for a temporary restraining order or other injunctive relief to prevent the person from continuing illegal practices. The action may be brought in the county where the illegal or unlawful acts are alleged to have been committed, in the county where the defendant resides, or in the county where the Board maintains its offices and records. The court may grant injunctions regardless of whether criminal prosecution or other action has been or may be instituted as a result of a violation."

SECTION 2. G.S. 8B-1 reads as rewritten:

**"§ 8B-1. Definitions; right to interpreter; determination of competence.**

As used in this Chapter:

- (1) "Appointing authority" means the presiding judge or clerk of superior court in a judicial proceeding, or a hearing officer, examiner, commissioner, chairman, presiding officer or similar official in a legislative or administrative proceeding.
- (2) "Deaf person" means a person whose hearing impairment is so significant that the individual is impaired in processing linguistic information through hearing, with or without amplification.
- (3) "Qualified interpreter" means ~~an interpreter certified as qualified under standards and procedures promulgated by the Department of Health and Human Services. If the appointing authority finds that an interpreter possessing these qualifications is not available, an interpreter without these qualifications may be called and used as a qualified interpreter if the interpreter's actual qualifications have otherwise been determined to be adequate for the present need.~~ licensed under Chapter 90D of the General Statutes. If the appointing authority finds that a licensed interpreter is not available, an unlicensed interpreter may be called and used as a qualified interpreter if the interpreter's actual qualifications have otherwise been determined to be adequate for the present need. In no event will an interpreter be

considered qualified if the interpreter is unable to communicate effectively with and simultaneously and accurately interpret for the deaf person.

A deaf person who does not utilize sign language may request an aural/oral interpreter. Before this interpreter is appointed, the appointing authority shall satisfy itself that the aural/oral interpreter is competent to interpret the proceedings to the deaf person and to present the testimony, statements, and any other information tendered by the deaf person."

**SECTION 3.** G.S. 8B-6 reads as rewritten:

**"§ 8B-6. List of interpreters; coordination of interpreter services.**

The Department of Health and Human Services shall prepare and maintain an up-to-date list of qualified and available interpreters. A copy of the list shall be provided to each clerk of superior court and to the North Carolina Interpreter and Transliterator Licensing Board created in Chapter 90D of the General Statutes. When requested by an appointing authority to provide an interpreter the Division of Services for the Deaf and the Hard of Hearing shall assist in arranging for an interpreter at the time and place needed through its program of community services for the hearing impaired."

**SECTION 4.** G.S. 8B-10 reads as rewritten:

**"§ 8B-10. ~~North Carolina Interpreter Classification System application and assessment fee.~~ Training and Licensing Preparation Program fees.**

The Division of Services for the Deaf and the Hard of Hearing of the Department of Health and Human Services may charge ~~an applicant for participation in the North Carolina Interpreter Classification System Program a fee of fifty dollars (\$50.00). Ten dollars (\$10.00) of this fee is an application fee and forty dollars (\$40.00) of this fee is an assessment fee to cover the cost of administering the Program. The fee is payable when an applicant applies for participation in the Program.~~ a fee of no more than fifty dollars (\$50.00) to individuals who participate in interpreter training or workshops offered by the North Carolina Training and Licensing Preparation Program. The Division may charge a fee of no more than one hundred dollars (\$100.00) for a diagnostic evaluation offered under the Program. This fee is for voluntary diagnostic services only. These fees are to cover the cost of administering the Program and are payable when a participant takes part in a planned activity."

**SECTION 5.** G.S. 143B-216.33(a) reads as rewritten:

"(a) There is hereby created within the Department of Health and Human Services, the Division of Services for the Deaf and the Hard of Hearing. The Division shall have the powers and duties including the following:

- (1) To review existing programs for persons who are deaf or hard of hearing in the State, and make recommendations to the Secretary of the Department of Health and Human Services and to the Superintendent of the Department of Public Instruction for improvements to such programs;
- (2) Repealed by Session Laws 1999-237, s. 11.4(b).
- (3) To provide a network of resource centers for local access to services such as interpreters, information and referral, telephone relay, and advocacy for persons who are deaf or hard of hearing;
- (4) To collect, study, maintain, publish and disseminate information relative to all aspects of deafness;

- (5) To promote public awareness of the needs of, resources and opportunities available to persons who are deaf or hard of hearing;
- (6) To provide technical assistance to agencies and organizations in the development of services to persons who are deaf or hard of hearing;
- (7) To administer the Telecommunications Program for the Deaf pursuant to G.S. 143B-216.34; and
- (8) To establish training and evaluation standards for determination of competency of individuals serving as interpreters for persons who are deaf or hard of hearing provide training and skill development programming to enhance the competence of individuals who aspire to be licensed or who are currently licensed as interpreters or transliterators under Chapter 90D of the General Statutes."

**SECTION 6.** G.S. 115C-110 is amended by adding a new subsection to read:

"(n) Each interpreter or transliterator employed by a local educational agency, to provide services to hearing-impaired students, must annually complete 15 hours of job-related training that has been approved by the local educational agency."

**SECTION 7.** A person practicing interpreter or transliterator services on the effective date of this act who submits the following evidence to the Board and pays the required fee within 18 months of the effective date of this act, shall be licensed without having to satisfy the requirements of subdivision (a)(3) of G.S. 90D-7 as enacted in Section 1 of this act:

- (1) Evidence that the person meets the qualifications in subdivisions (a)(1) and (a)(2) of G.S. 90D-7.
- (2) Evidence that the person has been actively engaged as an interpreter or transliterator in this State for at least 200 hours for each of the two years immediately preceding the effective date of this act. The evidence must be verified in writing by sources approved by the Board.
- (3) Two letters of recommendation from sources approved by the Board.
- (4) A fee of seventy-five dollars (\$75.00) for the registration. This fee shall be in lieu of the fee for a license authorized in G.S. 90D-10 of the act.

A person who obtains a license by meeting the requirements of this section must comply with the continuing education requirements set by the Board. Any practicing person who does not register with the Board within 18 months of the effective date of this act shall be required to complete all requirements prescribed by the Board and to otherwise comply with the provisions of Chapter 90D, enacted by Section 1 of this act.

**SECTION 8.** The Department of Public Instruction must provide the Board with a copy of the State Board of Education's approved educational requirements and standards for interpreters and transliterators employed by the local educational agencies, who provide support services for hearing-impaired students.

**SECTION 9.** Notwithstanding the language in G.S. 90D-5, as enacted in Section 1 of this act, the initial Board members who are required to be licensed under that section, must only have satisfied the requirements for licensure in G.S. 90D-7(a)(1) and (3) of this act.

**SECTION 10.** G.S. 90D-5 and G.S. 90D-6, as enacted in Section 1 of this act, and Sections 7, 8, 9, and 10 of this act are effective when the act becomes law. The remainder of the act becomes effective July 1, 2003.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law upon approval of the Governor at 4:38 p.m. on the 31<sup>st</sup> day of October, 2002.

**S.B. 910****Session Law 2002-183**

AN ACT TO MAKE IT A CRIMINAL OFFENSE TO DEFRAUD DRUG OR ALCOHOL SCREENING TESTS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Article 52 of Chapter 14 of the General Statutes is amended by adding a new section to read:

**"§ 14-401.20. Defrauding drug and alcohol screening tests; penalty.**

- (a) It is unlawful for a person to do any of the following:
  - (1) Sell, give away, distribute, or market urine in this State or transport urine into this State with the intent that it be used to defraud a drug or alcohol screening test.
  - (2) Attempt to foil or defeat a drug or alcohol screening test by the substitution or spiking of a sample or the advertisement of a sample substitution or other spiking device or measure.
- (b) It is unlawful for a person to do any of the following:
  - (1) Adulterate a urine or other bodily fluid sample with the intent to defraud a drug or alcohol screening test.
  - (2) Possess adulterants that are intended to be used to adulterate a urine or other bodily fluid sample for the purpose of defrauding a drug or alcohol screening test.
  - (3) Sell adulterants with the intent that they be used to adulterate a urine or other bodily fluid sample for the purpose of defrauding a drug or alcohol screening test.
- (c) A violation of this section is punishable as follows:
  - (1) For a first offense under this section, the person is guilty of a Class 1 misdemeanor.
  - (2) For a second or subsequent offense under this section, the person is guilty of a Class I felony."

**SECTION 2.** Section 1 of this act becomes effective December 1, 2002, and applies to offenses committed on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 4:41 p.m. on the 31<sup>st</sup> day of October, 2002.

**S.B. 1161****Session Law 2002-184**

AN ACT TO AMEND THE PRESENT-USE VALUE STATUTES, TO CREATE A PROPERTY TAX SUBCOMMITTEE OF THE REVENUE LAWS STUDY COMMITTEE, TO CLARIFY THE SALES AND USE TAX EXEMPTION



REGARDING CERTAIN AGRICULTURAL SUBSTANCES, AND TO MAKE VARIOUS ADMINISTRATIVE CHANGES IN THE TAX LAWS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 105-277.2 reads as rewritten:

**"§ 105-277.2. Agricultural, horticultural, and forestland – Definitions.**

The following definitions apply in G.S. 105-277.3 through G.S. 105-277.7:

- (1) Agricultural land. – Land that is a part of a farm unit that is actively engaged in the commercial production or growing of crops, plants, or animals under a sound management program. Agricultural land includes woodland and wasteland that is a part of the farm unit, but the woodland and wasteland included in the unit ~~shall~~must be appraised under the use-value schedules as woodland or wasteland. A farm unit may consist of more than one tract of agricultural land, but at least one of the tracts must meet the requirements in G.S. 105-277.3(a)(1), and each tract must be under a sound management program. If the agricultural land includes less than 20 acres of woodland, then the woodland portion is not required to be under a sound management program. Also, woodland is not required to be under a sound management program if it is determined that the highest and best use of the woodland is to diminish wind erosion of adjacent agricultural land, protect water quality of adjacent agricultural land, or serve as buffers for adjacent livestock or poultry operations.
- (1a) Business entity. – A corporation, a general partnership, a limited partnership, or a limited liability company.
- (2) Forestland. – Land that is a part of a forest unit that is actively engaged in the commercial growing of trees under a sound management program. Forestland includes wasteland that is a part of the forest unit, but the wasteland included in the unit ~~shall~~must be appraised under the use-value schedules as wasteland. A forest unit may consist of more than one tract of forestland, but at least one of the tracts must meet the requirements in G.S. 105-277.3(a)(3), and each tract must be under a sound management program.
- (3) Horticultural land. – Land that is a part of a horticultural unit that is actively engaged in the commercial production or growing of fruits or vegetables or nursery or floral products under a sound management program. Horticultural land includes woodland and wasteland that is a part of the horticultural unit, but the woodland and wasteland included in the unit ~~shall~~must be appraised under the use-value schedules as woodland or wasteland. A horticultural unit may consist of more than one tract of horticultural land, but at least one of the tracts must meet the requirements in G.S. 105-277.3(a)(2), and each tract must be under a sound management program. If the horticultural land includes less than 20 acres of woodland, then the woodland portion is not required to be under a sound management program. Also, woodland is not required to be under a sound management program if it is determined that the highest and best use of the woodland is to diminish wind erosion of adjacent horticultural land or protect water quality of adjacent horticultural land.

- (4) Individually owned. – Owned by one of the following:
- a. A natural person. For the purpose of this section, a natural person who is an income beneficiary of a trust that owns land may elect to treat the person's beneficial share of the land as owned by that person. If the person's beneficial interest is not an identifiable share of land but can be established as a proportional interest in the trust income, the person's beneficial share of land is a percentage of the land owned by the trust that corresponds to the beneficiary's proportional interest in the trust income. For the purpose of this section, a natural person who is a member of a business entity, other than a corporation, that owns land may elect to treat the person's share of the land as owned by that person. The person's share is a percentage of the land owned by the business entity that corresponds to the person's percentage of ownership in the entity.
  - b. A business entity having as its principal business one of the activities described in subdivisions (1), (2), and (3) and whose members are all natural persons who meet one or more of the following conditions:
    1. The member is actively engaged in the business of the entity.
    2. The member is a relative of a member who is actively engaged in the business of the entity.
    3. The member is a relative of, and inherited the membership interest from, a decedent who met one or both of the preceding conditions after the land qualified for classification in the hands of the business entity.
  - c. A trust that was created by a natural person who transferred the land to the trust and each of whose beneficiaries who is currently entitled to receive income or principal meets one of the following conditions:
    1. Is the creator of the trust or the creator's relative.
    2. Is a second trust whose beneficiaries who are currently entitled to receive income or principal are all either the creator of the first trust or the creator's relatives.
  - d. A testamentary trust that meets all of the following conditions:
    1. It was created by a natural person who transferred to the trust land that qualified in that person's hands for classification under G.S. 105-277.3.
    2. At the time of the creator's death, the creator had no relatives as defined in this section as of the date of death.
    3. The trust income, less reasonable administrative expenses, is used exclusively for educational, scientific, literary, cultural, charitable, or religious purposes as defined in G.S. 105-278.3(d).
  - e. Tenants in common, if each tenant is either a natural person or a business entity described in sub-subdivision b. of this subdivision. Tenants in common may elect to treat their individual shares as owned by them individually in accordance

with G.S. 105-302(c)(9). The ownership requirements of G.S. 105-277.3(b) apply to each tenant in common who is a natural person, and the ownership requirements of G.S. 105-277.3(b1) apply to each tenant in common who is a business entity.

- (4a) Member. – A shareholder of a corporation, a partner of a general or limited partnership, or a member of a limited liability company.
- (5) Present-use value. – The value of land in its current use as agricultural land, horticultural land, or forestland, based solely on its ability to produce ~~income, using a rate of nine percent (9%) to capitalize the expected net income of the property and assuming an average level of management.~~ income and assuming an average level of management. A rate of nine percent (9%) shall be used to capitalize the expected net income of forestland. The capitalization rate for agricultural land and horticultural land is to be determined by the Use-Value Advisory Board as provided in G.S. 105-277.7.
- (5a) Relative. – Any of the following:
  - a. A spouse or the spouse's lineal ancestor or descendant.
  - b. A lineal ancestor or a lineal descendant.
  - c. A brother or sister, or the lineal descendant of a brother or sister. For the purposes of this sub-subdivision, the term brother or sister includes stepbrother or stepsister.
  - d. An aunt or an uncle.
  - e. A spouse of a person listed in paragraphs a. through d.

For the purpose of this subdivision, an adoptive or adopted relative is a relative and the term "spouse" includes a surviving spouse.
- (6) Sound management program. – A program of production designed to obtain the greatest net return from the land consistent with its conservation and long-term improvement.
- (7) Unit. – One or more tracts of agricultural land, horticultural land, or forestland. Multiple tracts must be under the same ownership. If the multiple tracts are located within different counties, they must be within 50 miles of a tract qualifying under G.S. 105-277.3(a) and share one of the following characteristics:
  - a. Type of classification.
  - b. Use of the same equipment or labor force."

**SECTION 2.** G.S. 105-277.3 reads as rewritten:

**"§ 105-277.3. Agricultural, horticultural, and forestland – Classifications.**

(a) Classes Defined. – The following classes of property are designated special classes of property under authority of Section 2(2) of Article V of the North Carolina Constitution and ~~shall~~must be appraised, assessed, and taxed as provided in G.S. 105-277.2 through G.S. 105-277.7.

- (1) Agricultural land. – Individually owned agricultural land consisting of one or more tracts, one of which consists of at least 10 acres that are in actual production and that, for the three years preceding January 1 of the year for which the benefit of this section is claimed, have produced an average gross income of at least one thousand dollars (\$1,000). Gross income includes income from the sale of the agricultural products produced from the land and any payments received under a governmental soil conservation or land retirement program. Land in

actual production includes land under improvements used in the commercial production or growing of crops, plants, or animals.

- (2) Horticultural land. – Individually owned horticultural land consisting of one or more tracts, one of which consists of at least five acres that are in actual production and that, for the three years preceding January 1 of the year for which the benefit of this section is claimed, have met the applicable minimum gross income requirement. Land in actual production includes land under improvements used in the commercial production or growing of fruits or vegetables or nursery or floral products. Land that has been used to produce evergreens intended for use as Christmas trees must have met the minimum gross income requirements established by the Department of Revenue for the land. All other horticultural land must have produced an average gross income of at least one thousand dollars (\$1,000). Gross income includes income from the sale of the horticultural products produced from the land and any payments received under a governmental soil conservation or land retirement program.
- (3) Forestland. – Individually owned forestland consisting of one or more tracts, one of which consists of at least 20 acres that are in actual production and are not included in a farm unit.

(b) Natural Person Ownership Requirements. – In order to come within a classification described in subsection (a) of this section, the land must, if owned by a natural person, also satisfy one of the following conditions:

- (1) It is the owner's place of residence.
- (2) It has been owned by the current owner or a relative of the current owner for the four years preceding January 1 of the year for which the benefit of this section is claimed.
- (3) At the time of transfer to the current owner, it qualified for classification in the hands of a business entity or trust that transferred the land to the current owner who was a member of the business entity or a beneficiary of the trust, as appropriate.

(b1) Entity Ownership Requirements. – In order to come within a classification described in subsection (a) of this section, the land must, if owned by a business entity or trust, have been owned by the business entity or trust or by one or more of its members or creators, respectively, for the four years immediately preceding January 1 of the year for which the benefit of this section is claimed.

(b2) Exception to Ownership Requirements. – ~~G.S. 105-277.4(e) provides that deferred taxes are payable if land fails to meet any condition or requirement for classification. Accordingly, if land fails to meet an ownership requirement due to a change of ownership, G.S. 105-277.4(e) applies. Despite this failure and the resulting liability for taxes under G.S. 105-277.4(e), the~~ Notwithstanding the provisions of subsections (b) and (b1) of this section, land may qualify for classification in the hands of the new owner if both all of the conditions listed in this subsection are met, even if the new owner does not meet all of the ownership requirements of subsections (b) and (b1) of this section with respect to the land. If the land qualifies for classification in the hands of the new owner under the provisions of this subsection, then the deferred taxes remain a lien on the land under G.S. 105-277.4(c), the new owner becomes liable for the deferred taxes, and the deferred taxes become payable if the land fails to meet any other condition or requirement for classification.

- (1) The land was appraised at its present use value or was eligible for appraisal at its present use value at the time title to the land passed to the new owner.
- (2) At the time title to the land passed to the new owner, the new owner acquires the land for the purposes of and continues to use the land for the purposes it was classified under subsection (a) of this section while under previous ownership.
- (3) The new owner has timely filed an application as required by G.S. 105-277.4(a) and has certified that the new owner accepts liability for the deferred taxes and intends to continue the present use of the land.

(c) Repealed by Session Laws 1995, c. 454, s. 2.

(d) Exception for Conservation Reserve Program. – Land enrolled in the federal Conservation Reserve Program authorized by 16 U.S.C. ~~§ 1384~~ Chapter 58 is considered to be in actual production, and income derived from participation in the federal Conservation Reserve Program may be used in meeting the minimum gross income requirements of this section either separately or in combination with income from actual production. Land enrolled in the federal Conservation Reserve Program ~~shall~~ must be assessed as agricultural land if it is planted in vegetation other than trees, or as forestland if it is planted in trees.

(d1) Exception for Easements on Qualified Conservation Lands Previously Appraised at Use Value. – Property that is appraised at its present-use value under G.S. 105-277.4(b) shall continue to qualify for appraisal, assessment, and taxation as provided in G.S. 105-277.2 through G.S. 105-277.7 as long as the property is subject to an enforceable conservation easement that would qualify for the conservation tax credit provided in G.S. 105-130.34 and G.S. 105-151.12, without regard to actual production or income requirements of this section. Notwithstanding G.S. 105-277.3(b) and (b1), subsequent transfer of the property does not extinguish its present-use value eligibility as long as the property remains subject to an enforceable conservation easement that qualifies for the conservation tax credit provided in G.S. 105-130.34 and G.S. 105-151.12. The exception provided in this subsection applies only to that part of the property that is subject to the easement.

(e) Exception for Turkey Disease. – Agricultural land that meets all of the following conditions is considered to be in actual production and to meet the minimum gross income requirements:

- (1) The land was in actual production in turkey growing within the preceding two years and qualified for present use value treatment while it was in actual production.
- (2) The land was taken out of actual production in turkey growing solely for health and safety considerations due to the presence of Poultry Enteritis Mortality Syndrome among turkeys in the same county or a neighboring county.
- (3) The land is otherwise eligible for present use value treatment.

(f) Sound Management Program for Agricultural Land and Horticultural Land. – If the property owner demonstrates any one of the following factors with respect to agricultural land or horticultural land, then the land is operated under a sound management program:

- (1) Enrollment in and compliance with an agency-administered and approved farm management plan.
- (2) Compliance with a set of best management practices.

- (3) Compliance with a minimum gross income per acre test.
- (4) Evidence of net income from the farm operation.
- (5) Evidence that farming is the farm operator's principal source of income.
- (6) Certification by a recognized agricultural or horticultural agency within the county that the land is operated under a sound management program.

Operation under a sound management program may also be demonstrated by evidence of other similar factors. As long as a farm operator meets the sound management requirements, it is irrelevant whether the property owner received income or rent from the farm operator.

(g) Sound Management Program for Forestland. – If the owner of forestland demonstrates that the forestland complies with a written sound forest management plan for the production and sale of forest products, then the forestland is operated under a sound management program."

**SECTION 3.** G.S. 105-277.4 reads as rewritten:

**"§ 105-277.4. Agricultural, horticultural and forestland – Application; appraisal at use value; appeal; deferred taxes.**

(a) Application. – Property coming within one of the classes defined in G.S. 105-277.3 ~~shall be~~ is eligible for taxation on the basis of the value of the property in its present use if a timely and proper application is filed with the assessor of the county in which the property is located. The application ~~shall~~ must clearly show that the property comes within one of the classes and ~~shall~~ must also contain any other relevant information required by the assessor to properly appraise the property at its present-use value. An initial application ~~shall~~ must be filed during the regular listing period of the year for which the benefit of this classification is first claimed, or within 30 days of the date shown on a notice of a change in valuation made pursuant to G.S. 105-286 or G.S. 105-287. A new application is not required to be submitted unless the property is transferred or becomes ineligible for use-value appraisal because of a change in use or acreage. An application required due to transfer of the land may be submitted at any time during the calendar year but must be submitted within 60 days of the date of the property's transfer.

(b) Appraisal at Present-use Value. – Upon receipt of a properly executed application, the assessor ~~shall~~ must appraise the property at its present-use value as established in the schedule prepared pursuant to G.S. 105-317. In appraising the property at its present-use value, the assessor ~~shall~~ must appraise the improvements located on qualifying land according to the schedules and standards used in appraising other similar improvements in the county. If all or any part of a qualifying tract of land is located within the limits of an incorporated city or town, or is property annexed subject to G.S. 160A-37(f1) or G.S. 160A-49(f1), the assessor ~~shall~~ must furnish a copy of the property record showing both the present-use appraisal and the valuation upon which the property would have been taxed in the absence of this classification to the collector of the city or town. ~~He shall~~ The assessor must also notify the tax collector of any changes in the appraisals or in the eligibility of the property for the benefit of this classification. Upon a request for a certification pursuant to G.S. 160A-37(f1) or G.S. 160A-49(f1), or any change in the certification, the assessor for the county where the land subject to the annexation is located ~~shall~~ must, within 30 days, determine if the land meets the requirements of G.S. 160A-37(f1)(2) or G.S. 160A-49(f1)(2) and report the results of its findings to the city.

(b1) Appeal. – Decisions of the assessor regarding the qualification or appraisal of property under this section may be appealed to the county board of equalization and review or, if that board is not in session, to the board of county commissioners. Decisions of the county board may be appealed to the Property Tax Commission.

(c) Deferred Taxes. – Land meeting the conditions for classification under G.S. 105-277.3 ~~shall~~ must be taxed on the basis of the value of the land for its present use. The difference between the taxes due on the present-use basis and the taxes that would have been payable in the absence of this classification, together with any interest, penalties, or costs that may accrue thereon, are a lien on the real property of the taxpayer as provided in G.S. 105-355(a). The difference in taxes ~~shall~~ must be carried forward in the records of the taxing unit or units as deferred taxes. The taxes become due and payable when the land fails to meet any condition or requirement for classification. Failure to have an application approved is ground for disqualification. The tax for the fiscal year that opens in the calendar year in which deferred taxes become due is computed as if the land had not been classified for that year, and taxes for the preceding three fiscal years that have been deferred are immediately payable, together with interest as provided in G.S. 105-360 for unpaid taxes. Interest accrues on the deferred taxes due as if they had been payable on the dates on which they originally became due. If only a part of the qualifying tract of land fails to meet a condition or requirement for classification, ~~a determination shall be made of the assessor must determine~~ the amount of deferred taxes applicable to that part and that amount becomes payable with interest as provided above. Upon the payment of any taxes deferred in accordance with this section for the three years immediately preceding a disqualification, all liens arising under this subsection are extinguished. The deferred taxes for any given year may be paid in that year without the qualifying tract of land becoming ineligible for deferred status.

(d) Exceptions. – Notwithstanding the provisions of subsection (c) of this section, if property loses its eligibility for present use value classification solely due to one of the following reasons, no deferred taxes are due and the lien for the deferred taxes is extinguished:

- (1) There is a change in income caused by enrollment of the property in the federal conservation reserve program established under 16 U.S.C. Chapter 58.
- (2) The property is conveyed by gift to a nonprofit organization and qualifies for exclusion from the tax base pursuant to G.S. 105-275(12) or G.S. 105-275(29).
- (3) The property is conveyed by gift to the State, a political subdivision of the State, or the United States.

(e) Repealed by Session Laws 1997-270, s. 3, effective July 3, 1997."

**SECTION 4.** G.S. 105-277.7 reads as rewritten:

**"§ 105-277.7. Use-Value Advisory Board.**

(a) Creation and Membership. – The Use-Value Advisory Board is established under the supervision of the Agricultural Extension Service of North Carolina State University. ~~The Board shall annually submit to the Department of Revenue a recommended use value manual developed in accordance with the guidelines in G.S. 105-289(a)(5). In developing the manual, the Board may consult with federal and State agencies as needed. The Board shall submit to the Department of Revenue recommendations concerning requirements for horticultural land used to produce~~

~~evergreens intended for use as Christmas trees when requested to do so by the Department.~~

~~The Board shall be chaired by the Director of the Agricultural Extension Service of North Carolina State University shall serve as the chair of the Board. The Board and shall consist of the following additional members:~~members, to serve ex officio:

- (1) ~~A~~ a representative of the Department of Agriculture and Consumer Services, designated by the Commissioner of ~~Agriculture;~~Agriculture.
- (2) ~~A~~ a representative of the Forest Resources Division of the Department of Environment and Natural Resources, designated by the Director of that ~~Division;~~ and a Division.
- (3) ~~A~~ A representative of the Agricultural Extension Service at North Carolina Agricultural and Technical State University, designated by the Director of the Extension Service.
- (4) ~~A~~ A representative of the North Carolina Farm Bureau, designated by the President of the Bureau.
- (5) ~~A~~ A representative of the North Carolina Association of Assessing Officers, designated by the President of the Association.
- (6) ~~The Director of the Property Tax Division of the North Carolina Department of Revenue or the Director's designee.~~
- (7) ~~A~~ A representative of the North Carolina Association of County Commissioners, designated by the President of the Association.
- (8) ~~A~~ A representative of the North Carolina Forestry Association, designated by the President of the Association.

(b) ~~Staff. – All members shall serve ex officio.~~ The Agricultural Extension Service at North Carolina State University shall ~~must~~ provide clerical assistance to the Board.

(c) ~~Duties. – The Board must annually submit to the Department of Revenue a recommended use-value manual. In developing the manual, the Board may consult with federal and State agencies as needed. The manual must contain all of the following:~~

- (1) ~~The estimated cash rental rates for agricultural lands and horticultural lands for the various classes of soils found in the State. The rental rates must recognize the productivity levels by class of soil or geographic area. The rental rates must be based on the rental value of the land to be used for agricultural or horticultural purposes when those uses are presumed to be the highest and best use of the land. The recommended rental rates may be established from individual county studies or from contracts with federal or State agencies as needed.~~
- (2) ~~The recommended net income ranges for forestland furnished to the Board by the Forestry Section of the North Carolina Cooperative Extension Service. These net income ranges may be based on up to six classes of land within each Major Land Resource Area designated by the United States Soil Conservation Service. In developing these ranges, the Forestry Section must consider the soil productivity and indicator tree species or stand type, the average stand establishment and annual management costs, the average rotation length and timber yield, and the average timber stumpage prices.~~
- (3) ~~The capitalization rates adopted by the Board prior to February 1 for use in capitalizing incomes into values. The capitalization rate for forestland shall be nine percent (9%). The capitalization rate for~~



agricultural land and horticultural land must be no less than six percent (6%) and no more than seven percent (7%). The incomes must be in the form of cash rents for agricultural lands and horticultural lands and net incomes for forestlands.

- (4) The value per acre adopted by the Board for the best agricultural land. The value may not exceed one thousand two hundred dollars (\$1,200).
- (5) Recommendations concerning any changes to the capitalization rate for agricultural land and horticultural land and to the maximum value per acre for the best agricultural land based on a calculation to be determined by the Board. The Board shall annually report these recommendations to the Revenue Laws Study Committee and to the President Pro Tempore of the Senate and the Speaker of the House of Representatives.
- (6) Recommendations concerning requirements for horticultural land used to produce evergreens intended for use as Christmas trees when requested to do so by the Department."

**SECTION 5.** G.S. 105-289(a) reads as rewritten:

"(a) It shall be ~~is~~ the duty of the Department of Revenue:

- (1) To discharge the duties prescribed by law and to enforce the provisions of this Subchapter.
- (2) To exercise general and specific supervision over the valuation and taxation of property by taxing units throughout the State.
- (3) To appraise the property of public service companies.
- (4) To keep full and accurate records of the Commission's official proceedings.
- (5) To prepare and distribute annually to each assessor ~~a the manual developed by the Use-Value Advisory Board under G.S. 105-277.7 that establishes five expected net income per acre ranges for agricultural land, horticultural land, and forestland, and establishes a method for appraising nonproductive land as a percentage of the lowest use value established for productive land. The high and low net income amount in each range may differ by no more than fifteen dollars (\$15.00). The basis for establishing each range shall be soil productivity.~~

~~For agricultural land, the expected net income per acre ranges shall be based on the actual yields and prices of corn and soybeans over a period of at least the five previous years, and the actual fixed and variable costs, including an imputed management cost, incurred in growing corn and soybeans over the same period of time. The manual shall contain recommended adjustments to the net income per acre ranges for the growing of crops subject to acreage or poundage allotments.~~

~~Expected net income per acre ranges shall be similarly established for horticultural land and forestland, using typical horticultural or forest products in various growing regions of the State instead of corn and soybeans. the cash rental rates for agricultural lands and horticultural lands and the net income ranges for forestland.~~

- (6) To establish requirements for horticultural land, used to produce evergreens intended for use as Christmas trees, in lieu of a gross

income requirement until evergreens are harvested from the land, and to establish a gross income requirement for this type horticultural land, that differs from the income requirement for other horticultural land, when evergreens are harvested from the land.

- (7) To conduct studies of the cash rents for agricultural lands on a county or a regional basis, such as the Major Land Resource Area map designated and developed by the U.S. Department of Agriculture. The results of the studies must be furnished to the North Carolina Use-Value Advisory Board. The studies may be conducted on any reasonable basis and timetable that will be reflective of rents and values for each local area based on the productivity of the land."

**SECTION 6.** G.S. 105-296(j) reads as rewritten:

"(j) The assessor ~~shall~~must annually review at least one eighth of the parcels in the county classified for taxation at present-use value to verify that these parcels qualify for the classification. By this method, the assessor ~~shall~~must review the eligibility of all parcels classified for taxation at present-use value in an eight-year period. The period of the review process is based on the average of the preceding three years' data. The assessor may request assistance from the Farm Service Agency, the Cooperative Extension Service, the Forest Resources Division of the Department of Environment and Natural Resources, or other similar organizations.

The assessor may require the owner of classified property to submit any ~~information~~ information, including sound management plans for forestland, needed by the assessor to verify that the property continues to qualify for present-use value taxation. The owner has 60 days from the date a written request for the information is made to submit the information to the assessor. If the assessor determines the owner failed to make the information requested available in the time required without good cause, the property loses its present-use value classification and the property's deferred taxes become due and payable as provided in G.S. 105-277.4(c). The assessor must reinstate the property's use-value classification when the owner submits the requested information unless the information discloses that the property no longer qualifies for present-use value classification. When a property's present-use value classification is reinstated, it is reinstated retroactive to the date the classification was revoked and any deferred taxes that were paid as a result of the revocation must be refunded to the property owner.

In determining whether property is operating under a sound management program, the assessor must consider any weather conditions or other acts of nature that prevent the growing or harvesting of crops or the realization of income from cattle, swine, or poultry operations. The assessor must also allow the property owner to submit additional information before making this determination."

**SECTION 7.** G.S. 105-299 reads as rewritten:

**"§ 105-299. Employment of experts.**

The board of county commissioners may employ appraisal firms, mapping firms or other persons or firms having expertise in one or more of the duties of the assessor to assist ~~him or her~~ the assessor in the performance of ~~such~~ these duties. The county may also assign to county agencies, or contract with State or federal agencies, for any duties involved with the approval or auditing of use-value accounts. The county may make available to ~~such~~ these persons any information it has that will facilitate the performance of a contract entered into pursuant to this section. Persons receiving ~~such~~ this information ~~shall~~ bear subject to the provisions of G.S. 105-289(e) and G.S. 105-259 regarding the use and disclosure of information provided to them by the

county. Any person employed by an appraisal firm whose duties include the appraisal of property for the county ~~shall~~must be required to demonstrate that he or she is qualified to carry out ~~such~~these duties by achieving a passing grade on a comprehensive examination in the appraisal of property administered by the Department of Revenue. In the employment of ~~such~~these firms, primary consideration ~~shall~~must be given to the firms registered with the Department of Revenue pursuant to ~~the provisions of~~ G.S. 105-289(i). A copy of the specifications to be submitted to potential bidders and a copy of the proposed contract may be sent by the board to the Department of Revenue for review before the invitation or acceptance of any bids. Contracts for the employment of ~~these such~~ firms or persons ~~shall be deemed to be~~are contracts for personal services and ~~shall not be~~not subject to the provisions of Article 8, Chapter 143, of the General Statutes."

**SECTION 8.** Article 12L of Chapter 120 of the General Statutes is amended by adding a new section to read:

**"§ 120-70.108. Property Tax Subcommittee.**

(a) The Revenue Laws Study Committee shall establish a Property Tax Subcommittee consisting of six members. The Senate cochair of the Committee shall designate three members appointed by the President Pro Tempore of the Senate to serve on the Subcommittee and shall name one of those members a cochair of the Subcommittee. The House cochair of the Committee shall designate three members appointed by the Speaker of the House of Representatives to serve on the Subcommittee and shall name one of those members a cochair of the Subcommittee. The Subcommittee shall meet upon the call of the Subcommittee cochairs.

(b) The Property Tax Subcommittee shall study, examine, and, if necessary, recommend changes to the property tax system. The Subcommittee shall include in its study an examination of all classes of property, including exemptions and exclusions of property from the property tax base. The Subcommittee shall also study the present-use value system, including the following:

- (1) Examine the implementation and application of the current present-use value statutes.
- (2) Evaluate other tax credits, including adjustments to and credits for ad valorem taxes, to encourage agricultural, forestry, horticultural, and conservation use of land.
- (3) Evaluate the treatment of undeveloped land in ad valorem tax.
- (4) Evaluate the possibility of amending the present-use value system and developing other tax incentives to encourage conservation and environmental protection of land. The study shall include the feasibility of allowing lands managed for conservation and the preservation of water quality, wildlife habitats, and other conservation purposes to be taxed at their present-use value.
- (5) Evaluate the possibility of adding more specific land and resource management criteria to the sound management programs required for all lands enrolled in the present-use value system.
- (6) Review other issues related to the taxation of agricultural land, horticultural land, and forestland, including reducing the acreage requirement for land to qualify as forestland.

(c) The Subcommittee shall report any recommendations to the Revenue Laws Study Committee."

**SECTION 9.** G.S. 105-164.13(2a) reads as rewritten:

"(2a) Any of the following substances when purchased for use on animals or plants, as appropriate, held or produced for commercial ~~purposes:~~ purposes. This exemption does not apply to any equipment or devices used to administer, release, apply, or otherwise dispense these substances:

- a. Remedies, vaccines, medications, litter materials, and feeds for animals.
- b. Rodenticides, insecticides, herbicides, fungicides, and pesticides.
- c. Defoliant for use on cotton or other crops.
- d. Plant growth inhibitors, regulators, or stimulators, including systemic and contact or other sucker control agents for tobacco and other crops."

**SECTION 10.** G.S. 105-164.16(b) reads as rewritten:

"(b) Quarterly. – A taxpayer who is consistently liable for less than one hundred dollars (\$100.00) a month in State and local sales and use taxes must file a return and pay the taxes due on a quarterly basis. A quarterly return covers a calendar quarter and is due by the 15<sup>th</sup> last day of the month following the end of the quarter."

**SECTION 11.** G.S. 105-164.16(b2) reads as rewritten:

"(b2) Semimonthly. – A taxpayer who is consistently liable for at least ten thousand dollars (\$10,000) a month in State and local sales and use taxes must pay the tax twice a month and must file a return on a monthly basis. One semimonthly payment covers the period from the first day of the month through the 15<sup>th</sup> day of the month. The other semimonthly payment covers the period from the 16<sup>th</sup> day of the month through the last day of the month. The semimonthly payment for the period that ends on the 15<sup>th</sup> day of the month is due by the 25<sup>th</sup> day of that month. The semimonthly payment for the period that ends on the last day of the month is due by the 10<sup>th</sup> day of the following month.

A return covers both semimonthly payment periods. The return is due by the 20<sup>th</sup> day of the month following the month of the payment periods covered by the return. A taxpayer is not subject to interest on or penalties for an underpayment for a semimonthly payment period if the taxpayer timely pays at least ninety-five percent (95%) of the ~~amount due for each semimonthly payment period~~ lesser of the following and includes the underpayment with the monthly return for those semimonthly payment ~~periods~~ periods:

- (1) The amount due for each semimonthly payment period.
- (2) The average semimonthly payment for the prior calendar year."

**SECTION 12.** Part 5 of Article 5 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-164.28A. Other exemption certificates.**

(a) Authorization. – The Secretary may require a person who purchases tangible personal property that is exempt from tax or is subject to a preferential rate of tax depending on the status of the purchaser or the intended use of the property to obtain an exemption certificate from the Department to receive the exemption or preferential rate. An exemption certificate authorizes a retailer to sell tangible personal property to the holder of the certificate and either collect tax at a preferential rate or not collect tax on the sale, as appropriate. A person who purchases tangible personal property under an exemption certificate is liable for any tax due on the sale if the Department determines that the person is not eligible for the certificate or the property was not used as intended.

(b) Scope. – This section does not apply to a direct pay permit or a certificate of

resale. G.S. 105-164.27A addresses a direct pay permit, and G.S. 105-164.28 addresses a certificate of resale."

**SECTION 13.** Sections 1 through 7 of this act are effective for taxes imposed for taxable years beginning on or after July 1, 2003. Section 10 becomes effective October 1, 2002, and applies to taxes levied on or after that date. Section 11 becomes effective October 1, 2002, and applies to payments due on or after that date. Sections 8, 9, 12, and 13 are effective when they become law.

In the General Assembly read three times and ratified this the 24<sup>th</sup> day of September, 2002.

Became law upon approval of the Governor at 4:42 p.m. on the 31<sup>st</sup> day of October, 2002.

## H.B. 1120

## Session Law 2002-185

AN ACT TO REQUIRE THE BEACH PLAN TO ISSUE A HOMEOWNERS' INSURANCE POLICY; REQUIRE A STUDY OF THE BEACH AND FAIR PLANS; PROVIDE FOR IMMEDIATE TEMPORARY BINDING AUTHORITY OF AGENTS ACCEPTING APPLICATIONS TO THE BEACH PLAN; REQUIRE THE BEACH AND FAIR PLANS TO MAINTAIN UNEARNED PREMIUM RESERVES AND RESERVES FOR LOSSES; MAKE TECHNICAL CORRECTIONS TO THE APPOINTMENT PROVISIONS FOR THE MOTOR VEHICLE REINSURANCE FACILITY BOARD OF GOVERNORS; CLARIFY THAT THE BEACH AND FAIR PLANS ARE SUBJECT TO THE OPEN MEETINGS ACT; AND AMEND THE INSURANCE LAW PERTAINING TO SPECIAL DEPOSITS TO PERMIT HARDSHIP PAYMENTS UNDER WORKERS' COMPENSATION POLICIES.

*The General Assembly of North Carolina enacts:*

### **PART I. FINDINGS OF THE GENERAL ASSEMBLY**

**SECTION 1.** The General Assembly of North Carolina finds that:

- (1) An adequate market for property insurance is necessary to the economic welfare of the beach and coastal counties of North Carolina.
- (2) The establishment of the North Carolina Insurance Underwriting Association ("Beach Plan") was designed to provide a residual property insurance market in our State's beach and coastal counties.
- (3) Despite the availability of property protection through the Beach Plan, the availability of homeowners' insurance policies continues to be inadequate in beach and coastal counties.
- (4) In an effort to address this ongoing problem, the Commissioner of Insurance has requested the Board of Directors of the Beach Plan to offer homeowners' insurance to residents in beach and coastal counties.
- (5) The Board of Directors of the Beach Plan has developed a homeowners' policy and has submitted this policy to the Commissioner of Insurance for approval.
- (6) The Commissioner of Insurance has the authority under G.S. 58-45-30 to direct and approve the offering of a homeowners' insurance policy through the Beach Plan.

- (7) The availability of a homeowners' insurance policy offered through the Beach Plan will assist in alleviating the lack of homeowners' insurance currently available in beach and coastal counties.
- (8) The General Assembly will await further recommendations by the Commissioner of Insurance on other options to increase the availability of homeowners' insurance both in beach and coastal counties and statewide, as directed in Section 3 of this act.

## **PART II. HOMEOWNERS' INSURANCE THROUGH BEACH PLAN**

### **SECTION 2.** G.S. 58-45-30(d) reads as rewritten:

~~"(d) The Commissioner may designate the kinds of property insurance policies on principal residences to be offered by the association, including insurance policies under Article 36 of this Chapter, and the commission rates to be paid to agents or brokers for these policies, if the Commissioner finds, after a hearing held in accordance with G.S. 58-2-50, that the public interest requires the designation. The provisions of Chapter 150B do not apply to any procedure under this paragraph, except that G.S. 150B-39 and G.S. 150B-41 shall apply to a hearing under this paragraph. Within 30 days after the receipt of notification from the Commissioner of a change in designation pursuant to this paragraph, the association shall submit a revised plan and articles of association for approval in accordance with this section. As used in this subsection, 'homeowners' insurance policy' means a multiperil policy providing full coverage of residential property similar to the coverage provided under an HO-2, HO-3, HO-4, or HO-6 policy under Article 36 of this Chapter. The Association shall issue, for principal residences, homeowners' insurance policies approved by the Commissioner. Homeowners' insurance policies shall be available to persons who reside in the beach and coastal areas and who are unable to obtain homeowners' insurance policies from insurers that are authorized to transact and are actually writing homeowners' insurance policies in this State. The terms and conditions of the homeowners' insurance policies available under this subsection shall not be more favorable than those of homeowners' insurance policies available in the voluntary market in beach and coastal counties. Rates for the homeowners' insurance policies authorized by this subsection shall be set pursuant to rate standards set forth in G.S. 58-40-20(a), and the provisions of G.S. 58-45-45(a) shall not apply."~~

## **PART III. STUDY OF THE BEACH AND FAIR PLANS**

**SECTION 3.** The Commissioner of Insurance, in consultation with other governmental bodies specified below, shall study the provisions of Articles 45 and 46 of Chapter 58 of the General Statutes, other relevant portions of the General Statutes, and the plans and operations of the North Carolina Insurance Underwriting Association ("Beach Plan") and the North Carolina Joint Underwriting Association ("FAIR Plan"). In this study, the Commissioner may consider all issues and potential remedies related to the availability of homeowners' insurance coverage statewide, and specifically in the beach and coastal counties of the State. In conducting this study, the Commissioner may call upon any department, agency, institution, or officer of the State or of any political subdivision of the State, and the North Carolina Rate Bureau, the North Carolina Insurance Underwriting Association ("Beach Plan"), the North Carolina Joint Underwriting Association ("FAIR Plan"), and the North Carolina Motor Vehicle

Reinsurance Facility, and representatives of property and casualty insurers and reinsurers, for such assistance and information, and these departments, agencies, institutions, officers, and other entities shall cooperate with the Commissioner to the fullest possible extent. The Commissioner shall report to the 2003 General Assembly on or before April 1, 2003, on the Commissioner's findings and may make any legislative or other recommendations he considers appropriate.

#### **PART IV. BEACH PLAN BINDER PROVISIONS**

**SECTION 4.1.** G.S. 58-45-35(d) reads as rewritten:

"(d) An agent who is licensed under Article 33 of this Chapter as an agent of a company which is a member of the Association established under this Article shall not be deemed an agent of the Association. The foregoing notwithstanding, an agent of a company which is a member of the Association shall have the authority, subject to the underwriting guidelines established by the Association, to temporarily bind coverage with the Association. The Association shall establish rules and procedures, including any limitations for binding authority, in the plan of operation.

Any unearned premium on the temporary binder shall be returned to the policyholder if the Association refuses to issue a policy. Nothing in this section shall prevent the Association from suspending binding authority in accordance with its plan of operation."

**SECTION 4.2.** Article 45 of Chapter 58 of the General Statutes is amended by adding a new section to read:

**"§ 58-45-36. Temporary contracts of insurance.**

Consistent with G.S. 58-45-35(d), the Association shall be temporarily bound by a written temporary binder of insurance issued by any duly licensed insurance agent or broker. Coverage shall be effective upon payment to the agent or broker of the entire premium or part of the premium, as prescribed by the Association's plan of operation. Nothing in this section shall impair or restrict the rights of the Association under G.S. 58-45-35(b) to decline to issue a policy based upon a lack of insurability as determined by the Association or the existence of an unpaid premium due from the applicant."

#### **PART V. BEACH AND FAIR PLAN RESERVING**

**SECTION 5.1.** Article 45 of Chapter 58 of the General Statutes is amended by adding a new section to read:

**"§ 58-45-46. Unearned premium, loss, and loss expense reserves.**

The Association shall make provisions for reserving unearned premiums and reserving for losses, including incurred but not reported losses, and loss expenses, in accordance with G.S. 58-3-71, 58-3-75, and 58-3-81."

**SECTION 5.2.** Article 46 of Chapter 58 of the General Statutes is amended by adding a new section to read:

**"§ 58-46-41. Unearned premium, loss, and loss expense reserves.**

The Association shall make provisions for reserving unearned premiums and reserving for losses, including incurred but not reported losses, and loss expenses, in accordance with G.S. 58-3-71, 58-3-75, and 58-3-81."

**SECTION 5.3.** The North Carolina Joint Underwriting Association and the North Carolina Insurance Underwriting Association shall request from the United States Internal Revenue Service a ruling as to whether or not the reserves required by Sections

5.1 and 5.2 of this act are subject to federal taxation. If the ruling states that the reserves are subject to federal taxation, in whole or in part, the Associations shall pursue ways and means for an exemption from federal taxation.

## **PART VI. NC MOTOR VEHICLE REINSURANCE FACILITY APPOINTMENTS**

**SECTION 6.** G.S. 58-37-35(d) reads as rewritten:

"(d) The Facility shall be administered by a Board of Governors. The Board of Governors shall consist of 12 members having one vote each from the classifications hereinafter enumerated plus specified in this subsection and the Commissioner ~~Commissioner~~, who shall serve ex officio without vote. Each Facility insurance company member serving on the Board shall be represented by a senior officer of the company. Not more than one company in a group under the same ownership or management shall be represented on the Board at the same time. Five members of the Board shall be selected by the member insurers, which members shall be fairly representative of the industry. To insure representative member insurers, one each shall be selected from the following ~~groups: trade associations:~~ the American Insurance Association (or its successors), the Alliance of American Insurers (or its successors), the National Association of Independent Insurers (or its successors), all other stock insurers not affiliated with the above groups, those trade associations, and all other nonstock insurers not affiliated with the above groups. those trade associations. The Commissioner shall appoint two members of the Board who ~~shall be~~ are Facility insurance company members domiciled in this State. ~~The Commissioner shall appoint one member of the Board who shall be selected from a list of two nominees submitted by the Auto Insurance Agents of North Carolina, Inc.~~ The Commissioner shall appoint ~~four~~ five members of the Board who shall be fire and casualty insurance agents licensed in this State and actively engaged in writing motor vehicle insurance in this State. ~~The Commissioner shall select two agents from among a list of four nominees submitted by the Independent Insurance Agents of North Carolina, Inc., (or its successors).~~ The initial term of office of ~~said~~ the Board members shall be two years. Following completion of initial terms, successors to the members of the original Board of Governors shall be selected to serve three years. All members of the Board of Governors shall serve until their successors are selected and qualified and the Commissioner may fill any vacancy on the Board from any of the ~~aforementioned~~ classifications specified in this subsection until ~~such~~ the vacancies are filled in accordance with ~~the provisions of~~ this Article. The Board of Governors of the Facility shall also have as nonvoting members two persons who are not employed by or affiliated with any insurance company or the Department and who are appointed by the Governor to serve at the Governor's pleasure."

## **PART VII. BEACH AND FAIR PLANS SUBJECT TO OPEN MEETINGS ACT**

**SECTION 7.1.** Article 46 of Chapter 58 of the General Statutes is amended by adding a new section to read:

**"§ 58-45-90. Open meetings.**

The Association is subject to the Open Meetings Act, Article 33C of Chapter 143 of the General Statutes, as amended."

**SECTION 7.2.** Article 46 of Chapter 58 of the General Statutes is amended by adding a new section to read:



**"§ 58-46-60. Open meetings.**

The Association is subject to the Open Meetings Act, Article 33C of Chapter 143 of the General Statutes, as amended."

**PART VIII. AMEND SPECIAL DEPOSITS INSURANCE LAW**

**SECTION 8.** G.S. 58-5-63 is amended by adding a new subsection to read:

"(c) Notwithstanding the provisions of G.S. 58-5-70, if any company that is or has been the subject of supervision or rehabilitation proceedings fails to pay its liabilities for temporary disability payments or emergency medical expenses under policies of workers' compensation insurance, the Commissioner shall liquidate the company's deposits and accrued interest and shall use the proceeds to pay such liabilities until that company becomes the subject of a final order of liquidation with a finding of insolvency that has not been stayed or been the subject of a writ of supersedeas or other comparable order. The Commissioner also may enter into one or more contracts to handle the administration of the identification and payment of such liabilities, and to the extent such a contract is entered into, the contractor and its employees, agents, and attorneys, shall have immunity of the same scope and extent as an employee of the State acting in the course and scope of the public duties of such employment. After an order of liquidation with a finding of insolvency has been entered by a court of competent jurisdiction that has not been stayed or been the subject of a writ of supersedeas or other comparable order, then the balance of the proceeds, if any, shall be delivered to the North Carolina Insurance Guaranty Association in accordance with G.S. 58-48-95. To the extent that any payment made hereunder reduces the ratable amount payable to policyholders under G.S. 58-5-70, the liens obtained by the North Carolina Insurance Guaranty Association pursuant to Article 48 of this Chapter shall be reduced to such extent as necessary to permit the policyholders to be paid the ratable share that would have been due but for such payments."

**PART XI. EFFECTIVE DATES**

**SECTION 9.** Part II of this act becomes effective May 1, 2003. Part IV of this act becomes effective January 1, 2003. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 4:42 p.m. on the 31<sup>st</sup> day of October, 2002.

**S.B. 347****Session Law 2002-186****AN ACT REGARDING THE USE OF STATE-OWNED PROPERTY IN THE BLOUNT STREET HISTORIC DISTRICT.**

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The North Carolina Capital Planning Commission, in consultation with the State Property Office in the Department of Administration and the Department of Cultural Resources, shall examine the State-owned properties within the

area bordered by North Person Street, Lane Street, North Wilmington Street, and Peace Street to determine whether any of the properties no longer have any use to the State or should for any other reason be disposed of by the State. The Commission shall report its findings and recommendations, including any recommended legislation, to the Joint Legislative Commission on Governmental Operations on or before January 15, 2003. This report shall include the following:

- (1) For each property within the specified area, a detailed explanation of the current use and recommendation for the future use of the property.
- (2) A description of each property recommended for disposal and an explanation as to why disposal of the property is appropriate.
- (3) A timetable for the disposal of any properties recommended for disposal.
- (4) Recommendations for the manner of disposal of any of the properties recommended for disposal with an explanation as to why a particular manner is recommended.
- (5) A detailed explanation of the cost to the State of disposing of any property, including the cost of relocating any State offices.
- (6) Recommendations for where any State offices in properties recommended for disposal should be relocated.

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law upon approval of the Governor at 4:45 p.m. on the 31<sup>st</sup> day of October, 2002.

## H.B. 760

## Session Law 2002-187

AN ACT TO CLARIFY THE MOTOR VEHICLE REINSURANCE FACILITY AND BEACH AND FAIR PLAN LAWS; AMEND LAWS REGARDING DEPARTMENT OF INSURANCE OVERSIGHT OF INSURANCE COMPANY SOLVENCY; AMEND THE MANAGED CARE EXTERNAL REVIEW LAW TO PROVIDE FOR CLARITY IN MAILING NOTICES, THE SAME IMMUNITY TO MEDICAL PROFESSIONALS ADVISING THE COMMISSIONER AS PROVIDED TO EXTERNAL REVIEWERS, AND CONFIDENTIALITY OF CREDENTIALING INFORMATION IN THE POSSESSION OF THE COMMISSIONER; EXTEND THE RATE HEARING TIMETABLES FOR HOMEOWNERS' AND WORKERS' COMPENSATION INSURANCE; CLARIFY THE NORTH CAROLINA HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT; EXTEND THE TIME FOR PREMIUM FINANCE COMPANY PREMIUM REFUNDS FOR AUDITED POLICIES; AMEND THE TITLE INSURANCE RESERVE LAWS TO ENHANCE INSOLVENCY PROTECTION; AND REDUCE THE NONFORFEITURE INTEREST RATE FOR INDIVIDUAL ANNUITIES.

*The General Assembly of North Carolina enacts:*

**PART I. REINSURANCE FACILITY AND FAIR AND BEACH PLAN DEFINITION CLARIFICATIONS AND TECHNICAL AND SUBSTANTIVE CORRECTIONS.**

**SECTION 1.1.** G.S. 58-37-1(8) reads as rewritten:

"(8) 'Person' means every natural person, firm, partnership, association, trust, limited liability company, firm, corporation, or government or agency thereof, government, or governmental agency."

**SECTION 1.2.** G.S. 58-37-35(b)(2) reads as rewritten:

"(2) Additional ceding privileges for motor vehicle insurance shall be provided by the Board of Governors up to the following:

- a. Bodily injury liability: one hundred thousand dollars (\$100,000) each person, three hundred thousand dollars (\$300,000) each accident;
- b. Property damage liability: fifty thousand dollars (\$50,000) each accident;
- c. Medical payments: two thousand dollars (\$2,000) each person; except that this coverage shall not be available for motorcycles;
- d. Underinsured motorist: one million dollars (\$1,000,000) each person and each accident for bodily injury liability; and
- e. Uninsured motorist: one million dollars (\$1,000,000) each person and each accident for bodily injury and fifty thousand dollars (\$50,000) each accident for property damage (one hundred dollars (\$100.00) deductible)."

**SECTION 1.3.** G.S. 58-37-35(b)(2a) reads as rewritten:

"(2a) For persons who must maintain liability coverage limits above those available under subdivision (2) of this subsection in order to obtain or continue coverage under personal excess liability or personal 'umbrella' insurance policies, additional ceding privileges for motor vehicle insurance shall be provided by the Board of Governors up to the following:

- a. Bodily injury liability: two hundred fifty thousand dollars (\$250,000) each person, five hundred thousand dollars (\$500,000) each accident.
- b. Property damage liability: one hundred thousand dollars (\$100,000) each accident.
- c. Medical payments: five thousand dollars (\$5,000) each ~~person-~~ person; except that this coverage shall not be available for motorcycles.
- d. Uninsured motorist: one hundred thousand dollars (\$100,000) each accident for property damage (one hundred dollars (\$100.00) deductible)."

**SECTION 1.4.** G.S. 58-45-6 reads as rewritten:

**"§ 58-45-6. Persons who can be insured by the Association.**

As used in this Article, "person" includes the State of North Carolina and any county, city, or other political subdivision of the State of North Carolina."

**SECTION 1.5.** G.S. 58-46-2 reads as rewritten:

**"§ 58-46-2. Persons who can be insured by the Association.**

As used in this Article, "person" includes the State of North Carolina and any county, city, or other political subdivision of the State of North Carolina."

## **PART II. FINANCIAL EVALUATION AND SOLVENCY PROTECTION.**

**SECTION 2.1.** G.S. 58-2-131(d) reads as rewritten:

"(d) The Commissioner may conduct an examination of any insurer whenever the Commissioner deems it to be prudent for the protection of policyholders but shall at a

minimum conduct a ~~regular~~-financial examination of every domestic insurer not less frequently than once every five years. In scheduling and determining the nature, scope, and frequency of examinations, the Commissioner shall consider such matters as the results of financial statement analyses and ratios, changes in management or ownership, actuarial opinions, reports of independent certified public accountants, and other criteria as set forth in the NAIC Examiners' Handbook."

**SECTION 2.2.** G.S. 58-2-131(i) reads as rewritten:

"(i) Every person from whom information is sought and its officers, directors, and agents must provide to the Commissioner timely, convenient, and free access, at all reasonable hours at its offices, to all data relating to the property, assets, business, and affairs of the ~~insurer~~-entity being examined. The officers, directors, employees, and agents of the ~~person~~-entity must facilitate and aid in the examination. The refusal of any ~~insurer~~-entity, by its officers, directors, employees, or agents, to submit to examination or to comply with any reasonable written request of the Commissioner or to knowingly or willfully make any false statement in regard to the examination or written request, is grounds for revocation, suspension, refusal, or nonrenewal of any license or authority held by the ~~insurer~~-entity to engage in an insurance or other business subject to the Commissioner's jurisdiction."

**SECTION 2.3.** G.S. 58-2-134 reads as rewritten:

**"§ 58-2-134. Cost of certain examinations.**

(a) An insurer shall reimburse the State Treasurer for the actual expenses incurred by the Department in any examination of those records or assets conducted under G.S. 58-2-131, 58-2-132, or 58-2-133 ~~when:~~ under any of the following circumstances:

- (1) The insurer maintains part of its records or assets outside this State under G.S. 58-7-50 or G.S. 58-7-55 and the examination is of the records or assets outside this State.
- (2) The insurer requests an examination of its records or assets.
- (3) The Commissioner examines an insurer that is impaired or insolvent or is unlikely to be able to meet obligations with respect to known or anticipated claims or to pay other obligations in the normal course of business.
- (4) The examination involves analysis of the company's investment portfolio, a material portion of which comprises a sophisticated derivatives program, material holdings of collateralized mortgage obligations with high flux scores, unusual real estate or limited partnership holdings, high or unusual portfolio turnover, material asset movement between related parties, or unusual securities lending activities.

(b) The amount paid by an insurer for an examination of records or assets under this section shall not exceed one hundred thousand dollars (\$100,000), unless the insurer and the Commissioner agree on a higher amount. The State Treasurer shall deposit all funds received under this section in the Insurance Regulatory Fund established under G.S. 58-6-25. Funds received under this section shall be used by the Department for offsetting the actual expenses incurred by the Department for examinations under this section."

**SECTION 2.4.** Article 7 of Chapter 58 of the General Statutes is amended by adding a new section to read:

**"§ 58-7-73. Dissolutions of insurers.**

Upon reaching a determination of intent to dissolve and before filing articles of dissolution with the Office of the Secretary of State, a domestic insurer organized under this Chapter shall file a plan of dissolution for approval by the Commissioner. At such time the Commissioner may restrict the license of the insurer. In order to proceed with a dissolution, the plan must be approved by the Commissioner."

**SECTION 2.5.** G.S. 58-7-130(b) reads as rewritten:

"(b) No domestic stock insurance company shall declare or pay dividends to its stockholders except from the unassigned surplus of the company as reflected in the company's most recent financial statement filed with the Commissioner under G.S. 58-2-165."

**SECTION 2.6.** G.S. 58-7-178(b) reads as rewritten:

"(b) An insurer, whether or not it is authorized to do business or has outstanding insurance contracts on lives or risks in any foreign country, may invest in bonds, notes, or stocks of any foreign country or alien corporation that are substantially of the same kinds, classes, and investment grades as those otherwise eligible for investment under this Chapter. The aggregate ~~amount~~ cost of investments under this subsection shall not exceed ten percent (10%) of the insurer's admitted assets, provided that the cost of investments in any foreign country pursuant to this subsection shall not exceed three percent (3%) of the insurer's admitted assets."

**SECTION 2.7.** G.S. 58-9-2(a)(9) reads as rewritten:

"(9) 'Reinsurer' means any ~~licensed~~ insurer that is licensed by the Commissioner and that is authorized to assume reinsurance."

**SECTION 2.8.** G.S. 58-13-10 reads as rewritten:

**"§ 58-13-10. Scope.**

This Article applies to all domestic insurers and to all kinds of insurance written by those insurers under Articles 1 through 68 of this Chapter. Foreign insurers shall comply in substance with the requirements and limitations of this Article. This Article does not apply to the following:

- (1) Variable contracts or guaranteed investment contracts for which separate accounts are required to be maintained.
- (2) Statutory deposits that are required by insurance regulatory agencies to be maintained as a requirement for doing business in such jurisdictions.
- (3) Real estate, authorized under G.S. 58-7-187, encumbered by a mortgage loan with a first lien."

