

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**SENATE BILL 1523\*  
Judiciary I Committee Substitute Adopted 7/6/06  
House Committee Substitute Favorable 7/25/06**

Short Title: 2006 Technical Corrections Act.

(Public)

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Sponsors:

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Referred to:

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May 18, 2006

A BILL TO BE ENTITLED

1 AN ACT TO MAKE TECHNICAL CORRECTIONS AND CONFORMING  
2 CHANGES TO THE GENERAL STATUTES AS RECOMMENDED BY THE  
3 GENERAL STATUTES COMMISSION, AND TO MAKE VARIOUS OTHER  
4 CHANGES TO THE GENERAL STATUTES AND SESSION LAWS.  
5

6 The General Assembly of North Carolina enacts:

7 **PART I. TECHNICAL CHANGES AS RECOMMENDED BY THE GENERAL**  
8 **STATUTES COMMISSION**

9 **SECTION 1.** G.S. 10B-106(d) reads as rewritten:

10 "(d) An electronic form shall be used by an electronic notary in registering with  
11 the Secretary and it shall include, at least all of the following:

- 12 (1) The applicant's full legal name and the name to be used for  
13 commissioning, excluding nicknames.
- 14 (2) The state and county of commissioning of the registrant.
- 15 (3) The expiration date of the registrant's notary commission.
- 16 (4) Proof of successful completion of the course of instruction on  
17 electronic notarization as required by this Article.
- 18 (5) A description of the technology the registrant will use to create an  
19 electronic signature in performing official acts.
- 20 (6) If the device used to create the registrant's electronic signature was  
21 issued or registered through a licensed certification authority, the name  
22 of that authority, the source of the license, the starting and expiration  
23 dates of the device's term of registration, and any revocations,  
24 annulments, or other premature terminations of any registered device  
25 of the registrant that was due to misuse or compromise of the device,  
26 with the date, cause, and nature of each termination explained in detail.
- 27 (7) The e-mail address of the registrant.

1 The information contained in a registration under this section is a public record as  
2 defined in G.S. 132-1, except for information contained in ~~subsection (7)~~, subdivision  
3 (7) of this subsection, which shall be considered confidential information and shall not  
4 be subject to disclosure except as provided in Chapter 132 of the General Statutes or as  
5 provided by rule."

6 **SECTION 2.** G.S. 45-37(a) reads as rewritten:

7 "(a) Subject to the provisions of G.S. 45-36.9(a) and G.S. 45-73 relating to  
8 security instruments which secure future advances, any security instrument intended to  
9 secure the payment of money or the performance of any other obligation registered as  
10 required by law may be satisfied of record and thereby discharged and released of  
11 record in the following manner:

12 (1) Security instruments satisfied of record prior to October 1, 2005,  
13 pursuant to this subdivision as it was in effect prior to October 1, 2005,  
14 shall be deemed satisfied of record, discharged, and released.

15 ...

16 (5) Security instruments satisfied of record prior to October 1, 2005,  
17 pursuant to this subdivision as it was in effect prior to October 1, 2005,  
18 shall be deemed satisfied of record, discharged, and released.

19 (6) Security instruments satisfied of record prior to October 1, 2005,  
20 pursuant to this subdivision as it was in effect prior to October 1, 2005,  
21 shall be deemed satisfied of record, discharged, and released.

22 ...."

23 **SECTION 3.** If Senate Bill 1479, 2005 Regular Session, becomes law,  
24 Sections 1 and 2 of this act are repealed.

## 25 **PART II. OTHER CHANGES**

26 **SECTION 4.(a)** G.S. 14-72(b) reads as rewritten:

27 "(b) The crime of larceny is a felony, without regard to the value of the property in  
28 question, if the larceny ~~is~~ is any of the following:

29 (1) From the ~~person~~; or person.

30 (2) Committed pursuant to a violation of G.S. 14-51, 14-53, ~~14-54~~ 14-54,  
31 14-54.1, or ~~14-57~~; or 14-57.

32 (3) Of any explosive or incendiary device or substance. As used in this  
33 section, the phrase "explosive or incendiary device or substance" shall  
34 include any explosive or incendiary grenade or bomb; any dynamite,  
35 blasting powder, nitroglycerin, TNT, or other high explosive; or any  
36 device, ingredient for such device, or type or quantity of substance  
37 primarily useful for large-scale destruction of property by explosive or  
38 incendiary action or lethal injury to persons by explosive or incendiary  
39 action. This definition shall not include fireworks; or any form, type,  
40 or quantity of gasoline, butane gas, natural gas, or any other substance  
41 having explosive or incendiary properties but serving a legitimate  
42 nondestructive or nonlethal use in the form, type, or quantity stolen.

43 (4) Of any firearm. As used in this section, the term "firearm" shall  
44 include any instrument used in the propulsion of a shot, shell or bullet

1 by the action of gunpowder or any other explosive substance within it.  
2 A "firearm," which at the time of theft is not capable of being fired,  
3 shall be included within this definition if it can be made to work. This  
4 definition shall not include air rifles or air pistols.

- 5 (5) Of any record or paper in the custody of the North Carolina State  
6 Archives as defined by G.S. 121-2(7) and G.S. 121-2(8)."

7 **SECTION 4.(b)** This section becomes effective December 1, 2006, and  
8 applies to acts committed on or after that date.

9 **SECTION 5.(a)** G.S. 14-269(b) reads as rewritten:

10 "(b) This prohibition shall not apply to the following persons:

- 11 (1) Officers and enlisted personnel of the armed forces of the United  
12 States when in discharge of their official duties as such and acting  
13 under orders requiring them to carry arms and weapons;  
14 (2) Civil and law enforcement officers of the United States;  
15 (3) Officers and soldiers of the militia and the national guard when called  
16 into actual service;  
17 (4) Officers of the State, or of any ~~county, city, or town,~~ county, city,  
18 town, or company police agency charged with the execution of the  
19 laws of the State, when acting in the discharge of their official duties;  
20 (5) Sworn law-enforcement officers, when off-duty, provided that an  
21 officer does not carry a concealed weapon while consuming alcohol or  
22 an unlawful controlled substance or while alcohol or an unlawful  
23 controlled substance remains in the officer's body."

24 **SECTION 5.(b)** G.S. 74E-6(c) reads as rewritten:

25 "(c) All Company Police. – Company police officers, while in the performance of  
26 their duties of employment, have the same powers as municipal and county police  
27 officers to make arrests for both felonies and misdemeanors and to charge for  
28 infractions on any of the following:

- 29 (1) Real property owned by or in the possession and control of their  
30 employer.  
31 (2) Real property owned by or in the possession and control of a person  
32 who has contracted with the employer to provide on-site company  
33 police security personnel services for the property.  
34 (3) Any other real property while in continuous and immediate pursuit of a  
35 person for an offense committed upon property described in  
36 subdivisions (1) or (2) of this subsection.

37 Company police officers shall have, if duly authorized by the superior officer in charge,  
38 the authority to carry concealed weapons pursuant to and in conformity with  
39 ~~G.S. 14-269(b)(5).~~ G.S. 14-269(b)(4) and (5)."

40 **SECTION 5.(c)** This section becomes effective October 1, 2006.

41 **SECTION 6.** G.S. 14-306.1A, as enacted by Section 4 of S.L. 2006-6, is  
42 amended by adding a new subsection to read:

43 "(f) Machines described in G.S. 14-306(b)(1) are excluded from this section."

44 **SECTION 7.(a)** G.S. 14-409.11 reads as rewritten:

1 **"§ 14-409.11. "Antique firearm" defined.**

2 (a) The term "antique firearm" means any of the following:

3 (1) Any firearm (including any firearm with a matchlock, flintlock,  
4 percussion cap, or similar type of ignition system) manufactured on or  
5 before 1898.

6 (2) Any replica of any firearm described in subdivision (1) of this  
7 subsection if the replica meets one of the following:

8 a. Is not designed or redesigned for using rimfire or conventional  
9 centerfire fixed ammunition.

10 b. Uses rimfire or conventional centerfire fixed ammunition which  
11 is no longer manufactured in the United States and which is not  
12 readily available in the ordinary channels of commercial trade.

13 (3) Any muzzle loading rifle, muzzle loading shotgun, or muzzle loading  
14 pistol, which is designed to use black powder substitute, and which  
15 cannot use fixed ammunition.

16 (b) For purposes of this section, the term "antique firearm" shall not include any  
17 weapon which:

18 (1) Incorporates a firearm frame or receiver.

19 (2) Is converted into a muzzle loading weapon.

20 (3) Is a muzzle loading weapon that can be readily converted to fire fixed  
21 ammunition by replacing the barrel, bolt, breechblock, or any  
22 combination thereof.

23 ~~The term "antique firearm" means any firearm manufactured in or before 1898~~  
24 ~~(including any matchlock, flintlock, percussion cap, or similar early type of ignition~~  
25 ~~system) or replica thereof, whether actually manufactured before or after the year 1898;~~  
26 ~~and also any firearm using fixed ammunition manufactured in or before 1898, for which~~  
27 ~~ammunition is no longer manufactured in the United States and is not readily available~~  
28 ~~in the ordinary channels of commercial trade."~~

29 **SECTION 7.(b)** G.S. 14-415.1(a) reads as rewritten:

30 "(a) It shall be unlawful for any person who has been convicted of a felony to  
31 purchase, own, possess, or have in his custody, care, or control any firearm or any  
32 weapon of mass death and destruction as defined in G.S. 14-288.8(c). For the purposes  
33 of this section, a firearm is (i) any weapon, including a starter gun, which will or is  
34 designed to or may readily be converted to expel a projectile by the action of an  
35 explosive, or its frame or receiver, or (ii) any firearm muffler or firearm silencer. This  
36 section does not apply to an antique firearm, as defined in G.S. 14-409.11.

37 Every person violating the provisions of this section shall be punished as a Class G  
38 felon."

39 **SECTION 8.(a)** G.S. 18C-130(a) reads as rewritten:

40 "(a) The Commission shall determine the ~~type~~ types of lottery games that may be  
41 used in the Lottery. Games may include instant lotteries, online games, games played on  
42 computer terminals or other devices, and other games traditional to a lottery or that have  
43 been conducted by any other state government-operated lottery."

44 **SECTION 8.(b)** G.S. 18C-131(e) reads as rewritten:

1       "(e) It shall be a defense for the person who sold a ticket or share in violation of  
2 subsection (d) of this section if the person does either of the following:

- 3           (1) Shows that the purchaser produced a valid drivers license, a special  
4 identification card issued under G.S. 20-37.7, a military identification  
5 card, or a passport, showing the purchaser to be at least 18 years old  
6 and bearing a physical description of the person named on the card that  
7 reasonably describes the purchaser.  
8           (2) Produces evidence of other facts that reasonably indicated at the time  
9 of sale that the purchaser was at least 18 years old."

10       **SECTION 8.(c)** G.S. 18C-111(a) reads as rewritten:

11       "(a) The Commission shall consist of nine members, five of whom shall be  
12 appointed by the Governor, two of whom shall be appointed by the General Assembly  
13 upon the recommendation of the President Pro Tempore of the Senate, and two of  
14 whom shall be appointed by the General Assembly upon the recommendation of the  
15 Speaker of the House of Representatives. Commissioners may be removed by the  
16 appointing authority for cause. The Governor shall select the chair of the Commission  
17 from among its membership, who shall serve at the pleasure of the Governor."

18       **SECTION 8.(d)** G.S. 18C-151(e) reads as rewritten:

19       "(e) After entering into a contract with a lottery contractor, the Commission shall  
20 require the lottery contractor to periodically update the information required to be  
21 disclosed under ~~G.S. 18C-149.~~ G.S. 18C-152(c). Any contract with a lottery contractor  
22 who does not periodically update the required disclosures may be terminated by the  
23 Commission."

