GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

H 2

HOUSE BILL 898 Committee Substitute Favorable 7/27/95

| Short Title: 1995 Studies. | (Public) |
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| Sponsors: | |
| Referred to: | |

April 12, 1995

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION, TO CREATE AND CONTINUE VARIOUS COMMISSIONS, TO DIRECT STATE AGENCIES AND LEGISLATIVE OVERSIGHT COMMITTEES AND COMMISSIONS TO STUDY SPECIFIED ISSUES, AND TO INCREASE THE MEMBERSHIP OF THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE.

The General Assembly of North Carolina enacts:

10 PART I.—-TITLE

Section 1. This act shall be known as "The Studies Act of 1995".

PART II.—-LEGISLATIVE RESEARCH COMMISSION

Sec. 2.1. The Legislative Research Commission may study the topics listed below. When applicable, the 1995 bill or resolution that originally proposed the issue or study and the name of the sponsor is listed. The Commission may consider the original bill or resolution in determining the nature, scope, and aspects of the study. The topics are:

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| 1 | (1) | Atlantic States Marine Fisheries Compact withdrawal (H.B. 948 - |
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| 2 | (2) | Preston) |
| 3 | (2) | Election laws reform (H.B. 922 - Cansler; H.B. 858 - Miner) |
| 4 | (3) | Cemetery Commission (H.B. 132 - Hill) |
| 5 | (4) | Chiropractic care (S.J.R. 228 - Odom, Soles) |
| 6 | (5) | Cigarette pricing below cost (S.B. 759 - Speed) |
| 7 | (6) | Consumer Protection (S.B. 59 - Jordan; H.B. 196 - Thompson) |
| 8 | (7) | Day care providers records checks (S.B. 165 - Odom; S.B. 371 - Lucas; |
| 9 | | H.B. 259 - Hunter, H.; H.B. 403 - Shubert) |
| 10 | (8) | Domiciliary care and nursing homes (H.B. 685, H.B. 745 - Clary) |
| 11 | (9) | Education issues: |
| 12 | | a. Education improvement (State grants and loans for community |
| 13 | | college tuition and fees (H.B. 42 - Warner) |
| 14 | | b. School building disposition (S.B. 60 - Jordan, Edwards; H.B. 78 - |
| 15 | | Wainwright) |
| 16 | | c. School funding (S.B. 1088 - Winner, Plexico) |
| 17 | | d. Model plans for school buildings (H.B. 1041 - Owens) |
| 18 | | e. Ability grouping and tracking of students (S.B. 1004 - Martin, |
| 19 | | W.; H.B. 1051 - Cunningham) |
| 20 | | f. Teacher tenure, performance evaluation, and incentives (H.B. |
| 21 | | 210 - Arnold) |
| 22 | | g. Choice in education (Shubert, Linney, Miller, K., Wood), |
| 23 | | including tuition tax credits (H.B. 954 - Wood) |
| 24 | (10) | Emergency medical services (S.J.R. 1045 - Speed) |
| 25 | (11) | Energy conservation (S.J.R. 461 - Edwards; H.J.R. 275 - Brawley) |
| 26 | (12) | Firefighter classification and benefits (Cummings - HB 786) |
| 27 | (13) | Grandparent visitation rights (H.J.R. 872 - Mitchell) |
| 28 | (14) | Insurance and insurance-related issues: |
| 29 | (1.) | a. Coastal insurance availability and affordability (S.J.R. 881 - |
| 30 | | Soles, Parnell) |
| 31 | | b. Long-term care insurance (S.B. 102 - Parnell; H.B. 98 - |
| 32 | | Edwards) |
| 33 | | c. Statewide flexible benefits program and third-party administrator |
| 34 | | contracts (Executive Order 66) |
| 35 | (15) | Juvenile Code (S.J.R. 381 - Cooper, Allran; H.J.R. 251 - Hensley, |
| 36 | (13) | Rogers, Russell) |
| 37 | (16) | Legislative ethics (H.J.R. 980 - Gamble) |
| 38 | (17) | Lien laws (S.B. 434 - Hartsell) |
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| 39 10 | (18) | Local government revenue, and powers: |
| 40 41 | | a. Local government revenue options (H.J.R. 883 - Arnold) |
| 41 | | b. Local government services and regional planning (S.B. 1048 - |
| 42 | | McDaniel) |

