

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S

6

SENATE BILL 821*
Judiciary I Committee Substitute Adopted 6/21/16
Rules and Operations of the Senate Committee Substitute Adopted 6/29/16
Fourth Edition Engrossed 6/30/16
House Committee Substitute Favorable 7/1/16
Sixth Edition Engrossed 7/1/16

Short Title: GSC Technical Corrections 1.

(Public)

Sponsors:

Referred to:

May 10, 2016

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

6 The General Assembly of North Carolina enacts:

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

10 **SECTION 1.** G.S. 1-117 reads as rewritten:

11 **"§ 1-117. Cross-index of lis pendens.**

12 Every notice of pending litigation filed under this Article shall be cross-indexed by the clerk of
13 the superior court in a record, called the "Record of Lis Pendens," to be kept by ~~him pursuant to~~
14 ~~G.S. 2-42(6)~~ the clerk under G.S. 7A-109."

15 **SECTION 1.1.** G.S. 14-118.6(b1) reads as rewritten:

16 "(b1) When a lien or encumbrance is presented to a clerk of superior court for filing and the
17 clerk of court has a reasonable suspicion that the lien or encumbrance is false as described in
18 subsection (a) of this section, the clerk of court may refuse to file the lien or encumbrance. Neither
19 the clerk of court nor the clerk's staff shall be liable for filing or the refusal to file a lien or
20 encumbrance under this subsection. The clerk of superior court shall not file, index, or docket the
21 document against the property of a public officer or public employee until that document is
22 approved by any judge of the judicial district having subject matter jurisdiction for filing by the
23 ~~clerk of superior court by any judge of the judicial district having subject matter jurisdiction.~~
24 court. If the judge determines that the filing is not false, the clerk shall index the claim of lien. A
25 lien or encumbrance filed upon order of the court under this subsection shall have a priority
26 interest as of the date and time of indexing by the clerk of superior court. If the court finds that
27 there is no statutory or contractual basis for the proposed filing, the court shall enter an order that
28 the proposed filing is null and void as a matter of law, and that it shall not be filed or indexed. The
29 clerk of superior court shall serve the order and return the original denied filing to the person or
30 entity that presented it. The person or entity shall have 30 days from the entry of the order to
31 appeal the order. If the order is not appealed within the applicable time period, the clerk may
32 destroy the filing."



1 **SECTION 1.2.** G.S. 14-159.3(a1) reads as rewritten:

2 "(a1) A landowner who gives a person written consent to operate an all-terrain vehicle on ~~his~~
3 ~~or her~~ the landowner's property owes the person the same duty of care that ~~he or she~~ the landowner
4 owes a trespasser."

5 **SECTION 2.** G.S. 14-208.6 reads as rewritten:

6 "**§ 14-208.6. Definitions.**

7 The following definitions apply in this Article:

8 ...

9 (5) "Sexually violent offense" means a violation of former G.S. 14-27.6 (attempted
10 rape or sexual offense), G.S. 14-27.21 (first-degree forcible rape),
11 G.S. 14-27.22 (second-degree forcible rape), G.S. 14-27.23 (statutory rape of a
12 child by an adult), G.S. 14-27.24 (first-degree statutory rape), G.S. 14-27.25(a)
13 (statutory rape of a person who is 15 years of age or younger and where the
14 defendant is at least six years older), G.S. 14-27.26 (first-degree forcible sexual
15 offense), G.S. 14-27.27 (second-degree forcible sexual offense), G.S. 14-27.28
16 (statutory sexual offense with a child by an adult), G.S. 14-27.29 (first-degree
17 statutory sexual offense), G.S. 14-27.30(a) (statutory sexual offense with a
18 person who is 15 years of age or younger and where the defendant is at least six
19 years older), G.S. 14-27.31 (sexual activity by a substitute parent or custodian),
20 G.S. 14-27.32 (sexual activity with a student), G.S. 14-27.33 (sexual battery),
21 G.S. 14-43.11 (human trafficking) if (i) the offense is committed against a
22 minor who is less than 18 years of age or (ii) the offense is committed against
23 any person with the intent that they be held in sexual servitude, G.S. 14-43.13
24 (subjecting or maintaining a person for sexual servitude), G.S. 14-178 (incest
25 between near relatives), G.S. 14-190.6 (employing or permitting minor to assist
26 in offenses against public morality and decency), G.S. 14-190.9(a1) (felonious
27 indecent exposure), G.S. 14-190.16 (first degree sexual exploitation of a
28 minor), G.S. 14-190.17 (second degree sexual exploitation of a minor),
29 G.S. 14-190.17A (third degree sexual exploitation of a minor), G.S. 14-202.1
30 (taking indecent liberties with children), G.S. 14-202.3 (Solicitation of child by
31 computer or certain other electronic devices to commit an unlawful sex act),
32 G.S. 14-202.4(a) (taking indecent liberties with a student), G.S. 14-205.2(c) or
33 (d) (patronizing a prostitute who is a minor or a mentally disabled person),
34 G.S. 14-205.3(b) (promoting prostitution of a minor or a mentally disabled
35 person), G.S. 14-318.4(a1) (parent or caretaker commit or permit act of
36 prostitution with or by a juvenile), or G.S. 14-318.4(a2) (commission or
37 allowing of sexual act upon a juvenile by parent or guardian). The term also
38 includes the following: a solicitation or conspiracy to commit any of these
39 offenses; aiding and abetting any of these offenses.

40 "

41 **SECTION 2.1.** G.S. 20-45 reads as rewritten:

42 "**§ 20-45. Seizure of documents and plates.**

43 (a) The Division is ~~hereby~~ authorized to take possession of any certificate of title,
44 registration card, permit, license, or registration plate issued by it upon expiration, revocation,
45 cancellation, or suspension thereof, or which is fictitious, or which has been unlawfully or
46 erroneously issued, or which has been unlawfully used.

47 (b) The Division may give notice to the owner, licensee or lessee of its authority to take
48 possession of any certificate of title, registration card, permit, license, or registration plate issued
49 by it and require that person to surrender it to the Commissioner or ~~his~~ the Commissioner's
50 officers or agents. Any person who fails to surrender the certificate of title, registration card,
51 permit, license, or registration plate or any duplicate thereof, upon personal service of notice or

1 within 10 days after receipt of notice by mail as provided in G.S. 20-48, shall be guilty of a Class
2 misdemeanor.

3 (c) Any sworn law enforcement officer with jurisdiction, including a member of the State
4 Highway Patrol, is authorized to seize the certificate of title, registration card, permit, license, or
5 registration plate, if the officer has electronic or other notification from the Division that the item
6 has been revoked or cancelled, or otherwise has probable cause to believe that the item has been
7 revoked or cancelled under any law or statute, including ~~G.S. 20-309(e)~~. G.S. 20-311. If a criminal
8 proceeding relating to a certificate of title, registration card, permit, or license is pending, the law
9 enforcement officer in possession of that item shall retain the item pending the entry of a final
10 judgment by a court with jurisdiction. If there is no criminal proceeding pending, the law
11 enforcement officer shall deliver the item to the Division.

12 (d) Any law enforcement officer who seizes a registration plate pursuant to this section
13 shall report the seizure to the Division within 48 hours of the seizure and shall return the
14 registration plate, but not a fictitious registration plate, to the Division within 10 business days of
15 the seizure."

16 **SECTION 3.** The catch line of G.S. 20-171.24 reads as rewritten:

17 "**§ 20-171.24. Motorized all-terrain vehicle use by municipal and county employees of listed**
18 **municipalities and counties permitted on certain highways.**"

19 **SECTION 3.1.** G.S. 24-10.1(a) reads as rewritten:

20 "(a) Subject to the limitations contained in subsection (b) of this section, any lender may
21 charge a party to a loan or extension of credit governed by the provisions of ~~G.S. 24-1.1, 24-1.2,~~
22 G.S. 24-1.1 or G.S. 24-1.1A a late payment charge as agreed upon by the parties in the loan
23 contract."

24 **SECTION 4.** G.S. 28A-2-4 reads as rewritten:

25 "**§ 28A-2-4. Subject matter jurisdiction of the clerk of superior court in estate proceedings.**

26 (a) The clerks of superior court of this State, as ex officio judges of probate, shall have
27 original jurisdiction of estate proceedings. Except as provided in subdivision (4) of this subsection,
28 the jurisdiction of the clerk of superior court is exclusive. Estate proceedings include, but are not
29 limited to, the following:

- 30 (1) Probate of wills.
- 31 (2) Granting and revoking of letters testamentary and letters of administration, or
32 other proper letters of authority for the administration of estates.
- 33 (3) Determination of the elective share for a surviving spouse as provided in
34 G.S. 30-3.
- 35 (4) Proceedings to ascertain heirs or devisees, to approve settlement agreements
36 pursuant to G.S. 28A-2-10, to determine questions of construction of wills, to
37 determine priority among creditors, to determine whether a person is in
38 possession of property belonging to an estate, to order the recovery of property
39 of the estate in possession of third parties, and to determine the existence or
40 nonexistence of any immunity, power, privilege, duty, or right. Any party or the
41 clerk of superior court may file a notice of transfer of a proceeding pursuant to
42 this subdivision to the Superior Court Division of the General Court of Justice
43 as provided in G.S. 28A-2-6(h). In the absence of a transfer to superior court,
44 Article 26 of Chapter 1 of the General Statutes shall apply to ~~a trust~~ an estate
45 proceeding pending before the clerk of superior court to the extent consistent
46 with this Article.

47 (b) Nothing in this section shall affect the right of a person to file an action in the Superior
48 Court Division of the General Court of Justice for declaratory relief under Article 26 of Chapter 1
49 of the General Statutes. In the event that either the petitioner or the respondent in an estate
50 proceeding requests declaratory relief under Article 26 of Chapter 1 of the General Statutes, either
51 party may move for a transfer of the proceeding to the Superior Court Division of the General

1 Court of Justice as provided in Article 21 of Chapter 7A of the General Statutes. In the absence of
 2 a removal to superior court, Article 26 of Chapter 1 of the General Statutes shall apply to an estate
 3 proceeding to the extent consistent with this Article.

4 (c) Without otherwise limiting the jurisdiction of the Superior Court Division of the
 5 General Court of Justice, the clerk of superior court shall not have jurisdiction under subsection (a)
 6 or ~~(e)-(b)~~ of this section or G.S. 28A-2-5 of the following:

- 7 (1) Actions by or against creditors or debtors of an estate, except as provided in
 8 Article 19 of this Chapter.
- 9 (2) Actions involving claims for monetary damages, including claims for breach of
 10 fiduciary duty, fraud, and negligence.
- 11 (3) Caveats, except as provided under G.S. 31-36.
- 12 (4) Proceeding to determine proper county of venue as provided in G.S. 28A-3-2.
- 13 (5) Recovery of property transferred or conveyed by a decedent with intent to
 14 hinder, delay, or defraud creditors, pursuant to G.S. 28A-15-10(b)."