24       **SECTION 8.(e)** G.S. 18C-164(a) reads as rewritten:

25       "(a) The funds remaining in the North Carolina State Lottery Fund after receipt of  
26 all revenues to the Lottery Fund and after accrual of all obligations of the Commission  
27 for prizes and expenses shall be considered to be the net revenues of the North Carolina  
28 State Lottery Fund. The net revenues of the North Carolina State Lottery Fund shall be  
29 transferred ~~periodically~~ quarterly by the tenth business day following the end of the  
30 quarter to the Education Lottery Fund, which shall be created in the State treasury."

31       **SECTION 8.(f)** G.S. 105-163.2B reads as rewritten:

32       "**§ 105-163.2B. North Carolina State Lottery Commission must withhold taxes.**

33       The North Carolina State Lottery Commission, established by Chapter 18C of the  
34 General Statutes, must deduct and withhold State income taxes from the payment of  
35 winnings ~~that are reportable to the Internal Revenue Service under section 3406 of the~~  
36 ~~Code~~ in an amount of six hundred dollars (\$600.00) or more. The amount of taxes to be  
37 withheld is seven percent (7%) of the winnings. The Commission must file a ~~return~~  
38 ~~and return,~~ pay the withheld taxes, and report the amount withheld in the time and  
39 manner required under G.S. 105-163.6 as if the winnings were wages. The taxes the  
40 Commission withholds are held in trust for the Secretary."

41       **SECTION 8.(g)** G.S. 114-19.16 reads as rewritten:

42       "**§ 114-19.16. Criminal record checks for the North Carolina State Lottery**  
43 **Commission and its Director.**

1 The Department of Justice may provide to the North Carolina State Lottery  
2 Commission and to its Director from the State and National Repositories of Criminal  
3 Histories the criminal history of any prospective employee of the Commission and any  
4 prospective lottery vendor. The North Carolina State Lottery Commission or its Director  
5 shall provide to the Department of Justice, along with the request, the fingerprints of the  
6 prospective employee of the Commission, or of the prospective lottery vendor, a form  
7 signed by the prospective employee of the Commission, or of the prospective vendor  
8 consenting to the criminal record check and use of fingerprints and other identifying  
9 information required by the State and National Repositories, and any additional  
10 information required by the Department of Justice. The fingerprints of the prospective  
11 employee of the Commission, or prospective lottery vendor, shall be forwarded to the  
12 State Bureau of Investigation for a search of the State's criminal history record file, and  
13 the State Bureau of Investigation shall forward a set of fingerprints to the Federal  
14 Bureau of Investigation for a national criminal history record check. The North Carolina  
15 State Lottery Commission and its Director shall remit any fingerprint information  
16 retained by the Commission to alcohol law enforcement agents appointed under Article  
17 5 of Chapter 18B of the General Statutes and shall keep all information obtained  
18 pursuant to this section confidential. The Department of Justice shall charge a  
19 reasonable fee only for conducting the checks of the ~~national~~ criminal history records  
20 authorized by this section."

21 **SECTION 8.(h)** G.S. 115C-499.1(3) reads as rewritten:

22 "(3) Eligible postsecondary institution. – A school that is:

- 23 a. A constituent institution of The University of North Carolina as  
24 defined in G.S. 116-2(4);  
25 b. A community college as defined in G.S. 115D-2(2); or  
26 c. A nonpublic postsecondary institution as defined in  
27 G.S. 116-22(1) or ~~116-43.5(a)(1)~~. G.S. 116-43.5(a)(1)."

28 **SECTION 8.(i)** G.S. 115C-546.2(d)(2) reads as rewritten:

29 "(2) A sum equal to thirty-five percent (35%) of those monies transferred in  
30 accordance with G.S. 18C-164 shall be allocated to those local school  
31 administrative units located in whole or part in counties in which the  
32 effective county tax rate as a percentage of the ~~effective~~ State average  
33 effective tax rate is greater than one hundred percent (100%), with the  
34 following definitions applying to this subdivision:

- 35 a. "Effective county tax rate" means the actual county tax rate for  
36 the previous fiscal year multiplied by a three-year weighted  
37 average of the most recent annual sales assessment ratio studies.  
38 b. "State average effective tax rate" means the average effective  
39 county tax rates for all counties.  
40 c. "Sales assessment ratio studies" means sales assessment ratio  
41 studies performed by the Department of Revenue under  
42 G.S. 105-289(h)."

43 **SECTION 8.(j)** S.L. 2005-276 is amended by adding a new section to read:

1 "SECTION 31.1(jj) If House Bill 1023, 2005 Regular Session, becomes law, then  
2 that act is amended by adding a new section to read:

3 'SECTION 10.4. Section 10.3 of this act is effective for taxable years beginning on  
4 or after January 1, 2005.' "

5 SECTION 8.(k) S.L. 2005-344 is amended by adding a new section to read:

6 "SECTION 2.1. The State Education Assistance Authority shall report annually to  
7 the Joint Legislative Commission on Governmental Operations regarding the use of the  
8 funds allocated to the Authority under this act."

9 SECTION 8.(l) Section 12 of S.L. 2005-344 reads as rewritten:

10 "SECTION 12. The first security audit required under  
11 ~~G.S. 18C-123(a)~~G.S. 18C-122(a) shall be conducted at the beginning of the first  
12 calendar year after the effective date of this act. The first audit required under  
13 ~~G.S. 18C-123(d)~~G.S. 18C-122(d) shall be conducted at the end of the first fiscal year  
14 after the effective date of this act."

15 SECTION 9. G.S. 20-157(f) reads as rewritten:

16 "(f) When an authorized emergency vehicle as described in subsection (a) of this  
17 section or any public service vehicle is parked or standing within 12 feet of a roadway  
18 and is giving a warning signal by appropriate light, the driver of every other  
19 approaching vehicle shall, as soon as it is safe and when not otherwise directed by an  
20 individual lawfully directing traffic, do one of the following:

- 21 (1) Move the vehicle into a lane that is not the lane nearest the parked or  
22 standing authorized emergency vehicle or public service vehicle and  
23 continue traveling in that lane until safely clear of the authorized  
24 emergency vehicle. This paragraph applies only if the roadway has at  
25 least two lanes for traffic proceeding in the direction of the  
26 approaching vehicle and if the approaching vehicle may change lanes  
27 safely and without interfering with any vehicular traffic.
- 28 (2) Slow the vehicle, maintaining a safe speed for traffic conditions, and  
29 operate the vehicle at a reduced speed and be prepared to stop until  
30 completely past the authorized emergency vehicle or public service  
31 vehicle. This paragraph applies only if the roadway has only one lane  
32 for traffic proceeding in the direction of the approaching vehicle or if  
33 the approaching vehicle may not change lanes safely and without  
34 interfering with any vehicular traffic.

35 For purposes of this section, "public service vehicle" means a vehicle that has been  
36 called to the scene by a motorist or a law enforcement officer, is being used to assist  
37 motorists or law enforcement officers with wrecked or disabled vehicles, and is  
38 operating an amber-colored flashing light authorized by G.S. 20-130.2. Violation of this  
39 subsection shall be negligence per se."

40 SECTION 10.(a) G.S. 20-171.19 is amended by adding a new subsection to  
41 read:

42 "(a1) Notwithstanding subsection (a) of this section, any person employed by a  
43 supplier of retail electric service, while engaged in power line inspection, may operate  
44 an all-terrain vehicle while wearing both of the following:

1           (1) Head protection approved by the Occupational Safety and Health  
2           Administration and equipped with a chin strap and conforming to the  
3           standards applicable to suppliers of retail electric service.

4           (2) Electric industry standard eye protection approved by the Occupational  
5           Safety and Health Administration and conforming to the standards  
6           applicable to suppliers of retail electric service."

7           **SECTION 10.(b)** This section becomes effective December 1, 2006, and  
8 applies to acts committed on or after that date.

9           **SECTION 11.(a)** G.S. 20-217(g) reads as rewritten:

10          "(g) Any person who willfully violates subsection (a) of this section and ~~willfully~~  
11 strikes any person causing serious bodily injury to that person shall be guilty of a Class I  
12 felony."

13          **SECTION 11.(b)** This section becomes effective December 1, 2006, and  
14 applies to acts committed on or after that date.

15          **SECTION 12.** G.S. 20-288(g), as enacted by Section 2.3 of S.L. 2006-105,  
16 reads as rewritten:

17          "(g) A corporate surety may refuse to renew a surety bond furnished pursuant to  
18 this section by giving or mailing written notice of nonrenewal to the license holder and  
19 to the Commissioner not less than 30 days prior to the premium anniversary date of the  
20 surety bond. The notice must be given or mailed by certified mail to the license holder  
21 at its last known address. ~~Cancellation-Nonrenewal~~ of the surety bond shall not affect  
22 any liability incurred or accrued prior to the premium anniversary date of the surety  
23 bond."

24          **SECTION 13.(a)** G.S. 36C-2-206 reads as rewritten:

25          "**§ 36C-2-206. Representation of parties.**

26          (a) ~~In-Notwithstanding any other applicable rule of the Rules of Civil Procedure~~  
27 ~~or provision of Chapter 1 of the General Statutes, in any trust proceeding or~~  
28 ~~action,proceeding,~~ whether brought before the clerk of superior court or in the superior  
29 court division of the General Court of Justice, the parties shall be represented as  
30 provided in Article 3 of this Chapter. the following rules apply notwithstanding any  
31 ~~other applicable Rule of Civil Procedure or provision of Chapter 1 of the General~~  
32 ~~Statutes:~~

33          (1) ~~Parties shall be represented as provided in Article 3 of this Chapter.~~

34          (b) (2) In the case of any party represented by another as provided in  
35 ~~subdivision (1) subsection (a)~~ of this section, service of process shall be made by  
36 serving such representative."

37          **SECTION 13.(b)** G.S. 36C-4-408 reads as rewritten:

38          "**§ 36C-4-408. Trust for care of animal.**

39          (a) Subject to this section, a trust for the care of one or more designated domestic  
40 or pet animals alive at the time of creation of the trust is valid.

41          (b) Except as expressly provided otherwise in the trust instrument, no portion of  
42 the principal or income may be converted to the use of the trustee or to any use other  
43 than for the benefit of the designated animal or animals.

1 (c) The trust terminates at the death of the animal or last surviving animal. Upon  
2 termination, the trustee shall transfer the unexpended trust property in the following  
3 order:

4 (1) As directed in the trust ~~instrument;~~instrument.

5 (2) If the trust was created in a preresiduary clause in the  
6 ~~transferor's settlor's~~ will or in a codicil to the ~~transferor's settlor's~~ will,  
7 under the residuary clause in the ~~transferor's will;~~settlor's will.

8 (3) If no taker is produced by the application of subdivision (1) or (2) of  
9 this subsection, to ~~the transferor or the transferor's heirs~~ the settlor, if  
10 then living, otherwise to the settlor's heirs determined as of the date of  
11 the ~~transferor's settlor's~~ death under Chapter 29 of the General Statutes.

12 (d) The intended use of the principal or income can be enforced by a person  
13 designated for that purpose in the trust instrument or, if none, by a person appointed by  
14 the clerk of superior court having jurisdiction over the ~~decedent's estate trust~~ upon  
15 application to the clerk of superior court by a person.

16 (e) Except as ordered by the clerk of superior court or required by the trust  
17 instrument, no filing, report, registration, periodic accounting, separate maintenance of  
18 funds, appointment, bond, or fee is required by reason of the existence of the fiduciary  
19 relationship of the trustee.

20 (f) A governing instrument shall be liberally construed to bring the transfer  
21 within this section, to presume against the merely precatory or honorary nature of the  
22 disposition, and to carry out the general intent of the ~~transferor settlor.~~ Extrinsic  
23 evidence is admissible in determining the ~~transferor's settlor's~~ intent.