- Local government structure, powers and finance (H.J.R. 977 -1 c. 2 House Local and Regional Government Committee II) 3 d. Fiscal relations of State and local governments (S.B. 1070 -4 Perdue) 5 Partnerships for quality growth (S.B. 435, S.B. 446 - Sherron) e. 6 f. Planned community regulation (H.B. 757 - Lemmond) 7 (19)Occupational and professional regulation: 8 Forester licensing (Weatherly) a. Monument contracting (H.B. 847 - Mercer) 9 b. 10 Qualified environmental professionals (H.B. 880 - Wood) c. Well and pump contracting (H.B. 814 - Gardner) 11 12 (20)O'Neal-Rockwood connector (H.B. 1042 - Allred) Plastics recycling (H.B. 1066 - Luebke) 13 (21) 14 (22)Public health (S.B. 231 - Cooper), including vaccination costs and 15 administration (S.B. 1044 - Speed) Revenue and tax issues: 16 (23)17 Revenue laws (H.B. 246 - Gamble) a. Interstate Tax Agreements (S.J.R. 122 - Webster) 18 b. 19 Tax expenditures (H.J.R. 95 - Gamble, Luebke) (24) State purchasing and Correction Enterprises (S.B. 420 - Kerr, 20 21 Sherron; H.B. 302 - Warner) Water and wetlands issues: 22 (25)Water issues (S.B. 95 - Albertson; H.B. 46 - Ives) 23 a. 24 Drinking water tests (H.B. 930 - Allred) b. 25 c. Wetlands regulation, restoration and mitigation (H.B. 886 -Nichols) 26 27 (26)Welfare reform (S.B. 48 - Allran; H.B. 5 - Berry) compensation (S.J.R. 28 (27)996 - Kerr) and workers' 29
 - compensation insurance premium taxes
 - Sec. 2.2. Executive Budget Act Revision (Morgan, Holmes, Gray).

The Legislative Research Commission may study the Executive Budget Act and the budget process. The study may consider this State's and other states' laws and policies on the budget process and any other matters it considers necessary in order to recommend a complete revision of the Executive Budget Act and its policies. A study of these revisions shall specifically address the constitutional requirement of separation of powers as it relates to proposing, enacting, and executing a State budget and as it relates to the gubernatorial veto.

Sec. 2.3. Medicaid and Medical Cost Containment (Morgan, Holmes, Gray).

The Legislative Research Commission may study Medicaid and medical cost containment in order to develop a medical cost containment policy that ensures that appropriate public medical care is delivered in a cost-effective manner. The study may examine federal Medicaid laws and regulations, federal and state medical cost containment initiatives, medical cost containment initiatives in North Carolina, including

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recommendations from the Government Performance Audit Committee to the 1993 General Assembly, and related matters.

Sec. 2.4. Criminal Laws and Procedures; Sentencing (Neely).

The Legislative Research Commission may study criminal laws and procedures, including criminal offenses, criminal penalties, criminal process and procedure, sentencing, and related matters.

Sec. 2.5. Property Issues.

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The Legislative Research Commission may study property issues, including the following:

- a. Property rights (H.B. 597 Nichols)
- b. Extraterritorial jurisdiction representation (H.J.R. 73 Ellis)
- c. Annexation laws (H.B. 660 Pulley; H.B. 539 Sherrill)
- d. Condemnation by government entities, including the condemnation process, fair market value for property, payment of condemnees' attorneys' fees and court costs, and related matters (Allred).

Sec. 2.6. ABC Laws (Grady).

The Legislative Research Commission may study ABC laws and related issues.

Sec. 2.7. State Personnel Issues (Morgan).

The Legislative Research Commission may study State personnel issues, including needed revisions to the State Personnel Act.

Sec. 2.8. Downtown Revitalization (Brawley).

The Legislative Research Commission may study downtown revitalization, including (i) the application, uniformity, and effect of the State and local building codes on renovation of older buildings in downtown areas, (ii) income tax exclusions for gains from appreciation of downtown property, and (iii) income tax credits for job creation in downtown areas and for property tax increases resulting from downtown improvements.

Sec. 2.9. Federal Retirees (Grady, Morgan, Gray).

The Legislative Research Commission may study the issue of federal retirees' claims against the State for income tax paid on their retirement benefits for tax years 1985 through 1988, including ways to compensate these federal retirees for taxes paid.