15 **SECTION 5.** Reserved.

16 **SECTION 6.** G.S. 28A-19-5(b) reads as rewritten:

17 "(b) With respect to a contingent or unliquidated claim rejected by a personal representative
 18 pursuant to G.S. 28A-19-16, the claimant may, within the three-month period prescribed by
 19 G.S. 28A-19-16, file a petition for an order of the clerk of superior court in accordance with
 20 subsection (a) of this section, provided that nothing in this section shall require the clerk of
 21 superior court to hear and determine the validity of, priority of, or amount of a contingent or
 22 unliquidated claim that has not yet become absolute."

23 **SECTION 7.** G.S. 31B-1(a) reads as rewritten:

24 "(a) A person who succeeds to a property interest as:

- 25 ...
- 26 (8) ~~Appointee~~ Appointee, permissible appointee, or taker in default under a power
 27 of appointment exercised by a testamentary instrument or a nontestamentary
 28 instrument;

29 ...

30 may renounce at anytime, in whole or in part, the right of succession to any property or interest
 31 therein, including a future interest, by filing a written instrument under the provisions of this
 32 Chapter. A renunciation may be of a fractional share or any limited interest or estate. The
 33 renunciation shall be deemed to include the entire interest of the person whose property or interest
 34 is being renounced unless otherwise specifically limited. A person may renounce any interest in or
 35 power over property, including a power of appointment, even if its creator imposed a spendthrift
 36 provision or similar restriction on transfer or a restriction or limitation on the right to renounce.
 37 Notwithstanding the foregoing, there shall be no right of partial renunciation if the instrument
 38 creating the interest expressly so provides."

39 **SECTION 7.1.** G.S. 36C-8-816.1 reads as rewritten:

40 **"§ 36C-8-816.1. Trustee's special power to appoint to a second trust.**

41 (a) For purposes of this section, the following definitions apply:

- 42 (1) Current beneficiary. – A person who is a permissible distributee of trust income
 43 or principal.
- 44 (2) Original trust. – A trust established under an irrevocable trust instrument
 45 pursuant to the terms of which a trustee has a discretionary power to distribute
 46 principal or income of the trust to or for the benefit of one or more current
 47 beneficiaries of the trust.
- 48 (3) Second trust. – A trust established under an irrevocable trust instrument, the
 49 current beneficiaries of which are one or more of the current beneficiaries of the
 50 original trust. The second trust may be a trust created under the same trust
 51 instrument as the original trust or under a different trust instrument.

1 (b) A trustee of an original trust may, without authorization by the court, exercise the
2 discretionary power to distribute principal or income to or for the benefit of one or more current
3 beneficiaries of the original trust by appointing all or part of the principal or income of the original
4 trust subject to the power in favor of a trustee of a second trust. The trustee of the original trust
5 may exercise this power whether or not there is a current need to distribute principal or income
6 under any standard provided in the terms of the original trust. The trustee's special power to
7 appoint trust principal or income in further trust under this section includes the power to create the
8 second trust. The second trust may have a duration that is longer than the duration of the first trust.

9 (c) The terms of the second trust shall be subject to all of the following:

- 10 (1) The beneficiaries of the second trust may include only beneficiaries of the
11 original trust.
- 12 (2) A beneficiary who has only a future beneficial interest, vested or contingent, in
13 the original trust cannot have the future beneficial interest accelerated to a
14 present interest in the second trust.
- 15 (3) The terms of the second trust may not reduce any fixed income, annuity, or
16 unitrust interest of a beneficiary in the assets of the original trust if that interest
17 has come into effect with respect to the beneficiary.
- 18 (4) If any contribution to the original trust qualified for a marital or charitable
19 deduction for federal income, gift, or estate tax purposes under the Internal
20 Revenue Code, then the second trust shall not contain any provision that, if
21 included in the original trust, would have prevented the original trust from
22 qualifying for the deduction or that would have reduced the amount of the
23 deduction.
- 24 (5) If contributions to the original trust have been excluded from the gift tax by the
25 application of section 2503(b) and section 2503(c) of the Internal Revenue
26 Code, then the second trust shall provide that the beneficiary's remainder
27 interest in the contributions shall vest and become distributable no later than the
28 date upon which the interest would have vested and become distributable under
29 the terms of the original trust.
- 30 (6) If any beneficiary of the original trust has a power of withdrawal over trust
31 property, then either:
 - 32 a. The terms of the second trust must provide a power of withdrawal in the
33 second trust identical to the power of withdrawal in the original trust; or
 - 34 b. Sufficient trust property must remain in the original trust to satisfy the
35 outstanding power of withdrawal.
- 36 (7) If a trustee of an original trust exercises a power to distribute principal or
37 income that is subject to an ascertainable standard by appointing property to a
38 second trust, then the power to distribute income or principal in the second trust
39 must be subject to the same ascertainable standard as in the original trust and
40 must be exercisable in favor of the same current beneficiaries to whom such
41 distribution could be made in the original trust.
- 42 (8) The second trust may confer a power of appointment upon a beneficiary of the
43 original trust to whom or for the benefit of whom the trustee has the power to
44 distribute principal or income of the original trust. The permissible appointees
45 of the power of appointment conferred upon a beneficiary may include persons
46 who are not beneficiaries of the original or second trust. The power of
47 appointment conferred upon a beneficiary shall be subject to the provisions of
48 G.S. 41-23 specifying the permissible period allowed for the suspension of the
49 power of alienation of the original trust and the time from which that
50 permissible period is computed.

- 1 (9) The terms of the second trust shall not contain any provisions that would
2 jeopardize (i) the qualification of a transfer as a direct skip under section
3 2642(c) of the ~~Internal Revenue~~ Internal Revenue Code, (ii) if the first trust
4 owns subchapter S Corporation stock, the election to treat a corporation as a
5 subchapter S Corporation under section 1362 of the Internal Revenue Code,
6 (iii) if the first trust owns an interest in property subject to the minimum
7 distribution rules of section 401(a)(9) of the Internal Revenue Code, a favorable
8 distribution period by shortening the minimum distribution period, or (iv) any
9 other specific tax benefit for which ~~a contribution originally the first trust was~~
10 clearly designed to qualify and for which the first trust qualified or would have
11 qualified for income, gift, estate, or generation skipping transfer tax purposes,
12 but for the enactment of this section. In this subdivision, "tax benefit" means a
13 federal or State tax deduction, exemption, exclusion, or other benefit not
14 otherwise listed in this section, except for the benefit from having the settlor
15 considered the owner under sections 671 through 679 of the Internal Revenue
16 Code. Subject to clause (ii) above, the second trust may be a trust as to which
17 the settlor is not considered the owner under sections 671 through 679 of the
18 Internal Revenue Code even if the settlor is considered the owner of the first
19 trust, and the second trust may be a trust as to which the settlor of the first trust
20 is considered the owner under sections 671 through 679 of the Internal Revenue
21 Code, even if the settlor is not considered the owner of the first trust.
- 22 (10) Notwithstanding any other provision of this section, but subject to the
23 limitations of subdivisions (1), (2), (4), (5), and (9) of this subsection, a trustee
24 may exercise the power to appoint principal and income under subsection (b) of
25 this section with respect to a disabled beneficiary's interest in the original trust
26 to a second trust that is a supplemental needs trust that does not have (i) an
27 ascertainable standard (or has a different ascertainable standard); (ii) a fixed
28 income, annuity, or unitrust interest in the assets of the original trust; or (iii) a
29 right of withdrawal, if the trustee determines that it would be in the best interest
30 of the disabled beneficiary. For purposes of this subsection, the following
31 apply:
- 32 a. A "supplemental needs trust" means a trust that is a discretionary trust
33 under G.S. 36C-5-504 and relative to the original trust contains either
34 lesser or greater restrictions on the trustee's power to distribute income
35 or principal, and which the trustee believes would, if implemented,
36 allow the disabled beneficiary to receive greater governmental benefits
37 than the disabled beneficiary would receive if the power to appoint
38 principal and income had not been exercised.
- 39 b. "Governmental benefits" means medical assistance, financial aid, or
40 services from any local, State, or federal agency or department.
- 41 c. A "disabled beneficiary" means a current beneficiary of the original
42 trust who the trustee determines has a condition that substantially
43 impairs the beneficiary's ability to provide for his or her own support,
44 care, or custody whether or not the beneficiary has been adjudicated a
45 "disabled person" by any government agency or department.
- 46 d. The second supplemental needs trust shall not be liable to pay or
47 reimburse the State or any government or public agency for medical
48 assistance, financial aid, or services provided to the disabled beneficiary
49 except as provided in the second supplemental needs trust.
- 50 (d) A trustee may not exercise the power to appoint principal or income under subsection
51 (b) of this section if the trustee is a beneficiary of the original trust, but the remaining cotrustee or

1 a majority of the remaining cotrustees may act for the trust. If all the trustees are beneficiaries of
2 the original trust, then the court may appoint a special fiduciary with authority to exercise the
3 power to appoint principal or income under subsection (b) of this section.

4 (e) The exercise of the power to appoint principal or income under subsection (b) of this
5 section:

6 (1) Shall be considered the exercise of a power of appointment, other than a power
7 to appoint to the trustee, the trustee's creditors, the trustee's estate, or the
8 creditors of the trustee's estate; and

9 (2) Shall be subject to the provisions of G.S. 41-23 specifying the permissible
10 period allowed for the suspension of the power of alienation of the original trust
11 and the time from which that permissible period is computed; and

12 (3) Is not prohibited by a spendthrift provision or by a provision in the original
13 trust instrument that prohibits amendment or revocation of the trust.

14 (f) To effect the exercise of the power to appoint principal or income under subsection (b)
15 of this section, all of the following shall apply:

16 (1) The exercise of the power to appoint shall be made by an instrument in writing,
17 signed and acknowledged by the trustee, setting forth the manner of the
18 exercise of the power, including the terms of the second trust, and the effective
19 date of the exercise of the power. The instrument shall be filed with the records
20 of the original trust.

21 (2) The trustee shall give written notice to all qualified beneficiaries of the original
22 trust, at least 60 days prior to the effective date of the exercise of the power to
23 appoint, of the trustee's intention to exercise the power. The notice shall include
24 a copy of the instrument described in subdivision (1) of this subsection.

25 (3) If all qualified beneficiaries waive the notice period by a signed written
26 instrument delivered to the trustee, the trustee's power to appoint principal or
27 income shall be exercisable after notice is waived by all qualified beneficiaries,
28 notwithstanding the effective date of the exercise of the power.

29 (4) The trustee's notice under this subsection shall not limit the right of any
30 beneficiary to object to the exercise of the trustee's power to appoint and bring
31 an action for breach of trust seeking appropriate relief as provided by
32 G.S. 36C-10-1001.