24 (g) The clerk of superior court may reduce the amount of the property  
25 transferred, if the clerk of superior court determines that the amount substantially  
26 exceeds the amount required for the intended use. The amount of the reduction, if any,  
27 passes as unexpended trust property under subsection (c) of this section.

28 (h) If no trustee is designated or if no designated trustee agrees to serve or is able  
29 to serve, the clerk of superior court must name a trustee. The clerk of superior court may  
30 order the transfer of the property to another trustee, if required to assure that the  
31 intended use is carried out and if no successor trustee is designated in the trust  
32 instrument or if no designated successor trustee agrees to serve or is able to serve. The  
33 clerk of superior court may also make other orders and determinations as are advisable  
34 to carry out the intent of the ~~transferor settlor~~ and the purpose of this section."

35 **SECTION 13.(c)** G.S. 36C-4-410(c) is repealed.

36 **SECTION 13.(d)** G.S. 36C-4-411(e) is repealed.

37 **SECTION 13.(e)** G.S. 36C-4-412(c) is repealed.

38 **SECTION 13.(f)** G.S. 36C-4-414(d) is repealed.

39 **SECTION 13.(g)** G.S. 36C-4-416 reads as rewritten:

40 "**§ 36C-4-416. Modification to achieve settlor's tax objectives.**

41 To achieve a settlor's tax objectives, the court may modify the terms of a trust in a  
42 manner that is not contrary to the settlor's probable intention. The court may provide  
43 that the modification has retroactive effect. ~~Jurisdiction of a proceeding brought under~~  
44 ~~this section shall be as provided in G.S. 36C-2-203."~~

1           **SECTION 13.(h)** G.S. 36C-4-417(a) reads as rewritten:

2           "(a) Unless otherwise provided in the trust instrument, ~~after notice to the qualified~~  
3 ~~beneficiaries,~~ a trustee ~~may~~ may do any of the following:

4           (1) Consolidate the assets of more than one trust and administer the assets  
5 as one trust under the terms of one of the trusts if the terms of the  
6 trusts are substantially similar and the beneficiaries of the trusts are  
7 ~~identical;~~ or identical.

8           (2) Divide one trust into two or more separate trusts if the new trusts  
9 provide in the aggregate for the same succession of interests and  
10 beneficiaries as are provided in the original trust."

11           **SECTION 13.(i)** G.S. 36C-4-419 reads as rewritten:

12 **"§ 36C-4-419. Effect of inalienable interest on modification or termination.**

13 The court, in exercising its discretion to modify or terminate an irrevocable trust  
14 under G.S. 36C-4-411, 36C-4-412, or ~~36C-4-413~~ 36C-4-414 shall consider provisions  
15 making the interest of a beneficiary inalienable, including those described in Article 5,  
16 but the court is not precluded from the exercise of that discretion solely because of such  
17 provisions."

18           **SECTION 13.(j)** G.S. 36C-7-701(b) reads as rewritten:

19           "(b) A person designated as trustee who has not yet accepted the trusteeship may  
20 reject the trusteeship. A designated trustee who does not accept the trusteeship within a  
21 ~~reasonable time,~~ 120 days after written notice to accept the trusteeship is provided after  
22 ~~receiving written notice of the trusteeship~~ is considered to have rejected the trusteeship."

23           **SECTION 13.(k)** G.S. 36C-8-815 reads as rewritten:

24 **"§ 36C-8-815. General powers of trustee.**

25           (a) A trustee, without authorization by the court, may ~~exercise~~ exercise any of  
26 the following:

27           (1) Powers conferred by the terms of the ~~trust;~~ or trust.

28           (2) Except as limited by the terms of the trust:

29           a. All powers over the trust property that an unmarried competent  
30 owner has over individually owned property;

31           b. Any other powers appropriate to achieve the proper investment,  
32 management, administration, or distribution of the trust  
33 property; and

34           c. Any other powers conferred by this Chapter.

35           (b) ~~The exercise of a power is subject to the fiduciary duties prescribed by this~~  
36 Article. No provision of this section shall relieve a trustee of the fiduciary duties under  
37 this Article."

38           **SECTION 13.(l)** G.S. 6-21.5 reads as rewritten:

39 **"§ 6-21.5. Attorney's fees in nonjusticiable cases.**

40 In any ~~civil action or special proceeding~~ civil action, special proceeding, or estate or  
41 trust proceeding, the court, upon motion of the prevailing party, may award a reasonable  
42 attorney's fee to the prevailing party if the court finds that there was a complete absence  
43 of a justiciable issue of either law or fact raised by the losing party in any pleading. The  
44 filing of a general denial or the granting of any preliminary motion, such as a motion for

1 judgment on the pleadings pursuant to G.S. 1A-1, Rule 12, a motion to dismiss pursuant  
2 to G.S. 1A-1, Rule 12(b)(6), a motion for a directed verdict pursuant to G.S. 1A-1, Rule  
3 50, or a motion for summary judgment pursuant to G.S. 1A-1, Rule 56, is not in itself a  
4 sufficient reason for the court to award attorney's fees, but may be evidence to support  
5 the court's decision to make such an award. A party who advances a claim or defense  
6 supported by a good faith argument for an extension, modification, or reversal of law  
7 may not be required under this section to pay attorney's fees. The court shall make  
8 findings of fact and conclusions of law to support its award of attorney's fees under this  
9 section."

10 **SECTION 13.(m)** G.S. 32-55 reads as rewritten:

11 "**§ 32-55. Notice.**

12 (a) The trustee shall give written notice to all beneficiaries of each proposed  
13 payment of compensation if the annual amount of compensation exceeds four-tenths of  
14 one percent (  $\frac{4}{10}$  of 1%) of the principal value of the assets of the trust on the last day  
15 of the trust accounting year. The notice shall contain a statement that the beneficiaries  
16 have 20 days from when notice is given to file a proceeding for review of the  
17 reasonableness of the compensation with the clerk of superior court in accordance with  
18 ~~Article 3 of Chapter 36A~~ Article 2 of Chapter 36C of the General Statutes."

19 **SECTION 13.(n)** G.S. 32-57(a) reads as rewritten:

20 "(a) The trustee or any beneficiary may initiate a proceeding under ~~Article 3 of~~  
21 ~~Chapter 36A~~ Article 2 of Chapter 36C of the General Statutes for review of the  
22 reasonableness of any compensation or expense reimbursement and for the approval or  
23 denial of the payment of compensation or expense reimbursement. A beneficiary may  
24 initiate a proceeding even though the 20-day period referred to in G.S. 32-56(2) has  
25 expired."

26 **SECTION 13.(o)** G.S. 32-71(a) reads as rewritten:

27 "(a) In acquiring, investing, reinvesting, exchanging, retaining, selling, and  
28 managing property for the benefit of another, a fiduciary shall observe the standard of  
29 judgment and care under the circumstances then prevailing, which an ordinarily prudent  
30 person of discretion and intelligence, who is a fiduciary of the property of others, would  
31 observe as such fiduciary; and if the fiduciary has special skills or is named a fiduciary  
32 on the basis of representations of special skills or expertise, he is under a duty to use  
33 those skills. This subsection and subsection (b) of this section do not apply to trusts  
34 governed by ~~Article 15 of this Chapter~~ Article 9 of Chapter 36C of the General  
35 Statutes."

36 **SECTION 13.(p)** G.S. 37A-2-202(b) reads as rewritten:

37 "(b) In determining a beneficiary's share of net income, the following rules apply:

38 (1) The beneficiary is entitled to receive a portion of the net income equal  
39 to the beneficiary's fractional interest in the undistributed principal  
40 assets immediately before the distribution date, including assets that  
41 later may be sold to meet principal obligations.

42 (2) The beneficiary's fractional interest in the undistributed principal  
43 assets shall be calculated without regard to property specifically given

1 to a beneficiary and property required to pay pecuniary amounts not in  
2 ~~trust-trust~~ to which G.S. 37A-2-201(3) applies.

3 (3) The beneficiary's fractional interest in the undistributed principal  
4 assets shall be calculated on the basis of the aggregate value of those  
5 assets as of the distribution date without reducing the value by any  
6 unpaid principal obligation.

7 (4) The distribution date for purposes of this section may be the date as of  
8 which the fiduciary calculates the value of the assets if that date is  
9 reasonably near the date on which assets are actually distributed."

10 **SECTION 13.(q)** G.S. 53-163.5(d) reads as rewritten:

11 "(d) Such bank or trust company may invest the funds held by it in any fiduciary  
12 capacity in one or more common trust funds, provided that (i) such investment is not  
13 prohibited by the instrument, judgment, decree or order creating such fiduciary  
14 relationship or amendment thereof; ~~(ii) in the case of co-fiduciaries the written consent~~  
15 ~~of the co-fiduciary is obtained by the bank or trust company; and (iii) thereof, and (ii)~~  
16 ~~that~~ the bank has no interest in the assets of the common trust fund other than as a  
17 fiduciary."

18 **SECTION 13.(r)** The Revisor of Statutes is authorized to cause to be printed  
19 any amendments to the explanatory comments of the drafters of S.L. 2005-192 that are  
20 prepared by the drafters of this section, as the Revisor deems appropriate.

21 **SECTION 13.(s)** This section becomes effective October 1, 2006, and  
22 applies to (i) all trusts created before, on, or after that date; (ii) all judicial proceedings  
23 concerning trusts commenced on or after that date; and (iii) all judicial proceedings  
24 concerning trusts commenced before that date unless the court finds that application of a  
25 particular provision of this act would substantially interfere with the effective conduct  
26 of the judicial proceedings or prejudice the rights of the parties, in which case the law as  
27 it existed on September 30, 2006, shall apply.

28 **SECTION 14.(a)** G.S. 53B-2(3) reads as rewritten:

29 "(3) "Financial record" means an original of, a copy of, or information  
30 derived from, a record held by a financial institution pertaining to a  
31 customer's relationship with the financial institution and identified  
32 with or identifiable with the customer. Financial record shall not  
33 include forged or counterfeit financial instruments or records relating  
34 to an account established under a fictitious name or another person's  
35 name without proper authorization."

36 **SECTION 14.(b)** G.S. 53B-4 reads as rewritten:

37 "**§ 53B-4. Access to financial records.**

38 Notwithstanding any other provision of law, no government authority may have  
39 access to a customer's financial record held by a financial institution unless the financial  
40 record is described with reasonable specificity and access is sought pursuant ~~to~~ to any of  
41 the following:

42 (1) Customer authorization that meets the requirements of the Right to  
43 Financial Privacy Act § 1104, 12 U.S.C. § 3404, provided, however, a  
44 customer authorization received by a State agency or a county

1 department of social services for the purpose of determining eligibility  
 2 for the programs of public assistance under Chapter 108A of the  
 3 General Statutes, or for purposes of a government inquiry concerning  
 4 these same programs of public assistance, cannot be revoked and shall  
 5 remain valid for 12 months unless a shorter period is specified in the  
 6 authorization, or a customer authorization that is given by a licensed  
 7 attorney with respect to an account in which the attorney holds funds  
 8 as a ~~fiduciary~~; fiduciary.

9 (2) Authorization under G.S. 105-251, 105-251.1, or ~~105-258~~; 105-258.

10 (3) Search warrant as provided in Article 11 of Chapter 15A of the  
 11 ~~General Statutes~~; Statutes.

12 (4) Statutory authority of a supervisory agency to examine or have access  
 13 to financial records in the exercise of its supervisory, regulatory, or  
 14 monetary functions with respect to a financial ~~institution~~; institution.

15 (5) The authority granted under G.S. 116B-72 and G.S. ~~116B-75~~; 116B-75.

16 (6) Examination and review by the State Auditor or his authorized  
 17 representative under G.S. 147-64.6(c)(9) or  
 18 G.S. ~~147-64.7(a)~~; 147-64.7(a).

19 (7) Request by a government authority authorized to buy and sell student  
 20 loan notes under Article 23 of Chapter 116 of the General Statutes for  
 21 financial records relating to insured student ~~loans~~; loans.