**SECTION 2.9.** G.S. 58-13-25(a) reads as rewritten:

"(a) Every insurer subject to this Article shall at all times have and maintain free and unencumbered reserve assets equal to an amount that is ~~at least ten percent (10%) more than~~ the total of its policyholder-related liabilities and its required minimum capital and minimum surplus and shall not pledge, hypothecate, or otherwise encumber those reserve assets. The Commissioner, upon application made to the Commissioner, may issue a written order approving the pledging, hypothecation, or encumbrance of any of the assets of an insurer not otherwise prohibited upon a finding that the pledging, hypothecation, or encumbrance will not adversely affect the insurer's solvency."

**SECTION 2.10.** G.S. 58-30-62(a) reads as rewritten:

"(a) As used in this section, an insurer has 'exceeded its powers' when it: has refused to permit examination of its books, papers, accounts, records or affairs by the Commissioner; has in violation of G.S. 58-7-50 removed from this State books, papers,

accounts or records necessary for an examination of the insurer; has failed to comply promptly with applicable financial reporting statutes or rules and related Department requests; continues to transact the business of insurance after its license has been revoked, suspended, or not renewed by the Commissioner; by contract or otherwise, has unlawfully, or has in violation of an order of the Commissioner, or has without first having obtained any legally required written approval of the Commissioner, totally reinsured its entire outstanding business or merged or consolidated substantially its entire property or business with another insurer; has engaged in any transaction in which it is not authorized to engage under the laws of this State; has not complied with G.S. 58-7-73; or has refused to comply with a lawful order of the Commissioner. As used in this section, 'Commissioner' includes an authorized representative or designee of the Commissioner."

**PART III. EXTERNAL REVIEW CLARIFICATIONS.**

**SECTION 3.1.** G.S. 58-50-80(b)(3) reads as rewritten:

"(3) Notify in writing the covered person and the covered person's provider who performed or requested the service whether the request is complete and whether the request has been accepted for external review. If the request is complete and accepted for external review, the notice shall include a copy of the information that the insurer provided to the Commissioner pursuant to subdivision (b)(1) of this section, and inform the covered person that the covered person may submit to the assigned independent review organization in writing, within seven days after the ~~date~~ receipt of the notice, additional information and supporting documentation relevant to the initial denial for the organization to consider when conducting the external review. If the covered person chooses to send additional information to the assigned independent review organization, then the covered person shall at the same time and by the same means, send a copy of that information to the insurer."

**SECTION 3.2.** G.S. 58-50-80 is amended by adding a new subsection to read:

"(m) For the purposes of this section, a person is presumed to have received a written notice two days after the notice has been placed, first-class postage prepaid, in the United States mail addressed to the person. The presumption may be rebutted by sufficient evidence that the notice was received on another day or not received at all."

**SECTION 3.3.** G.S. 58-50-89 reads as rewritten:

"§ **58-50-89. Hold harmless for ~~Commissioner~~ Commissioner, medical professionals, and independent review organizations.**

~~The Commissioner or~~ Neither the Commissioner, a medical professional rendering advice to the Commissioner under G.S. 58-50-82(b)(2), an independent review organization or organization, nor a clinical peer reviewer working on behalf of an organization shall not be liable for damages to any person for any opinions rendered during or upon completion of an external review conducted under this Part, unless the opinion was rendered in bad faith or involved gross negligence."

**SECTION 3.4.** G.S. 58-2-105 reads as rewritten:

"§ **58-2-105. Confidentiality of medical and credentialing records.**

(a) All patient medical records in the possession of the Department are confidential and are not public records pursuant to G.S. 58-2-100 or G.S. 132-1. As used in this section, "patient medical records" includes personal information that relates

to an individual's physical or mental condition, medical history, or medical treatment, and that has been obtained from the individual patient, a health care provider, or from the patient's spouse, parent, or legal guardian.

(b) Under Part 4 of Article 50 of this Chapter, the Department may disclose patient medical records to an independent review organization, and the organization shall maintain the confidentiality of those records as required by this section, except as allowed by G.S. 58-39-75 and G.S. 58-39-76.

(c) Under Part 4 of Article 50 of this Chapter, all information related to the credentialing of medical professionals that is in the possession of the Commissioner is confidential and is a public record neither under this section nor under Chapter 132 of the General Statutes."

#### **PART IV. HOMEOWNERS' AND WORKERS' COMPENSATION INSURANCE RATE FILINGS.**

**SECTION 4.1.** G.S. 58-36-15(a) reads as rewritten:

"(a) The Bureau shall file with the Commissioner copies of the rates, loss costs, classification plans, rating plans and rating systems used by its members. Each rate or loss costs filing shall become effective on the date specified in the filing, but not earlier than ~~105~~ 210 days from the date the filing is received by the Commissioner: Provided that (1) rate or loss costs filings for workers' compensation insurance and employers' liability insurance written in connection therewith shall not become effective earlier than ~~120~~ 210 days from the date the filing is received by the Commissioner or on the date as provided in G.S. 58-36-100, whichever is earlier; and (2) any filing may become effective on a date earlier than that specified in this subsection upon agreement between the Commissioner and the Bureau."

**SECTION 4.2.** G.S. 58-36-20(a) reads as rewritten:

"(a) At any time within 50 days ~~from and~~ after the date of any filing, the Commissioner may give written notice to the Bureau specifying in what respect and to what extent ~~he~~ the Commissioner contends ~~such~~ the filing fails to comply with the requirements of this Article and fixing a date for hearing not less than 30 days from the date of mailing of such notice. At ~~such~~ the hearing the factors specified in G.S. 58-36-10 shall be considered. If the Commissioner after hearing finds that the filing does not comply with the provisions of this Article, he may issue his order determining wherein and to what extent such filing is deemed to be improper and fixing a date thereafter, within a reasonable time, after which ~~such~~ the filing shall no longer be effective. Any order of disapproval under this section must be entered within ~~105~~ 210 days ~~of~~ after the date the filing is received by the Commissioner. ~~Provided that any order of disapproval under this section with respect to workers' compensation insurance and employers' liability insurance written in connection therewith shall be entered within 150 days of the date the filing is received by the Commissioner.~~"

**SECTION 4.3.** G.S. 58-36-65(c) reads as rewritten:

"(c) The classifications and Plan filed by the Bureau shall be subject to the filing, hearing, modification, approval, disapproval, review, and appeal procedures provided by law; provided that the ~~105-day~~ 210-day disapproval period in G.S. 58-36-20(a) and the 50-day deemer period in G.S. 58-36-20(b) do not apply to filings or modifications made under this section. The classifications or Plan filed by the Bureau and promulgated by the Commissioner shall of itself not be designed to bring about any increase or decrease in the overall rate level."

#### **PART V. HIPAA CLARIFICATIONS.**

**SECTION 5.1.** G.S. 58-68-25(b)(1) reads as rewritten:

- "(1) Benefits not subject to requirements. –
- a. Coverage only for accident or disability income insurance or any combination of these.
  - b. Coverage issued as a supplement to liability insurance.
  - c. Liability insurance, including general liability insurance and automobile liability insurance.
  - d. Workers' compensation or similar insurance.
  - e. Automobile medical payment insurance.
  - f. Credit-only insurance.
  - g. Coverage for on-site medical clinics.
  - h. Other similar insurance coverage, specified in federal regulations, under which benefits for medical care are secondary or incidental to other insurance benefits.
  - i. Short-term limited-duration health insurance policies as defined in Part 144 of Title 45 of the Code of Federal Regulations."

**SECTION 5.2.** G.S. 58-51-15(h) reads as rewritten:

"(h) Preexisting Condition Exclusion Clarification. – Sub-subdivision (a)(2)b. of this section does not apply to:

- (1) Policies issued to eligible individuals under G.S. 58-68-60.
- (2) Excepted benefits as described in ~~G.S. 58-68-25(b)(1), (2), and (4).~~ G.S. 58-68-25(b)."

**PART VI. PREMIUM FINANCE COMPANY PREMIUM REFUNDS FOR AUDITED POLICIES.**

**SECTION 6.** G.S. 58-35-85(5) reads as rewritten:

- "(5) ~~Whenever~~ When an insurance contract is cancelled in accordance with this section, the insurer shall promptly return ~~whatever the~~ gross unearned premiums that are due under the contract to the insurance premium finance company effecting the ~~cancellation~~ cancellation, for the benefit of the insured or insureds, no later than 30 days after the effective date of cancellation. ~~Whenever~~ When the return premium is ~~in excess of more than~~ due the insured owes the insurance premium finance company ~~by the insured~~ under the agreement, the excess shall be promptly remitted promptly to the order of the insured, as provided in subdivision (8) of this section, subject to the minimum service charge provided for in this Article. ~~In the event that~~ If a premium is subject to an audit to determine the final premium amount, the amount to be refunded to the premium finance company shall be calculated upon the deposit ~~premium~~ premium, and the insurer shall return that amount to the premium finance company no later than ~~30~~ 90 days after the effective date of cancellation. This ~~provision shall~~ subdivision does not limit any other remedies the insurer may have against the insured for additional premiums."

**PART VII. AMEND TITLE INSURANCE RESERVE LAWS.**

**SECTION 7.1.** G.S. 58-26-1(b) is repealed.

**SECTION 7.2.** G.S. 58-26-1 is amended by adding a new subsection to read:

"(b1) Domestic and foreign title insurance companies are subject to the same capital, surplus, and investment requirements that govern the formation and operation of domestic stock casualty companies. Domestic title insurance companies are subject to



the same deposit requirements that govern the operation of other domestic casualty companies in this State. Foreign or alien title insurance companies are subject to an initial deposit pursuant to G.S. 58-26-31(b), based on the forecasted statutory premium reserve and the supplemental reserve for the first full year of operation in this State, but not less than two hundred thousand dollars (\$200,000)."

**SECTION 7.3.** G.S. 58-26-20 reads as rewritten:

**"§ 58-26-20. Unearned Statutory premium reserve.**

Every domestic title insurance company shall, in addition to other reserves, establish and maintain a reserve to be known as the 'unearned statutory premium reserve' for title insurance, which shall at all times and for all purposes be considered and constitute ~~unearned portions of the original risk premiums and shall be charged as a reserve liability of such~~ the title insurance company in determining its financial conditions. ~~The unearned premium reserve shall be withdrawn from the use of the insurer for its general purposes and placed in a trust account, as approved by the Commissioner, in favor of the holders of title policies and held available for reinsurance of the title policies in the event of insolvency of the insurer. Nothing herein contained shall preclude such an insurer from investing said reserve in investments authorized by law for such an insurer, and the income from such invested reserve shall be included in the general income of the insurer to be used by such insurer for any lawful purpose condition."~~

**SECTION 7.4.** G.S. 58-26-25(a) reads as rewritten:

"(a) The ~~unearned~~statutory premium reserve of every domestic title insurance company shall consist of the aggregate of:

- (1) The amount of the unearned premium reserve held as of December 31, 1998.
- (2) The amount of all additions required to be made to such reserve by this section, less the reduction of ~~such~~the aggregate amount required ~~hereby~~by this section."

**SECTION 7.5.** G.S. 58-26-25(b) reads as rewritten:

"(b) A domestic title insurance company on and after January 1, 1999, shall reserve initially as ~~an unearned~~a statutory premium reserve a sum equal to ~~ten per cent~~ten percent (10%) of the following items set forth in the title insurer's most recent annual statement on file with the Commissioner:

- (1) Direct premiums ~~written; and~~written.
- (2) Premiums for reinsurance assumed less premiums for reinsurance ceded during the year."

**SECTION 7.6.** G.S. 58-26-25(c) reads as rewritten:

"(c) The aggregate of the amounts set aside in ~~unearned~~statutory premium reserves in any calendar year, ~~pursuant to~~under subsection (b) of this section, shall be reduced annually at the end of each calendar year following the year in which the policy is issued, over a period of 20 years, pursuant to the following: twenty percent (20%) the first year; ten percent (10%) for years two and three; five percent (5%) for years four through 10; three percent (3%) for years 11 through 15; and two percent (2%) for years 16 through 20."

**SECTION 7.7.** G.S. 58-26-30 is repealed.

**SECTION 7.8.** Article 26 of Chapter 58 of the General Statutes is amended by adding a new section to read:

**"§ 58-26-31. Statutory premium reserve held in trust or as a deposit.**

- (a) Each domestic title insurance company shall withdraw from use funds to be

used by the Commissioner in the event of the insurer's insolvency, the funds being equal to the statutory premium reserve and the supplemental reserve pursuant to G.S. 58-26-25. The amount shall be held in a trust account, as approved by the Commissioner. The trust account will be held in favor of the holders of title policies in the event of the insolvency of the insurer. Nothing in this section precludes the insurer from investing the reserve in investments authorized by law for that insurer, and the income from the invested reserve shall be included in the general income of the insurer to be used by the insurer for any lawful purpose.

(b) Each foreign or alien title insurance company shall withdraw from use funds to be used by the Commissioner in the event of the insurer's insolvency, the funds being equal to the statutory premium reserve and the supplemental reserve as calculated under G.S. 58-26-25 for North Carolina risks. The Commissioner shall hold the funds as a deposit in accordance with G.S. 58-5-20. Annually, the company shall file a statement of actuarial opinion consistent with the annual statement instructions for North Carolina risks, issued by a qualified actuary, in support of this deposit.

(c) A title insurance company shall have 30 days after notification by the Commissioner to increase the amounts held on deposit. If the amount held on deposit is greater than the amount required under subsection (b) of this section, the Commissioner shall release the excess within 30 days after a request by the insurer."

**SECTION 7.9.** G.S. 58-26-35 reads as rewritten:

**"§ 58-26-35. Maintenance of the unearned statutory premium reserve.**

If by reason of any cause, other than depreciation in the market value of investments, the amount of the assets of a title insurance company held as ~~investments of its unearned premium reserve~~ in trust or held by the Commissioner under G.S. 58-26-31 should on any date be less than the amount required to be ~~maintained by law in such reserve, maintained,~~ and the deficiency ~~shall is~~ not be promptly cured, ~~such the~~ title insurance company shall ~~forthwith immediately~~ give written notice ~~thereof of the deficiency~~ to the Commissioner and shall ~~make no further policies, contracts of title insurance or reinsurance agreements of title insurance~~ not write or assume any title insurance until the deficiency ~~shall have~~ has been eliminated and until it ~~shall have~~ has received written approval from the Commissioner authorizing it to again ~~issue such policies, contracts of title insurance or agreements.~~ write and assume title insurance."

**SECTION 7.10.** G.S. 58-26-40 is repealed.

## **PART VIII. ANNUITY NONFORFEITURE RATE CHANGE.**

**SECTION 8.** G.S. 58-58-60(d) reads as rewritten:

"(d) The minimum values as specified in subsections (e), (f), (g), (h) and (j) of any paid-up annuity, cash surrender or death benefits available under an annuity contract shall be based upon minimum nonforfeiture amounts as defined in this section.

(1) With respect to contracts providing for flexible considerations, the minimum nonforfeiture amount at any time at or prior to the commencement of any annuity payments shall be equal to an accumulation up to such time at a rate of interest of ~~three percent (3%)~~ one and one-half percent (1½%) per annum of percentages of the net considerations (as hereinafter defined) paid prior to such time, decreased by the sum of:

(i) Any prior withdrawals from or partial surrenders of the contract accumulated at a rate of interest of ~~three percent (3%)~~ one and one-half percent (1½%) per annum; and

- (ii) The amount of any indebtedness to the company on the contract, including interest due and accrued, and increased by any existing additional amounts credited by the company to the contract.

The net considerations for a given contract year used to define the minimum nonforfeiture amount shall be an amount not less than zero and shall be equal to the corresponding gross considerations credited to the contract during that contract year less an annual contract charge of thirty dollars (\$30.00) and less a collection charge of one dollar and twenty-five cents (\$1.25) per consideration credited to the contract during that contract year. The percentages of net considerations shall be sixty-five percent (65%) of the net consideration for the first contract year and eighty-seven and one-half (87 1/2%) of the net considerations for the second and later contract years. Notwithstanding the provisions of the preceding sentence, the percentage shall be sixty-five percent (65%) of the portion of the total net consideration for any renewal contract year which exceeds by not more than two times the sum of those portions of the net considerations in all prior contract years for which the percentage was sixty-five percent (65%).

- (2) With respect to contracts providing for fixed scheduled considerations, minimum nonforfeiture amounts shall be calculated on the assumption that considerations are paid annually in advance and shall be defined as for contracts with flexible considerations which are paid annually with two exceptions:
  - (i) The portion of the net consideration for the first contract year to be accumulated shall be the sum of sixty-five percent (65%) of the net consideration for the first contract year plus twenty-two and one-half percent (22 1/2%) of the excess of the net consideration for the first contract year over the lesser of the net considerations for the second and third contract years.
  - (ii) The annual contract charge shall be the lesser of (i) thirty dollars (\$30.00) or (ii) ten percent (10%) of the gross annual considerations.
- (3) With respect to contracts providing for a single consideration, minimum nonforfeiture amounts shall be defined as for contracts with flexible considerations except that the percentage of net consideration used to determine the minimum nonforfeiture amount shall be equal to ninety percent (90%) and the net consideration shall be the gross consideration less a contract charge of seventy-five dollars (\$75.00)."

**SECTION 9.** Section 8 of this act is effective when it becomes law and applies to policies issued on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of October, 2002.

Became law upon approval of the Governor at 4:47 p.m. on the 31<sup>st</sup> day of October, 2002.

AN ACT AMENDING THE DEFINITION OF A CONVENTION CENTER IN THE STATE'S ABC LAW.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** G.S. 18B-1000(1a) reads as rewritten:

"(1a) Convention center. – An establishment that meets either of the following requirements:

a. A publicly owned or operated establishment that is engaged in the business of sponsoring or hosting conventions and similar large gatherings. ~~Convention centers shall include gatherings, including auditoriums, armories, civic centers, convention centers, and coliseums.~~

b. A privately owned facility located in a city that has a population of at least 200,000 but not more than 250,000 by the 2000 federal census and is located in a county that has previously authorized the issuance of mixed beverage permits by referendum. To qualify as a convention center under this subdivision, the facility shall meet each of the following requirements:

1. The facility shall be located within an area that has been designated as an Urban Redevelopment Area under Article 22 of Chapter 160A of the General Statutes, and shall be certified by the appropriate local official as being consistent with the city's redevelopment plan for the area in which the facility is located.

2. The facility shall contain at least 7,500 square feet of floor space that is available for public use and shall be used exclusively for banquets, receptions, meetings, and similar gatherings.

3. The facility's annual gross receipts from the sale of alcoholic beverages shall be less than fifty percent (50%) of the gross receipts paid to all providers at permitted functions for food, nonalcoholic beverages, alcoholic beverages, service, and facility usage fees (excluding receipts or charges for entertainment and ancillary services not directly related to providing food and beverage service). The person to whom a permit has been issued for a privately owned facility shall be required to maintain copies of all contracts and invoices for items supplied by providers for a period of three years from the date of the event.

A permit issued for a convention center shall be valid only for those parts of the building used for ~~conventions and banquets~~ ~~conventions, banquets, receptions, and other events,~~ and only during ~~regularly~~ ~~scheduled conventions and banquets~~ ~~activities.~~"

**SECTION 2.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 4:55 p.m. on the 31<sup>st</sup> day of October, 2002.

**S.B. 1455****Session Law 2002-189**

AN ACT TO AUTHORIZE THE GENERAL STATUTES COMMISSION AND OTHER INTERESTED PARTIES TO STUDY THE PROVISIONS OF SENATE BILL 1455, 4<sup>TH</sup> EDITION, STRENGTHEN SECURITIES FRAUD ENFORCEMENT LAWS, INTRODUCED IN THE 2001 GENERAL ASSEMBLY, AND TO MAKE RECOMMENDATIONS TO THE 2003 REGULAR SESSION OF THE 2003 GENERAL ASSEMBLY; TO INCREASE CERTAIN FILING AND RENEWAL FEES WITH THE SECRETARY OF STATE; TO FUND ADDITIONAL SECURITIES INVESTIGATOR POSITIONS; TO PROHIBIT THE STATE FROM CONTRACTING WITH BUSINESSES THAT HAVE ANY OFFICERS OR DIRECTORS WHO HAVE BEEN CONVICTED OF SECURITIES FRAUD; TO PROHIBIT THE STATE FROM CONTRACTING WITH VENDORS THAT ARE INCORPORATED IN A TAX HAVEN COUNTRY BUT THE UNITED STATES IS THE PRINCIPAL MARKET FOR THE PUBLIC TRADING OF THEIR CORPORATION'S STOCK; AND TO AUTHORIZE THE STATE TREASURER, IN CONSULTATION WITH THE SECRETARY OF STATE, AND THE LEGISLATIVE RESEARCH COMMISSION TO STUDY THE CREATION OF A PENSION ASSURANCE FUND TO PROTECT THE RETIREMENT SAVINGS AND INVESTMENTS OF THE CITIZENS OF NORTH CAROLINA.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** The General Statutes Commission is directed to study the provisions of Senate Bill 1455, 4<sup>th</sup> Edition, Strengthen Securities Fraud Enforcement Laws, introduced in the 2001 General Assembly, in consultation with the Department of the Secretary of State, the Securities Industry Association, the North Carolina Bar Association, and other interested parties, and to make recommendations to the 2003 Regular Session of the 2003 General Assembly.

**SECTION 2.** G.S. 78C-17(b) reads as rewritten:

"(b) Every applicant for initial or renewal registration shall pay a filing fee of two ~~three~~ hundred dollars (~~\$200.00~~)(\$300.00) in the case of an investment adviser, and forty-five dollars (\$45.00) in the case of an investment adviser representative. When an application is denied or withdrawn, the Administrator shall retain the fee."

**SECTION 3.** G.S. 78C-17(b1) reads as rewritten:

"(b1) Every person acting as an investment adviser covered under federal law in this State shall pay an initial filing fee of two ~~three~~ hundred dollars (~~\$200.00~~)(\$300.00) and a renewal notice filing fee of two ~~three~~ hundred dollars (~~\$200.00~~)(\$300.00)."

**SECTION 4.** G.S. 78A-31(a)(4), as amended by Section 29A.37 of Senate Bill 1115 of the 2001 General Assembly, reads as rewritten:

"(a) The Administrator, by rule or order, may require the filing of any of the following documents with regard to a security covered under section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. § 77r(b)(2)):

- ...
- (4) A notice filing pursuant to this section shall expire on December 31 of each year or some other date not more than one year from its effective date as the Administrator may by rule or order provide. A notice filing of the offer of securities covered under federal law that are to be offered for a period in excess of one year shall be renewed annually by payment of a renewal fee of two hundred fifty dollars (~~\$200.00~~)(\$250.00) and by filing any documents and reports that the Administrator may by rule or order require consistent with this section. The renewal shall be effective upon the expiration of the prior notice period."

**SECTION 5.** Article 3 of Chapter 143 is amended by adding a new section to read:

**"§ 143-59.2. Certain vendors prohibited from contracting with State.**

(a) Ineligible Vendors. – A vendor is not entitled to enter into a contract for goods or services with any department, institution, or agency of the State government subject to the provisions of this Article if any officer or director of the vendor, or any owner if the vendor is an unincorporated business entity, within 10 years immediately prior to the date of the bid solicitation, has been convicted of any violation of Chapter 78A of the General Statutes or the Securities Act of 1933 or the Securities Exchange Act of 1934.

(b) Vendor Certification. – The Secretary of Administration shall require each vendor submitting a bid or contract to certify that none of its officers, directors, or owners of an unincorporated business entity has been convicted of any violation referenced in subsection (a) of this section within 10 years immediately prior to the date of the bid solicitation. Any person who submits a certification required by this subsection known to be false shall be guilty of a Class I felony.

(c) Void Contracts. – A contract entered into in violation of this section is void. A contract that is void under this section may continue in effect until an alternative can be arranged when: (i) immediate termination would result in harm to the public health or welfare, and (ii) the continuation is approved by the Secretary of Administration. Approval of continuation of contracts under this subsection shall be given for the minimum period necessary to protect the public health or welfare."

**SECTION 6.** G.S. 143-59.1 reads as rewritten:

**"§ 143-59.1. Contracts with certain foreign vendors.**

(a) Ineligible Vendors. – The Secretary of Administration and other entities to which this Article applies shall not contract for goods or services with either of the following:

- (1) A vendor if the vendor or an affiliate of the vendor meets one or more of the conditions of G.S. 105-164.8(b) but refuses to collect the use tax levied under Article 5 of Chapter 105 of the General Statutes on its sales delivered to North Carolina. The Secretary of Revenue shall provide the Secretary of Administration periodically with a list of vendors to which this section applies.
- (2) A vendor or an affiliate of the vendor that is incorporated in a tax haven country after December 31, 2001, but the United States is the principal market for the public trading of the corporation's stock.

(b) Vendor Certification. – The Secretary of Administration shall require each vendor submitting a bid or contract to certify that the vendor is not an ineligible vendor

as set forth in subsection (a) of this section. Any person who submits a certification required by this subsection known to be false shall be guilty of a Class I felony.

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

- (1) For the purpose of this section, the term "affiliate" has the meaning provided Affiliate. – As defined in G.S. 105-163.010.
- (2) Tax haven country. – Means each of the following: Barbados, Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of the Bahamas, Cyprus, Gibraltar, Isle of Man, the Principality of Liechtenstein, the Principality of Monaco, and the Republic of the Seychelles."

**SECTION 7.** The State Treasurer, in consultation with the Secretary of State, shall study the best methods for creating and funding a Pension Assurance Fund, including the use of damages awarded in actions involving securities fraud brought by the State or by private individuals, and for paying claims from the Fund. The Legislative Research Commission may also study this issue. The State Treasurer and the Secretary of State shall develop legislative recommendations based on the study and report their recommendations to the General Assembly on or before March 1, 2003, and if the Legislative Research Commission authorizes a study of this issue, the State Treasurer shall also forward a copy of its report to that committee.

**SECTION 8.** There is hereby appropriated to the Office of the Secretary of State for the 2002-2003 fiscal year the sum of one hundred fifty-one thousand one hundred twenty-five dollars (\$151,125) for recurring expenses and fifteen thousand nine hundred ninety dollars (\$15,990) for nonrecurring expenses for three additional unsworn securities investigators in the Securities Division.

**SECTION 9.** Sections 2, 3, and 4 of this act become effective November 1, 2002, and apply to fees assessed on or after that date. Sections 5 and 6 of this act become effective December 1, 2002, and apply to contracts entered into on or after that date. Section 8 of this act becomes effective November 1, 2002. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 4:59 p.m. on the 31<sup>st</sup> day of October, 2002.

## **H.B. 314**

## **Session Law 2002-190**

AN ACT TO TRANSFER THE DMV MOTOR VEHICLES ENFORCEMENT SECTION FROM THE DEPARTMENT OF TRANSPORTATION TO THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** All statutory authority, powers, duties, and functions, including rulemaking, budgeting, purchasing, records, personnel, personnel positions, salaries, property, and unexpended balances of appropriations, allocations, reserves, support costs, and other funds allocated to the Department of Transportation, Division of Motor Vehicles Enforcement Section, for the regulation and enforcement of commercial motor vehicles, oversize and overweight vehicles, motor carrier safety, and mobile and manufactured housing are transferred to and vested in the Department of

Crime Control and Public Safety. This transfer has all the elements of a Type I transfer as defined in G.S. 143A-6.

The Department of Crime Control and Public Safety shall be considered a continuation of the transferred portion of the Department of Transportation, Division of Motor Vehicles Enforcement Section, for the purpose of succession to all rights, powers, duties, and obligations of the Enforcement Section and of those rights, powers, duties, and obligations exercised by the Department of Transportation, Division of Motor Vehicles on behalf of the Enforcement Section. Where the Department of Transportation, the Division of Motor Vehicles, or the Enforcement Section, or any combination thereof are referred to by law, contract, or other document, that reference shall apply to the Department of Crime Control and Public Safety.

All equipment, supplies, personnel, or other properties rented or controlled by the Department of Transportation, Division of Motor Vehicles Enforcement Section for the regulation and enforcement of commercial motor vehicles, oversize and overweight vehicles, motor carrier safety, and mobile and manufactured housing shall be administered by the Department of Crime Control and Public Safety.

**SECTION 2.** The Revisor of Statutes shall substitute the term "Department of Crime Control and Public Safety" for the terms "Division", "Division of Motor Vehicles", and "Division of Motor Vehicles of the Department of Transportation" everywhere those terms appear in the following sections of the General Statutes:

G.S. 20-116(e)

G.S. 20-377

G.S. 20-379

G.S. 20-380

G.S. 20-381

G.S. 20-382.2

G.S. 20-383

G.S. 20-389

G.S. 20-390

G.S. 20-393

G.S. 20-397

The title of Part 2 of Article 17 of Chapter 20 of the General Statutes

G.S. 105-269.3.

**SECTION 3.** The Revisor of Statutes shall substitute the term "Secretary of Crime Control and Public Safety" for the terms "Commissioner" and "Commissioner of Motor Vehicles" everywhere those terms appear in the following sections of the General Statutes:

G.S. 20-17.7

G.S. 20-91.1

G.S. 20-91.2

G.S. 20-382.2.

**SECTION 4.** G.S. 20-4 is repealed.

**SECTION 5.** G.S. 20-49 reads as rewritten:

**"§ 20-49. Police authority of Division.**

The Commissioner and such officers and inspectors of the Division as he shall designate and all members of the Highway Patrol and law enforcement officers of the Department of Crime Control and Public Safety shall have the power:



- (1) Of peace officers for the purpose of enforcing the provisions of this Article and of any other law regulating the operation of vehicles or the use of the highways.
- (2) To make arrests upon view and without warrant for any violation committed in their presence of any of the provisions of this Article or other laws regulating the operation of vehicles or the use of the highways.
- (3) At all time to direct all traffic in conformance with law, and in the event of a fire or other emergency or to expedite traffic or to insure safety, to direct traffic as conditions may require, notwithstanding the provisions of law.
- (4) When on duty, upon reasonable belief that any vehicle is being operated in violation of any provision of this Article or of any other law regulating the operation of vehicles to require the driver thereof to stop and exhibit his driver's license and the registration card issued for the vehicle, and submit to an inspection of such vehicle, the registration plates and registration card thereon or to an inspection and test of the equipment of such vehicle.
- (5) To inspect any vehicle of a type required to be registered hereunder in any public garage or repair shop or in any place where such vehicles are held for sale or wrecking, for the purpose of locating stolen vehicles and investigating the title and registration thereof.
- (6) To serve all warrants relating to the enforcement of the laws regulating the operation of vehicles or the use of the highways.
- (7) To investigate traffic accidents and secure testimony of witnesses or of persons involved.
- (8) To investigate reported thefts of motor vehicles, trailers and semitrailers and make arrest for thefts thereof.
- (9) For the purpose of determining compliance with the provisions of this Chapter, to inspect all files and records of the persons hereinafter designated and required to be kept under the provisions of this Chapter or of the registrations of the Division:
  - a. Persons dealing in or selling and buying new, used or junked motor vehicles and motor vehicle parts; and
  - b. Persons operating garages or other places where motor vehicles are repaired, dismantled, or stored."

**SECTION 6.** G.S. 20-99(e) reads as rewritten:

"(e) The provisions, procedures, and remedies provided in this section apply to the collection of penalties imposed under the provisions of Article 3A of this Chapter and of G.S. 20-96, G.S. 20-118, or any other provisions of this Chapter imposing a tax or penalty for operation of a vehicle in excess of the weight limits provided in this Chapter and the Commissioner ~~is~~ and the Secretary of the Department of Crime Control and Public Safety are authorized to collect such taxes or penalties by the use of the procedure established in subsections (a), (b), (c) and (d) of this section."

**SECTION 7.** G.S. 20-183.9 reads as rewritten:

**"§ 20-183.9. Establishment and maintenance of permanent weighing stations.**

The Department of ~~Transportation-Crime Control and Public Safety~~ is hereby authorized, empowered and directed to ~~establish during the biennium ending June 30, 1953, not less than six nor more than 13~~ equip, operate, and maintain permanent

weighing stations equipped to weigh vehicles using the streets and highways of this State to determine whether such vehicles are being operated in accordance with legislative enactments relating to weights of vehicles and their loads. The permanent weighing stations shall be established at such locations on the streets and highways in this State as will enable them to be used most advantageously in determining the weight of vehicles and their loads. ~~Said permanent weighing stations shall be equipped by the Department of Transportation and shall be maintained by said Department of Transportation."~~

**SECTION 8.** G.S. 20-183.10 reads as rewritten:

**"§ 20-183.10. Operation by ~~Division of Motor Vehicles;~~ Department of Crime Control and Public Safety uniformed personnel with powers of peace officers.**

The permanent weighing stations to be established pursuant to the provisions of this Article shall be operated by the ~~Division of Motor Vehicles;~~ Department of Crime Control and Public Safety and the personnel assigned to the various stations shall wear uniforms to be selected and furnished by the ~~Division of Motor Vehicles.~~ Department of Crime Control and Public Safety. The uniformed officers assigned to the various permanent weighing stations shall have the powers of peace officers for the purpose of enforcing the provisions of this Chapter and in making arrests, serving process, and appearing in court in all matters and things relating to the weight of vehicles and their loads.

~~There is hereby appropriated to the Division of Motor Vehicles out of the State Highway and Public Works Fund the sum of two hundred fifty thousand dollars (\$250,000) for each year of the biennium ending June 30, 1953. The funds appropriated in this paragraph shall be expended exclusively for the operation of the permanent weighing stations established pursuant to this Article."~~

**SECTION 9.** G.S. 20-196.3 reads as rewritten:

**"§ 20-196.3. Who may hold supervisory positions over uniformed personnel.**

Notwithstanding any other provision of the General Statutes of North Carolina, it shall be unlawful for any person other than the Governor and the Secretary of Crime Control and Public Safety and other than a uniformed member of the North Carolina State Highway Patrol who has met all requirements for employment within the Patrol, including but not limited to completion of the basic Patrol school, to hold any supervisory position over ~~uniformed personnel within sworn members of the Patrol."~~

**SECTION 10.** G.S. 20-387 reads as rewritten:

**"§ 20-387. Motor carrier violating any provision of Article, rules or orders; penalty.**

Any motor carrier which violates any of the provisions of this Article or refuses to conform to or obey any rule, order or regulation of the Division or Department of Crime Control and Public Safety shall, in addition to the other penalties prescribed in this Article forfeit and pay a sum up to one thousand dollars (\$1,000) for each offense, to be recovered in an action to be instituted in the Superior Court of Wake County, in the name of the State of North Carolina on the relation of the ~~Division;~~ Department of Crime Control and Public Safety; and each day such motor carrier continues to violate any provision of this Article or continues to refuse to obey or perform any rule, order or regulation prescribed by the Division or Department of Crime Control and Public Safety shall be a separate offense."

**SECTION 11.** G.S. 20-391 reads as rewritten:

**"§ 20-391. Violating rules, with injury to others.**

If any motor carrier doing business in this State by its agents or employees shall be guilty of the violations of the rules and regulations provided and prescribed by the ~~Division~~, Division or the Department of Crime Control and Public Safety, and if after due notice of such violation given to the principal officer thereof, if residing in the State, or, if not, to the manager or superintendent or secretary or treasurer if residing in the State, or, if not, then to any local agent thereof, ample and full recompense for the wrong or injury done thereby to any person as may be directed by the Division or Department of Crime Control and Public Safety shall not be made within 30 days from the time of such notice, such motor carrier shall incur a penalty for each offense of five hundred dollars (\$500.00)."

**SECTION 12.** G.S. 20-392 reads as rewritten:

**"§ 20-392. Failure to make report; obstructing ~~Division~~. Division or Department of Crime Control and Public Safety.**

Every officer, agent or employee of any motor carrier, who shall willfully neglect or refuse to make and furnish any report required by the Division or Department of Crime Control and Public Safety for the purposes of this Article, or who shall willfully or unlawfully hinder, delay or obstruct the Division or Department of Crime Control and Public Safety in the discharge of the duties hereby imposed upon it, shall forfeit and pay five hundred dollars (\$500.00) for each offense, to be recovered in an action in the name of the State. A delay of 10 days to make and furnish such report shall raise the presumption that the same was willful."

**SECTION 13.** G.S. 20-396(b) reads as rewritten:

"(b) Any motor carrier, or other person, or any officer, agent, employee, or representative thereof, who shall willfully fail or refuse to make a report to the Division or Department of Crime Control and Public Safety as required by this Article, or other applicable law, or to make specific and full, true, and correct answer to any question within 30 days from the time it is lawfully required by the Division or Department of Crime Control and Public Safety so to do, or to keep accounts, records, and memoranda in the form and manner prescribed by the Division or Department of Crime Control and Public Safety or shall knowingly and willfully falsify, destroy, mutilate, or alter any such report, account, record, or memorandum, or shall knowingly and willfully neglect or fail to make true and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of the carrier, or person required under this Article to keep the same, or shall knowingly and willfully keep any accounts, records, or memoranda contrary to the rules, regulations, or orders of the Division or Department of Crime Control and Public Safety with respect thereto, shall be deemed guilty of a Class 3 misdemeanor and be punished for each offense only by a fine of not more than five thousand dollars (\$5,000). As used in this subsection the words "kept" and "keep" shall be construed to mean made, prepared or compiled as well as retained."

**SECTION 14.** G.S. 143B-475(a) is amended by adding a new subdivision to read:

"(10) The Commercial Vehicle, Oversize/Overweight, Motor Carrier Safety Regulation and Mobile Home and Manufactured Housing regulatory and enforcement functions of the Department of Transportation, Division of Motor Vehicles Enforcement Section."

**SECTION 15.** G.S. 143B-476(a)(3) reads as rewritten:

"(3) Adopting rules as may be required by the federal government for federal grants-in-aid for criminal justice ~~purposes;~~purposes and to

implement and carry out the regulatory and enforcement duties assigned to the Department of Crime Control and Public Safety as provided by the various commercial vehicle, oversize/overweight, motor carrier safety, motor fuel, and mobile and manufactured home statutes."

**SECTION 16.** G.S. 150B-1(e) is amended by adding a new subdivision to read:

"(14) The Department of Crime Control and Public Safety for hearings and appeals authorized under Chapter 20 of the General Statutes."

**SECTION 17.** The Governor shall resolve any dispute between the Department of Transportation and the Department of Crime Control and Public Safety concerning the implementation of this act.

**SECTION 18.** This act becomes effective December 1, 2002.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

Became law upon approval of the Governor at 5:00 p.m. on the 31<sup>st</sup> day of October, 2002.

**VETOES  
OF  
GOVERNOR MICHAEL F. EASLEY**

G.S. 120-34(a) provides that "In any case where the Governor has returned a bill to the General Assembly with objections, those objections shall be printed verbatim in the Session Laws, regardless of whether or not the bill became law notwithstanding the objections."

| <b>Bill Number</b> | <b>Title of Bill</b>  |
|--------------------|---|
| SENATE BILL 1283   | AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE PRESIDENT PRO TEMPORE OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND TO MAKE VARIOUS CHANGES TO BOARDS AND COMMISSIONS. |





STATE OF NORTH CAROLINA  
OFFICE OF THE GOVERNOR  
20301 MAIL SERVICE CENTER • RALEIGH, NC 27699-0301

MICHAEL F. EASLEY  
GOVERNOR

*Governor's objections and Veto Message*

*Senate bill 1283, "An act to appoint persons to various public offices upon the recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives and to make various changes to boards and commissions."*

*Following adjournment of the legislative session, information has become available to the appointing authorities that several of the appointments, under the bill, to either new, expanded or existing boards and commissions do not meet the statutory requirements necessary to serve on the board or commission to which they were appointed. Two of the appointments are deceased, and at least five of the appointments are not qualified for other reasons, principally because they do not meet the statutory requirements for appointment or they have conflicts that statutorily prohibit their appointment. In addition, the bill mistakenly makes six appointments that are required to be made by the Governor.*

*Therefore, I veto this bill.*

*The bill, having been vetoed, is returned to the Clerk of the Senate on this 3<sup>rd</sup> day of November, 2002 at 2:40 p.m. for reconsideration by that body.*

*M. F. Easley*

LOCATION: 116 WEST JONES STREET • RALEIGH, NC • TELEPHONE: (919) 733-5811

## **Transcript of Governor's Veto Message**

Transcript of handwritten veto message on Senate Bill 1283, 2001 Regular Session.

(on Governor's office letterhead)

### **Governor's objections and Veto Message**

Senate Bill 1283, "An act to appoint persons to various public offices upon the recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives and to make various changes to boards and commissions."

Following adjournment of the legislative session, information has become available to the appointing authorities that several of the appointees, under the bill, to either new, expanded or existing boards and commissions do not meet the statutory requirements necessary to serve on the board or commission to which they were appointed. Two of the appointees are deceased, and at least five of the appointees are not qualified for other reasons, principally because they do not meet the statutory requirements for appointment or they have conflicts that statutorily prohibit their appointment. In addition, the bill mistakenly makes six appointments that are required to be made by the Governor.

Therefore, I veto this bill.

The bill, having been vetoed, is returned to the Clerk of the Senate on this 3rd day of November, 2002 at 2:40 p.m. for reconsideration by that body.

(Signature of Governor)



**RESOLUTIONS**  
**OF THE**  
**STATE OF NORTH CAROLINA**

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**REGULAR SESSION 2002**

**EXTRA SESSION 2002**

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**S.J.R. 1110**

**Resolution 2002-1**

A JOINT RESOLUTION HONORING THE MEMORY OF NORMAN H. JOHNSON, THE FIRST ATTORNEY GENERAL OF THE NORTH CAROLINA RETAIL MERCHANTS ASSOCIATION, ON THE ONE HUNDREDTH ANNIVERSARY OF THE NORTH CAROLINA RETAIL MERCHANTS ASSOCIATION.

Whereas, the North Carolina Retail Merchants Association was founded in 1902 by a group of merchants who convened in Burlington; and

Whereas, Norman H. Johnson was elected the organization's first Attorney General in 1902 at the organizational meeting of the Association; and

Whereas, the Association was organized to promote the interests of all merchants in North Carolina, to cooperate with other State and national groups on matters of common interest that affect the conduct of retailing, and on programs that strengthen and develop the State's agricultural and industrial economy, and to secure the cooperation of all manufacturers and wholesalers in producing a healthier condition of retail trade; and

Whereas, on November 18, 1905, the North Carolina Retail Merchants Association was incorporated; and

Whereas, since its formation, the Association has used its resources to support retailers and retail organizations throughout North Carolina; and

Whereas, the Association has enhanced the quality of life for all citizens of the State and advanced the public confidence in the retail industry; and

Whereas, many retailers who have served and are serving our State in the General Assembly and its leadership have been members of the Association; and

Whereas, during its 100 years of service, the Association has been instrumental in providing leadership and encouraging the highest standards of integrity, competence, civility, and well-being of all members of the retail industry; and

Whereas, the goal of the Association during the celebration of its centennial is to be recognized as the premier State retail association in the country; respected for its

commitment to creating and maintaining a prosperous environment in which North Carolina's retailers will thrive; and

Whereas, it is fitting that the Association be commended for its 100 years of continuous service; Now, therefore,

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** The General Assembly honors the life and memory of Norman H. Johnson and expresses appreciation for the contributions he made to the North Carolina Retail Merchants Association.

**SECTION 2.** The General Assembly recognizes the historic accomplishments of the North Carolina Retail Merchants Association and congratulates the organization on 100 years of dedicated commitment in serving the public and the retail industry.

**SECTION 3.** The Secretary of State shall transmit a certified copy of this resolution to the President of the North Carolina Retail Merchants Association.

**SECTION 4.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of May, 2002.

**S.J.R. 1422**

**Resolution 2002-2**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF ILENE B. NELSON, ADVOCATE FOR ABUSED AND NEGLECTED CHILDREN.

Whereas, Ilene B. Nelson grew up in Caldwell, Idaho; and

Whereas, Ilene B. Nelson earned a BS degree in education and psychology from the University of Colorado, an MA degree in social work from the University of Chicago, and a JD degree from the University of California's Hasting's College of Law; and

Whereas, prior to moving to North Carolina in 1982, Ilene B. Nelson worked as an assistant professor of law and social work at the University of Hawaii for two years; and

Whereas, Ilene B. Nelson was an adjunct professor at the University of North Carolina at Chapel Hill and a professor of law at the North Carolina Central University, and was a partner in the law firm, Edelstein, Paine and Nelson; and

Whereas, Ilene B. Nelson joined the North Carolina Guardian ad Litem Program as an Attorney Advocate in Wake County in 1985; and

Whereas, Ilene B. Nelson became the Administrator of the Guardian ad Litem Program in 1990, a position she held for 11 years; and

Whereas, Ilene B. Nelson was a passionate advocate for abused and neglected children and fought tirelessly to protect their interests in the judicial system; and

Whereas, Ilene B. Nelson also provided training on children's issues to social workers, judges, law students, and others across the State and nation; and

Whereas, Ilene B. Nelson played a significant role in persuading the General Assembly to establish the Child Fatality Task Force; and

Whereas, Ilene B. Nelson served as the first chair of the Child Fatality Task Force and urged the passage of legislation affecting children, such as requiring landlords to install and maintain smoke detectors and requiring graduated drivers licenses; and

Whereas, Ilene B. Nelson worked on the Permanent Families Task Force which was created to train judges and develop strategies to secure a safe and permanent home for every child in foster care; and

Whereas, Ilene B. Nelson fought vigorously on changing the Juvenile Code to improve the way the State court system responds to the plight of abused and neglected children; and

Whereas, Ilene B. Nelson received numerous honors and awards including the Norman B. Smith Award in 2001, the Order of the Longleaf Pine in 2000, and the W.W. Finlator Award in 1999; and

Whereas, Ilene B. Nelson died on September 16, 2001; and

Whereas, Ilene B. Nelson was a loving mother to her children, Alicia Nelson and Aaron Nelson and a devoted daughter to her parents, Joe Berenter and Harriet Berenter; Now, therefore,

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** The General Assembly honors the memory of Ilene B. Nelson and expresses its appreciation for the service she rendered to protect the children of the State of North Carolina.

**SECTION 2.** The General Assembly expresses its sincere sympathy to the family of Ilene B. Nelson for the loss of a beloved family member.

**SECTION 3.** The Secretary of State shall transmit a certified copy of this resolution to the family of Ilene B. Nelson.

**SECTION 4.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 27<sup>th</sup> day of June, 2002.

**S.J.R. 1470**

**Resolution 2002-3**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF LUTHER HENRY JORDAN, JR., FORMER MEMBER OF THE GENERAL ASSEMBLY.

Whereas, Luther Henry Jordan, Jr. was born on June 1, 1950, in Harlem, New York, and was the son of the late Luther Henry Jordan, Sr. and Daisy Fields Jordan; and

Whereas, Luther Henry Jordan, Jr. moved to Wilmington, North Carolina, in 1954; and

Whereas, Luther Henry Jordan, Jr. graduated from New Hanover High School in 1969 and Gupton Jones College in 1972, and earned a BA degree from Shaw University in 1997; and

Whereas, Luther Henry Jordan, Jr. joined the family's funeral home business and later served as President of Jordan's Funeral Home, Inc.; and

Whereas, Luther Henry Jordan, Jr. showed a keen interest in public service throughout his life and at the age of 27 was appointed to the Wilmington City Council; and

Whereas, Luther Henry Jordan, Jr. served on the City Council for 16 years during which time he also served as Mayor Pro-Tempore, the first African-American to serve in that position; and

Whereas, Luther Henry Jordan, Jr. was elected to the North Carolina Senate in 1992 where he served with honor and distinction representing the people of Jones, Lenior, New Hanover, Onslow, and Pender Counties for five terms; and

## Resolutions – 2002

Whereas, during his tenure in the Senate, Luther Henry Jordan, Jr. made significant contributions as a member of numerous committees, including Commerce, Redistricting, Rules and Operations of the Senate, Pensions & Retirement and Aging, and Information Technology, and provided leadership as chair of the Committee on Transportation and of the Appropriations Subcommittee on Justice and Public Safety and vice-chair of State and Local Government; and

Whereas, Luther Henry Jordan, Jr. served as Majority Whip of the Senate from 1999 to 2002 and was chair of the Legislative Black Caucus from 2001 to 2002; and

Whereas, Luther Henry Jordan, Jr. was a devoted and lifelong servant of his community serving many fraternal, civic, and social organizations, including the Shriners-Habib Temple No. 159, the North Carolina Black Municipal Association, the Chamber of Commerce, the Omicron Alpha Chapter of Omega Psi Phi Fraternity, the Wilmington Consistory No. 63, the Wilmington Sportsman Club, and the East Coast Trail Riders; and

Whereas, Luther Henry Jordan, Jr. found time to serve on numerous boards and commissions, including the Cape Fear Council Boys Scouts of American Executive Board, the Board of Directors of Sickle Cell Anemia, the Wachovia Board of Directors, Shaw University Board of Directors, the Board of Directors of the Girls Club, the Committee of 100/Regional Housing Board, and the Cape Fear District Funeral Directors Association, on which he served as vice-president; and

Whereas, Luther Henry Jordan, Jr. received many special awards and recognitions, including the Man of the Year Award from the Alumni of Winston-Salem State University in 1992, Omega Psi Phi, 6<sup>th</sup> District Outstanding Service Award in 1988, Salute to Greatness Award from Shaw University in 1988, Citizen of the Year of New Hanover County/Omega Psi Phi Fraternity in 1981, and Outstanding Young Man of the Year from the United States Jaycees in 1981; and

Whereas, Luther Henry Jordan, Jr. was honored by the City of Wilmington when the City proclaimed November 12-18, 2001, as Luther H. Jordan, Jr. Week; and

Whereas, Luther Henry Jordan was active in the Chestnut Street Presbyterian Church in Wilmington, serving as an elder, a deacon, a trustee, and a member of the Men's Council; and

Whereas, Luther Henry Jordan, Jr. was a man of quick wit and integrity who was genuinely interested in all the people of his community; and

Whereas, Luther Henry Jordan, Jr. was an exceptional communicator, always taking time to listen and offering assistance whenever possible; and

Whereas, Luther Henry Jordan, Jr. was a true "man of the people;" and

Whereas, Luther Henry Jordan, Jr. was well liked and respected by all who knew him and will be sorely missed; and

Whereas, Luther Henry Jordan, Jr. died on April 23, 2002; and

Whereas, Luther Henry Jordan, Jr. leaves to cherish his memory, his daughters Kisha Renee Jordan, Angela Rhodes, and Tamela Malloy, and three grandchildren; Now, therefore,

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** The General Assembly honors the memory of Luther Henry Jordan, Jr. and expresses the gratitude and appreciation of this State and its citizens for his life and service to his community and to the State of North Carolina.

**SECTION 2.** The General Assembly extends its deepest sympathy to the family and friends of Luther Henry Jordan, Jr. for the loss of a beloved family member and a true friend.

**SECTION 3.** The Secretary of State shall transmit a certified copy of this resolution to the family of Luther Henry Jordan, Jr.

**SECTION 4.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 10<sup>th</sup> day of July, 2002.

**S.J.R. 1229**

**Resolution 2002-4**

A JOINT RESOLUTION HONORING JEREMIAH MORRIS, FOUNDER OF THE TOWN OF MORRISVILLE, ON THE TOWN'S 150TH ANNIVERSARY.

Whereas, the Town of Morrisville is the oldest community in Wake County established along the North Carolina Railroad; and

Whereas, the Town was named for Jeremiah Morris, who donated three acres of land to the North Carolina Railroad for a water station, woodshed, and other buildings in 1852; and

Whereas, Jeremiah Morris established the first post office in the Town in March of 1852 and became the Town's first postmaster; and

Whereas, the Town served as a polling place in 1859; and

Whereas, on April 13, 1865, the Town was the site of one of the last battles of the Civil War; and

Whereas, by the 1870s the Town was home to six general stores, several churches, a hotel, and a steam sawmill; and

Whereas, also during this time, the Town supported a cabinetmaker, a lawyer, and four physicians; and

Whereas, the Town was chartered on March 3, 1875; and

Whereas, by the 1880s, the Town's population was 165; and

Whereas, Samuel Horne opened a knitting mill in the Town in 1910; and

Whereas, the Town's charter was repealed in 1933 and rechartered in 1947;

and

Whereas, in 1976, the Town purchased the Morrisville Christian Church building which served as the first Town Hall; and

Whereas, the Town's growth and attractiveness is evident from the number of residents who have chosen to make Morrisville their home; and

Whereas, the Town's population was 251 in 1980 and 1,469 in 1990; and

Whereas, the Town currently estimates its population to be 10,315; and

Whereas, the Town should be commended on its 150<sup>th</sup> anniversary; Now, therefore,

*Be it resolved by the House of Representatives, the Senate concurring:*

**SECTION 1.** The General Assembly honors the memory of Jeremiah Morris in helping to establish the Town of Morrisville.

**SECTION 2.** The General Assembly congratulates the Town of Morrisville on its 150<sup>th</sup> anniversary and encourages the people of this State to participate in activities commemorating this special occasion.

**SECTION 3.** The Secretary of State shall send a certified copy of this resolution to the Mayor of the Town of Morrisville.

**SECTION 4.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 11<sup>th</sup> day of July, 2002.

**S.J.R. 1474**

**Resolution 2002-5**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF BASCOM LAMAR LUNSFORD ON THE OCCASION OF THE SEVENTY-FIFTH ANNIVERSARY OF THE MOUNTAIN DANCE AND FOLK FESTIVAL.

Whereas, Bascom Lamar Lunsford preserved and promoted the Appalachian mountain traditions for generations of people, founding in 1928 the Mountain Dance and Folk Festival in Asheville, North Carolina, an annual event that has shaped America's festival movement; and

Whereas, Bascom Lamar Lunsford, a Western North Carolina native and long-time resident of South Turkey Creek, visited cabins in the valleys and high tops across the Southern Appalachian mountains in search of the region's indigenous music and dance traditions; and

Whereas, Bascom Lamar Lunsford recorded these findings for Columbia University and the Library of Congress, thereby making these recorded collections among their largest and certainly most direct from the people of the Southern Appalachian region; and

Whereas, Bascom Lamar Lunsford's vocations as a lawyer, public speaker, beekeeper, teacher, campaign manager, newspaper editor and more, positioned him well to promote the region's cultural heritage; and

Whereas, Bascom Lamar Lunsford, in 1928, collaborated with the Asheville Chamber of Commerce to present a festival of the region's traditional music and dance, known as the Mountain Dance and Folk Festival; and

Whereas, Bascom Lamar Lunsford was invited by President Franklin Roosevelt to the White House in 1939, along with the Soco Gap dance team, for a performance before the King and Queen of England on the eve of World War II as a gesture to emphasize the bonds of the American people with Great Britain – as the music and dancing of Southern Appalachia find its roots largely in the British Isle traditions; and

Whereas, the Mountain Dance and Folk Festival has brought important recognition from outside the State and instilled pride within the region for the unique cultural heritage of the Southern Appalachian mountains; and

Whereas, the Mountain Dance and Folk Festival, in its 75 years, has brought hundreds of thousands of visitors from around the world to Western North Carolina to experience this unique cultural heritage, creating economic impacts throughout the region; and

Whereas, the Mountain Dance and Folk Festival has served as a model for the establishment of folk festivals around the United States, for many of which Bascom Lamar Lunsford served as a consultant; and

Whereas, the Mountain Dance and Folk Festival continues to have a major regional cultural impact, continuing its important role in the perpetuation of Southern

Appalachian music and dance traditions, presenting hundreds of artists each year to new audiences; and

Whereas, Bascom Lamar Lunsford and the Mountain Dance and Folk Festival have brought awareness of the value and vitality of the mountain heritage, and its crucial role in our society; Now, therefore,

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** The General Assembly expresses high esteem, regard, and deep appreciation for the life, accomplishments, and leadership of Bascom Lamar Lunsford and acknowledges with gratitude the importance of continuing his legacy of preserving and promoting the unique cultural heritage of the Southern Appalachian mountains.

**SECTION 2.** The General Assembly congratulates the Folk Heritage Committee for continuing Bascom Lamar Lunsford's vision and fulfilling the committee's mission of producing the Mountain Dance and Folk Festival and Shindig on the Green series in an effort to support the preservation and continuation of the music and dance heritage of the Southern Appalachian Mountains. The General Assembly further congratulates the committee members for being good stewards of these traditions as they embark on the 75<sup>th</sup> anniversary of the Mountain Dance and Folk Festival in August of 2002.

**SECTION 3.** The Secretary of State shall transmit a certified copy of this resolution to the family of Bascom Lamar Lunsford and to the Folk Heritage Committee.

**SECTION 4.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 24<sup>th</sup> day of July, 2002.

**H.J.R. 1526**

**Resolution 2002-6**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF LISTON BRYAN RAMSEY, FORMER MEMBER AND SPEAKER OF THE HOUSE OF REPRESENTATIVES.

Whereas, Liston Bryan Ramsey was born on February 26, 1919, in Madison County, to John Morgan Ramsey and Della Lee Bryan Ramsey; and

Whereas, Liston Ramsey attended the Madison County Schools and Mars Hill College; and

Whereas, Liston Ramsey proudly served our country as a sergeant in the Army Air Corps during World War II, where he saw action in the Pacific Theater; and

Whereas, after the war, Liston Ramsey returned to his beloved Madison County where he greatly contributed to the economic life of his community as a successful merchant; and

Whereas, Liston Ramsey was married to Florence McDevitt and fathered one child; and

Whereas, Liston Ramsey became active in politics in 1948 after winning a seat on the Town of Marshall's Board of Aldermen; and

Whereas, Liston Ramsey served as an alderman for 12 years; and

Whereas, Liston Ramsey served as Chair of the Madison County Democratic Executive Committee from 1958 to 1960 and in 1962; and

Whereas, Liston Ramsey was elected to the North Carolina House of Representatives in 1960; and

Whereas, Liston Ramsey served the people of Madison County and North Carolina for 19 terms in the 1961, 1963, and 1967 through 1999 sessions of the General Assembly, the longest in State history; and

Whereas, Liston Ramsey served as Chair of the Justices of the Peace Committee in 1967, Local Government Committee in 1969, House Legislative Redistricting Committee in 1971, Finance Committee in 1973 and 1975, Rules Committee in 1978 and 1979, State Personnel in 1991, and Financial Institutions in 1993 and 1999; and

Whereas, Liston Ramsey also served as cochair of the Legislative Services Commission, the Legislative Research Commission, and the Joint Legislative Commission on Governmental Operations; and

Whereas, during his tenure in the General Assembly, Liston Ramsey took a special interest in public education and the environment and sought to enact legislation to help rural areas, especially those in the western part of the State; and

Whereas, Liston Ramsey presided as Speaker of the House of Representatives for an unprecedented four terms from 1981 through 1988, making him the most powerful speaker in State history; and

Whereas, Liston Ramsey was admired and respected by his colleagues and other State officials; and

Whereas, Liston Ramsey served as Chair of the 11<sup>th</sup> Congressional District Democratic Executive Committee in 1972, 1974, 1976, and 1980; and

Whereas, Liston Ramsey gave freely of his time to many local organizations in Madison County, serving as an Elk and a Mason and as a member of the American Legion and Veterans of Foreign Wars; and

Whereas, Liston Ramsey received numerous honors and awards, including the first annual Roy A. Taylor Service Award in 1978, the Distinguished Service Award for Outstanding Alumni from Mars Hill College in 1979, the North Carolina Public Service Award in 1985, the Friend of Education Award from the NCAE in 1985, an honorary doctorate from Mars Hill College in 1988, and a Certificate of Commendation from the Veterans of Foreign Wars in 1989; and

Whereas, Liston Ramsey was a great advocate of Western Carolina University and in 1987, the university named its campus activity center in his honor; and

Whereas, Liston Ramsey died at the age of 82 on September 2, 2001, leaving to cherish his memory his daughter, Martha Ramsey Banks, and two sisters; and

Whereas, Liston Ramsey will be remembered by all who knew him as a man devoted to family, community, and public service; Now, therefore,

*Be it resolved by the House of Representatives, the Senate concurring:*

**SECTION 1.** The General Assembly honors the memory of Liston Bryan Ramsey and expresses the appreciation and gratitude of this State and its citizens for his life and service to his community and to North Carolina.

**SECTION 2.** The General Assembly extends its deepest sympathy to the family of Liston Bryan Ramsey for the loss of a dearly loved family member.

**SECTION 3.** The Secretary of State shall transmit a certified copy of this resolution to the family of Liston Bryan Ramsey.

**SECTION 4.** This resolution is effective upon ratification.



In the General Assembly read three times and ratified this the 25<sup>th</sup> day of July, 2002.

**S.J.R. 1368**

**Resolution 2002-7**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF MYRTLE ELEANOR "LULU BELLE" COOPER WISEMAN STAMEY, FORMER MEMBER OF THE GENERAL ASSEMBLY, AND CELEBRATING THE YEAR OF APPALACHIA.