33 (g) Nothing in this section shall be construed to create or imply a duty of the trustee to
34 exercise the power to distribute principal or income, and no inference of impropriety shall be made
35 as a result of a trustee not exercising the power to appoint principal or income conferred under
36 subsection (b) of this section. Nothing in this section shall be construed to abridge the right of any
37 trustee who has a power to appoint property in further trust that arises under the terms of the
38 original trust or under any other section of this Chapter or under another provision of law or under
39 common law.

40 (h) A trustee or beneficiary may commence a proceeding to approve or disapprove a
41 proposed exercise of the trustee's special power to appoint to a second trust pursuant to subsection
42 (b) of this section."

43 **SECTION 7.2.(a)** G.S. 39-33 and G.S. 39-34 are repealed.

44 **SECTION 7.2.(b)** G.S. 39-35 is recodified as G.S. 31D-5-505.

45 **SECTION 7.2.(c)** G.S. 39-36 is recodified as G.S. 31D-4-403.1.

46 **SECTION 7.3.** G.S. 42A-17(a) reads as rewritten:

47 "(a) A vacation rental agreement shall identify the name and address of the ~~bank or savings~~
48 ~~and loan association~~ federally insured depository institution in which the tenant's security deposit
49 and other advance payments are held in a trust account, and the landlord and real estate broker
50 shall provide the tenant with an accounting of such deposit and payments if the tenant makes a
51 reasonable request for an accounting prior to the tenant's occupancy of the property."

1 **SECTION 7.4.** G.S. 97-25(f) reads as rewritten:

2 "(f) In claims subject to G.S. 97-18(b) and (d), a party may file a motion as set forth in this
3 subsection regarding a request for medical compensation or a dispute involving medical issues.
4 The nonmoving party shall have the right to contest the motion. Motions and responses shall be
5 submitted contemporaneously via electronic ~~mail-means~~ to the Commission and to the opposing
6 party or the opposing party's ~~attorney[, as follows]:~~ attorney, as follows:

7 (1) A party may file a motion with the Executive Secretary for an administrative
8 ruling regarding a request for medical compensation or a dispute involving
9 medical issues. The motion shall be decided administratively pursuant to rules
10 governing motions practices in contested cases. The Commission shall decide
11 the motion within 30 days of the filing of the motion unless an extension of
12 time to respond to the motion has been granted for good cause shown. Either
13 party may file a motion for reconsideration of the administrative order with the
14 Executive Secretary. Either party may request an expedited formal hearing
15 pursuant to G.S. 97-84 and subdivision (2) of this subsection to appeal the
16 decision of the Executive Secretary approving or denying the original motion or
17 the motion for reconsideration. Within five days of the filing of a request for an
18 expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this
19 subsection to appeal the decision of the Executive Secretary, the Commission
20 shall assign a Deputy Commissioner to conduct the formal hearing. The
21 decision shall not be stayed during the pendency of an appeal pursuant to
22 G.S. 97-84 and subdivision (2) of this subsection except under those
23 circumstances set out in subdivision (4) of this subsection. A motion to stay
24 shall be filed with the Deputy Commissioner scheduled to conduct the formal
25 hearing pursuant to G.S. 97-84. Either party may appeal the decision of the
26 Deputy Commissioner pursuant to G.S. 97-84 to the Full Commission pursuant
27 to G.S. 97-85. The decision of the Deputy Commissioner shall not be stayed
28 during the pendency of an appeal except under those circumstances set out in
29 subdivision (4) of this subsection. A motion to stay the decision of the Deputy
30 Commissioner pursuant to G.S. 97-84 shall be directed to the Chair of the
31 Commission. The Full Commission shall render a decision on the appeal of the
32 Deputy Commissioner's decision on the motion within 60 days of the filing of
33 the notice of appeal.

34 (2) In lieu of filing a motion with the Executive Secretary for an administrative
35 ruling pursuant to subdivision (1) of this subsection, when appealing a ruling
36 made pursuant to subdivision (1) of this subsection or when appealing an
37 administrative ruling of the Chief Deputy or the Chief Deputy's designee on an
38 emergency motion, a party may request a full evidentiary hearing pursuant to
39 G.S. 97-84 on an expedited basis, limited to a request for medical compensation
40 or a dispute involving medical issues, by filing a motion with the Office of the
41 Chief Deputy Commissioner. The case will not be ordered into mediation based
42 upon a party's request for hearing on the motion or appeal under this
43 subdivision, except upon the consent of the parties. The Commission shall set
44 the date of the expedited hearing, which shall be held within 30 days of the
45 filing of the motion or appeal and shall notify the parties of the time and place
46 of the hearing on the motion or appeal. Upon request, the Commission may
47 order expedited discovery. The record shall be closed within 60 days of the
48 filing of the motion, or in the case of an appeal pursuant to subdivisions (1) and
49 (3) of this subsection, within 60 days of the filing of the appeal, unless the
50 parties agree otherwise or the Commission so orders. Transcripts of depositions
51 shall be expedited if necessary and paid pursuant to rules promulgated by the

1 Commission related to depositions and shall be submitted electronically to the
2 Commission. The Commission shall decide the issue in dispute and make
3 findings of fact based upon the preponderance of the evidence in view of the
4 entire record. The award, together with a statement of the findings of fact,
5 rulings of law, and other matters pertinent to the questions at issue shall be filed
6 with the record of the proceedings within 15 days of the close of the hearing
7 record, and a copy of the award shall immediately be sent to the parties. Either
8 party may appeal the decision of the Deputy Commissioner pursuant to
9 G.S. 97-84 to the Full Commission pursuant to G.S. 97-85. The decision of the
10 Deputy Commissioner pursuant to G.S. 97-84 shall not be stayed during the
11 pendency of an appeal except under those circumstances set out in subdivision
12 (4) of this subsection. A motion to stay the decision of the Deputy
13 Commissioner pursuant to G.S. 97-84 shall be directed to the Chair of the
14 Commission. The Full Commission shall render a decision on the appeal of the
15 Deputy Commissioner's decision on the motion within 60 days of the filing of
16 the notice of appeal.

17 (3) An emergency medical motion filed by either party shall be filed with the
18 Office of the Chief Deputy Commissioner. The Chief Deputy or Chief Deputy's
19 designee shall rule on the motion within five days of receipt unless the Chief
20 Deputy or Chief Deputy's designee determines that the motion is not an
21 emergency, in which case the motion shall be referred to the Executive
22 Secretary for an administrative ruling pursuant to subdivision (1) of this
23 subsection. Motions requesting emergency medical relief shall contain all of the
24 following:

- 25 a. An explanation of the medical diagnosis and treatment recommendation
26 of the health care provider that requires emergency attention.
- 27 b. A specific statement detailing the time-sensitive nature of the request to
28 include relevant dates and the potential for adverse consequences to the
29 movant if the recommended relief is not provided emergently.
- 30 c. An explanation of opinions known and in the possession of the movant
31 of additional medical or other relevant experts, independent medical
32 examiners, and second opinion examiners.
- 33 d. Documentation known and in the possession of the movant in support of
34 the request, including relevant medical records.
- 35 e. A representation that informal means of resolving the issue have been
36 attempted.

37 Either party may appeal the decision of the Chief Deputy or the Chief Deputy's
38 designee on the emergency motion by requesting an expedited formal hearing
39 pursuant to G.S. 97-84 and subdivision (2) of this subsection to appeal the
40 administrative decision of the Chief Deputy or the Chief Deputy's designee on
41 the emergency motion. Within five days of the filing of a request for an
42 expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this
43 subsection, the Commission shall assign a Deputy Commissioner to conduct the
44 formal hearing. The decision of the Chief Deputy or the Chief Deputy's
45 designee shall not be stayed during the pendency of an appeal of the
46 administrative decision except under those circumstances set out in subdivision
47 (4) of this subsection. Any motion to stay shall be filed with the Deputy
48 Commissioner scheduled to conduct the expedited formal hearing pursuant to
49 G.S. 97-84 and subdivision (2) of this subsection. Either party may appeal the
50 decision of the Deputy Commissioner pursuant to G.S. 97-84 to the Full
51 Commission pursuant to G.S. 97-85. If so, the decision of the Deputy

1 Commissioner shall not be stayed during the pendency of an appeal except
2 under those circumstances set out in subdivision (4) of this subsection. Any
3 motion to stay the decision of the Deputy Commissioner pursuant to G.S. 97-84
4 shall be directed to the Chair of the Commission. The Full Commission shall
5 render a decision on the appeal of the Deputy Commissioner's decision on the
6 motion within 60 days of the filing of the notice of appeal.

- 7 (4) The Commission shall consider, among other factors, all of the following when
8 determining whether to grant a motion to stay filed pursuant to this subsection:
9 a. Whether there would be immediate and irreparable injury, harm, loss, or
10 damage to either party.
11 b. The nature and cost of the medical relief sought.
12 c. The risk for further injury or disability to the employee inherent in the
13 treatment or its delay.
14 d. Whether it has been recommended by an authorized physician.
15 e. Whether alternative therapeutic modalities are available and reasonable.
16 (5) If the Commission determines that any party has acted unreasonably by
17 initiating or objecting to a motion filed pursuant to this section, the Commission
18 may assess costs associated with any proceeding, including any reasonable
19 attorneys' fees and deposition costs, against the offending party."

20 **SECTION 8.** The catch line of G.S. 108A-70.21 reads as rewritten:

21 "**§ 108A-70.21. Program eligibility; benefits; enrollment fee and other cost-sharing;**
22 **coverage from private plans; ~~purchase of extended coverage plans.~~**"

23 **SECTION 9.** G.S. 120-4.16(b) reads as rewritten:

24 "(b) Purchase of Service Credits Through Rollover Contributions From Certain Other Plans.
25 – Notwithstanding any other provision of this Article, and without regard to any limitations on
26 contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase
27 membership or creditable service pursuant to the provisions of this Article, may purchase such
28 service credits through rollover contributions to the Annuity Savings Fund from (i) an annuity
29 contract described in Section 403(b) of the Internal Revenue Code, (ii) an eligible plan under
30 Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision
31 of a state, or any agency or instrumentality of a state or political subdivision of a state, (iii) an
32 individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal
33 Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income,
34 or (iv) a qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code.
35 Notwithstanding the foregoing, the Retirement System shall not accept any amount as a rollover
36 contribution unless such amount is eligible to be rolled over to a qualified trust in accordance with
37 applicable law and the member provides evidence satisfactory to the Retirement System that such
38 amount qualifies for rollover treatment. Unless received by the Retirement System in the form of a
39 direct rollover, the rollover contribution must be paid to the Retirement System on or before the
40 60th day after the date it was received by the member.

41 (b1) Purchase of Service Credits Through Plan-to-Plan Transfers. – Notwithstanding any
42 other provision of this Article, and without regard to any limitations on contributions otherwise set
43 forth in this Article, a member, who is eligible to restore or purchase membership or creditable
44 service pursuant to the provisions of this Article, may purchase such service credits through a
45 direct transfer to the Annuity Savings Fund of funds from (i) an annuity contract described in
46 Section 403(b) of the Internal Revenue Code or (ii) an eligible plan under Section 457(b) of the
47 Code which is maintained by a state, political subdivision of a state, or any agency or
48 instrumentality of a state or political subdivision of a state."