22 (8) Pending litigation to which the government authority and the customer  
 23 are ~~parties~~; parties.

24 (9) Subpoena or court order in connection with a grand jury  
 25 ~~proceeding~~; proceeding.

26 (10) A writ of execution under Article 28 of Chapter 1 of the General  
 27 ~~Statutes~~; or Statutes.

28 (11) Other court order or administrative or judicial subpoena authorized by  
 29 law if the requirements of G.S. 53B-5 are met.

30 (12) The authority granted to the Attorney General under Chapter 75 of the  
 31 General Statutes.

32 As used in this section, the term "reasonable specificity" means that degree of  
 33 specificity reasonable under all the circumstances, and, with respect to requests under  
 34 G.S. 116B-72 and G.S. 116B-75, may include designation by general type or class."

35 **SECTION 14.(c)** This section becomes effective October 1, 2006, and  
 36 applies to acts committed on or after that date.

37 **SECTION 15.** G.S. 62-182.1 reads as rewritten:

38 "**§ 62-182.1. Access to dedicated public right-of-way.**

39 When any map or plat of a subdivision, recorded as provided in G.S. 47-30 and  
 40 G.S. 136-102.6, reflects the dedication of a public street or other public right-of-way,  
 41 the dedicated public street or public right-of-way shall, upon recordation of the map or  
 42 plat, become immediately available for use by any public ~~utility~~ utility, telephone  
 43 membership corporation organized under G.S. 117-30, or cable television system to  
 44 install, maintain, and operate lines, cables, or facilities for the provision of service to the

1 public. No public ~~utility~~ utility, telephone membership corporation organized under  
2 G.S. 117-30, or cable television system shall place or erect any line, cable, or facility in,  
3 over, or upon a street or right-of-way in a subdivision that is intended to become a  
4 public street or public right-of-way, until a map or plat of the subdivision has been  
5 recorded as provided in G.S. 47-30 and G.S. 136-102.6, and except in accordance with  
6 procedures established by the Department of Transportation, Division of Highways, for  
7 accommodating utilities or cable television systems on highway rights-of-way. Upon  
8 recordation of a map or plat of a subdivision as provided in G.S. 47-30 and  
9 G.S. 136-102.6, no liability shall attach to the developer of the property as a result of  
10 any activity of a public ~~utility~~ utility, telephone membership corporation organized  
11 under G.S. 117-30, or cable television system occurring in the dedicated public street or  
12 public right-of-way. Nothing in this section shall relieve the developer of the property of  
13 responsibilities under G.S. 136-102.6."

14 **SECTION 16.(a)** G.S. 90-85.46(2)b. reads as rewritten:

15 "b. A program established by a person or entity holding a valid  
16 pharmacy permit pursuant to G.S. 90-85.21 or  
17 ~~G.S. 90-85.21(a)~~G.S. 90-85.21A to evaluate the quality of  
18 pharmacy services and alleged medication errors and incidents  
19 and make recommendations to improve the quality of pharmacy  
20 services."

21 **SECTION 16.(b)** G.S. 90-85.47(a) reads as rewritten:

22 "(a) Every person or entity holding a valid pharmacy permit pursuant to  
23 G.S. 90-85.21 or ~~G.S. 90-85.21(a)~~G.S. 90-85.21A shall establish or participate in a  
24 pharmacy quality assurance program as defined under G.S. 90-85.46(2), to evaluate the  
25 following:

- 26 (1) The quality of the practice of pharmacy.
- 27 (2) The cause of alleged medication errors and incidents.
- 28 (3) Pharmaceutical care outcomes.
- 29 (4) Possible improvements for the practice of pharmacy.
- 30 (5) Methods to reduce alleged medication errors and incidents."

31 **SECTION 17.** G.S. 93E-1-7(a) reads as rewritten:

32 "(a) Trainee registrations, licenses, and certificates issued under this Chapter shall  
33 expire on the 30th day of June of every year and shall become invalid after that date  
34 unless renewed prior to the expiration date by filing an application with and paying to  
35 the Executive Director of the Board the fee of two hundred dollars (\$200.00). As a  
36 prerequisite to the renewal of a trainee registration or a real estate appraiser license or  
37 certificate, the trainee registration holder, the licensee, or the certificate holder must  
38 satisfy any continuing education requirements that may be prescribed by the Board  
39 under subsection (b) of this ~~section; provided, however, that members~~ section. The  
40 members of the General Assembly are exempt from this requirement and any education  
41 program regarding trainee supervision during their term of office. The Board may adopt  
42 rules establishing a system of trainee registration, license, and certificate renewal in  
43 which trainee registrations, licenses, and certificates expire annually with varying  
44 expiration dates."

1           **SECTION 18.** G.S. 95-25.3(g) is repealed.

2           **SECTION 19.** G.S. 97-19.1, as amended by Section 1 of S.L. 2006-26, reads  
3 as rewritten:

4       "**§ 97-19.1. Truck, tractor, or truck tractor trailer driver's status as employee or**  
5       **independent contractor.**

6       (a) An individual in the interstate or intrastate carrier industry who operates a  
7 truck, tractor, or truck tractor trailer licensed by a governmental motor vehicle  
8 regulatory agency may be an employee or an independent contractor under this Article  
9 dependent upon the application of the common law test for determining employment  
10 status.

11       Any principal contractor, intermediate contractor, or subcontractor, irrespective of  
12 whether such contractor regularly employs three or more employees, who contracts with  
13 an individual in the interstate or intrastate carrier industry who operates a truck, tractor,  
14 or truck tractor trailer licensed by ~~a governmental motor vehicle regulatory agency~~ the  
15 United States Department of Transportation and who has not secured the payment of  
16 compensation in the manner provided for employers set forth in G.S. 97-93 for himself  
17 personally and for his employees and subcontractors, if any, shall be liable as an  
18 employer under this Article for the payment of compensation and other benefits on  
19 account of the injury or death of the independent contractor and his employees or  
20 subcontractors due to an accident arising out of and in the course of the performance of  
21 the work covered by such contract.

22       (b) Notwithstanding subsection (a) of this section, a principal contractor,  
23 intermediate contractor, or subcontractor shall not be liable as an employer under this  
24 Article for the payment of compensation on account of the injury or death of the  
25 independent contractor if the principal contractor, intermediate contractor, or  
26 subcontractor (i) contracts with an independent contractor ~~that who is an individual~~  
27 licensed by a governmental motor vehicle regulatory agency the United States  
28 Department of Transportation and (ii) the independent contractor personally is operating  
29 the vehicle solely pursuant to that license.

30       (c) The principal contractor, intermediate contractor, or subcontractor may insure  
31 any and all of his independent contractors and their employees or subcontractors in a  
32 blanket policy, and when insured, the independent contractors, subcontractors, and  
33 employees will be entitled to compensation benefits under the blanket policy.

34       A principal contractor, intermediate contractor, or subcontractor may include in the  
35 governing contract with an independent contractor in the interstate or intrastate carrier  
36 industry who operates a truck, tractor, or truck tractor trailer licensed by a governmental  
37 motor vehicle regulatory agency an agreement for the independent contractor to  
38 reimburse the cost of covering that independent contractor under the principal  
39 contractor's, intermediate contractor's, or subcontractor's coverage of his business."

40           **SECTION 20.** G.S. 105A-2(6) reads as rewritten:

41       "**§ 105A-2. Definitions.**

42       The following definitions apply in this Chapter:

43       ...

44       (6) Local agency. – Any of the following:

- 1 a. A county, to the extent it is not considered a State agency.
- 2 b. A municipality.
- 3 c. A water and sewer authority created under Article 1 of Chapter
- 4 162A of the General Statutes.
- 5 d. A regional joint agency created by interlocal agreement under
- 6 Article 20 of Chapter 160A of the General Statutes between two
- 7 or more counties, cities, or both.
- 8 e. A public health authority created under Part 1B of Article 2 of
- 9 Chapter 130A of the General Statutes. Statutes or other
- 10 authorizing legislation.
- 11 f. A metropolitan sewerage district created under Article 5 of
- 12 Chapter 162A of the General Statutes.
- 13 g. A sanitary district created under Part 2 of Article 2 of Chapter
- 14 130A of the General Statutes.

15 ...."

16 **SECTION 20.5.** If Senate Bill 1587, 2005 Regular Session, becomes law,  
 17 then G.S. 113-174.3(a), as enacted by that act, reads as rewritten:

18 "(a) License. – A person who operates a for hire boat may purchase a For Hire  
 19 Blanket CRFL issued by the Division. A For Hire Blanket CRFL authorizes all  
 20 individuals on the for hire boat who do not hold a license issued under this Article or  
 21 Article 25A of this Chapter to engage in recreational fishing in coastal fishing waters  
 22 that are not joint fishing waters. A For Hire Blanket CRFL does not authorize  
 23 individuals to engage in recreational fishing in joint fishing waters or inland fishing  
 24 waters. This license is valid for a period of one year from the date of issuance. The fee  
 25 for a For Hire Blanket CRFL is:

- 26 (1) Two hundred fifty dollars (\$250.00) for a vessel ~~captained by an~~  
 27 ~~individual who holds a certification from the United States Coast~~  
 28 ~~Guard to that will~~ carry six or fewer passengers.
- 29 (2) Three hundred fifty dollars (\$350.00) for a vessel ~~captained by an~~  
 30 ~~individual who holds a certification from the United States Coast~~  
 31 ~~Guard to that will~~ carry greater than six passengers."

32 **SECTION 21.** G.S. 115D-20(3) reads as rewritten:

33 "(3) To purchase any land, easement, or right-of-way which shall be  
 34 necessary for the proper operation of the institution, upon approval of  
 35 the State Board of Community Colleges, and if necessary, to acquire  
 36 land by condemnation in the same manner and under the same  
 37 procedures as provided in General Statutes Chapter 40A. For the  
 38 purpose of condemnation, the determination by the trustees as to the  
 39 location and amount of land to be taken and the necessity therefor shall  
 40 be conclusive."

41 **SECTION 22.** G.S. 120-36.2 reads as rewritten:

42 "**§ 120-36.2. Organization.**

43 (a) The Legislative Services Commission shall ~~elect~~appoint a Director of Fiscal  
 44 Research, who shall serve at the pleasure of the Commission. The Director of Fiscal

1 Research shall be responsible to the Legislative Services Officer in the performance of  
2 his duties.

3 (b) The Director of Fiscal Research ~~shall appoint and may remove, after~~  
4 ~~consultation with the Legislative Services Officer and subject in each case to the~~  
5 ~~approval of the Commission, the professional and clerical employees of the Division.~~  
6 He shall assign the duties and supervise and direct the activities of the employees of the  
7 Division.

8 (c) The Director and employees of the Division shall receive salaries that shall be  
9 fixed by the Commission, shall receive the travel and subsistence allowances fixed by  
10 G.S. 138-6 and 138-7, and shall be entitled to the other benefits available to State  
11 employees."

12 **SECTION 23.** G.S. 122C-142, as amended by S.L. 2006-142, reads as  
13 rewritten:

14 "**§ 122C-142. Contract for services.**

15 (a) When the area authority contracts with persons for the provision of services,  
16 it shall use the standard contract adopted by the Secretary and shall assure that these  
17 contracted services meet the requirements of applicable State statutes and the rules of  
18 the Commission and the Secretary. However, an area authority or county program may  
19 amend the contract to comply with any court-imposed duty or responsibility. An area  
20 authority or county program that is operating under a Medicaid waiver may amend the  
21 contract subject to the approval of the Secretary. Terms of the standard contract shall  
22 require the area authority to monitor the contract to assure that rules and State statutes  
23 are met. It shall also place an obligation upon the entity providing services to provide to  
24 the area authority timely data regarding the clients being served, the services provided,  
25 and the client outcomes. The Secretary may also monitor contracted services to assure  
26 that rules and State statutes are met."