Whereas, the Appalachian region has a unique and rich culture; and

Whereas, July 2002 through July 2003 has been designated the "Year of Appalachia", a celebration that will commence with the 75<sup>th</sup> anniversary of the Bristol recording session, which introduced Appalachian music and the region to the world in 1927, and culminate with the Smithsonian Folklife Festival in Washington, D.C.; and

Whereas, the Year of Appalachia was initiated by the Birthplace of Country Music Alliance, a regional organization based in Bristol, Tennessee-Virginia that fosters appreciation of the cultural heritage of Appalachia, particularly the region's music, and sustainable economic development activities based on the region's rich heritage; and

Whereas, legislation has been introduced in Congress designating July 2002 through July 2003 as the Year of Appalachia; and

Whereas, several of the thirteen states in the Appalachian region have adopted legislation proclaiming the Year of Appalachia with the remaining states planning to adopt similar measures; and

Whereas, various activities have been planned throughout the Appalachian region to celebrate the region's culture and heritage, including performances featuring traditional mountain music, dance, and crafts; and

Whereas, the Year of Appalachia will promote regional economic development through increased cultural and heritage tourism; and

Whereas, during the Year of Appalachia the General Assembly would like to recognize the Birthplace of Country Music Alliance for its many contributions to the Appalachian region and to pay tribute to one of the State's most renown music performers, Myrtle Eleanor "Lulu Belle" Cooper Wiseman Stamey; and

Whereas, Lulu Belle was born on December 24, 1913, in Boone, North Carolina, to John Reed Cooper and Sydney Knupp Cooper; and

Whereas, when she was a teenager, Lulu Belle and her family moved to Illinois; and

Whereas, Lulu Belle began working as a singer and comedienne with Red Foley at age 19 on WLS Chicago's National Barn Dance, the most popular folk and country music radio program at that time; and

Whereas, Lulu Belle was later paired on the show with Scotty Wiseman, another North Carolinian, whom she married in 1934; and

Whereas, during the 1930s, Lulu Belle and Scotty's popularity helped attract large numbers of people to country music; and

Whereas, Lulu Belle and Scotty were known as the "Sweethearts of Country Music"; and

Whereas, in 1936, Lulu Belle was voted National Radio Queen by Radio Guide's readers; and

Whereas, Lulu Belle and Scotty performed on the National Barn Dance for almost 20 years, appeared together on several television shows and in seven motion pictures, and recorded several albums; and

Whereas, from 1949 to 1957, Lulu Belle and Scotty hosted their own daily television program on WNBQ in Chicago; and

Whereas, Lulu Belle and Scotty retired from entertaining in 1958 and moved back to North Carolina; and

Whereas, during the 1960s and 1970s, Lulu Belle and Scotty performed occasionally for events sponsored by the Country Music Association and the Grand Ole Opry; and

Whereas, during the 1970s, Lulu Belle became active in politics and was elected to the House of Representatives where she represented the people of Avery, Burke, and Mitchell Counties from 1975 through 1978; and

Whereas, during her lifetime, Lulu Belle gave freely of her time to numerous organizations, volunteered for the American Red Cross, and taught home nursing and craft classes; and

Whereas, Lulu Belle was active in the Pine Grove Methodist Church; and

Whereas, Lulu Belle was a loving mother to her two children, Linda and Steven, and a doting grandmother; and

Whereas, Lulu Belle lost her husband, Scotty, in 1981, and in 1983, married lifelong friend, Ernest Stamey; and

Whereas, Lulu Belle recorded a solo album in 1986; and

Whereas, Lulu Belle made great contributions to country music and helped pave the way for other female artists; and

Whereas, Lulu Belle died on February 8, 1999; Now, therefore,

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** The General Assembly honors the life and memory of Myrtle Eleanor "Lulu Belle" Cooper Wiseman Stamey for the service she rendered to the State of North Carolina and for the invaluable contributions she made to country music.

**SECTION 2.** The General Assembly extends its deepest sympathy to the family of Myrtle Eleanor "Lulu Belle" Cooper Wiseman Stamey for the loss of a beloved family member.

**SECTION 3.** The General Assembly commends the Birthplace of Country Music Alliance for its efforts in initiating the Year of Appalachia and encourages the citizens of this State to participate in the activities planned to celebrate the Year of Appalachia.

**SECTION 4.** The Secretary of State shall transmit certified copies of this resolution to the family of Myrtle Eleanor "Lulu Belle" Cooper Wiseman Stamey and the Birthplace of Country Music Alliance.

**SECTION 5.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 25<sup>th</sup> day of July, 2002.

**S.J.R. 1473**

**Resolution 2002-8**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF CHARLES EDWARD TAYLOR, THE WORLD'S FIRST AIRPLANE MECHANIC, AND

URGING THE CITIZENS OF THIS STATE TO RECOGNIZE MAY 24 OF EACH YEAR AS NORTH CAROLINA AVIATION MAINTENANCE TECHNICIAN DAY IN HONOR OF CHARLES EDWARD TAYLOR AND ALL THE AVIATION MAINTENANCE TECHNICIANS WHO HAVE FOLLOWED IN HIS FOOTSTEPS.

Whereas, Charles Edward Taylor was born on May 24, 1869; and

Whereas, in 1902, Charles Edward Taylor began working as a machinist for Orville and Wilbur Wright at the Wright Cycle Company in Dayton, Ohio; and

Whereas, within six weeks, Charles Edward Taylor, using only a lathe and drill press, built the first engine used to power the Wright Flyer; and

Whereas, Charles Edward Taylor's ingenuity earned him a place in aviation history when the Wright brothers successfully flew their airplane on December 17, 1903; and

Whereas, after this historic event, Charles Edward Taylor continued to design engines for the Wright brothers and later taught them to build aircraft engines; and

Whereas, in 1908, Charles Edward Taylor accompanied Orville Wright to Fort Myer, Virginia, for test flights by the United States government and in 1909, accompanied Wilbur Wright to New York for the Hudson-Fulton flights; and

Whereas, Charles Edward Taylor served as lead mechanic for Calbraith Rodgers, who made his first transcontinental flight in 1911; and

Whereas, Charles Edward Taylor had a successful career in aviation maintenance for more than 60 years; and

Whereas, Charles Edward Taylor was honored by the Federal Aviation Administration with the establishment of the Charles Edward Taylor Master Mechanic Award, which recognizes persons with 50 years or more of aviation maintenance experience; and

Whereas, Charles Edward Taylor died in 1956; Now, therefore,

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** The General Assembly honors the life and memory of Charles Edward Taylor and expresses its appreciation for the invaluable contributions he made to aviation.

**SECTION 2.** The General Assembly urges the citizens of this State to recognize May 24 of each year as North Carolina Aviation Maintenance Technician Day in honor of Charles Edward Taylor. The General Assembly further urges the citizens of this State to participate in activities commemorating the 100<sup>th</sup> anniversary of the Wright brothers' flight.

**SECTION 3.** The Secretary of State shall transmit a certified copy of this resolution to the Flight Standards District Office of the Federal Aviation Administration in the City of Greensboro.

**SECTION 4.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of July, 2002.

**H.J.R. 1675**

**Resolution 2002-9**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF HUGH STEWART JOHNSON, JR., A FORMER MEMBER OF THE NORTH CAROLINA GENERAL ASSEMBLY.

Whereas, Hugh Stewart Johnson, Jr. was born on December 12, 1920, in Rose Hill, North Carolina, to Hugh Stewart Johnson, Sr. and Ethel Southerland Johnson; and

Whereas, Hugh Stewart Johnson, Jr. attended Oak Ridge Military Institute in Oak Ridge, North Carolina, and Motte's Business School in Wilmington, North Carolina; and

Whereas, Hugh Stewart Johnson, Jr. was a successful and respected retail hardware merchant; and

Whereas, Hugh Stewart Johnson, Jr. served as a naval aviator for three years in the United States Naval Reserve during World War II and achieved the rank of lieutenant; and

Whereas, Hugh Stewart Johnson, Jr. served as a commissioner of the Town of Rose Hill from 1947 to 1949; and

Whereas, Hugh Stewart Johnson, Jr. was appointed to fill the remainder of Robert M. Carr's term in the North Carolina House of Representatives in 1956; and

Whereas, Hugh Stewart Johnson, Jr. was later elected to the House of Representatives where he served with honor and distinction from 1957 through 1970; and

Whereas, Hugh Stewart Johnson, Jr. had a deep personal interest in health care issues facing North Carolina, especially the shortage of physicians in the rural areas of the State; and

Whereas, Hugh Stewart Johnson, Jr.'s interest and commitment in health care issues led to his being appointed Chair of the Legislative Research Commission on the Physician Shortage in Rural North Carolina in 1967; and

Whereas, under Hugh Stewart Johnson, Jr.'s leadership, the Commission revealed that the physician shortage was national as well as local, that many diverse factors were at play in its identification and interpretation, that many persons and institutions had a continuing effect on its manifestation and solution, and that the shortage of physicians in rural areas in North Carolina was undeniably entwined in the much larger and more comprehensive problem of sufficient health manpower and adequate means of health services delivery in all parts of the State and nation; and

Whereas, Hugh Stewart Johnson, Jr. was an effective advocate for the passage of legislation to implement the Commission's recommendations, which included funding to the University of North Carolina at Chapel Hill to be used to develop and expand the program and facilities of the School of Medicine and to provide a family medicine professorship; and

Whereas, in subsequent legislation, funds were appropriated to create a Department of Family Medicine in the School of Medicine at the University of North Carolina at Chapel Hill; and

Whereas, as a result of Hugh Stewart Johnson, Jr.'s efforts, there was an increased focus on the shortage of physicians in rural North Carolina that resulted in further studies, including a Legislative Research Commission study in 1969 that

conducted a broad and in-depth study of the health manpower needs of North Carolina; and

Whereas, this Commission contributed to the development and expansion of the medical schools at the University of North Carolina at Chapel Hill and East Carolina University and laid the groundwork for the establishment of the Statewide Area Health Education Centers Programs; and

Whereas, Hugh Stewart Johnson, Jr. was active in numerous organizations, including the Ancient Free and Accepted Masons, 32<sup>nd</sup> Degree; Ancient and Accepted Scottish Rite of Free Masonry; American Legion, Wallace Post No. 156; and Reheobeth Lodge No. 279 A.F. & A.M.; and

Whereas, Hugh Stewart Johnson, Jr. received many special recognitions and awards, including the Man of the Year Award in 1956 from English-Brown Post No. 9161, Veterans of Foreign Wars, Wallace, North Carolina; and

Whereas, Hugh Stewart Johnson, Jr. was well respected and admired by his colleagues and friends; and

Whereas, Hugh Stewart Johnson, Jr. will be remembered for his many contributions to the State of North Carolina; and

Whereas, Hugh Stewart Johnson, Jr. died on October 1, 1974; and

Whereas, Hugh Stewart Johnson, Jr. was a devoted husband to his beloved wife, the former Evelyn Furr, a loving father to his children, Tanya Johnson Shelton, Vann Stewart Johnson, Sara Johnson Brown, Evelyn Johnson DeVane, and Helen Johnson; and

Whereas, it is the desire of the General Assembly to formally recognize Hugh Stewart Johnson, Jr.'s achievements and to pay tribute to his life and service; Now, therefore,

*Be it resolved by the House of Representatives, the Senate concurring:*

**SECTION 1.** The General Assembly honors the life and memory of Hugh Stewart Johnson, Jr. and expresses appreciation for the service he rendered to Duplin County, the State of North Carolina, and the nation.

**SECTION 2.** The Secretary of State shall transmit a certified copy of this resolution to the family of Hugh Stewart Johnson, Jr.

**SECTION 3.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of July, 2002.

**H.J.R. 1778**

**Resolution 2002-10**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF LINWOOD EBORN MERCER, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Whereas, Linwood Eborn Mercer was born on September 12, 1946, in Washington, North Carolina, to Judge Linwood Erastus Mercer and Elsie Eborn Mercer; and

Whereas, Linwood Eborn Mercer attended the public schools in Beaufort County and the University of North Carolina at Chapel Hill; and

Whereas, Linwood Eborn Mercer and his family moved to the Town of Farmville in 1974; and

Whereas, Linwood Eborn Mercer ran a number of successful businesses, including a warehousing business, a hardware store, and a local commercial real estate business; and

Whereas, Linwood Eborn Mercer later consolidated many of his Farmville business operations into one organization and named it The Mercer Group; and

Whereas, Linwood Eborn Mercer showed a strong interest in local politics, serving as Mayor of the Town of Farmville from 1979 to 1981, as a member of the Pitt County Board of Commissioners from 1988 to 1993, and as chair of that board from 1991 through 1992; and

Whereas, Linwood Eborn Mercer served with honor and distinction in the House of Representatives from 1993-1998, contributing as a member of several committees, including Agriculture, Finance, Pensions and Retirement, and Transportation; and

Whereas, Linwood Eborn Mercer became a political lobbyist after serving in the General Assembly and in that capacity worked on behalf of numerous organizations and businesses, including the North Carolina Association of Electric Cooperatives, Inc., Lowes Motor Speedway, Wellpath Community Health Plans, North Carolina Economic Group, Community Financial Services Association, GlaxoSmithKlein, Inc., Central Coastal Plain Capacity Use Area Association, Accenture, AT & T Wireless, Cingular Wireless, North Carolina Hospital Association, Centex Construction, North Carolina Society for Respiratory Care, North Carolina Museum of Art Foundation, and Alliance of Automobile Manufacturers; and

Whereas, Linwood Eborn Mercer worked diligently for the good of his community, serving as chair of the Farmville Community Arts Council, president of the Farmville Economic Council and Pitt County School Education Foundation, vice-chair of the Pitt County Board of Health, and a member of the Pitt County Development Commission; and

Whereas, Linwood Eborn Mercer received several honors and recognitions, including the Farmville Small Business Leader of the Year in 1993 and the Farmville Citizen of the Year in 1996; and

Whereas, Linwood Eborn Mercer was active in the Farmville United Methodist Church; and

Whereas, Linwood Eborn Mercer died on March 17, 2002; and

Whereas, Linwood Eborn Mercer was a devoted husband to his beloved wife, Alice Williams Mercer; a loving father to his daughters Becky Mercer, Sarah Mercer Massey, and Nancy Mercer Ayers; and a loving and proud grandfather to his two grandsons, Clayton Massey and Thomas Ayers; Now, therefore,

*Be it resolved by the House of Representatives, the Senate concurring:*

**SECTION 1.** The General Assembly honors the memory of Linwood Eborn Mercer and expresses the gratitude and appreciation of this State and its citizens for the service he rendered to his community and the State of North Carolina.

**SECTION 2.** The General Assembly extends its deepest sympathy to the family of Linwood Eborn Mercer for the loss of a beloved family member.

**SECTION 3.** The Secretary of State shall transmit a certified copy of this resolution to the family of Linwood Eborn Mercer.

**SECTION 4.** This resolution becomes effective upon ratification.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of August, 2002.

**H.J.R. 1462**

**Resolution 2002-11**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF DAVID WEBSTER BUMGARDNER, JR., A FORMER MEMBER OF THE NORTH CAROLINA GENERAL ASSEMBLY.

Whereas, David W. Bumgardner, Jr. was born on November 2, 1921, in Belmont, North Carolina, to David W. Bumgardner, Sr. and Winnifred Ballard Bumgardner; and

Whereas, David W. Bumgardner, Jr. attended the public schools of Belmont and graduated from Belmont Abbey College and Gupton-Jones College of Mortuary Science; and

Whereas, David W. Bumgardner, Jr. gallantly served in the United States Army during World War II, seeing action in Italy and North Africa; and

Whereas, David W. Bumgardner, Jr. retired as Lieutenant Colonel in the North Carolina National Guard and served as the first commanding officer of the National Guard when it was organized in Belmont; and

Whereas, at his death, David W. Bumgardner, Jr. was retired from funeral service as owner and operator of Bumgardner Funeral Home in Belmont; and

Whereas, David W. Bumgardner, Jr. was a highly respected leader in his profession, having served as the president of the North Carolina Funeral Directors Association; and

Whereas, David W. Bumgardner, Jr. was deeply interested and involved in the political affairs of North Carolina throughout his life, serving with distinction for 11 terms in the North Carolina House of Representatives, representing Gaston and Lincoln Counties from 1967 to 1988; and

Whereas, during his tenure in the General Assembly, David W. Bumgardner, Jr. rendered invaluable service as chairman of the Transportation Committee and the Public Utilities Committee; and

Whereas, David W. Bumgardner, Jr. served the State on many boards and commissions including the Commission for the Study of Local and Ad Valorem Tax Structure in 1970, the Governmental Evaluation Commission from 1977 to 1981, and the North Carolina Board of Transportation from 1977 to 1982; and

Whereas, David W. Bumgardner, Jr. was a tireless volunteer in many civic, cultural, and charitable causes including the Belmont Kiwanis Club (past President and District Lieutenant Governor), the Masons, the Shriners, American Legion Post 144 (past Commander), and V.F.W. Post 5483 (past Commander); and

Whereas, David W. Bumgardner, Jr. received many awards for his lifetime of selfless service: the first honorary membership in the North Carolina Funeral Directors Association; the George F. Hixson Fellowship of Kiwanis International; the Community Service Award of the American Legion; the Belmont Man of the Year Award; and the Distinguished Service Award, Gupton-Jones College of Mortuary Science; and

Whereas, David W. Bumgardner, Jr. was a longtime member of First Baptist Church of Belmont where he served as Deacon, Parliamentarian, Sunday School Superintendent, and Trustee; and

Whereas, David W. Bumgardner, Jr. died on June 21, 2001; and

Whereas, David W. Bumgardner, Jr. was a devoted husband to his beloved wife of 53 years, Sara Margaret Jones Bumgardner; a loving father to his two daughters, Sharon and Mary Jo, and a doting grandfather and great-grandfather; and

Whereas, David W. Bumgardner, Jr. will be remembered for his myriad contributions to the State of North Carolina and her people; and

Whereas, the General Assembly wishes to show its appreciation for his life and accomplishments and to extend its sincere sympathy to his family; Now, therefore,

*Be it resolved by the House of Representatives, the Senate concurring:*

**SECTION 1.** The General Assembly expresses high esteem and regard for the extraordinary life and service of David Webster Bumgardner, Jr. and mourns the loss of one of North Carolina's most distinguished native sons.

**SECTION 2.** The General Assembly extends its sincere sympathy to the family of David Webster Bumgardner, Jr. on the loss of a beloved husband, father, grandfather, and friend.

**SECTION 3.** The Secretary of State shall transmit a certified copy of this resolution to the family of David Webster Bumgardner, Jr.

**SECTION 4.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 19<sup>th</sup> day of August, 2002.

**H.J.R. 1783**

**Resolution 2002-12**

A JOINT RESOLUTION AUTHORIZING THE 2001 GENERAL ASSEMBLY, REGULAR SESSION 2002, TO CONSIDER A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE NORTH CAROLINA CENTER FOR MISSING PERSONS TO ACCEPT AND EXPEND PRIVATE DONATIONS FOR THE NORTH CAROLINA CHILD ALERT NOTIFICATION SYSTEM – NCCAN (AMBER ALERT), TO ESTABLISH CRITERIA TO TRIGGER AN "AMBER ALERT", TO COORDINATE THE PUBLIC AND PRIVATE SECTORS, AND TO PROVIDE FOR THE USE OF DEPARTMENT OF TRANSPORTATION CHANGEABLE MESSAGE SIGNS TO DISPLAY INFORMATION REGARDING MISSING CHILDREN.

*Be it resolved by the House of Representatives, the Senate concurring:*

**SECTION 1.** The 2001 General Assembly, Regular Session 2002, may consider "A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE NORTH CAROLINA CENTER FOR MISSING PERSONS TO ACCEPT AND EXPEND PRIVATE DONATIONS FOR THE NORTH CAROLINA CHILD ALERT NOTIFICATION SYSTEM – NCCAN (AMBER ALERT), TO ESTABLISH CRITERIA TO TRIGGER AN "AMBER ALERT", TO COORDINATE THE PUBLIC AND PRIVATE SECTORS, AND TO PROVIDE FOR THE USE OF DEPARTMENT OF TRANSPORTATION CHANGEABLE MESSAGE SIGNS TO DISPLAY INFORMATION REGARDING MISSING CHILDREN."

**SECTION 2.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 28<sup>th</sup> day of August, 2002.



**S.J.R. 1469**

**Resolution 2002-13**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF WILLIAM JOSEPH GASTON ON THE 225<sup>TH</sup> ANNIVERSARY OF HIS BIRTH.

Whereas, William Joseph Gaston was born on September 19, 1778, in New Bern, North Carolina; and

Whereas, William Joseph Gaston's father, Dr. Alexander Gaston, a patriot during the American Revolution, was killed by Tories in August 1781 when William Joseph Gaston was a young boy; and

Whereas, William Joseph Gaston was reared by his mother, Margaret Sharpe Gaston, to adhere to the beliefs and principles of the Roman Catholic church; and

Whereas, William Joseph Gaston began his formal education as the first student at Georgetown College in 1791; and

Whereas, William Joseph Gaston later graduated from the College of New Jersey at Princeton; and

Whereas, William Joseph Gaston, after graduating from college, returned to New Bern, North Carolina, to study law under a well-known lawyer, Francois-Xavier Martin; and

Whereas, William Joseph Gaston was admitted to the North Carolina State Bar in 1798 and later developed an expertise in property and criminal law; and

Whereas, William Joseph Gaston became very active in the political affairs of the State and nation; and

Whereas, William Joseph Gaston served the people of Craven County in the State Senate during the Assemblies of 1800, 1812, 1818, and 1819; and

Whereas, in the 1818 Assembly of the Senate, William Joseph Gaston served as chair of the joint legislative committee that proposed the creation of the North Carolina Supreme Court; and

Whereas, William Joseph Gaston represented the Town of New Bern in the North Carolina House of Commons in 1807, 1808, 1809, 1828, and 1829, and served partial terms in 1827 and 1831; and

Whereas, during the 1808 Assembly of the North Carolina House of Commons, William Joseph Gaston was elected Speaker and served as a presidential elector; and

Whereas, William Joseph Gaston served in the United States House of Representatives from 1815 to 1817; and

Whereas, in 1833, William Joseph Gaston, a devout Catholic, was elected to the North Carolina Supreme Court, notwithstanding Article 32 of the North Carolina Constitution, which denied anyone from holding a State office who did not believe in "the Truth of the Protestant Religion"; and

Whereas, in 1835, William Joseph Gaston purchased a library for the State Supreme Court while on a trip to New York City to enable the justices to render better decisions; and

Whereas, William Joseph Gaston served as a delegate to the North Carolina Constitutional Convention of 1835, where he spoke out in favor of continued suffrage for free blacks, federal representation as the basis for representation in the North Carolina House of Commons, and biennial meetings of the State legislature; and

Whereas, William Joseph Gaston, during the 1835 Convention, also spoke against the religious test for office contained in the North Carolina Constitution at that

time, which later resulted in the removal of the word "Protestant" and the substitution of the word "Christian" throughout the constitution; and

Whereas, William Joseph Gaston was well respected and admired by all who knew him; and

Whereas, William Joseph Gaston was awarded numerous honorary degrees and memberships from colleges, universities, and organizations throughout the nation; and

Whereas, William Joseph Gaston served as a trustee of the University of North Carolina at Chapel Hill from 1802 until his death; and

Whereas, William Joseph Gaston donated money for the construction of St. Paul's Church in New Bern, the oldest Roman Catholic church building in North Carolina; and

Whereas, William Joseph Gaston wrote the words for North Carolina's official State song, "The Old North State", which he adapted from a melody sung by a group of Swiss bell ringers who visited the capital; and

Whereas, Gaston County and the City of Gastonia are both named for William Joseph Gaston; and

Whereas, William Joseph Gaston died on January 23, 1844; and

Whereas, as the 225<sup>th</sup> anniversary of the birth of William Joseph Gaston nears, the General Assembly celebrates his life and memory and his many contributions to our State and recognizes his stand on religious tolerance; Now, therefore,

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** The General Assembly honors the memory of William Joseph Gaston for the service he rendered the State and nation.

**SECTION 2.** The Secretary of State shall transmit a certified copy of this resolution to the Cities of Gastonia and New Bern and to the Counties of Gaston and Craven.

**SECTION 3.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 5<sup>th</sup> day of September, 2002.

**S.J.R. 1456**

**Resolution 2002-14**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF FRANCES DAWSON BASDEN FOR HER SERVICE TO PENDER COUNTY.

Whereas, Frances Dawson was born in Vass, North Carolina, on August 30, 1936, to Wallace McKay Dawson and Ruby Marks Dawson; and

Whereas, Frances Dawson's love for people and community was noticed early in her life; and

Whereas, Frances Dawson moved to Burgaw as a teenager, where she quickly got involved in school and the school's activities; and

Whereas, Frances Dawson worked part-time after school in several different businesses to support herself and her younger sister; and

Whereas, Frances Dawson graduated from Burgaw High School in 1954; and

Whereas, after graduation, Frances Dawson worked for the Register of Deeds Office and later became the first female assistant Register of Deeds in Pender County; and

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Whereas, Frances Dawson married the love of her life, James Basden, on January 8, 1955; and

Whereas, Frances Dawson Basden accompanied her husband to Fort Benning, Georgia, where he was stationed in the military and a year later returned to Burgaw when her husband was sent overseas; and

Whereas, Frances Dawson Basden worked as a medical assistant for 18 years, during which time she attended Miller Mott Business School and Cape Fear Community College; and

Whereas, Frances Dawson Basden worked for the Department of Social Services and later, the North Carolina Child Support Office; and

Whereas, in 1986, Frances Dawson Basden was elected Clerk of Court for Pender County, a position she held until her death; and

Whereas, as Clerk of Court, Frances Dawson Basden was in the position to do what she liked to do best, helping the people in her community; and

Whereas, Frances Dawson Basden was a charter member of the Pender County Rescue Squad and served as captain of the Squad for five years; and

Whereas, Frances Dawson Basden was active in the Pender County Rotary Club and served as its first female president; and

Whereas, Frances Dawson Basden was devoted to her church, where she served as choir director, pianist, teacher, and youth director; and

Whereas, Frances Dawson Basden exhibited her love and concern for her community in many ways, including collecting toys, clothing, and food for needy children and families; and

Whereas, Frances Dawson Basden was admired and respected by all who knew her; and

Whereas, despite a busy career, Frances Dawson Basden found ample time to raise a fine son, James Wallace Basden, who is married to Kimberly E. Basden, and to dote on her two beautiful grandchildren, Jordan and Brad; and

Whereas, Frances Dawson Basden died on August 11, 2001; and

Whereas, Frances Dawson Basden will be missed by all the many people whose lives she touched; Now, therefore,

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** The General Assembly honors the life and memory of Frances Dawson Basden and expresses its appreciation for the service she rendered to the citizens of Pender County and this State.

**SECTION 2.** The General Assembly expresses its deepest sympathy to the family of Frances Dawson Basden for the loss of a beloved family member.

**SECTION 3.** The Secretary of State shall transmit a certified copy of this resolution to the family of Frances Dawson Basden.

**SECTION 4.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of September, 2002.

**S.J.R. 1303**

**Resolution 2002-15**

A JOINT RESOLUTION PROVIDING FOR CONFIRMATION OF THE APPOINTMENT OF JOSEPH A. SMITH, JR. AS COMMISSIONER OF BANKS.

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Whereas, under provisions of G.S. 53-92, appointment by the Governor of the Commissioner of Banks is subject to confirmation by the General Assembly by joint resolution; and

Whereas, the present Commissioner of Banks has resigned, effective May 31, 2002; and

Whereas, the Governor has submitted to the presiding officers of the House of Representatives and the Senate the name of his appointee to fill the term of Commissioner of Banks; Now, therefore,

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** The appointment of Joseph A. Smith, Jr. as Commissioner of Banks for the remainder of the term expiring March 31, 2003, is confirmed.

**SECTION 2.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

**S.J.R. 1476**

**Resolution 2002-16**

A JOINT RESOLUTION HONORING THE MEMORY OF J.W. MARSH ON THE OCCASION OF THE TOWN OF MARSHVILLE'S ONE HUNDRED TWENTY-FIFTH ANNIVERSARY.

Whereas, the Town of Marshville, located in eastern Union County, was initially known as Beaver Dam; and

Whereas, the Town was originally inhabited by the Waxhaw Indians but by the 1750s, was also home to settlers from England, Germany, Wales, Scotland, and the State of Pennsylvania; and

Whereas, the Town developed around the Central Carolina Railroad depot site, which enabled the Town to later emerge as a leading regional cotton market and agricultural center; and

Whereas, the Town was incorporated as Griffinsville on February 12, 1877; and

Whereas, J.W. Marsh and his family, Town proprietors and landowners, donated land for the construction of the first church, which was built in 1888; and

Whereas, by 1900, the Marsh family had also donated land for a Town Hall, school, and two additional churches; and

Whereas, the Town was renamed Marshville on May 11, 1895, in honor of the Marsh family; and

Whereas, the Town continued to grow and prosper and by the late 1920s had attracted poultry and lumber businesses to the area; and

Whereas, much of the Town's economy centers around the production of turkeys, eggs, soybeans, corn, milo, swine, broilers, and beef; and

Whereas, the Town is home to a number of well-known businesses, including the Pilgrim's Pride Poultry Processing Plant, Edwards Wood Products, Carolina Wood Products, and Rebel Lumber Companies; and

Whereas, in 1985, a portion of the Town's downtown area served as a film location for the motion picture, "The Color Purple"; and

Whereas, in 2000, the Town had a population of 2,360 people; and

Whereas, for 125 years, the Town, known as the "Heartland of the Carolinas", has made significant contributions to the social and economic prosperity of the State of North Carolina; Now, therefore,

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** The General Assembly honors the memory of J.W. Marsh for the contributions he made to the development of the Town of Marshville.

**SECTION 2.** The General Assembly congratulates the Town of Marshville on its 125<sup>th</sup> anniversary and encourages the citizens of this State to join the Town in celebrating this special occasion.

**SECTION 3.** The Secretary of State shall transmit a certified copy of this resolution to the Mayor of the Town of Marshville.

**SECTION 4.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

**H.J.R. 1805**

**Resolution 2002-17**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF PHILIP PITTMAN GODWIN, SR., FORMER SPEAKER OF THE HOUSE OF REPRESENTATIVES.

Whereas, Philip Pittman Godwin, Sr. was born in Gatesville, North Carolina, to Adolphus Pilston Godwin, Sr. and Mabel Claire Hayes Godwin; and

Whereas, Philip Pittman Godwin, Sr. attended Fishburn Military School and Wake Forest University, where he earned a BS degree and an LL.B degree; and

Whereas, after law school, Philip Pittman Godwin, Sr. returned to his hometown of Gatesville and established a successful law practice; and

Whereas, Philip Pittman Godwin, Sr. was a member of several professional organizations, including the First District Bar Association, President from 1963 to 1964; the North Carolina State Bar; and the North Carolina Bar Association; and

Whereas, Philip Pittman Godwin, Sr. developed an interest in politics while in law school and during that time served as President of the Young Democrats Club in 1955; and

Whereas, Philip Pittman Godwin, Sr. was elected to the House of Representatives in 1960, where he served until 1972, representing the people of Camden, Chowan, Currituck, Gates, Pasquotank, and Perquimans Counties; and

Whereas, from 1969 to 1972, Philip Pittman Godwin, Sr. served as Speaker of the House of Representatives; and

Whereas, from 1973 through 1974, Philip Pittman Godwin, Sr. served as a member of the Senate; and

Whereas, during his tenure in the General Assembly, Philip Pittman Godwin, Sr. made significant contributions to the State and the district he represented both as a member and as a leader of numerous legislative committees and commissions; and

Whereas, Philip Pittman Godwin, Sr. served as a member of the Executive Committee of the National Conference of State Legislative Leaders and as a member of the Governing Board for the Southern Conference of Council of State Governments; and

Whereas, in the years after his service in the General Assembly, Philip Pittman Godwin, Sr. served as a lobbyist and as a member of the North Carolina Board of Transportation; and

Whereas, Philip Pittman Godwin, Sr. was active in the Gatesville Baptist Church and the Gatesville Masonic Lodge No. 126; and

Whereas, Philip Pittman Godwin, Sr. served as a Trustee of Chowan College and Wake Forest University; and

Whereas, Philip Pittman Godwin, Sr. was a veteran of the United States Air Force, serving in the Pacific Theatre during World War II; and

Whereas, Philip Pittman Godwin, Sr. was a loving husband to his wife, Anita Thomas Freeman Godwin, and a caring father and grandfather; and

Whereas, Philip Pittman Godwin, Sr. died on December 12, 2001; and

Whereas, Philip Pittman Godwin, Sr. is survived by his son, Philip Pittman Godwin, Jr. and two grandchildren, Hannah Pittman Godwin and Philip Pittman Godwin, III; Now, therefore,

*Be it resolved by the House of Representatives, the Senate concurring:*

**SECTION 1.** The General Assembly wishes to honor the life and memory of former member and Speaker of the House of Representatives, Philip Pittman Godwin, Sr. and to express its sympathy to the family and friends of Philip Pittman Godwin, Sr. for the loss of a beloved family member.

**SECTION 2.** The Secretary of State shall transmit a certified copy of this resolution to the family of Philip Pittman Godwin, Sr.

**SECTION 3.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

**S.J.R. 1478**

**Resolution 2002-18**

A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE REGULAR SESSION OF THE GENERAL ASSEMBLY.

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** When the Senate and the House of Representatives, constituting the 2001 Session of the General Assembly, adjourn on Friday, October 4, 2002, they stand adjourned sine die.

**SECTION 2.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 4<sup>th</sup> day of October, 2002.

**S.J.R. 1480**

**Resolution 2002-19**

A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE RECONVENED SESSION.

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** When they adjourn on Wednesday, November 13, 2002, the Senate and the House of Representatives, constituting the Reconvened 2001 Session of the General Assembly, do stand adjourned sine die.

Resolutions – 2002

**SECTION 2.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 13<sup>th</sup> day of November, 2002.

**S.J.R. 6**

**Resolution 2002-20**

**2002 Extra Session**

A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE 2002 EXTRA SESSION.

*Be it resolved by the Senate, the House of Representatives concurring:*

**SECTION 1.** When the Senate and the House of Representatives, constituting the 2002 Extra Session of the General Assembly, do adjourn they stand adjourned sine die.

**SECTION 2.** This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 26<sup>th</sup> day of November, 2002.





**EXECUTIVE ORDERS  
OF  
GOVERNOR MICHAEL F. EASLEY**

| <b>Title</b>  | <b>Number</b> |
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| COMMISSION TO PROMOTE GOVERNMENT EFFICIENCY<br>AND SAVINGS ON STATE SPENDING .....  | 17            |
| COMMISSION TO MODERNIZE STATE FINANCES .....  | 18            |
| CLASSROOM PROTECTION AND ORDERLY BUDGET<br>ADMINISTRATION GIVEN STATE OF FISCAL EMERGENCY.....  | 19            |
| AMENDING EXECUTIVE ORDER NO. 84 ISSUED BY GOVERNOR<br>JAMES B. HUNT, JR. WHICH ESTABLISHED THE NORTH<br>CAROLINA HOME FURNISHING EXPORT COUNCIL .....   | 20            |
| NORTH CAROLINA HUMAN SERVICE<br>TRANSPORTATION COUNCIL.....   | 21            |
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| AMENDING EXECUTIVE ORDER NUMBER 7<br>CONCERNING TEACHER ADVISORY COMMITTEE.....   | 23            |
| ACCELERATING TEACHER RECRUITMENT AND HIRING<br>FOR <i>MORE AT FOUR</i> AND CLASS SIZE REDUCTION IN<br>LIGHT OF JUDICIAL REQUIREMENTS, BUDGET<br>DEVELOPMENTS, AND IMPENDING SCHOOL OPENINGS ..... | 24            |
| NORTH CAROLINA SHOWCASE STATE PARTNERSHIP<br>FOR NATURAL DISASTER RESISTANCE AND RESILIENCE .....   | 25            |
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# State of North Carolina



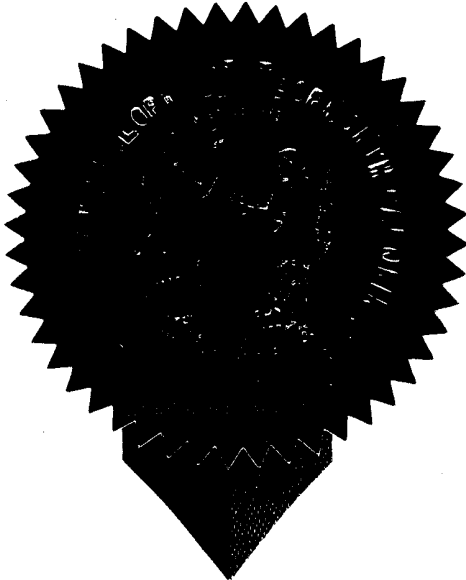
**MICHAEL F. EASLEY**  
GOVERNOR

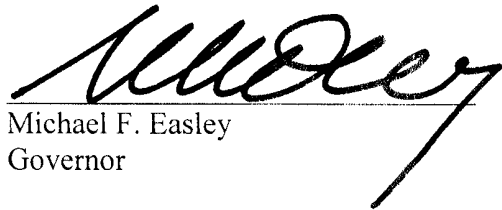
## EXECUTIVE ORDER NO. 16 EXTENDING THE NORTH CAROLINA STATE HEALTH COORDINATING COUNCIL

By the power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED THAT:

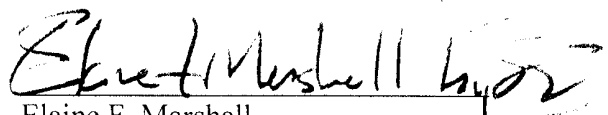
The North Carolina State Health Coordinating Council, authorized by Governor James B. Hunt, Jr. in Executive Order No. 43 and later extended by Governor Hunt in Executive Order No. 166, is hereby extended for an additional two years from this date. This order is effective immediately.

Done in Raleigh, North Carolina, this the 31<sup>st</sup> day January, 2002.

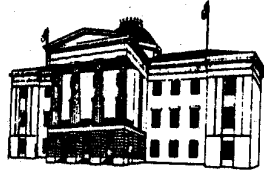


  
Michael F. Easley  
Governor

ATTEST:

  
Elaine F. Marshall  
Secretary of State

# State of North Carolina



MICHAEL F. EASLEY  
GOVERNOR

## EXECUTIVE ORDER NO. 17 COMMISSION TO PROMOTE GOVERNMENT EFFICIENCY AND SAVINGS ON STATE SPENDING

By the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:

### Section 1. Establishment.

There is hereby established a Commission to Promote Government Efficiency and Savings on State Spending ("Commission"). Commission members shall serve at the pleasure of the Governor. The Governor shall also appoint the Chair or Co-Chairs.

### Section 2. Purpose.

State and local governments should operate at maximum efficiency and, given current fiscal constraints, must further prioritize and optimize their spending. The Commission will review how governments can reduce spending while maintaining or increasing the quality of service provision and the structure of government to serve its citizens.

The Commission will review current laws, regulations, and practices throughout state and local government in order to recommend necessary changes that will increase efficiency.

In the course of its work, the Commission will take into account research done by study and standing committees of the General Assembly and non-governmental groups, including recommendations by the Government Performance Audit Commission (GPAC) and the Governor's Efficiency and Loophole-Closing Commission.

The Commission will examine with special attention purchasing, technology, personnel practices and areas of service duplication.

### Section 3. Duties

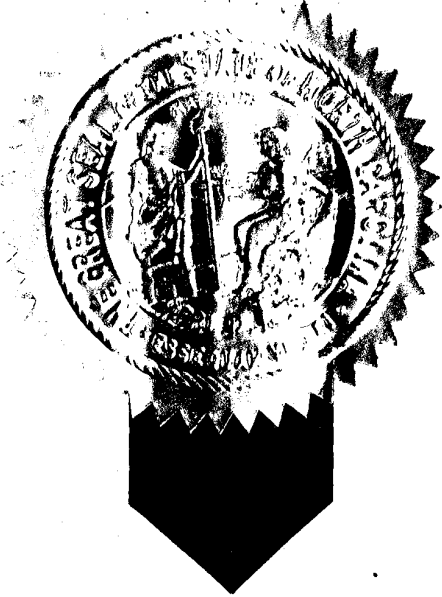
The Commission will meet, and its members will communicate, with regularity sufficient to allow it to submit initial recommendations to the Governor prior to the 2002 session of the

General Assembly, with final recommendations prior to the 2003 legislative session. Recommendations that do not require action by the General Assembly should be submitted to the Governor as soon as possible.

Section 4.     Administration

The Office of the Governor shall provide or secure staff and administrative support services for the Commission.

Done in the Capital City of Raleigh, North Carolina, this 1<sup>st</sup> day of February, 2002.



*Michael F. Easley*

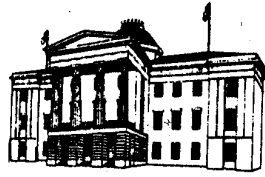
Michael F. Easley  
Governor

ATTEST:

*Elaine F. Marshall*

Elaine F. Marshall  
Secretary of State

# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

## EXECUTIVE ORDER NO. 18 COMMISSION TO MODERNIZE STATE FINANCES

By the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:

### Section 1.      Establishment

There is hereby established a Commission to Modernize State Finances ("Commission"). Commission members shall serve at the pleasure of the Governor. The Governor shall also appoint the Chair or Co-Chairs.

### Section 2.      Purpose

The basic structure of the State's revenue and finance laws was established over seven decades ago. In today's ever-changing economy, it is critical that these laws be simple, even-handed, consistent and fair to the broad spectrum of businesses and individuals who must comply with them. The revenue system must generate sufficient funds to support the necessary functions of efficient and effective state and local government, while maintaining the State's economic competitiveness.

The Commission will review relevant laws, rules, practices and principles of a high-quality tax system in order to formulate recommendations to improve and modernize our state revenue and finance laws.

In the course of its work, the Commission will take into account research done by study and standing committees of the General Assembly and non-governmental groups, including the 2001 Governor's Efficiency and Loophole-Closing Commission.

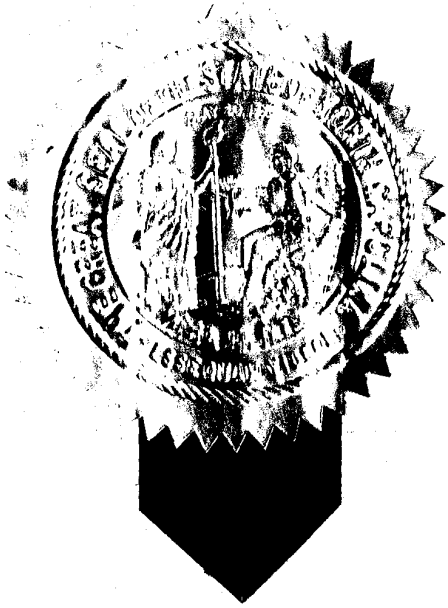
### Section 3.      Duties

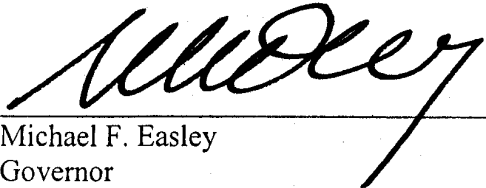
The Commission will meet, and its members will communicate, with regularity sufficient to allow it to submit initial recommendations to the Governor prior to the 2002 session of the General Assembly, with final recommendations submitted to the 2003 session of the General Assembly.

Section 4.      Administration

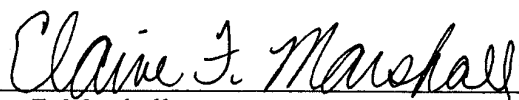
The Office of the Governor shall provide or secure staff and administrative support services for the Commission.

Done in the Capital City of Raleigh, North Carolina, this 1<sup>st</sup> day of February, 2002.



  
\_\_\_\_\_  
Michael F. Easley  
Governor

ATTEST:

  
\_\_\_\_\_  
Elaine F. Marshall  
Secretary of State

# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

## EXECUTIVE ORDER NUMBER NO. 19 CLASSROOM PROTECTION AND ORDERLY BUDGET ADMINISTRATION GIVEN STATE OF FISCAL EMERGENCY

WHEREAS, Article III, Sec. 5(3) of the Constitution of North Carolina provides that the State may not operate at a deficit during the fiscal period covered by a budget. For these purposes, a "deficit" is defined as having been incurred when total expenditures for the fiscal period of the budget exceed the total of receipts during the period, plus the surplus remaining in the State Treasury at the beginning of the period. The fiscal period for the current budget began July 1, 2001; and,

WHEREAS, to insure that the State does not incur a deficit for the fiscal year covered by a budget, Article III, Sec. 5(3) of the Constitution requires the Governor to continually survey the collection of revenue. If, as a result of his surveys, he determines that actual receipts for the fiscal period, when added to the surplus remaining in the Treasury at the beginning of the fiscal period, will not be sufficient to pay budgeted expenditures, the Governor, after first making adequate provisions for the prompt payment of the principal and interest on the State's outstanding bonds and notes, must effect the necessary economies in State expenditures to keep the deficit from occurring; and,



WHEREAS, continually surveying the collection of the State's revenues pursuant to Article III, Sec. 5 (3) of the Constitution is a normal function of the Office of State Budget and Management (OSBM) and reports on its surveys are received routinely by the Governor; and,

WHEREAS, OSBM has provided the Governor with detailed briefings on the growing fiscal period deficit and, along with the Office of the Governor, has also advised members of the General Assembly of the situation, including the President Pro-Tempore of the Senate and the Speaker of the House of Representatives; and,

WHEREAS, on October 31, 2001, OSBM, at the direction of the Governor, reduced state agency expenditures for the remainder of the fiscal year; and,

WHEREAS, as detailed in a memorandum to the Governor from OSBM dated February 4, 2002, OSBM estimates, in light of January 2002 collections and new economic forecasts, a growing substantial deficit for fiscal year 2001-02 that will not be covered by the reduction in expenditure measures adopted on October 31, 2001; and,

WHEREAS, in light of OSBM estimates, the budget enacted by the General Assembly for fiscal year 2001-02 cannot be administered as enacted without the State incurring a deficit in its administration; and,

WHEREAS, it is found as a fact that based on General Fund revenue collections through January 31, 2002, and projections for these revenues through June 30, 2002, actual receipts for the current fiscal year will not meet the expenditures anticipated and budgeted by the 2001 General Assembly; and,

WHEREAS, from this fact it is determined and concluded that unless further economies in State expenditures are made, the State's General Fund expenditures will exceed General Fund receipts, for the current fiscal year.

NOW THEREFORE, by the authority vested in me as Governor by Article III, Sec. 5(3) of the Constitution of North Carolina to insure that a deficit is not incurred in the administration of the budget for fiscal year 2002, IT IS ORDERED:

Section 1. OSBM will continue to reduce, as necessary, State expenditures from Funds appropriated to operate State departments and institutions, and continue monthly allotment expenditure and review measures.

Section 2. OSBM will halt, as necessary, expenditures for capital improvement projects for which State funds have been appropriated but not placed under State contract and, as necessary, transfer any unused capital improvement funds to the General Fund.

Section 3. OSBM will transfer, as necessary, non-General Fund and non-Highway Fund receipts into the General Fund to support appropriation expenditures in order to avoid a deficit in the General Fund.

Section 4. OSBM may borrow, as necessary, receipts from non-General Fund State receipts and non-Highway Fund State receipts for support of General Fund appropriation expenditures.

Section 5. OSBM may transfer, as necessary, funds from the Highway Trust Fund Account for support of General Fund appropriation expenditures.

Section 6. OSBM may, as necessary, order the delay or cancellation of purchase orders in State General Fund-supported departments and institutions.

Section 7. OSBM may, as necessary, take other steps as directed by the Governor to insure that a deficit is not incurred for the fiscal period, including re-allocation of certain funds shared with localities.


Section 8. The Office of the State Controller, as advised by the State Budget Officer, is directed to monitor disbursements as presented on requisitions for CASH.

Section 9. The Office of the State Controller, as advised by the State Budget Officer, is directed to receive the local government reimbursement funds and to escrow such funds in a special reserve as established by OSBM. Return of all such receipts shall be made to the local government reimbursement funds, if possible, after determination that such funds are not necessary to address the deficit.

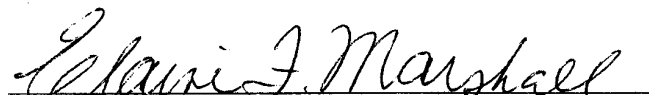
This Executive Order rescinds Executive Order No. 3 and is effective immediately and shall remain in effect, as written, until terminated or amended at the Governor's direction.

Done in the Capital City of Raleigh, North Carolina, this 5<sup>th</sup> day of February, 2002.



  
\_\_\_\_\_  
Michael F. Easley  
Governor

ATTEST:

  
\_\_\_\_\_  
Elaine F. Marshall  
Secretary of State

# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

EXECUTIVE ORDER NO. 20  
AMENDING EXECUTIVE ORDER NO. 84 ISSUED BY GOVERNOR JAMES B. HUNT, JR.  
WHICH ESTABLISHED THE NORTH CAROLINA HOME FURNISHING EXPORT  
COUNCIL

By the Power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Executive Order 84, issued by Governor James B. Hunt, Jr. on August 24, 1995, is hereby amended such that the Executive Order regarding the North Carolina Home Furnishing Export Council now reads:

WHEREAS, an advisory body is needed to develop plans and programs to increase home furnishings exports from North Carolina companies into the global market; and

WHEREAS, North Carolina furniture companies and crafts workers create some of the finest furniture in the world; and

WHEREAS, the home furnishings market is becoming more globally-oriented;

Section 1.     Establishment.

The North Carolina Home Furnishings Export Council ("Council") is hereby established.

Section 2.     Membership.

The Council shall consist of not more than 30 voting members, with the Governor and the Secretary of Commerce serving as ex-officio members. All voting members shall be from either

the public or private sector. All candidates shall have an established connection to a genuine interest in the export of home furnishing products produced in North Carolina. The Governor shall appoint a Chair from among the voting membership. All members serve at the pleasure of the Governor. The Council shall meet at least twice a year at the call of the Chair.

Section 3. Duties of the Council.

The Council shall have the following duties:

- (a) Advise the Division of International Trade of the Department of Commerce on matters related to the exportation of home furnishings;
- (b) Serve as a liaison between the North Carolina export office and industry manufacturers; and
- (c) Discover and explore ways to increase the level of exportation of North Carolina's home furnishing products.

Section 4. Administration.

The Department of Commerce shall provide administrative and financial support for the Council. Members shall receive a per diem allowance for their service and reimbursement for travel and other expenses in accordance with state law, subject to the availability of funds.

Section 5. Special Membership Provisions for Furniture Industry Firms.

When a private sector member employed by a furniture industry firm is appointed to the Council, the international management official of that same firm shall also serve as a member of the Council. The furniture industry firm shall identify the individual within its operation that performs the function of international management official.

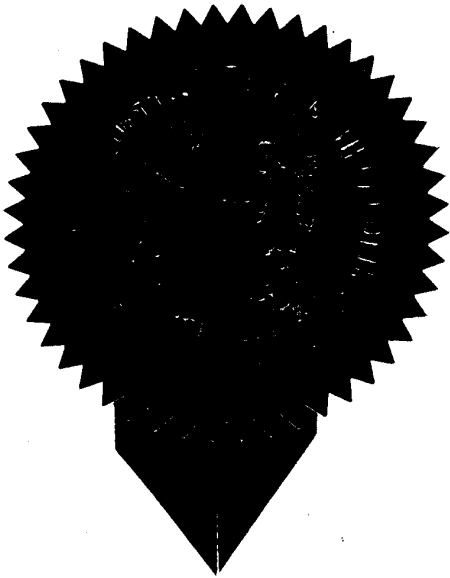
The international management official shall serve in an ex-officio, nonvoting capacity, except when the specifically appointed private sector member is absent from a meeting. When

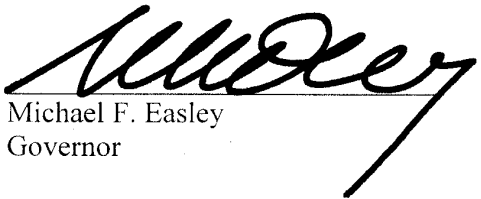
the specifically appointed private sector member is absent from a meeting, the international management official shall serve as the proxy for that member and shall have the right to vote on matters coming before the Council at that meeting. When two individuals are members as a result of this arrangement, only the specifically appointed private sector member may claim the per diem allowed under this Order.

When a specifically appointed private sector member employed by a furniture industry firm ceases employment with that furniture industry firm, a vacancy shall be created on the Council and that firm's international management official shall cease to serve as an ex-officio nonvoting member.

This Executive Order is effective immediately.

Done in Raleigh, this the 5<sup>th</sup> day of April, 2002

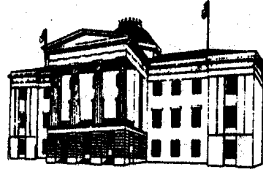


  
Michael F. Easley  
Governor

ATTEST:

  
Elaine F. Marshall  
Secretary of State

# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

## EXECUTIVE ORDER NO. 21 NORTH CAROLINA HUMAN SERVICE TRANSPORTATION COUNCIL

WHEREAS, the North Carolina Human Service Transportation Council was created in 1991 to address problems, concerns, and opportunities regarding the provision of human service transportation and to make policy recommendations to the North Carolina Department of Transportation; and

WHEREAS, the North Carolina Human Service Transportation Council has maintained a leadership role to increase cooperation among member agencies and increased coordination of local human service transportation; and

WHEREAS, the North Carolina Human Service Transportation Council has undertaken studies to facilitate the further coordination of human service transportation; and

WHEREAS, the North Carolina Department of Transportation (DOT), Department of Health and Human Services (DHHS) and Department of Commerce (DOC) administer State and federal funding programs which may be used by local human service agencies to provide necessary client transportation services; and

WHEREAS, there is the need for a continued statement of policy on coordination and maximization of transportation resources and these state departments and agencies are in a position to facilitate the more efficient use of these resources; and

WHEREAS, human service transportation funds are to be expended in a manner consistent with the local Community Transportation Improvement Plan; and

WHEREAS, transportation is essential to the delivery of customer services; and

WHEREAS, there is the increased need for advocacy, capacity building and systemic change that results in greater access to and use of transportation resources; and

WHEREAS, the mission of the Human Service Transportation Council ("Council") is "to provide leadership in improving the coordination of human service transportation and to ensure

that funds are maximized to serve as many elderly, disabled and financially disadvantaged individuals in the State of North Carolina as possible, in a safe, efficient and effective manner.”

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1. Establishment.

The North Carolina Human Service Transportation Council ("Council") is hereby established.

Section 2. Policy.

Wherever practical, existing transportation resources, public and private, shall be maximized before any new resources shall be made available through public funds.

The locally prepared and adopted Community Transportation Improvement Plan shall continue to be the means to determine the most cost effective and efficient use of transportation resources.

To the extent that funds are available and equipment is used consistent with the local Community Transportation Improvement Plan, DOT will provide financial support for capital equipment and the administrative assistance associated with the provision of local human service transportation, while the transportation funds from other State departments will be used primarily for operating assistance.

The State departments should cooperate in establishing, following and supporting the policies, procedures and decisions of the Human Service Transportation Council as described herein. Council representatives shall encourage local human service agencies and community transportation systems to participate in community transportation improvement planning efforts and in subsequent plan implementation, and to purchase or provide transportation services in a manner consistent with the local plan.

The State departments shall promote transportation policies that are customer-centered and support high quality multi-modal transportation systems focused on service, choice and flexibility.

Section 3. Membership.

A. The Council shall be composed of representatives from the DHHS, DOC, Employment Security Commission, Department of Administration, Department of Public Instruction and DOT. Representation shall include any division which administers State or federal funds used to provide human service transportation. The secretaries/chairpersons of these departments may designate divisions within the departments to serve on the Council. Division directors may designate alternates to represent them on the Council. The Council shall be composed of no more than 25 members.



B. Departments, agencies or programs which are outside the jurisdiction of the Executive Order are encouraged to join the Council and to adopt the findings and recommendations of the Council.

C. The Council shall establish subcommittees including individuals representing organizations and consumers outside the departments that comprise the Council as needed to address emerging issues.

D. A representative from either the DHHS or DOT Public Transportation Division shall chair the Council on an annual rotating basis.

Section 4. Duties of Council.

The Council shall have the following duties:

A. To undertake studies and demonstration projects that will enhance the coordination and delivery of human service transportation services in the safest, most cost-effective, efficient and customer-focused means possible.

B. To advise and make recommendations to the DHHS, DOT and other state agencies concerning human service transportation policy.

C. To identify opportunities and barriers and recommend solutions to improve community transportation services.

D. To develop and present an Annual Executive Summary of the Status of Human Service Transportation in North Carolina.

Section 5. Administration and Oversight

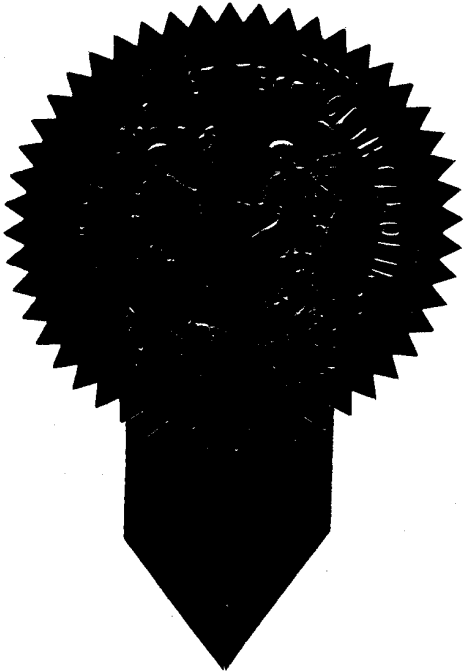
The DHHS and DOT shall provide administrative support for the Council. Members serve without compensation. The DHHS and DOT may appoint individuals, not associated with the Council, to a Policy Oversight Committee to address inter-departmental policy issues.

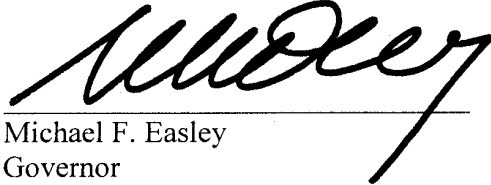
Section 6. Effect on Other Executive Orders.

Executive Order No. 78 is hereby rescinded. The Council created herein shall be the successor to that North Carolina Human Service Transportation Council.

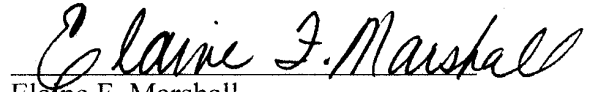
This order shall be effective immediately.

Done in the City of Raleigh this the 23<sup>rd</sup> day of April 2002.



  
\_\_\_\_\_  
Michael F. Easley  
Governor

**ATTEST:**

  
\_\_\_\_\_  
Elaine F. Marshall  
Secretary of State

# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

## EXECUTIVE ORDER NO. 22 BUDGET MANAGEMENT FOR FISCAL YEAR 2002-03

WHEREAS, the 2001 General Assembly enacted Senate Bill 1005 (codified as Session Law 2001-424) in September 2001; and,

WHEREAS, it is apparent that the budget adjustment legislation currently under consideration by the House and Senate will not be ratified by the General Assembly and signed into law by the Governor by the end of the fiscal period ending June 30, 2002; and,

WHEREAS, the authorizations included in Senate Bill 1005 continue in effect until amended by the General Assembly and signed into law by the Governor; and,

WHEREAS, the revenue projections on which Senate Bill 1005 was formulated have not been realized; and,

WHEREAS, the Governor, based on information provided to him from the Office of State Budget and Management (OSBM) has determined that the total expenditures for the State for the 2002-03 fiscal period as set forth in Senate Bill 1005 will exceed total receipts unless action is taken; and,

WHEREAS, Article III, Section 5(3) of the North Carolina Constitution requires the Governor to effect the necessary economies in State expenditures to insure that the fiscal period budget be balanced.


NOW THEREFORE, by the authority vested in me as Governor by Article III, Sec. 5(3) of the Constitution of North Carolina to insure that a deficit is not incurred in the administration of the fiscal period budget, IT IS ORDERED THAT:

OSBM, as directed by the Governor, may take any step necessary to insure that a deficit is not incurred for the 2002-03 fiscal period including, but not limited to, continuing to rely on any measure authorized by Executive Order No. 19.

This Executive Order is effective July 1, 2002, and shall remain in effect, as written, until terminated or amended at the Governor's direction.

Done in the Capital City of Raleigh, North Carolina, this 27<sup>th</sup> day of June 2002.



  
MICHAEL F. EASLEY  
GOVERNOR

ATTEST:

  
ELAINE F. MARSHALL  
SECRETARY OF STATE

# State of North Carolina



MICHAEL F. EASLEY  
GOVERNOR

## EXECUTIVE ORDER NUMBER 23 AMENDING EXECUTIVE ORDER NUMBER 7 CONCERNING TEACHER ADVISORY COMMITTEE

By the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1 of Executive Order No. 7 issued by Michael F. Easley on July 6, 2001, is hereby amended as follows:

### Section 1. Establishment.

There is hereby established a Teacher Advisory Committee ("Committee"). The Committee shall be composed of up to twenty members appointed by the Governor. The North Carolina Teacher of the Year shall serve *ex officio*. As determined by the Chairman of the Committee, one half of the current members terms are extended for six months and the other half of the current members terms are extended for one year. Hence forth, newly appointed members of the Committee shall serve two-year terms. Members may be reappointed. The Governor shall also appoint the Chair.

Except as amended herein, all provisions of Executive Order No. 7 shall remain in full force and effect.

This Executive Order shall be effective immediately.

Done in the Capital City of Raleigh, North Carolina, this the 18<sup>th</sup> day of July, 2002.



*Michael F. Easley*  
\_\_\_\_\_  
Michael F. Easley  
Governor

**ATTEST:**

*Elaine F. Marshall*  
\_\_\_\_\_  
Elaine F. Marshall  
Secretary of State

# State of North Carolina



MICHAEL F. EASLEY  
GOVERNOR

## EXECUTIVE ORDER NO. 24 ACCELERATING TEACHER RECRUITMENT AND HIRING FOR *MORE AT FOUR* AND CLASS SIZE REDUCTION IN LIGHT OF JUDICIAL REQUIREMENTS, BUDGET DEVELOPMENTS, AND IMPENDING SCHOOL OPENINGS

In September 2001, the General Assembly ratified and I, as Governor, signed a budget for the State of North Carolina that allocated funds to establish a pre-kindergarten program for at-risk children, known as *More at Four*, and to reduce class sizes.