49 **SECTION 9.1.** G.S. 120-57 is repealed.

50 **SECTION 9.2.** G.S. 136-41.2(c) reads as rewritten:

1 "(c) No municipality shall be eligible to receive funds under G.S. 136-41.1 unless it has
2 formally adopted a budget ordinance in substantial compliance with ~~G.S. 160-410.3~~, G.S. 159-8
3 and G.S. 159-13, showing revenue received from all sources, and showing that funds have been
4 appropriated for at least two of the following municipal services if the municipality was
5 incorporated with an effective date prior to January 1, 2000, water distribution; sewage collection
6 or disposal; garbage and refuse collection or disposal; fire protection; police protection; street
7 maintenance, construction, or right-of-way acquisition; or street lighting, or at least four of the
8 following municipal services if the municipality was incorporated with an effective date of on or
9 after January 1, 2000: (i) police protection; (ii) fire protection; (iii) solid waste collection or
10 disposal; (iv) water distribution; (v) street maintenance; (vi) street construction or right-of-way
11 acquisition; (vii) street lighting; and (viii) zoning."

12 **SECTION 9.3.** G.S. 143-215.31(a1) reads as rewritten:

13 "(a1) The owner of a dam classified by the Department as a high-hazard dam or an
14 intermediate-hazard dam shall develop an Emergency Action Plan for the dam as provided in this
15 ~~subsection;~~subsection:

- 16 (1) The owner of the dam shall submit a proposed Emergency Action Plan for the
17 dam within 90 days after the dam is classified as a high-hazard dam or an
18 intermediate-hazard dam to the Department and the Department of Public
19 Safety for their review and approval. The Department and the Department of
20 Public Safety shall approve the Emergency Action Plan if they determine that it
21 complies with the requirements of this subsection and will protect public health,
22 safety, and welfare; the environment; and natural resources.
- 23 (2) The Emergency Action Plan shall include, at a minimum, all of the following:
 - 24 a. A description of potential emergency conditions that could occur at the
25 dam, including security risks.
 - 26 b. A description of actions to be taken in response to an emergency
27 condition at the dam.
 - 28 c. Emergency notification procedures to aid in warning and evacuations
29 during an emergency condition at the dam.
 - 30 d. A downstream inundation map depicting areas affected by a dam failure
31 and sudden release of the impoundment. A downstream inundation map
32 prepared pursuant to this section does not require preparation by a
33 licensed professional engineer or a person under the responsible charge
34 of a licensed professional engineer unless the dam is associated with a
35 coal combustion residuals surface impoundment, as defined by
36 G.S. 130A-309.201.
- 37 (3) The owner of the dam shall update the Emergency Action Plan annually and
38 shall submit it to the Department and the Department of Public Safety for their
39 review and approval within one year of the prior approval.
- 40 (4) The Department shall provide a copy of the Emergency Action Plan to the
41 regional offices of the Department that might respond to an emergency
42 condition at the dam.
- 43 (5) The Department of Public Safety shall provide a copy of the Emergency Action
44 Plan to all local emergency management agencies that might respond to an
45 emergency condition at the dam.
- 46 (6) Information included in an Emergency Action Plan that constitutes sensitive
47 public security information, as provided in G.S. 132-1.7, shall be maintained as
48 confidential information and shall not be subject to disclosure under the Public
49 Records Act. For purposes of this section, "sensitive public security
50 information" shall include Critical Energy Infrastructure Information protected

1 from disclosure under rules adopted by the Federal Energy Regulatory
 2 Commission in ~~18 C.F.R. § 333.112~~. 18 C.F.R. § 388.112."

3 **SECTION 9.4.** G.S. 143B-168.5 reads as rewritten:

4 "**§ 143B-168.5. Child Care – special unit.**

5 There is established within the Department of Health and Human ~~Services~~-Services, Division
 6 of Child Development and Early Education, a special unit to deal primarily with violations
 7 involving child abuse and neglect in child care arrangements. The Child Care Commission shall
 8 make rules for the investigation of reports of child abuse or neglect and for administrative action
 9 when child abuse or neglect is substantiated, pursuant to G.S. 110-88(6a), 110-105,~~and~~
 10 ~~110-105.2, 110-105.3, 110-105.4, 110-105.5, and 110-105.6.~~"

11 **SECTION 9.5.** G.S. 143B-394.15(c) reads as rewritten:

12 "(c) Membership. – The Commission shall consist of ~~39~~38 members, who reflect the
 13 geographic and cultural regions of the State, as follows:

14 ...

15 (4) The following persons or their designees, ex officio:

- 16 a. The Governor.
- 17 b. The Lieutenant Governor.
- 18 c. The Attorney General.
- 19 d. The Secretary of ~~the Department of Administration.~~
- 20 ~~e. The Secretary of the Department of Public Safety.~~
- 21 f. The Superintendent of Public Instruction.
- 22 g. The Secretary of Public Safety.
- 23 h. The Secretary of ~~the Department of Health and Human Services.~~
- 24 i. The Director of the Office of State Human Resources.
- 25 j. The Chair of the North Carolina Council for Women.
- 26 k. The Dean of the School of Government at the University of North
 27 Carolina at Chapel Hill.
- 28 l. The Chairman of the Governor's Crime Commission."

29 **SECTION 9.6.** G.S. 143B-931(b) reads as rewritten:

30 "(b) The Department of Public Safety may provide a criminal history record check to the
 31 board of directors of a regional school of a person who is employed at a regional school or of a
 32 person who has applied for employment at a regional school if the employee or applicant consents
 33 to the record check. The Department may also provide a criminal history record check of school
 34 personnel as defined in ~~G.S. 115C-238.56N~~-G.S. 115C-238.73 by fingerprint card to the board of
 35 directors of the regional school from the National Repositories of Criminal Histories, in
 36 accordance with ~~G.S. 115C-238.56N~~-G.S. 115C-238.73. The information shall be kept
 37 confidential by the board of directors of the regional school as provided in ~~G.S. 115C-238.56N~~-
 38 G.S. 115C-238.73."

39 **SECTION 9.7.** G.S. 143C-6-4(b) reads as rewritten:

40 "(b) Budget Adjustments. – Notwithstanding the provisions of G.S. 143C-6-1, a State
 41 agency may, with approval of the Director of the Budget, spend more than was appropriated in the
 42 certified budget by adjusting the authorized budget for all of the following:

- 43 (1) Line items within programs. – An object or line item within a purpose or
 44 program so long as the total amount expended for the purpose or program is no
 45 more than was authorized in the certified budget for the purpose or program.
- 46 (2) Responses to extraordinary events. – A purpose or program if the
 47 overexpenditure of the purpose or program is:
 - 48 a. Required by a court or Industrial Commission order;
 - 49 b. Authorized under ~~G.S. 166A-19.40(a)~~-G.S. 166A-19.40(a)(1) and (c) of
 50 the North Carolina Emergency Management Act; or
 - 51 c. Required to call out the North Carolina National Guard.

1 (3) Responses to unforeseen circumstances. – A purpose or program not subject to
2 the provisions of subdivision (b)(2) of this subsection, if each of the following
3 conditions is satisfied:

- 4 a. The overexpenditure is required to continue the purpose or programs
5 due to complications or changes in circumstances that could not have
6 been foreseen when the budget for the fiscal period was enacted.
7 b. The scope of the purpose or program is not increased.
8 c. The overexpenditure is authorized on a one-time nonrecurring basis for
9 one year only, unless the overexpenditure is the result of (i) salary
10 adjustments authorized by law or (ii) the establishment of time-limited
11 positions funded with agency receipts."

12 **SECTION 10.** G.S. 146-9(b) reads as rewritten:

13 "(b) Notwithstanding subsection (a) of this section, or any other provision of law, prior to
14 expiration of a lease of mineral deposits in State lands, the Department of Administration or other
15 entity designated by the Department shall solicit competitive bids for lease of such mineral
16 deposits, which shall include a process for upset bids as described in this subsection. An upset bid
17 is an increased or raised bid whereby a person offers to lease such mineral rights for an amount
18 exceeding the highest bid received in response to the initial solicitation for competitive bids, or the
19 last upset bid, as applicable, by a minimum of five percent (5%). The process shall provide that the
20 Department or other designated entity that issued the solicitation for competitive bids shall issue a
21 notice of high bid to the person submitting the highest bid in response to the initial solicitation for
22 competitive bids, or the person submitting the last upset bid, as applicable, and any other bidders
23 that have submitted a bid in an amount seventy-five percent (75%) or more of the highest bid
24 received in response to the initial solicitation for competitive bids, or the last upset bid, as
25 applicable, of the highest bid received at that point within 10 days of the closure of the bidding
26 period, as provided in the solicitation for competitive bids, through notice delivered by any means
27 authorized under G.S. 1A-1, Rule 4. Thereafter, an upset bid may be made by delivering to the
28 Department or other designated entity, subject to all of the following requirements and conditions:

29 ...

30 (4) When an upset bid is made as provided in this subsection, the Department or
31 other designated entity shall notify ~~to~~ the highest prior bidder, and any other
32 bidders that have submitted a bid in an amount seventy-five percent (75%) or
33 more of the current high bid received in response to the initial solicitation for
34 competitive bids, or the last upset bid, as applicable.

35"

36 **SECTION 10.1.** G.S. 147-12(a) reads as rewritten:

37 "(a) In addition to the powers and duties prescribed by the Constitution, the Governor has
38 the powers and duties prescribed in this and the following sections:

39 (1) To supervise the official conduct of all executive and ministerial officers; and
40 when the Governor deems it advisable to visit all State institutions for the
41 purpose of inquiring into the management and needs of the same.

42 ...

43 (12) To name and locate State government buildings, monuments, memorials, and
44 improvements, as provided by ~~G.S. 143B-373(1)~~ G.S. 143B-373(a)(1).

45"

46 **SECTION 11.** G.S. 153A-340(h) reads as rewritten:

47 "(h) As provided in this subsection, counties may adopt temporary moratoria on any ~~county~~
48 ~~development approval required by law~~ county development approval required by law, except for
49 the purpose of developing and adopting new or amended plans or ordinances as to residential uses.
50 The duration of any moratorium shall be reasonable in light of the specific conditions that warrant
51 imposition of the moratorium and may not exceed the period of time necessary to correct, modify,

1 or resolve such conditions. Except in cases of imminent and substantial threat to public health or
2 safety, before adopting an ordinance imposing a development moratorium with a duration of 60
3 days or any shorter period, the board of commissioners shall hold a public hearing and shall
4 publish a notice of the hearing in a newspaper having general circulation in the area not less than
5 seven days before the date set for the hearing. A development moratorium with a duration of 61
6 days or longer, and any extension of a moratorium so that the total duration is 61 days or longer, is
7 subject to the notice and hearing requirements of G.S. 153A-323. Absent an imminent threat to
8 public health or safety, a development moratorium adopted pursuant to this section shall not apply
9 to any project for which a valid building permit issued pursuant to G.S. 153A-357 is outstanding,
10 to any project for which a conditional use permit application or special use permit application has
11 been accepted, to development set forth in a site-specific or phased development plan approved
12 pursuant to G.S. 153A-344.1, to development for which substantial expenditures have already
13 been made in good faith reliance on a prior valid administrative or quasi-judicial permit or
14 approval, or to preliminary or final subdivision plats that have been accepted for review by the
15 county prior to the call for public hearing to adopt the moratorium. Any preliminary subdivision
16 plat accepted for review by the county prior to the call for public hearing, if subsequently
17 approved, shall be allowed to proceed to final plat approval without being subject to the
18 moratorium.