27 **SECTION 24.(a)** G.S. 128-1.1 is amended to add a new subsection to read:

28 "(c1) Where authorized by federal law, any State or local law enforcement agency  
29 may authorize its law enforcement officers to also perform the functions of an officer  
30 under 8 U.S.C. § 1357(g) if the agency has a Memorandum of Agreement or  
31 Memorandum of Understanding for that purpose with a federal agency. State and local  
32 law enforcement officers authorized under this provision are authorized to hold any  
33 office or position with the applicable federal agency required to perform the described  
34 functions."

35 **SECTION 24.(b)** This section becomes effective January 1, 2006, and any  
36 actions taken between that date and the date this section becomes law that would have  
37 been proper if this section had been then in effect are in all respects validated and  
38 confirmed, and no office shall be considered to have been vacated.

39 **SECTION 24.5.** G.S. 143-143.21A(d) reads as rewritten:

40 "(d) The dealer shall return the deposit or other payment toward or payment for  
41 the purchase price to the buyer if the buyer cancels the purchase before midnight of the  
42 third business day after the date the buyer signed the purchase agreement or if any of the  
43 material terms of the purchase agreement are changed by the dealer. To make the  
44 cancellation effective, the buyer shall give the dealer written notice of the buyer's

1 cancellation of the purchase. The dealer shall return the deposit or other payment toward  
2 or payment for the purchase price to the buyer within seven business ~~days~~ days, or 15  
3 business days when payment is by personal check, after receipt of the notice of  
4 cancellation or within three business days of any change by the dealer of the purchase  
5 agreement. For purposes of this section, "business day" means any day except Sunday  
6 and legal holidays. Each time the dealer gives the buyer a new set of financing terms,  
7 unless the financing terms are more favorable to the buyer, the buyer shall be given  
8 another three-day cancellation period. The dealer shall not commence setup procedures  
9 until after the final three-day cancellation period has expired."

10 **SECTION 25.** G.S. 143B-131.2 reads as rewritten:

11 **"§ 143B-131.2. Roanoke Island Commission – Purpose, powers, and duties.**

12 (a) The Commission is created to combine various existing entities in the spirit of  
13 cooperation for a cohesive body to protect, preserve, develop, and interpret the  
14 historical and cultural assets of Roanoke Island. The Commission is further created to  
15 operate and administer the Elizabeth II State Historic Site and Visitor Center, the  
16 Elizabeth II, Ice Plant Island, and all other properties under the administration of the  
17 Department of Cultural Resources located on Roanoke Island having historical  
18 significance to the State of North Carolina, Dare County, or the Town of Manteo,  
19 except as otherwise determined by the Commission.

20 (b) The Commission shall have the following powers and duties:

- 21 (1) To advise the Secretary of Transportation and adopt rules on matters  
22 pertaining to, affecting, and encouraging restoration, preservation, and  
23 enhancement of the appearance, maintenance, and aesthetic quality of  
24 U.S. Highway 64/264 and the U.S. 64/264 Bypass ~~and N.C. 400 travel~~  
25 ~~corridors~~ travel corridor on Roanoke Island and the grounds on  
26 Roanoke Island Festival Park.
- 27 (2) To operate the Elizabeth II State Historic Site and Visitor Center and  
28 the Elizabeth II as permanent memorials commemorating the Roanoke  
29 Voyages, 1584-1587.
- 30 (3) To supervise the development of Ice Plant Island and to manage future  
31 facilities.
- 32 (4) To advise the Secretary of the Department of Cultural Resources on  
33 matters pertinent to historical and cultural events on Roanoke Island.
- 34 (5) With the assistance of the Department of Cultural Resources, to  
35 identify, preserve, and protect properties located on Roanoke Island  
36 having historical significance to the State of North Carolina, Dare  
37 County, or the Town of Manteo consistent with applicable State laws  
38 and rules.
- 39 (6) To establish and collect a charge for admission to any property or  
40 event operated by the Commission.
- 41 (7) To solicit and accept gifts, grants, and donations.
- 42 (8) To cooperate with the Secretary and Department of Cultural  
43 Resources, the Secretary and Department of Transportation, the  
44 Secretary and Department of Environment and Natural Resources, and

1 other governmental agencies, officials, and entities, and provide them  
2 with assistance and advice.

3 (9) To adopt and enforce such bylaws, rules, and guidelines that the  
4 Commission deems to be reasonably necessary in order to carry out its  
5 powers and duties. Chapter 150B of the General Statutes does not  
6 apply to the adoption of rules by the Commission.

7 (10) To establish and maintain a separate fund composed of moneys which  
8 may come into its hands from gifts, donations, grants, or bequests,  
9 which funds will be used by the Commission for purposes of carrying  
10 out its duties and purposes herein set forth. The Commission may also  
11 establish a reserve fund to be maintained and used for contingencies  
12 and emergencies. Funds appropriated to the Commission may be  
13 transferred to the Friends of Elizabeth II, Inc., a private, nonprofit  
14 corporation. The Friends of Elizabeth II, Inc., shall use the funds  
15 transferred to it to carry out the purposes of this Part.

16 (11) By cooperative arrangement with other agencies, groups, individuals,  
17 and other entities, to coordinate and schedule historical and cultural  
18 events on Roanoke Island.

19 (12) Make recommendations to the Secretary of Cultural Resources  
20 concerning personnel and budgetary matters.

21 (13) To acquire real and personal property by purchase, gift, bequest,  
22 devise, and exchange.

23 (14) To administer the Roanoke Island Commission Fund and the Roanoke  
24 Island Commission Endowment Fund as provided in G.S. 143B-131.8.

25 (15) To procure supplies, services, and property as appropriate and to enter  
26 into contracts, leases, or other legal agreements to carry out the  
27 purposes of this Part and duties of the Commission. The provisions of  
28 G.S. 143-129 and Article 3 of Chapter 143 of the General Statutes do  
29 not apply to purchases by the Roanoke Island Commission of  
30 equipment, supplies, and services."

31 **SECTION 26.(a)** G.S. 153A-340(b)(2) reads as rewritten:

32 "(2) Except as provided in G.S. 106-743.4 for farms that are subject to a  
33 conservation agreement under G.S. 106-743.2, bona fide farm  
34 purposes include the production and activities relating or incidental to  
35 the production of crops, fruits, vegetables, ornamental and flowering  
36 plants, dairy, livestock, poultry, and all other forms of agricultural  
37 products as defined in G.S. 106-581.1 having a domestic or foreign  
38 market. For purposes of this subdivision, the production of a nonfarm  
39 product that the Department of Agriculture and Consumer Services  
40 recognizes as a "Goodness Grows in North Carolina" product that is  
41 produced on a farm subject to a conservation agreement under  
42 G.S. 106-743.2 is a bona fide farm purpose."

43 **SECTION 26.(b)** This section becomes effective January 1, 2007.

44 **SECTION 27.(a)** G.S. 153A-376(f) reads as rewritten:

1       (f) All program income from Economic Development Grants from the Small  
2 Cities Community Development Block Grant Program may be retained by recipient  
3 "economically distressed counties", as defined in ~~G.S. 143B-437A~~G.S. 143B-437.01 for  
4 the purposes of creating local economic development revolving loan funds. Such  
5 program income derived through the use by counties of Small Cities Community  
6 Development Block Grant money includes but is not limited to: (i) payment of principal  
7 and interest on loans made by the county using Community Development Block Grant  
8 Funds; (ii) proceeds from the lease or disposition of real property acquired with  
9 Community Development Block Grant Funds; and (iii) any late fees associated with  
10 loan or lease payments in (i) and (ii) above. The local economic development revolving  
11 loan fund set up by the county shall fund only those activities eligible under Title I of  
12 the federal Housing and Community Development Act of 1974, as amended (P.L.  
13 93-383), and shall meet at least one of the three national objectives of the Housing and  
14 Community Development Act. Any expiration of ~~G.S. 143B-437A~~G.S. 143B-437.01 or  
15 G.S. 105-129.3 shall not affect this subsection as to designations of economically  
16 distressed counties made prior to its expiration."

17       **SECTION 27.(b)** G.S. 160A-456(e1) reads as rewritten:

18       (e1) All program income from Economic Development Grants from the Small  
19 Cities Community Development Block Grant Program may be retained by recipient  
20 cities in "economically distressed counties", as defined in  
21 ~~G.S. 143B-437A~~G.S. 143B-437.01, for the purposes of creating local economic  
22 development revolving loan funds. Such program income derived through the use by  
23 cities of Small Cities Community Development Block Grant money includes but is not  
24 limited to: (i) payment of principal and interest on loans made by the county using  
25 Community Development Block Grant Funds; (ii) proceeds from the lease or  
26 disposition of real property acquired with Community Development Block Grant Funds;  
27 and (iii) any late fees associated with loan or lease payments in (i) and (ii) above. The  
28 local economic development revolving loan fund set up by the city shall fund only those  
29 activities eligible under Title I of the federal Housing and Community Development Act  
30 of 1974, as amended (P.L. 93-383), and shall meet at least one of the three national  
31 objectives of the Housing and Community Development Act. Any expiration of  
32 ~~G.S. 143B-437A~~G.S. 143B-437.01 or G.S. 105-129.3 shall not affect this subsection as  
33 to designations of economically distressed counties made prior to its expiration."

34       **SECTION 28.** G.S. 160A-383 reads as rewritten:

35       "Zoning regulations shall be made in accordance with a comprehensive plan. ~~Prior~~  
36 ~~to~~When adopting or rejecting any zoning amendment, the governing board shall  
37 ~~adopt~~also approve a statement describing whether its action is consistent with an  
38 adopted comprehensive plan and any other officially adopted plan that is applicable, and  
39 briefly explaining why the board considers the action taken to be reasonable and in the  
40 public interest. That statement is not subject to judicial review.

41       The planning board shall advise and comment on whether the proposed amendment  
42 is consistent with any comprehensive plan that has been adopted and any other officially  
43 adopted plan that is applicable. The planning board shall provide a written  
44 recommendation to the governing board that addresses plan consistency and other

1 matters as deemed appropriate by the planning board, but a comment by the planning  
2 board that a proposed amendment is inconsistent with the comprehensive plan shall not  
3 preclude consideration or approval of the proposed amendment by the governing board.

4 Zoning regulations shall be designed to promote the public health, safety, and  
5 general welfare. To that end, the regulations may address, among other things, the  
6 following public purposes: to provide adequate light and air; to prevent the  
7 overcrowding of land; to avoid undue concentration of population; to lessen congestion  
8 in the streets; to secure safety from fire, panic, and dangers; and to facilitate the efficient  
9 and adequate provision of transportation, water, sewerage, schools, parks, and other  
10 public requirements. The regulations shall be made with reasonable consideration,  
11 among other things, as to the character of the district and its peculiar suitability for  
12 particular uses, and with a view to conserving the value of buildings and encouraging  
13 the most appropriate use of land throughout such city."

14 **SECTION 29.(a)** G.S. 163-278.83 reads as rewritten:

15 "**§ 163-278.83. Penalties.**

16 Except as otherwise provided in this Article, a violation of this Article is a Class 2  
17 misdemeanor. The State Board of Elections has the same authority to compel from any  
18 ~~organization~~individual, committee, association, or any other organization or group of  
19 individuals covered by this Article the disclosures required by this Article that the  
20 Board has to compel ~~from a political committee~~ the disclosures required by Article 22A  
21 of this Chapter. The civil penalties and remedies in G.S. 163-278.34 shall apply to  
22 violations of this Article, and where those provisions apply to violations involving  
23 contributions and expenditures they shall apply in the same manner to payments and  
24 disbursements in violation of G.S. 163-278.82."