Sec. 2.10. Cape Fear River Basin (Shaw).

The Legislative Research Commission may study the uses of the Cape Fear River Basin, including increased economic development, the use of hydroelectric power, recreational uses, and improving water quality for citizens of southeastern North Carolina.

Sec. 2.11. Financial Institutions.

The Legislative Research Commission may study issues concerning financial institutions, including the following:

- a. Regulatory consolidation (H.B. 839 Tallent).
- b. Impact of national changes in the banking industry on the State and its banking consumers, including, but not limited to, interstate branching and banking, state and federal regulatory

coordination, long-range planning to prepare for changes in the financial services industry, commercial versus investment banking, and consumer disclosure by banks selling securities (Wilson, C.).

 Sec. 2.12. Nonprofit Organizations (McMahan).

 The Legislative Research Commission may study the facilitation of greater cooperation between the public and nonprofit sectors and the fostering of growth of the nonprofit sector, including, but not limited to, a review of government funding of nonprofits through State agencies, allowing local governments to take measures to encourage philanthropy within their communities, taxation of business inventory donated to nonprofit organizations, and the feasibility of privatization of services and programs through nonprofit organizations.

Sec. 2.13. Committee Membership. For each Legislative Research Commission committee created during the 1995-96 biennium, the cochairs of the Commission shall appoint the committee membership.

 Sec. 2.14. Reporting Dates. For each of the topics the Legislative Research Commission decides to study under this act or pursuant to G.S. 120-30.17(1), the Commission may report its findings, together with any recommended legislation, to the 1996 Regular Session of the 1995 General Assembly or the 1997 General Assembly, or both.

Sec. 2.15. Bills and Resolution References. The listing of the original bill or resolution in this Part 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.

Sec. 2.16. 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.—-STATE GOVERNMENT REORGANIZATION AND PRIVATIZATION (Morgan, Daughtry)

Sec. 3.1. (a) The State Government Reorganization and Privatization Study Commission is created. The Commission shall consist of the following 12 members:

(1) Four Senators and two members from the private sector appointed by the President Pro Tempore of the Senate.

(2) Four members of the House of Representatives and two members from the private sector appointed by the Speaker of the House of Representatives.

(b) In order to provide for a public-private partnership in examining State government reorganization and privatization, the President Pro Tempore of the Senate shall designate one Senator and one member of the private sector as cochairs and the Speaker of the House of Representatives shall designate one Representative and one member of the private sector as cochairs. When a vacancy occurs in the membership of the Commission the vacancy shall be filled by the same appointing officer who made the

initial appointment. Private sector appointees shall not be registered as lobbyists under Article 9A of Chapter 120 of the General Statutes.

- Sec. 3.2. The Commission may study the following issues:
- (1) Government reorganization, restructuring, and downsizing.
- (2) State aid to private entities, including, but not limited to, the Biotechnology Center and the Microelectronics Center.
- (3) Private auxiliary entities connected with State programs, including, but not limited to, the North Carolina Zoological Society.
- (4) Privatization of State services and programs, including, but not limited to, the North Carolina Zoological Park, the North Carolina Aquariums, and the State Ports.
- Outsourcing of State information resource development, operation, and maintenance.
- (6) State expenditures for legal services.
- (7) Outside counsel for the State (S.J.R. 948 Cochrane).
- (8) Boards and commissions consolidation and abolition (H.B. 677 Sherrill).
- (9) Other related issues.
- Sec. 3.3. The Commission shall submit a final report of its findings and recommendations to the 1997 General Assembly by filing the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives on or before January 15, 1997. The Commission may also submit an interim report of its findings and recommendations to the 1996 Regular Session of the 1995 General Assembly by filing the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives on or before May 15, 1996. Upon filing its final report to the 1997 General Assembly, the Commission shall terminate.
- Sec. 3.4. The Commission, while in the discharge of 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 joint call of the cochairs. With the approval of the Legislative Services Commission, the Commission may meet in the Legislative Building or the Legislative Office Building.
- Sec. 3.5. Members of the Commission shall receive per diem, subsistence and travel expenses at the rates authorized by law.
- Sec. 3.6. 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 Administrative Officer, shall assign professional staff to assist in the work of the Commission. The House of Representatives' and the Senate's Supervisor 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.
- Sec. 3.7. Upon request by the Commission or its staff, a State department or agency, a local government, or a subdivision of either shall furnish the Commission with any information in its possession or available to it.