19 Any ordinance establishing a development moratorium must expressly include at the time of
20 adoption each of the following:

- 21 (1) A clear statement of the problems or conditions necessitating the moratorium
22 and what courses of action, alternative to a moratorium, were considered by the
23 county and why those alternative courses of action were not deemed adequate.
- 24 (2) A clear statement of the development approvals subject to the moratorium and
25 how a moratorium on those approvals will address the problems or conditions
26 leading to imposition of the moratorium.
- 27 (3) An express date for termination of the moratorium and a statement setting forth
28 why that duration is reasonably necessary to address the problems or conditions
29 leading to imposition of the moratorium.
- 30 (4) A clear statement of the actions, and the schedule for those actions, proposed to
31 be taken by the county during the duration of the moratorium to address the
32 problems or conditions leading to imposition of the moratorium.

33 No moratorium may be subsequently renewed or extended for any additional period unless the
34 city shall have taken all reasonable and feasible steps proposed to be taken by the county in its
35 ordinance establishing the moratorium to address the problems or conditions leading to imposition
36 of the moratorium and unless new facts and conditions warrant an extension. Any ordinance
37 renewing or extending a development moratorium must expressly include, at the time of adoption,
38 the findings set forth in subdivisions (1) through (4) of this subsection, including what new facts
39 or conditions warrant the extension.

40 Any person aggrieved by the imposition of a moratorium on development approvals required
41 by law may apply to the appropriate division of the General Court of Justice for an order enjoining
42 the enforcement of the moratorium, and the court shall have jurisdiction to issue that order.
43 Actions brought pursuant to this section shall be set down for immediate hearing, and subsequent
44 proceedings in those actions shall be accorded priority by the trial and appellate courts. In any
45 such action, the county shall have the burden of showing compliance with the procedural
46 requirements of this subsection."

47 **SECTION 12.** G.S. 160A-332(a) reads as rewritten:

48 "(a) The suppliers of electric service inside the corporate limits of any city in which a
49 secondary supplier was furnishing electric service on the determination date ~~(as defined in G.S.~~
50 ~~160A-331(1))~~ date, as defined in G.S. 160A-331(1b), shall have rights and be subject to restrictions
51 as follows:

1"

2 **SECTION 13.(a)** G.S. 160A-372(e) reads as rewritten:

3 "(e) The ordinance may provide that a developer may provide funds to the city whereby the
4 city may acquire recreational land or areas to serve the development or subdivision, including the
5 purchase of land that may be used to serve more than one subdivision or development within the
6 immediate area. All funds received by the city pursuant to this ~~paragraph~~ ~~subsection~~ subsection
7 shall be used only for the acquisition or development of recreation, park, or open space sites. Any
8 formula enacted to determine the amount of funds that are to be provided under this ~~paragraph~~
9 ~~subsection~~ subsection shall be based on the value of the development or subdivision for property
10 tax purposes. The ordinance may allow a combination or partial payment of funds and partial
11 dedication of land when the governing body of the city determines that this combination is in the
12 best interests of the citizens of the area to be served."

13 **SECTION 13.(b)** G.S. 160A-372(f) reads as rewritten:

14 "(f) The ordinance may provide that in lieu of required street construction, a developer may
15 be required to provide funds that the city may use for the construction of roads to serve the
16 occupants, residents, or invitees of the subdivision or development and these funds may be used
17 for roads which serve more than one subdivision or development within the area. All funds
18 received by the city pursuant to this ~~paragraph~~ ~~subsection~~ subsection shall be used only for
19 development of roads, including design, land acquisition, and construction. However, a city may
20 undertake these activities in conjunction with the Department of Transportation under an
21 agreement between the city and the Department of Transportation. Any formula adopted to
22 determine the amount of funds the developer is to pay in lieu of required street construction shall
23 be based on the trips generated from the subdivision or development. The ordinance may require a
24 combination of partial payment of funds and partial dedication of constructed streets when the
25 governing body of the city determines that a combination is in the best interests of the citizens of
26 the area to be served."

27 **SECTION 14.(a)** Section 7.1 of S.L. 2014-107 reads as rewritten:

28 "**SECTION 7.1.** Section 5.1 of this act applies to all trusts created before, on, or after the
29 effective date of this act. Except as otherwise provided, this act is effective when it becomes law."

30 **SECTION 14.(b)** This section becomes retroactively effective August 6, 2014.

31 **SECTION 14.1.** The introductory language of Section 54.5(b) of S.L. 2015-264 reads
32 as rewritten:

33 "**SECTION 54.5.(b)** ~~Section 32.2(e)~~ Section 32.3(c) of S.L. 2015-241 reads as rewritten:"

34 **PART II. ADDITIONAL TECHNICAL AND OTHER AMENDMENTS**

35 **SECTION 15.** G.S. 7A-45.1(a10) reads as rewritten:

36 "(a10) Except for the judgeships abolished pursuant to subsection (a8) of this section, upon
37 the retirement, resignation, removal from office, death, or expiration of the term of any special
38 superior court judge on or after September 1, 2014, each judgeship shall be filled for a full
39 five-year term beginning upon the judge's taking office according to the following procedure
40 prescribed by the General Assembly pursuant to Article IV, Section 9(1) of the North Carolina
41 Constitution. As each judgeship becomes vacant or the term expires, the Governor shall submit the
42 name of a nominee for that judgeship to the General Assembly for confirmation by ratified joint
43 resolution. Upon each such confirmation, the Governor shall appoint the confirmed nominee to
44 that judgeship. The term of the special superior court judge commencing on March 1, 2011, shall
45 expire on the earlier of (i) the date on which the office shall become vacant through retirement,
46 resignation, removal from office, or death or (ii) September 30, 2016.

47 However, upon the failure of the Governor to submit the name of a nominee within 90 days of
48 the occurrence of the vacancy or within 90 days of the expiration of the judge's term, as
49 applicable, the President Pro Tempore of the Senate and the Speaker of the House of
50 Representatives jointly shall submit the name of a nominee to the General Assembly. The
51

1 appointment shall then be made by enactment of a bill. The bill shall state the name of the person
2 being appointed, the office to which the appointment is being made, and the county of residence of
3 the appointee.

4 The Governor may withdraw any nomination prior to it failing on any reading, and in case of
5 such withdrawal the Governor shall submit a different nomination within 45 days of withdrawal. If
6 a nomination shall fail any reading, the Governor shall submit a different nomination within 45
7 days of such failure. In either case of failure to submit a new nomination within 45 days, the
8 President Pro Tempore of the Senate and the Speaker of the House of Representatives shall submit
9 the name of a nominee to the General Assembly under the procedure provided in the preceding
10 paragraph.

11 No person shall occupy a special superior court judgeship authorized under this subsection in
12 any capacity, or have any right to, claim upon, or powers of those judgeships, unless that person's
13 nomination has been confirmed by the General Assembly by joint resolution or appointed through
14 the enactment of a bill upon the failure of the Governor to submit a nominee. Until confirmed by
15 the General Assembly and appointed by the Governor, or appointed by the General Assembly
16 upon the failure of the Governor to appoint a nominee, and qualified by taking the oath of office, a
17 nominee is neither a de jure nor a de facto officer."

18 **SECTION 16.(a)** G.S. 1A-1, Rule 22, reads as rewritten:

19 **"Rule 22. Interpleader.**

20 (a) Persons having claims against the plaintiff may be joined as defendants and required to
21 interplead when their claims expose or may expose the plaintiff to double or multiple liability. It is
22 not ground for objection to the joinder that the claims of the several claimants or the titles on
23 which their claims depend do not have a common origin or are not identical but are adverse to and
24 independent of one another, or that the plaintiff avers that he is not liable in whole or in part to any
25 or all of the claimants. A defendant exposed to similar liability may obtain such interpleader by
26 way of crossclaim or counterclaim. The provisions of this rule supplement and do not in any way
27 limit the joinder of parties permitted in Rule 20.

28 (b) Where funds are subject to competing claims by parties to the action, the court may
29 order the party in possession of the funds either to deposit the funds in an interest bearing account
30 in a ~~bank, savings and loan, or trust company licensed to do business in this State~~ federally insured
31 depository institution or a trust institution authorized to do business in this State or to deposit the
32 funds with the clerk. If the funds are deposited in a ~~bank, savings and loan, or trust company,~~
33 federally insured depository institution or a trust institution authorized to do business in this State,
34 the court shall specify the type of interest bearing account to be used. Funds deposited with the
35 clerk shall be invested or deposited as provided in G.S. 7A-112 and G.S. 7A-112.1. Upon
36 determination of the action, the judgment shall provide for disbursement of the principal and
37 interest earned on the funds while so deposited."

38 **SECTION 16.(b)** G.S. 20-63.01 reads as rewritten:

39 **"§ 20-63.01. Bonds required for commission contractors.**

40 (a) A guaranty bond is required for each commission contractor that is not a governmental
41 subdivision of this State that is granted a contract to issue license plates or conduct business
42 pursuant to G.S. 20-63. Provided, however, a commission contractor that is unable to secure a
43 bond may, with the consent of the Division, provide an alternative to a guaranty bond, as provided
44 in subsection (c) of this section.

45 The Division may revoke, with cause, a contract with a commission contractor that fails to
46 maintain a bond or an alternative to a bond, pursuant to this section.

47 (b) (1) When application is made for a contract or contract renewal, the applicant shall
48 file a guaranty bond with the clerk of the superior court and/or the register of
49 deeds of the county in which the commission contractor will be located. The
50 bond shall be in favor of the Division. The bond shall be executed by the
51 applicant as principal and by a bonding company authorized to do business in

1 this State. The bond shall be conditioned to provide indemnification to the
2 Division for a loss of revenue for any reason, including bankruptcy, employee
3 embezzlement or theft, foreclosure, or ceasing to operate.

4 (2) The bond shall be in an amount determined by the Division to be adequate to
5 provide indemnification to the Division under the terms of the bond. The bond
6 amount shall be at least one hundred thousand dollars (\$100,000).