25 **SECTION 29.(b)** G.S. 163-278.93 reads as rewritten:

26 "**§ 163-278.93. Penalties.**

27 Except as otherwise provided in this Article, a violation of this Article is a Class 2  
28 misdemeanor. The State Board of Elections has the same authority to compel from any  
29 ~~organization~~individual, committee, association, or any other organization or group of  
30 individuals covered by this Article the disclosures required by this Article that the  
31 Board has to compel ~~from a political committee~~ the disclosures required by Article 22A  
32 of this Chapter. The civil penalties and remedies in G.S. 163-278.34 shall apply to  
33 violations of this Article, and where those provisions apply to violations involving  
34 contributions and expenditures they shall apply in the same manner to payments and  
35 disbursements in violation of G.S. 163-278.92."

36 **SECTION 29.(c)** If House Bill 966 of the 2005 Regular Session becomes  
37 law, G.S. 163-278.102 reads as rewritten:

38 "**§ 163-278.102. Penalties.**

39 The State Board of Elections has the same authority to compel from any  
40 ~~organization~~individual, committee, association, or any other organization or group of  
41 individuals covered by this Article the disclosures required by this Article that the  
42 Board has to compel ~~from a political committee~~ the disclosures required by Article 22A  
43 of this Chapter. The civil penalties and remedies in G.S. 163-278.34 shall apply to  
44 violations of this Article."

1           **SECTION 29.(d)** If House Bill 966 of the 2005 Regular Session becomes  
2 law, G.S. 163-278.112 reads as rewritten:

3 **"§ 163-278.112. Penalties.**

4       The State Board of Elections has the same authority to compel from any  
5 ~~organization~~ individual, committee, association, or any other organization or group of  
6 individuals covered by this Article the disclosures required by this Article that the  
7 Board has to compel ~~from a political committee~~ the disclosures required by Article 22A  
8 of this Chapter. The civil penalties and remedies in G.S. 163-278.34 shall apply to  
9 violations of this Article."

10           **SECTION 29.(e)** If House Bill 966 of the 2005 Regular Session becomes  
11 law, G.S. 163-278.100(4) as enacted by that law reads as rewritten:

12           "(4) The term "targeted to the relevant electorate" means a communication  
13 which refers to a clearly identified candidate for statewide office or the  
14 General Assembly and which can be received by 50,000 or more  
15 individuals in the State in the case of a candidacy for statewide office  
16 and ~~2,500-7,500~~ or more individuals in the district in the case of a  
17 candidacy for General Assembly."

18           **SECTION 30.** Section 2.18 of S.L. 2004-158 reads as rewritten:

19           **"SECTION 2.18.(a)** Jack Olsen of Moore County is appointed to the State Judicial  
20 Council for a term expiring on ~~December 31, 2007.~~ December 31, 2006.

21           **SECTION 2.18.(b)** Effective January 1, 2005, Dumont Clarke of Mecklenburg  
22 County is appointed to the State Judicial Council for a term expiring on ~~December 31,~~  
23 ~~2009.~~ December 31, 2008."

24           **SECTION 31.(a)** Section 3(c) of S.L. 2005-190 reads as rewritten:

25           **"SECTION 3.(c) Nutrient management strategy.** – The Environmental  
26 Management Commission shall develop a nutrient management strategy for drinking  
27 water supply reservoirs to which this section applies by 1 July ~~2008-2009.~~ The nutrient  
28 management strategy shall be based on a calibrated nutrient response model that meets  
29 the requirement of G.S. 143-215.1(c5). The nutrient management strategy shall include  
30 specific mandatory measures to achieve the reduction goals. The Commission shall  
31 consider the cost of the proposed measures in relation to the effectiveness of the  
32 measures. These measures could include, but are not limited to, buffers, erosion and  
33 sedimentation control requirements, post-construction stormwater management,  
34 agricultural nutrient reduction measures, the addition of nutrient removal treatment  
35 processes to point source permitted wastewater treatment plants, the removal of point  
36 source discharging wastewater treatments through regionalization and conversion to  
37 non-discharge treatment technologies, and any other measures that the Commission  
38 determines to be necessary to meet the nutrient reduction goals. To the extent that one  
39 or more other State programs already mandate any of these measures, the nutrient  
40 management strategy shall incorporate the mandated measures and any extension of  
41 those measures and any additional measures that may be necessary to achieve the  
42 nutrient reduction goals. In making a nutrient loading allocation to a permit holder, the  
43 Commission shall, to the extent allowed by federal and State law, give consideration to

1 all voluntary efforts taken by the permit holder to protect water quality prior to the  
2 development of the nutrient management strategy."

3 **SECTION 31.(b)** Section 3(e) of S.L. 2005-190 reads as rewritten:

4 **"SECTION 3.(e) Implementation; rulemaking.** – The Environmental  
5 Management Commission shall adopt permanent rules to implement the nutrient  
6 management strategies required by this section by 1 July ~~2008~~2009. The rules shall  
7 require that reductions in nutrient loading from all sources begin no later than five years  
8 after the rules become effective."

9 **SECTION 31.(c)** Section 4 of S.L. 2005-190 reads as rewritten:

10 **"SECTION 4. Other drinking water supply reservoirs.** – The Environmental  
11 Management Commission shall not make any new or increased nutrient loading  
12 allocation to any person who is required to obtain a permit under G.S. 143-215 for an  
13 individual wastewater discharge directly or indirectly into any drinking water supply  
14 reservoir for which the Division of Water Quality of the Department of Environment  
15 and Natural Resources has prepared or updated a calibrated nutrient response model  
16 since 1 July 2002 until permanent rules adopted by the Commission to implement the  
17 nutrient management strategy for that reservoir become effective. The Commission  
18 shall report its progress in developing and implementing nutrient management strategies  
19 for reservoirs to which this section applies to the Environmental Review Commission  
20 by 1 April ~~2006~~of each year beginning 1 April 2006."

21 **SECTION 32.** Section 2.3 of S.L. 2005-421 reads as rewritten:

22 **"SECTION 2.3.** Dr. Paul Rush of Scotland County is appointed to the North  
23 Carolina Board of Athletic Trainer Examiners for a term expiring on June 30,  
24 ~~2008~~2007."

25 **SECTION 33.(a)** The lead-in language of Section 6 of S.L. 2006-6 reads as  
26 rewritten:

27 **"SECTION 6.** ~~G.S. 147-12(14)~~G.S. 147-12(a)(14) reads as rewritten:".

28 **SECTION 33.(b)** This section becomes effective June 6, 2006.

29 **SECTION 33.5.** S.L. 2006-66 is amended by inserting a new section to read:

30 **"SECTION 17.7.** G.S. 143B-394.4(4) reads as rewritten:

31 "(4) "Displaced homemaker" means an individual who:

- 32 a. Has worked in his or her own household and has provided  
33 unpaid household services; and  
34 b. Is unable to secure gainful employment due to the lack of  
35 required training, age, or experience; or is unemployed, or  
36 underemployed; and  
37 c. Has been dependent on the income of another household  
38 member but is no longer adequately supported by that income,  
39 or is receiving support but is within two years of losing the  
40 support, or has been supported by public assistance as the  
41 parent of minor children ~~and is no longer eligible, but is no~~  
42 longer eligible, or is within two years of losing the eligibility."

43 **SECTION 34.** The introductory language of Section 3(o) of S.L. 2006-69  
44 reads as rewritten:

1 "SECTION 3.(o) The catch line to Part 13A of Article 3 of Chapter 143B of the  
2 General Statutes reads as rewritten:"

3 SECTION 35. The title of S.L. 2006-85 is amended to read: "AN ACT TO  
4 PROVIDE MEMBERSHIP GUIDELINES FOR THE JACKSON COUNTY AIRPORT  
5 AUTHORITY AND TO PROVIDE FOR THE FILLING OF VACANCIES IN THE  
6 AIRPORT AUTHORITY."

7 SECTION 36. Section 1 of S.L. 2006-89 reads as rewritten:

8 "SECTION 1. The transfer of real property by the High Point Alcoholic Beverage  
9 Control Board located at Lot B of the property of The Mitchell Company as described  
10 in Book ~~5584,5548,~~ pages 0182 to 0184, per plats thereof recorded in the Office of the  
11 Register of Deeds for Guilford County, North Carolina, in 2002, and 910 Greensboro  
12 Road, High Point, North Carolina, as described in Book 6389, pages 0107 to 0109 and  
13 recorded in the Office of the Register of Deeds for Guilford County, North Carolina, in  
14 2005, shall not be deemed invalid for failure to follow the procedures for the sale of real  
15 property outlined in Article 12 of Chapter 160A."

16 SECTION 37. Section 4.1 of S.L. 2006-113 reads as rewritten:

17 "SECTION 4.1. Part III of this act becomes effective December 1, 2006, and  
18 applies to offenses committed on or after that date. ~~This~~ The remainder of this act  
19 becomes effective December 1, 2006, and applies to actions commenced on or after that  
20 date."

21 SECTION 38. Section 3(a) of S.L. 2006-126 reads as rewritten:

22 "SECTION 3.(a) The maximum building height on any building within the  
23 corporate limits of the City of Hendersonville shall not exceed 64 feet. For purposes of  
24 this section, building height shall mean the vertical distance measured from the average  
25 grade to the highest point of the coping of a flat roof, to the deck line of a mansard roof,  
26 or to the mean height level between the eaves and ridge of a gable, hip, or gambrel roof.  
27 The height limitation created by this subsection does not apply to spires, belfries,  
28 cupolas, antennas, water tanks, ventilators, chimneys, or other appurtenances usually  
29 required to be placed above the roof level and not intended for human occupancy. No  
30 variance to this subsection may be granted. This subsection does not apply to hospitals,  
31 churches, cultural performing arts centers, government buildings, or buildings erected  
32 prior to the effective date of this section."

33 SECTION 39. If House Bill 767, 2005 Regular Session, becomes law, then  
34 G.S. 157-29(b), as amended by that act, reads as rewritten:

35 "(b) In the operation or management of housing projects, portions of projects, or  
36 other housing assistance programs for persons of low income, an authority shall at all  
37 times observe the following duties with respect to rentals and tenant selection:

- 38 (1) It may rent or lease dwelling accommodations set aside for persons of  
39 low income only to persons who lack the amount of income that is  
40 necessary (as determined by the housing authority undertaking the  
41 project) to enable them, without financial assistance, to live in decent,  
42 safe, and sanitary dwellings, without overcrowding; and  
43 (2) It may rent or lease dwelling accommodations to persons of low  
44 income only at rentals within the financial reach of such persons.

- 1 (3a) It shall comply with the following targeting requirements:  
2 a. Not less than forty percent (40%) of the families admitted to its  
3 public housing program from its waiting list in its fiscal year  
4 shall be extremely low-income families with incomes at or  
5 below thirty percent (30%) of the area median income. For  
6 purposes of this section, this shall be known as the "basic  
7 targeting requirement".  
8 b. To the extent provided in ~~subdivision (4a) of this subsection,~~  
9 ~~sub-subdivisions c. and d. of this subdivision,~~ the admission of  
10 extremely low-income families to its ~~section 8~~ Section 8  
11 voucher program during the same fiscal year shall be credited  
12 against the basic targeting requirement. For purposes of this  
13 section, "~~section 8~~" "Section 8" refers to ~~section 8~~ Section 8 of  
14 the U.S. Housing Act of 1937 as amended.  
15 c. If admissions of extremely low-income families to its ~~section 8~~  
16 Section 8 voucher program during its fiscal year ~~exceeds~~ exceed  
17 the seventy-five percent (75%) ~~of the~~ minimum targeting  
18 requirement for its ~~section 8~~ Section 8 voucher program, the  
19 excess shall be credited against its basic targeting requirement  
20 for the same fiscal year.  
21 d. The fiscal year credit for ~~section 8~~ Section 8 voucher program  
22 admissions that exceeded the minimum ~~section 8~~ Section 8  
23 voucher program targeting requirement shall not exceed the  
24 lower of any of the following:  
25 1. Ten percent (10%) of its waiting list admissions during  
26 its fiscal year.  
27 2. Ten percent (10%) of waiting list admissions to its  
28 ~~section 8~~ Section 8 tenant-based assistance program  
29 during its fiscal year.  
30 3. The number of qualifying low-income families who,  
31 during the fiscal year, commence occupancy of its public  
32 housing units that are located in census tracts with a  
33 poverty rate of thirty percent (30%) or more. For  
34 purposes of this sub-sub-subdivision, qualifying  
35 low-income family means a low-income family other  
36 than an extremely low-income family.  
37 (4a) Its targeting requirement for tenant-based assistance shall ensure that  
38 not less than seventy-five percent (75%) of the families admitted to its  
39 tenant-based voucher program from its waiting list during its fiscal  
40 year shall be extremely low-income families with incomes at or below  
41 thirty percent (30%) of the area median income."