 PART IV.—-MENTAL HEALTH STUDY COMMISSION REAUTHORIZATION (S.B. 249 - Conder; H.B. 282 - Alexander)

Sec. 4.1. The Mental Health Study Commission, established and structured by 1973 General Assembly Resolution 80; Chapter 806, 1973 Session Laws; Chapter 185, 1975 Session Laws; Chapter 184, 1977 Session Laws; Chapter 215, 1979 Session Laws; 1979 General Assembly Resolution 20; Chapter 49, 1981 Session Laws; Chapter 268, 1983 Session Laws; Chapter 792, 1985 Session Laws; Chapter 873, 1987 Session Laws; Chapter 802, 1989 Session Laws; Chapter 754, 1991 Session Laws; and Chapter 771, 1993 Session Laws, Regular Session 1994, is reestablished and authorized to continue in existence until July 1, 1997.

- Sec. 4.2. (a) The Commission shall consist of 25 members as follows:
- (1) The Secretary of the Department of Human Resources or a delegate, serving ex officio as a nonvoting member.
- (2) Eight members appointed by the Speaker of the House of Representatives, seven of whom shall be members of the House of Representatives at the time of their appointment. One of these seven shall be a Chair of the House Appropriations Subcommittee on Human Resources, and one shall be a Chair of a standing House committee that deals with mental health, developmental disabilities, and substance abuse issues.
- Eight members appointed by the President Pro Tempore of the Senate, seven of whom shall be members of the Senate at the time of their appointment. One of these seven shall be Chair of the Senate Human Resources Appropriations Committee and one shall be Chair of a standing Senate committee that deals with mental health, developmental disabilities, and substance abuse issues.
- (4) Eight members appointed by the Governor, two of whom shall be county commissioners at the time of their appointment, selected from a list of four candidates nominated by the North Carolina Association of County Commissioners. If the Association has failed to make nominations by September 1, 1995, the Governor may appoint any two county commissioners.
- (b) Members and staff of the continued Mental Health Study Commission shall receive compensation and expenses delineated by the original authorization in the 1973 General Assembly Resolution 80. Expenses of the Commission shall be expended by the Department of Human Resources from Budget Code 14460 subhead 1110.
- Sec. 4.3. The continued Mental Health Study Commission has all the powers and duties of the original Commission as they are necessary to continue the original study, to assist in the implementation of the original and succeeding Commission recommendations, and to plan future activity on the subject of the study. In addition to other studies authorized by law, the Commission shall perform the following activities:

and client outcomes.

- (1) Conduct research and develop recommendations regarding the 1 2 response of the public system to the changing health care 3 environment. These recommendations shall address issues of governance, accountability, data collection, and collaboration between 4 5 public and private sectors. 6 (2) Analyze and develop recommendations regarding the current system 7 of funding services to evaluate maximum use of funds. 8 Oversee the Mental Health Study Commission 10-year Disability (3) 9 Plans that have been endorsed by the General Assembly. 10 (4) **Evaluate** quality improvement initiatives and develop recommendations regarding accountability, performance standards, 11
 - (5) Monitor and evaluate the new initiatives, including crisis services, Carolina Alternatives, and domiciliary care, developed by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, and consider whether to recommend their possible expansion.
 - (6) Review major initiatives for children for integration with the Child Mental Health Plan.
 - (7) Develop a business initiative to increase public/private partnerships to enhance current services for those individuals with mental illness, developmental disabilities, and substance abuse problems.
 - (8) Carry out any other evaluations the Commission considers necessary to perform its mandate.

Sec. 4.4. The Mental Health Study Commission shall make a final report to the 1997 General Assembly, including any legislative proposals, by March 15, 1997, and may make an interim report, including any legislative proposals, to the 1996 Regular Session of the 1995 General Assembly on or before May 15, 1996.

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PART V.—-JOINT LEGISLATIVE FISCAL TRENDS AND REFORM COMMISSION (H.B. 854 - Wilkins)

- Sec. 5.1. The Joint Legislative Fiscal Trends and Reform Commission is established. The Commission shall identify trends affecting the fiscal resources of the State and its local governments. It shall also review the expenditures of the State and identify trends that will impact upon these expenditures.
- Sec. 5.2. The Commission shall consist of 12 members to be appointed as follows:
 - (1) Four members of the Senate appointed by the President Pro Tempore of the Senate, one of whom shall be designated cochair.
 - (2) Two public members appointed by the President Pro Tempore of the Senate.