7 (3) The bond shall remain in force and effect until cancelled by the guarantor. The
8 guarantor may cancel the bond upon 30 days' notice to the Division.
9 Cancellation of the bond shall not affect any liability incurred or accrued prior
10 to the termination of the notice period.

11 (4) The Division may be able to negotiate bonds for contractors who qualify for
12 bonds as a group under favorable rates or circumstances. If so, the Division
13 may require those contractors who can qualify for the group bond to obtain
14 their bond as part of a group of contractors. The Division may deduct the
15 premiums for any bonds it may be able to negotiate at group rates from the
16 commissioned contractors' compensation.

17 (c) An applicant that is unable to secure a bond may seek a waiver of the guaranty bond
18 from the Division and approval of one of the guaranty bond alternatives set forth in this
19 subsection. With the approval of the Division, an applicant may file with the clerk of the superior
20 court and/or the register of deeds of the county in which the commission contractor will be
21 located, in lieu of a bond:

22 (1) An assignment of a savings account in an amount equal to the bond required (i)
23 which is in a form acceptable to the Division; (ii) which is executed by the
24 applicant; (iii) which is executed by a ~~state or federal savings and loan~~
25 ~~association, state bank, or national bank that is doing business in North~~
26 ~~Carolina and whose accounts are insured by a federal depositories corporation;~~
27 federally insured depository institution lawfully doing business in this State;
28 and (iv) for which access to the account in favor of the State of North Carolina
29 is subject to the same conditions as for a bond in subsection (b) of this section.

30 (2) A certificate of deposit (i) which is executed by a ~~state or federal savings and~~
31 ~~loan association, state bank, or national bank which is doing business in North~~
32 ~~Carolina and whose accounts are insured by a federal depositories corporation;~~
33 federally insured depository institution lawfully doing business in this State; (ii)
34 which is either payable to the State of North Carolina, unrestrictively endorsed
35 to the Division of Motor Vehicles; in the case of a negotiable certificate of
36 deposit, is unrestrictively endorsed to the Division of Motor Vehicles; or in the
37 case of a nonnegotiable certificate of deposit, is assigned to the Division of
38 Motor Vehicles in a form satisfactory to the Division; and (iii) for which access
39 to the certificate of deposit in favor of the State of North Carolina is subject to
40 the same conditions as for a bond in subsection (b) of this section."

41 **SECTION 16.(c)** G.S. 85B-7.1(a) reads as rewritten:

42 "(a) Each licensee who does not disburse all funds to the seller on auction day shall
43 maintain a trust or escrow account and shall deposit in the account all funds that are received for
44 the benefit of another person and are not disbursed to the seller on auction day. The licensee shall
45 deposit funds that are not disbursed on auction day with ~~an insured bank or savings and loan~~
46 ~~association~~ a federally insured depository institution located in North Carolina. At or before the
47 time of all final settlements, the auctioneer shall provide the seller or consignor with a settlement
48 statement, which includes a description of all goods sold, the selling price of the goods sold, the
49 net proceeds due to the seller or consignor, the name and address of the person receiving the
50 disbursement, and the amount of the disbursement. All settlement statements shall be signed by
51 the licensee or the licensee's agent and by the person receiving the disbursement."

1 **SECTION 16.(d)** G.S. 85B-8 reads as rewritten:

2 "**§ 85B-8. Prohibited acts; assessment of civil penalty; denial, suspension, or revocation of**
3 **license.**

4 (a) The following shall be grounds for the assessment of a civil penalty in accordance with
5 G.S. 85B-3.1(b) or the denial, suspension, or revocation of an auctioneer, auctioneer apprentice, or
6 auction firm license:

7 ...

8 (7) Commingling the funds or property of a client with the licensee's own or failing
9 to maintain and deposit in a trust or escrow account in ~~an insured bank or~~
10 ~~savings and loan association~~ a federally insured depository institution located in
11 North Carolina funds received for another person through sale at auction.

12 "

13 **SECTION 16.(e)** G.S. 86A-22 reads as rewritten:

14 "**§ 86A-22. Licensing and regulating barber schools and colleges.**

15 The North Carolina State Board of Barber Examiners may approve barber schools or colleges
16 in the State, and may prescribe rules and regulations for their operation. The Board shall adopt
17 rules establishing criteria for barber schools and colleges to maintain their accreditation. No barber
18 school or college shall be approved by the Board unless the school or college meets all of the
19 following requirements:

20 ...

21 (7) a. Each school shall provide a guaranty bond unless the school has already
22 provided a bond or an alternative to a bond under G.S. 115D-95.

23 The North Carolina State Board of Barber Examiners may revoke
24 the approval of a school that fails to maintain a bond or an alternative to
25 a bond pursuant to this subdivision or G.S. 115D-95.

26 b. When application is made for approval or renewal of approval, the
27 applicant shall file a guaranty bond with the clerk of the superior court
28 of the county in which the school will be located. The bond shall be in
29 favor of the students. The bond shall be executed by the applicant as
30 principal and by a bonding company authorized to do business in this
31 State. The bond shall be conditioned to provide indemnification to any
32 student, or his parent or guardian, who has suffered a loss of tuition or
33 any fees by reason of the failure of the school to offer or complete
34 student instruction, academic services, or other goods and services
35 related to course enrollment for any reason, including the suspension,
36 revocation, or nonrenewal of a school's approval, bankruptcy,
37 foreclosure, or the school ceasing to operate.

38 The bond shall be in an amount determined by the Board to be
39 adequate to provide indemnification to any student, or his parent or
40 guardian, under the terms of the bond. The bond amount for a school
41 shall be at least equal to the maximum amount of prepaid tuition held at
42 any time during the last fiscal year by the school. The bond amount
43 shall also be at least ten thousand dollars (\$10,000).

44 Each application for approval shall include a letter signed by an
45 authorized representative of the school showing in detail the
46 calculations made and the method of computing the amount of the bond
47 pursuant to this subpart and the rules of the Board. If the Board finds
48 that the calculations made and the method of computing the amount of
49 the bond are inaccurate or that the amount of the bond is otherwise
50 inadequate to provide indemnification under the terms of the bond, the
51 Board may require the applicant to provide an additional bond.

1 The bond shall remain in force and effect until cancelled by the
 2 guarantor. The guarantor may cancel the bond upon 30 days notice to
 3 the Board. Cancellation of the bond shall not affect any liability
 4 incurred or accrued prior to the termination of the notice period.

5 c. An applicant that is unable to secure a bond may seek a waiver of the
 6 guaranty bond from the Board and approval of one of the guaranty bond
 7 alternatives set forth in this subpart. With the approval of the Board, an
 8 applicant may file with the clerk of the superior court of the county in
 9 which the school will be located, in lieu of a bond:

10 1. An assignment of a savings account in an amount equal to the
 11 bond required (i) which is in a form acceptable to the Board; (ii)
 12 which is executed by the applicant; and (iii) which is executed
 13 by a ~~state or federal savings and loan association, state bank, or~~
 14 ~~national bank, that is doing business in North Carolina and~~
 15 ~~whose accounts are insured by a federal depositors corporation;~~
 16 federally insured depository institution lawfully doing business
 17 in this State; and (iv) for which access to the account in favor of
 18 the State of North Carolina is subject to the same conditions as
 19 for a bond in subpart b. above.

20 2. A certificate of deposit (i) which is executed by a ~~state or federal~~
 21 ~~savings and loan association, state bank, or national bank, which~~
 22 ~~is doing business in North Carolina and whose accounts are~~
 23 ~~insured by a federal depositors corporation;~~ federally insured
 24 depository institution lawfully doing business in this State and
 25 (ii) which is either payable to the State of North Carolina,
 26 unrestrictively endorsed to the Board; in the case of a negotiable
 27 certificate of deposit, is unrestrictively endorsed to the Board; or
 28 in the case of a nonnegotiable certificate of deposit, is assigned
 29 to the Board in a form satisfactory to the Board; and (iii) for
 30 which access to the certificate of deposit in favor of the State of
 31 North Carolina is subject to the same conditions as for a bond in
 32 subpart b. above."

33 **SECTION 16.(f)** G.S. 88B-17 reads as rewritten:

34 "**§ 88B-17. Bond required for private cosmetic art schools.**

35 (a) Each private cosmetic art school shall provide a guaranty bond unless the school has
 36 already provided a bond or an alternative to a bond under G.S. 115D-95. The Board may restrict,
 37 suspend, revoke, or refuse to renew or reinstate the license of a school that fails to maintain a bond
 38 or an alternative to a bond pursuant to this section or G.S. 115D-95.

39 (b) (1) The applicant shall file the guaranty bond with the clerk of superior court in the
 40 county in which the school is located. The bond shall be in favor of the
 41 students. The bond shall be executed by the applicant as principal and by a
 42 bonding company authorized to do business in this State. The bond shall be
 43 conditioned to provide indemnification to any student or the student's parent or
 44 guardian who has suffered loss of tuition or any fees by reason of the failure of
 45 the school to offer or complete student instruction, academic services, or other
 46 goods and services as related to course enrollment for any reason, including
 47 suspension, revocation, or nonrenewal of a school's approval, bankruptcy,
 48 foreclosure, or the school's ceasing to operate.

49 (2) The bond amount shall be at least equal to the maximum amount of prepaid
 50 tuition held at any time by the school during the last fiscal year, but in no case
 51 shall be less than ten thousand dollars (\$10,000). Each application for license or

1 license renewal shall include a letter signed by an authorized representative of
2 the school showing the calculations made and the method of computing the
3 amount of the bond in accordance with rules prescribed by the Board. If the
4 Board finds that the calculations made and the method of computing the
5 amount of the bond are inaccurate or that the amount of the bond is otherwise
6 inadequate to provide indemnification under the terms of the bond, the Board
7 may require the applicant to provide an additional bond.

- 8 (3) The bond shall remain in force and effect until canceled by the guarantor. The
9 guarantor may cancel the bond upon 30 days' notice to the Board. Cancellation
10 of the bond shall not affect any liability incurred or accrued prior to the
11 termination of the notice period.

12 (c) An applicant who is unable to secure a bond may seek from the Board a waiver of the
13 guaranty bond requirement and approval of one of the guaranty bond alternatives set forth in this
14 subsection. With the approval of the Board, an applicant may file one of the following instead of a
15 bond with the clerk of court in the county in which the school is located:

- 16 (1) An assignment of a savings account in an amount equal to the bond required
17 that is in a form acceptable to the Board, and is executed by the applicant and a
18 ~~state or federal savings and loan association, state bank, or national bank that is~~
19 ~~doing business in this State and whose accounts are insured by a federal~~
20 ~~depositor's corporation, federally insured depository institution lawfully doing~~
21 ~~business in this State,~~ and access to the account is subject to the same
22 conditions as those for a bond in subsection (b) of this section.
23 (2) A certificate of deposit that is executed by a ~~state or federal savings and loan~~
24 ~~association, state bank, or national bank that is doing business in this State and~~
25 ~~whose accounts are insured by a federal depositor's corporation federally~~
26 ~~insured depository institution lawfully doing business in this State~~ and access to
27 the certificate of deposit is subject to the same conditions as those for a bond in
28 subsection (b) of this section."