Pre-kindergarten programs for at-risk children and class size reduction are necessary for improving educational opportunity and outcomes for children across North Carolina. In addition, these programs are fundamental to addressing the needs of at-risk students, eliminating the achievement gap, reducing the State's persistently high dropout rate, increasing college enrollments, and meeting other education challenges.

Moreover, improving public education is the key to a better-prepared workforce that is able to attract quality jobs, strengthen our economy, and improve the quality of life for all citizens.

The current proposed House Budget includes expanded funding for *More at Four* and class size reduction. While the General Assembly continues working to ratify a final budget I can sign, the school year for the majority of North Carolina's children will start imminently.

In addition, the school funding lawsuit, known as *Leandro*, has now reached a crisis point.

Nearly two years ago, in October 2000, the Superior Court Judge assigned by the Supreme Court of North Carolina to oversee *Leandro* ordered that pre-kindergarten educational programs for at-risk children must be expanded to serve all of the at-risk children in North Carolina that qualify for such programs.

Three months ago, in April 2002, the Court explicitly re-affirmed the October 2000 judgment with regards to pre-kindergarten programs. In addition, the April ruling found that at-risk children need smaller classes in early grades and that every classroom

provide differentiated, individualized instruction. Such individual attention, of course, requires smaller class sizes.

On July 19, 2002, the Court made clear that the prior judgments, including the mandates of *More at Four* and individualized instruction in early grades, remained in effect and were not being complied with.

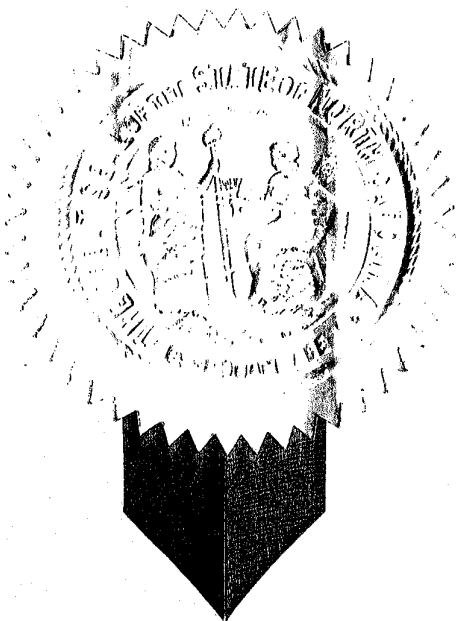
NOW THEREFORE, in light of the factual circumstances set forth above, and under the legal authority vested in me as Governor by Article III of the Constitution of North Carolina, N.C.G.S. § 143-23, and decisions by the Supreme Court of North Carolina interpreting N.C.G.S. § 143-23, I hereby AUTHORIZE and INSTRUCT:

(1) The Director of the *More at Four* Pre-Kindergarten Program, in conjunction with the Co-Chairs of the *More at Four* Task Force (the Superintendent of Public Instruction and the Secretary of the Department of Health and Human Services), to recruit the teachers necessary to expand the program; and,

(2) The Superintendent of Public Instruction, working with and through local school system superintendents, to recruit and hire the additional teachers necessary to reduce class sizes in kindergarten and first grade beginning with the 2002-03 school year.

This Executive Order is effective July 24, 2002.

Done in the Capital City of Raleigh, North Carolina, this 24th day of July 2002.



  
MICHAEL F. EASLEY  
GOVERNOR

ATTEST:

  
ELAINE F. MARSHALL  
SECRETARY OF STATE



# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

## EXECUTIVE ORDER NO. 25 NORTH CAROLINA SHOWCASE STATE PARTNERSHIP FOR NATURAL DISASTER RESISTANCE AND RESILIENCE

WHEREAS, the State of North Carolina is vulnerable to hurricanes, flooding, winter storms, hail, drought, earthquakes, tornadoes, wildfire and other natural hazards that have resulted in the loss of life, economic distress, and have caused billions of dollars in damages; and

WHEREAS, since 1996, North Carolina has experienced the two most costly natural disasters in the State's history, hurricanes Fran and Floyd, resulting in the deaths of over 50 people and causing over three billion and five billion dollars in losses respectively; and

WHEREAS, North Carolina is presently experiencing a state and local government budget crisis, due in part by lost tax revenues and cash expenditures associated with several recent disasters, and

WHEREAS, North Carolina is experiencing rapid growth in known high-hazard areas; and

WHEREAS, North Carolina has embarked on a nationally recognized effort to reduce the future impacts of natural hazards, including the acquisition and elevation of over 6,000 flood-prone residences, the initiation of a statewide mitigation planning effort, the re-mapping of the State's floodplains, and the establishment of the Blue Sky Foundation, a nonprofit organization dedicated to educating the public about risk reduction techniques that can be incorporated into new or existing construction; and

WHEREAS, North Carolina seeks to further ongoing risk reduction efforts through an expansion of public and private partnerships utilizing the framework established by the Institute for Business & Home Safety titled the "Showcase State for Natural Disaster Resistance and Resilience"; and

WHEREAS, North Carolina Showcase State partners currently include the North Carolina Department of Crime Control and Public Safety , the Blue Sky Foundation of North Carolina, Inc., The North Carolina Department of Insurance, Nationwide Insurance, Royal & SunAlliance Insurance, State Farm Fire and Casualty Company, the Institute for Business & Home Safety, the Independent Agents Association of North Carolina, the University of North Carolina at Chapel Hill; Department of City and Regional Planning, the North Carolina State University Cooperative Extension Service, the North Carolina League of Municipalities, , Land's End Development Companies, Rufty Homes, Inc., Old Station Corporation/Sykes Construction, Carolinas Concrete Masonry Association, North Carolina Sea Grant, the Federal Emergency Management Agency, and North Carolina Baptist Men, with the intention of including local governments and the business community; among others; and

WHEREAS, the Showcase State Initiative will provide the catalyst to bring together state and federal agencies, nonprofit organizations, local governments, developers, insurers, financiers, and the business community to seek creative ways to comprehensively address the rapid increase in our State's vulnerability to natural hazards and share the burden of mitigating the risk in cost-effective ways; and

WHEREAS, since there are significant efforts underway that address many of the initiatives below, by government, the private and nonprofit sectors, a collaborative process that fosters leveraged resources and shared knowledge will allow partners to extend better service to more citizens of North Carolina.

NOW, THEREFORE I, Michael F. Easley, by virtue of the authority vested in me as the Governor of the State of North Carolina proclaim the State of North Carolina a "Showcase State for Natural Disaster Resistance and Resilience" as a means to further reduce the vulnerability of our citizens and the built environment to the risks associated with natural hazards. The state, working in collaboration with its Showcase State partners, and to the extent to which existing state budgetary and staff resources allow, will work on the following initiatives:

1. Identify government agencies, private sector and nonprofit entities responsible and accountable for implementing actions of each of the areas listed below. Executives with authority and accountability in these areas will coordinate their respective planning and develop a collaborative five-year strategy together, with one-year action plans.
2. Conduct a statewide hazard identification and risk assessment for all natural hazards in our state, including providing the assistance and training to local governments needed to undertake jurisdictional-level assessments.
3. Develop partnerships between stakeholder businesses and the public sector to identify mitigation opportunities and better coordinate preparedness, response and recovery activities. Partnerships should include critical businesses involved in disaster recovery operations (e.g., utilities, communications, transportation, food/water suppliers, and medical facilities) and those businesses whose losses would impact the ability of the local and state economy to recover.

4. Promote and support the adoption and enforcement of a current model code by the state and promote the voluntary code-plus *Fortified. . . for Safer Living* program for new construction.
5. Encourage the use of state and local hazard risk assessments to inform land use decisions, particularly those that place people and structures in harm's way.
6. Maintain a state hazard mitigation plan, develop a disaster recovery plan and provide technical assistance to local governments to assist in the development of Hazard Mitigation Plans as required under the Disaster Mitigation Act of 2000 and North Carolina SC 2001-214.
7. Ensure that local governments are given the information needed to make an informed decision regarding participation in the National Flood Insurance Program, including the implications for disaster assistance stated in SC 2001-214. Encourage participation in the National Flood Insurance Program and ensure compliance among participants. Promote and support participation in the National Flood Insurance Program's Community Rating System.
8. Incorporate disaster protection into capital improvement budgets of public lifelines and critical facilities, such as utilities, telecommunication systems, transportation infrastructure, water supply, hospitals, wastewater treatment facilities, etc. and promote incorporation of disaster protection into capital improvements of similar private facilities.
9. Encourage the development of a disaster-resistant state, including the encouragement of disaster-resistant communities within the State, in collaboration with the Blue Sky Foundation's *Exemplary Community* initiative, NC Division of Emergency Management's *Hazard Mitigation Planning Initiative (HMPI)* and the Federal Emergency Management Agency's disaster-resistant community initiatives.
10. Develop public outreach and awareness programs on the importance of mitigating damages caused by natural disasters and provide information on how citizens can prevent or reduce property damages as a result of a natural disaster event.
11. Support the appropriate incorporation of natural hazard awareness and reduction programs and information into school and college curricula.
12. Support the Institute for Business & Home Safety and its partners in the nonstructural retrofit of nonprofit childcare centers through cooperative public information efforts.
13. Conduct training for local government officials, state agencies, builders and other design professionals regarding the use of mitigation techniques in land use and building construction decisions. Encourage best practices above and beyond building code requirements.
14. Identify specific incentives and disincentives for implementing mitigation measures in the areas of regulation, policy, social values, and in the economic and environmental sectors.

15. Continue support of the North Carolina Mapping Initiative in its efforts to re-map the State's floodplains.

Implementation of this order shall be undertaken through the collaboration of Blue Sky Foundation of North Carolina, Inc. and the North Carolina Division of Emergency Management.

This Executive Order shall take effect immediately.

Done in the Capital City of Raleigh, North Carolina, this the 25<sup>th</sup> day of July, 2002.



*Michael F. Easley*  
Michael F. Easley  
Governor

ATTEST:

*Blaine F. Marshall*  
Blaine F. Marshall  
Secretary of State

# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

## **EXECUTIVE ORDER NO. 26** **WATER SYSTEM PROTECTION**

In light of the continuing drought and the obvious necessity of protecting North Carolina's water supply for all necessary individual and industrial uses, and under the legal authority vested in me as Governor by provisions including, but not limited to, Article III of the Constitution of North Carolina, N.C.G.S. § 143-341(8) and N.C.G.S. § 147-12, I hereby ORDER that:

(1) All state government agencies discontinue "non-essential" water use until further notice; and, (2) All such agencies immediately develop and begin implementing long term, financially feasible conservation measures.

Furthermore, I hereby REQUEST that all other state-sponsored institutions comply with the above directives.

In addition, I hereby ESTABLISH a Water System Protection Team chaired by the Secretaries of Crime Control and Public Safety, and Environment and Natural Resources. The team may include representatives of the state Departments of Administration, Agriculture, and Commerce, and shall work closely with the League of Municipalities, the Association of County Commissioners, and other local leaders.

The team's principal duties will include:

- providing guidelines to assist state agencies and state-sponsored institutions in complying with this Executive Order and monitoring compliance;
- assisting drought-stricken communities in enhancing conservation efforts and assessing water supply capacity, and;
- providing technical assistance, expedited permits, and other support.

The team will also work closely with, and act upon the recommendations of, the Drought Monitoring Council and will assist ongoing efforts to secure adequate federal assistance.

This Executive Order is effective August 15, 2002.

Done in the Capital City of Raleigh, North Carolina, this 15th day of August 2002.

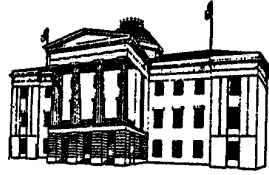


*Michael F. Easley*  
MICHAEL F. EASLEY  
GOVERNOR

ATTEST:

*Elaine F. Marshall*  
ELAINE F. MARSHALL  
SECRETARY OF STATE

# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

## **EXECUTIVE ORDER NO. 27**

### **PROCLAMATION OF STATE DISASTER FOR THE CITY OF CHERRYVILLE, CITY OF SHELBY AND THE CLEVELAND COUNTY SANITARY DISTRICT, EXCLUDING THE CITY OF KINGS MOUNTAIN**

WHEREAS, I have determined that a State of Disaster and State of Emergency, as defined in N.C.G.S. §§ 166A-4(1) and 14.288.1(10), exists in the State of North Carolina, specifically in the City of Cherryville, the City of Shelby and the Cleveland County Sanitary District, excluding the City of Kings Mountain, as a result of severe drought conditions.

WHEREAS, on 18 June 2002, the City of Cherryville proclaimed a local State of Emergency; and

WHEREAS, on 15 August 2002, the County of Cleveland, excluding the City of Kings Mountain, and the City of Shelby proclaimed a local State of Emergency; and

WHEREAS, pursuant to N.C.G.S. § 166A-6, the criteria for a Type I disaster are met including the following: 1) Receipt of the preliminary damage assessment from the Secretary of Crime Control and Public Safety; 2), the City of Cherryville, the City of Shelby and the Cleveland County, excluding the City of Kings Mountain, each declared a local state of emergency pursuant to N.C.G.S. § 166A-8 and N.C.G.S. §§ 14-288.12, 14-288.13, and 14-288.14 and forwarded a written copy of the declaration to the Governor; 3) The preliminary damage assessment meets or exceeds the criteria established for the Small Business Disaster Loan Program pursuant to 13 C.F.R. Part 123 or meets or exceeds the State infrastructure criteria set out in N.C.G.S. § 166A-6.01(b)(2)a.; and 4) A major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared; and

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1. Pursuant to N.C.G.S. §§ 166A-6 and 14-288.15, a State of Disaster and State of Emergency is hereby declared for the City of Cherryville, the City of Shelby and the Cleveland County Sanitary District, excluding the City of Kings Mountain.

Section 2. All state and local government entities and agencies are hereby ordered to cooperate in the implementation of the provisions of this proclamation and the provisions of the North Carolina Emergency Operations Plan.

Section 3. Bryan E. Beatty, Secretary of Crime Control and Public Safety, and/or his designee, is hereby delegated all power and authority granted to me and required of me by Chapter 166A, and Article 36A of Chapter 14 of the General Statutes for the purpose of implementing the said Emergency Operations Plan and to take such further action as is necessary to promote and secure the safety and protection of the populace in the above-referenced counties.

Section 4. Further, Bryan E. Beatty, Secretary of Crime Control and Public Safety, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in N.C.G.S. 143B-476.

Section 5. I authorize this proclamation: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of disaster prevent or impede, to be promptly filed with the Secretary of Crime Control and Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and, (c) to be distributed to others as necessary to assure proper implementation of this proclamation.

Section 6. The Type I disaster declaration shall expire 30 days after the issuance of the state of disaster and state of emergency and Type I disaster proclamation for the City of Cherryville, the City of Shelby and the Cleveland County Sanitary District, excluding the City of Kings Mountain, issued on August 30, 2002 unless renewed by the Governor or the General Assembly. Such renewals may be made in increments of 30 days each, not to exceed a total of 120 days from the date for first issuance. The Joint Legislative Commission on Governmental Operations shall be notified prior to the issuance of any renewal of a Type I disaster declaration.

Done in the Capital City of Raleigh, North Carolina, this the 30<sup>th</sup> day of August 2002.



*Michael F. Easley*  
MICHAEL F. EASLEY  
GOVERNOR

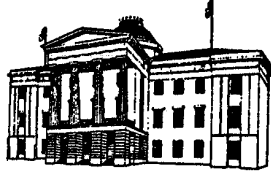
ATTEST:

*Elaine F. Marshall*  
ELAINE MARSHALL *by and through*  
SECRETARY OF STATE *Rodney Mackay*  
*Chief Deputy*  
*Secretary*

2



# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

## EXECUTIVE ORDER NO. 28 ENSURING NEEDS OF SCHOOL CHILDREN ARE MET GIVEN INCREASE IN STUDENT ENROLLMENT, BUDGET DEVELOPMENTS, AND SCHOOL OPENINGS

In September 2001, the General Assembly ratified and I, as Governor, signed a budget for the State of North Carolina that allocated funds to pay for the expected increase in the kindergarten-12<sup>th</sup> grade (K-12) student population during the 2002-03 fiscal period.

The increase in school children for '02-'03 made in 2001, calculated by tallying local school administrative units' Average Daily Membership (ADM), was underestimated. As a result, in the budget adjustments I submitted to the General Assembly for the '02-'03 period, I recommended additional funding for the public schools in order to meet the costs associated with the actual ADM increase. Both the state Senate and state House agreed with my recommendation as to the amount of additional funding needed to meet the actual ADM increase. Each house's agreement is reflected in the budget bills passed in June and August, respectively.

As of today, the budget adjustment legislation which will include the ADM funding increase has not been finally ratified by the General Assembly and signed into law by me. However, public school classes have begun across the state. And school systems and communities are being forced to meet the greater needs posed by the increase in student enrollment. In addition, state court monitoring of North Carolina's effort to ensure a sound, basic education for every student continues.


NOW THEREFORE, in light of the factual circumstances set forth above, and under the legal authority vested in me as Governor by, among other provisions, Article I, section 15 (which states that "[t]he people have a right to the privilege of education, and it is the duty of the State to guard and maintain that right") and Article III of the Constitution of North Carolina, and N.C.G.S. § 143-23, I hereby AUTHORIZE and INSTRUCT:

The State Budget Officer, working with the Superintendent of Public Instruction and local school systems, to provide monies sufficient to cover the costs associated with the increased number of children in grades K-12 now attending North Carolina's public schools.

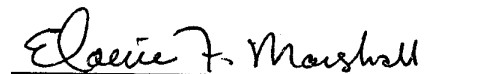
This Executive Order is effective August 29th, 2002.

Done in the Capital City of Raleigh, North Carolina, this 29th day of August 2002.

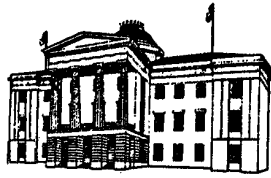


  
MICHAEL F. EASLEY  
GOVERNOR

ATTEST:

  
ELAINE F. MARSHALL *by and through*  
SECRETARY OF STATE *Rodney Maddox*  
*Chief Deputy*

# State of North Carolina



MICHAEL F. EASLEY  
GOVERNOR

## EXECUTIVE ORDER NO. 29 EMERGENCY RELIEF FOR LIVESTOCK PRODUCERS AFFECTED BY HAY SHORTAGES DUE TO DROUGHT

WHEREAS, the North Carolina Emergency Management Act (Chapter 166A of the North Carolina General Statutes) authorizes and empowers the Governor to make, amend or rescind the necessary orders, rules and regulations within the limits of the authority conferred upon him, with due consideration of the policies of the federal government;

WHEREAS, the North Carolina Emergency Management Act (Chapter 166A of the North Carolina General Statutes) authorizes and empowers the Governor to deliver materials or perform services for disaster purposes on such terms and conditions as may be prescribed by any existing law; and

WHEREAS, the North Carolina Emergency Management Act (Chapter 166A of the North Carolina General Statutes) authorizes the Governor to take such action and give such directions to State and local law-enforcement officers and agencies as may be reasonable and necessary; and

WHEREAS, the United States Department of Agriculture has declared seventy-three (73) North Carolina counties as agricultural disaster areas due to drought conditions; and

WHEREAS, there is a severe shortage of hay for feeding livestock; and

WHEREAS, large bales of hay are available and could be transported if certain load width limitations were waived;

WHEREAS, the North Carolina General Statutes 20-115 and 20-116 limit the width of a vehicle or vehicle combination to 102”.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

**Section 1.** That for a period of 90 days, beginning August 30, 2002, until November 30, 2002, the State of North Carolina under the supervision and direction of the Department of Transportation and Division of Motor Vehicles will waive width restrictions on vehicles transporting hay to farmers located in the seventy-three (73) declared drought stricken counties.

**Section 2.** Notwithstanding the waiver set forth above, the size restrictions and penalties have not been waived for vehicles operating with an overall width exceeding ten (10) feet.

This order does not exempt compliance with any posted road or bridge weight limitations.

**Section 3.** This executive order will be effective September 3, 2002, and shall remain in effect until December 2, 2002.

Done in the Capital City of Raleigh, North Carolina, this the 3<sup>rd</sup> day of September, 2002.



*Michael F. Easley*  
Michael F. Easley  
Governor

*Elaine F. Marshall*  
Elaine F. Marshall  
Secretary of State

# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

## EXECUTIVE ORDER 30 AMENDING EXECUTIVE ORDER NO. 113 ISSUED BY GOVERNOR JAMES B. HUNT, JR. CONCERNING MERIT-BASED HIRING PROCESS

By the power vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:

Executive Order No. 113, issued by Governor James B. Hunt, Jr., on June 12, 1997, is hereby amended as follows:

WHEREAS, the State of North Carolina has a responsibility to provide efficient and effective services to its citizens with a productive and professional state workforce; and,

WHEREAS, the citizens and the state government workforce deserve strong assurances that skills, knowledge and merit are the basis for state government hiring decisions, not political patronage; and,

WHEREAS, there is a continuing need for a merit-based hiring system designed to bring only the most qualified people into state government;

NOW, THEREFORE, by the power vested in me as Governor by the laws and Constitution of the State of North Carolina, IT IS ORDERED:

### Section 1. Policy.

Each State cabinet agency shall maintain a process for the recruitment and selection of the most qualified candidates for employment based upon specific job related knowledge, skills and abilities.

Section 2. Administration.

The process shall ensure that candidates selected best meet the needs of the agency. The selection process shall be administered without regard to political affiliation or influence.

The process designed by the agencies shall be submitted to the Office of State Personnel for review and to the State Personnel Commission for approval. All agency recruitment and selection processes shall:

- a. Comply with all existing state and federal laws, policies and rules governing personnel actions;
- b. Ensure full and fair consideration of all citizens without regard to race, religion, color, creed, national origin, sex, age, disability or political affiliation/influence; and,
- c. Comply with contemporary human resource practices and with any procedural guidelines designed by the Office of State Personnel.

Section 3. Agency Plan.

The plan shall include standard elements of a recruitment and selection process including but not limited to:

- a. Pre-recruitment and recruitment activities:
  - (1) assess need for position;
  - (2) assess responsibilities and level of position;
  - (3) identify the specific knowledge, skills and abilities required;
  - (4) determine recruitment method, time frame and locations; and,
  - (5) develop and implement the recruitment plan.
- b. Evaluating and categorizing applications:
  - (1) applications evaluated and categorized based on the specific knowledge, skills and abilities;
  - (2) identify the most qualified applicants; and

- (3) where tests are used to evaluate and categorize candidates, such tests shall comply with all requirements of state and federal law.

c. Selection process based solely upon merit:

- (1) consultation between the selection supervisor or manager and personnel professionals in utilizing a final selection process that is objective and based upon job related knowledge, skills and abilities;
- (2) the successful applicant must be selected from the pool of most qualified applicants; and,
- (3) the selection process shall appropriately consider all existing state and federal laws and rules applicable to the selection.

Section 4. Duties of Office of State Personnel.

The Office of State Personnel shall provide guidelines to agencies in designing a recruitment and selection process that selects employees based upon the process outlined in this Order. The Office of State Personnel shall monitor agency compliance with this Order.

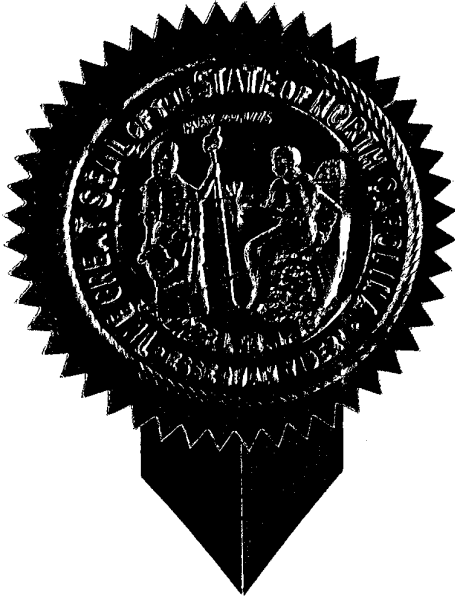
Section 5. Duties of the State Personnel Commission.

The State Personnel Commission shall review for approval all recruitment and selection processes that comply with:

- a. Provisions of this Order;
- b. Existing federal and state laws and rules;
- c. Any procedural guidelines designed by the Office of State Personnel; and
- d. Contemporary human resource practices.

This Executive Order is effective immediately.

Done in the Capital City of Raleigh, North Carolina this the 24<sup>th</sup> day of September, 2002.



*Michael F. Easley*  
\_\_\_\_\_  
Michael F. Easley  
Governor

ATTEST:

*Elaine F. Marshall*  
\_\_\_\_\_  
Elaine F. Marshall  
Secretary of State  
by *Franklin Scott Compton*  
Deputy Secretary  
G.S. 147-36.1



# State of North Carolina



MICHAEL F. EASLEY  
GOVERNOR

## EXECUTIVE ORDER NO. 31 EXTENDING EXECUTIVE NO. 27

By the power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Executive Order No. 27, Proclamation of State Disaster for the City of Cherryville, City of Shelby and the Cleveland County Sanitary District, Excluding the City of Kings Mountain, is hereby extended until October 30<sup>th</sup>, 2002.

This order is effective 12:01 a.m. October 1<sup>st</sup> 2002.

Done in the Capital City of Raleigh, North Carolina, this the 30<sup>th</sup> day of September 2002.

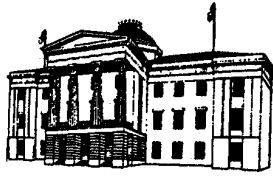


  
MICHAEL F. EASLEY  
GOVERNOR

ATTEST:

  
ELAINE F. MARSHALL  
SECRETARY OF STATE

# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

## EXECUTIVE ORDER NO. 32 NC COMMISSION ON BUSINESS LAWS AND THE ECONOMY

WHEREAS, the State of North Carolina is committed to developing a strong economy for the people of the State, to increasing the ability of North Carolina's people, communities, and enterprises to compete successfully in an increasingly competitive marketplace, and to ensuring the long-term economic prosperity and quality of life for the citizens of the State; and

WHEREAS, there is no other state government organization, board or commission dedicated exclusively to a comprehensive study of state statutes, court opinions, and agency rules and regulations affecting the operation of business for the purposes of (1) ensuring that existing statutes, rulings, rules and regulations are supportive of sound and ethical purposes, are meaningful in the light of changing business and legal environments, and are necessary and relevant, and (2) determining whether new statutes, rules and regulations may be needed to help assure that North Carolina maintains a legal environment which provides the flexibility and support to allow businesses to operate ethically and successfully in the State and to attract them to locate here; and

WHEREAS, building the long-term economic security and capacity for the people, communities, and enterprises of North Carolina requires concerted, coordinated and cooperative effort by those who determine state laws, rules and regulations and those who work in private

enterprise and bear the responsibility of operating businesses in the State consistent with said laws, rules and regulations;

NOW, THEREFORE, by the power vested in me as Governor by the Laws and Constitution of the State of North Carolina, IT IS ORDERED;

Section 1. Establishment and Composition.

The North Carolina Commission on Business Laws and the Economy is hereby established. The Commission shall be composed of thirty-three members, appointed by the Governor as follows:

- (1) Twelve members representing public and private corporations.
- (2) Eleven practicing attorneys in the State of North Carolina who, as the primary focus of their practice, represent public and private corporations, and one of whom shall serve as Reporter for the Commission.
- (3) One member of the North Carolina House of Representatives.
- (4) One member of the North Carolina State Senate.
- (5) The Attorney General, or his or her designee.
- (6) The Secretary of the Department of Commerce, or his or her designee.
- (7) The Secretary of State, or his or her designee.
- (8) The Lieutenant Governor, or his or her designee.
- (9) The chair of the North Carolina Economic Development Board, or his or her designee.
- (10) The chair of the Business Section of the North Carolina Bar Association, or his or her designee.

(11) The Chair of North Carolina Citizens for Business and Industry, or his or her designee.

(12) The Governor's Legal Counsel.

Members shall serve at the pleasure of the Governor. The Attorney General shall serve as Chair of the Commission.

Section 2. Purposes and Duties.

The purposes of the Commission are to recommend to the North Carolina General Assembly any needed changes in existing statutes and regulations which affect the operation of businesses in North Carolina, particularly Chapter 55 of the North Carolina General Statutes entitled "The North Carolina Business Corporation Act," and to recommend any needed new statutes, rules and regulations designed to assure that North Carolina offers a legal environment which protects and promotes economic stability for the people of the State, and which provides the flexibility and support to allow businesses to operate ethically and successfully in the State and which will attract them to locate and incorporate here.

The Commission shall, in the performance of its duties:

- (1) Gather and study such data and information as may be necessary and useful for accomplishing the purposes of this Commission.
- (2) Work cooperatively with other boards, commissions, and entities and take maximum advantage of their resources and activities that can provide useful information and insight to the purposes of this Commission.
- (3) Prepare an annual report on its findings and recommendations for presentation to the Governor and the General Assembly.

Section 3. Meetings.

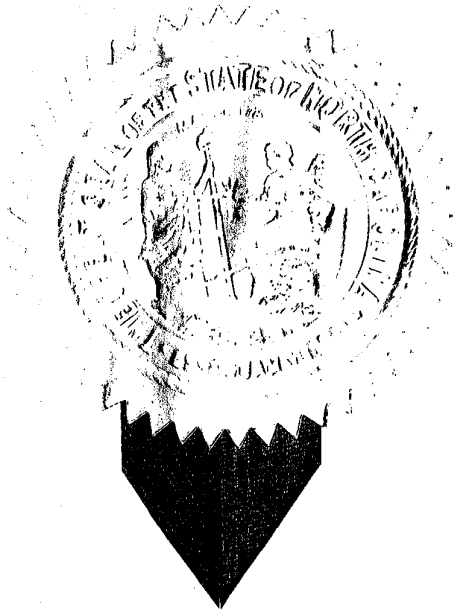
The Commission shall meet at least once each quarter and may hold special meetings at anytime at the call of the Chair.

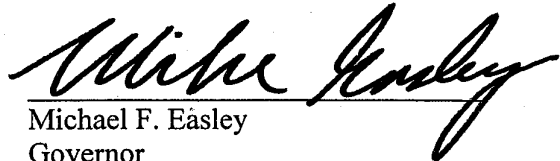
Section 4. Support.

Administrative and other support for the Commission shall be provided by the North Carolina Attorney General. Also, each state agency cooperating in the work of the Commission may provide additional funds from its own budget to support the Commission.

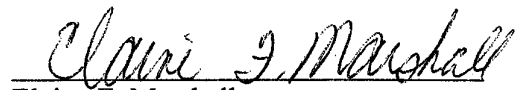
This Executive Order shall be effective immediately.

Done in the Capital City of Raleigh, North Carolina, this the 4<sup>th</sup> day of October, 2002.



  
Michael F. Easley  
Governor

ATTEST:

  
Elaine F. Marshall  
Secretary of State

# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

## **EXECUTIVE ORDER NO. 33 TO ESTABLISH THE ATHLETIC INJURY MANAGEMENT RULE EFFECTIVE DATE**

WHEREAS, in 1979, the General Assembly enacted Chapter 986, An Act to Provide Sports Medicine and Emergency Paramedical Services, and Emergency Life Saving Skills to Students in the Public Schools; and

WHEREAS, that Act directed the State Board of Education to establish minimum educational standards necessary to enable individuals serving as sports medicine and emergency paramedical staff to provide those services; and

WHEREAS, by Rule currently codified as 16 NCAC 6E .0203, the State Board adopted a rule that provided for "teacher athletic trainers" to provide these services for students who participate in high school interscholastic athletic programs; and

WHEREAS, by Session Law 1997-387, the General Assembly enacted the "Athletic Trainers Licensing Act," one effect of which was that the State Board of Education needed to review and revise the qualifications and terminology for those persons who provide athletic injury management services to student-athletes but who are not licensed athletic trainers; and

WHEREAS, on December 31, 2001, the State Board adopted a temporary amendment to 16 NCAC 6E .0203; on July 11, 2002, the Board adopted amendments following a public hearing; and on August 15, 2002, the Rules Review Commission approved the permanent rule; and

WHEREAS, the standard effective date of the permanent rule under the Administrative Procedure Act. N.C. Gen. Stat. § 150B-1 et seq., would be March 1, 2003, at the earliest; and

WHEREAS, for high schools to obtain and provide necessary athletic injury management services to student-athletes in a timely and cost-effective manner it is necessary that the permanent rule become effective for the Fall 2002 sports season; and

WHEREAS, the Administrative Procedure Act authorizes the Governor, by Executive Order, to make effective a permanent rule upon finding that it is necessary to protect public health, safety, and welfare.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1. Findings.

It is necessary that the permanent rule regarding athletic injury management services for student-athletes, 16 NCAC 6E .0203, become effective no later than September 30, 2002, in order to assure that high schools can provide these services in a timely and cost-effective manner within the funds available to them, for the protection of the public health, safety, or welfare.

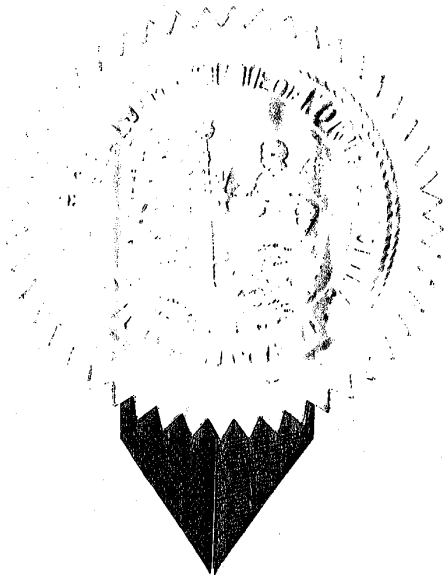
Section 2. Effective Date of the Rule.

The permanent rule regarding athletic injury management services for student-athletes, 16 NCAC 6E .0203, is hereby made effective September 30, 2002, pursuant to Executive Order Exception authority contained in the Administrative Procedure Act, N.C. Gen. Stat. § 150B-21.3(c).

Section 3. Effective Date.

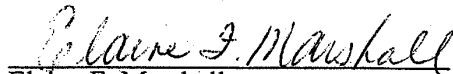
This Executive Order is effective immediately and shall remain in effect until rescinded.

Done in the Capital City of Raleigh, North Carolina this the 15<sup>th</sup> day of October, 2002.



  
Michael F. Easley  
Governor

ATTEST:

  
Elaine F. Marshall  
Secretary of State

# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

## EXECUTIVE ORDER NO. 34 PUBLIC EMPLOYEE SPECIAL PAY PLAN

WHEREAS, the 2002 General Assembly enacted N.C.G.S. § 143B-426.41 as part of Senate Bill 1115 (codified as Session Law 2002-126) authorizing the creation of a Special Pay Plan for State employees; and,

WHEREAS, a Special Pay Plan is a qualified retirement plan that will reduce the federal tax burden of both State employees and the State of North Carolina, on special compensation payments made to State employees; and,

WHEREAS, the General Assembly has directed that a Board of Trustees be established to provide a central authority to administer and coordinate Special Pay Plan arrangements for the benefit of State employees;

NOW THEREFORE, by the authority vested in me as Governor of the State of North Carolina, and consistent with N.C.G.S. § 143B-426.41, I do hereby:

1. Authorize and direct the establishment of a Board of Trustees for the North Carolina Public Employee Special Pay Plan, which shall be constituted as a state agency within the Department of Administration pursuant to N.C.G.S. § 143B-426.41.
2. Authorize and direct that the Board of Trustees of the North Carolina Public Employee Special Pay Plan shall consist of the following members:
  - (a) The State Personnel Director;
  - (b) The State Budget Officer;
  - (c) The State Treasurer;
  - (d) A State employee who has knowledge of benefits and benefit administration, and who is appointed by the Governor;
  - (e) An employee of a public school system administrative unit who is knowledgeable about payroll and benefit matters, and who is appointed by the Governor;
  - (f) An employee of The University of North Carolina System who is knowledgeable about payroll and benefit matters, and who is appointed by the Governor; and



(g) An employee of the Community College System who is knowledgeable about payroll and benefit matters, and who is appointed by the Governor.

The State Budget Officer shall serve as Chairman of the Board of Trustees. Board of Trustees members shall serve initial terms and provide designees to the Board as specified in N.C.G.S. § 143B-426.41.

3. Authorize and direct the Board of Trustees to establish the North Carolina Public Employee Special Pay Plan and to operate and maintain the Plan in a manner that is consistent with the requirements, specifications, and limitations set forth in N.C.G.S. § 143B-426.41.

4. Authorize the Board of Trustees to:

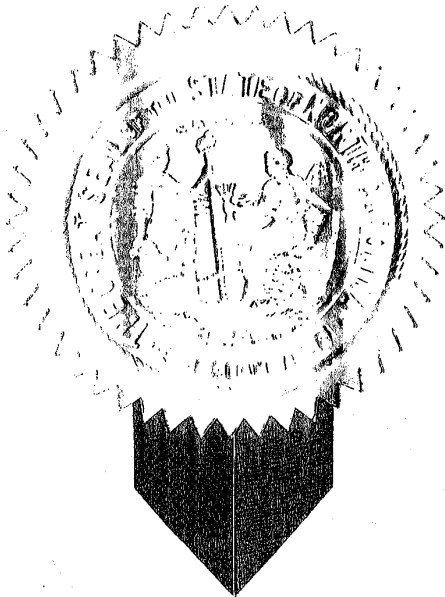
(a) Enter into agreements, consistent with the requirements of N.C.G.S. § 143B-426.41, to delegate the performance of administrative duties, including coordination and administration of the North Carolina Public Employee Special Pay Plan.

(b) Designate appropriate investment vehicles, trust services, and administrative services from any company duly authorized to conduct business in North Carolina, consistent with the requirements of N.C.G.S. § 143B-426.41.

(c) Take such further actions to carry out the objectives of the North Carolina Public Employee Special Pay Plan as may be necessary, in accordance with this Order and N.C.G.S. § 143B-426.41.

This Executive Order is effective immediately.

Done in the Capital City of Raleigh, North Carolina, this 4<sup>th</sup> day of November 2002.



*Michael F. Easley*  
MICHAEL F. EASLEY  
GOVERNOR

ATTEST:

*Elaine F. Marshall*  
ELAINE F. MARSHALL  
SECRETARY OF STATE

# State of North Carolina



**MICHAEL F. EASLEY**  
GOVERNOR

EXECUTIVE ORDER NO. 35  
AMENDING GOVERNOR HUNT'S EXECUTIVE ORDER NO. 51  
NORTH CAROLINA FILM COUNCIL

By the authority vested in me as Governor by the Constitution and laws of North Carolina, IT IS ORDERED:

Section 1.     Establishment.

The North Carolina Film Council is hereby established.

Section 2.     Duties.

The Council shall have the following duties and functions:

- (a) Advise the Governor on matters that would enhance the likelihood of the film industry choosing North Carolina for filmmaking.
- (b) Advise the Secretary of Commerce and the Film Division in the Department of Commerce on film-making activities within North Carolina.
- (c) Serve as a forum for film-making concerns and recommendations relating to the film industry in North Carolina that would include, but not be all inclusive of, the following:
  - (1) Compile a database registry of locations within North Carolina that would be potential sites for filmmaking;
  - (2) Develop the financial capability of North Carolina to support projects with local financing of the film industry;

- (3) Develop a support network for production activities relating to the film industry;
- (4) Develop a manual for the use of local governments and municipalities detailing supportive activities that would facilitate filmmaking in their communities;
- (5) Assist in the support and coordination of the activities of local film commissions in North Carolina;
- (6) Provide advice on projects directly assigned by the Governor to the Council;
- (7) Assist with recruitment of the film industry to select North Carolina sites for filmmaking; and
- (8) Develop an annual report on the economic impact of the film-making industry in North Carolina, along with recommendations to increase the filmmaking activities within North Carolina.

Section 3. Membership.

The Council shall consist of no more than 25 voting members who shall be appointed by the Governor including:

- (a) representatives of the film industry within the state representing acting, production, directing, producing, and film studio management.
- (b) representatives of state or local government.
- (c) citizens at-large members.

Section 4. Terms of Membership.

All members shall be appointed for a term of three years.

Section 5. Vacancies.

A vacancy occurring during a term of appointment is filled in the same manner as the original appointment and for the balance of the unexpired term.

Section 6. Travel Expense.

Members of the Council shall receive necessary travel and subsistence expenses, when available, from Department of Commerce funds, pursuant to N.C.G.S. 138-5.

Section 7. Officers.

The Chair and Vice Chair of the Council shall be appointed by the Governor and serve at the pleasure of the Governor. The Council may elect other such officers as it deems necessary.

Section 8. Meetings.

The Council shall meet at least three times yearly and at other times at the call of the Chair or upon written request a least ten of its members.

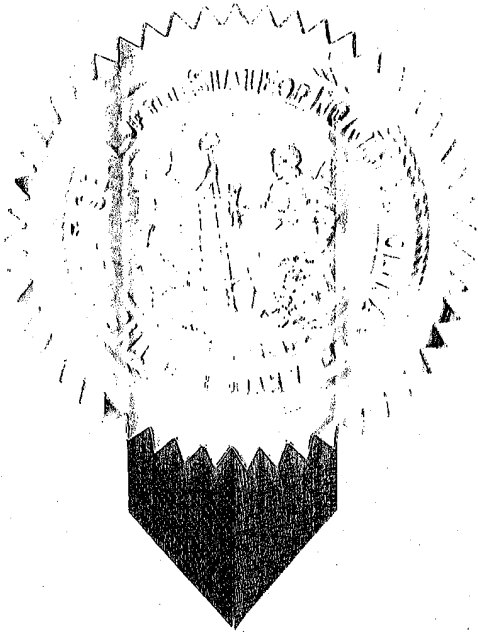
Section 9. Staff Assistance.

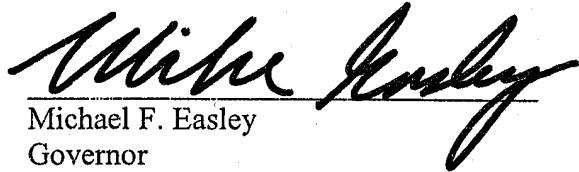
The Department of Commerce shall provide clerical support and other services required by the Council.

This Executive Order shall be effective immediately.

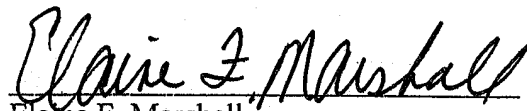
Done in the Capital City of Raleigh, North Carolina, this the 7<sup>th</sup> day of November,

2002.

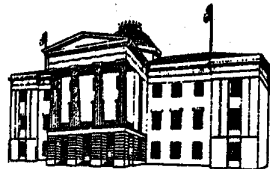


  
Michael F. Easley  
Governor

ATTEST:

  
Elaine F. Marshall  
Secretary of State

# State of North Carolina



MICHAEL F. EASLEY  
GOVERNOR

## EXECUTIVE ORDER NO. 36 PROCLAMATION OF STATE DISASTER FOR THE CITY OF STATESVILLE

WHEREAS, I have determined that a State of Disaster and State of Emergency, as defined in N.C.G.S. §§ 166A-4(1) and 14-288.1(10), exists in the State of North Carolina, specifically in the City of Statesville, Iredell County, as a result of severe drought conditions.

WHEREAS, on August 9, 2002, the City of Statesville proclaimed a local State of Emergency; and

WHEREAS, pursuant to N.C.G.S. § 166A-6, the criteria for a Type I disaster are met including the following: 1) Receipt of the preliminary damage assessment from the Secretary of Crime Control and Public Safety; 2), the City of Statesville, Iredell County declared a local state of emergency pursuant to N.C.G.S. § 166A-8 and N.C.G.S. §§ 14-288.12, 14-288.13, and 14-288.14 and forwarded a written copy of the declaration to the Governor; 3) The preliminary damage assessment meets or exceeds the criteria established for the Small Business Disaster Loan Program pursuant to 13 C.F.R. Part 123 or meets or exceeds the State infrastructure criteria set out in N.C.G.S. § 166A-6.01(b)(2)a.; and 4) A major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared; and

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1. Pursuant to N.C.G.S. §§ 166A-6 and 14-288.15, a State of Disaster and State of Emergency is hereby declared for the City of Statesville.

Section 2. All state and local government entities and agencies are hereby ordered to cooperate in the implementation of the provisions of this proclamation and the provisions of the North Carolina Emergency Operations Plan.

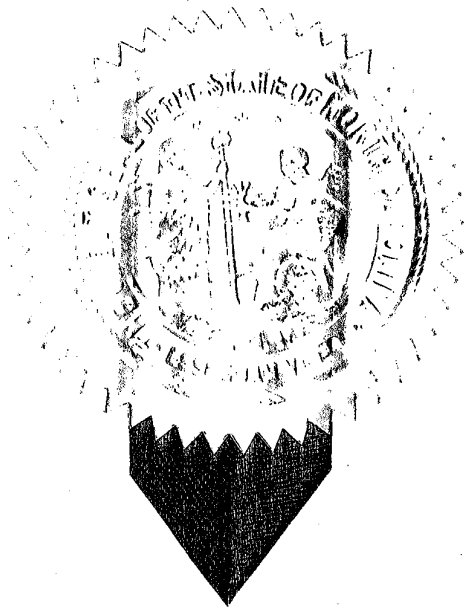
Section 3. Bryan E. Beatty, Secretary of Crime Control and Public Safety, and/or his designee, is hereby delegated all power and authority granted to me and required of me by Chapter 166A, and Article 36A of Chapter 14 of the General Statutes for the purpose of implementing the said Emergency Operations Plan and to take such further action as is necessary to promote and secure the safety and protection of the populace in the above-referenced counties.

Section 4. Further, Bryan E. Beatty, Secretary of Crime Control and Public Safety, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in N.C.G.S. 143B-476.

Section 5. I authorize this proclamation: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of disaster prevent or impede, to be promptly filed with the Secretary of Crime Control and Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and, (c) to be distributed to others as necessary to assure proper implementation of this proclamation.

Section 6. The Type I disaster declaration shall expire 30 days after the issuance of the state of disaster and state of emergency and Type I disaster proclamation for the City of Statesville unless renewed by the Governor or the General Assembly. Such renewals may be made in increments of 30 days each, not to exceed a total of 120 days from the date for first issuance. The Joint Legislative Commission on Governmental Operations shall be notified prior to the issuance of any renewal of a Type I disaster declaration.

Done in the Capital City of Raleigh, North Carolina, this the 7<sup>th</sup> day of November 2002.



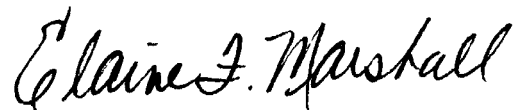
*Michael F. Easley*  
MICHAEL F. EASLEY  
GOVERNOR

ATTEST:

*Elaine F. Marshall*  
ELAINE MARSHALL  
SECRETARY OF STATE

STATE OF NORTH CAROLINA  
DEPARTMENT OF STATE,  
RALEIGH, NOVEMBER 26, 2002

I, ELAINE F. MARSHALL, Secretary of State of North Carolina hereby certify that the foregoing volume was printed under the direction of the Legislative Services Commission from ratified acts and resolutions and executive orders of the Governor on file in the office of the Secretary of State.

A handwritten signature in black ink that reads "Elaine F. Marshall". The signature is written in a cursive style with a large initial 'E'.

*Secretary of State*





**JOINT CONFERENCE COMMITTEE REPORT  
ON THE CONTINUATION, EXPANSION  
AND CAPITAL BUDGETS**

**September 18, 2002**



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## Budget Reform Statement General Fund Availability

|   | 2002-2003               |
|---|-------------------------|
| 1 <b>Beginning Unreserved Credit Balance</b>  | 25,000,000              |
| 2   |                         |
| 3 <b>Revenues Based on Existing Tax Structure</b>   | 12,793,950,000          |
| 4   |                         |
| 5 <b>Non-tax Revenues</b>   |                         |
| 6 Investment Income   | 115,300,000             |
| 7 Judicial Fees   | 111,300,000             |
| 8 Disproportionate Share  | 107,000,000             |
| 9 Insurance   | 46,600,000              |
| 10 Other Non-Tax Revenues   | 98,900,000              |
| 11 Highway Trust Fund Transfer  | 172,400,000             |
| 12 Highway Fund Transfer  | 15,300,000              |
| 13 <b>Subtotal Non-tax Revenues</b>   | <b>666,800,000</b>      |
| 14  |                         |
| 15 <b>Total General Fund Availability</b>   | <b>13,485,750,000</b>   |
| 16  |                         |
| 17 <b>Adjustments to Availability: 2002 Session</b>   |                         |
| 18 IRC Conformity (Includes Pensions and Education Changes, Estate Tax Credit, Accelerated Depreciated) | 15,800,000              |
| 19 Delay 2001 Tax Breaks (Standard Deduction/Marriage Penalty, Child Tax Credit)                        | 51,700,000              |
| 20 Conform Business Income  | 70,000,000              |
| 21 Correct LLC Franchise Tax  | 20,000,000              |
| 22 Conform Gift Tax Indexing  | (230,000)               |
| 23 Low Income Housing Credit  | (2,200,000)             |
| 24 Repeal Reimbursements to Local Governments   | 333,400,000             |
| 25 Project Tax Collect  | 32,500,000              |
| 26 Highway Trust Fund -- recurring inflationary adjustment  | 80,000,000              |
| 27 Highway Trust Fund Transfer -- one time transfer   | 125,000,000             |
| 28 Tobacco Settlement Trust Funds -- divert MSA receipts from Tobacco Trust Fund                        | 38,000,000              |
| 29 Tobacco Settlement Trust Funds -- divert MSA receipts from Health & Wellness Trust Fund              | 40,000,000              |
| 30 Transfer of Cash from Trust and Special Funds  | 20,438,259              |
| 31 Adjustment to Transfer from Insurance Regulatory Fund  | (1,282,104)             |
| 32 Reimbursement for Unauthorized Substance Tax Division, Department of Revenue                         | 885,884                 |
| 33 Nontax Revenue Offsets, Department of State Treasurer  | 671,618                 |
| 34 Increase Collection Rates for Offender Fees  | 1,160,000               |
| 35 Fee Increases  | 38,180,000              |
| 36  |                         |
| 37 <b>Subtotal Adjustments to Availability: 2002 Session</b>  | <b>864,023,657</b>      |
| 38  |                         |
| 39 <b>Revised General Fund Availability for 2002-2003 Fiscal Year</b>                                   | <b>14,349,773,657</b>   |
| 40  |                         |
| 41 <b>Less: Total General Fund Appropriations for 2002-2003 Fiscal Year</b>                             | <b>(14,349,773,657)</b> |
| 42  |                         |
| 43 <b>Unappropriated Balance</b>  | <b>0</b>                |



**SUMMARY:**

**GENERAL FUND  
APPROPRIATIONS**





| General Fund Appropriations            |  |                          |                             |                     |                     |                                     |
|--|--|--------------------------|-----------------------------|---------------------|---------------------|-------------------------------------|
| Fiscal Year 2002-03                    |  |                          |                             |                     |                     |                                     |
| 2002 Session                           |  |                          |                             |                     |                     |                                     |
|  | 2002-03<br>Authorized<br>Appropriation | Recurring<br>Adjustments | Nonrecurring<br>Adjustments | Net<br>Changes      | Position<br>Changes | 2002-03<br>Revised<br>Appropriation |
| <b>Education:</b>                      |  |                          |                             |                     |                     |                                     |
| Community Colleges                     | 643,195,459                            | 28,195,165               | (2,109,234)                 | 26,085,931          | -11.50              | 669,281,390                         |
| Public Education                       | 5,922,188,546                          | (11,409,327)             | (16,225,726)                | (27,635,053)        | 471.30              | 5,894,553,493                       |
| University System                      | 1,798,320,830                          | (12,807,721)             | (17,416,000)                | (30,223,721)        | 0.00                | 1,768,097,109                       |
| <b>Total Education</b>                 | <b>8,363,704,835</b>                   | <b>3,978,117</b>         | <b>(35,750,960)</b>         | <b>(31,772,843)</b> | <b>459.80</b>       | <b>8,331,931,992</b>                |
| <b>General Government:</b>             |  |                          |                             |                     |                     |                                     |
| Administration                         | 61,563,497                             | (5,620,309)              | 0                           | (5,620,309)         | -77.80              | 55,943,188                          |
| Auditor                                | 11,864,673                             | (795,965)                | 0                           | (795,965)           | -5.00               | 11,068,708                          |
| Cultural Resources                     | 59,427,419                             | (4,794,666)              | 1,184,453                   | (3,610,213)         | -35.45              | 55,817,206                          |
| Cultural Resources - Roanoke Island    | 1,859,463                              | (151,222)                | 0                           | (151,222)           | 0.00                | 1,708,241                           |
| General Assembly                       | 39,553,848                             | (2,654,234)              | 0                           | (2,654,234)         | -10.00              | 36,899,614                          |
| Governor                               | 5,442,905                              | (504,595)                | 0                           | (504,595)           | -8.00               | 4,938,310                           |
| Insurance                              | 23,527,552                             | (1,882,104)              | 0                           | (1,882,104)         | -4.56               | 21,645,448                          |
| Insurance - Worker's Compensation Fund | 4,500,000                              | 0                        | (2,500,000)                 | (2,500,000)         | 0.00                | 2,000,000                           |
| Lieutenant Governor                    | 669,545                                | (53,280)                 | 0                           | (53,280)            | -1.00               | 616,265                             |
| Office of Administrative Hearings      | 2,795,155                              | (233,742)                | 0                           | (233,742)           | -3.00               | 2,561,413                           |
| Revenue                                | 77,955,704                             | (2,384,400)              | 0                           | (2,384,400)         | -21.00              | 75,571,304                          |
| Rules Review Commission                | 325,795                                | (9,981)                  | 0                           | (9,981)             | 0.00                | 315,814                             |
| Secretary of State                     | 8,286,850                              | (345,281)                | 0                           | (345,281)           | -6.00               | 7,941,569                           |
| State Board of Elections               | 3,186,269                              | (40,378)                 | 250,000                     | 209,622             | 0.00                | 3,395,891                           |
| State Budget and Management            | 5,354,938                              | (300,057)                | 0                           | (300,057)           | -4.00               | 5,054,881                           |
| State Budget and Management -- Special | 3,080,000                              | 0                        | 100,000                     | 100,000             | 0.00                | 3,180,000                           |
| State Controller                       | 11,523,868                             | (1,101,040)              | 0                           | (1,101,040)         | -5.00               | 10,422,828                          |
| Treasurer - Operations                 | 7,216,817                              | 671,618                  | 0                           | 671,618             | -2.00               | 7,888,435                           |
| Treasurer - Retirement / Benefits      | 12,379,780                             | (5,248,601)              | 0                           | (5,248,601)         | 0.00                | 7,131,179                           |
| <b>Total General Government</b>        | <b>340,514,078</b>                     | <b>(25,448,237)</b>      | <b>(965,547)</b>            | <b>(26,413,784)</b> | <b>-182.81</b>      | <b>314,100,294</b>                  |

|   | 2002-03<br>Authorized<br>Appropriation | Recurring<br>Adjustments | Nonrecurring<br>Adjustments | Net<br>Changes      | Position<br>Changes | 2002-03<br>Revised<br>Appropriation |
|---|--|--------------------------|-----------------------------|---------------------|---------------------|-------------------------------------|
| <b>Health and Human Services:</b>           |  |                          |                             |                     |                     |                                     |
| Office of the Secretary                     | 48,008,705                             | 19,776,228               | 0                           | 19,776,228          | -24.00              | 67,784,933                          |
| Aging Division                              | 29,531,910                             | (926,000)                | 0                           | (926,000)           | 0.00                | 28,605,910                          |
| Blind and Deaf / Hard of Hearing Services   | 10,168,115                             | (643,013)                | 0                           | (643,013)           | -1.00               | 9,525,102                           |
| Child Development                           | 289,058,396                            | (22,228,035)             | 15,000,000                  | (7,228,035)         | -6.00               | 281,830,361                         |
| Education Services                          | 69,581,525                             | (4,104,503)              | 0                           | (4,104,503)         | -77.50              | 65,477,022                          |
| Facility Services                           | 15,442,236                             | (748,170)                | 0                           | (748,170)           | -5.00               | 14,694,066                          |
| Medical Assistance                          | 2,219,446,892                          | 14,114,441               | (43,747,538)                | (29,633,097)        | -2.00               | 2,189,813,795                       |
| MH/DD/SAS                                   | 581,068,627                            | (9,487,015)              | 1,780,000                   | (7,707,015)         | -95.75              | 573,361,612                         |
| NC Health Choice                            | 37,487,142                             | (168,964)                | 7,740,000                   | 7,571,036           | 0.00                | 45,058,178                          |
| Public Health                               | 107,434,083                            | (10,045,770)             | 3,450,000                   | (6,595,770)         | -12.45              | 100,838,313                         |
| Social Services                             | 194,763,531                            | (12,833,025)             | (1,350,000)                 | (14,183,025)        | -44.00              | 180,580,506                         |
| Vocational Rehabilitation                   | 42,088,956                             | (3,230,105)              | 0                           | (3,230,105)         | -26.00              | 38,858,851                          |
| <b>Total Health and Human Services</b>      | <b>3,644,080,118</b>                   | <b>(30,523,931)</b>      | <b>(17,127,538)</b>         | <b>(47,651,469)</b> | <b>-293.70</b>      | <b>3,596,428,649</b>                |
| <b>Justice and Public Safety:</b>           |  |                          |                             |                     |                     |                                     |
| Correction                                  | 930,964,916                            | (22,603,242)             | (28,306,866)                | (50,910,108)        | -366.40             | 880,054,808                         |
| Crime Control & Public Safety               | 28,493,506                             | (713,318)                | 0                           | (713,318)           | -16.00              | 27,780,188                          |
| Judicial Department                         | 305,465,135                            | (10,128,667)             | (700,299)                   | (10,828,966)        | -55.00              | 294,636,169                         |
| Judicial - Indigent Defense                 | 68,867,771                             | 3,469,130                | 4,950,000                   | 8,419,130           | 61.00               | 77,286,901                          |
| Justice                                     | 73,785,584                             | (1,456,276)              | (1,391,115)                 | (2,847,391)         | -19.00              | 70,938,193                          |
| Juvenile Justice & Delinquency Prevention   | 142,554,017                            | (13,357,423)             | (211,961)                   | (13,569,384)        | -190.50             | 128,984,633                         |
| <b>Total Justice and Public Safety</b>      | <b>1,550,130,929</b>                   | <b>(44,789,796)</b>      | <b>(25,660,241)</b>         | <b>(70,450,037)</b> | <b>-585.90</b>      | <b>1,479,680,892</b>                |
| <b>Natural And Economic Resources:</b>      |  |                          |                             |                     |                     |                                     |
| Agriculture and Consumer Services           | 55,268,040                             | (4,677,739)              | (144,719)                   | (4,822,458)         | -67.50              | 50,445,582                          |
| Commerce                                    | 44,280,374                             | (10,150,110)             | (200,000)                   | (10,350,110)        | -19.91              | 33,930,264                          |
| Commerce - State Aid                        | 5,200,000                              | 5,085,000                | 0                           | 5,085,000           | 0.00                | 10,285,000                          |
| Environment and Natural Resources           | 158,722,700                            | (9,994,113)              | 90,000                      | (9,904,113)         | -114.84             | 148,818,587                         |
| DENR - Clean Water Mgmt. Trust Fund         | 70,000,000                             | 0                        | (3,500,000)                 | (3,500,000)         | 0.00                | 66,500,000                          |
| Labor                                       | 15,117,906                             | (951,725)                | 0                           | (951,725)           | -9.38               | 14,166,181                          |
| NC Housing Finance Agency                   | 5,300,000                              | (540,600)                | 0                           | (540,600)           | 0.00                | 4,759,400                           |
| NC Biotechnology Center                     | 6,270,468                              | (377,047)                | (250,000)                   | (627,047)           | 0.00                | 5,643,421                           |
| Rural Economic Development Center           | 5,090,749                              | (423,851)                | 0                           | (423,851)           | 0.00                | 4,666,898                           |
| <b>Total Natural and Economic Resources</b> | <b>365,250,237</b>                     | <b>(22,030,185)</b>      | <b>(4,004,719)</b>          | <b>(26,034,904)</b> | <b>-211.63</b>      | <b>339,215,333</b>                  |
| <b>Transportation</b>                       | <b>13,393,341</b>                      | <b>(1,143,341)</b>       | <b>(1,347,500)</b>          | <b>(2,490,841)</b>  | <b>0.00</b>         | <b>10,902,500</b>                   |

|   | 2002-03<br>Authorized<br>Appropriation | Recurring<br>Adjustments | Nonrecurring<br>Adjustments | Net<br>Changes       | Position<br>Changes | 2002-03<br>Revised<br>Appropriation |
|---|--|--------------------------|-----------------------------|----------------------|---------------------|-------------------------------------|
| <b>Statewide Reserves and Debt Service:</b>   |  |                          |                             |                      |                     |                                     |
| <b>Debt Service:</b>                          |  |                          |                             |                      |                     |                                     |
| Interest / Redemption                         | 352,266,860                            | (36,750,000)             | (61,000,000)                | (97,750,000)         |                     | 254,516,860                         |
| Federal Reimbursement                         | 1,155,948                              | 0                        | 0                           | 0                    |                     | 1,155,948                           |
| <b>Subtotal Debt Service</b>                  | <b>353,422,808</b>                     | <b>(36,750,000)</b>      | <b>(61,000,000)</b>         | <b>(97,750,000)</b>  | <b>0.00</b>         | <b>255,672,808</b>                  |
| <b>Statewide Reserves:</b>                    |  |                          |                             |                      |                     |                                     |
| Teachers/Principals Step Increase             |  | 51,937,267               | 0                           | 51,937,267           |                     | 51,937,267                          |
| Asst/Deputy Clerks/Magistrates Step Increase  |  | 1,980,700                | 0                           | 1,980,700            |                     | 1,980,700                           |
| Compensation Increases                        | 193,842,000                            | (4,247,868)              | 0                           | (4,247,868)          |                     | 189,594,132                         |
| State Health Plan                             | 200,000,000                            | (12,621,872)             | 0                           | (12,621,872)         |                     | 187,378,128                         |
| Retirement Rate Adjustment                    | (241,002,720)                          | (144,525,000)            | 0                           | (144,525,000)        |                     | (385,527,720)                       |
| Judicial Retirement Rate Adjustment           | (2,265,000)                            | 0                        | 0                           | 0                    |                     | (2,265,000)                         |
| Employee Severance Compensation               | 0                                      | 0                        | 5,000,000                   | 5,000,000            |                     | 5,000,000                           |
| Contingency and Emergency                     | 5,000,000                              | 0                        | 0                           | 0                    |                     | 5,000,000                           |
| Salary Adjustment Fund                        | 500,000                                | 0                        | 0                           | 0                    |                     | 500,000                             |
| Governor's Efficiency Commission              |  | (25,000,000)             | 0                           | (25,000,000)         |                     | (25,000,000)                        |
| Management Flexibility                        |  | (41,500,000)             | 0                           | (41,500,000)         |                     | (41,500,000)                        |
| ITS Rate Reduction                            | (4,000,000)                            | (3,414,318)              | 0                           | (3,414,318)          |                     | (7,414,318)                         |
| MH/DD/SAS Trust Fund                          | 0                                      | 0                        | 8,000,000                   | 8,000,000            |                     | 8,000,000                           |
| Easterling TF for Children with Special Needs | 0                                      | 0                        | 1,000,000                   | 1,000,000            |                     | 1,000,000                           |
| HIPAA Implementation                          | 0                                      | 0                        | 2,000,000                   | 2,000,000            |                     | 2,000,000                           |
| <b>Subtotal Statewide Reserves</b>            | <b>152,074,280</b>                     | <b>(177,391,091)</b>     | <b>16,000,000</b>           | <b>(161,391,091)</b> | <b>0</b>            | <b>(9,316,811)</b>                  |
| <b>Total Reserves and Debt Service</b>        | <b>505,497,088</b>                     | <b>(214,141,091)</b>     | <b>(45,000,000)</b>         | <b>(259,141,091)</b> | <b>0.00</b>         | <b>246,355,997</b>                  |
| <b>Total General Fund for Operations</b>      | <b>14,782,570,626</b>                  | <b>(334,098,464)</b>     | <b>(129,856,505)</b>        | <b>(463,954,969)</b> | <b>-814.24</b>      | <b>14,318,615,657</b>               |
| <b>Other General Fund Expenditures:</b>       |  |                          |                             |                      |                     |                                     |
| Capital Improvements                          | 0                                      | 0                        | 31,158,000                  | 31,158,000           |                     | 31,158,000                          |
| Repairs and Renovations                       | 0                                      | 0                        | 0                           | 0                    |                     | 0                                   |
| <b>Total Other General Fund Expenditures</b>  | <b>0</b>                               | <b>0</b>                 | <b>31,158,000</b>           | <b>31,158,000</b>    | <b>0.00</b>         | <b>31,158,000</b>                   |
| <b>Total General Fund Budget</b>              | <b>14,782,570,626</b>                  | <b>(334,098,464)</b>     | <b>(98,698,505)</b>         | <b>(432,796,969)</b> | <b>-814.24</b>      | <b>14,349,773,657</b>               |



**EDUCATION**  
**Section F**



Public Education

GENERAL FUND

FY 02-03

Total Budget Approved 2001 Session

\$5,922,188,546

Budget Changes

A. Adjustments to Budget Requirements

- 1 Continuation Adjustment for Average Daily Membership** \$29,857,304 R

Revise the projected increase for FY 2002-03 to reflect an additional 8,695 in average daily membership (total increase over FY 2001-02 is 25,817). The dollar amount reflects the Continuation Budget impact of this increase on all position, dollar, and categorical allotments. Total funded student population for FY 2002-03: 1,326,865.