42 **SECTION 40.(a)** If House Bill 914, 2005 Regular Session, becomes law,  
43 effective July 1, 2007, G.S. 143B-426.39A, 143B-426.39B, and 143B-426.39C, as  
44 enacted by Section 9 of House Bill 914, are recodified as G.S. 143B-426.39D,

1 143B-426.39E, and 143B-426.39F. The Revisor of Statutes is authorized to change the  
2 references to G.S. 143B-426.39A, 143B-426.39B, and 143B-426.39C in  
3 G.S. 143B-426.39, 53-245(b), 62A-22(d), 96-6, 147-9.3, 174-9.4 as amended by  
4 Sections 8, 17, 19, 23, 112, and 113 of House Bill 914, to the correct recodified  
5 statutory references.

6 **SECTION 40.(b)** If House Bill 914, 2005 Regular Session, becomes law,  
7 effective July 1, 2007, the same amendment to G.S. 143-3.3(g), made by Section 6.35 of  
8 S.L. 2005-276, is also made to G.S. 143B-426.39D(g), as enacted by Section 9 of House  
9 Bill 914 and recodified by Section 6.19(a) of this section.

10 **SECTION 40.(c)** If House Bill 914, 2005 Regular Session, becomes law,  
11 effective July 1, 2007, G.S. 143B-426.39(6) reads as rewritten:

12 "(6) Prescribe, develop, operate, and maintain a uniform payroll system, in  
13 accordance with ~~G.S. 143-3.2 and G.S. 143-34.1~~, G.S. 143B-426.39E  
14 and G.S. 143C-6-6 for all State agencies. This uniform payroll system  
15 shall be designed to assure compliance with all legal and constitutional  
16 requirements. When the State Controller finds it expedient to do so  
17 because of a State agency's size and location, the State Controller may  
18 authorize a State agency to operate its own payroll system. Any State  
19 agency authorized by the State Controller to operate its own payroll  
20 system shall comply with the requirements adopted by the State  
21 Controller."

22 **SECTION 40.(d)** To reflect the provisions of G.S. 143-16.6 which was  
23 enacted in Section 34.1(d) of S.L. 2005-276, if House Bill 914, 2005 Regular Session  
24 becomes law, then effective July 1, 2007, Article 9 of Chapter 143C of the General  
25 Statutes, as enacted by Section 3 of House Bill 914, 2005 Regular Session, is amended  
26 by adding a new section to read:

27 "**§ 143C-9-3A. Assignment to the State of rights to tobacco manufacturer escrow**  
28 **funds.**

29 A tobacco product manufacturer that elects to place funds into escrow pursuant to  
30 G.S. 66-291(a)(2) may make an assignment of its interest in the funds to the benefit of  
31 the State. The assignment applies to all funds, and any earnings and appreciation, that  
32 are in the escrow account at the time of the assignment or are subsequently deposited  
33 into the escrow account and are not released under the provisions of subdivision (1) or  
34 (2) of G.S. 66-291(b) at any time on or before the expiration of 10 years from the date  
35 of assignment. The assignment is irrevocable and shall include any reversionary interest  
36 in the escrow account and the funds therein that would otherwise belong to the tobacco  
37 manufacturer, including the right to receive the escrowed funds pursuant to  
38 G.S. 66-291(b)(3).

39 An assignment of rights executed pursuant to this section shall be in writing and  
40 shall be signed by a duly authorized representative of the tobacco product manufacturer  
41 making the assignment. An assignment is effective upon delivery to the Attorney  
42 General and the financial institution where the escrow account is maintained."

43 **SECTION 40.(e)** If a final judgment by a court of competent jurisdiction  
44 declares that G.S. 143C-9-3A, as enacted by subsection (d) of this section, is invalid or

1 unenforceable, then the statute is repealed, and any assignment made under it is void. If,  
2 as a result of a final judgment, it is determined that G.S. 143C-9-3A, as enacted by  
3 subsection (b) of this section, would subject payments to this State by participating  
4 manufacturers under the Master Settlement Agreement, as defined in G.S. 66-290, to a  
5 Non-Participating Manufacturer Adjustment under Section IX of that Agreement, then  
6 G.S. 143C-9-3A is repealed, and any assignment made under it is void.

7 **SECTION 40.(f)** If House Bill 914, 2005 Regular Session, becomes law,  
8 then effective July 1, 2007, Article 9 of Chapter 143C, as enacted by Section 3 of House  
9 Bill 914, 2005 Regular Session, is amended by adding a new section to read:

10 **"§ 143C-3B. JDIG Reserve Fund.**

11 (a) The State Controller shall establish a reserve in the General Fund to be  
12 known as the JDIG Reserve. Funds from the JDIG Reserve shall not be expended or  
13 transferred except in accordance with G.S. 143B-437.63.

14 (b) It is the intent of the General Assembly to appropriate funds annually to the  
15 JDIG Reserve established in this section in amounts sufficient to meet the anticipated  
16 cash requirements for each fiscal year of the Job Development Investment Grant  
17 Program established pursuant to G.S. 143B-437.52."

18 **SECTION 40.(g)** If House Bill 914, 2005 Regular Session, becomes law,  
19 then effective July 1, 2007, G.S. 143C-3-1, as enacted by Section 2 of House Bill 914,  
20 2005 Regular Session, reads as rewritten:

21 **"§ 143C-3-1. Budget estimate for the legislative branch.**

22 The Legislative ~~Administrative Services~~ Officer shall give the Director an estimate  
23 of the financial needs of the legislative branch for the upcoming fiscal period in  
24 accordance with the schedule prescribed by the Director. The estimates for the  
25 legislative branch shall be approved and certified by the President Pro Tempore of the  
26 Senate and the Speaker of the House of Representatives. The estimates shall be itemized  
27 in accordance with the accounting classifications adopted by the Controller. The  
28 Director shall include the estimates in the budget the Director submits to the General  
29 Assembly. The Director may recommend changes to these estimates in the budget  
30 submitted to the General Assembly."

31 **SECTION 40.(h)** If House Bill 914, 2005 Regular Session, becomes law,  
32 then effective July 1, 2007, G.S. 143C-1-1(b), as enacted by Section 2 of House Bill  
33 914, 2005 Regular Session, reads as rewritten:

34 "(b) The provisions of this Chapter shall apply to every State agency and to every  
35 non-State entity that receives or expends any State funds. No State agency or non-State  
36 entity shall expend any State funds except in accordance with an act of appropriation  
37 and the requirements of this Chapter. The provisions of Chapter 120 of the General  
38 Statutes shall continue to apply to the General Assembly and to control its expenditures  
39 and in the event of a conflict with this Chapter, the provisions of Chapter 120 of the  
40 General Statutes shall control. Nothing in this Chapter abrogates or diminishes the  
41 inherent power of the legislative, executive, or judicial branch."

42 **SECTION 40.(i)** If Senate Bill 198, 2005 Regular Session, becomes law,  
43 this section is repealed.

1           **SECTION 41.** If House Bill 1231, 2005 Regular Session, becomes law, then  
2 G.S. 75-38(d), as enacted by House Bill 1231, reads as rewritten:

3           "(d) A "triggering event" means the declaration of a state of emergency pursuant  
4 to ~~G.S. 166A-8, 166A-8~~ or Article 36A of Chapter 14 of the General Statutes, the  
5 proclamation of a state of disaster pursuant to ~~Article 36A of Chapter 14 of the General~~  
6 ~~Statutes~~, G.S. 166A-6, or a finding of abnormal market disruption pursuant to  
7 G.S. 75-38(e)."

8           **SECTION 42.** If House Bill 1327, 2005 Regular Session, becomes law, then  
9 G.S. 114-19.16, as enacted by that act, is recodified as G.S. 114-19.18. If House Bill  
10 1848, 2005 Regular Session, becomes law, then G.S. 114-19.16, as enacted by that act,  
11 is recodified as G.S. 114-19.19.

12           **SECTION 43.** If both House Bill 1827 and House Bill 2882, 2005 Regular  
13 Session, become law, then Section 3 of House Bill 1827 is repealed.

14           **SECTION 44.(a)** If House Bill 1848, 2005 Regular Session, becomes law,  
15 Section 8 of the bill reads as rewritten:

16           "**SECTION 8.** Section 4 of S.L. 2006-32 reads as rewritten:

17           "**SECTION 4.** The Legislative Research Commission ~~and the Joint Legislative~~  
18 ~~Oversight Committee on Mental Health, Developmental Disabilities, and Substance~~  
19 ~~Abuse Services (LOC)~~ shall study drug treatment courts in North Carolina. The study  
20 shall include the following issues in relation to drug treatment courts:

- 21           (1) Funding mechanisms;
- 22           (2) Target populations;
- 23           (3) Interagency collaboration at the State and local levels; and
- 24           (4) Any other matter that the Commissions deem appropriate or necessary  
25 to provide proper information to the General Assembly on the subject  
26 of the study.

27 The Commission may report its findings and recommendations to the 2007 Regular  
28 Session of the 2007 General Assembly."

29           **SECTION 44.(b)** If House Bill 1848, 2005 Regular Session, becomes law,  
30 Section 12 of the bill reads as rewritten:

31           "**SECTION 12.** In order to provide for an orderly transition in membership to the  
32 Judicial Standards Commission to the six-year terms specified in G.S. 7A-375(b), as  
33 amended by Section 11 of this act, and notwithstanding G.S. 7A-375(b), as amended by  
34 Section 11 of this act, the following provisions apply:

- 35           (1) The initial terms of the new district court ~~judge~~~~judge~~, ~~and~~ of one new  
36 member of the North Carolina ~~Bar~~~~Bar~~, and of one citizen upon  
37 recommendation of the Speaker of the House of Representatives,  
38 appointed to the Commission effective January 1, 2007, shall be  
39 three-two-year terms.
- 40           (2) The initial terms of all other new members appointed to the  
41 Commission effective January 1, 2007, shall be ~~six~~five-year terms.
- 42           (3) ~~The term of the citizen appointed by the Governor to the Commission~~  
43 ~~effective January 1, 2007, shall be a three-year term.~~

1           (4) ~~The term for the citizen appointed by the Governor to the Commission~~  
2           ~~effective January 1, 2010, shall be a three-year term."~~

3           **SECTION 45.(a)** If House Bill 1895, 2005 Regular Session, becomes law,  
4 then G.S. 58-50-245(17) reads as rewritten:

5           "(17) "Insurer" means any entity that provides health insurance coverage in  
6 this State. For the purposes of this Part, insurer includes:

- 7           a. An insurance company;
- 8           b. A hospital or medical service corporation;
- 9           c. A health maintenance organization;
- 10          d. A multiple employer welfare arrangement;
- 11          e. A third-party administrator or claims processor;
- 12          f. An administrative service organization; and
- 13          g. Any other nongovernmental entity providing a health benefit  
14 plan subject to State insurance ~~regulation; and~~ regulation."