29 **SECTION 16.(g)** G.S. 90-171.55 reads as rewritten:

30 **"§ 90-171.55. Nurses Aides Registry.**

31 (a) The Board of Nursing, established pursuant to G.S. 90-171.21, shall establish a Nurses
32 Aides Registry for persons functioning as nurses aides regardless of title. The Board shall consider
33 those Level I nurses aides employed in State licensed or Medicare/Medicaid certified nursing
34 facilities who meet applicable State and federal registry requirements as adopted by the North
35 Carolina Medical Care Commission as having fulfilled the training and registry requirements of
36 the Board. The Board may not charge an annual fee to a nurse aide I registry applicant. The Board
37 may charge an annual fee of twelve dollars (\$12.00) for each nurse aide II registry applicant. The
38 Board shall adopt rules to ensure that whenever possible, the fee is collected through the employer
39 or prospective employer of the registry applicant. Fees collected may be used by the Board in
40 administering the registry. The Board's authority granted by this Article shall not conflict with the
41 authority of the Medical Care Commission.

- 42 (b) (1) Each nurses aide training program, except for those operated by (i) institutions
43 under the Board of Governors of The University of North Carolina, (ii)
44 institutions of the North Carolina Community College System, (iii) public high
45 schools, and (iv) hospital authorities acting pursuant to G.S. 131E-23(31), shall
46 provide a guaranty bond unless the program has already provided a bond or an
47 alternative to a bond under G.S. 115D-95. The Board of Nursing may revoke
48 the approval of a program that fails to maintain a bond or an alternative to a
49 bond pursuant to this subsection or G.S. 115D-95.

- 50 (2) When application is made for approval or renewal of approval, the applicant
51 shall file a guaranty bond with the clerk of the superior court of the county in

1 which the program will be located. The bond shall be in favor of the students.
2 The bond shall be executed by the applicant as principal and by a bonding
3 company authorized to do business in this State. The bond shall be conditioned
4 to provide indemnification to any student, or his parent or guardian, who has
5 suffered a loss of tuition or any fees by reason of the failure of the program to
6 offer or complete student instruction, academic services, or other goods and
7 services related to course enrollment for any reason, including the suspension,
8 revocation, or nonrenewal of a program's approval, bankruptcy, foreclosure, or
9 the program ceasing to operate.

10 The bond shall be in an amount determined by the Board to be adequate to
11 provide indemnification to any student, or his parent or guardian, under the
12 terms of the bond. The bond amount for a program shall be at least equal to the
13 maximum amount of prepaid tuition held at any time during the last fiscal year
14 by the program. The bond amount shall also be at least ten thousand dollars
15 (\$10,000).

16 Each application for a license shall include a letter signed by an authorized
17 representative of the program showing in detail the calculations made and the
18 method of computing the amount of the bond pursuant to this subdivision and
19 the rules of the Board. If the Board finds that the calculations made and the
20 method of computing the amount of the bond are inaccurate or that the amount
21 of the bond is otherwise inadequate to provide indemnification under the terms
22 of the bond, the Board may require the applicant to provide an additional bond.

23 The bond shall remain in force and effect until cancelled by the guarantor.
24 The guarantor may cancel the bond upon 30 days notice to the Board.
25 Cancellation of the bond shall not affect any liability incurred or accrued prior
26 to the termination of the notice period.

27 (3) An applicant that is unable to secure a bond may seek a waiver of the guaranty
28 bond from the Board and approval of one of the guaranty bond alternatives set
29 forth in this subdivision. With the approval of the Board, an applicant may file
30 with the clerk of the superior court of the county in which the program will be
31 located, in lieu of a bond:

32 a. An assignment of a savings account in an amount equal to the bond
33 required (i) which is in a form acceptable to the Board; (ii) which is
34 executed by the applicant; and (iii) which is executed by a ~~state or~~
35 ~~federal savings and loan association, state bank, or national bank, that is~~
36 ~~doing business in North Carolina and whose accounts are insured by a~~
37 ~~federal depositories corporation; federally insured depository institution~~
38 lawfully doing business in this State; and (iv) for which access to the
39 account in favor of the State of North Carolina is subject to the same
40 conditions as for a bond in subdivision (2) of this subsection.

41 b. A certificate of deposit (i) which is executed by a ~~state or federal~~
42 ~~savings and loan association, state bank, or national bank, which is~~
43 ~~doing business in North Carolina and whose accounts are insured by a~~
44 ~~federal depositories corporation; federally insured depository institution~~
45 lawfully doing business in this State and (ii) which is either payable to
46 the State of North Carolina, unrestrictively endorsed to the Board; in the
47 case of a negotiable certificate of deposit, is unrestrictively endorsed to
48 the Board; or in the case of a nonnegotiable certificate of deposit, is
49 assigned to the Board in a form satisfactory to the Board; and (iii) for
50 which access to the certificate of deposit in favor of the State of North

1 Carolina is subject to the same conditions as for a bond in subdivision
2 (2) of this subsection."

3 **SECTION 16.(h)** G.S. 90-210.86 reads as rewritten:

4 **"§ 90-210.86. Deposit or investment of funds of mutual burial associations.**

5 Funds belonging to each mutual burial association over and above the amount determined by
6 the Board of Funeral Service to be necessary for operating capital shall be invested in:

- 7 (1) Deposits in any ~~bank or trust company in this State~~ federally insured depository
8 institution or any trust institution authorized to do business in this State.
- 9 (2) Obligations of the United States of America.
- 10 (3) Obligations of any agency or instrumentality of the United States of America if
11 the payment of interest and principal of such obligations is fully guaranteed by
12 the United States of America.
- 13 (4) Obligations of the State of North Carolina.
- 14 (5) Bonds and notes of any North Carolina local government or public authority,
15 subject to such restrictions as the Board of Funeral Service may impose.
- 16 (6) Shares of or deposits in any savings and loan association organized under the
17 laws of this State and shares of or deposits in any federal savings and loan
18 association having its principal office in this State, provided that any such
19 savings and loan association is insured by the United States of America or any
20 agency thereof or by any mutual deposit guaranty association authorized by the
21 Commissioner of Insurance of North Carolina to do business in North Carolina
22 pursuant to Article 7A of Chapter 54 of the General Statutes.
- 23 (7) Obligations of the Federal Intermediate Credit Banks, the Federal Home Loan
24 Banks, Fannie Mae, the Banks for Cooperatives, and the Federal Land Banks,
25 maturing no later than 18 months after the date of purchase.

26 Violation of the provisions of this section shall, after hearing, be cause for revocation or
27 suspension of license to operate a mutual burial association."

28 **SECTION 16.(i)** G.S. 93A-3 reads as rewritten:

29 **"§ 93A-3. Commission created; compensation; organization.**

30 ...

31 (b) The provisions of G.S. 93B-5 notwithstanding, members of the Commission shall
32 receive as compensation for each day spent on work for the Commission a per diem in an amount
33 established by the Commission by rule, and mileage reimbursement for transportation by privately
34 owned automobile at the business standard mileage rate set by the Internal Revenue Service per
35 mile of travel along with actual cost of tolls paid. The total expense of the administration of this
36 Chapter shall not exceed the total income therefrom; and none of the expenses of said Commission
37 or the compensation or expenses of any office thereof or any employee shall ever be paid or
38 payable out of the treasury of the State of North Carolina; and neither the Commission nor any
39 officer or employee thereof shall have any power or authority to make or incur any expense, debt
40 or other financial obligation binding upon the State of North Carolina. After all expenses of
41 operation, the Commission may set aside an expense reserve each year. The Commission may
42 deposit moneys in accounts, certificates of deposit, or time deposits as the Commission may
43 approve, in any ~~bank, savings and loan association, or trust company~~ federally insured depository
44 institution or any trust institution authorized to do business in this State. Moneys also may be
45 invested in the same classes of securities referenced in G.S. 159-30(c).

46"

47 **SECTION 16.(j)** G.S. 93A-42 reads as rewritten:

48 **"§ 93A-42. Time shares deemed real estate.**

49 ...

50 (d) The independent escrow agent provided by G.S. 93A-42(c)(2) shall deposit and
51 maintain the purchaser's payments in an insured trust or escrow account in a ~~bank or savings and~~

1 ~~loan association located in this State. federally insured depository institution lawfully doing~~
2 ~~business in this State.~~ The trust or escrow account may be interest-bearing and the interest earned
3 shall belong to the developer, if agreed upon in writing by the purchaser; provided, however, if the
4 time share instrument is not recorded within the time periods specified in this section, then the
5 interest earned shall belong to the purchaser. The independent escrow agent shall return all
6 payments to the purchaser at the expiration of 180 days following the execution of the contract of
7 sale by the purchaser, unless prior to that time the time share instrument has been recorded.
8 However, if prior to the expiration of 180 days following the execution of the contract of sale, the
9 developer and the purchaser provide their written consent to the independent escrow agent, the
10 developer's obligation to record the time share instrument and the escrow period may be extended
11 for an additional period of 120 days. Upon recordation of the time share instrument, the
12 independent escrow agent shall pay the purchaser's funds to the developer. Upon request by the
13 Commission, the independent escrow agent shall promptly make available to the Commission
14 inspection of records of money held by the independent escrow agent.

15"

16 **SECTION 16.(k)** G.S. 93A-45 reads as rewritten:

17 "**§ 93A-45. Purchaser's right to cancel; escrow; violation.**

18 ...

19 (c) Any payments received by a time share developer or time share salesperson in
20 connection with the sale of the time share shall be immediately deposited by such developer or
21 salesperson in a trust or escrow account in ~~an insured bank or savings and loan association in~~
22 ~~North Carolina~~ a federally insured depository institution lawfully doing business in this State and
23 shall remain in such account for 10 days or cancellation by the purchaser, whichever occurs first.
24 Payments held in such trust or escrow accounts shall be deemed to belong to the purchaser and not
25 the developer. In lieu of such escrow requirements, the Commission shall have the authority to
26 accept, in its discretion, alternative financial assurances adequate to protect the purchaser's interest
27 during the contract cancellation period, including but not limited to a surety bond, corporate bond,
28 cash deposit or irrevocable letter of credit in an amount equal to the escrow requirements.

29"

30 **SECTION 17.** G.S. 36C-8-816(31) reads as rewritten:

31 "(31) Distribute the assets of an inoperative trust consistent with the authority granted
32 under ~~G.S. 28A-22-110;~~G.S. 28A-22-10; and"

33 **SECTION 18.(a)** G.S. 20-63.01, as amended by Section 16(b) of this act, reads as
34 rewritten:

35 "**§ 20-63.01. Bonds required for commission contractors.**

36 (a) A guaranty bond is required for each commission contractor that is not a governmental
37 subdivision of this State that is granted a contract to issue license plates or conduct business
38 pursuant to G.S. 20-63. Provided, however, a commission contractor that is unable to secure a
39 bond may, with the consent of the Division, provide an alternative to a guaranty bond, as provided
40 in subsection (c) of this section.