461.90

The increase for ADM growth for Driver Education is \$236,139 which is transferred to the General Fund from the Highway Fund.  
Total ADM increase for the General Fund and Highway Fund is \$30,093,413.
- 2 Average Annual Salary Adjustment** (\$22,788,638) R

Annual adjustment of average budgeted salary for certified personnel. Adjustment is based on actual salaries paid to certified personnel through December 2001.
- 3 Additional Adjustments to Average Salary Projections** (\$5,964,427) R

In addition to the annual Continuation Budget adjustment to average budgeted salary for certified personnel, a more recent review of certified personnel salaries from updated salary data identified an additional reduction in projected salary needs for FY 2001-03.
- 4 Adjustment for Unutilized Position Allotments** (\$5,361,201) NR

Adjustment based on the estimated actual utilization of position allotments.
- 5 Classroom Materials/Instructional Supplies/Equipment** (\$2,273,979) R

Adjust the increase for inflation to a 3% growth (in line with the Consumer Price Index) from the 5% growth used to build the Continuation Budget. The Instructional Supply allotment for FY 2002-03 will be \$41.45 per ADM after this adjustment.
- 6 Transportation** (\$5,800,000) R

Current inventory levels (oil, tires, and parts) at local school administrative units indicate that additional supply needs for next year will be minimized. Last year's non-recurring adjustment of \$4 million will become a recurring reduction. Also, reduce for lower anticipated fuel cost \$1.8 million.

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**7 School Bus Purchases**

Implement a lease/purchase process that will allow for the payment of school buses over a 3-year period.

(\$19,600,000) NR

**8 Redirect Capital Funds to Support Public Schools through the General Fund**

For the 2002-03 fiscal year, do not transfer corporate tax funds to the Public School Building Capital Fund or the Critical School Facility Needs Fund. Instead, transfer the funds as a receipt to the Public School Fund to temporarily offset the costs for public school operations. For FY 2002-03, General Fund appropriations will be reduced by the amount that was scheduled to be transferred to the capital accounts.

(\$44,549,776) NR

Based on 1987 legislation (HB 1514, Sec. 178), the Office of State Budget Management shall continue to transfer funding to support six staff members in the School Planning Division of the Department of Public Instruction (\$450,224).

**9 Funding for Visiting International Faculty**

State Board of Education Policy allows Local School Administrative Units to convert teaching positions to dollars to cover the contract cost for Visiting International Faculty. The conversion to dollars shall be based on an allotted average teacher salary of \$45,016 (with benefits) reduced by 2.963%. This will adjust the conversion amount to \$43,682. The reduction included is based on FY 2001-02 program enrollment of approximately 750 teachers.

(\$1,000,000) R

**10 Revise Headcount for Children with Special Needs**

Adjust Continuation Budget to reflect actual April 1, 2002, headcount. The Continuation Budget was constructed based on an estimated population of children with special needs.

(\$4,768,604) R

**B. Reduction of Administration Cost**

**11 Central Office Administration**

Freeze local school administration units (LEAs) allotments at the FY 2001-02 allotment level (\$1,574,452 reduction to the Continuation Budget) and reduce each LEA by 1.75% (\$1,764,441) from their FY 2001-02 funding level. The new allotment formula developed by the State Board of Education is not to be implemented in FY 2002-03.

(\$3,338,893) R

-50.00

**12 School Building Administration**

Decrease the allotment for Assistant Principals by changing the allotment formula to one ten-month position for every 761.44 students in average daily membership (ADM). The FY 2001-02 allotment was one ten-month position per 725.18 ADM. A reduction of 87.1 10-month positions.

(\$4,627,564) R

-87.10



Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

- 13 Regional Education Service Alliances** (\$3,017,317) R  
 Eliminate State funding distributed to local school administrative units that could be used to support the Regional Education Service Alliances.
- 14 Uniform Education and Reporting System (UERS)** (\$5,000,000) NR  
 Based on the current NC WISE implementation schedule, the Department of Public Instruction has indicated that a one-time reduction in funding is possible.
- 15 Department of Public Instruction** (\$2,750,000) R  
 The Department of Public Instruction will eliminate 36 positions. Of the 36 eliminated positions, 9.6 are paid from receipts and 26.4 are paid from State funds. Three (3) of the State positions were vacant.  
-36.00

Total State savings from Positions: \$1,460,280  
 Total Other Departmental Reductions: \$1,289,720

Reductions to receipt-supported positions are not included in meeting the \$2,750,000 reduction target but are included in the position reduction count.

**C. Continuation Budget Reductions**

- 16 Non-Instructional Support Personnel** (\$10,000,000) R  
 Reduce allotment approximately 3.3%. Funding is used to employ custodians, school clerical support and substitute teacher pay. The reduction will not impact the amount of funding available for substitute teachers. The estimated impact is the equivalent of 240 custodian positions and 172 clerical positions.  
-412.00
- 17 Mentor Pay** (\$3,134,984) R  
 Restrict funding to mentor teachers assigned to State-paid first and second year teachers and first-year instructional support.
- 18 Payments for Teacher Unused Vacation Days (Forfeited Vacation)** (\$3,750,000) R  
 Teachers are allowed to have excess annual leave over 30 days either converted to sick leave or paid at the end of the year. The amount of leave that can be paid is limited to the excess days that can be attributed to required work days which made it impossible for the teacher to take the leave during the school year. The payment option was established since the amount of sick-leave allowed to be converted to employment credit at retirement was restricted to the amount earned over the employees term of employment. Last year the sick leave conversion maximum was eliminated. By eliminating this maximum, teachers can now convert all sick leave earned towards retirement credit; therefore, this special payment option is no longer needed.

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

|  |  |                |    |
|--|--|----------------|----|
| <b>19 ExplorNet</b>  |  | \$100,000      | R  |
| Appropriate funds to ExplorNet non-profit for assistance to public schools   |  |                |    |
| <b>20 Appropriations to Non-Public School Agencies</b>   |  | (\$208,230)    | R  |
| Reduce funding to Public School Forum, Cities/Communities in Schools, NC Network, Teacher Cadet, and Schools Attuned by 10%.   |  |                |    |
| <b>21 Total Quality Education (TQE)</b>  |  | \$50,000       | R  |
| Appropriate funds to TQE (a non-profit program) for assistance to public schools.  |  |                |    |
| <b>E. Management Flexibility</b>   |  |                |    |
| <b>22 Local Education Agency Discretionary Reduction</b>   |  | (\$42,613,922) | NR |
| The State Board of Education shall distribute this local education agency discretionary reduction in an equitable manner and require allotment reductions in this amount within 30 days of budget passage. |  |                |    |
| Local School Administrative Units have flexibility to adjust their budgets to implement this reduction; therefore, it is not possible to identify the number of positions impacted.                        |  |                |    |
| <b>F. Other Budget Adjustments</b>   |  |                |    |
| <b>23 ABC Bonuses</b>  |  | \$101,000,000  | NR |
| Provide funding for ABC bonuses for schools meeting or exceeding expected growth in 2001-02.   |  |                |    |
| <b>24 Reduction in Class Size</b>  |  | \$26,806,005   | R  |
| Reduce the teacher to student allotment ratio for first grade to 1:18 (down from 1:20).  |  |                |    |
|  |  | 594.50         |    |
| <b>25 Information Highway Line Charges</b>   |  | \$1,200,000    | R  |
| Continue State funding for payment of Information Highway connectivity for sites previously funded.  |  |                |    |
| <b>26 Low Wealth Supplemental Funding</b>  |  | \$3,000,000    | R  |
| Increase funding for school districts in counties with less ability to generate local resources for public schools   |  |                |    |
| <b>27 Small County Supplemental Funding</b>  |  | \$1,000,000    | R  |
| Increase funding to county school systems eligible for small county supplemental funding.  |  |                |    |
| <b>28 Staff Development</b>  |  | (\$100,827)    | NR |
| A one time adjustment in funding.  |  |                |    |

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

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|                               |                        |               |
|-------------------------------|------------------------|---------------|
| <b>Budget Changes</b>         | <b>(\$11,409,327)</b>  | <b>R</b>      |
|                               | <b>(\$16,225,726)</b>  | <b>NR</b>     |
| <b>Total Position Changes</b> |                        | <b>471.30</b> |
| <b>Revised Total Budget</b>   | <b>\$5,894,553,493</b> |               |

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UNC System

GENERAL FUND

FY 02-03

Total Budget Approved 2001 Session

\$1,798,320,830

Budget Changes

Campus Reductions

29 Reserves for New Facilities

Reduce funding in reserves for operation of new facilities due to delays in completion dates. (\$2,666,533) NR

30 Tuition Surcharges

Budget tuition collected from 25% surcharge for taking more than 110% of required credit hours for degree. (\$800,000) R

31 Campus Flexibility Reserve

Budget a reduction of 2.88% in all campus and other related budget codes. Decisions on where to take the reductions will be made at campus or operating level. This reduction does not apply to the NC School of Science and Mathematics. (\$50,245,059) R

32 Center for Alcohol Studies

Reduce this year's appropriation to the Endowment for the Center for Alcohol Studies. (\$250,000) NR

Related Educational Programs

33 Scholarships

Use fund balances in scholarship trust funds to reduce General Fund requirements for one year. Fund balances in Principal Fellows, Nursing Fellows, Nursing Need-based, and dormant funds in old Social Work Scholarship Funds are affected. (\$1,938,000) NR

UNC General Administration

34 Budget Reduction

Reduce UNC General Administration and its programs. Board of Governors has authority to allocate reductions. No more than five percent (5%) shall be taken from any component program of the Center for School Leadership Development. (\$2,063,801) R

35 MCNC Contract

Reduce funding for contracted services from MCNC. Services may be provided on a fee for service basis, or MCNC may provide services for less cost. (\$400,000) R

University Expansion Funds

36 Enrollment Increases

Provide funding for enrollment increases as proposed by the UNC Board of Governors. Provides funding for regular term enrollment, distance education enrollment, and holding 3 campuses harmless from enrollment declines. \$66,803,142 R

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

|  |                        |    |
|--|------------------------|----|
| <b>37 Enrollment: Focused Growth</b>   | \$11,000,000           | R  |
| Provide funding to 7 campuses designated by UNC as "focused growth" institutions to prepare for enrollment increases. \$10 million of the recurring funds shall be allocated in equal dollar amounts to the focused growth institutions. | \$2,666,533            | NR |
| <b>38 NC School of Science and Mathematics: Inflationary Increases</b>   | \$115,000              | R  |
| Provide funds for inflationary increases for operating budget.   |                        |    |
| <b>39 NC TEACH</b>   | \$500,000              | R  |
| Funds to continue the operation of the NC TEACH program to provide lateral entry alternatives for prospective public school teachers.  |                        |    |
| <b>40 Tuition Increases</b>  | (\$39,966,108)         | R  |
| Tuition increases of 8% for in-state students and 12% for out-of-state students have been approved by the Board of Governors for the 2002-03 academic year.  |                        |    |
| <b>41 Student Financial Aid</b>  |                        |    |
| Provides an additional \$4,497,000 in need-based student financial aid for UNC students from the Escheats Fund.  |                        |    |
| <b>42 Student Financial Aid: Funding Shift</b>   | (\$15,228,000)         | NR |
| Fund continuation budget for UNC need-based scholarship funds with income from the Escheats Fund.  |                        |    |
| <b>43 Aid to Students Attending Private Colleges</b>   | \$2,249,105            | R  |
| Provides financial aid funding for additional NC students attending private college in North Carolina.   |                        |    |
| <hr/>  |                        |    |
| <b>Budget Changes</b>  | (\$12,807,721)         | R  |
|  | (\$17,416,000)         | NR |
| <b>Total Position Changes</b>  |                        |    |
| <b>Revised Total Budget</b>  | <b>\$1,768,097,109</b> |    |
| <hr/>  |                        |    |

Community Colleges

GENERAL FUND

FY 02-03

**Total Budget Approved 2001 Session**

**\$643,195,459**

**Budget Changes**

**A. Community College System Office**

**44 Operating Efficiencies** (\$882,117) R

Reduces the Executive Division by 2.5 positions totaling \$109,356 and operating line items totaling \$30,650. -11.50  
 Reduces the Administration Division by 5 positions totaling \$180,522 and operating line items totaling \$262,096. Reduces the Business and Finance Division by 1 position totaling \$29,026 and operating line items totaling \$43,697. Reduces the Academic and Student Services Division by 2 positions totaling \$98,862 and operating line items totaling \$67,034. Reduces the Workforce Development Division by 1 position totaling \$32,110 and operating line items totaling \$28,694.

**B. State Aid - Categorical Programs**

**45 Systemwide Projects** (\$27,000) R

Eliminates the appropriation for Systemwide Projects. This funding was used to pay for the printing of G.S. 115D. Since the Statutes are now available on-line, the printing is no longer necessary.

**46 Public Radio Isothermal** (\$14,991) R

Reduces the appropriation for the public radio station at Isothermal Community College by 10% from \$149,912 to \$134,921. Isothermal Community College is the only college receiving a public radio subsidy that offers a degree program in Broadcasting and Production Technology.

**47 Public Radio Craven** (\$149,912) R

Reduces the State subsidy for Craven Community College's public radio station from \$149,912 to \$100,000. \$100,000 NR

**48 Public Radio Gaston** \$100,000 NR

Provides funds for Gaston College's public radio station.

**49 Special Allotments** (\$230,397) R

Reduces the State subsidy for the sawmill program at Haywood Community College by 50%. Reduces the remaining special allotment programs by 10%.

**50 Faculty Upgrade** (\$507,067) R

Reduces the appropriation for professional development programs by 50%, from \$1,014,135 to \$507,068.

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|  |   |
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| <p><b>51 Equipment Reduction</b><br/>Reduces the state appropriation for equipment by \$2 million, from \$16,319,732 to \$14,319,732.</p>  | <p>(\$1,000,000) R</p>                      |
| <p><b>52 NC Information Highway Line Charges</b><br/>Continues the funding for the operation of the NC Information Highway at 45 colleges.</p>   | <p>\$1,212,300 R</p>                        |
| <p><b>E. Formula Modifications</b></p>   |   |
| <p><b>53 Academic Support Supplement</b><br/>Transfers funds previously appropriated in the Curriculum formula for the Academic Support Supplement to a separate line item in State aid fund code 1600. Reduces the amount appropriated for the Academic Support Supplement by \$3,000,000, from \$11,886,683 to \$8,886,683.</p>  | <p>(\$3,000,000) R</p>                      |
| <p><b>F. Tuition, Enrollment, and Financial Aid</b></p>  |   |
| <p><b>54 Adjustment for Over-Realized Receipts</b><br/>Increases the budgeted amount of tuition and registration fees to more accurately reflect anticipated receipts.</p>   | <p>(\$3,299,824) R<br/>(\$2,309,234) NR</p> |
| <p><b>55 Increase Curriculum Tuition Charge</b><br/>Increases the in-state tuition charge per semester hour by \$3.25 from \$31.00 to \$34.25. Increases the out-of-state tuition charge per semester hour by \$17.50 from \$173.25 to \$190.75. Changes the semester credit hour limit for summer term curriculum tuition from 9 hours to 16 hours. It is anticipated that for most students, this increase will be off-set by federal and State financial assistance programs.</p> | <p>(\$10,754,640) R</p>                     |
| <p><b>56 Enrollment Adjustment</b><br/>Fully funds the Community College enrollment request.</p>   | <p>\$51,848,813 R</p>                       |
| <p><b>57 Increase Need-Based Financial Aid</b><br/>Increases the Need-Based Financial Aid fund from \$6,062,806 to \$7,062,806. This item is funded from the Escheats fund.</p>  |   |
| <p><b>G. Management Flexibility</b></p>  |   |
| <p><b>58 State Board of Community Colleges Discretionary Reduction</b><br/>Gives the State Board of Community Colleges the flexibility to implement a \$5,000,000 reduction within the Community College System budget.</p>  | <p>(\$5,000,000) R</p>                      |

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|                               |                      |           |
|-------------------------------|----------------------|-----------|
| <b>Budget Changes</b>         | <b>\$28,195,165</b>  | <b>R</b>  |
|                               | <b>(\$2,109,234)</b> | <b>NR</b> |
| <b>Total Position Changes</b> | <b>-11.50</b>        |           |
| <b>Revised Total Budget</b>   | <b>\$669,281,390</b> |           |

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**HEALTH  
&  
HUMAN SERVICES  
Section G**



# Health and Human Services

GENERAL FUND

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|   |                        |
|---|------------------------|
| <b>Total Budget Approved 2001 Session</b> | <b>FY 02-03</b>        |
|   | <b>\$3,644,080,118</b> |

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**Budget Changes**

**Division of Aging**

- |   |             |   |
|---|-------------|---|
| <b>1 Funds for Senior Tarheel Legislature</b>                                     | (\$6,000)   | R |
| Reduces funding for 3 meetings per year from \$9,000 to \$3,000 each fiscal year. |             |   |
| <b>2 Governor's Advisory Council on Aging</b>                                     | (\$4,000)   | R |
| Reduces funding for meetings of the Governor's Advisory Council on Aging.         |             |   |
| <b>3 Central Office Administration</b>  | (\$165,000) | R |
| Reduces the operating budget for the Division of Aging.                           |             |   |
| <b>4 Senior Centers</b>   | (\$381,000) | R |
| Reduces funding for Senior Center Development and Outreach.                       |             |   |
| <b>5 Area Agency on Aging Administration</b>                                      | (\$370,000) | R |
| Reduces funding for planning and administration for 17 AAAs across the state.     |             |   |

**Division of Child Development**

- |  |                |   |
|--|----------------|---|
| <b>6 Early Head Start Funds</b>  | (\$56,286)     | R |
| Eliminates the remaining state funds that support the federal Early Head Start Program.  |                |   |
| <b>7 Smart Start Evaluation</b>  | (\$500,000)    | R |
| Eliminates funding for the Smart Start evaluation.   |                |   |
| <b>8 Smart Start Professional Development Funds</b>  | (\$16,000)     | R |
| Reduces professional development funds that are used to help child care employees improve their educational qualifications.      |                |   |
| <b>9 Smart Start Automation</b>  | (\$44,810)     | R |
| Reduces funds to Division of Information and Resource Management for information technology activities that support Smart Start. |                |   |
| <b>10 Local Smart Start Partnership Funds</b>  | (\$20,000,000) | R |
| Reduces the amount of funds for activities at the local partnership level.   |                |   |

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| <b>11 NCPC Administration</b>  | (\$980,000)  | R  |
| Reduces the North Carolina Partnership for Children's administrative costs.  |              |    |
| <b>12 Criminal Record Checks</b>   | (\$12,000)   | R  |
| Reduces the budget for reimbursement to the State Bureau of Investigation for the cost of obtaining record checks.   |              |    |
| <b>13 DCD Administration</b>   | (\$618,939)  | R  |
| Reduces administrative expenses including positions, operating costs, and equipment. Eliminates three vacant and three filled positions: 1.0 Administrative Secretary II, 1.0 Office Assistant IV, 1.0 Child Program Specialist, 2.0 filled Processing Assistant III's, and 1.0 filled Policy and Planning Consultant. Positions funded through a transfer of funding from the More At Four Program include: 1.0 filled and 2.0 vacant Child Program Specialists, and 1.0 vacant Administrative Assistant I. |              |    |
|  | -6.00        |    |
| <b>14 Child Care Subsidy</b>   | \$15,000,000 | NR |
| Increase state appropriations for child care subsidy to replace federal funds historically used for this purpose. Due to a reduction in the Temporary Assistance for Needy Families (TANF) Block Grant, child care subsidy was funded at \$3,800,000 less for 02-03 fiscal year. These funds will also be used to address the waiting list for child care subsidy.   |              |    |
| <b>Division of Facility Services</b>   |              |    |
| <b>15 Operating Expenses</b>   | (\$126,000)  | R  |
| Reduces operating expenses throughout the Division of Facility Services including computer equipment replacement.  |              |    |
| <b>16 Travel</b>   | (\$150,000)  | R  |
| Reduces travel expenses throughout the Division of Facility Services.  |              |    |
| <b>17 Legal Services</b>   | (\$35,974)   | R  |
| Eliminates one paralegal position.   |              |    |
|  | -1.00        |    |
| <b>18 Various Contracts</b>  | (\$244,731)  | R  |
| Eliminates the following contracts:  |              |    |
| Solucient  | \$54,000     |    |
| Sheps Center   | \$90,731     |    |
| Reduce the following contracts:  |              |    |
| Miscellaneous Contracts  | \$100,000    |    |
|  | (\$191,465)  | R  |
| <b>19 Position Eliminations</b>  |              |    |
| Eliminates two vacant and two filled positions: 1.0 Facility Engineer Specialist, 1.0 Facility Survey Consultant I, 1.0 Staff Development Coordinator in the Office of EMS, and 1.0 Administrative Assistant II in the Office of EMS.  |              |    |
|  | -4.00        |    |

Health and Human Services

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**Division of Medical Assistance**

|  |                |   |
|--|----------------|---|
| <b>20 Asset Policy Change</b>  | (\$3,028,281)  | R |
| Adopts the Supplemental Security Income (SSI) method for considering equity value in income-producing property for aged, blind, and disabled persons.  |                |   |
| <b>21 Drug Utilization Management</b>  | (\$37,374,352) | R |
| Expands implementation of various drug utilization measures to contain the cost of prescription drugs, including expanding the use of generic drugs.   |                |   |
| <b>22 Private Duty Nursing</b>   | (\$496,639)    | R |
| Reduces reimbursement rates for private duty nursing service providers by 5%.  |                |   |
| <b>23 Personal Care Services Limitations</b>   | (\$2,655,057)  | R |
| Reduces Personal Care Services by reducing the monthly limit for services from 80 hours per month to 60 hours per month.   |                |   |
| <b>24 Asset Policy Changes for PCS Recipients</b>  | (\$423,959)    | R |
| Modifies transfer of asset policy by applying the policy to persons receiving personal care services while residing in their home.   |                |   |
| <b>25 Pregnant Women Coverage for Minors</b>   | (\$244,793)    | R |
| Modifies policy for determining eligibility for pregnant women coverage for minors by counting parental income.  |                |   |
| <b>26 Hospital Payments</b>  | (\$1,409,819)  | R |
| Reduces payments to hospitals by 0.5%. Options for reducing payment include using waivers to reduce hospital costs associated with billing Medicaid and implementing a revised outpatient/emergency payment method to relate payment to services received. |                |   |
| <b>27 Prospective Rates for Home Health Services</b>   | (\$991,979)    | R |
| Establishes prospective rate payment system for Home Health Services and pays for services based on an assessment of the specific needs of the Medicaid recipient. Payment for services will no longer be tied to the number of provider visits.           |                |   |
| <b>28 Home Infusion Therapy</b>  | (\$88,809)     | R |
| Reduces reimbursement rates for home infusion therapy providers.   |                |   |
| <b>29 Home Health Supplies</b>   | (\$190,000)    | R |
| Reduces reimbursement rates for home health supplies providers.  |                |   |
| <b>30 Optional Services</b>  | (\$250,000)    | R |
| Eliminates optional circumcision procedures except in cases of medical necessity.  |                |   |

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|--|----------------|-------|
| <b>31 Carolina ACCESS II/III Cost Savings</b>  | (\$9,425,000)  | R     |
| Reduces expenditures for the Medicaid program to reflect anticipated savings from the expansion of Carolina ACCESS II/III activities including reducing hospital admissions, reducing ER visits, using best prescribing practices, increased generic prescribing, implementing polypharmacy review, reducing therapy visits, and better managing of high risk/high cost patients.  |                |       |
| <b>32 Reimbursement Rate Reduction</b>   | (\$608,964)    | R     |
| Reduces reimbursement rates by 5% for the following services: ambulatory surgical centers, and high risk intervention.   |                |       |
| <b>33 Durable Medical Equipment</b>  | (\$569,954)    | R     |
| Reduces reimbursement rates for durable medical equipment providers.   |                |       |
| <b>34 Optical Service Providers</b>  | (\$202,840)    | R     |
| Reduces reimbursement rates for optical service providers by 5%.   |                |       |
| <b>35 Medicare Crossover Claims</b>  | (\$1,900,000)  | R     |
| Applies Medicaid medical policy to Medicare Crossover claims.  |                |       |
| <b>36 Case Management Services</b>   | (\$7,716,342)  | R     |
| Reduces case management services for adults and children by reducing rates, streamlining services and eliminating duplicative services.  |                |       |
| <b>37 Position Eliminations</b>  | (\$60,005)     | R     |
| Eliminates two filled positions: 1.0 Physician II and 1.0 Dentist II.  |                |       |
|  |                | -2.00 |
| <b>38 Medicaid Reserve Funds</b>   | (\$43,747,538) | NR    |
| Transfers funds from G.S. 143-23.2 reserve to support current services and to reduce appropriations.   |                |       |
| <b>39 Revised Medicaid Forecast</b>  | \$81,751,234   | R     |
| Provides increased funding for the Medicaid Program due to the revised forecast for SFY 2003.  |                |       |
| <b>Division of Mental Health, Developmental Disabilities, and Substance Abuse Services</b>   |                |       |
| <b>40 Mental Retardation Centers</b>   | (\$630,487)    | R     |
| Reduces expenditures for state-operated mental retardation centers by decreasing outreach expenditures by 10%, eliminating 4.50 vacant and 2.0 filled positions, and reducing salary reserve. Eliminated positions include: 1.0 Parent Trainer, 0.5 Housekeeper, 1.0 DHHS School Administrator II, 1.0 Patient Review Coordinator, 1.0 Outreach Specialist II, and 1.0 Rehab Therapy Tech, and 1.0 DHHS Policy and Planning Coordinator. |                |       |
|  |                | -6.50 |

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**41 Substance Abuse State Facilities**

(\$184,818) R

Reduces expenditures for state-operated substance abuse facilities by eliminating 3.25 vacant and 12 filled positions, reducing salary reserve, contracting for dietary services, and reducing operating expenses such as travel, supplies, maintenance and equipment. Eliminated positions include: 4.0 Cook II's, 2.0 Cook Supervisor I, 1.0 Food Service Assistant I, 3.0 Food Service Assistant II's, 1.0 Food Service Supervisor IV, 1.0 Stock Clerk I, 1.0 Health Care Technician I, 1.0 Substance Abuse Counselor II, 1.0 MR Assistant III, and .25 Social Worker II.

-15.25

**42 State Psychiatric Hospitals**

(\$2,895,097) R

Reduces expenditures for state-operated psychiatric hospitals by eliminating 35 vacant and 26 filled positions; reducing education, training, and staff development; reducing expenditures for supplies, printing, and equipment; closing 5-bed TB Unit at Cherry hospital; Closing CPI outpatient unit at John Umstead Hospital, and eliminating 10 psychiatric beds at Cherry Hospital with no community transfer of funding. Eliminated positions include 24.0 Health Care Technician I's, 2.0 Clinical Social Workers, 2.0 Lead Psych Technicians, 1.0 Physician III-B, 2.0 Food Service Assistant II's, 1.0 Librarian, 1.0 LPN, 1.0 Nurse Education Instructor, 1.0 Patient Relations Representative III, 1.0 Physician III-C, 1.0 Plant Maintenance Supervisor II, 1.0 Processing Assistant III, 1.0 Rehab. Therapist, 2.0 Senior Psychologist I's, 1.0 Social Worker Clinical Specialist, 3.0 Teachers, 1.0 Dental Assistant, 1.0 X-Ray Technician II, 1.0 Office Assistant V, 1.0 Adaptive Equipment Specialist, 1.0 Boiler Room Operator Shift Supervisor I, 1.0 FSA II, 1.0 Grounds Worker, 1.0 Housekeeping Supervisor II, 1.0 Human Services Coordinator III, 1.0 Mechanic Supervisor I, 1.0 OT Supervisor II, 1.0 Patient Relations Representative V, 1.0 Physical Therapy Assistant II, 1.0 Processing Unit Supervisor IV, and 2.0 Word Processor III's.

-61.00

**43 Child and Family State Facilities**

(\$129,135) R

Reduces funding for state-operated child and family facilities by eliminating 1.0 filled position and reducing building repairs, travel, staff development, student temporary wages, and salary reserve. Eliminates 1.0 Program Director of Adolescent Re-education.

-1.00

**44 Institutional Receipts**

(\$1,000,000) R

Reduces state appropriations by increasing the budget for institutional receipts.

**45 Central Office Administration**

(\$835,628) R

Reduces state appropriations to Central Office Administration by 5% and eliminates 1.0 filled position. Eliminates 1.0 Physician Director III-B.

-1.00

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|  |            |               |    |
|--|------------|---------------|----|
| <b>46 Area Mental Health Programs</b>  |            |               |    |
| Reduces State appropriations to area mental health programs.   |            | (\$3,000,000) | R  |
| <b>47 Various Contracts</b>  |            |               |    |
| Eliminates state appropriations for the following contracts:   |            | (\$419,674)   | R  |
| National Alliance for the Mentally Ill   | \$ 20,000  |               |    |
| Association for Persons in Supported Employment  | \$ 39,900  |               |    |
| Mental Health Association Respite Training   | \$ 120,000 |               |    |
| NCSU-CUACS Technical Assistance  | \$ 101,350 |               |    |
| Reduces State Appropriations for the following contracts:  |            |               |    |
| UNC Student Stipends   | \$ 22,000  |               |    |
| Housing Works, Inc.  | \$ 30,000  |               |    |
| UNC-CH DD Training Institute   | \$ 86,424  |               |    |
| <b>48 Patient Advocates in State Psychiatric Hospitals</b>   |            | (\$295,229)   | R  |
| Reduces expenditures for patient advocacy in state-operated psychiatric hospitals by 25%. Reduction eliminates 5.0 patient advocates.  |            | -5.00         |    |
| <b>49 Patient Advocates in Mental Retardation Centers</b>  |            | (\$96,947)    | R  |
| Reduces expenditures for patient advocacy in state-operated mental retardation centers by 25%. Reduction eliminates 6.0 patient advocates.   |            | -6.00         |    |
| <b>50 Autism Funds</b>   |            |               |    |
| Provides funds for the operation of Residential Services Inc. to provide residential services to autistic children.  |            | \$280,000     | NR |
| <b>51 Housing Support for the Mentally Ill</b>   |            |               |    |
| Provides funds to support expansion of housing support and placements for the mentally ill.  |            | \$500,000     | NR |
| <b>52 Residential Services for Women with Children</b>   |            |               |    |
| Provides funding for nine therapeutic homes programs for women with substance abuse or dependency diagnosis. Participating women reside in the home for 12 months to be followed by six months of outpatient services. |            | \$1,000,000   | NR |
| <b>Division of Public Health</b>   |            |               |    |
| <b>53 Prescription Drug Access Project</b>   |            | (\$200,000)   | R  |
| Eliminates funding for the Prescription Drug Access Project.   |            |               |    |
| <b>54 Office of Minority Health</b>  |            | (\$24,000)    | R  |
| Reduces the operating costs in the Office of Minority Health.  |            |               |    |



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|   |   |
|---|---|
| <p><b>55 Immunization Branch Operating Funds</b><br/>                 Reduces state appropriations for travel, telecommunication, property insurance and employee education and replaces these funds with the federal immunization grant funds.</p>   | <p>(\$66,659) R</p>                             |
| <p><b>56 Contracts and Grants-in-Aid</b><br/>                 Eliminates the following contracts:<br/>                 UNC-CH - Cardiovascular Health Program Evaluation Initiative - (\$27,235)<br/>                 Eliminates a contract and reduces the grant-in-aid to the Poe Center - (\$51,500)<br/>                 Greenway Project - (\$6,425)<br/>                 Training and Research - (\$15,000)<br/>                 Reduces state appropriations for the contract with UNC for PHTIN - (\$129,077)</p> | <p>(\$229,237) R</p>                            |
| <p><b>57 HIV/STD Care Contracts</b><br/>                 Reduces state appropriations and replaces these funds with the Ryan White Title II grant for contracts with community-based organizations.</p>   | <p>(\$38,845) R</p>                             |
| <p><b>58 Sickle Cell Program</b><br/>                 Reduces state appropriations and replaces these funds with increased federal financial participation through Medicaid for the Sickle Cell community-based organizations.</p>  | <p>(\$85,900) R</p>                             |
| <p><b>59 Oral Health Section Positions</b><br/>                 Eliminates 3.0 vacant positions. Eliminated positions include: 1.0 Dentist, 1.0 Dental Hygienist, and 1.0 Administrative Assistant.</p>   | <p>(\$247,000) R<br/>                 -3.00</p> |
| <p><b>60 Regional Dentists' Offices</b><br/>                 Eliminates funding for the regional dentists' offices in Raleigh and Fayetteville and eliminates the operating expenses.</p>   | <p>(\$11,107) R</p>                             |
| <p><b>61 Aid-to-County</b><br/>                 Reduces the Aid-to-County funding by an amount that has historically been reverted at fiscal year's end.</p>  | <p>(\$1,000,000) R</p>                          |
| <p><b>62 Children With Special Needs Program</b><br/>                 Reduces state appropriations for the Children With Special Needs program; the program historically has had unencumbered funds remaining in the account at the end of the fiscal year.</p>   | <p>(\$110,000) R</p>                            |
| <p><b>63 Operating Expenses</b><br/>                 Reduces state appropriations for honorariums, conference registrations, educational supplies, office furniture and printing/binding for the Children and Youth Branch of Women's and Children's Health Section.</p>  | <p>(\$52,180) R</p>                             |

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| <p><b>64 State Laboratory - Newborn Screening</b><br/>                 Reduces state appropriations for newborn screening tests and replaces these funds with a \$10 fee to be charged to hospitals and providers for each specimen submitted for testing. The effective date for this fee is November 1, 2002</p> | <p>(\$766,667) R</p>                            |
| <p><b>65 Women's Health</b><br/>                 Reduces state appropriations and replaces the funds with Medicaid federal financial participation for the Perinatal Outreach and Education Training Program (POET).</p>   | <p>(\$321,252) R</p>                            |
| <p><b>66 State Center For Health Statistics</b><br/>                 Replaces state appropriations with historically over-realized receipts from the National Center for Health Statistics.</p>  | <p>(\$146,190) R</p>                            |
| <p><b>67 Equipment</b><br/>                 Eliminates funding for equipment in the Oral Health Section.</p>   | <p>(\$27,835) R</p>                             |
| <p><b>68 Positions in Women's and Children's Health Section</b><br/>                 Eliminates 3.45 vacant positions: 0.75 Audiologist, 0.70 Processing Assistant, 1.0 Public Health Program Consultant I, and 1.0 Social Research Assistant.</p>   | <p>(\$130,888) R<br/>                 -3.45</p> |
| <p><b>69 Position in Budget Section</b><br/>                 Eliminates 1.0 filled position in the Financial Management and Support Services Section. Eliminates 1.0 Administration Officer II position.</p>   | <p>(\$50,984) R<br/>                 -1.00</p>  |
| <p><b>70 Oral Health</b><br/>                 Reduces state appropriations for the Dental Hygienist positions and replaces these funds with Medicaid receipts.</p>   | <p>(\$632,107) R</p>                            |
| <p><b>71 Administrative Activities</b><br/>                 Reduces state appropriations for non-direct service activities within Women's and Children's Health Section and replaces these funds with Medicaid receipts.</p>   | <p>(\$400,000) R</p>                            |
| <p><b>72 Hepatitis B Vaccine School Site Initiative</b><br/>                 Reduces state appropriations for the Hepatitis B vaccine and replaces the funds with federal vaccine funds.</p>   | <p>(\$604,800) R</p>                            |
| <p><b>73 Contracts</b><br/>                 Terminates contracts with LabCorp for CD4 testing and dysplasia clinics for cancer diagnostic and treatment services.</p>  | <p>(\$364,700) R</p>                            |
| <p><b>74 Community Care Coordination</b><br/>                 Reduces state appropriations and replaces the funds with Medicaid receipts for the community care coordinator contracts.</p>   | <p>(\$129,355) R</p>                            |

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| <p><b>75 Prescription Drug Assistance Program</b><br/>Eliminates funding for the Prescription Drug Assistance Program for the elderly.</p>  | <p>(\$500,000) R</p>           |
| <p><b>76 Developmental Evaluation Centers</b><br/>Reduces funding for the 18 Developmental Evaluation Centers.</p>  | <p>(\$2,076,426) R</p>         |
| <p><b>77 Contracts - Women's and Children's Health Section</b><br/>Reduces contracts for services to support direct care. The following contracts are reduced by the corresponding amounts:<br/>Prevent Blindness - (\$41,900)<br/>UNC-CH, Center for Public Health Practice - (\$18,750)<br/>Duke University Medical School - (\$59,674)<br/>UNC-CH (Alpha-fetal protein screening) - (\$20,000)<br/>Wake Forest (Alpha-fetal protein screening) - (\$20,000)<br/>Carolinas HealthCare System (Services for children with hemophilia or other coagulation disorders) - (\$200)<br/>Duke University (Services for children with hemophilia or other coagulation disorders) - (\$600)<br/>ECU (Services for children with hemophilia or other coagulation disorders) - (\$600)<br/>UNC-CH (Services for children with hemophilia or other coagulation disorders) - (\$7,300)<br/>Wake Forest University (Services for children with hemophilia or other coagulation disorders) - (\$1,300)<br/>Moses Cone - (\$4,600)<br/>Duke University Medical Center - (\$33,697)<br/>Wake Forest University (Assessment, monitoring and treatment of children 0-21 with orthopedic conditions) - (\$11,425)<br/>Western Carolina University - (\$40,000)<br/>Assistive Resource Centers (15% reduction for each) - (\$112,346)<br/>In-hospital identification of children with special health care needs - 10 contracts - (\$69,597)<br/>Center for Development and Learning UNC-CH - (\$485,646)<br/>Dept. of Agriculture - (\$600)<br/>NC Baptist Hospital - (\$4,800)<br/>Central Carolina - (\$50,000)<br/>UNC-CH - (\$87,708 )<br/>Young Women's Outreach - (\$18,990)<br/>Albemarle Smart Start - (\$30,680)<br/>Adolescent Pregnancy Prevention Coalition of NC - (\$22,500)</p> | <p>(\$1,142,913) R</p>         |
| <p><b>78 Public Health Consultants</b><br/>Eliminates 5.0 vacant positions: 2.0 Office Assistant III's, 1.0 Social Work Consultant, 1.0 Nurse Consultant, 1.0 Pharmacist Specialist and operating costs.</p>  | <p>(\$217,960) R<br/>-5.00</p> |
| <p><b>79 Governor's Council on Physical Fitness</b><br/>Eliminates funding for the Governor's Council on Physical Fitness.</p>  | <p>(\$25,000) R</p>            |

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|---|---------------|----|
| <b>80 Vital Records Fee Increase</b>  |               |    |
| Increases vital records transaction fees to \$15.00. The effective date for this fee is November 1, 2002.   | (\$443,765)   | R  |
| <b>81 Healthy Start Foundation</b>  |               |    |
| Provides funding for Healthy Start to improve access to prenatal care and reduce poor birth outcomes for families in North Carolina.  | \$250,000     | NR |
| <b>82 Healthy Carolinians</b>   |               |    |
| Provides funding for Healthy Carolinians task forces across the State.  | \$750,000     | NR |
| <b>83 Asthma Education Program</b>  |               |    |
| Provides funding to support asthma management, control, surveillance, and education.  | \$100,000     | NR |
| <b>84 Reduce Out-of-Wedlock Births</b>  |               |    |
| Provides state appropriations to replace federal funds historically used for family planning services to reduce out-of-wedlock births.                                      | \$615,000     | NR |
| <b>85 Adolescent Pregnancy Prevention</b>   |               |    |
| Provides state appropriations to replace federal funds historically used to support the adolescent pregnancy prevention program administered pursuant to G.S. 130A-131.15A. | \$570,000     | NR |
| <b>86 "Strike-Out-Stroke"</b>   |               |    |
| Provides funding for "Strike-Out-Stroke".   | \$90,000      | NR |
| <b>87 Osteoporosis Task Force</b>   |               |    |
| Provides funding to continue activities of the Osteoporosis Task Force.   | \$150,000     | NR |
| <b>88 Arthritis Prevention Project</b>  |               |    |
| Provides grant-in-aid for a private, local project in Mecklenburg County.   | \$25,000      | NR |
| <b>89 Folic Acid Campaign</b>   |               |    |
| Provides funding for the state-wide folic acid campaign.  | \$300,000     | NR |
| <b>90 Prevent Blindness</b>   |               |    |
| Provides funding for the National Society to Prevent Blindness-NC Affiliate, Inc. for the purpose of maximizing vision screenings of children in child care settings.       | \$600,000     | NR |
| <b>Division of Social Services</b>  |               |    |
| <b>91 DSS State Administration</b>  |               |    |
| Reduces the operating budget for the Central Office.  | (\$1,399,093) | R  |

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|  |                        |
|--|------------------------|
| <p><b>92 Local DSS Administration</b><br/>                 Reduces funding for operating budgets for 100 local Departments of Social Services.</p>   | <p>(\$1,000,000) R</p> |
| <p><b>93 Carry forward for Electing Counties</b><br/>                 Eliminates the ability of 13 Electing Counties to carry forward excess state funds at the end of state fiscal year.</p>  | <p>(\$600,000) R</p>   |
| <p><b>94 State/County Special Assistance</b><br/>                 Maintains the current rate of \$1,091 for the 02-03 fiscal year. Maintaining this rate will result in a cost-savings of an equal amount for local Departments of Social Services.</p>  | <p>(\$2,345,157) R</p> |
| <p><b>95 Families for Kids</b><br/>                 Eliminates funding for 16 local Departments of Social Services. Historically, these funds have been used to assist counties improving their child welfare services and reduce the amount of time children remain in the foster care system.</p>  | <p>(\$1,200,000) R</p> |
| <p><b>96 Various Contracts</b><br/>                 Eliminates funding for the following contracts in the Child Support Section:</p> <p style="margin-left: 20px;">                     Child Support Enforcement Training - \$641,893<br/>                     Child Support Enforcement Help Desk - \$229,840<br/>                     Ohio State Treasurer - \$ 21,010                 </p> | <p>(\$892,743) R</p>   |
| <p><b>97 Child Support Backlog</b><br/>                 Eliminates funding intended to address Child Support Enforcement backlogs in urban counties. The Division will address this problem by improving current operating procedures within existing resources.</p>   | <p>(\$1,500,000) R</p> |
| <p><b>98 Intensive Family Preservation Services</b><br/>                 Reduces state funding for a Program involving 53 providers focused on preventing out-of-home placement for high-risk children. Services will be maintained with additional federal funds.</p>   | <p>(\$500,000) R</p>   |
| <p><b>99 Family Resource Centers</b><br/>                 Reduces funding for Family Resource Centers in 49 counties. Services will be maintained with additional federal funds.</p>   | <p>(\$865,000) R</p>   |
| <p><b>100 CCPT Grant</b><br/>                 Eliminates funding for the Community Child Protection Team Grant (CCPT). Historically, these funds have been distributed on a competitive basis to counties demonstrating innovative approaches to improving their child protection services.</p>  | <p>(\$250,000) R</p>   |

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|  |  |
|--|--|
| <p><b>101 Resident Evaluation Services</b><br/>                 Eliminates funding for Resident Evaluation Services. The automated instrument required to implement this new initiative is incomplete and funds to implement the program statewide are not available.</p>  | <p>(\$1,062,037) R</p>                           |
| <p><b>102 Position Eliminations</b><br/>                 Eliminates 31 vacant and 13 filled positions including: 2.0 SS Program Administrator III's, 2.0 Staff Development Coordinators, 1.0 HS Plan/Evaluator II, 5.0 Office Assistant IV's, 1.0 SS Program Administrator I, 1.0 SS Program Consultant II, 1.0 Info. System Liaison I, 3.0 SS Program Manager II's, 7.0 SS Reg. Program Reps., 1.0 Accounting Tech II, 2.0 Accounting Clerk IV's, 1.0 Computer System Admin. I, 1.0 Lead Child Support Agent, 8.0 Office Assistant III'S, 4.0 Process Assistant III's, 2.0 Process Assistant V's, and 2.0 Process Assistant IV's.</p> | <p>(\$780,641) R<br/>                 -44.00</p> |
| <p><b>103 State Maternity Home Funds</b><br/>                 Reduces state appropriations for maternity homes. Temporary Assistance for Needy Families Block Grant funds will replace this reduction.</p>   | <p>(\$438,354) R</p>                             |
| <p><b>104 Welfare Automation Fund</b><br/>                 Reduces state funding used for various automation projects in the Department of Health and Human Services.</p>  | <p>(\$5,400,000) NR</p>                          |
| <p><b>105 Boys and Girls Clubs</b><br/>                 Provides state appropriations to replace federal funding historically used to support Boys and Girls Clubs across the state. Due to a reduction in the Temporary Assistance for Needy Families Block Grant, this item could not be funded through the block grant for the 02-03 fiscal year.</p>   | <p>\$550,000 NR</p>                              |
| <p><b>106 Food Banks</b><br/>                 Provides funding to be equally distributed to the regional network of food banks in North Carolina.</p>  | <p>\$1,000,000 NR</p>                            |
| <p><b>107 Special Children Adoption Fund</b><br/>                 Provides state appropriations to replace federal funding historically provided to adoption agencies in order to increase the number of children adopted from the foster care system. Due to a reduction in the Temporary Assistance for Needy Families Block Grant, this item could not be funded through the block grant for the 02-03 fiscal year.</p>   | <p>\$2,000,000 NR</p>                            |
| <p><b>108 Funds for Work Central Career Advancement Center</b><br/>                 Provides state appropriations for a Call Center in Edgecombe County (serving seven counties) historically funded through the Temporary Assistance for Needy Families Block Grant. Due to a reduction in the block grant, federal funds are not available for this project for the 02-03 fiscal year.</p>   | <p>\$500,000 NR</p>                              |

**Division of Vocational Rehabilitation**

|  |               |   |
|--|---------------|---|
| <b>109 Direct VR Client Services</b>   | (\$1,922,522) | R |
| Reduces funding for vocational rehabilitation client services by implementing more strict case policies and "order of selection" policies that allow a waiting list for the least disabled clients.  |               |   |
| <b>110 Administrative Operational Costs</b>  | (\$400,000)   | R |
| Reduces administrative costs by reducing expenditures for supplies, travel, and equipment.   |               |   |
| <b>111 Position Eliminations</b>   | (\$857,583)   | R |
| Eliminates 24.0 vacant and 2.0 filled positions: 1.0 Adj. Services Instructor, 1.0 Administrative Assistant I, 1.0 Administrative Officer III, 1.0 Computer Technical Support III, 8.0 Office Assistant III's, 1.0 Office Assistant IV, 1.0 Processing Assistant III, 1.0 Program Assistant V, 4.0 Rehab. Case Assistant, 2.0 Rehab. Case Supervisors, 1.0 Rehab. Education Specialist, 1.0 Stock Clerk II, 1.0 Vocational Evaluator II, 1.0 Vocational Evaluation Specialist, and 1.0 Community Production Coordinator. |               |   |
|  | -26.00        |   |
| <b>112 Universal Design Contract</b>   | (\$50,000)    | R |
| Reduces Universal Design contract with NCSU's Center for Universal Design.   |               |   |
| <b>Divisions of Services for the Blind and Services for Deaf &amp; Hard of Hearing</b>   |               |   |
| <b>113 Special Assistance for the Blind</b>  | (\$158,000)   | R |
| Reduces excess funding in the Special Assistance for the Blind program.  |               |   |
| <b>114 Medical Eye Care and Independent Living Services</b>  | (\$64,000)    | R |
| Reduces funding for Medical Eye Care and Independent Living Services by eliminating 1.0 Medical Eye Care Consultant position and reducing funding for medical/scientific equipment and educational supplies.   |               |   |
|  | -1.00         |   |
| <b>115 Cost Allocation to Telecommunications Access of NC</b>  | (\$21,013)    | R |
| Reduces state appropriations to the Division of Services for the Deaf and Hard of Hearing by increasing receipts from Telecommunication Access of NC through cost allocation.  |               |   |
| <b>116 Operating Expenses</b>  | (\$200,000)   | R |
| Maintains expenditures for SFY 2003 for operating expenses at the SFY 2002 expenditure level.  |               |   |
| <b>117 Medical Eye Care Program</b>  | (\$200,000)   | R |
| Reduces excess funding in the Medical Eye Care Program.  |               |   |

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**NC Health Choice**

- 118 Dispensing Fee Reduction** (\$168,964) R  
 Reduces premiums for the NC Health Choice program by reducing the dispensing fee paid to pharmacists from \$6.00 per prescription to \$4.00 for brand name drugs and \$5.60 for generic drugs. This is the same dispensing fee as paid by the Medicaid Program.
- 119 NC Health Choice Expansion** \$7,740,000 NR  
 Provides funding for increasing the enrollment of children in the NC Health Choice Program.

**Office of Education Services**

- 120 Capital Improvement Reserves** (\$701,665) R  
 Eliminates appropriation for capital improvement reserves.
- 121 Position Elimination - Central Administration** (\$69,476) R  
 Eliminates 1.0 filled position in the central administration of the Office of Educational Services: 1.0 Business Officer II. -1.00
- 122 Central Preschool Program** (\$361,164) R  
 Eliminates 7.0 vacant and 2.0 filled preschool staff positions and operating expenses for the Central Preschool Program: 5.0 Teachers, 1.0 Lead Teacher, 1.0 Processing Assistant IV, 1.0 Processing Assistant III, and 1.0 EDA II. -9.00
- 123 Maintenance Contract** (\$1,127) R  
 Reduces a contract for maintenance at the Governor Morehead School.
- 124 Positions at ENCSD** (\$746,700) R  
 Eliminates 26.0 vacant and 1.0 filled positions at the Eastern North Carolina School for the Deaf: 1.0 Cook I, 4.25 EDA II's, 3.0 Food Service Assistant I's, .75 Occupational Therapist II, 1.0 Processing Assistant IV, 1.0 Resident Life Attendant, 9.0 Resident Life Trainers, 5.0 Teachers, 1.0 Volunteer Service Coordinator and 1.0 Behavior Program Specialist II. -27.00
- 125 Operating Budget** (\$200,143) R  
 Reduces operating budgets at the residential schools. This reduction targets equipment and supplies.
- 126 Positions at GMS** (\$319,691) R  
 Eliminates 11.0 vacant positions at the Governor Morehead School: 1.0 EDA II, 1.0 General Utility Worker, 1.0 Housekeeper, 1.0 Librarian, 2.0 Resident Life Attendants, 5.0 Resident Life Trainers. -11.00



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|   |             |   |
|---|-------------|---|
| <b>127 Governor Morehead School Preschool Program</b>   | (\$680,616) | R |
| Eliminates 8.75 vacant and 1.0 filled positions and reduces operating expenses for the Governor Morehead School Preschool Program: 4.0 Teachers, 1.0 Lead Teacher, 2.0 Social Workers, 1.75 EDA's and 1.0 Computer Support Technician I.  | -9.75       |   |
| <b>128 Auditory Learning Program Contract</b>   | (\$150,000) | R |
| Eliminates funding for the contract with the Auditory Learning Program.   |             |   |
| <b>129 IEP/IFSP Personal Service Contracts</b>  | (\$100,000) | R |
| Reduces personal service contracts for activities prescribed in Individual Educational Plans and Individual Family Services Plans.  |             |   |
| <b>130 Central School Maintenance Funding</b>   | (\$381,632) | R |
| Eliminates the Central School for the Deaf's maintenance and operating budget. Eliminates the following positions: 1.0 Maintenance Mechanic IV, 1.0 Facility Maintenance Supervisor III, and 2.0 Maintenance Mechanic II's.   | -4.00       |   |
| <b>131 Positions at WNCSD</b>   | (\$392,289) | R |
| Abolishes 14.75 vacant and 1.0 filled positions and reduces operating expenses at the Western North Carolina School for the Deaf: .75 Office Assistant IV, 1.0 Processing Assistant IV, 1.0 Staff Development Specialist II, 1.0 Computer Support Tech II, 1.0 Boiler Operator I, 1.0 Maintenance Mechanic I, 1.0 Maintenance Mechanic II, 5.0 Teachers, 1.0 Resident Life Attendant, 2.0 Resident Life Trainers and 1.0 Behavior Program Specialist I. | -15.75      |   |
| <b>Office of the Secretary</b>  |             |   |
| <b>132 Aid to Clinic Construction</b>   | (\$75,000)  | R |
| Reduces funding for clinic construction.  |             |   |
| <b>133 Loan Repayment Incentive Funds</b>   | (\$600,000) | R |
| Reduces funding for Loan Repayment Incentive Funds program.   |             |   |
| <b>134 Community Primary Care Grant Program</b>   | (\$118,400) | R |
| Eliminates funding for the Community Primary Care Grant Program in the Office of Research, Demonstration and Rural Health Development.  |             |   |
| <b>135 Rural Health Clinic Operational Funding</b>  | (\$150,000) | R |
| Reduces rural health clinic operating funds.  |             |   |
| <b>136 Administrative Costs</b>   | (\$48,109)  | R |
| Reduces funding for administrative costs in the Office of Research, Demonstration, and Rural Health Development.  |             |   |

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|  |                        |    |
|--|------------------------|----|
| <b>137 Position Elimination Reserve</b>  | (\$4,122,467)          | R  |
| Reduces funding by eliminating vacant or filled positions, reducing layers of management, and reducing related operating expenses throughout the Department of Health and Human Services.  |                        |    |
| <b>138 IT Contractual Services</b>   | (\$2,402,718)          | R  |
| Reduces the SFY 2003 Certified Budget for information technology contractual services by 15%.  |                        |    |
| <b>139 Position Eliminations - DIRM</b>  | (\$410,250)            | R  |
| Eliminates 2.0 filled and 11.0 vacant positions in the Division of Information Management: 3.0 Application Analyst Programmer I's, 3.0 Application Programmer II's, 1.0 Application Programmer I, 1.0 Information Processing Assistant I, 1.0 Processing Assistant IV, 2.0 Telecommunications Equipment Tech. III's, 1.0 System Program Manager I, and 1.0 Applications Systems Manager I. |                        |    |
|  | -13.00                 |    |
| <b>140 NC Child Advocacy Institute Grant-In-Aid</b>  | (\$25,000)             | R  |
| Reduces the grant-in-aid to the NC Child Advocacy Institute.   |                        |    |
| <b>141 Position Eliminations - Controller's Office</b>   | (\$53,000)             | R  |
| Eliminates 2 vacant positions in the DHHS Controller Office. Eliminates 1.0 Accounting Clerk IV and 1.0 EBT Coordinator.   |                        |    |
|  | -2.00                  |    |
| <b>142 Print Shop Elimination</b>  | (\$46,657)             | R  |
| Eliminates the Print Shop in the Office of Public Affairs. DHHS shall contract for printing services with the Department of Corrections.   |                        |    |
|  | -6.00                  |    |
| <b>143 Position Eliminations - Central Administration</b>  | (\$237,471)            | R  |
| Eliminates three filled positions: 1.0 Business Officer III, 1.0 Program Development Coordinator, and 1.0 Special Assistant for Intervention Services.   |                        |    |
|  | -3.00                  |    |
| <b>144 More At Four</b>  | \$28,065,300           | R  |
| Increases funding for the "More At Four" prekindergarten program for at-risk preschoolers. \$250,000 shall be transferred to the Division of Child Development to fund the following positions: 1.0 filled and 2.0 vacant Child Program Specialists and 1.0 vacant Administrative Assistant I.   |                        |    |
| <hr/>  |                        |    |
| <b>Budget Changes</b>  | (\$30,523,931)         | R  |
|  | (\$17,127,538)         | NR |
| <b>Total Position Changes</b>  | -293.70                |    |
| <b>Revised Total Budget</b>  | <b>\$3,596,428,649</b> |    |
| <hr/>  |                        |    |

**NATURAL  
&  
ECONOMIC  
RESOURCES  
Section H**



Housing Finance Agency

GENERAL FUND

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|   |                    |
|---|--------------------|
|   | <b>FY 02-03</b>    |
| <b>Total Budget Approved 2001 Session</b> | <b>\$5,300,000</b> |

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|   |               |
|---|---------------|
| <b>Budget Changes</b>                       |               |
| <b>Housing Finance Agency</b>               |               |
| <b>1 Reduce HOME Program Matching Funds</b> | (\$540,600) R |
| Reduce HOME Program matching funds.         |               |

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|                               |                    |
|-------------------------------|--------------------|
| <b>Budget Changes</b>         | (\$540,600) R      |
| <b>Total Position Changes</b> |                    |
| <b>Revised Total Budget</b>   | <b>\$4,759,400</b> |

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# Agriculture and Consumer Services

GENERAL FUND

Total Budget Approved 2001 Session

FY 02-03  
\$55,268,040

## Budget Changes

### Administration/Public Affairs

|   |             |    |
|---|-------------|----|
| <b>2 Eliminate Vacant Position</b>  | (\$85,871)  | R  |
| Eliminate vacant Deputy Commissioner position in Administration.  |             |    |
|   | -1.00       |    |
| <b>3 Eliminate Vacant Position</b>  | (\$28,420)  | R  |
| Eliminate vacant Processing Assistant III in Human Resources.   |             |    |
|   | -1.00       |    |
| <b>4 Eliminate Vacant Position</b>  | (\$37,674)  | R  |
| Eliminate vacant Accounting Clerk IV in the Budget & Finance Section.   |             |    |
|   | -1.00       |    |
| <b>5 Reduce Operating Support</b>   | (\$36,000)  | R  |
| Reduce operating line items.  |             |    |
| Computer Equipment (\$35,000)   |             |    |
| Travel (\$ 1,000)   |             |    |
| <b>6 Reduce Operating Support</b>   | (\$50,000)  | R  |
| Reduce postage & printing and binding line items in the Public Affairs budget.  |             |    |
| <b>7 Reduce Reserve</b>   | (\$85,143)  | R  |
| Reduce gas and natural gas reserve line item.   |             |    |
| <b>8 Reduce Reserve</b>   | (\$100,000) | R  |
| Reduce reserve for laboratory equipment.  |             |    |
| <b>9 Eliminate Education Funds</b>  | (\$100,000) | R  |
| Eliminate funds to educate the public on turf grass research.   |             |    |
| <b>10 Reduce Funding</b>  | (\$32,750)  | R  |
| Reduce funding for Ag in the Classroom Program.   |             |    |
| <b>11 Transfer Capital Funds to Operating Budget</b>  | (\$148,729) | NR |
| Transfer unexpended balance of capital appropriation for swine facility at Cherry Farm to operating budget as partial off-set to appropriation for Farmland Preservation Trust. |             |    |
| <b>12 Farmland Preservation Trust Fund</b>  | \$200,000   | NR |
| Provide funds for the Farmland Preservation Trust Fund.   |             |    |

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**Agricultural Finance Authority**

**13 Eliminate General Fund Appropriation** (\$104,595) R  
 Shift funding for Director position to receipt support. This action will make the Agricultural Finance Authority entirely receipt-supported. -1.00

**Agricultural Statistics**

**14 Eliminate Vacant Position** (\$40,495) R  
 Eliminate vacant Statistician I position. -1.00

**15 Eliminate Filled Position** (\$29,335) R  
 Eliminate filled Data Entry Operator II position. -1.00

**16 Shift Position to Receipt Support** (\$34,740) R  
 Shift funding for one filled Lithographic Press Operator position to NC State Fair receipts. -1.00

**17 Reduce Operating Support** (\$46,500) R  
 Reduce operating line items.  
 Temporary wages (\$45,000)  
 Travel (\$ 1,500)

**Agronomic Services**

**18 Eliminate Vacant Positions** (\$59,296) R  
 Eliminate 2 vacant positions in Agronomic Services. -2.00  
 Processing Assistant III (\$29,096)  
 Nematology Technician (\$30,200)

**19 Reduce Operating Support** (\$5,000) R  
 Reduce travel line item.

**Aquaculture**

**20 Eliminate Vacant Position** (\$39,184) R  
 Eliminate vacant Administrative Secretary position. -1.00

**21 Eliminate Filled Position** (\$30,491) R  
 Eliminate filled Office Assistant IV position. -1.00

**22 Reduce Operating Support** (\$1,000) R  
 Reduce travel line item.

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**Emergency Programs**

**23 Eliminate Vacant Position** (\$42,744) R  
 Eliminate vacant Administrative Officer II position.  
 -1.00

**Food and Drug Protection**

**24 Eliminate Vacant Position** (\$30,572) R  
 Eliminate vacant Processing Assistant III position in the Analytical Administration Section.  
 -1.00

**25 Eliminate Vacant Positions** (\$67,298) R  
 Eliminate 2 vacant positions in the Commercial Fertilization Section.  
 -2.00  
 Chemistry Technician II (\$32,757)  
 Chemistry Technician II (\$34,541)

**26 Eliminate Vacant Positions** (\$229,239) R  
 Eliminate 4 vacant positions in the Pesticide Section.  
 -4.00  
 Pesticide Specialist II (\$63,548)  
 Pesticide Specialist II (\$50,693)  
 Pesticide Inspector I (\$47,113)  
 Chemist I (\$67,885)

**27 Eliminate Filled Positions** (\$79,341) R  
 Eliminate 2 filled positions in the Pesticide Section.  
 -2.00  
 Processing Assistant III (\$25,012)  
 Pesticide Specialist I (\$54,329)

**28 Reduce Operating Support** (\$10,500) R  
 Reduce funds to collect outdated and unused pesticides for proper disposal.