- (3) 1 2 3 designated cochair. 4 **(4)** 5 Representatives. 6 7 (1) 8 trends on the State budget. 9 **(2)** 10 11 12 Carolina. 13 (3) 14 **(4)** 15 16 (5) 17 workforce for the State's future. 18 (6) 19 **(7)** 20 21 22 23 24 (8) 25 26 (9) 27 generated by existing taxes. 28 29 (10)30 31 32 33 (11)34 35 (12)36 37 (13)38 39
- Four members of the House of Representatives appointed by the Speaker of the House of Representatives, one of whom shall be
 - Two public members appointed by the Speaker of the House of
 - Sec. 5.3. The Commission shall have the following powers and duties:
 - To review long-term fiscal trends and to analyze the impact of these
 - To identify the factors that have contributed to the financial problems of the State and recommend measures to avoid a recurrence of those problems to the extent they are within the control of the State of North
 - To monitor the State budget reform measures.
 - To analyze options to address the effect on the State budget of federal legislative and judicial mandates.
 - To review the condition of programs directed at ensuring an adequate
 - To analyze options to address future General Fund budget shortfalls.
 - To study the feasibility of modifying the State's accounting practices to improve the State's balance sheet by treating as accrued (i) sales tax proceeds that have been collected on behalf of the State by merchants but have not yet been remitted and (ii) other tax proceeds that have been collected on behalf of the State but have not yet been remitted.
 - To review the State's needs for changes in the revenue and budget structure to meet the needs of the State over the long term.
 - To make a comprehensive review of the State and local tax system. particularly in light of future economic trends that may affect revenues
 - To recommend proposals to enhance the State's revenue position, adapt the State tax structure to changes in the economy, avoid placing undue tax burdens on any segment of the population, and preserve the positive impact of the tax structure on the economic future of the State.
 - To examine in detail the trends affecting local revenue sources, including intergovernmental revenue and local expenditure demands.
 - To examine State and local expenditures and tax relief for economic development and economic incentives.
 - To review the fiscal relationship between the State and its local governments by examining State and local government revenue sources and the allocation of responsibility between the State and its local governments for financing and performing government services. In its work pursuant to this subdivision, the Commission shall examine:

- Whether local government tax sharing and local government tax 1 a. 2 reimbursements should be financed by appropriation or by 3 earmarking. Whether the State should provide local governments with 4 b. 5 additional revenue options. 6 Whether a more adequate and dependable means of financing c. 7 State and local government services should be devised. 8 State and local responsibilities for providing d. 9 government services should be reallocated. 10 How the fiscal relationship between the State and local e. governments, particularly the lack of uniform tax rates that 11
 - results from local option taxes, affects economic development.

 f. The effectiveness of the Local Government Fiscal Information Act, Article 6D of Chapter 120 of the General Statutes.
 - g. How the timing of the State's budget process affects the ability of local governments to comply with the deadlines imposed in the Local Government Budget and Fiscal Control Act.
 - (14) To exercise all the powers provided under the provisions of G.S. 120-19 through G.S. 120-19.4.
 - Sec. 5.4. The Commission shall submit a final report of its findings and recommendations to the 1997 General Assembly by filing the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives on or before January 15, 1997. The Commission may also submit an interim report of its findings and recommendations to the 1996 Regular Session of the 1995 General Assembly by filing the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives on or before May 15, 1996. Upon filing its final report to the 1997 General Assembly, the Commission shall terminate.
 - Sec. 5.5. Members of the Commission shall serve without pay but shall receive per diem, subsistence, and travel allowances in accordance with G.S. 138-5, 138-6, or 120-3.1, as appropriate. With the approval of the Legislative Services Commission, the Commission may meet in the State Legislative Building or the Legislative Office Building.
 - Sec. 5.6. Upon approval of the Legislative Services Commission, the Commission may use professional and clerical staff of the General Assembly. The expenses of employment of the clerical staff shall be borne by the Commission. Upon approval of the Legislative Services Commission, the Commission may contract for consultant services as provided by G.S. 120-32.02.