15           **SECTION 45.(b)** If House Bill 1895, 2005 Regular Session, becomes law,  
16 then G.S. 58-50-250(b)(2) reads as rewritten:

17           "(2) Two members of the general public who are not employed by or  
18 affiliated with an insurance company or plan, group hospital, or other  
19 health care provider, and can reasonably be expected to qualify for  
20 coverage in the Pool. Members of the general public include  
21 individuals whose only affiliation with health insurance or health care  
22 coverage is as a covered member. The two members of the general  
23 public shall be appointed by the General Assembly, as follows:

- 24          a. One member upon the recommendation of the President Pro  
25 Tempore of the Senate.
- 26          b. One member upon the recommendation of the Speaker of the  
27 House of Representatives."

28           **SECTION 45.(c)** If House Bill 1895, 2005 Regular Session, becomes law,  
29 then G.S. 58-50-255(a) reads as rewritten:

30           "(a) The Executive Director, in collaboration with the Board, shall select through  
31 a competitive bidding process one or more authorized insurers or a third-party  
32 administrator to administer the Pool. The Executive Director shall evaluate bids  
33 submitted based on criteria established by the Board. The criteria shall allow for the  
34 comparison of information about each bidding administrator and selection of a Pool  
35 Administrator based on at least the following:

- 36          (1) Proven ability to handle health insurance coverage to individuals.
- 37          (2) Efficiency and timeliness of the claim processing procedures.
- 38          (3) Estimated total charges for administering the Pool.
- 39          (4) Ability to apply effective cost containment programs and procedures  
40 and to administer the Pool in a cost-efficient manner.
- 41          (5) Financial condition and stability.

42           If a member of the Board has submitted a bid to be selected by the Board as Pool  
43 Administrator, that bidding member of the Board shall not participate in the selection  
44 process or in the Board's final decision on the selection of the Administrator."

1           **SECTION 45.(d)** If House Bill 1895, 2005 Regular Session, becomes law,  
2 then G.S. 58-50-300 reads as rewritten:

3 **"§ 58-50-300. Audit.**

4           An audit of the Pool shall be conducted annually under the oversight of the State  
5 Auditor. The cost of the audit shall be reimbursed to the State Auditor from the Reserve  
6 for the North Carolina Health Insurance Risk Pool."

7           **SECTION 46.(a)** If House Bill 1896, 2005 Regular Session, becomes law,  
8 then Section 19(e) of House Bill 1896 is rewritten to read:

9           **"SECTION 19.(e)** Section 19(a) becomes effective December 1, 2006, and applies  
10 to all offenses committed on or after that date and to all individuals who move into this  
11 State on or after that date. The remainder of this section becomes effective December 1,  
12 2006, and applies to all applications for a drivers license, learner's permit, instruction  
13 permit, or special identification card submitted on or after that date."

14           **SECTION 46.(b)** If House Bill 1896, 2005 Regular Session, becomes law,  
15 then G.S. 14-208.12A, as enacted by Section 10(a) of that act, reads as rewritten:

16 **"§ 14-208.12A. Request for termination of registration requirement.**

17           (a) A person required to register under this Part ~~who has served his or her~~  
18 ~~sentence~~ may petition the superior court in the district where the person resides to  
19 terminate the registration requirement 10 years from the date of initial county  
20 registration if the person has not been convicted of a subsequent offense requiring  
21 registration under this Article."

22           **SECTION 46.(c)** If House Bill 1896, 2005 Regular Session, becomes law,  
23 then the first sentence of G.S. 20-9(i), as enacted by Section 19(c) of that act, reads as  
24 rewritten:

25           "(i) The Division shall not issue a drivers license to an applicant ~~from another~~  
26 ~~state who has resided in this State for less than 12 months~~ until the Division has  
27 searched the National Sex Offender Public Registry to determine if the person is  
28 currently registered as a sex offender in another state."

29           **SECTION 46.(d)** If House Bill 1896, 2005 Regular Session, becomes law,  
30 then G.S. 20-37.7(b1), as enacted by Section 19(d) of that act, reads as rewritten:

31           "(b1) Search National Sex Offender Public Registry. – The Division shall not issue  
32 a special identification card to an applicant ~~from another state who has resided in this~~  
33 State for less than 12 months until the Division has searched the National Sex Offender  
34 Public Registry to determine if the person is currently registered as a sex offender in  
35 another state."

36           **SECTION 47.** If House Bill 1965, 2005 Regular Session, becomes law,  
37 every reference in that act to July 1, 2006, is changed to August 15, 2006.

38           **SECTION 48.(a)** G.S. 163-127.1, as enacted by Section 1 of S.L. 2006-155,  
39 reads as rewritten:

40 **"§ 163-127.1. Definitions.**

41 As used in this Article, the following terms mean:

42           (1) Board. – State Board of Elections.

43           (2) Candidate. – A person having filed a notice of candidacy under ~~Article~~  
44 ~~10 of Chapter 163 of the General Statutes or having filed a petition~~

1                    ~~under Article 11 of Chapter 163 of the General Statutes.~~ the appropriate  
2                    statute for any elective office in this State.

3                    (3) Challenger. – Any qualified voter registered in the same district as the  
4                    office for which the candidate has filed or petitioned.

5                    (4) Office. – The elected office for which the candidate has filed or  
6                    petitioned."

7                    **SECTION 48.(b)** This section becomes effective on January 1, 2007.

8                    **SECTION 49.** If House Bill 2762, 2005 Regular Session, becomes law, then  
9                    G.S. 166-5(c1)(26), as enacted by that act, is recodified as G.S. 126-5(c1)(27).

10                   **SECTION 50.(a)** If House Bill 2873, 2005 Regular Session, becomes law  
11                   then G.S. 87-88(i), as amended by Section 3 of House Bill 2873, reads as rewritten:

12                   "(i) Chlorination of the Well. – Upon completion of the well construction and  
13                   pump installation, all water-supply wells installed for the purpose of obtaining  
14                   groundwater for human consumption ~~and all private drinking water wells~~ shall be  
15                   sterilized in accordance with standards for sterilization of drinking water wells  
16                   established by the U.S. Public Health Service."

17                   **SECTION 50.(b)** If House Bill 2873, 2005 Regular Session, becomes law,  
18                   then G.S. 87-97, as enacted by Section 4 of House Bill 2873, is amended by adding a  
19                   new subsection to read:

20                   "(f1) Chlorination of the Well. – Upon completion of construction of a private  
21                   drinking water well, the well shall be sterilized in accordance with the standards of  
22                   drinking water wells established by the United States Public Health Service."

23                   **SECTION 50.(c)** If House Bill 2873, 2005 Regular Session, becomes law,  
24                   then G.S. 87-97(g), as enacted by Section 4 of House Bill 2873, reads as rewritten:

25                   "(g) Certificate of Completion. – Upon completion of construction of a private  
26                   drinking water well or repair of a private drinking water well for which a permit is  
27                   required under this section, the local health department shall inspect the well to  
28                   determine whether it was constructed or repaired in compliance with the construction  
29                   permit or repair permit. If the local health department determines that the private  
30                   drinking water well has been constructed or repaired in accordance with the  
31                   requirements of the construction permit or repair permit, the construction and repair  
32                   requirements of this Article, and rules adopted pursuant to this Article, the local health  
33                   department shall issue a certificate of completion. No person shall place a private  
34                   drinking water well into service without first having obtained a certificate of  
35                   completion. No person shall return a private drinking water well that has undergone  
36                   repair to service without first having obtained a certificate of completion."

37                   **SECTION 51.** If House Bill 2873, 2005 Regular Session, becomes law, then  
38                   G.S. 87-97(h), as enacted by Section 4 of House Bill 2873, reads as rewritten:

39                   "(h) Drinking Water Testing. – Within 30 days after it issues a certificate of  
40                   completion for a newly constructed private drinking water well, the local health  
41                   department shall test the water obtained from the ~~well~~ well, or ensure that the water  
42                   obtained from the well has been sampled and tested by a certified laboratory, in  
43                   accordance with rules adopted by the Commission for Health Services. The water shall  
44                   be tested for the following parameters: arsenic, barium, cadmium, chromium, copper,

1 fluoride, lead, iron, magnesium, manganese, mercury, nitrates, nitrites, selenium, silver,  
2 sodium, zinc, pH, and bacterial indicators."

3 **SECTION 52.(a)** If Senate Bill 602, 2005 Regular Session, becomes law,  
4 then G.S. 47-14(a), as amended by Section 40(c) of that bill, reads as rewritten:

5 "(a) The register of deeds shall not accept for registration any instrument that  
6 requires proof or acknowledgement unless the execution of the instrument by one or  
7 more signers appears to have been proved or acknowledged before an officer with the  
8 apparent authority to take proofs or acknowledgements, and the said proof or  
9 acknowledgement includes the officer's signature, commission expiration date, and  
10 official seal, if required. The register of deeds shall accept an instrument for registration  
11 that does not require proof or acknowledgement if the instrument otherwise satisfies the  
12 requirements of G.S. 161-14. Any document previously recorded or any certified copy  
13 of any document previously recorded may be rerecorded, regardless of whether it has  
14 been changed or altered, or it is being rerecorded pursuant to G.S. 47-36.1. The register  
15 of deeds shall not be required to verify or make inquiry concerning (i) the legal  
16 sufficiency of any proof or acknowledgement, (ii) the authority of any officer who took  
17 a proof or acknowledgement, (iii) the legal sufficiency of any document presented for  
18 registration, or (iv) upon presentation of the original document for re-recording, whether  
19 the original document has been changed or altered."

20 **SECTION 52.(b)** If Senate Bill 602, 2005 Regular Session, becomes law,  
21 then Section 40.(d), as enacted in the bill, reads as rewritten:

22 "**SECTION 40.(d)** Subsection (a) of this section becomes effective October 1,  
23 2006. This-The remainder of this section becomes effective October 1, 2005."

24 **SECTION 53.** If Senate Bill 951 of the 2005 Regular Session becomes law,  
25 then G.S. 160A-49.3(a2), as enacted by that act, reads as rewritten:

26 "(a2) Firms shall ~~fill~~file notice of provision of solid waste collection service with  
27 the city clerk of all cities located in the firm's collection area or within five miles  
28 thereof."

29 **SECTION 54.(a)** If Senate Bill 2009, 2005 Regular Session, becomes law,  
30 then G.S. 115C-531(i), as enacted by Senate Bill 2009, reads as rewritten:

31 "(i) Lien Laws Not Affected. – ~~The provisions of Article 2 of Chapter 44A of the~~  
32 ~~General Statutes apply to any real property, improvement to the real property, and rights~~  
33 ~~that flow with the real property that is subject to a capital lease under this section. Real~~  
34 ~~property that is subject to a capital lease under this section is subject to liens and~~  
35 ~~foreclosure actions in the same manner and to the same extent as if the property were~~  
36 ~~owned in fee simple by a private entity.~~All laws relating to liens on private property  
37 apply to private property interests in a capital lease project undertaken under this  
38 section."

39 **SECTION 54.(b)** If Senate Bill 2009, 2005 Regular Session, becomes law,  
40 then G.S.115C-532(d) , as enacted by Senate Bill 2009, reads as rewritten:

41 "(d) Additional Requirements Regarding Design Services. – Required design and  
42 engineering services shall be performed by an ~~engineer,~~engineer or licensed architect, to  
43 the extent permitted under G.S. 83A-13(b), or a licensed architect. Specifications for  
44 any new school building shall be consistent with the requirements of G.S. 143-128(a).

1 All applicable requirements for the review or approval of design and specifications for  
2 school buildings by the Department of Public Instruction and the Department of  
3 Insurance apply to school buildings constructed, repaired, or renovated under a capital  
4 lease authorized under this section."

5           **SECTION 55.** The Enrolling Clerk may file with the Secretary of State a  
6 corrected copy of Resolution 2006-10, changing the name "Hernadez" to "Hernandez",  
7 and may correct the copies in the legislative database.

8 **PART III. EFFECTIVE DATE**

9           **SECTION 56.** Except as otherwise provided, this act is effective when it  
10 becomes law.