**29 Reduce Operating Support** (\$61,772) R  
 Reduce funds for waste removal and recycling, postage and printing.

**30 Reduce Operating Support** (\$26,000) R  
 Reduce operating line items.  
 Equipment/vehicles (\$18,000)  
 Travel (\$ 8,000)

**31 Eliminate Vacant Positions** (\$89,762) R  
 Eliminate 3 vacant positions from the Food and Drug Protection Section.  
 -3.00  
 Chemistry Technician III (\$38,662)  
 Processing Assistant III (\$26,663)  
 Medical Laboratory Assistant I (\$24,437)



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**Food Distribution**

|   |            |   |
|---|------------|---|
| <b>32 Shift Position to Receipt Support</b>             | (\$35,120) | R |
| Shift funding for Storeroom Manager to receipt support. |            |   |
|   | -1.00      |   |
| <b>33 Reduce Operating Support</b>                      | (\$3,000)  | R |
| Reduce travel line item.                                |            |   |

**Marketing**

|  |             |    |
|--|-------------|----|
| <b>34 Eliminate General Fund Appropriation</b>   | (\$40,343)  | R  |
| Eliminate General Fund appropriation to the Raleigh Farmers Market. This action will make the Raleigh Farmers Market entirely receipt-supported. |             |    |
| <b>35 Eliminate General Fund Appropriation</b>   | (\$70,000)  | R  |
| Eliminate General Fund Appropriation to the Western NC Development Association.  |             |    |
| <b>36 Eliminate Vacant Positions</b>   | (\$213,339) | R  |
| Eliminate 6 vacant positions.  |             |    |
|  | -6.00       |    |
| Agricultural Marketing Specialist II   | (\$46,304)  |    |
| Agricultural Marketing Specialist II   | (\$41,990)  |    |
| Artist Illustrator   | (\$38,006)  |    |
| Statistical Asst. V  | (\$40,741)  |    |
| General Utility Worker   | (\$23,008)  |    |
| Security Guard   | (\$23,290)  |    |
| <b>37 Close Field Offices</b>  | (\$34,615)  | R  |
| Close the Kinston and Roseboro field offices, reduce associated operating costs and relocate staff to other offices.                             |             |    |
| <b>38 Eliminate Filled Position</b>  | (\$35,050)  | R  |
| Eliminate filled Office Assistant position in the Roseboro field office.   |             |    |
|  | -1.00       |    |
| <b>39 Eliminate Filled Positions</b>   | (\$104,259) | R  |
| Eliminate 4 filled positions at the Lumberton Farmers Market.  |             |    |
|  | -4.00       |    |
| Maintenance Mechanic II  | (\$27,471)  |    |
| Maintenance Mechanic II  | (\$27,471)  |    |
| Processing Assistant III   | (\$24,455)  |    |
| Processing Assistant III   | (\$24,862)  |    |
| <b>40 Reduce Operating Support</b>   | (\$45,000)  | R  |
| Reduce operating support for Seafood Marketing.  | (\$55,000)  | NR |
| <b>41 Reduce Operating Support</b>   | (\$157,902) | R  |
| Reduce various operating line items.   | (\$23,000)  | NR |

**Agriculture and Consumer Services**

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|  |             |       |
|--|-------------|-------|
| <b>42 Eliminate General Fund Appropriation</b>   | (\$184,909) | R     |
| Eliminate General Fund appropriation to the Western Agricultural Center. Funds will be replaced with receipts from the NC Mountain State Fair.               |             |       |
| <b>Plant Industry</b>  |             |       |
| <b>43 Eliminate Vacant Positions</b>   | (\$97,793)  | R     |
| Eliminate 2 vacant positions in the Commercial Fertilizer Section.   |             |       |
| Fertilizer Administrator   | (\$53,736)  | -2.00 |
| Agricultural Research Technician   | (\$44,057)  |       |
| <b>44 Reduce Operating Support</b>   | (\$17,000)  | R     |
| Reduce operating line items in the Commercial Fertilizer Section.  |             |       |
| Temporary wages  | (\$ 5,000)  |       |
| Travel   | (\$12,000)  |       |
| <b>45 Eliminate Vacant Position</b>  | (\$41,234)  | R     |
| Eliminate vacant Plant Pest Specialist position in the Plant Protection Section.   |             |       |
|  |             | -1.00 |
| <b>46 Eliminate Operating Support</b>  | (\$60,000)  | R     |
| Eliminate operating costs for the fire ant protection program in the Commercial Fertilizer Section.  |             |       |
| <b>47 Reduce Operating Support</b>   | (\$50,000)  | NR    |
| Reduce operating support for the Commercial Fertilizer Section by \$50,000. NC Boll Weevil Foundation will make a one time donation to offset the reduction. |             |       |
| <b>48 Eliminate Filled Position</b>  | (\$26,104)  | R     |
| Eliminate filled Laboratory Technician position in the Seed Testing Section.   |             |       |
|  |             | -1.00 |
| <b>49 Reduce Operating Support</b>   | (\$6,500)   | R     |
| Reduce operating line items in the Seed Testing Section.   |             |       |
| Temporary wages  | (\$5,000)   |       |
| Travel   | (\$1,500)   |       |
| <b>Poultry Grading &amp; Regulatory</b>  |             |       |
| <b>50 Eliminate Filled Positions</b>   | (\$73,819)  | R     |
| Eliminate 2 filled positions.  |             |       |
| Agricultural Commodity Inspector   | (\$31,073)  | -2.00 |
| Agricultural Commodity Inspector   | (\$42,746)  |       |
| <b>51 Eliminate Vacant Position</b>  | (\$80,021)  | R     |
| Eliminate vacant Assistant Director for Agricultural Marketing position.   |             |       |
|  |             | -1.00 |

Agriculture and Consumer Services

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**FY 02-03**

**52 Reduce Operating Support**  
Reduce travel line item.

((\$5,000) R

**Property and Construction**

**53 Shift Position to Receipt Support**

(\$60,390) R

Shift funding for one filled Construction and Renovation Design Technician position to NC State Fair receipts.

-1.00

**Research Stations**

**54 Eliminate Vacant Positions**

(\$393,817) R

Eliminate 12 vacant positions in Research Stations.

-12.00

Office Assistant IV (\$34,492)  
Ag Research Tech I (\$38,445)  
Ag Research Assistant I (\$30,458)  
Ag Research Tech I (\$40,151)  
Ag Research Assistant III (\$30,061)  
Ag Research Tech I (\$40,151)  
Ag Research Assistant I (\$23,290)  
Ag Research Assistant I (\$23,290)  
Ag Research Tech I (\$35,628)  
Ag Research Assistant II (\$30,457)  
Ag Research Tech II (\$38,604)  
Ag Research Assistant II (\$28,790)

**55 Reduce Operating Support**

(\$556,000) R

Reduce operating line items in Research Stations.

Repairs/equipment (\$22,000)  
Telephone (\$22,000)  
Carpentry & Hardware Supplies (\$22,000)  
Ag/Animal Supplies (\$200,000)  
Vehicles (\$290,000)

**56 Eliminate Vacant Positions**

(\$108,171) R

Eliminate 4 vacant positions in Research Farms.

-4.00

Ag Research Assistant I (\$25,174)  
Ag Research Assistant I (\$25,174)  
Ag Research Assistant II (\$28,692)  
Ag Research Assistant III (\$29,131)

**57 Reduce Operating Support**

(\$373,455) R

Reduce operating support for Research Farms.

Repairs (\$8,000)  
Telephone (\$2,000)  
Carpentry & Hardware Supplies (\$10,000)  
Ag/Animal Supplies (\$138,455)  
Vehicles (\$215,000)

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**58 Eliminate Operating Support**

Eliminate operating support for the NC Official Variety tests for one year.

(\$25,000) NR

**Standards**

**59 Eliminate Vacant Positions**

Eliminate 2 vacant Long Distance Truck Drivers in the Weights and Measures Inspection Section.

(\$75,078) R

-2.00

**60 Reduce Operating Support**

Reduce operating line items.

(\$17,000) R

Equipment/vehicles (\$13,000)

Travel (\$ 4,000)

**Veterinary Services**

**61 Eliminate Vacant Positions**

Eliminate 5 vacant positions in Veterinary Services Section.

(\$157,103) R

-5.00

Processing Assistant III (\$25,516)

Processing Assistant III (\$28,530)

Medical Laboratory Technician II (\$31,073)

Medical Laboratory Technician II (\$33,490)

Animal Health Technician I (\$38,494)

**62 Eliminate Vacant Position**

Eliminate vacant Meat and Poultry Inspector position. This position is cost-shared 50/50 with the federal government.

(\$21,995) R

-0.50

**63 Reduce Operating Support**

Reduce various line items in the Meat and Poultry Inspections Section.

(\$42,990) NR

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**Budget Changes**

(\$4,677,739) R

(\$144,719) NR

**Total Position Changes**

-67.50

**Revised Total Budget**

**\$50,445,582**

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Labor

GENERAL FUND

Total Budget Approved 2001 Session

FY 02-03  
\$15,117,906

Budget Changes

Administration

|  |            |   |
|--|------------|---|
| <b>64 Reduce Operating Support</b>   | (\$9,500)  | R |
| Reduce various operating line items in the Commissioner's Office.  |            |   |
| <b>65 Eliminate Filled Position</b>  | (\$55,988) | R |
| Eliminate filled Agency Safety Program Director II position in the Commissioner's Office.  |            |   |
|  | -1.00      |   |
| <b>66 Shift Position to Receipt Support</b>  | (\$36,722) | R |
| Shift funding for Accounting Technician II position in the Budget & Management section to receipt support. Position is now supported by elevator and amusement device inspection fees. |            |   |
|  | -1.00      |   |
| <b>67 Reduce Operating Support</b>   | (\$12,063) | R |
| Reduce various operating line items in the Information Office.   |            |   |
| <b>68 Reduce Operating Support</b>   | (\$9,062)  | R |
| Reduce various operating line items in the Information Technology section.   |            |   |
| <b>69 Reduce Operating Support</b>   | (\$4,702)  | R |
| Reduce maintenance budget in the Publications section.   |            |   |

Agriculture Safety & Health

|   |            |   |
|---|------------|---|
| <b>70 Shift Position to Receipt Support</b>   | (\$20,697) | R |
| Shift funding for .48 FTE of Safety Officer position to receipt support. This action will make this position 100% federally funded. |            |   |
|   | -0.48      |   |

Apprenticeship

|  |            |   |
|--|------------|---|
| <b>71 Eliminate Vacant Position</b>            | (\$28,174) | R |
| Eliminate vacant Office Assistant IV position. |            |   |
|  | -1.00      |   |

Arbitration/Conciliation

|  |           |   |
|--|-----------|---|
| <b>72 Eliminate Operating Support</b>  | (\$2,677) | R |
| Eliminate operating budget. This action closes out the budget for the Arbitration/Conciliation Program, whose sole position was eliminated in FY 2001-02. The Program's function has been absorbed by the Legal Affairs & Employment Mediation Division. |           |   |

Labor

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**Elevator & Amusement Device**

**73 Eliminate General Fund Appropriation** (\$131,934) R  
 Shift support for operations to receipts from elevator and amusement device inspections. This action will make the Bureau entirely receipt-supported.

**Labor Standards**

**74 Eliminate Operating Support** (\$14,411) R  
 Eliminate operating budget in Private Personnel Services Bureau. This action closes out the budget for the Bureau, whose function has been absorbed by the Wage & Hour Bureau.

**75 Reduce Operating Support** (\$33,445) R  
 Reduce various operating line items in the Employment Discrimination Bureau.

**76 Reduce Operating Support** (\$40,820) R  
 Reduce various operating line items in the Wage & Hour Bureau.

**Mine & Quarry**

**77 Reduce Operating Support** (\$10,000) R  
 Reduce various operating line items.

**Occupational Safety & Health (OSH)**

**78 Reduce Operating Support** (\$201,611) R  
 Reduce various operating line items.

**79 Shift Positions to Receipt Support** (\$70,581) R  
 Shift funding for 1.90 positions to receipt support.

OSHA Safety Officer (\$46,650)  
 Processing Assistant III (0.90 FTE) (\$23,931) -1.90

**80 Eliminate Vacant Positions** (\$74,063) R  
 Eliminate 2 vacant positions.

Industrial Hygiene Inspector (\$48,305)  
 Processing Assistant III (\$25,758) -2.00

**81 Eliminate Filled Positions** (\$200,010) R  
 Eliminate 3 filled positions.

OSHA Safety Supervisor (\$63,961)  
 OSHA Industrial Hygiene Supervisor (\$69,961)  
 OSHA Safety Supervisor (\$66,088) -3.00

Labor

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|   |                     |          |
|---|---------------------|----------|
| <b>82 Reduce Salary &amp; Benefits</b>  | (\$33,795)          | R        |
| Reduce salary reserve, matching social security, and retirement line items.   |                     |          |
| <b>83 Reduce Operating Support</b>  | (\$31,419)          | R        |
| Reduce legal services line item for the OSH Review Board.   |                     |          |
| <b>84 Transfer Program &amp; Personnel</b>  | \$69,949            | R        |
| Transfer HR Partner for Industrial Hygiene position and employee, and \$500 in associated operating costs from the Office of State Personnel. This action will consolidate industrial hygiene services provided to state agencies/universities. |                     |          |
| <hr/>   |                     |          |
| <b>Budget Changes</b>   | <b>(\$951,725)</b>  | <b>R</b> |
| <b>Total Position Changes</b>   | -9.38               |          |
| <b>Revised Total Budget</b>   | <b>\$14,166,181</b> |          |
| <hr/>   |                     |          |

# Environment & Natural Resources

GENERAL FUND

**Total Budget Approved 2001 Session**

**FY 02-03**  
**\$158,722,700**

**Budget Changes**

**(1.00) Administration**

**85 Eliminate Vacant Positions** (\$280,201) R  
 Eliminate 6.25 vacant positions in Administrative Services.

|  |            |  |
|--|------------|--|
|  | -6.25      |  |
| Processing Assistant III                 | (\$34,740) |  |
| Accounting Tech. I                       | (\$32,525) |  |
| Office Work Unit Supervisor IV(0.25 FTE) | ( \$7,398) |  |
| Administrative Secretary III             | (\$40,315) |  |
| Administrative Assistant V               | (\$34,116) |  |
| Systems Accountant II                    | (\$79,343) |  |
| Administrative Officer II                | (\$51,764) |  |

**86 Eliminate Filled Position** (\$88,968) R  
 Eliminate filled Environmental Supervisor III position in the Human Resources Office.

-1.00

**(2.00) Aquariums**

**87 Eliminate Vacant Positions** (\$160,568) R  
 Eliminate 4 vacant positions.

|                                    |            |  |
|------------------------------------|------------|--|
|                                    | -4.00      |  |
| Info & Communication Specialist II | (\$54,206) |  |
| Natural Science Curator I          | (\$32,186) |  |
| Natural Science Curator I          | (\$32,186) |  |
| Natural Science Curator II         | (\$41,990) |  |

**88 Reduce Operating Support** (\$391,178) R  
 Reduce various operating line-items.

**(2.00) Environmental Education**

**89 Reduce Operating Funds** (\$14,601) R  
 Reduce various operating line items in the Office of Environmental Education.

**(2.00) Forest Resources**

**90 Eliminate Vacant Positions** (\$227,572) R  
 Eliminate 5 vacant positions in the forestry field offices.

|                            |            |  |
|----------------------------|------------|--|
|                            | -5.00      |  |
| Office Assistant III       | (\$28,204) |  |
| Office Assistant III       | (\$30,049) |  |
| Forestry Supervisor II     | (\$59,534) |  |
| Forestry Supervisor II     | (\$71,439) |  |
| Administrative Assistant I | (\$38,346) |  |



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|   |             |  |                      |          |
|---|-------------|--|----------------------|----------|
| <b>91 Shift Position to Receipt Support</b>   |             |  | <b>(\$44,220)</b>    | <b>R</b> |
| Shift funding for a vacant Forester II position to receipt support.   |             |  |                      |          |
|   |             |  | -1.00                |          |
| <b>92 Reduce Operating Support</b>  |             |  | <b>(\$1,347,448)</b> | <b>R</b> |
| Reduce operating line items in the forestry field offices.  |             |  |                      |          |
| Seasonal Wages  | (\$246,887) |  |                      |          |
| Overtime/Fringe   | (\$495,758) |  |                      |          |
| Equipment/Vehicles  | (\$329,000) |  |                      |          |
| Other   | (\$275,803) |  |                      |          |
| <b>93 Reduce Contracts</b>  |             |  | <b>(\$150,000)</b>   | <b>R</b> |
| Reduce funds for a CL-215 aircraft contract.  |             |  |                      |          |
| <b>94 Reduce BRIDGE Program</b>   |             |  | <b>(\$33,158)</b>    | <b>R</b> |
| Reduce funding for seasonal and overtime wages in the BRIDGE program.                                       |             |  |                      |          |
| <b>95 Shift Position to Receipt Support</b>   |             |  | <b>(\$52,044)</b>    | <b>R</b> |
| Shift funding for a vacant Forestry Technician position to receipt support in the Tree Improvement Program. |             |  |                      |          |
|   |             |  | -1.00                |          |
| <b>96 Reduce Seasonal and Overtime Wages</b>  |             |  | <b>(\$10,499)</b>    | <b>R</b> |
| Reduce funding for seasonal and overtime wages in the Tree Improvement Program.                             |             |  |                      |          |
| <b>(2.00) Marine Fisheries</b>  |             |  |                      |          |
| <b>97 Reduce Operating Support</b>  |             |  | <b>(\$84,685)</b>    | <b>R</b> |
| Reduce various operating line items in administration.  |             |  |                      |          |
| <b>98 Eliminate Vacant Positions</b>  |             |  | <b>(\$109,528)</b>   | <b>R</b> |
| Eliminate 3 vacant positions.   |             |  |                      |          |
|   |             |  | -3.00                |          |
| Marine Fisheries Technician II  | (\$33,940)  |  |                      |          |
| Cartographic Technician   | (\$28,964)  |  |                      |          |
| Marine Fisheries Biologist Supervisor   | (\$46,624)  |  |                      |          |
| <b>99 Shift Position to Receipt Support</b>   |             |  | <b>(\$46,624)</b>    | <b>R</b> |
| Shift funding for one Marine Fisheries Biological Supervisor position to receipt support.                   |             |  |                      |          |
|   |             |  | -1.00                |          |
| <b>100 Reduce Operating Support</b>   |             |  | <b>(\$284,152)</b>   | <b>R</b> |
| Reduce various operating line items for marine research.  |             |  |                      |          |
| <b>101 Reduce Operating Support</b>   |             |  | <b>(\$90,432)</b>    | <b>R</b> |
| Reduce various operating line items in the Marine Patrol section.   |             |  |                      |          |

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|   |                    |          |
|---|--------------------|----------|
| <b>102 Shift Positions to Receipt Support</b>   | <b>(\$101,902)</b> | <b>R</b> |
| Shift funding for 2 positions to receipt support in the Marine Patrol section.  |                    | -2.00    |
| Marine Fisheries Enforcement Officer III  | (\$36,000)         |          |
| Marine Enforcement Assistant Chief  | (\$65,902)         |          |
| <br>  |                    |          |
| <b>(2.00) Museum of Natural Sciences</b>  |                    |          |
| <b>103 Eliminate Vacant Positions</b>   | <b>(\$190,096)</b> | <b>R</b> |
| Eliminate 6 vacant positions in the Museum of Natural Sciences.   |                    | -6.00    |
| Wildlife/Fish Technician I  | (\$30,236)         |          |
| Art Museum Exhibit Design Tech  | (\$33,066)         |          |
| Natural Sciences Curator I  | (\$32,186)         |          |
| Natural Sciences Curator I  | (\$32,186)         |          |
| Natural Sciences Curator I  | (\$32,186)         |          |
| Wildlife Fisheries Tech I   | (\$30,236)         |          |
| <br>  |                    |          |
| <b>104 Reduce Grassroots Science Museums</b>  | <b>(\$318,240)</b> | <b>R</b> |
| Reduce funding for the Grassroots Science Museums by 10.2%.   |                    |          |
| <br>  |                    |          |
| <b>(2.00) Parks and Recreation</b>  |                    |          |
| <b>105 Eliminate Vacant Positions in State Parks</b>  | <b>(\$71,007)</b>  | <b>R</b> |
| Eliminate 2 vacant positions at the following parks:  |                    | -2.00    |
| Lake James - Maintenance Mechanic I   | (\$25,244)         |          |
| Falls Lake - Park Superintendent I  | (\$45,763)         |          |
| <br>  |                    |          |
| <b>106 Eliminate Filled Positions in State Parks</b>  | <b>(\$219,579)</b> | <b>R</b> |
| Eliminate 7 filled positions at the following parks:  |                    | -7.00    |
| Waynesborough - General Utility Worker  | (\$23,388)         |          |
| Weymouth Woods - Maintenance Mechanic II  | (\$30,085)         |          |
| Jordan Lake - Park Superintendent I   | (\$46,842)         |          |
| Jockey's Ridge - Maintenance Mechanic II  | (\$28,402)         |          |
| Kerr Lake - Park Superintendent I   | (\$43,713)         |          |
| Medoc Mountain - General Utility Worker   | (\$23,371)         |          |
| Pettigrew - General Utility Worker  | (\$23,778)         |          |
| <br>  |                    |          |
| <b>107 Eliminate Filled Positions</b>   | <b>(\$79,216)</b>  | <b>R</b> |
| Eliminate 2 filled positions in the central office.   |                    | -2.00    |
| Processing Assistant III  | (\$28,811)         |          |
| Facility Architect I  | (\$50,405)         |          |
| <br>  |                    |          |
| <b>108 Eliminate Vacant Position</b>  | <b>(\$38,913)</b>  | <b>R</b> |
| Eliminate vacant Environmental Specialist II position in the central office.  |                    | -1.00    |
| <br>  |                    |          |
| <b>109 Shift Position to Receipt Support</b>  | <b>(\$27,512)</b>  | <b>R</b> |
| Shift funding for an Office Assistant III position to receipt support. This position will be funded from the Parks and Recreation Trust Fund. |                    | -1.00    |

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|   |  |  |  |  |  |
|---|--|--|--|--|--|
| <b>110 Reduce Operating Support</b>   |  |  |  |  |  |
| Reduce various operating line items division-wide.  |  |  |  |  |  |
|   |  |  |  |  |  |
| <b>111 Reduce Adopt-a-Trails Program</b>  |  |  |  |  |  |
| Reduce funding for the Adopt-a-Trails Program.  |  |  |  |  |  |
|   |  |  |  |  |  |
| <b>(2.00) Soil and Water Conservation</b>   |  |  |  |  |  |
| <b>112 Eliminate Vacant Positions</b>   |  |  |  |  |  |
| Eliminate 1.5 vacant positions.   |  |  |  |  |  |
|   |  |  |  |  |  |
| Office Assistant IV   |  |  |  |  |  |
| Environmental Technician III (0.50 FTE)   |  |  |  |  |  |
|   |  |  |  |  |  |
|   |  |  |  |  |  |
| <b>113 Reduce Operating Support</b>   |  |  |  |  |  |
| Reduce various operating line items.  |  |  |  |  |  |
|   |  |  |  |  |  |
| <b>114 Reduce Agriculture Cost Share Financial Assistance</b>   |  |  |  |  |  |
| Reduce funds for the Agriculture Cost Share Program for nonpoint source pollution control to reimburse farmers up to 75% of the costs of installing best management practices to improve and protect water quality. |  |  |  |  |  |
|   |  |  |  |  |  |
| <b>(2.00) Zoological Park</b>   |  |  |  |  |  |
| <b>115 Shift Positions to Receipt Support</b>   |  |  |  |  |  |
| Shift funding for 5.5 positions to receipt support.   |  |  |  |  |  |
|   |  |  |  |  |  |
| Zoo Security Officer II   |  |  |  |  |  |
| Zoo Security Officer II   |  |  |  |  |  |
| Vehicle Operator II   |  |  |  |  |  |
| Horticultural Technician  |  |  |  |  |  |
| Horticultural Technician  |  |  |  |  |  |
| Housekeeping Team Leader (0.5 FTE)  |  |  |  |  |  |
|   |  |  |  |  |  |
| <b>116 Eliminate Vacant Positions</b>   |  |  |  |  |  |
| Eliminate 7.5 vacant positions in the Zoological Park.  |  |  |  |  |  |
|   |  |  |  |  |  |
| Zoo Security Officer I  |  |  |  |  |  |
| Zoo Security Officer I  |  |  |  |  |  |
| Staff Development Specialist I  |  |  |  |  |  |
| Groundsworker   |  |  |  |  |  |
| Public Info. Asst. III (0.50 FTE)   |  |  |  |  |  |
| Library Tech Asst. II   |  |  |  |  |  |
| Zoo Keeper I  |  |  |  |  |  |
| Zoo Keeper I  |  |  |  |  |  |
|   |  |  |  |  |  |
| <b>117 Eliminate Filled Position</b>  |  |  |  |  |  |
| Eliminate .50 FTE of a filled Office Assistant III position at the Zoo.   |  |  |  |  |  |

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|  |             |                    |              |
|--|-------------|--------------------|--------------|
| <b>118 Reduce Operating Support</b>  |             | <b>(\$65,222)</b>  | <b>R</b>     |
| Reduce various operating line items and budget \$5,222 in over-realized receipts.  |             |                    |              |
| <b>(3.00) Air Quality</b>  |             |                    |              |
| <b>119 Eliminate General Fund Appropriation</b>  |             | <b>(\$509,145)</b> | <b>R</b>     |
| Shift funding for 9 positions and \$32,758 in operating expenses to receipt support. This action will make the Division of Air Quality entirely receipt-supported. |             |                    |              |
|  |             |                    | <b>-9.00</b> |
| Environmental Program Manager  | (\$102,610) |                    |              |
| Administrative Secretary III   | (\$ 41,625) |                    |              |
| Environmental Engineer II  | (\$ 59,625) |                    |              |
| Environmental Chemist II   | (\$ 52,455) |                    |              |
| Environmental Specialist II  | (\$ 39,535) |                    |              |
| Info Processing Assistant II   | (\$ 38,155) |                    |              |
| Environmental Chemist II   | (\$ 50,505) |                    |              |
| Environmental Chemist II   | (\$ 63,077) |                    |              |
| Office Assistant IV  | (\$ 28,800) |                    |              |
| <b>(3.00) Coastal Management</b>   |             |                    |              |
| <b>120 Shift Position to Receipt Support</b>   |             | <b>(\$133,592)</b> | <b>R</b>     |
| Shift funding for 2.5 positions to receipt support.  |             |                    |              |
|  |             |                    | <b>-2.50</b> |
| Environmental Specialist III   | (\$52,255)  |                    |              |
| Exten. Education & Training Specialist I   | (\$43,178)  |                    |              |
| Environmental Supervisor III (0.50 FTE)  | (\$38,159)  |                    |              |
| <b>121 Reduce Land Use Planning Grants</b>   |             | <b>(\$76,000)</b>  | <b>R</b>     |
| Reduce funds for land use planning grants.   |             |                    |              |
| <b>122 Reduce Operating Funds</b>  |             | <b>(\$33,252)</b>  | <b>R</b>     |
| Reduce over-budgeted operating funds for the Preyer Buckridge Coastal Reserve.   |             |                    |              |
| <b>(3.00) Environmental Health</b>   |             |                    |              |
| <b>123 Reduce Operating Support</b>  |             | <b>(\$192,809)</b> | <b>R</b>     |
| Reduce various operating line items division-wide.   |             |                    |              |
| <b>124 Reduce Aid to County</b>  |             | <b>(\$134,281)</b> | <b>R</b>     |
| Reduce funding for aid to counties for environmental health programs.  |             |                    |              |
| <b>125 Eliminate Vacant Positions</b>  |             | <b>(\$44,020)</b>  | <b>R</b>     |
| Eliminate 1.5 vacant positions in the Environmental Health Services section.   |             |                    |              |
|  |             |                    | <b>-1.50</b> |
| Program Assistant IV   | (\$28,896)  |                    |              |
| Processing Assistant IV (0.50 FTE)   | (\$15,124)  |                    |              |

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|   |             |   |
|---|-------------|---|
| <b>126 Shift Position to Receipt Support</b>  | (\$22,818)  | R |
| Shift funding for .71 FTE of a Processing Assistant IV position to receipt support in the Public Water Supply section.                                  |             |   |
|   | -0.71       |   |
| <b>127 Transfer Radiation Protection</b>  | \$1,078,477 | R |
| Transfer all responsibilities, receipts and positions of the Division of Radiation Protection to the Division of Environmental Health.                  |             |   |
|   | 19.50       |   |
| <b>128 Eliminate Vacant Positions</b>   | (\$162,658) | R |
| Eliminate 3 vacant positions as part of the reorganization which merges the Division of Radiation Protection into the Division of Environmental Health. |             |   |
|   | -3.00       |   |
| Radiation Protection Services Chief   | (\$95,655)  |   |
| Administrative Assistant I  | (\$40,891)  |   |
| Office Assistant IV   | (\$26,112)  |   |
| <b>129 Shift Positions to Receipt Support</b>   | (\$221,838) | R |
| Shift funding for 4 positions and \$6,568 in operating expense to receipt support.  |             |   |
|   | -4.00       |   |
| Environmental Supervisor I  | (\$70,138)  |   |
| Radiological Health Specialist  | (\$55,502)  |   |
| Radiological Health Specialist  | (\$37,668)  |   |
| Health Physicist  | (\$51,962)  |   |
| <b>130 Budget Increased Receipts</b>  | (\$226,250) | R |
| Budget increased food and lodging facility fees and reduce General Fund appropriation by an equal amount.   |             |   |
| <b>(3.00) Land Resources</b>  |             |   |
| <b>131 Eliminate Vacant Position</b>  | (\$25,962)  | R |
| Eliminate vacant Office Assistant III position in the Geological Survey section.  |             |   |
|   | -1.00       |   |
| <b>132 Reduce Operating Support</b>   | (\$25,551)  | R |
| Reduce various operating line items in the Geological Survey section.   |             |   |
| <b>133 Eliminate Vacant Position</b>  | (\$37,185)  | R |
| Eliminate vacant Geodetic Survey Analysis Technician I position in the Geodetic Survey section.   |             |   |
|   | -1.00       |   |
| <b>134 Shift Position to Receipt Support</b>  | (\$7,768)   | R |
| Shift funding for .25 FTE of a Geodetic Survey Technician I position to receipt support.  |             |   |
|   | -0.25       |   |

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

|   |            |                      |          |
|---|------------|----------------------|----------|
| <b>135 Shift Positions to Receipt Support</b>   |            | <b>(\$517,862)</b>   | <b>R</b> |
| Shift funding for 11 positions and \$2,147 in operating expenses to receipt support in the Land Quality section.                                |            | -11.00               |          |
| Environmental Engineer III  | (\$68,927) |                      |          |
| Environmental Technician V  | (\$37,384) |                      |          |
| Environmental Engineer II   | (\$58,093) |                      |          |
| Environmental Technician V  | (\$42,709) |                      |          |
| Environmental Technician V  | (\$44,046) |                      |          |
| Environmental Technician V  | (\$38,017) |                      |          |
| Environmental Engineer I  | (\$53,457) |                      |          |
| Environmental Technician V  | (\$38,725) |                      |          |
| Environmental Technician V  | (\$44,553) |                      |          |
| Environmental Engineer I  | (\$47,571) |                      |          |
| Environmental Technician V  | (\$42,233) |                      |          |
| <b>136 Shift Position to Receipt Support</b>  |            | <b>(\$19,263)</b>    | <b>R</b> |
| Shift funding for .50 FTE of an Office Assistant III and \$3,151 in operating expenses to receipt support.                                      |            | -0.50                |          |
| <b>(3.00) Pollution Prevention</b>  |            |                      |          |
| <b>137 Shift Positions to Receipt Support</b>   |            | <b>(\$110,981)</b>   | <b>R</b> |
| Shift funding for 2.13 positions to receipt support.  |            | -2.13                |          |
| Environmental Specialist III (0.58 FTE)   | (\$35,757) |                      |          |
| Industrial Development Rep I (0.55 FTE)   | (\$26,590) |                      |          |
| Industrial Development Rep I  | (\$48,634) |                      |          |
| <b>138 Reduce Operating Support</b>   |            | <b>(\$48,989)</b>    | <b>R</b> |
| Reduce various operating line items.  |            |                      |          |
| <b>(3.00) Radiation Protection</b>  |            |                      |          |
| <b>139 Abolish Division</b>   |            | <b>(\$1,078,477)</b> | <b>R</b> |
| Abolish the Division of Radiation Protection and transfer all responsibilities, receipts and positions to the Division of Environmental Health. |            | -19.50               |          |
| <b>(3.00) Waste Management</b>  |            |                      |          |
| <b>140 Shift Positions to Receipt Support</b>   |            | <b>(\$118,278)</b>   | <b>R</b> |
| Shift funding for 2 positions to receipt support.   |            | -2.00                |          |
| Hydrogeologist II   | (\$58,501) |                      |          |
| Environmental Engineer  | (\$59,777) |                      |          |
| <b>141 Eliminate Vacant Position</b>  |            | <b>(\$26,167)</b>    | <b>R</b> |
| Eliminate vacant Office Assistant III position.   |            | -1.00                |          |
| <b>142 Reduce Operating Support</b>   |            | <b>(\$28,248)</b>    | <b>R</b> |
| Reduce various operating line items.  |            |                      |          |

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**(3.00) Water Quality**

|  |                    |          |
|--|--------------------|----------|
| <b>143 Shift Positions to Receipt Support</b>  | <b>(\$242,610)</b> | <b>R</b> |
| Shift funding for 4 positions and \$54,629 in operating expenses to receipt support in the Wetlands Restoration Program. | -4.00              |          |
| Environmental Specialist II (\$53,864)   |                    |          |
| Environmental Specialist II (\$43,933)   |                    |          |
| Environmental Specialist III (\$44,784)  |                    |          |
| Environmental Specialist III (\$45,400)  |                    |          |
| <b>144 Shift Positions to Receipt Support</b>  | <b>(\$215,834)</b> | <b>R</b> |
| Shift funding for 5 positions to receipt support in the Groundwater section.   | -5.00              |          |
| Environmental Engineer I (\$49,444)  |                    |          |
| Hydrogeologist I (\$44,432)  |                    |          |
| Office Assistant III (\$26,628)  |                    |          |
| Hydrogeologist I (\$44,432)  |                    |          |
| Environmental Chemist II (\$50,898)  |                    |          |
| <b>145 Eliminate Vacant Position</b>   | <b>(\$35,197)</b>  | <b>R</b> |
| Eliminate vacant Hydro Technician II position in the Groundwater section.  | -1.00              |          |
| <b>146 Shift Positions to Receipt Support</b>  | <b>(\$150,446)</b> | <b>R</b> |
| Shift funding for 4 positions to receipt support in the Water Quality section.   | -4.00              |          |
| Environmental Specialist II (\$40,316)   |                    |          |
| Environmental Specialist I (\$35,874)  |                    |          |
| Environmental Biologist I (\$39,560)   |                    |          |
| Environmental Technician IV (\$34,696)   |                    |          |
| <b>147 Reduce Operating Support</b>  | <b>(\$63,692)</b>  | <b>R</b> |
| Reduce various operating line items in the Groundwater section.  |                    |          |
| <b>148 Eliminate Vacant Position</b>   | <b>(\$45,240)</b>  | <b>R</b> |
| Eliminate vacant Environmental Chemist II position in the Water Quality section.   | -1.00              |          |
| <b>(3.00) Water Resources</b>  |                    |          |
| <b>149 Eliminate Vacant Positions</b>  | <b>(\$87,442)</b>  | <b>R</b> |
| Eliminate 2 vacant positions.  | -2.00              |          |
| Environmental Biologist II (\$51,513)  |                    |          |
| Environmental Specialist I (\$35,929)  |                    |          |
| <b>150 Reduce Operating Support</b>  | <b>(\$48,396)</b>  | <b>R</b> |
| Reduce various operating line items.   |                    |          |

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**(5.00) Reserves and Transfers**

|  |             |    |
|--|-------------|----|
| <b>151 Reduce Grant Funds</b>  | (\$190,000) | R  |
| Reduce grant funds for research projects recommended for funding by the NC Water Quality Workgroup.      |             |    |
| <b>152 Reduce Partnership for the Sounds</b>   | (\$52,760)  | R  |
| Reduce funds to Partnership for the Sounds by 10.2%.   |             |    |
| <b>153 Resource Conservation and Development Councils</b>  | \$90,000    | NR |
| Provides each of the State's ten Resource Conservation and Development Councils with a grant of \$9,000. |             |    |

**(6.00) Wildlife Resources Commission**

|  |             |   |
|--|-------------|---|
| <b>154 Reduce Beaver Control Program</b>   | (\$51,000)  | R |
| Reduce funds to the Beaver Control Program by 10.2%.   |             |   |
| <b>155 Reduce Transfer</b>   | (\$450,000) | R |
| Reduce transfer to the Wildlife Resources Commission for equalization of Law Enforcement Officer's salaries. |             |   |

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|                               |                      |           |
|-------------------------------|----------------------|-----------|
| <b>Budget Changes</b>         | <b>(\$9,994,113)</b> | <b>R</b>  |
|                               | <b>\$90,000</b>      | <b>NR</b> |
| <b>Total Position Changes</b> | <b>-114.84</b>       |           |
| <b>Revised Total Budget</b>   | <b>\$148,818,587</b> |           |

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Environment & Natural Resources - Clean Water  
Management Trust Fund

GENERAL FUND

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|   |                 |                     |
|---|-----------------|---------------------|
| <b>Total Budget Approved 2001 Session</b> | <b>FY 02-03</b> | <b>\$70,000,000</b> |
|---|-----------------|---------------------|

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|   |  |                         |
|---|--|-------------------------|
| <b>Budget Changes</b>   |  |                         |
| <b>Clean Water Management Trust Fund</b>  |  |                         |
| <b>156 Reduce Clean Water Management Trust Fund</b>                             |  |                         |
| Reduce funds to the Clean Water Management Trust Fund by 5% for the 2002-03 FY. |  |                         |
|   |  | <b>(\$3,500,000) NR</b> |

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|                               |  |                         |
|-------------------------------|--|-------------------------|
| <b>Budget Changes</b>         |  | <b>(\$3,500,000) NR</b> |
| <b>Total Position Changes</b> |  |                         |
| <b>Revised Total Budget</b>   |  | <b>\$66,500,000</b>     |

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Commerce

GENERAL FUND

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|   |                     |
|---|---------------------|
| <b>Total Budget Approved 2001 Session</b> | <b>FY 02-03</b>     |
|   | <b>\$44,280,374</b> |

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**Budget Changes**

**Administration**

- |                                      |            |   |
|--------------------------------------|------------|---|
| <b>157 Reduce Operating Support</b>  | (\$40,706) | R |
| Reduce various operating line items. |            |   |
| <b>158 Reduce Operating Support</b>  | (\$98,000) | R |
| Eliminate audit services line item.  |            |   |

**Air Transportation**

- |  |             |    |
|--|-------------|----|
| <b>159 Reduce Operating Support</b>  | (\$121,489) | R  |
| Reduce various operating line items.   |             |    |
| <b>160 Sell Bell Helicopter</b>  | (\$700,000) | NR |
| Budget receipts from sale of Bell 206 Helicopter and reduce General Fund appropriation on a one-time basis by an equal amount. |             |    |

**Business & Industry**

- |  |             |   |
|--|-------------|---|
| <b>161 Eliminate Vacant Position</b>                                     | (\$43,416)  | R |
| Eliminate vacant Administrative Assistant IV position.                   |             |   |
|  | -1.00       |   |
| <b>162 Eliminate Transfer to Global TransPark Authority</b>              | (\$172,036) | R |
| Eliminate transfer of funds to Global TransPark Authority for marketing. |             |   |

**Commerce Finance Center**

- |   |               |   |
|---|---------------|---|
| <b>163 Eliminate Vacant Position</b>                        | (\$53,384)    | R |
| Eliminate vacant Industrial Finance Specialist II position. |               |   |
|   | -1.00         |   |
| <b>164 Reduce Operating Support</b>                         | (\$18,999)    | R |
| Reduce various operating line items.                        |               |   |
| <b>165 Reduce Industrial Development Revolving Fund</b>     | (\$1,380,528) | R |
| Reduce funding for Industrial Development Revolving Fund.   |               |   |

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**Commission on Workforce Preparedness**

|  |            |       |
|--|------------|-------|
| <b>166 Shift Positions to Receipt Support</b>  | (\$89,687) | R     |
| Shift funding for 1.16 positions to receipt support and eliminate \$4,074 in operating support. This action will make the Commission completely receipt-supported. |            | -1.16 |
| Deputy Director (0.58 FTE)   | (\$58,901) |       |
| Administrative Assistant (0.58 FTE)  | (\$26,712) |       |

**Community Assistance**

|  |             |       |
|--|-------------|-------|
| <b>167 Eliminate Vacant Position</b>   | (\$42,318)  | R     |
| Eliminate vacant Drafting Technician II position.  |             | -1.00 |
| <b>168 Shift Positions to Receipt Support</b>  | (\$53,168)  | R     |
| Shift funding for 1.5 positions to receipt support. These positions are now funded from federal Community Development Block Grant funds. |             | -1.50 |
| Information & Communications Specialist II   | (\$37,954)  |       |
| Office Assistant IV (0.50 FTE)   | (\$15,214)  |       |
| <b>169 Reduce Office Rent</b>  | (\$23,120)  | R     |
| Reduce office rent expense as a result of closing Kinston and Salisbury offices.   |             |       |
| <b>170 Reduce Transfer to Councils of Government</b>   | (\$102,850) | R     |
| Reduce transfer to Councils of Government (COGs) by 11%.   |             |       |

**Industrial Commission**

|   |             |       |
|---|-------------|-------|
| <b>171 Budget Over-Realized Receipts</b>  | (\$327,844) | R     |
| Budget over-realized receipts from hearing and compromised settlement agreement fees, and reduce General Fund appropriation by an equal amount. |             |       |
| <b>172 Shift Positions to Receipt Support</b>   | (\$261,204) | R     |
| Shift funding for 6.43 positions to receipt support.  |             | -6.43 |
| Applications Analyst Programmer I   | (\$74,298)  |       |
| Computing Support Technician I (0.43 FTE)   | (\$13,543)  |       |
| Processing Assistant III  | (\$26,590)  |       |
| Data Control Clerk III  | (\$24,862)  |       |
| Program Assistant V   | (\$35,179)  |       |
| Program Assistant V   | (\$34,616)  |       |
| Agency Legal Specialist I   | (\$52,116)  |       |
| <b>173 Eliminate Vacant Positions</b>   | (\$110,103) | R     |
| Eliminate 2.82 vacant positions.  |             | -2.82 |
| Application Programmer I  | (\$38,147)  |       |
| Computing Support Technician I (0.32 FTE)   | (\$10,078)  |       |
| Processing Assistant III (0.50 FTE)   | (\$18,592)  |       |
| Administrative Assistant I  | (\$43,286)  |       |

**Commerce**

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

|  |            |               |       |
|--|------------|---------------|-------|
| <b>174 Eliminate Filled Position</b>   |            |               |       |
| Eliminate filled Processing Assistant II position.   |            | (\$25,156)    | R     |
|  |            |               | -1.00 |
| <b>International Trade</b>   |            |               |       |
| <b>175 Eliminate Vacant Position</b>   |            | (\$28,346)    | R     |
| Eliminate vacant Office Assistant IV position.   |            |               | -1.00 |
| <b>176 Reduce Operating Support</b>  |            | (\$200,000)   | R     |
| Reduce various operating line items.   |            |               |       |
| <b>Management Information Systems</b>  |            |               |       |
| <b>177 Eliminate Filled Position</b>   |            | (\$45,695)    | R     |
| Eliminate filled Telecommunications Equipment Technician I position.   |            |               | -1.00 |
| <b>178 Reduce Operating Support</b>  |            | (\$44,651)    | R     |
| Reduce operating line items.   |            |               |       |
| Computer Software  | (\$30,000) |               |       |
| Other  | (\$14,651) |               |       |
| <b>Policy &amp; Research</b>   |            |               |       |
| <b>179 Reduce Operating Support</b>  |            | (\$45,663)    | R     |
| Reduce various operating line items.   |            |               |       |
| <b>Reserves &amp; Transfers</b>  |            |               |       |
| <b>180 Regional Economic Development Commissions</b>   |            | (\$6,425,000) | R     |
| Remove funding to the Regional Economic Development Commissions from the Department of Commerce's main budget code and budget funding in the Commerce State Aid budget code. |            |               |       |
| <b>Science &amp; Technology</b>  |            |               |       |
| <b>181 Eliminate Filled Position</b>   |            | (\$66,626)    | R     |
| Eliminate filled Education Consultant position.  |            |               | -1.00 |
| <b>Tourism, Film and Sports Development</b>  |            |               |       |
| <b>182 Reduce Operating Support</b>  |            | (\$169,680)   | R     |
| Reduce various operating line items.   |            |               |       |

Conference Report on the Continuation, Capital and Expansion Budgets

|  | <b>FY 02-03</b>     |    |
|--|---------------------|----|
| <b>183 Eliminate Vacant Position</b>   | (\$60,441)          | R  |
| Eliminate vacant Program Development Coordinator position in the Office of Sports Development. This action eliminates the last position in this Office. Sports Development activities will be absorbed into the Division's overall activities. | -1.00               |    |
| <b>184 Eliminate Advertising Reserve</b>   | (\$50,000)          | R  |
| Eliminate advertising reserve line item.   |                     |    |
| <b>185 Reduce Operating Support</b>  | (\$50,000)          | R  |
| Reduce various operating line items in the Welcome Centers.  |                     |    |
| <b>186 Funds for Film Recruitment</b>  | \$500,000           | NR |
| Provide funds for the Film Industry Development Account, which provides grants as incentives to film/TV production companies that engage in production activities in the State.  |                     |    |
| <hr/>  |                     |    |
| <b>Budget Changes</b>  | (\$10,150,110)      | R  |
|  | (\$200,000)         | NR |
| <b>Total Position Changes</b>  | -19.91              |    |
| <b>Revised Total Budget</b>  | <b>\$33,930,264</b> |    |
| <hr/>  |                     |    |

Commerce - State Aid

|              |
|--------------|
| GENERAL FUND |
|--------------|

|   |                    |
|---|--------------------|
| <b>Total Budget Approved 2001 Session</b> | <b>FY 02-03</b>    |
|   | <b>\$5,200,000</b> |

| <b>Budget Changes</b>  |                     |          |
|--|---------------------|----------|
| <b>Grants-in-Aid</b>   |                     |          |
| <b>187 Eliminate Coalition of Farm and Rural Families</b>  | (\$250,000)         | R        |
| Eliminate General Fund appropriation for the Coalition of Farm and Rural Families.   |                     |          |
| <b>188 Reduce Land Loss Prevention Project</b>   | (\$45,000)          | R        |
| Reduce General Fund appropriation for the Land Loss Prevention Project by 10%.   |                     |          |
| <b>189 Reduce Institute of Minority Economic Development</b>   | (\$150,000)         | R        |
| Reduce General Fund appropriation for the Institute of Minority Economic Development by 10%.   |                     |          |
| <b>190 Reduce Minority Support Center</b>  | (\$60,000)          | R        |
| Reduce General Fund appropriation for the Minority Support Center by 10%.  |                     |          |
| <b>191 Reduce NC Community Development Initiative</b>  | (\$200,000)         | R        |
| Reduce General Fund appropriation for the NC Community Development Initiative by 10%.  |                     |          |
| <b>192 Reduce NC Association of CDCs</b>   | (\$40,000)          | R        |
| Reduce General Fund appropriation for the NC Association of CDCs by 10%.   |                     |          |
| <b>193 Regional Economic Development Commissions</b>   | \$5,830,000         | R        |
| Transfer \$6,425,000 from the Commerce main budget code to the Commerce State Aid budget code and reduce funds to each Regional Economic Development Commission by \$85,000. |                     |          |
| <b>Budget Changes</b>  | <b>\$5,085,000</b>  | <b>R</b> |
| <b>Total Position Changes</b>  |                     |          |
| <b>Revised Total Budget</b>  | <b>\$10,285,000</b> |          |

N.C. Biotechnology Center

GENERAL FUND

|  |  |                    |    |
|--|--|--------------------|----|
|  |  | <b>FY 02-03</b>    |    |
| <b>Total Budget Approved 2001 Session</b>  |  | <b>\$6,270,468</b> |    |
| <hr/>  |  |                    |    |
| <b>Budget Changes</b>  |  |                    |    |
| <b>Business &amp; Technology Development</b>   |  |                    |    |
| <b>194 Reduce Revolving Loan Fund</b>  |  | (\$300,000)        | R  |
| Reduce funding for Small Business Revolving Loan Fund.   |  |                    |    |
| <br><b>Corporate Affairs</b>   |  |                    |    |
| <b>195 Shift Position to Non-State Funding</b>   |  | (\$42,526)         | R  |
| Shift funding for position to non-state sources.   |  |                    |    |
| <br><b>General &amp; Administrative</b>  |  |                    |    |
| <b>196 Shift Expenses to Non-State Funding</b>   |  | (\$34,521)         | R  |
| Shift funding for facility operations expenses to non-state sources.   |  |                    |    |
| <br><b>HMU Initiative</b>  |  |                    |    |
| <b>197 Eliminate Balance of Restricted Funds</b>   |  | (\$250,000)        | NR |
| Transfer the unexpended balance of restricted funds from the Historically Minority University Biotechnology Initiative to the Center's general operating budget. Reduce General Fund appropriation by an equal amount. This action will close out the Biotechnology Center's financial relationship with the HMU Initiative, which was transferred to the University System in FY 2001-02. |  |                    |    |
| <hr/>  |  |                    |    |
| <b>Budget Changes</b>  |  | (\$377,047)        | R  |
|  |  | (\$250,000)        | NR |
| <b>Total Position Changes</b>  |  |                    |    |
| <b>Revised Total Budget</b>  |  | <b>\$5,643,421</b> |    |
| <hr/>  |  |                    |    |

Rural Economic Development Center

GENERAL FUND

|  |             |                    |   |
|--|-------------|--------------------|---|
|  |             | <b>FY 02-03</b>    |   |
| <b>Total Budget Approved 2001 Session</b>                            |             | <b>\$5,090,749</b> |   |
| <hr/>  |             |                    |   |
| <b>Budget Changes</b>  |             |                    |   |
| <b>Grant Programs</b>  |             |                    |   |
| <b>198 Supplemental Funding Program</b>                              |             | (\$280,251)        | R |
| Reduce funding for grants.   |             |                    |   |
| Water and Sewer Grants   | (\$255,251) |                    |   |
| Water, Sewer, and Business Development Grants                        | (\$ 25,000) |                    |   |
| <b>199 Reduce Research &amp; Demonstration Grants</b>                |             | (\$44,000)         | R |
| Reduce funding for Research and Demonstration Grants.                |             |                    |   |
| <b>200 Reduce CDC Program</b>  |             | (\$56,200)         | R |
| Reduce funding for grants to Community Development Corporations.     |             |                    |   |
| <b>Microenterprise Loan Program</b>                                  |             |                    |   |
| <b>201 Reduce Local Support</b>                                      |             | (\$23,400)         | R |
| Reduce funding to local lending sites.                               |             |                    |   |
| <b>Opportunities Industrialization Centers</b>                       |             |                    |   |
| <b>202 Reduce Operating Support</b>                                  |             | (\$20,000)         | R |
| Reduce operating support to Opportunities Industrialization Centers. |             |                    |   |
|  |             | <hr/> (\$423,851)  | R |
| <b>Budget Changes</b>  |             |                    |   |
| <b>Total Position Changes</b>  |             |                    |   |
| <b>Revised Total Budget</b>  |             | <b>\$4,666,898</b> |   |
| <hr/>  |             |                    |   |



**JUSTICE  
&  
PUBLIC SAFETY  
Section I**



Judicial

GENERAL FUND

FY 02-03

Total Budget Approved 2001 Session

\$305,465,135

Budget Changes

|   |  |                                  |
|---|--|----------------------------------|
| <p><b>1 Reduction in Salary Reserve</b><br/>                 The accumulated balance in salary reserve is reduced by \$1,000,000.</p>   | <p>(\$1,000,000)</p>   | <p>R</p>                         |
| <p><b>2 Vacant Court Reporter</b><br/>                 One vacant court reporter position is eliminated; there are currently 4 vacant positions. The Judicial Branch may use up to \$45,000 of funds made available by this reduction to pilot a program of audio visual court reporting in District #13.</p>   | <p>(\$50,593)<br/>                 \$47,000<br/>                 -1.00</p> | <p>R<br/>                 NR</p> |
| <p><b>3 Public Information Officer</b><br/>                 The Public Information Officer position is eliminated. This leaves the Communication Director to carry out public information duties.</p>   | <p>(\$57,709)<br/>                 -1.00</p>                               | <p>R</p>                         |
| <p><b>4 Information Technology Positions</b><br/>                 A vacant special projects coordinator position in the information technology division (2209-1100-0750-807) and a vacant Business System's Analyst position (2210-1100-0650-654) are eliminated. An additional Business Systems Manager position is also eliminated.</p>   | <p>(\$250,742)<br/>                 -3.00</p>                              | <p>R</p>                         |
| <p><b>5 Guardian Ad Litem Administration</b><br/>                 The number of regional administrators in the Guardian Ad Litem program is reduced from 4 to 3.</p>  | <p>(\$59,739)<br/>                 -1.00</p>                               | <p>R</p>                         |
| <p><b>6 Contractual Services</b><br/>                 Budgeted funds for contractual services are reduced by \$500,000. This leaves a certified budget of \$1.3 Million. The AOC uses lapsed salaries for the majority of contractual expenses.</p>   | <p>(\$500,000)</p>   | <p>R</p>                         |
| <p><b>7 Travel &amp; Per-Diem Expenses</b><br/>                 Travel and per-diem expenses are reduced to reflect less frequent conferences for court personnel. The number of DA training conferences is reduced from 2 to 1, the number of Judges' conferences from 3 to 2 and the number of Clerks' conferences from 2 to 1. In addition, where feasible, conferences will be held only at state facilities and utilize state agencies as trainers. There will be no out-of-state travel with state funds in 2002-3 by Judicial Branch employees or officials, other than travel related to prosecutorial work. In addition, automatic rotation of superior court judges is suspended until July 1, 2003, saving an additional \$360,000 in travel expenses.</p> | <p>(\$201,670)<br/>                 (\$479,000)</p>                        | <p>R<br/>                 NR</p> |

Conference Report on the Continuation, Capital and Expansion Budgets

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**8 Magistrates**

Five magistrate positions will be eliminated Jan 1, 2003 with the reductions taken in the lowest workload counties. In addition, positions that are currently vacant or become vacant prior to December 31st shall remain vacant until new appointments are made effective Jan 1, 2003. The AOC shall identify the counties where the reduction will be implemented. Counties where a vacancy leaves them with less than 4 active magistrates are exempt from the requirement of maintaining vacancies through December.

(\$88,542) R  
 (\$113,427) NR  
 -5.00

**9 Appellate Courts Reductions**

Funding for the appellate courts is reduced to reflect (1) elimination of the use of emergency judges at the Court of Appeals and (2) reduction in library expenses to eliminate unnecessary duplication of library resources between the Court of Appeals and the Supreme Court; (3) elimination of a vacant Editorial Assistant position; (4) elimination, as of January 1, 2003, of any positions authorized under GS 7A-12.

(\$145,626) R  
 -2.00

**10 Reduce Budgeted Emergency Judge Pay**

Budgeted funds for emergency judge pay at the trial court level are reduced 80% to reflect greater management of the use of emergency judges.

(\$300,000) R

**11 Dispute Settlement Centers**

Funding for all 27 programs is reduced 16% in 2002-3. In addition, a process for collection of a \$60 fee in court referred cases that are successfully resolved by the program is to be established, affecting overall General Fund availability by \$360,000 on an annualized basis.

(\$254,872) NR

**12 Sentencing Commission Position**

A vacant Research & Policy Associate position at the Sentencing & Policy Advisory Commission is eliminated.

(\$56,713) R  
 -1.00

**13 Family Court Program**

Nonpersonnel expenses for the Family Court program are reduced \$100,000 to reflect increased efficiencies in training and operational costs.

(\$100,000) R

**14 District Attorney Support Staff**

One Victim Witness Legal Assistant position is eliminated in District #2 and 2 positions in District #24. These are the only districts with more VWLA's than assistant district attorney positions.

(\$103,101) R  
 -3.00

**15 Operating Cost Reductions**

The following operating cost line items are reduced; budgeted funds for matching federal grants are eliminated (\$350,000), funding for software maintenance is reduced by (\$274,495) to reflect new agreements on upgraded hardware, rent expenses are reduced by (\$19,500), postage is reduced by (\$16,900), and registration fees by (\$17,246).