PART VI.—-TORT REFORM STUDY COMMISSION (Tort Reform - Daughtry; Government Tort Immunity - S.B. 117, Winner; H.B. 187 - Culpepper, Culp, and Nye)

Sec. 6.1. The General Assembly finds that the issue of tort reform has generated much interest. Some of the components of reform are exceedingly complex

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and the impact of changes in the law on business and consumers needs to be carefully weighed.

Sec. 6.2. (a) The Tort Reform Study Commission is created. The Commission shall consist of 14 members:

(1) Seven Senators appointed by the President Pro Tempore of the Senate; and

 (2) Seven members of the House of Representatives appointed by the Speaker of the House of Representatives.

 (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. When a vacancy occurs in the membership of the Commission the vacancy shall be filled by the same appointing officer who made the initial appointment.

Sec. 6.3. The Commission shall study the issues involved in tort reform which were introduced in the 1995 Regular Session of the General Assembly but not enacted. The Commission shall also study issues concerning tort liability and immunity of government officials and employees.

 Sec. 6.4. The Commission shall submit a final report of its findings and recommendations to the 1995 Regular Session of the General Assembly at least 10 days before it reconvenes in 1996 by filing the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Bills recommended by the Commission may be considered by the 1995 Regular Session of the General Assembly in 1996. Upon filing its final report, the Commission shall terminate.

Sec. 6.5. The Commission, while in the discharge of 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 joint call of the cochairs. The Commission may meet in the Legislative Building or the Legislative Office Building.

Sec. 6.6. Members of the Commission shall receive per diem, subsistence and travel expenses at the rates authorized by law.

Sec. 6.7. 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 Administrative Officer, shall assign professional staff to assist in the work of the Commission. The House of Representatives' and the Senate's Supervisor 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.

Sec. 6.8. Upon request by the Commission or its staff, a State department or agency, a local government, or a subdivision of either shall furnish the Commission with any information in its possession or available to them.

- 42 PART VII.—-JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE
- 43 Subpart A. Natural Gas Pipeline Extension (S.B. 570 Soles; H.B. 684 McComas)

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PART IX.—-EFFECTIVE DATE

Sec. 7.1. The Joint Legislative Utility Review Committee is directed to study whether or not the extension of interstate natural gas pipelines into North Carolina can and should be encouraged by amending Chapter 62 of the General Statutes to provide that facilities selling electric power and thermal energy generated with natural gas from that pipeline should be exempted from regulation as public utilities. The Committee shall also study whether any other provisions of Chapter 62 of the General Statutes should be amended to encourage the construction of new interstate pipelines in North Carolina.

Sec. 7.2. The Joint Legislative Utility Review Committee shall report its findings and any recommendations under this subpart for legislation to the 1996 Regular Session of the 1995 General Assembly.

Subpart B. Utility Energy Cost (H.B. 931 - Allred)

- Sec. 7.3. The Joint Legislative Utility Review Committee is authorized to study the issues related to calculating avoided costs for small power producers and may recommend any needed changes to the General Assembly.
- Sec. 7.4. The Committee is authorized to report any findings and recommendations under this subpart to the 1997 General Assembly and may make an interim report, including any recommended legislation, to the 1996 Regular Session of the 1995 General Assembly.
- Subpart C. Expansion of Joint Legislative Utility Review Committee Membership
- Sec. 7.5. G.S. 120-70.2, as amended by Section 1 of Chapter 440 of the 1995 Session Laws, reads as rewritten:

"§ 120-70.2. Appointment of members and organization.

The Joint Committee shall consist of six—ten sitting members of the General Assembly. Three-Five shall be appointed by the President Pro Tempore of the Senate from the membership of the Senate and three-five shall be appointed by the Speaker of the House of Representatives from the membership of the House. Members will serve at the pleasure of their appointing officer and any vacancies occurring on the Joint Committee shall be filled by the appointing officer of the appropriate house. The President Pro Tempore of the Senate shall designate one Senator to serve as cochairman and the Speaker of the House of Representatives shall designate one Representative to serve as cochairman. A quorum shall consist of four-six members."

PART VIII.—-ALLOCATION OF FUNDS FOR STUDIES

In addition to other available funds, the Legislative Services Sec. 8.1. Commission may allocate funds, from funds appropriated to the General Assembly, to conduct the studies authorized by this act, except for the study authorized under Part IV.

Sec. 9.1. This act is effective upon ratification.