(\$678,141) R

Conference Report on the Continuation, Capital and Expansion Budgets

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|  |                      |    |
|--|----------------------|----|
| <b>16 District Court Mandatory Arbitration</b>   | (\$174,177)          | R  |
| Expenditures for arbitration fees are reduced to reflect limitations on the program to exclude collections cases from mandatory arbitration. These cases represent about 21% of the current caseload. In addition, eight fulltime coordinator positions are reduced to .75 fte (districts 10,14,18,20,21,25,27A, and 29) and a half time position in #27A is eliminated.   | -2.50                |    |
| <b>17 Drug Treatment Court Reduction</b>   | (\$300,000)          | R  |
| The General Fund portion of funding for the Drug Treatment Court program is reduced to reflect changes in the allocation of federal funds, the greater use of outside resources for case management and efficiencies in administration of the program. The Drug Treatment Court Administrator position is eliminated and these duties will be absorbed by other AOC staff. | -1.00                |    |
| <b>18 Transfer &amp; Redesign of Sentencing Services Program</b>   | (\$5,759,409)        | R  |
| The Sentencing Services program is transferred to the Office of Indigent Defense Services as of July 1, 2002.  | -33.50               |    |
| <b>19 Budget Worthless Check Receipts</b>  | (\$175,000)          | R  |
| Fully budgets receipts from the worthless check program. This adjustment reflects receipt levels for 2001-2 and leaves a General Fund appropriation of \$24,077.   |                      |    |
| <b>20 Increase Worthless Check Program Fee</b>   | (\$89,373)           | R  |
| The fee for participation in the worthless check program is increased from \$50 to \$60, effective Oct 1. Proceeds shall be treated as a budgeted receipt for the Judicial Branch.   |                      |    |
| <b>21 Telephone and Data Lines for New Courthouse</b>  | \$100,000            | NR |
| Funds are provided for telephone and data lines for a new courthouse in Dare County. The continuation budget already includes funds for wiring a new courthouse in New Hanover County. While county governments are responsible for the construction of court facilities, the Judicial Branch is responsible for providing these lines.                                    |                      |    |
| <b>22 Judicial Assistant Position</b>  | (\$38,132)           | R  |
| A Superior Court Judicial Assistant position in District #19B (Montgomery, Moore, Randolph) is eliminated effective August 1, 2002. This position is assigned to a regular rather than Senior Resident Superior Court Judge.   | -1.00                |    |
| <hr/>  |                      |    |
| <b>Budget Changes</b>  | (\$10,128,667)       | R  |
|  | (\$700,299)          | NR |
| <b>Total Position Changes</b>  | -55.00               |    |
| <b>Revised Total Budget</b>  | <b>\$294,636,169</b> |    |
| <hr/>  |                      |    |

Judicial - Indigent Defense

GENERAL FUND

FY 02-03

Total Budget Approved 2001 Session

\$68,867,771

Budget Changes

|  |              |    |
|--|--------------|----|
| <b>23 Assistant Public Defender</b>  | (\$74,227)   | R  |
| One Assistant Public Defender position is eliminated in District #12, Cumberland County. This leaves 13 attorney positions. This office ranks lowest among the public defender offices in cases per attorney.  | -1.00        |    |
| <b>24 Transfer of Sentencing Services Program</b>  | \$3,543,357  | R  |
| The Sentencing Services program is transferred from the Administrative Office of the Courts to the Office of Indigent Defense Services. Of the 26 state positions currently authorized, only 4 positions may be assigned to administrative duties not directly related to the production of sentencing plans. Funding for the program is reduced by 33% to reflect a narrower focus for the program and more efficient administration. The Office of Indigent Defense Services may use a combination of state employees and contractual arrangements with local governments or non profit organizations to provide sentencing services in as many districts as possible. | 26.00        |    |
| <b>25 Expansion of Mecklenburg Public Defender Program</b>   | \$0          | R  |
| The Office of Indigent Defense Services is authorized to use up to \$745,000 to create up to 10 attorney positions and up to 5 other (legal assistant, investigator) positions in the Mecklenburg County Public Defender office, effective October 1, 2002. These positions will be funded out of existing funding for indigent defense. This expansion is projected to save \$143,015 in 2002-3.  | \$0<br>15.00 | NR |
| <b>26 Increased Funding for Assigned Counsel</b>   | \$525,000    | R  |
| The budget for assigned counsel for indigent defendants is increased by a one-time general fund appropriation of \$4,950,000. These funds are to be used to pay some of the \$6.7 million in unpaid attorney fees carried over from 2001-02. Expenditures have exceeded the continuation budget for several years. The assigned counsel budget is also increased by \$525,000 in recurring funds.  | \$4,950,000  | NR |
| <b>27 Budget Receipts from Appointment Fee</b>   | (\$525,000)  | R  |
| A new appointment fee will be instituted December 1, 2002 with the receipts to be budgeted to the Office of Indigent Defense Services.   |              |    |

**28 Establish Public Defender Office in Forsyth County**

The Office of Indigent Defense Services is authorized to use up to \$1,225,000 in existing funding to create a public defender office in Forsyth County. Funds will be used to create a Public Defender position, 13 additional attorney positions, 3 paralegal, 3 investigator and 1 administrative assistant position. The OIDS projects to save at least \$72,000 during 2002-3 by establishing a public defender office and thereby reducing the use of assigned counsel in Forsyth County.

\$0 R  
 \$0 NR  
 21.00

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|                               |                     |              |
|-------------------------------|---------------------|--------------|
| <b>Budget Changes</b>         | <b>\$3,469,130</b>  | <b>R</b>     |
|                               | <b>\$4,950,000</b>  | <b>NR</b>    |
| <b>Total Position Changes</b> |                     | <b>61.00</b> |
| <b>Revised Total Budget</b>   | <b>\$77,286,901</b> |              |

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Total Budget Approved 2001 Session

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|----------|
| FY 02-03 |
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 \$73,785,584

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**Budget Changes**

|  |             |        |    |
|--|-------------|--------|----|
| <b>29 Temporary Services</b>   |             |        |    |
| Reduce the continuation budget for temporary personnel services.   | (\$200,415) |        | NR |
| <b>30 DARE Program</b>   | (\$150,286) |        | R  |
| Reduce the continuation budget for the Drug and Alcohol Resistance Education (DARE) Program. Amount remaining may be provided as pass-through funding to the NC Dare Foundation to purchase and distribute educational materials or provide technical assistance to support local law enforcement agencies' anti-drug initiatives. |             | -3.00  |    |
| <b>31 Laboratory Drug/Alcohol Analyses</b>   | (\$500,000) |        | R  |
| Effective October 1, 2002, increase the restitution payments for drug analyses and add new restitution payment for alcohol-related DWI analyses conducted by the SBI Crime Laboratory.   |             |        |    |
| <b>32 NC Background Checks</b>   | (\$14,000)  |        | R  |
| Eliminate the exemption of NC background check fees for prospective lawyers.   |             |        |    |
| <b>33 Uniform Allowance</b>  | (\$117,200) |        | NR |
| Reduce amount budgeted for SBI uniform allowances.   |             |        |    |
| <b>34 SBI Training Academy</b>   | (\$50,000)  |        | NR |
| One time reduction in the amount budgeted for SBI training.  |             |        |    |
| <b>35 Reduction in Force</b>   | (\$479,305) |        | R  |
| Eliminate 12 positions in Legal Services, Criminal Training and Standard, and the SBI.   |             | -12.00 |    |
| <b>36 Vehicle Replacement</b>  | (\$500,000) |        | NR |
| Reduce vehicle replacement budget by \$500,000.  |             |        |    |
| <b>37 Eliminate Remaining OIG Funds</b>  | (\$42,895)  |        | R  |
| The Office of Inspector General was eliminated effective January 1, 2002. The balance remaining in the continuation budget for this purpose is eliminated.   |             |        |    |
| <b>38 LEXIS Contract</b>   | (\$100,000) |        | R  |
| Continuation budget is reduced to reflect savings from the renegotiation of the LEXIS publishing contract.   |             |        |    |



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**39 Supplies and equipment**

Reduce continuation budget for supplies and equipment.

**(\$523,500) NR**

**40 Eliminate Vacant Positions**

Eliminate 4 vacant positions:

**(\$169,790) R**

- #4506 Business Officer I
- #4627 Prog. Asst. IV
- #0839 Prog. Asst. V
- #3555 Proc. Asst. V

-4.00

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**Budget Changes**

**(\$1,456,276) R**

**(\$1,391,115) NR**

**Total Position Changes**

-19.00

**Revised Total Budget**

**\$70,938,193**

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# Juvenile Justice & Delinquency Prevention

GENERAL FUND

FY 02-03

Total Budget Approved 2001 Session

\$142,554,017

## Budget Changes

### Central Administration

#### 41 Reduce Non-Salary Line Items

Reduce non-salary line items (\$200,000) NR

#### 42 Reduce Central Administration Budget

(\$916,320) R

The Central Office budget is reduced by 11% by cutting operating expenses and three vacant positions: Teen Court Coordinator, Asst. Secy. For Special Initiatives, and a Specialist for the Center for the Prevention of Violence. Position reductions total \$227,184 while Non-Salary reductions are:

-3.00

\$122,987 Travel and Supplies  
 \$101,788 Indirect Costs from Federal Grants  
 \$100,000 Rent  
 \$ 36,383 SOS Program N.S. Line Items  
 \$ 29,900 Gov One on One N.S. Line Items  
 \$298,078 Prior year refunds from JCPC's

#### 43 Eliminate Vacant Special Assistant Position

(\$83,684) R

The duties of this position have been combined with another position so this vacant position can be eliminated.

-1.00

### Intervention/Prevention

#### 44 Juvenile Court Counselors

(\$407,000) R

The continuation budget for juvenile court counselors is reduced by \$407,000. Of this amount, \$200,000 is to be taken from 532700 Travel/Other Employee Expenses. The remaining amount shall be generated by eliminating 5 vacant positions effective July 1, 2002.

-5.00

#### 45 Project Challenge

Reduce pass-through funds by 20%. (\$30,000) NR

#### 46 Close Multipurpose Group Homes

(\$1,500,000) R

Close three multi-purpose group homes located in Macon, Randolph and Cabarrus Counties.

**47 JCPC Grants**

(\$689,665) R

The continuation budget for the Juvenile Crime Prevention Councils (JCPC) county allocations is reduced by \$689,665. This amount is less than the proposed Senate reduction and is intended to offset the elimination of direct state appropriations for county teen court programs. For FY 2002-03, DJJDP shall allocate \$488,660 to JCPCs in those counties which received a direct state appropriation for a teen court program in FY 2001-02, as specified below. DJJDP shall instruct the county JCPCs to provide funds to their county teen court programs in the amount specified:

- \$30,000 Bladen County
- \$40,000 Brunswick County
- \$25,000 Buncombe County
- \$14,330 Cabarrus County
- \$25,000 Chatham County
- \$30,000 Cumberland County
- \$30,000 Davidson County
- \$20,000 Duplin County
- \$70,000 Durham County
- \$14,330 Forsyth County
- \$20,000 Guilford County
- \$30,000 Jones County
- \$30,000 New Hanover County
- \$20,000 Onslow County
- \$40,000 Orange County
- \$25,000 Rockingham County
- \$25,000 Wake County

**48 Teen Court**

(\$488,660) R

Dedicated state funding for teen court programs in specific counties is eliminated. Those counties wishing to retain a teen court program are directed to provide funding from their JCPC allocations or alternative funding sources.

**49 Governor's One-on-One**

Reduce the continuation budget by 10 percent.

(\$117,811) NR

**50 Communities in Schools**

(\$102,500) R

Reduce pass-through funds by \$102,500. This reduction is to be taken from the central headquarters' budget and, combined with other state funding reductions, represents an overall decrease of about 10% in the administrative budget.

**51 Eliminate Vacant Program Coordinator**

(\$50,132) R

Eliminate the position of Community Based Alternative Program Coordinator (1881-0000-0000-290) effective July 1, 2002.

-1.00

**Youth Facilities**

**52 Funding to Repair Buncombe Detention Center**

DJJDP is authorized to carry out basic repairs and renovations in order to keep Buncombe Detention Center operational.

\$135,850 NR

**53 Convert Samarkand Manor YDC to Female Facility**

DJJDP will eliminate 128 juvenile offender beds and 154 positions at the Samarkand Manor Youth Development Center (Training School). Up to 73 beds will remain for female offenders. Samarkand is being closed because of the high cost of operations, the extent of renovation and repair needs, and to begin carrying out the intent of the Juvenile Justice Act to downsize and eventually eliminate training schools (YDCs).

(\$6,860,236) R

-154.00

**54 Consolidate Detention Center**

Umstead Detention Center will be closed July 1. The bed capacity of the facility will be re-established at the Dillon YDC. Juveniles in detention will be housed and managed separately from the training school population. This action will result in a loss of another 22 YDC beds. Combined with the downsizing of Samarkand, a total of 150 YDC beds will be eliminated. The 24 positions being eliminated here are vacant; some vacancies are being taken from the YDC's to meet the budget reduction amount shown and to avoid further reductions in filled positions.

(\$1,082,608) R

-24.00

**55 Reduce Medical Budget**

The budget for medical services for juvenile offenders exceeds expenditures in FY 02. With the downsizing of facilities, an additional reduction can be made.

(\$100,000) R

**56 Increase Detention Center Receipts**

The State and County each pay 50% of the cost of a detention center bed. The rate charged to counties has not been adjusted in FY 02 to reflect actual State costs which now exceed 50%. Adjusting the rate charged to counties will increase receipts by \$600,000, allowing a reduction in the General Fund.

(\$600,000) R

**57 Increase Receipts for Food Service**

DJJDP Detention Centers are eligible to receive federal funds to help pay for meals for youthful offenders. Receiving these receipts will allow a reduction in the General Fund. One federally funded position is established to manage this program.

(\$350,000) R

1.00

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**58 Eliminate Vacant Detention Center Positions**

3.5 vacant positions are eliminated. 2.5 positions are eliminated from Alexander Detention Center: a Maintenance Mechanic III, a Nurse (.5), and a Youth Program Assistant. One position is eliminated from Richmond Detention, an Administrative Assistant V. These positions were initially recommended for reduction by DJJDP in order to meet the original reduction amount of \$7.43 million for Samarkand.

(\$126,618) R  
-3.50

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|                               |                       |           |
|-------------------------------|-----------------------|-----------|
| <b>Budget Changes</b>         | <b>(\$13,357,423)</b> | <b>R</b>  |
|                               | <b>(\$211,961)</b>    | <b>NR</b> |
| <b>Total Position Changes</b> | <b>-190.50</b>        |           |
| <b>Revised Total Budget</b>   | <b>\$128,984,633</b>  |           |

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**Total Budget Approved 2001 Session**

**\$930,964,916**

**Budget Changes**

**Alcohol and Chemical Dependency**

- |  |                                      |
|--|--------------------------------------|
| <p><b>59 DART Cherry Program</b></p> <p>DART Cherry is a 300 bed residential treatment program for DWI parolees, other parolees, and probationers. Staffing is reduced by 10 positions--six substance abuse workers and four counselors--by increasing caseloads.</p>  | <p>(\$292,434) R</p> <p>-10.00</p>   |
| <p><b>60 DART In-Prison Residential Programs</b></p> <p>The Governor's budget recommended eliminating all but one medium custody in-prison residential substance abuse treatment program, a portion of the in-prison non-residential programs (e.g. aftercare, short-term treatment programs), and 45% of central office staff. By contrast, this reduction action maintains several of the medium custody prison residential programs and all of the funds for non-residential prison programs such as aftercare and short-term treatment. This reduction action has four components (1) closes the two close custody residential programs (Pasquotank and Marion) since a 35 to 90 day program is of limited value to inmates with long-term sentences (three other positions shown in Pasquotank's position count are actually for the Tyrrell minimum custody program and are not eliminated); (2) closes four medium custody residential programs (Foothills, Caswell, Brown Creek, and Polk Youth); (3) reduces 15 staff statewide by increasing caseloads; and, (4) reduces Central Office staff by two positions (Correctional Administrator I and Substance Abuse Program Consultant, both vacant).</p> | <p>(\$1,696,261) R</p> <p>-49.00</p> |
| <p><b>61 Regional Offices in DACDP</b></p> <p>Due to reductions in substance abuse treatment staffing statewide and closing of residential treatment programs in five prisons, it is recommended that the number of Regional Offices be reduced from four to two.</p>  | <p>(\$351,088) R</p> <p>-6.00</p>    |

**Central Administration**

- |  |                          |
|--|--------------------------|
| <p><b>62 Funding Reserve</b></p> <p>DOC is directed to delay spending in various areas in order to generate \$10 million in one-time availability.</p> | <p>(\$10,000,000) NR</p> |
|--|--------------------------|

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|   |               |    |
|---|---------------|----|
| <b>63 Reduce Central Administration Budget</b>  | (\$515,267)   | R  |
| Nine DOC management and administrative positions are eliminated as recommended in the Governor's budget.  | -9.00         |    |
| Corr. Psychological Program Director  |               |    |
| Special Asst to Secy.   |               |    |
| Social Research Assoc. II   |               |    |
| Social Research Asst I  |               |    |
| Corr. Training Coordinator (Vacant)   |               |    |
| Personnel Supv. I (Vacant)  |               |    |
| Personnel Analyst I   |               |    |
| Asst Secy Program Development (Vacant)  |               |    |
| Info Comm Specialist (Vacant)   |               |    |
| <b>64 MIS Contract Conversion</b>   | (\$355,155)   | R  |
| Expenditures for MIS contracts will be reduced by converting contract funds to four MIS positions. The savings result from canceling contract positions and fees charged for contracts. The four positions are Telecommunication Systems Analyst, and three Applications Analyst/Programmer Specialists (one at grade 83 and two at 81)   | 4.00          |    |
| <b>65 Delay Vehicle Replacement</b>   |               |    |
| DOC will delay purchase of replacement vehicles for one more year   | (\$1,000,000) | NR |
| <b>66 Cancel Training Facility Contract</b>   | (\$183,000)   | R  |
| DOC uses a Fort Fisher facility operated by the National Guard for training of staff in Eastern N.C. DOC will cancel contract and identify less expensive training facilities.  |               |    |
| <b>67 Reduce Funding in Training Division</b>   | (\$181,063)   | R  |
| Two vacant positions are eliminated from the Office of Staff Development and Training -- a Correctional Training Instructor II and an Office Asst. IV. Non-salary items for the Office are also reduced in the areas of phone services, per diem for meals and rent of motor vehicles.  | -2.00         |    |
| <b>Community Corrections</b>  |               |    |
| <b>68 Close IMPACT programs</b>   | (\$4,066,595) | R  |
| The IMPACT Boot Camp Program will be closed with an effective date of August 15, 2002. The positions eliminated include 53 positions each at IMPACT East and IMPACT West and 2 in Raleigh. Of the funds made available from this termination, \$390,312 shall be retained in order to restore 12 community work crews at prisons near the communities of Hoffman and Morganton (2 each at Southern, Anson, Robeson and Sanford; 1 each at Marion, Rutherford, Catawba, Caldwell). These crews will be supervised by 12 correctional officer positions, reducing the net position reduction to 96. | -96.00        |    |

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|   |               |    |
|---|---------------|----|
| <b>69 Reduction in Funding of Non Profits</b>   | (\$25,649)    | R  |
| Pass through funding to community corrections programs is reduced in 2002-3 as follows; 10% reductions for Harriet's House, Women at Risk and the John Hyman Foundation; a 16.7% reduction (\$25,649) in the state office expenses for Summit House. As of May 1, 2003, all state funds to Summit House shall be used in the local programs only.   | (\$75,000)    | NR |
| Operating funds for Summit House were reduced 10% in the 2001 budget.   |               |    |
| <b>70 Electronic Monitoring Cost Sharing</b>  | (\$151,442)   | R  |
| The General Fund cost of the Electronic Monitoring program is reduced to reflect cost sharing with outside agencies that utilize the program (local law enforcement and the Department of Juvenile Justice & Delinquency Prevention). In addition, 1 position (EHA Manager) is eliminated.  | -1.00         |    |
| <b>71 Probation and Parole Staffing</b>   | (\$3,040,169) | R  |
| The following vacant positions are eliminated in the Division of Community Correction; 25 Office Assistants, 27 PPO I (community), 8 PPO II (Intermediate), 7 Intensive Officers, 17 Surveillance Officers and 5 Community Service Work Program coordinators. Based on current population projections, this will result in average caseloads of 25.8/77.6/101 for intensive/intermediate/ community. The Office Assistants may be either OA's assigned to probation-parole officers or to the community service work program.   | -89.00        |    |
| <b>72 Vacant Trainer Position</b>   | (\$38,913)    | R  |
| A vacant trainer position is eliminated. This leaves 4 trainers for the Division of Community Corrections. (4550-1030-0060-167)   | -1.00         |    |
| <b>73 Criminal Justice Partnership Program</b>  | (\$414,166)   | R  |
| Funding is reduced for the Criminal Justice Partnership Program by \$1.66 Million due to (1) restricting programs that were not operating as of Sept 2002 to 75% of their annual contract amount, assuming October 1 reopenings; (2) eliminating funding for 2002-3 for non-operational programs in Caswell and Union counties; (3) implementing a cost reduction program in day reporting centers by substituting probation officers or the TASC program for case managers previously paid with CJPP funds. This adjustment will be made in the following programs; Albemarle, Buncombe, Catawba, Cumberland, Davidson, Durham, Forsyth, Gaston, Guilford, Mecklenburg, Onslow, Randolph, Wake, Wayne, and the Vance-Granville-Franklin-Warren program; In each case, the dollar reduction for the program will be no more than 12.5% of their 2001-2 budget; (4) eliminating 1 research analyst position funded through the CJPP budget and related operational expenses. | (\$1,245,926) | NR |
|   | -1.00         |    |



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**74 Reduce Operational Costs for Drug Screening** (\$162,216) R  
 The operational costs for the 6 drug screening labs operated by DCC will be reduced due to new technology and other efficiencies.

**75 Reduction in Automobile Expenses** (\$88,452) R  
 The Division will be able to reduce the number of leased vehicles from the Department of Administration, based on actual usage.

**76 Contractual Parole Revocation Hearing Officers** (\$115,000) R  
 Parole Revocation Hearings are handled by contract employees. This item reduces the budget to reflect actual spending.

**Department Wide**

**77 Non-Salary Line Items** (\$1,378,951) R  
 (\$17,927,396) NR  
 DOC will reduce non-salary expenditures such as travel, equipment, and supplies system wide for one more year. Recurring reductions are: \$200,000 equipment; \$200,000 rent; facility/hardware supplies \$600,000 and Utilities, \$378,951. The total recommended reduction by DOC was \$18,621,049. The Utilities recurring reduction of \$378,951, an additional reduction of \$100,000 in facility/hardware supplies, and an additional non-recurring cut brings the total reduction to \$19.3 million.

**Parole and Post Release Supervision**

**78 Further Reductions to Parole Commission** (\$226,108) R  
 -5.00  
 The General Assembly has directed that the Commission reduce its budget by a minimum of 10% each year due to declining parole cases. This reduction would cut approximately 14%. Five positions are eliminated: three parole case analysts (one vacant), an Office Assistant V (vacant), and Chief of Operations.

**Prisons**

**79 Inmate Labor Projects** (\$450,000) R  
 DOC is authorized to reduce funding for contractual employees assigned to work on inmate labor construction projects and replace this funding with receipts from other sources. The primary work is carried out by inmates.

Conference Report on the Continuation, Capital and Expansion Budgets

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|   |               |   |
|---|---------------|---|
| <b>80 Reduce Prison Administration Costs</b>  | (\$481,971)   | R |
| Eliminate nine positions in the central office of the Division of Prisons as recommended in the Governor's budget.  | -9.00         |   |
| Program Asst V (Vacant)   |               |   |
| Nurse Clinician II (Vacant)   |               |   |
| Corr Programs Director III (Vacant)   |               |   |
| Psychological Program Director III (Vacant)   |               |   |
| Educational Services Specialist (Vacant)  |               |   |
| Office Asst IV  |               |   |
| Office Asst III (Vacant)  |               |   |
| Corr Programs Director III (Vacant)   |               |   |
| Social Worker II (Vacant)   |               |   |
| <b>81 Security Staffing – Lieutenants</b>   | (\$531,557)   | R |
| Sixteen lieutenant positions are eliminated at prisons with high lieutenant to sergeant ratios or a high number of sergeants.   | -16.00        |   |
| <b>82 Reduce Security Staffing: Update Relief Formula</b>   | (\$4,285,845) | R |
| DOC assigns a "relief formula" to each security post to determine the number of positions needed. This relief formula accounts for leave usage, training hours and so on to ensure security posts are always covered. The DOC relief formula has not been adjusted to account for reduced leave usage for officers both on eight and twelve hour shifts. Adjusting the relief formula to 1.73 per 24 hour post compared to the current 1.76 formula, and similar reductions for other posts, allows for a reduction of 135 officer positions system-wide. | -135.00       |   |
| <b>83 Close Blue Ridge Correctional Center</b>  | (\$1,124,095) | R |
| Blue Ridge Correctional Center will be closed. The cost per day was \$96 in Fy 2001. The reduction amount includes a 50% reduction in the inmate budget. Five positions and \$150,000 are transferred to Western Correctional Center to continue the Blue Ridge component of the BRIDGE forestry program which now operates out of Blue Ridge and Western.  | -30.00        |   |
| <b>84 Close Henderson Correctional Center</b>   | (\$1,335,978) | R |
| Henderson Correctional Center will be closed. The reduction amount includes a 50% reduction in the inmate budget.   | -33.00        |   |
| <b>85 Close Rowan Diagnostic Center</b>   | (\$144,598)   | R |
| Due to overstaffing in relation to workload standards, Rowan and other diagnostic centers were reduced by eight positions in 2001-02. Rowan has a relatively small workload that can be absorbed at other diagnostic centers.   | -5.00         |   |
| <b>86 Reduce Inmate Food Budget</b>   | (\$436,000)   | R |
| Reduce inmate food budget through further system efficiencies.  |               |   |

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|  |  |
|--|--|
| <p><b>87 Reduction of Inmate Medical Costs</b><br/>                 DOC recommended reducing funding for the inmate medical program by implementing two major program efficiencies: (1) eliminating positions at eight smaller prisons and having medical services provided by nearby larger facilities; and (2) eliminating certain medical contracts and contract positions and then converting some contract positions to lower cost state positions.</p>   | <p>(\$3,575,166) R<br/>                 -36.00</p> |
| <p><b>88 Reduce Contract for Mobile Surgery Unit</b><br/>                 DOC pays a fixed contract rate for use of a Mobile Surgery Unit at Central Prison. Based on a lower utilization rate than anticipated, the fixed contract rate can be reduced.</p>   | <p>(\$616,874) R</p>                               |
| <p><b>89 Reduce Prison Chaplain Program</b><br/>                 It is recommended that 22.4 chaplains, one central office chaplain position (contract), and one regional coordinator position be eliminated. The chaplain program reduction assumes that prisons with 400 or fewer inmates will rely on community funded or volunteer chaplains. Prisons with 400 to 700 inmates will be reduced from 2 to 1 chaplains and rely on community funded and volunteer chaplains for chaplain services. This leaves 35.6 state chaplain positions and 13 contract chaplains in the system.</p> | <p>(\$914,853) R<br/>                 -23.40</p>   |

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**90 Inmate Community Work Crews**

(\$2,112,119) R

Eliminate 21 of 164 inmate work crews and assigns an additional 39 crews to do litter control work for DOT in carrying out SB 1014. 21 correctional officer and four sergeant positions are eliminated. Crews will not be eliminated at locations where only one or two crews currently operate. Reduction amount of \$2,112,119 includes approximately \$1.3 million for increasing receipts from DOT.

-25.00

Crews eliminated are:

From 3 crews to 2: Anson\*, Cabarrus, Guilford, Henderson, Warren (-5)

From 4 crews to 3: Caldwell\*, Catawba\*, Fountain (Edgecombe), Gaston, Marion\*, Robeson\*, Rutherford\* (-7)

From 6 crews to 4: Bladen, Tillery (-4)

From 5 crews to 4: Duplin, Sanford\*, Southern\*, Wilkes (-4)

Other reductions: Pasquotank from 8 to 7 (-1)

Elimination of 4 of 22 sergeants to be determined by DOC.

In the 8 locations marked with an asterisk, a crew will be restored to replace IMPACT crews eliminated elsewhere in this budget. That leaves the net reduction in inmate community work crews at 13.

**91 Inmate Clothing Budget**

(\$500,000) R

Reduce budget for inmate clothing by reducing allocation of clean clothes to four days a week, the minimum required by the courts in lawsuit settlements.

**92 Inmate Education Programs**

(\$432,563) R

Due to a decline in youthful offender inmates, DOC can further reduce education staff. The following positions are to be eliminated:

-9.00

- 4 teachers
- 1 Office Asst
- 2 Library Tech Assts
- 1 Librarian
- 1 Guidance Counselor

All nine positions are vacant.

**93 Reduce Maintenance Staffing**

(\$1,422,745) R

DOC recommended eliminating 8 maintenance positions; another 32 positions will be eliminated due to increased system efficiencies and increasing inmate to staff ratios from 64 to 1 to 70 to 1.

-40.00

Correction

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|  |  |               |    |
|--|--|---------------|----|
| <b>94 Safekeeper Payments</b>  |  |               |    |
| Safekeepers are county prisoners who are transferred to the State. Counties pay DOC \$18 a day to hold safekeepers. Current law excludes payment to DOC if an offender being held in one county is a resident of another. This reduction is based on increased receipts due to deleting the residency exclusion from the General Statutes.                     |  |               |    |
|  |  | (\$800,000)   | R  |
| <b>95 Operating Funds for New Prisons</b>  |  |               |    |
| The three new 1000 bed prisons authorized by the General Assembly in 2001 are scheduled for completion in FY 2002-03 and FY 2003-04. Funds are appropriated for startup for two of the three prisons with the bulk of the funds for Scotland, which will be completed in May, 2003. The total funding in FY 2002-03 is \$7,114,530 to be allocated as follows: |  |               |    |
|  |  | \$4,838,810   | R  |
|  |  | \$2,275,720   | NR |
|  |  | 476.00        |    |
| Scotland: \$6,380,939 410 positions  |  |               |    |
| Anson/Lanesboro: \$ 497,900 58 positions   |  |               |    |
| Alexander: \$ 235,961 8 positions  |  |               |    |
| <b>96 Energy for Committed Offenders, Inc. (ECO)</b>   |  |               |    |
| DOC contracts with ECO for 20 minimum custody female beds. The contract amount is reduced for 02-03.   |  |               |    |
|  |  | (\$24,264)    | NR |
| <b>97 Inmate Infraction Receipts</b>   |  |               |    |
| DOC charges inmates \$10 for every infraction conviction. It is estimated receipts will exceed the budget so a reduction in the General Fund can be taken.   |  |               |    |
|  |  | (\$150,000)   | R  |
| <b>98 Alien Assistance Receipts</b>  |  |               |    |
| DOC receives federal funds for housing illegal aliens convicted of crimes in N.C. It is estimated that receipts will exceed the budgeted amount by \$310,000 in FY 03. Program is likely to end after FY 03 so the reduction is non-recurring.   |  |               |    |
|  |  | (\$310,000)   | NR |
| <b>99 Reduce Utility Custody Posts</b>   |  |               |    |
| DOC indicates it can reduce one utility post at most prisons with 260 or more inmates. These posts include canteen/mailroom and clothes house.   |  |               |    |
|  |  | (\$1,506,913) | R  |
|  |  | -48.00        |    |
| <b>100 Reduce Transportation Officers</b>  |  |               |    |
| DOC indicates it can reduce transportation officers statewide and still fulfill inmate transportation needs by eliminating one transportation post at most prisons with 300 or more inmates.   |  |               |    |
|  |  | (\$1,381,337) | R  |
|  |  | -44.00        |    |
| <b>101 Reduce Clerical Staff in Prison Programs</b>  |  |               |    |
| In lieu of deeper cuts in professional program staff, DOC indicates it can reduce clerical positions systemwide. Reductions include 17 office assistant III's and 19 processing assistant III's  |  |               |    |
|  |  | (\$959,232)   | R  |
|  |  | -36.00        |    |

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|  |               |
|--|---------------|
| <b>102 Abolish Prison Administrative Clerical Positions</b>  | (\$936,665) R |
| Thirty five office assistant III's assigned to administration at 35 prisons are eliminated.  | -35.00        |
| <b>103 Reduce Correctional Sergeant Positions</b>  | (\$944,355) R |
| Twenty six sergeant positions are reduced at 17 different prisons. These include larger institutions with ratios below one position for every 7.96 inmates and small to medium size prisons with one more sergeant than needed for standard shift rotation.  | -26.00        |
| <b>104 Inmate Medical Reorganization</b>   | (\$556,529) R |
| Twelve vacant mental health related positions are abolished. DOC believes through internal reorganization, services can be maintained after these reductions.  | -12.00        |
| <b>105 Prison Administration -- Additional Reductions</b>  | (\$149,697) R |
| Four additional vacant administrative positions are abolished:<br>Office Asst. III(2) , Nurse Clinician I, and an Inmate Hearing Officer.  | -4.00         |
| <b>106 Reduce Classification Coordinator Positions</b>   | (\$411,031) R |
| Eleven classification coordinators are eliminated at 11 different prisons. The duties of these positions, which are to review inmate background and behavior to determine custody levels, can be absorbed by Program Director I's at these prisons.  | -11.00        |
| <b>107 Premium Holiday Pay</b>   | \$1,305,671 R |
| Funds are appropriated for special holiday pay for DOC custody officers. DOC has been paying special holiday pay to correctional officers since June of 2000 in order to improve recruitment and retention. The special pay is at 75% over regular pay (50% is standard). This pay change has been funded previously with lapsed salaries. |               |
| <b>108 Funding to Operate Pamlico and Mt. View</b>   | \$2,238,952 R |
| DOC has been partially funding the operations of Pamlico and Mountain View prisons with lapsed salaries since DOC took over the prisons from the private sector. This recommended funding will fully fund the salary portion of the budget.  |               |
| <b>109 Fund Inmate Medical Budget</b>  | \$8,455,377 R |
| DOC's continuation budget for inmate medical is adjusted to match actual expenditures. Areas to be funded include prescription drugs, hospital and provider services, and contractual medical employees.   |               |

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|                               |                       |           |
|-------------------------------|-----------------------|-----------|
| <b>Budget Changes</b>         | <b>(\$22,603,242)</b> | <b>R</b>  |
|                               | <b>(\$28,306,866)</b> | <b>NR</b> |
| <b>Total Position Changes</b> | <b>-366.40</b>        |           |
| <b>Revised Total Budget</b>   | <b>\$880,054,808</b>  |           |

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# Crime Control and Public Safety

GENERAL FUND

|   |                     |
|---|---------------------|
| <b>Total Budget Approved 2001 Session</b> | <b>FY 02-03</b>     |
|   | <b>\$28,493,506</b> |

| <b>Budget Changes</b>          |   |               |   |
|--------------------------------|---|---------------|---|
| <b>Administration</b>          |   |               |   |
| <b>110</b>                     | <b>Eliminate Positions</b>  | (\$114,589)   | R |
|                                | Eliminate 2 vacant positions in the Office of the Secretary:  |               |   |
|                                |   | -2.00         |   |
|                                | 4960-0000-0010-402 Agency Legal Specialist II   |               |   |
|                                | 4910-0000-0001-408 Public Relations Officer   |               |   |
| <b>111</b>                     | <b>Eliminate Vacant Boxing Commission Position</b>  | (\$35,683)    | R |
|                                | Eliminate one vacant office assistant position in the Boxing Commission:  |               |   |
|                                |   | -1.00         |   |
|                                | 4910-0000-0000-173 Office Assistant IV  |               |   |
| <b>112</b>                     | <b>Budget Boxing Commission Receipts</b>  | (\$40,000)    | R |
|                                | The continuation budget for the Office of the Secretary is adjusted to reflect Boxing Commission receipts.  |               |   |
| <b>113</b>                     | <b>Reduce Operating Expenses</b>  | (\$117,449)   | R |
|                                | Reduce continuation budget line items for travel, equipment, supplies, contract, etc.   |               |   |
| <b>114</b>                     | <b>Administrative Costs</b>   | (\$1,100,000) | R |
|                                | The State Highway Patrol comprises 77 percent of all employees in the Department of Crime Control and Public Safety. The continuation budget for the Department's administration is adjusted to reflect increased receipts from Budget Code 24960, Fund Code 2610 - Highway Patrol. The receipts will be used to support central administrative costs associated with the operations of the State Highway Patrol. The Department is directed to identify cost savings within Budget Code 24960, Fund Code 2610 to offset the transfer of these funds to Budget Code 14900. These cost savings represent less than one percent of the budget for the State Highway Patrol. |               |   |
| <b>Alcohol Law Enforcement</b> |   |               |   |
| <b>115</b>                     | <b>Reduce Operating Expenses</b>  | (\$485,942)   | R |
|                                | Reduce continuation budget line items for travel, equipment, supplies, contract, etc.   |               |   |



Conference Report on the Continuation, Capital and Expansion Budgets

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|  |             |   |
|--|-------------|---|
| <b>116 Eliminate Vacant Positions</b>  | (\$377,114) | R |
| Eliminate 8 vacant positions:  |             |   |
| 4940-0000-0000-633 Missing Persons Specialist  | -8.00       |   |
| 4940-0000-0500-507 ALE Agent II  |             |   |
| 4940-0000-0700-512 ALE Agent II  |             |   |
| 4940-0000-0200-516 ALE Agent II  |             |   |
| 4940-0000-0000-629 ALE Agent II  |             |   |
| 4940-0000-0300-473 ALE Agent II  |             |   |
| 4940-0000-0700-452 ALE Agent I   |             |   |
| 4940-0000-0900-499 ALE Agent I   |             |   |
| <b>117 Expand AMBER Alert Program</b>  |             |   |
| The Department of Crime Control and Public Safety may establish two time-limited, receipt-supported positions to expand the AMBER Alert Program state-wide. AMBER Alert is a voluntary cooperative program between law enforcement agencies and local broadcasters to send an emergency alert concerning missing individuals, natural disasters, or other emergencies. The expansion will be fully supported by federal grant funds and private donations. | 2.00        |   |
| <b>Butner Public Safety</b>  |             |   |
| <b>118 Reduce Operating Expenses</b>   | (\$112,356) | R |
| Reduce the continuation budget line items for travel, equipment, supplies, contracts, etc.   |             |   |
| <b>Civil Air Patrol</b>  |             |   |
| <b>119 Reduce Operating Expenses</b>   | (\$14,783)  | R |
| Reduce continuation budget line items for travel, equipment, supplies, contract, etc.  |             |   |
| <b>Emergency Management</b>  |             |   |
| <b>120 Eliminate Vacant Positions</b>  | (\$155,074) | R |
| Eliminate 4 vacant positions:  |             |   |
| 4950-0000-0000-678 Admin Asst I  | -4.00       |   |
| 4950-1000-0000-712 Computer Sys Adm I  |             |   |
| 4950-1000-0000-715 Staff Dev Tech II   |             |   |
| 4950-0000-0001-191 Office Asst IV  |             |   |
| <b>121 Reduce Operating Expenses</b>   | (\$152,817) | R |
| Reduce continuation budget line items for travel, equipment, supplies, contract, etc.  |             |   |
| <b>Governor's Crime Commission</b>   |             |   |
| <b>122 Reduce Operating Expenses</b>   | (\$146,138) | R |
| Reduce continuation budget line items for travel, equipment, supplies, contract, etc.  |             |   |
| <b>123 Reduce Funding for Roanoke-Chowan Drug Task Force</b>   | (\$125,000) | R |
| Reduce the amount in the continuation budget for the drug task force. Localities desiring to establish future task forces should seek alternative sources of funding.  |             |   |

Conference Report on the Continuation, Capital and Expansion Budgets

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**National Guard**

|   |                     |                      |
|---|---------------------|----------------------|
| <b>124 Tarheel Challenge</b>  | (\$112,000)         | R                    |
| The continuation budget for the Tarheel Challenge Program is reduced by 10 percent. The National Guard is directed to identify alternative sources of funding which may be used to meet the 40 percent state match requirement.               |                     |                      |
| <b>125 Eliminate Vacant Positions</b>   | (\$103,457)         | R                    |
| Eliminate three vacant positions:   |                     |                      |
| 4920-0000-0000-116 Processing Asst III  | -3.00               |                      |
| 4920-0000-0000-119 Admin Asst II  |                     |                      |
| 4920-0000-0000-190 Prog Asst IV   |                     |                      |
| <b>126 Reduce Operating Expenses</b>  | (\$435,922)         | R                    |
| Reduce continuation budget line items for travel, equipment, supplies, contract, etc.   |                     |                      |
| <b>127 Tuition Assistance Program</b>   | \$900,000           | R                    |
| The continuation budget for tuition assistance is increased by \$900,000. This will enable the National Guard to accommodate the increased tuition assistance requests resulting from the economic downturn and the impact of September 11th. |                     |                      |
| <b>Victims' Compensation</b>  |                     |                      |
| <b>128 Reduce Salary Reserve</b>  | (\$395,428)         | R                    |
| Continuation budget is reduced by the balance of residual salary reserve remaining after the Community Service Work Program was transferred to the Department of Correction.  |                     |                      |
| <b>129 Reduce Operating Expenses</b>  | (\$89,566)          | R                    |
| Reduce continuation budget line items for travel, equipment, supplies, contract, etc  |                     |                      |
| <b>130 Increase Victims' Compensation Fund</b>  | \$2,500,000         | R                    |
| The continuation budget for the Victims' Compensation Fund is increased by \$2.5 million to address the backlog of approved but unpaid claims.  |                     |                      |
|   |                     | <b>(\$713,318) R</b> |
| <b>Budget Changes</b>   |                     |                      |
| <b>Total Position Changes</b>   |                     | -16.00               |
| <b>Revised Total Budget</b>   | <b>\$27,780,188</b> |                      |

**GENERAL  
GOVERNMENT  
Section J**



Administration

GENERAL FUND

Total Budget Approved 2001 Session

FY 02-03  
\$61,563,497

Budget Changes

1111 Secretary's Office

1 Personnel and Operating Budget Reductions (\$206,064) R

Eliminate the salary and benefits for the following two vacant positions: -4.00

Info. Comm. Spec. II - 4101-0000-0000-094 - (\$31,161)  
Statician - New position - (\$47,247).

Eliminate the salary and benefits for the following filled position:

Admin. Assistant - 4101-0000-0000-087 - (\$38,507).

The reduction will also transfer the salaries and benefits (\$73,020) for the Chief of Local Regional Affairs position (4101-0000-0000-086) to a receipt-support.

The operating budget reduction in miscellaneous contractual services (532199) is \$16,129.

1121 Fiscal Management

2 Personnel and Operating Reductions (\$77,857) R

Reduces the operating budget for office supplies (533110) by \$1,839. Also eliminates the salary and benefits for the following two vacant positions: -2.00

Proc. Assistant V - 4118-0000-0000-341 - (\$40,296)  
Accounting Clerk V - 4118-0400-0000-328 - (\$35,722).

1122 Human Resources Management

3 Personnel Reductions (\$108,037) R

Eliminate the salary and benefits for the following two filled positions: -2.00

Staff Dev. Spec. III - 4117-0000-0000-103 - (\$53,286)  
Personnel Analyst II - 4117-0000-0000-102 - (\$54,751)

1241 Management Information Systems

4 Operating Budget Reductions (\$2,250) R

Reduce the operating budget for other employee education expenses (532942).

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**1264 Agency for Public Telecommunications**

**5 Program and Personnel Reductions** (\$532,204) R  
 Transfer salaries and benefits (\$107,573) for three positions to receipt-support. Budgeted receipts will be increased by a corresponding amount. Also eliminate 6 additional positions and reduce the operating budget by a total of \$424,451. -9.00

**1280 Mail Service Center**

**6 Operating Budget Reductions** (\$18,368) R  
 Reduce the operating budget for information technology services (532140).

**1311 Office of State Personnel**

**7 Personnel and Operating Budget Reductions** (\$827,853) R  
 Eliminate salary and benefits for nine vacant and 6.3 filled positions: -15.30

Vacant Positions

- Executive Assistant I-#4000-0100-0004-005 - (\$39,789)
- Apps Anal Programmer II-#4000-0301-0004-150 - (\$59,000)
- Office Assistant IV-#4000-1002-0404-521 - (\$24,185)
- HR Media Prog Consultant-#4000-0600-0004-617 - (\$58,567)
- Office Assistant V-#4000-0500-0004-730 - (\$29,176)
- HR Partner-#4000-0600-0004-731 - (\$61,264)
- HR Partner-#4000-0301-0004-781 - (\$59,313)
- Apps Anal Programmer I-#4000-0202-0004-948 - (\$59,000)
- Personnel Assistant IV-#4000-0301-0005-002 - (\$26,461)

Filled

- HR Partner-#4000-0500-0004-320 - (\$35,535)
- HR Partner-#4000-0500-0004-629 - (\$48,321)
- HR Partner-#4000-0500-0004-630 - (\$48,321)
- HR Partner-#4000-0500-0004-692 - (\$47,332)
- HR Partner, PT (.50)-#4000-0600-0004-779 - (\$36,565)
- HR Partner-#4000-0500-0004-946 - (\$36,396)
- HR Partner, PT (.80)-#4000-0500-0004-984 - (\$42,935)

- 531511 Social Security Contributions - (\$51,683)
- 531521 Reg Retirement Contributions - (\$33,780)
- 531561 Med Insurance Contributions - (\$43,995)
- 532500 Rent/Lease - (\$8,117)
- 532942 Other Services/Training - \$30,000
- 536905 Model Co-op Program - (\$8,118)

**8 Program and Personnel Transfer** (\$69,949) R  
 Transfer the HR Partner for Industrial Hygiene position and employee with salary, related benefits, and operating costs to the Department of Labor to consolidate industrial hygiene services to state agencies/universities. -1.00

Administration

**1411 State Construction**

**9 Personnel and Operating Budget Reductions**

(\$361,033) R

Eliminate the salary and benefits for the following three vacant positions:

-5.00

- Office Assistant IV - 4149-0000-0006-161 - (\$28,757)
- Bldg System Eng. III - 4149-0000-0006-029 - (\$72,396)
- Chief Design Review - 4149-0102-0006-080 - (\$89,288)

The reduction also eliminates two new, vacant Building System Engineer positions for \$128,240 in salaries and benefits and the operating budget by \$42,352 in the following line items:

- 532140 Information Technology Services (\$5,000)
- 532821 Computer/Data Processing (\$10,000)
- 532199 Miscellaneous contractual services (\$27,352).

**1412 State Property**

**10 Personnel and Operating Budget Reductions**

(\$90,911) R

Eliminate the salary and benefits for the following two vacant positions:

-2.00

- Proc. Assistant IV - 4150-0000-0006-271 - (\$29,908)
- Applications Prog.II - 4150-0000-0006-288 - (\$49,003).

Also reduces the operating budget by \$12,000 in the following line items:

- 534522 Computer Equipment (\$8,000)
- 534710 Computer Software (\$2,000)
- 532942 Employee Education Expense (\$2,000)

**1416 Building Commission**

**11 Operating Budget Reductions**

(\$18,000) R

Reduce the frequency of the meetings per year to quarterly, thereby reducing the operating budget in the following line items:

- 531651 Bd. Member - Per Diem (\$5,000)
- 532731 Bd. Member - Transportation (\$6,450)
- 532732 Bd. Member - Subsist.(\$4,000)
- 532430 Maint. Agreement - Equip (\$285)
- 532840 Postage (\$476)
- 532850 Printing (\$618)
- 532930 Registration Fees (\$500)
- 533110 Office Supplies (\$271)
- 533190 Other Supplies (\$200)
- 535900 Other Expenses (\$200).

Currently, the Commission meets monthly. Reducing the meetings to quarterly is consistent with the statutory requirement in G.S. § 143-135.25(d) that they meet at least four times per year.

Administration

Conference Report on the Continuation, Capital and Expansion Budgets

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**1421 Facilities Management**

**12 Personnel Reductions**

(\$294,401) R

Eliminate the salary and benefits for the following 10 vacant positions:

-10.00

- HVAC Mechanic - 4151-0000-0008-428 - (\$39,398)
- Electrician II - 4151-0000-0008-462 - (\$31,967)
- Office Asst. - 4151-0000-0013-043 - (\$32,265)
- Plumber II - 4151-0000-0013-056 (\$33,210)
- Housekeeper - 4151-0304-0008-418 - (\$22,863)
- Electrician I - 4151-0304-0008-420 (\$26,765)
- Carpenter - 4151-0305-0008-486 - (\$33,519)
- Hskg. Supv. - 4151-0400-0009-335 (\$25,913)
- Housekeeper - 4151-0400-0009-376 (\$23,825)
- Housekeeper - 4151-0400-0009-405 (\$24,676)

**13 Operating Budget Reductions**

(\$1,430,860) R

Reduce the utilities budget, due to energy saving efficiency measures that have been implemented, and the operating budget as follows:

- 532210 Electricity (\$1,090,000)
- 532220 Gas (\$50,000)
- 532310 Repairs (\$125,062)
- 532333 Repairs-Other Equipment (\$50,000)
- 534522 Computer Equipment (\$20,000)
- 534539 Other Equipment (\$30,000)
- 534541 Vehicles - Trucks (\$16,000)
- 535900 Other Expenses (\$42,673)
- 532140 Information Tech. Services (\$5,000)
- 532942 Employee Education Expense \$(2,125)



Conference Report on the Continuation, Capital and Expansion Budgets

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**1511 Purchase and Contract**

**14 Personnel and Operating Budget Reductions**

**(\$428,303) R**

Eliminates the salary and benefits for five vacant positions as follows:

-5.00

- Proc. Spec. III - 4108-0201-0006-564 - (\$73,273)
- 2 Proc. Spec. II - 4108-0402-0006-735/746 - (\$95,249)
- Chief of Purchasing - 4108-0406-0006-743 - (\$89,303)
- Proc. Assistant IV - 4108-0503-0006-947 - (\$27,342).

Also reduces the operating budget by \$143,136 as follows:

- 532140 Information Tech. Services- (\$15,000)
- 532310 Repairs (\$4,000)
- 532333 Repairs (\$3,000)
- 532522 Rent/Lease DP Equipment (\$3,000)
- 533720 Education Supplies (\$1,400)
- 532860 Advertising (\$5,500)
- 532513 Rent/Lease Other Facilities (\$301)
- 534511 Office Furniture (\$4,000)
- 534522 Computer Equipment (\$55,236)
- 534521 Office Equipment (\$10,000)
- 534539 Other Equipment (\$3,000)
- 533110 Office Supplies (\$10,000)
- 532140 Information Tech. Services (\$18,699)
- 532714 Travel - Ground Trans. (\$5,000)
- 532721 Travel - Lodging (\$5,000)

**1731 Council for Women**

**15 Personnel Reductions**

**(\$45,953) R**

Eliminate the salary and benefits for one filled Social Research Associate I position (4116-0800-0014-060).

-1.00

**1732 Displaced Homemakers**

**16 Personnel Reductions and Changes in Funding Source**

**(\$69,657) R**

Eliminate the salary and benefits for the following filled position:

-1.00

Soc. Research Assoc. - 4116-0000-0014-023 - (\$43,149).

The reduction also converts \$26,508 of the operating budget for other expenses (535900) to receipt-support.

**1741 Human Relations**

**17 Personnel Reductions**

**(\$31,618) R**

Eliminate the salary and benefits for one vacant Program Assistant V position (4135-0300-0011-901).

-1.00

**1742 MLK Commission**

**18 Operating Budget Reductions**

**(\$5,234) R**

Reduce the operating budget for office equipment (534521).

Administration

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**1761 Youth Involvement Office**

- 19 Personnel Reductions** (\$35,505) R  
Eliminate the salary and benefits for a vacant Office Assistant V position (4138-0000-0000-571). -1.00
- 20 Youth Internship Program Reduction** (\$81,403) R  
Reduce the funding for the summer internship program by 25%.

**1771 Veterans Affairs**

- 21 Reduction in Veterans' Scholarship Program** (\$250,000) R  
Reduce the funding for the scholarship program.
- 22 Personnel Reductions** (\$170,247) R  
Eliminates the salary and benefits for the following five vacant positions: -5.00  
  
Office Assistant - 4127-0606-0107-500 - (\$32,817)  
Proc. Assistant III - 4127-0606-0307-610 - (\$26,247)  
Vet. Serv. Off. - 4127-0606-0307-644 - (\$40,801)  
Proc. Assist. IV - 4127-0606-0207-808 - (\$27,128)  
Vet. Serv. Off. 4127-0606-0307-670 - (\$43,254)

**1810 Ethics Board**

- 23 Operating Budget Reductions** (\$11,000) R  
Reduce the operating budget for other expenses line item (535900).

**1811 GACPD**

- 24 Personnel Reductions** (\$62,643) R  
Eliminate the salary and benefits for one vacant Attorney II position (4140-1540-0000-439). -1.00

**1861 Indian Affairs**

- 25 Personnel Reductions** (\$29,779) R  
Eliminate the salary and benefits for one vacant Processing Assistant III position (4110-0903-0014-323). -1.00

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**Departmentwide**

**26 Personnel Reductions**

(\$361,180) R

Eliminate the salary and benefits for 11.5 vacant positions throughout the department.

-11.50

1280 Mail Service Center  
.5 Admin. Secretary II 4131-0000-0010-900 - (\$16,290)

1421 Facility Management  
Plant. Maint. Supv I 4151-0303-0008-101- (\$53,502)  
Gen. Utility Wkr. - 4157-0200-0008-150 - (\$23,008)  
Gen. Utility Wkr. - 4157-1100-0013-012 - (\$23,008)  
Gen. Utility Wkr. - 4157-1100-0013-011 - (\$23,008)  
Gen. Utility Wkr. - 4157-0200-0008-144 - (\$23,387)  
Plumber II - 4151-0000-0013-058 - (\$31,848)  
HVAC Mechanic - 4151-0305-0008-104 - (\$35,108)  
HVAC Mechanic - 4151-0000-0013-033 - (\$32,186)  
HVAC Technician - 4151-0000-0009-443 - (\$34,695)

1511 Purchase and Contract  
Processing Assistant IV 6826 (\$29,282)

1781 Domestic Violence Program  
Human Serv. Coord. II - 4116-0800-0014-097 - (\$35,858).

---

|                               |                      |          |
|-------------------------------|----------------------|----------|
| <b>Budget Changes</b>         | <b>(\$5,620,309)</b> | <b>R</b> |
| <b>Total Position Changes</b> | <b>-77.80</b>        |          |
| <b>Revised Total Budget</b>   | <b>\$55,943,188</b>  |          |

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|  |             | FY 02-03             |
|--|-------------|----------------------|
| <b>Total Budget Approved 2001 Session</b>  |             | <b>\$11,864,673</b>  |
| <hr/>  |             |                      |
| <b>Budget Changes</b>  |             |                      |
| <b>1120 General Services</b>   |             |                      |
| <b>27 Operating Budget Reduction</b>   | (\$28,830)  | R                    |
| Reduce the budget for printing the Single Audit reports (\$7,000) and for staff training (\$21,830).           |             |                      |
| <b>1210 Field Audit</b>  |             |                      |
| <b>28 Reduce Contract Audit Funds</b>  | (\$500,000) | R                    |
| Reduces funding for contract services for financial, performance, investigative and information system audits. |             |                      |
| <b>29 Personnel Reductions</b>   | (\$246,140) | R                    |
| Eliminate the salary and benefits for the following five vacant positions:                                     |             |                      |
|  | -5.00       |                      |
| Processing Asst. IV - 3300-0000-0000-180 (\$37,283)  |             |                      |
| Asst. State Aud. II - 3300-0000-0000-217 (\$63,285)  |             |                      |
| Asst. State Aud. II - 3300-0000-0000-115 (\$56,784)  |             |                      |
| Asst. State Aud. I - 3300-0000-0000-216 (\$44,403)   |             |                      |
| Asst. State Aud. I - 3300-0000-0000-228 (\$44,385)   |             |                      |
| <b>30 Operating Budget Reduction</b>   | (\$20,995)  | R                    |
| Reduce the budget for the replacement of computer equipment.   |             |                      |
|  |             | <b>(\$795,965) R</b> |
| <hr/>  |             |                      |
| <b>Budget Changes</b>  |             | <b>(\$795,965) R</b> |
| <b>Total Position Changes</b>  |             | <b>-5.00</b>         |
| <b>Revised Total Budget</b>  |             | <b>\$11,068,708</b>  |
| <hr/>  |             |                      |

Cultural Resources

GENERAL FUND

Total Budget Approved 2001 Session

FY 02-03  
\$59,427,419

Budget Changes

1110 Office of the Secretary

31 Reduce Personnel (\$199,475) R

Eliminate salary and benefits for two (2) vacant positions, a position that will be vacant as of 6/30/02, and miscellaneous contractual services:

-3.00

Administrative Officer-#4801-0100-0001-049 - (\$42,625)  
Admin Officer II-#4801-0100-0001-014 - (\$54,434)  
Personnel Supervisor I-#4801-0100-0001-029 - (\$61,683)  
(6/30/02)

531511 Social Security Contributions/Approp - (\$12,144)  
531521 Reg Retirement Contributions/Approp - (\$7,937)  
531561 Med Insurance Contributions/Approp - (\$8,799)  
532199 Misc. Contractual Services - (\$11,853)

1210 Historical Resources - Administration

32 Operating Budget Reductions (\$95,111) R

Reduce the following line items in the division budget:

531311 Regular Temporary Salaries/Approp - (\$5,900)  
531511 Social Security Contributions/Approp - (\$452)  
532199 Miscellaneous Contractual Services - (\$19,500)  
532390 Repairs-Other - (\$1,000)  
534522 Computer Equipment - (\$2,920)  
536901 First Flight Centennial Commission - (\$65,339)

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**1220 Scholarly Publications**

**33 Personnel and Operating Budget Reductions**

(\$59,096) R

Eliminate salary and benefits for one vacant position and reduce the following line items:

-1.00

Accounting Clerk III-#4802-0200-0002-083 - (\$20,672)

- 531311 Regular Temporary Salaries/Approp - (\$3,424)
- 531511 Social Security Contribution/ Approp - (\$1,843)
- 531521 Reg. Retirement Contributions/Approp - (\$1,034)
- 531561 Med Insurance Contributions/ Approp - (\$2,933)
- 532199 Miscellaneous Contractual Services - (\$578)
- 532712 Transportation Air/Out of State - (\$500)
- 532715 Transportation Ground/Out of State - (\$295)
- 532721 Lodging/In State - (\$100)
- 532722 Lodging/Out of State - (\$800)
- 532725 Meals/Out of State - (\$498)
- 532728 Miscellaneous Subsistence Out of State - (\$100)
- 532840 Postage, Freight, Delivery - (\$14,218)
- 532850 Print, Bind, Duplicate - (\$10,135)
- 532860 Advertising - (\$440)
- 534511 Furniture-Office - (\$1,406)
- 534710 Computer Software - (\$120)

**1230 Archives and Records Management**

**34 Personnel and Operating Budget Reductions**

(\$269,192) R

Eliminate salary and benefits for vacant positions - three (3) full time and one part-time, and the following line items:

-3.17

- Archivist Supv-#4802-0302-0002-110 - (\$45,141)
- Archivist, PT (.175)-#4802-0302-0002-149 - (\$4,948)
- Processing Asst IV-#4802-0303-0002-177 - (\$22,316)
- Processing Asst IV-#4802-0304-0002-227 - (\$25,000)
  
- 531311 Reg. Temporary Salaries/Approp - (\$32,366)
- 531511 Social Security Contributions/Approp - (\$9,927)
- 531521 Reg. Retirement Contributions/Approp - (\$4,623)
- 531561 Med Insurance Contributions/Approp - (\$8,799)
- 532185 Waste Removal - (\$172)
- 532199 Miscellaneous Contractual Services - (\$150)
- 532230 Water and Sewer - (\$1,300)
- 532490 Maintenance Agreement - (\$1,500)
- 532512 Rent/Lease Buildings/Office - (\$5,235)
- 532590 Rent/Lease Other Prop. - (\$1,017)
- 532712 Transportation Air/Out of State - (\$2,700)
- 532714 Transportation Ground/In State - \$4,708)
- 532715 Transportation Ground/Out of State - (\$704)
- 532721 Lodging/In State - (\$5,048)
- 532722 Lodging/Out of State - (\$3,346)
- 532724 Meals/In State - (\$4,042)
- 532725 Meals/Out of State - (\$1,519)
- 532727 Miscellaneous Subsistence/In State - (\$1,210)
- 532728 Miscellaneous Subsistence/Out of State - (\$2,540)
- 532731 Board/Non Employee Transportation - (\$200)
- 532732 Board/Non Employee Subsistence - (\$100)
- 532821 Computer/Data - (\$4,135)
- 532860 Advertising - (\$500)
- 532942 Other Equipment - (\$2,440)
- 533110 General Office Supplies - (\$1,034)
- 533900 Other Materials and Supplies - (\$29,773)
- 534511 Office Furniture - (\$3,000)
- 534522 Computers - (\$7,000)
- 534539 Other Equipment - (\$26,775)
- 534630 Library Learning Resources - (\$1,410)
- 534710 Computer Software - (\$1,088)
- 535830 Membership dues and Subscriptions - (\$3,426)

**Cultural Resources**

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**1241 State Historic Sites**

**35 Personnel and Operating Budget Reductions**

(\$586,197) R

Eliminate salary and benefits for three (3) vacant positions and the following line items:

-3.00

Hist. Sites Specialist I-#4802-0401-0002-327 - (\$32,163)  
 Historic Interpreter I-#4802-0415-0002-424 - (\$20,125)  
 Historic Interpreter II-#4802--0421-0002-459 - (\$31,384)

531311 Reg. Temporary Salaries/Approp - (\$369,001)  
 531511 Social Security Contribution - (\$34,630)  
 531521 Regular Retirement Contribution - (\$4,183)  
 531561 Medical Insurance Contribution - (\$8,799)  
 532185 Waste Removal - (\$225)  
 532199 Miscellaneous Contractual Service - (\$280)  
 532210 Electrical- (\$1,000)  
 532220 Natural Gas/Propane - (\$900)  
 532390 Repairs-Other - (\$1,500)  
 532490 Maintenance Agreement - (\$219)  
 532714 Transportation Ground/In State - (\$3,000)  
 532721 Lodging/In State - (\$200)  
 532724 Meals/In State - (\$100)  
 532811 Telephone - (\$2,000)  
 532812 Data Charge - (\$224)  
 532840 Postage, Freight, Delivery - (\$300)  
 532850 Print, Bind, Duplicate - (\$17,000)  
 532860 Advertising - (\$2,000)  
 533110 General Office Supplies - (\$200)  
 533310 Gasoline - (35)  
 533320 Diesel Fuel - (\$50)  
 533350 Motor Vehicle Replacement Part - (\$50)  
 533900 Other Materials and Supplies - (6,129)  
 534610 Art and Artifacts - (\$50,000)  
 534539 Other Equipment - (\$500)

**1242 Tryon Palace**

**36 Personnel and Operating Budget Reductions**

(\$141,657) R

Eliminate salary and benefits of three (3) vacant positions, a position that will be vacant as of 6/29/02, and reduce the following line items:

-4.00

Museum Security Guard-#4802-0500-0002-503 - (\$21,420)  
 Museum Specialist/Hort.-#4802-0500-0002-504 - (\$27,555)  
 Museum Specialist-#4802-0500-0002-531 - (\$27,038)  
 General Utility Worker-#4802-0500-0002-524 - (\$19,127)  
 (6/29/02)

531511 Social Security Contributions/ Approp - (\$7,278)  
 531521 Reg Retirement Contributions/ Approp - (\$4,757)  
 531561 Med Insurance Contributions/Approp - (\$11,732)  
 532490 Maintenance Agreement-Other - (\$27)  
 534539 Other Equipment - (\$4,363)  
 534610 Art and Artifacts - (\$14,975)  
 534630 Library and Learning Resources - (\$2,085)  
 535830 Membership Dues and Subscriptions - (\$1,300)

**Cultural Resources**

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Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**1243 Capitol/Visitor Center**

**37 Personnel and Operating Budget Reductions**

**(\$39,850) R**

Eliminate salary and benefits for one-quarter of a filled Museum Specialist position and reduce the following line items:

-0.25

Museum Specialist-#4802-0600-0002-561 - (\$7,375)

- 531311 Temporary Salaries - (\$23,298)
- 531511 Social Security Contribution - (\$2,347)
- 531521 Retirement Contributions - (\$369)
- 532513 Rent of Conference Room - (\$734)
- 532811 Telephone Service - (\$903)
- 532850 Printing - (\$1,627)
- 533900 Other Materials and Supplies - (\$2,847)
- 534522 Equipment/Computers - (\$350)

**1245 NC Maritime Museum**

**38 Personnel and Operating Budget Reductions**

**(\$87,042) R**

Eliminate salary and benefits of vacant positions - (1) full time, one reduced by one-quarter, and adjust line items as follows:

-1.25

Nat. Sci. Curator I (.25)-#4802-1000-0002-896 - (\$9,049)  
 Curator/Boatbuilding Tech-#4802-1000-0002-901- (\$39,532)

- 531511 Social Security Contributions/Approp - (\$3,716)
- 531521 Reg Retirement Contributions/ Approp - (\$2,429)
- 531561 Med Insurance Contributions/ Approp - (\$2,933)
- 532320 Repairs-Other Structures - (\$3,000)
- 532331 Repairs-Motor Vehicles - (\$2,045)
- 533240 Carpentry/Hardware - (\$687)
- 533310 Gas - (\$1,000)
- 533350 Motor Vehicle Parts - (\$1,000)
- 533410 Food Supplies - (\$2,000)
- 533900 Other Materials and Supplies - (\$3,295)
- 534522 Computers - (\$7,000)
- 534539 Other Equipment - (\$6,356)
- 535900 Other Expenses - (\$3,000)

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**1250 Historic Preservation**

**39 Personnel and Operating Budget Reductions**

**(\$118,192) R**

Eliminate salary and benefits for one vacant Historic Preservation/Restoration Supervisor position and one filled Historic Preservation/Restoration Specialist II position, and reduce line items as follows:

-2.00

Hist Pres/Rest Supv-#4802-0701-0002-601 - (\$54,434)  
 Hist Pres/Rest Spec II-#4802-0702-0002-615 - (\$31,940)

531511 Social Security Contributions/Approp - (\$6,607)  
 531521 Retirement Contributions/Approp - (\$4,319)  
 531561 Medical Insurance Contribution - (\$5,866)  
 532188 Lawns and Grounds - (\$2,200)  
 534522 Computers - (\$12,826)

**1290 Western Office**

**40 Personnel Reduction**

**(\$42,878) R**

Eliminate salary and benefits for one vacant position:

-1.00

Hist. Pres/Rest. Spec I-#4802-0900-0002-854 - (\$35,459)

531511 Social Security Contribution/Approp - (\$2,713)  
 531521 Reg Retirement Contributions/Approp - (\$1,773)  
 531561 Med Insurance Contributions/- Approp - (\$2,933)

**1320 Museum of Art**

**41 Personnel and Operating Budget Reductions**

**(\$314,431) R**

Eliminate salary and benefits for 6.5 vacant positions and reduce the following line items:

-6.50

Curator-#4803-0200-0003-095 - (\$54,523)  
 Office Asst II(.50)-#4803-0200-0003-186 - (\$9,991)  
 Security Officer I-#4803-0200-0003-242 - (\$21,377)  
 Security Officer I-#4803-0200-0003-256 - (\$22,365)  
 Computer Support Tech-#4803-0200-0003-259 - (\$29,810)  
 Security Officer I-#4803-0200-0003-265 - (\$24,551)  
 Museum Security Guard-#4803-0200-0003-292 - (\$21,984)

531511 Social Security Contributions/Approp - (\$14,122)  
 531521 Reg. Retirement Contributions/Approp - (\$5,316)  
 531531 LEO Retirement/Approp - (\$6,829)  
 531561 Medical Insurance Cont/Approp - (\$17,598)

534610 Art & Artifacts - (\$85,965)

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**1330 NC Arts Council**

**42 Operating Budget Adjustments**

(\$495,177) R

Reduce funds in the following line items and grant programs:

- 532714 Transportation Ground/In State - (\$5,000)
- 532721 Lodging/In State - (\$4,744)
- 532840 Postage, Freight & Delivery - (\$16,000)
- 532850 Print, Bind, Duplicate - (\$14,000)
- 536990 Basic Grants Program/Approp - (\$284,309)
- 536996 Grassroots Arts Program - (\$130,500)
- 536948 Lost Colony - (\$20,312)
- 536971 Shakespeare Festival - (\$20,312)

**1340 NC Symphony**

**43 Personnel Reduction**

(\$29,284) R

Eliminate salary and benefits for one vacant position:

-1.00

Office Assistant III-#4807-0400-0003-640 - (\$23,392)

- 531511 Social Security Contributions/Approp - (\$1,789)
- 531521 Reg Retirement Contributions/ Approp - (\$1,170)
- 531561 Med Insurance Contributions/Approp - (\$2,933)

**1360 Grants in Aid to the Arts**

**44 Operating Budget Reductions**

(\$168,402) R

Reduce grant budgets next fiscal year for:

- 536932 Vagabond School of Drama - (\$3,788)
- 536935 NC State Art Society - (\$606)
- 536937 NC Symphony Society, Inc - (\$164,008)

**1410 State Library Services**

**45 Personnel and Operating Budget Reductions**

(\$373,882) R

Eliminate salary and benefits of vacant positions - four (4) full time and one (1) part-time, and reduce the following line items:

-4.95

- Library Assistant-#4804-0200-0004-180 - (\$26,266)
- Lib Clerk II, PT (.950)-#4804-0200-0004-196 - (\$17,692)
- Library Assistant-#4804-0400-0004-680 - (\$25,326)
- Processing Unit Supv V-#4804-0400-0004-694 - (\$31,471)
- Processing Assistant II-#4804-0400-0004-722 - (\$19,210)

- 531311 Temporary Salaries - (\$13,580)
- 531511 Social Security Contributions - (\$10,217)
- 531521 Retirement Contributions - (\$6,001)
- 531561 Medical Contribution - (\$14,665)
- 532850 Printing and Binding - (\$8,288)
- 534630 Library Learning Resources - (\$201,166)

Cultural Resources

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**1480 State Library Statewide Programs**

**46 Operating Budget Reductions**

(\$1,329,173) R

Reduce the following accounts:

- 532812 Telecommunications Data Charges - (\$144,720)
- 536960 Aid to Counties - (\$1,184,453)

**47 Aid to Counties**

\$1,184,453 NR

Provide funds to maintain level of State support in  
536960 - Aid to Counties - to support county libraries.

**1500 Museum of History**

**48 Personnel and Operating Budget Reductions**

(\$445,627) R

Eliminate salary and benefits for vacant positions - four  
(4) full time and three (3) part-time, and reduce the  
following line items:

-4.32

- Museum Curator, PT (.025)-#4808-0801-0002-760 - (\$1)
- Associate Museum Curator-#4808-0801-0002-769 - (\$31,998)
- Office Asst IV,PT (.275)-#4808-0801-0002-798 - (\$7,871)
- Assoc Museum Curator-#4808-0802-0002-804 - (\$29,354)
- Housekeeper, PT (.025)-#4808-0802-0002-819 - (\$418)
- Office Assistant IV-#4808-0804-0002-845 - (\$23,178)
- General Utility Worker-#4808-0804-0002-848 - (\$18,321)
  
- 531311 Reg Temporary Salary/Approp - (\$62,254)
- 531511 Social Security Contribution/Approp - (\$13,232)
- 531521 Retirement Contributions/Approp - (\$5,536)
- 531561 Medical Insurance Contributions - (\$20,531)
- 532310 Repairs-Buildings - (\$4,583)
- 532331 Repairs-Motor Vehicles - (\$2,500)
- 532490 Maintenance Agreements - (\$7,000)
- 532712 Transportation Air/Out of State - (\$5,000)
- 532714 Transportation Ground/In State - (\$16,000)
- 532722 Lodging/Out of State - (\$5,000)
- 532840 Postage, Freight, Delivery - (\$15,624)
- 532850 Print, Bind, Duplicate - (\$17,745)
- 532860 Advertising - (\$31,735)
- 532942 Other Employee Educational Expenses - (\$4,545)
- 533110 General Office Supplies - (\$10,000)
- 533900 Other Materials and Supplies - (\$44,000)
- 534511 Furniture-Office - (\$8,000)
- 534521 Office Equipment - (\$4,500)
- 534522 Computers - (\$4,000)
- 534528 Communications Equipment - (\$12,000)
- 534539 Other Equipment - (\$7,130)
- 534549 Other Motorized Vehicles - (\$15,000)
- 534610 Art and Artifacts - (\$8,291)
- 534630 Library Learning Resources Collections - (\$6,160)
- 534710 Computer Software - (\$2,120)
- 535830 Membership Dues - (\$2,000)

Cultural Resources

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

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|                               |                      |           |
|-------------------------------|----------------------|-----------|
| <b>Budget Changes</b>         | <b>(\$4,794,666)</b> | <b>R</b>  |
|                               | <b>\$1,184,453</b>   | <b>NR</b> |
| <b>Total Position Changes</b> | <b>-35.45</b>        |           |
| <b>Revised Total Budget</b>   | <b>\$55,817,206</b>  |           |

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Cultural Resources - Roanoke Island Commission

GENERAL FUND

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|   |                      |
|---|----------------------|
| <b>Total Budget Approved 2001 Session</b>             | <b>FY 02-03</b>      |
|   | <b>\$1,859,463</b>   |
| <hr/>   |                      |
| <b>Budget Changes</b>                                 |                      |
| <b>2584 Roanoke Island Commission</b>                 |                      |
| <b>49 Operating Budget Reduction</b>                  | <b>(\$151,222) R</b> |
| Reduce amount of funding transferred to Special Fund. |                      |
| <hr/>   |                      |
| <b>Budget Changes</b>                                 | <b>(\$151,222) R</b> |
| <b>Total Position Changes</b>                         |                      |
| <b>Revised Total Budget</b>                           | <b>\$1,708,241</b>   |

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General Assembly

GENERAL FUND

Total Budget Approved 2001 Session

FY 02-03  
\$39,553,848

Budget Changes

Departmentwide

50 Personnel and Operating Budget Reductions (\$1,514,904) R

Eliminate salary and benefits for six vacant positions, eliminate four additional vacant positions in the President Pro Tempore Office and in the House, and reduce line items. -10.00

- Personnel - (\$253,037):
- 531111 Regular Salaries/Approp - (\$209,000)
- 531511 Social Security/Approp - (\$15,989)
- 531521 Retirement - (\$10,450)
- 531561 Med Insurance Contribution/Approp - (\$17,598)

The following line items are reduced based upon an allowance for 24 weeks rather than 28 weeks of session:

- Temporary Labor - (\$1,261,867):
- Senate
- 1110-531311 Regular Temporary Wages - (\$339,006)
- 1110-531511 Social Security Contributions - (\$25,937)
- 1110-531521 Reg Retirement Contributions - (\$16,950)

- House
- 1120-531311 Regular Temporary Wages - (\$588,818)
- 1120-531511 Social Security Contributions - (\$45,041)
- 1120-531521 Reg Retirement Contributions - (\$29,439)

- Administrative
- 1211-531311 Regular Temporary Wages - (\$157,471)
- 1211-531511 Social Security Contributions - (\$12,047)
- 1211-531521 Reg Retirement Contributions - (\$7,874)

- Fiscal Research
- 1214-531311 Regular Temporary Wages - (\$1,247)
- 1214-531311 Regular Security Contributions - (\$95)
- 1214-531521 Reg Retirement Contributions - (\$62)

- Building Maintenance
- 1215-531311 Regular Temporary Wages - (\$33,629)
- 1215-531311 Regular Security Contributions - (\$2,573)
- 1215-531521 Reg Retirement Contributions - (\$1,681)

51 Operating Budget Reductions (\$574,450) R

Additional reductions based upon 24 weeks of session:

- Member Subsistence Days - (\$495,040):
- Senate 1110-532727 Misc./In State - (\$145,600)

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

House 1120-532727 Misc./In State - (\$349,440)

Member and Staff travel - (\$79,410):

Senate

1110-532714 Transp Air/Out State - (\$15,669)

House

1120-532714 Transp-Ground/In-State - (\$39,429)

Administrative

1211-532712 Transp Air/Out State - (\$950)

1211-532714 Transp-Ground/In-State - (\$1,131)

1211-532724 Meal/In State - (\$50)

1211-532725 Meals/Out of State - (\$1,033)

1211-532727 Miscellaneous Travel - (\$2,217)

Bill Drafting

1212-532712 Transp Air/Out State - (\$850)

1212-532714 Transp-Ground/In-State - (\$500)

1212-532722 Lodging/out of State - (\$633)

1212-532724 Meal/In State - (\$250)

1212-532725 Meals/Out of State - (\$500)

General Research

1213-532712 Transp Air/Out State - (\$2,350)

1213-532714 Transp-Ground/In-State - (\$500)

1213-532722 Lodging/out of State - (\$1,000)

1213-532724 Meal/In State - (\$400)

1213-532725 Meals/Out of State - (\$1,033)

Fiscal Research

1214-532712 Transp Air/Out State - (\$3,450)

1214-532714 Transp-Ground/In-State - (\$1,800)

1214-532722 Lodging/out of State - (\$1000)

1214-532724 Meal/In State - (\$850)

1214-532725 Meals/Out of State - (\$1,283)

Information Systems

1217-532712 Transp Air/Out State - (\$1,250)

1217-532714 Transp-Ground/In-State - (\$250)

1217-532724 Meal/In State - (\$250)

1217-532725 Meals/Out of State - (\$783)

**52 Additional Budget Reductions**

**(\$564,880) R**

Central Temp Staff Work Schedule - (\$157,608):

Administrative

1211-531311 Regular Temporary Wages - (\$114,544)

1211-531511 Social Security Contributions - (\$8,762)

1211-531521 Reg Retirement Contributions - (\$5,727)

Fiscal Research

1214-531311 Regular Temporary Wages - (\$907)

1214-531511 Social Security Contributions - (\$69)

1214-531521 Reg Retirement Contributions - (\$45)

Building Maintenance

General Assembly

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Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

1215-531311 Regular Temporary Wages - (\$24,460)  
 1215-531511 Social Security Contributions - (\$1,817)  
 1215-531521 Reg Retirement Contributions - (\$1,223)

All Budgeted Agency Reserves - (\$407,272):  
 Senate 1110-537195 Reserves - (\$74,272)  
 House 1120-537195 Reserves - (\$66,621)  
 Food Service 1216-537195 Reserves - (\$1,000)  
 Legislative Res 1220-537195 Reserves - (\$68,754)  
 Res and Transfers 1900-537195 Reserves - (\$187,625)

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|                               |                      |          |
|-------------------------------|----------------------|----------|
| <b>Budget Changes</b>         | <b>(\$2,654,234)</b> | <b>R</b> |
| <b>Total Position Changes</b> | -10.00               |          |
| <b>Revised Total Budget</b>   | <b>\$36,899,614</b>  |          |

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Total Budget Approved 2001 Session

| <b>Budget Changes</b>  |             |                    |
|--|-------------|--------------------|
| <b>1110 Administration</b>   |             |                    |
| <b>53 Personnel Reductions</b>   | (\$206,585) | R                  |
| Eliminate the following vacant positions:  |             |                    |
|  | -5.00       |                    |
| Executive Assistant - 3000-0000-0000-641 - (\$40,422)  |             |                    |
| 2 Admin. Assist. - 3000-0000-0000-066/907s - (\$86,966)  |             |                    |
| Pub. Info. Assist. IV - 3000-0000-0000-072 - (\$29,547)  |             |                    |
| Policy Assistant - 3000-0000-0000-332 - (\$49,650).  |             |                    |
| <b>1120 Dues to National Associations</b>  |             |                    |
| <b>54 Reduction in Dues</b>  | (\$168,001) | R                  |
| Reduce the dues paid to national associations. In addition to other dues the Governor's Office may decide to pay, it shall continue to pay the dues for the Council of State Governments out of the remaining funds. |             |                    |
| <b>1130 Intergovernmental Relations</b>  |             |                    |
| <b>55 Personnel Reductions</b>   | (\$97,817)  | R                  |
| Eliminate salary and benefits for the following vacant positions:  |             |                    |
|  | -2.00       |                    |
| Admin. Assist.- 3000-0000-0000-207 - (\$32,058)  |             |                    |
| Military Liaison - 3000-0000-0000-205 - (\$65,759).  |             |                    |
| <b>1631 Raleigh Executive Residence</b>  |             |                    |
| <b>56 Personnel Reduction</b>  | (\$32,192)  | R                  |
| Eliminate the salary and benefits for one vacant Receptionist position (3000-0000-0000-408).   |             |                    |
|  | -1.00       |                    |
| <b>Budget Changes</b>  |             |                    |
|  | (\$504,595) | R                  |
| <b>Total Position Changes</b>  |             | -8.00              |
| <b>Revised Total Budget</b>  |             | <b>\$4,938,310</b> |

Insurance

GENERAL FUND

Total Budget Approved 2001 Session

FY 02-03  
\$23,527,552

Budget Changes

1100 Administration

57 Personnel and Operating Budget Reductions

(\$51,624) R

Eliminate the salary and benefits (\$4,171) for a partial Insurance Regulatory Analyst position (3902-0000-0000-104). Also reduces the operating budget by \$47,453 in the following line items:

-0.10

- 534500 Equipment/Furniture (\$2,453)
- 532700 Travel (\$35,000)
- 535800 Other Administrative Expense (\$10,000)

1200 Company Services

58 Personnel and Operating Budget Reductions

(\$521,134) R

Eliminate the salary and benefits for the following two full-time positions:

-2.23

- Ins Company Ex. I 3905-0000-0005-329 (\$59,258)
- Ins Company Ex. I 3924-0000-0024-304 (\$54,254)

Eliminate the salary and benefits for the following partial positions which are equivalent to .23 positions:

- Ins Company Ex. I 3905-0000-0005-341 (\$1,254)
- Computer Trng Spec. 3922-0000-0004-073 (\$1,523)
- Ins Company Ex. I 3924-0000-0024-302 (\$1,146)
- Ins Company Ex. I 3924-0000-0024-303 (\$1,163)
- Ins Company Ex. I 3924-0000-0024-455 (\$1,146)
- Admin. Sec. III 3929-0000-0029-202 (\$1,301)

Reduces the operating budget by \$400,089 in the following line items:

- 534500 Equipment/Furniture (\$80,651)
- 532700 Travel (\$179,438)
- 535800 Other Administrative Expense (\$20,000)
- 532900 Other Services (\$75,000)
- 532800 Communication and Data Processing (\$30,000)
- 533100 General Administrative Expense (\$15,000)

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**1300 Technical Services**

**59 Personnel and Operating Budget Reductions**

**(\$775,822) R**

Eliminate the salary and benefits for the following full-time position:

-1.20

Ins Reg. Anal. I 3920-0000-0002-026 (\$51,495)

Eliminate the salary and benefits for the following partial positions which are equivalent to .2 positions:

Proc. Assist. IV 3904-0000-0000-261 (\$1,159)

Ins Reg. Anal. I 3913-0000-0001-222 (\$1,954)

Ins Reg. Anal. I 3928-0100-0000-036 (\$1,954)

Proc. Assist. III 3928-0200-0000-023 (\$1,076)

Reduces the operating budget by \$718,184 in the following line items:

534500 Equipment/Furniture (\$142,854)

532700 Travel (\$407,038)

535800 Other Administrative Expense (\$13,196)

532800 Communication and Data Processing (\$135,096)

533100 General Admin. Supplies (\$20,000)

**1400 Public Services**

**60 Personnel and Operating Budget Reductions**

**(\$137,556) R**

Eliminate the salary and benefits for a partial Investigator position (3908-0000-0008-946) at \$901. Also reduces the operating budget in the following line items:

-0.03

534500 Equipment/Furniture (\$11,353)

532700 Travel (\$100,000)

535800 Other Administrative Expense (\$8,302)

533100 General Admin. Supplies (\$17,000)

**1500 Office of State Fire Marshall**

**61 Personnel and Operating Budget Reductions**

**(\$395,968) R**

Eliminate the salary and benefits for a vacant Fire & Rescue Training Supervisor position (3901-0000-0001-070). Also reduces the operating budget by \$341,554 in the following line items:

-1.00

534500 Equipment/Furniture (\$23,386)

532700 Travel (\$140,000)

535800 Other Administrative Expense (\$4,000)

532800 Communication & Data Processing (\$144,168)

534700 Intangible Assets (\$30,000).

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

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|                               |                      |          |
|-------------------------------|----------------------|----------|
| <b>Budget Changes</b>         | <b>(\$1,882,104)</b> | <b>R</b> |
| <b>Total Position Changes</b> | <b>-4.56</b>         |          |
| <b>Revised Total Budget</b>   | <b>\$21,645,448</b>  |          |

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Insurance

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Insurance - Workers' Compensation for Volunteer Firemen

GENERAL FUND

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|   |                 |                    |
|---|-----------------|--------------------|
| <b>Total Budget Approved 2001 Session</b> | <b>FY 02-03</b> | <b>\$4,500,000</b> |
|---|-----------------|--------------------|

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|   |               |    |
|---|---------------|----|
| <b>Budget Changes</b>   |               |    |
| <b>1900 Reserves and Transfers</b>  |               |    |
| <b>62 Volunteer Safety Worker's Compensation Fund</b>                                     |               |    |
| Reduce the General Fund Appropriation to the Volunteer Safety Worker's Compensation Fund. | (\$2,500,000) | NR |

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|                               |                    |    |
|-------------------------------|--------------------|----|
| <b>Budget Changes</b>         | (\$2,500,000)      | NR |
| <b>Total Position Changes</b> |                    |    |
| <b>Revised Total Budget</b>   | <b>\$2,000,000</b> |    |

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Lieutenant Governor

GENERAL FUND

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|   |                  |
|---|------------------|
| <b>Total Budget Approved 2001 Session</b> | <b>FY 02-03</b>  |
|   | <b>\$669,545</b> |

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**Budget Changes**

**1110 Administration**

|  |            |   |
|--|------------|---|
| <b>63 Personnel Reduction</b>  | (\$53,280) | R |
| Eliminate salary and benefits for one vacant position and reduce the salary of another vacant position as follows: |            |   |
|  | -1.00      |   |
| Spc Asst/Constituent Affr -#3100-0000-0016-020 - (\$30,625)  |            |   |
| Asst for Res & Policy -#3100-0000-0016-020 - (\$11,465)  |            |   |
| 531511 Social Security Contributions - (\$3,220)   |            |   |
| 531521 Reg. Retirement Contributions - (\$2,104)   |            |   |
| 531561 Medical Insurance Contributions - (\$5,866)   |            |   |

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|                               |                   |          |
|-------------------------------|-------------------|----------|
| <b>Budget Changes</b>         | <b>(\$53,280)</b> | <b>R</b> |
| <b>Total Position Changes</b> |                   | -1.00    |
| <b>Revised Total Budget</b>   | <b>\$616,265</b>  |          |

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Office of Administrative Hearings

GENERAL FUND

|  |  |                    |   |
|--|--|--------------------|---|
|  |  | <b>FY 02-03</b>    |   |
| <b>Total Budget Approved 2001 Session</b>  |  | <b>\$2,795,155</b> |   |
| <hr/>  |  |                    |   |
| <b>Budget Changes</b>  |  |                    |   |
| <b>1100 Administration &amp; Operations</b>  |  |                    |   |
| <b>64 Personnel and Operating Budget Reductions</b>  |  | (\$211,242)        | R |
| Eliminate salary and benefits for three vacant positions<br>and reduce the following line items: |  | -3.00              |   |
| Administrative Asst-#8210-1100-0000-005 - (39,164)   |  |                    |   |
| Administrative Officer-#8210-1100-0000-031 - (\$40,807)  |  |                    |   |
| Admin Law Judge-#8210-1100-0000-051 - (\$82,718)   |  |                    |   |
| 531511 Social Security Contributions - (\$12,692)  |  |                    |   |
| 531521 Reg Retirement Contributions/Approp - (\$8,296)   |  |                    |   |
| 531561 Med Insurance Contributions/Approp - (\$8,799)  |  |                    |   |
| 532850 Printing - (\$12,200)   |  |                    |   |
| 534600 Library and Learning Resources - (\$6,566)  |  |                    |   |
| <b>1100 Administration &amp; Operations</b>  |  |                    |   |
| <b>65 432101 Receipts - Federal Reimbursement</b>  |  | (\$22,500)         | R |
| Increase federal receipts.   |  |                    |   |
| <hr/>  |  |                    |   |
| <b>Budget Changes</b>  |  | (\$233,742)        | R |
| <b>Total Position Changes</b>  |  | -3.00              |   |
| <b>Revised Total Budget</b>  |  | <b>\$2,561,413</b> |   |
| <hr/>  |  |                    |   |



Revenue

GENERAL FUND

**Total Budget Approved 2001 Session** **FY 02-03**  
**\$77,955,704**

**Budget Changes**

**1605 Information Technology Services**

**66 Operating Budget Reductions** (\$700,000) R  
Reduce the following accounts in FY 02-03:

532821 Computer/Data Processing Services/ITS Storage - (\$500,000)

532821 Computer/Data Processing Services - (\$200,000)  
(ITS Efficiency Processing)

**1643 Taxpayer Assistance**

**67 Personnel Reductions** (\$228,295) R

Eliminate salary, benefits, and operating cost for seven vacant positions:

-7.00

Processing Assistant III-#4782-0000-0065-738 - (\$20,795)  
Revenue Tax Auditor I-#4782-0000-0065-746 - (\$39,267)  
Processing Assistant IV-#4782-0000-0065-751 - (\$23,031)  
Processing Assistant III-#4782-0000-0065-765 - (\$19,105)  
Revenue Tax Auditor I-#4782-0000-0065-798 - (\$36,789)  
Processing Assistant III-#4782-0000-0065-816 - (\$20,207)  
Processing Assistant V-#4782-0000-0065-820 - (\$25,239)

531511 Social Security Contributions/Approp - (\$14,109)  
531521 Reg Retirement Contributions/Approp - (\$9,222)  
531561 Med Insurance Contributions/Approp - (\$20,531)

**1661 Project Collect Tax**

**68 Operating Budget Reductions** (\$600,000) R  
Adjust information technology services (532140).

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**1681 Administrative Services**

**69 Operating Budget Reductions**

**(\$387,850) R**

Adjust the following accounts in FY 02-03:

532512 Rents/Lease-Building - (\$20,000)

532811 Telephone Service @\$350/position X 21:  
Fund 1643 (7), Fund 1685 (12), and  
Fund 1860 (2)

532840003 Postage, Freight & Delivery - Postal  
Meters - (\$100,000)

532850001 Forms (Tax Returns) - (\$250,000)

533110 Gen Office Supplies @ \$500/position X 21:  
Fund 1643 (7), Fund 1685 (12), and  
Fund 1860 (2)

**1685 Documents and Payments Processing**

**70 Personnel and Operating Budget Reductions**

**(\$384,592) R**

Eliminate salary, benefits, and operating cost for twelve  
vacant positions:

-12.00

Revenue Admin Off III-#4787-0000-0090-006 - (\$71,674)  
Processing Assistant III-#4787-0000-0090-130 - (\$19,105)  
Processing Assistant III-#4787-0000-0090-170 - (\$19,967)  
Data Entry Specialist-#4787-0000-0090-725 - (\$27,101)  
Processing Assistant III-#4787-0000-0090-852 - (\$19,105)  
Data Entry Specialist-#4787-0000-0090-899 - (\$23,609)  
Processing Assistant III-#4787-0000-0091-205 - (\$21,598)  
Processing Assistant III-#4787-0000-0095-110 - (\$19,467)  
Processing Assistant III-#4787-0000-0095-115 - (\$19,467)  
Processing Assistant III-#4787-0000-0095-120 - (\$20,973)  
Processing Assistant III-#4787-0000-0095-121 - (\$20,994)  
Processing Assistant III-#4787-0000-0095-122 - (\$27,101)

531511 Social Security Contribution/Approp - (\$23,727)  
531521 Reg Retirement Contributions/Approp - (\$15,508)  
531561 Med Insurance Contributions/Approp - (\$35,196)

Revenue

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Conference Report on the Continuation, Capital and Expansion Budgets

|                 |
|-----------------|
| <b>FY 02-03</b> |
|-----------------|

**1860 Utilities Franchise**

**71 Personnel and Operating Budget Reduction**

**(\$83,663) R**

Transfer two (2) positions and operating budget responsible for collection and distribution of taxes collected on utilities for municipalities in the Examination and Collection Division from the General Fund to receipt- support in a division to be established - Utilities Franchise.

-2.00

Revenue Tax Auditor I-#4784-0000-0076-526 - (\$36,144)  
 Inform Processing Tech-#4784-0000-0076-549 - (\$32,917)

531511 Social Security Contributions/ Approp - (\$5,283)  
 531521 Reg Retirement Contributions/ - Approp - (\$3,453)  
 531561 Med Insurance Contributions/Approp - (\$5,866)

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|                               |                      |          |
|-------------------------------|----------------------|----------|
| <b>Budget Changes</b>         | <b>(\$2,384,400)</b> | <b>R</b> |
| <b>Total Position Changes</b> | <b>-21.00</b>        |          |
| <b>Revised Total Budget</b>   | <b>\$75,571,304</b>  |          |

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Rules Review Commission

GENERAL FUND

Total Budget Approved 2001 Session

FY 02-03

\$325,795

Budget Changes

1100 Administration

72 Operating Budget Reductions

(\$9,981) R

Reduce funds for FY 02-03 in the following accounts:

- 532712 Transportation Air/Out of State - (\$100)
- 532714 Transportation/In State - (\$75)
- 532715 Transportation/Out of State - (\$50)
- 532722 Lodging out of State - (\$400)
- 532725 Meals/Out of State - (\$70)
- 532811 Telephone - (\$270)
- 532821 Computer/Data Processing - (\$406)
- 532840 Postage, Freight, Delivery - (\$250)
- 532850 Printing, Binding, Duplicate - (\$250)
- 532930 Registration Fees - (\$500)
- 532942 Other Employee Ed Expense - (\$400)
- 534511 Office Furniture - (\$3000)
- 534521 Office Equipment - (\$500)
- 534522 Equipment/Computers - (\$2000)
- 534630 Library and Learning - (\$1000)
- 534710 Computer Software - (\$510)
- 535830 Membership Dues & Subscription - (\$200)
- 534521 Office Equipment - (\$500)

Budget Changes

(\$9,981) R

Total Position Changes

Revised Total Budget

\$315,814

Secretary of State

GENERAL FUND

**Total Budget Approved 2001 Session**

**FY 02-03**  
**\$8,286,850**

| <b>Budget Changes</b>  |             |   |  |
|--|-------------|---|--|
| <b>1110 Administration</b>   |             |   |  |
| <b>73 Operating Budget Reduction</b>   | (\$29,649)  | R |  |
| Reduce the operating budget for systems implementation (532140) by \$29,053 and for computer/data processing services (532821) by \$596.   |             |   |  |
| <b>1120 Publications</b>   |             |   |  |
| <b>74 Personnel and Operating Budget Reductions</b>  | (\$64,478)  | R |  |
| Eliminate the salary and benefits (\$24,478) for a filled Mail Clerk II position (3212-0000-0000-124). Also reduces the operating budget for printing and binding (532850) by \$40,000.                          |             |   |  |
| -1.00  |             |   |  |
| <b>1210 Corporations</b>   |             |   |  |
| <b>75 Personnel and Operating Budget Reductions</b>  | (\$52,224)  | R |  |
| Eliminate the salary and benefits for 2 filled Processing Assistant IV positions.  |             |   |  |
| -2.00  |             |   |  |
| <b>76 Personnel Reduction</b>  | (\$137,147) | R |  |
| Eliminate the salary and benefits (\$26,112) for one Data Control Clerk IV. Also reduces the operating budget for systems implementation (532140) by \$39,414 and computer/data processing (532821) by \$71,621. |             |   |  |
| -1.00  |             |   |  |
| <b>1220 Uniform Commercial Code</b>  |             |   |  |
| <b>77 Personnel and Operating Budget Reductions</b>  | (\$55,817)  | R |  |
| Eliminate the salary and benefits for the following positions:   |             |   |  |
| -2.00  |             |   |  |
| Proc. Assist.V (vacant) - 3222-0000-0000-393 - (\$27,999)  |             |   |  |
| Mail Clerk II (filled)- 3222-0000-0000-411 - (\$25,084).   |             |   |  |
| Also reduces the operating budget for communication and data processing by \$2,734.  |             |   |  |
| <b>1300 Notary Public</b>  |             |   |  |
| <b>78 Operating Budget Reduction</b>   | (\$5,766)   | R |  |
| Reduce the operating budget for computer/data processing services (532821).  |             |   |  |
| <b>1400 Land Records</b>   |             |   |  |
| <b>79 Operating Budget Reduction</b>   | (\$200)     | R |  |
| Reduce operating budget for computer/data processing (532821).   |             |   |  |

Secretary of State

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

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|                               |                    |          |
|-------------------------------|--------------------|----------|
| <b>Budget Changes</b>         | <b>(\$345,281)</b> | <b>R</b> |
| <b>Total Position Changes</b> | <b>-6.00</b>       |          |
| <b>Revised Total Budget</b>   | <b>\$7,941,569</b> |          |

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State Board of Elections

GENERAL FUND

|  |                    |           |
|--|--------------------|-----------|
|  | <b>FY 02-03</b>    |           |
| <b>Total Budget Approved 2001 Session</b>                      | <b>\$3,186,269</b> |           |
| <b>Budget Changes</b>  |                    |           |
| <b>1100 Administration</b>                                     |                    |           |
| <b>80 Operating Budget Reductions</b>                          | (\$40,378)         | R         |
| Reduce operating budget for other admin. supplies<br>(533190). |                    |           |
| <b>1200 Campaign Reporting</b>                                 |                    |           |
| <b>81 Operating Budget Adjustment</b>                          | \$250,000          | NR        |
| Provide funds for one-stop voting.                             |                    |           |
| <b>Budget Changes</b>  | <b>(\$40,378)</b>  | <b>R</b>  |
|  | <b>\$250,000</b>   | <b>NR</b> |
| <b>Total Position Changes</b>                                  |                    |           |
| <b>Revised Total Budget</b>                                    | <b>\$3,395,891</b> |           |

State Budget & Management

GENERAL FUND

|  |  |                    |          |
|--|--|--------------------|----------|
|  |  | <b>FY 02-03</b>    |          |
| <b>Total Budget Approved 2001 Session</b>  |  | <b>\$5,354,938</b> |          |
| <hr/>  |  |                    |          |
| <b>Budget Changes</b>  |  |                    |          |
| <b>1310 State Budget and Management</b>  |  |                    |          |
| <b>82 Operating Budget Reductions</b>  |  | (\$60,000)         | R        |
| Reduce the operating budget for contractual services and equipment.  |  |                    |          |
| <b>83 Operating Budget and Personnel Reductions</b>  |  | (\$240,057)        | R        |
| Eliminate the salary and benefits for following three vacant positions.  |  | -4.00              |          |
| Economist II - 3004-0000-0000-665 - (\$51,624)   |  |                    |          |
| Appl. Anal. Prog. 3004-0403-0000-701 (\$83,153)  |  |                    |          |
| Mgmt. Analyst - 3004-0404-0200-540 (\$45,483)  |  |                    |          |
| Also eliminate the salary and benefits (\$46,797) for a vacant Program Assistant V position and reduce the operating budget by \$13,000. |  |                    |          |
| <hr/>  |  |                    |          |
| <b>Budget Changes</b>  |  | <b>(\$300,057)</b> | <b>R</b> |
| <b>Total Position Changes</b>  |  | -4.00              |          |
| <b>Revised Total Budget</b>  |  | <b>\$5,054,881</b> |          |
| <hr/>  |  |                    |          |



State Budget & Management - Special Appropriations

GENERAL FUND

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|  |                     |
|--|---------------------|
|  | <b>FY 02-03</b>     |
| <b>Total Budget Approved 2001 Session</b>  | <b>\$3,080,000</b>  |
| <hr/>  |                     |
| <b>Budget Changes</b>  |                     |
| <b>1022 2002 Special Appropriations</b>  |                     |
| <b>84 NC Humanities Council</b>  |                     |
| Provides funds to the North Carolina Humanities Council, a nonprofit corporation, for the programs of the Council. | \$100,000 NR        |
| <hr/>  |                     |
| <b>Budget Changes</b>  | <b>\$100,000 NR</b> |
| <b>Total Position Changes</b>  |                     |
| <b>Revised Total Budget</b>  | <b>\$3,180,000</b>  |

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**Total Budget Approved 2001 Session**

**Budget Changes**

**1000 Departmentwide**

**85 Personnel and Operating Budget Reductions** (\$1,101,040) R

Eliminate five vacant positions, convert an ITS position to OSC responsibilities, and reduce the following line items: -5.00

- Processing Asst III-#5001-0000-0000-007 - (\$26,000)
- State Mgmt Analyst-#5008-0000-0000-034 - (\$48,215)
- Accounting Specialist-#5008-0000-0000-054 - (\$31,387)
- Applic Analyst Prog I-#5008-0000-0000-088 - (\$52,049)
- State Mgmt Analyst-#5009-0000-0000-113 - (\$35,519)

- 531511 Social Security Contributions - (14,777)
- 531521 Reg Retirement Contributions - (\$9,658)
- 531561 Med Insurance Contributions - (\$14,665)

Convert IT Position:

- 531211 Salaries - \$ 26,675
- 531461 Longevity - \$ 1,561
- 531511 Social Security Contributions - \$ 2,160
- 531521 Reg Retirement Contributions - \$ 1,412
- 532140 Information Technology Svs - (\$110,963)

Line Items:

- 532140 Information Technology Services - (\$150,000)
- 532332 Repairs to Computer Equipment - (\$500)
- 532390 Repairs - Other - (\$375)
- 532811 Telephone Service - (\$5,000)
- 532812 Telecommun Data Chg - (\$28,200)
- 532840003 Postage, Fr & Del - Postal Meter - (\$2,000)
- 532850 Print, Bind, Duplicate - (\$9,000)
- 532860 Advertising - (\$1,400)
- 532930 Registration Fees - (\$5,000)
- 532941 Emp Education Assist Prog - (\$500)
- 532942 Other Employee Educational Exp - (\$4,500)
- 533110 Office Supplies - (\$10,000)
- 533120 Data Processing Supplies - (\$1,500)
- 534521 Office Equipment - (\$7,500)
- 534710 Computer Software - (\$14,000)
- 535830 Membership Dues & Subscriptions - (\$2,000)

532821 Data Processing Cost:

- Increase Efficiency in System - (\$251,989)
- Data Warehouse Conversion - (\$261,092)
- Limit Daily Production of NCAS - (\$35,059)

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

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|                               |                      |          |
|-------------------------------|----------------------|----------|
| <b>Budget Changes</b>         | <b>(\$1,101,040)</b> | <b>R</b> |
| <b>Total Position Changes</b> | <b>-5.00</b>         |          |
| <b>Revised Total Budget</b>   | <b>\$10,422,828</b>  |          |

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Treasurer

GENERAL FUND

Total Budget Approved 2001 Session

FY 02-03  
\$7,216,817

**Budget Changes**

**1210 Investment Management**

**86 Personnel and Operating Budget Reductions** (\$476,548) R

Eliminates the salary and benefits for a vacant position  
and reduces the operating budget for financial/audit  
services. -1.00

Office Assist. 3410-2611-2200-158 - (\$30,073)  
532120130 Market Research - (\$331,000)  
532120 Financial/Audit Services - (\$115,475)

**1310 Local Government**

**87 Operating Budget Reductions** (\$75,413) R

Reduce the following line items:

532512 Rent - (\$50,000)  
532821 Computer/Data Processing Svcs - (\$25,413)

**1510 Banking**

**88 Personnel Reduction** (\$25,384) R

Eliminate the salary and benefits for a vacant Accounting  
Clerk III position (3410-2611-2200-145). -1.00

Treasurer

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Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**Departmentwide**

**89 Budget Adjustments**

\$1,248,963 R

Adjust budgets for administrative services (532170) and computer/data processing (532800) to the amounts needed to fund the requirements in Department's three internal service funds (Fund 1110 - General Administration, Fund 1520 Financial Operations-Accounting, and Budget Code 73410 - Computer Center). The three internal service funds provide services to the five operating funds (Investment Management, Local Government Operations, Banking, Escheats Fund Administration, Retirement Operations) and are supported by receipts from those funds. In prior years, continuation budget and expansion adjustments were made in the requirements and receipts for the internal services funds without the necessary adjustments being made in the five operating funds, cumulatively causing an imbalance of \$2,048,671 between the budgeted requirements/receipts in the three internal service funds and the funding available in the five operating funds to pay the internal service funds for billed services. The adjustments below align the requirements in the operating funds with the receipts budgeted in the internal service funds.

General Fund-Supported Operating Funds

|                            |            |             |
|----------------------------|------------|-------------|
| Account Code               | 532800     | 532170      |
| 1210 Investment Management | (\$66,993) | \$485,485   |
| 1310 Local Government      | \$73,196   | (\$215,437) |
| 1510 Banking               | \$849,732  | \$122,980   |
| Total General Fund         | \$855,935  | \$393,028   |

Receipt-Supported Operating Funds

|                 |             |            |
|-----------------|-------------|------------|
| Account Code    | 532800      | 532170     |
| 1130 Escheats   | (\$175,959) | (\$15,793) |
| 1410 Retirement | \$837,453   | \$154,007  |
| Total Receipts  | \$661,494   | \$138,214  |

Nontax revenue will be increased by the amount allocated to the General Fund-Supported operating funds.

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|                               |                    |          |
|-------------------------------|--------------------|----------|
| <b>Budget Changes</b>         | <b>\$671,618</b>   | <b>R</b> |
| <b>Total Position Changes</b> |                    | -2.00    |
| <b>Revised Total Budget</b>   | <b>\$7,888,435</b> |          |

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Treasurer

Treasurer - Retirement for Fire and Rescue Squad  
Workers

GENERAL FUND

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|   |                     |
|---|---------------------|
|   | <b>FY 02-03</b>     |
| <b>Total Budget Approved 2001 Session</b>   | <b>\$12,379,780</b> |
| <hr/>   |                     |
| <b>Budget Changes</b>   |                     |
| <b>1412 Gen Fund Contribution to Fire Pension Fund</b>  |                     |
| <b>90 Reduce Contribution to Fire Pension Fund</b>  | (\$5,248,601) R     |
| Reduces the General Fund contribution to the Firemen's Pension Fund. Based on the fund's valuation report, the fund can sustain a reduction at this level and also support a benefit enhancement. |                     |
| <hr/>   |                     |
| <b>Budget Changes</b>   | (\$5,248,601) R     |
| <b>Total Position Changes</b>   |                     |
| <b>Revised Total Budget</b>   | <b>\$7,131,179</b>  |

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# **TRANSPORTATION**

## **Section K**





Transportation

GENERAL FUND

FY 02-03

Total Budget Approved 2001 Session

\$13,393,341

Budget Changes

Aeronautics

(1200) Airport Grants

1 Aviation Grant Reduction

Implements reduction recommended by Governor. This reduces the budget for aviation grants by 11% from \$12,250,000 to \$10,902,500.

(\$1,347,500) NR

(1400) Global TransPark Authority

2 Eliminate Operating Funds for Global TransPark

Eliminates operating funds for the Global TransPark Authority provided by the General Fund.

(\$576,982) R

(1500) Global TransPark Authority

3 Eliminate Runway Funds for Global TransPark

Eliminates runway development funds for the Global TransPark Authority provided by the General Fund.

(\$566,359) R

Budget Changes

(\$1,143,341) R

(\$1,347,500) NR

Total Position Changes

Revised Total Budget

\$10,902,500

Transportation

HIGHWAY FUND

FY 02-03

Total Budget Approved 2001 Session

\$1,287,902,372

Budget Changes

(0220) Management Information Systems

4 Reduce Professional Fees for Printing Services

Reduce professional fees for printing services at DMV.

(\$362,232) NR

(5120) Secondary Roads Construction

5 Technical Adjustment to Secondary Roads Allocation

(\$1,887,000) R

The allocation to secondary roads is determined by statute and is a function of gallons of motor fuel sold. Revised estimates of gallons sold are below the original forecasts and this technical adjustment revises the budget for the secondary roads allocation accordingly. This reduces the secondary road budget by 2% from \$89,387,000 to \$87,500,000.

(5130) Small Urban Construction

6 Increase Funding

Increases program funding from Highway Fund from \$14,000,000 to \$21,000,000 for one year.

\$7,000,000 NR

The Small Urban Construction program will also receive an additional \$7 million from Highway Trust Fund cash balances, bring total program funding to \$28 million.

(5180) Construction - Contingency

7 Restores Nonrecurring Funds

In FY 2002, funds budgeted for small urban and rural projects totaled \$15.0 million. However, this total included \$5.0 million in nonrecurring funds. In the absence of any action by the General Assembly, the budget for small urban and rural construction would decrease to \$10.0 million. With this action, the budget will be restored to \$15.0 million

\$5,000,000 NR

**(5240) Maintenance - Contract Resurfacing**

**8 Increase Contract Resurfacing Funds**

Increases contract resurfacing funding over funding from previous years.

\$3,400,220 NR

**(5910) State Aid to Municipalities**

**9 Technical Adjustment to Aid for Municipalities**

The allocation to municipalities is determined by statute and is a function of gallons of motor fuel sold. Revised estimates of gallons sold are below the original forecasts and this technical adjustment revises the budget for aid to municipalities accordingly. This reduces the municipal aid budget by 2% from \$89,387,000 to \$87,500,000.

(\$1,887,000) R

**(5940) Railroad Program**

**10 Charlotte Multi-Modal Station**

Complete right-of-way purchase and provide funds for preliminary engineering and environmental assessment.

\$8,100,000 NR

**11 Partially Restores Nonrecurring Funds**

In FY 2002, funds budgeted for track improvements between Raleigh and Charlotte totaled \$8.2 million. However, this total included \$5.0 million in nonrecurring funds. In the absence of any action by the General Assembly, the budget for track improvements between Raleigh and Charlotte would therefore decrease to \$3.2 million in FY 2003. With this action, the budget will instead be partially restored, to \$7.2 million.

\$4,000,000 NR

**(5970) Public Transportation Program**

**12 Increase Public Transportation Funding**

Increases public transportation funding over funding from previous years.

\$2,250,000 NR

|                            |             |    |
|----------------------------|-------------|----|
|                            | 2002-2003   |    |
| Rural Capital              | \$1,000,000 | NR |
| Urban Buses and Facilities | \$1,250,000 | NR |

**(6310) Department of Public Instruction**

**13 Adjustment to Driver Education**

Increases funding due to higher projection of number of students.

\$236,109 R

Conference Report on the Continuation, Capital and Expansion Budgets

**FY 02-03**

**(6330) Global TransPark Authority**

**14 Adjust Operating Funds for Global TransPark** (\$618,660) R  
 Eliminates recurring operating funds of \$618,660 for the Global TransPark Authority. Provides non-recurring operating funds of \$1,600,000 for FY2003. \$1,600,000 NR

**(6611) Retirement Rate Adjustment**

**15 TSERS Retirement Rate Adjustment** (\$7,257,000) R  
 Reduces the State's contribution rate from 1.97% to zero for members of the Teachers' and State Employees' Retirement System as a result of actuarial gains for valuation ending 12-31-00.

**(6828) Reserve for Maintenance**

**16 Restores Nonrecurring Funds** \$7,022,971 NR  
 In FY 2002, the budget for maintenance was \$578,632,263. However, this total included \$7,022,971 in nonrecurring funds. In the absence of any action by the General Assembly, the FY 2003 maintenance budget would therefore decrease to \$571,609,292. With this budgetary action, the budget for maintenance will instead be fully restored.

**17 Increase Maintenance Expenditures** \$3,400,220 NR  
 Increases maintenance funding over funding from previous years.

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|                               |                        |           |
|-------------------------------|------------------------|-----------|
| <b>Budget Changes</b>         | <b>(\$11,413,551)</b>  | <b>R</b>  |
|                               | <b>\$41,411,179</b>    | <b>NR</b> |
| <b>Total Position Changes</b> |                        |           |
| <b>Revised Total Budget</b>   | <b>\$1,317,900,000</b> |           |

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**INFORMATION  
TECHNOLOGY  
Section L**



## Information Technology Services

INTERNAL SERVICE  
FUND

FY 02-03

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**Budget Changes**

**1 ITS Rate Reduction** (\$3,414,318) R  
Eleven percent reduction in Information Technology  
Services rates for disk storage and CPU charged to state  
agencies.

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**Budget Changes**

(\$3,414,318) R

**Total Position Changes**

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**RESERVES/  
DEBT SERVICE/  
ADJUSTMENTS  
Section M**



# Reserves, Debt Service and Adjustments

GENERAL FUND

FY 02-03

Total Budget Approved 2001 Session

505,497,088

## A. Employee Benefits

- |   |                 |    |
|---|-----------------|----|
| <b>1 Reserve for Experience Step Salary Increase for Teachers</b>   | \$51,937,267    | R  |
| To allow Teachers and Principals to receive an experience step salary increase on the applicable schedule. This funding will support an average increase of 1.84% to all personnel paid on these schedules.   |                 |    |
| <b>2 Assistant/Deputy Clerks/Magistrates Salary Steps</b>   | \$1,980,700     | R  |
| Provides recurring funds to continue established statutory salary plans for Magistrates, Assistant Clerks, and Deputy Clerks.   |                 |    |
| <b>3 Severance and Discontinued Service Reserve</b>   | \$5,000,000     | NR |
| Funds are recommended to provide transitional benefits for state employees whose positions are eliminated and who are unable to secure employment in another state position (Governor's recommendation).  |                 |    |
| <b>4 Retirement Systems Rate Adjustments</b>  | (\$144,525,000) | R  |
| Reduce the State's contribution rates for the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System and the Legislative Retirement System as a result of actuarial gains for the valuations ending December 31, 2000. |                 |    |
| <b>5 Reserve for 2001 Compensation Increases</b>  | (\$4,247,868)   | R  |
| Reduce funds for compensation increases enacted in the 2001 session to more accurately reflect actual requirements as recommended by the Office of State Budget and Management.   |                 |    |
| <b>6 Statewide Reserve for State Employee Health Plan</b>   | (\$12,621,872)  | R  |
| Reserve funds appropriated in 2001 that the Office of State Budget and Management says are not needed by state agencies, universities, public schools, and community colleges for fiscal year 2002-03.  |                 |    |

**B. Trust Funds**

**7 Trust Fund for MH/DD/SAS and Bridge Funding Needs**

Provide funds to facilitate the reform of the state's mental health, developmental disabilities and substance abuse services system including (1) funds to enhance community based services and facilitate compliance with the federal Supreme Court decision in Olmstead; (2) bridge funding to provide services to clients during transitional periods such as the closing of state facilities; (3) capital funds for the construction, repair and renovation of state facilities. Up to \$7 million may be used for the siting, design and capital planning costs associated with the construction of a new psychiatric hospital.

\$8,000,000 NR

**8 Ruth M Easterling Trust Fund for Children with Special Needs**

Establishes a fund to provide services to children with special needs that are not currently provided with State funds.

\$1,000,000 NR

**C. Other Reserves**

**9 Recommendations of Governor's Efficiency Commission**

Adjustment for savings generated by implementing recommendations of the Governor's Efficiency Commission.

(\$25,000,000) R

**10 Management Flexibility Reserve**

Reduce funds appropriated to various departments, institutions and other spending agencies of the state. The Director of the Budget shall allocate this discretionary reduction among agencies, programs and line-items and identify specific reductions during the 2002-03 fiscal year.

(\$41,500,000) R

**11 Adjust Information Technology Services Rate**

Reduce rates paid by state agencies to the Office of Information Technology Services (ITS) for CPU and disk storage.

(\$3,414,318) R

**12 HIPAA Compliance Funds**

Provide funds for statewide planning and implementation of the federal Health Insurance Portability and Accountability Act (HIPAA).

\$2,000,000 NR

**D. Debt Service**

**13 Adjust Debt Service Requirements**

Reduce funds for debt service due to increased receipts and to more accurately reflect actual requirements for principal and interest payments.

(\$36,750,000) R

**14 Savings from Refinancing**

Reduce funds for debt service to reflect one-time savings from debt refinancing.

(\$61,000,000) NR

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**Total Appropriation to Reserves**

(\$214,141,091) R

(\$45,000,000) NR

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**Revised Total Budget**

**\$246,355,997**

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**CAPITAL**  
**Section N**



**Capital**

**GENERAL FUND**

**FY 02-03**

**Department of Environment and Natural Resources**

**1 Water Resources Development Projects**

Provide state funds to match federal and local funds for water resources development projects as outlined in the state's Water Resources Development Plan.

**\$31,248,000 NR**

**Total Appropriation to Capital**

**\$31,248,000 NR**



# NUMERICAL INDEX TO HOUSE AND SENATE BILLS

## 2001 GENERAL ASSEMBLY 2002 REGULAR SESSION 2002 EXTRA SESSION

"Ratified Number" refers to the Session Law number except when preceded by an R, in which case it refers to the Resolution number. Extra Session legislation is identified by an asterisk (\*).

### HOUSE BILLS

| <i>H.B.</i> | <i>Ratified<br/>Number</i> | <i>H.B.</i> | <i>Ratified<br/>Number</i> | <i>H.B.</i> | <i>Ratified<br/>Number</i> |     |
|-------------|----------------------------|-------------|----------------------------|-------------|----------------------------|-----|
| 3           | *                          | 3           | 1493                       | 17          | 1575                       | 90  |
| 4           | *                          | 1           | 1501                       | 157         | 1578                       | 10  |
| 148         |                            | 76          | 1502                       | 128         | 1581                       | 115 |
| 190         |                            | 102         | 1503                       | 58          | 1583                       | 64  |
| 314         |                            | 190         | 1504                       | 26          | 1584                       | 24  |
| 348         |                            | 145         | 1505                       | 27          | 1587                       | 8   |
| 622         |                            | 77          | 1508                       | 179         | 1589                       | 52  |
| 623         |                            | 161         | 1510                       | 7           | 1597                       | 18  |
| 644         |                            | 133         | 1513                       | 28          | 1599                       | 40  |
| 760         |                            | 187         | 1515                       | 61          | 1600                       | 80  |
| 893         |                            | 30          | 1516                       | 170         | 1607                       | 41  |
| 1007        |                            | 165         | 1517                       | 20          | 1609                       | 31  |
| 1040        |                            | 143         | 1518                       | 151         | 1613                       | 9   |
| 1099        |                            | 88          | 1519                       | 152         | 1614                       | 22  |
| 1100        |                            | 175         | 1520                       | 99          | 1615                       | 42  |
| 1105        |                            | 144         | 1521                       | 16          | 1616                       | 23  |
| 1120        |                            | 185         | 1523                       | 156         | 1619                       | 122 |
| 1187        |                            | 135         | 1525                       | 56          | 1620                       | 95  |
| 1215        |                            | 167         | 1526                       | R6          | 1623                       | 132 |
| 1245        |                            | 162         | 1530                       | 13          | 1627                       | 96  |
| 1276        |                            | 119         | 1533                       | 51          | 1629                       | 53  |
| 1307        |                            | 169         | 1534                       | 105         | 1638                       | 147 |
| 1308        |                            | 75          | 1537                       | 176         | 1640                       | 141 |
| 1313        |                            | 182         | 1538                       | 62          | 1641                       | 166 |
| 1402        |                            | 171         | 1539                       | 29          | 1648                       | 57  |
| 1462        |                            | R10         | 1540                       | 116         | 1649                       | 93  |
| 1482        |                            | 6           | 1544                       | 68          | 1651                       | 142 |
| 1484        |                            | 38          | 1545                       | 89          | 1653                       | 32  |
| 1486        |                            | 39          | 1546                       | 73          | 1654                       | 33  |
| 1487        |                            | 11          | 1552                       | 63          | 1657                       | 114 |
| 1488        |                            | 25          | 1557                       | 15          | 1661                       | 81  |
| 1490        |                            | 120         | 1564                       | 154         | 1662                       | 67  |
| 1492        |                            | 86          | 1572                       | 148         | 1665                       | 146 |

| <i>H.B.</i> | <i>Ratified<br/>Number</i> | <i>H.B.</i> | <i>Ratified<br/>Number</i> | <i>H.B.</i> | <i>Ratified<br/>Number</i> |
|-------------|----------------------------|-------------|----------------------------|-------------|----------------------------|
| 1666        | 43                         | 1689        | 34                         | 1724        | 110                        |
| 1668        | 129                        | 1690        | 46                         | 1726        | 173                        |
| 1670        | 136                        | 1691        | 83                         | 1734        | 172                        |
| 1675        | R9                         | 1697        | 84                         | 1745        | 134                        |
| 1679        | 137                        | 1698        | 47                         | 1747        | 59                         |
| 1683        | 44                         | 1707        | 138                        | 1777        | 160                        |
| 1684        | 45                         | 1714        | 35                         | 1778        | R11                        |
| 1685        | 125                        | 1720        | 139                        | 1783        | R12                        |
| 1686        | 82                         | 1723        | 48                         | 1805        | R17                        |

## SENATE BILLS

| <i>S.B.</i> | <i>Ratified<br/>Number</i> | <i>S.B.</i> | <i>Ratified<br/>Number</i> | <i>S.B.</i> | <i>Ratified<br/>Number</i> |
|-------------|----------------------------|-------------|----------------------------|-------------|----------------------------|
| 2 *         | 21                         | 1135        | 60                         | 1292        | 123                        |
| 3 *         | 2                          | 1136        | 140                        | 1300        | 50                         |
| 6 *         | R20                        | 1144        | 98                         | 1303        | R15                        |
| 70          | 188                        | 1146        | 121                        | 1312        | 118                        |
| 98          | 180                        | 1154        | 112                        | 1326        | 131                        |
| 163         | 164                        | 1160        | 72                         | 1336        | 91                         |
| 204         | 177                        | 1161        | 184                        | 1346        | 74                         |
| 347         | 186                        | 1170        | 107                        | 1357        | 36                         |
| 589         | 150                        | 1195        | 94                         | 1367        | 85                         |
| 641         | 14                         | 1211        | 149                        | 1368        | R7                         |
| 662         | 117                        | 1217        | 159                        | 1371        | 66                         |
| 759         | 78                         | 1218        | 106                        | 1392        | 92                         |
| 832         | 181                        | 1219        | 130                        | 1394        | 79                         |
| 861         | 37                         | 1220        | 5                          | 1407        | 108                        |
| 866         | 163                        | 1224        | 97                         | 1416        | 87                         |
| 901         | 100                        | 1229        | R4                         | 1422        | R2                         |
| 910         | 183                        | 1231        | 69                         | 1429        | 71                         |
| 911         | 103                        | 1232        | 113                        | 1441        | 109                        |
| 1054        | 158                        | 1238        | 153                        | 1443        | 174                        |
| 1078        | 4                          | 1251        | 70                         | 1455        | 189                        |
| 1110        | R1                         | 1252        | 155                        | 1456        | R14                        |
| 1111        | 12                         | 1253        | 104                        | 1469        | R13                        |
| 1112        | 54                         | 1262        | 111                        | 1470        | R3                         |
| 1113        | 101                        | 1268        | 127                        | 1473        | R8                         |
| 1114        | 124                        | 1271        | 55                         | 1474        | R5                         |
| 1115        | 126                        | 1275        | 178                        | 1476        | R16                        |
| 1132        | 49                         | 1281        | 168                        | 1478        | R18                        |
| 1133        | 65                         | 1288        | 19                         | 1480        | R19                        |



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Suggestions for Use: Local legislation appears under the name of the particular county or locality. Legislation that amends or repeals another session law appears under “Laws Amended or Repealed.” General appropriations appear under “Appropriations” or the particular agency. Legislation earmarking appropriations appears under the particular agency and/or subject following the sub-heading “appropriations”. Boards, commissions and committees appear as main entries. Citations sub-sections and sub-sub-sections are shown without parenthesis: thus the citation Chapter 212 sec. 12.27A(a)(3) would be shown as 212(12.27Aa3).

*Session Law  
Number*

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2001 GENERAL ASSEMBLY  
REGULAR SESSION 2002**

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