41 The Division may revoke, with cause, a contract with a commission contractor that fails to
42 maintain a bond or an alternative to a bond, pursuant to this section.

43 (b) (1) When application is made for a contract or contract renewal, the applicant shall
44 file a guaranty bond with the clerk of the superior court and/or the register of
45 deeds of the county in which the commission contractor will be located. The
46 bond shall be in favor of the Division. The bond shall be executed by the
47 applicant as principal and by a bonding company authorized to do business in
48 this State. The bond shall be conditioned to provide indemnification to the
49 Division for a loss of revenue for any reason, including bankruptcy, employee
50 embezzlement or theft, foreclosure, or ceasing to operate.

1 (2) The bond shall be in an amount determined by the Division to be adequate to
 2 provide indemnification to the Division under the terms of the bond. The bond
 3 amount shall be at least one hundred thousand dollars (\$100,000).
 4 (3) The bond shall remain in force and effect until cancelled by the guarantor. The
 5 guarantor may cancel the bond upon 30 days' notice to the Division.
 6 Cancellation of the bond shall not affect any liability incurred or accrued prior
 7 to the termination of the notice period.
 8 (4) The Division may be able to negotiate bonds for contractors who qualify for
 9 bonds as a group under favorable rates or circumstances. If so, the Division
 10 may require those contractors who can qualify for the group bond to obtain
 11 their bond as part of a group of contractors. The Division may deduct the
 12 premiums for any bonds it may be able to negotiate at group rates from the
 13 commissioned contractors' compensation.
 14 (c) An applicant that is unable to secure a bond may seek a waiver of the guaranty bond
 15 from the Division and approval of one of the guaranty bond alternatives set forth in this
 16 subsection. With the approval of the Division, an applicant may file with the clerk of the superior
 17 court and/or the register of deeds of the county in which the commission contractor will be
 18 located, in lieu of a bond:

19 (1) An assignment of a savings account in an amount equal to the bond required (i)
 20 which is in a form acceptable to the Division; (ii) which is executed by the
 21 applicant; (iii) which is executed by a federally insured depository institution
 22 ~~lawfully doing business in this State; or a trust institution authorized to do~~
 23 business in this State; and (iv) for which access to the account in favor of the
 24 State of North Carolina is subject to the same conditions as for a bond in
 25 subsection (b) of this section.
 26 (2) A certificate of deposit (i) which is executed by a federally insured depository
 27 institution ~~lawfully doing business in this State; or a trust institution authorized~~
 28 to do business in this State; (ii) which is either payable to the State of North
 29 Carolina, unrestrictively endorsed to the Division of Motor Vehicles; in the
 30 case of a negotiable certificate of deposit, is unrestrictively endorsed to the
 31 Division of Motor Vehicles; or in the case of a nonnegotiable certificate of
 32 deposit, is assigned to the Division of Motor Vehicles in a form satisfactory to
 33 the Division; and (iii) for which access to the certificate of deposit in favor of
 34 the State of North Carolina is subject to the same conditions as for a bond in
 35 subsection (b) of this section."

36 **SECTION 18.(b)** G.S. 42-50 reads as rewritten:

37 **"§ 42-50. Deposits from the tenant.**

38 Security deposits from the tenant in residential dwelling units shall be deposited in a trust
 39 account with a licensed and federally insured depository institution ~~lawfully doing business in this~~
 40 State; or a trust institution authorized to do business in this State, or the landlord may, at ~~his-the~~
 41 landlord's option, furnish a bond from an insurance company licensed to do business in North
 42 Carolina. The security deposits from the tenant may be held in a trust account outside of the State
 43 of North Carolina only if the landlord provides the tenant with an adequate bond in the amount of
 44 ~~said-the~~ deposits. The landlord or ~~his-the~~ landlord's agent shall notify the tenant within 30 days
 45 after the beginning of the lease term of the name and address of the bank or institution where ~~his~~
 46 the tenant's deposit is currently located or the name of the insurance company providing the bond."

47 **SECTION 18.(c)** G.S. 42A-15 reads as rewritten:

48 **"§ 42A-15. Trust account uses.**

49 A landlord or real estate broker may require a tenant to pay all or part of any required rent,
 50 security deposit, or other fees permitted by law in advance of the commencement of a tenancy
 51 under this Chapter if these payments are expressly authorized in the vacation rental agreement. If

1 the tenant is required to make any advance payments, other than a security deposit, whether the
2 payment is denominated as rent or otherwise, the landlord or real estate broker shall deposit these
3 payments in a trust account in a federally insured depository institution ~~lawfully doing business in~~
4 ~~this State;~~ or a trust institution authorized to do business in this State no later than three banking
5 days after the receipt of these payments. These payments deposited in a trust account shall not
6 earn interest unless the landlord and tenant agree in the vacation rental agreement that the
7 payments may be deposited in an interest-bearing account. The landlord and tenant shall also
8 provide in the agreement to whom the accrued interest shall be disbursed."

9 **SECTION 18.(d)** G.S. 42A-17(a), as amended by Section 7.3 of this act, reads as
10 rewritten:

11 "(a) A vacation rental agreement shall identify the name and address of the federally
12 insured depository institution or trust institution in which the tenant's security deposit and other
13 advance payments are held in a trust account, and the landlord and real estate broker shall provide
14 the tenant with an accounting of such deposit and payments if the tenant makes a reasonable
15 request for an accounting prior to the tenant's occupancy of the property."

16 **SECTION 18.(e)** G.S. 47C-4-110 reads as rewritten:

17 **"§ 47C-4-110. Escrow of deposits.**

18 (a) Any deposit made in connection with the purchase or reservation of a unit from a
19 person required to deliver a public offering statement pursuant to G.S. 47C-4-102(c) shall be
20 immediately deposited in a trust or escrow account in a federally insured depository institution
21 ~~lawfully doing business in this State~~ or a trust institution authorized to do business in this State
22 and shall remain in such account for such period of time as a purchaser is entitled to cancel
23 pursuant to G.S. 47C-4-108 or cancellation by the purchaser thereunder whichever occurs first.
24 Payments held in such trust or escrow accounts shall be deemed to belong to the purchaser and not
25 the seller.

26 (b) Except as provided in G.S. 47C-4-108, nothing in subsection (a) is intended to preclude
27 the parties to a contract from providing for the use of progress payments by the declarant during
28 construction."

29 **SECTION 18.(f)** G.S. 85B-7.1(a), as amended by Section 16(c) of this act, reads as
30 rewritten:

31 "(a) Each licensee who does not disburse all funds to the seller on auction day shall
32 maintain a trust or escrow account and shall deposit in the account all funds that are received for
33 the benefit of another person and are not disbursed to the seller on auction day. The licensee shall
34 deposit funds that are not disbursed on auction day with a federally insured depository institution
35 ~~located in North Carolina~~ or a trust institution authorized to do business in this State. At or before
36 the time of all final settlements, the auctioneer shall provide the seller or consignor with a
37 settlement statement, which includes a description of all goods sold, the selling price of the goods
38 sold, the net proceeds due to the seller or consignor, the name and address of the person receiving
39 the disbursement, and the amount of the disbursement. All settlement statements shall be signed
40 by the licensee or the licensee's agent and by the person receiving the disbursement."

41 **SECTION 18.(g)** G.S. 85B-8, as amended by Section 16(d) of this act, reads as
42 rewritten:

43 **"§ 85B-8. Prohibited acts; assessment of civil penalty; denial, suspension, or revocation of**
44 **license.**

45 (a) The following shall be grounds for the assessment of a civil penalty in accordance with
46 G.S. 85B-3.1(b) or the denial, suspension, or revocation of an auctioneer, auctioneer apprentice, or
47 auction firm license:

48 ...

49 (7) Commingling the funds or property of a client with the licensee's own or failing
50 to maintain and deposit in a trust or escrow account in a federally insured
51 depository institution ~~located in North Carolina~~ or a trust institution authorized

1 to do business in this State funds received for another person through sale at
2 auction.

3 "

4 **SECTION 18.(h)** G.S. 86A-22, as amended by Section 16(e) of this act, reads as
5 rewritten:

6 **"§ 86A-22. Licensing and regulating barber schools and colleges.**

7 The North Carolina State Board of Barber Examiners may approve barber schools or colleges
8 in the State, and may prescribe rules and regulations for their operation. The Board shall adopt
9 rules establishing criteria for barber schools and colleges to maintain their accreditation. No barber
10 school or college shall be approved by the Board unless the school or college meets all of the
11 following requirements:

12 ...

13 (7) a. Each school shall provide a guaranty bond unless the school has already
14 provided a bond or an alternative to a bond under G.S. 115D-95.

15 The North Carolina State Board of Barber Examiners may revoke
16 the approval of a school that fails to maintain a bond or an alternative to
17 a bond pursuant to this subdivision or G.S. 115D-95.

18 b. When application is made for approval or renewal of approval, the
19 applicant shall file a guaranty bond with the clerk of the superior court
20 of the county in which the school will be located. The bond shall be in
21 favor of the students. The bond shall be executed by the applicant as
22 principal and by a bonding company authorized to do business in this
23 State. The bond shall be conditioned to provide indemnification to any
24 student, or his parent or guardian, who has suffered a loss of tuition or
25 any fees by reason of the failure of the school to offer or complete
26 student instruction, academic services, or other goods and services
27 related to course enrollment for any reason, including the suspension,
28 revocation, or nonrenewal of a school's approval, bankruptcy,
29 foreclosure, or the school ceasing to operate.

30 The bond shall be in an amount determined by the Board to be
31 adequate to provide indemnification to any student, or his parent or
32 guardian, under the terms of the bond. The bond amount for a school
33 shall be at least equal to the maximum amount of prepaid tuition held at
34 any time during the last fiscal year by the school. The bond amount
35 shall also be at least ten thousand dollars (\$10,000).

36 Each application for approval shall include a letter signed by an
37 authorized representative of the school showing in detail the
38 calculations made and the method of computing the amount of the bond
39 pursuant to this subpart and the rules of the Board. If the Board finds
40 that the calculations made and the method of computing the amount of
41 the bond are inaccurate or that the amount of the bond is otherwise
42 inadequate to provide indemnification under the terms of the bond, the
43 Board may require the applicant to provide an additional bond.

44 The bond shall remain in force and effect until cancelled by the
45 guarantor. The guarantor may cancel the bond upon 30 days notice to
46 the Board. Cancellation of the bond shall not affect any liability
47 incurred or accrued prior to the termination of the notice period.

48 c. An applicant that is unable to secure a bond may seek a waiver of the
49 guaranty bond from the Board and approval of one of the guaranty bond
50 alternatives set forth in this subpart. With the approval of the Board, an

1 applicant may file with the clerk of the superior court of the county in
2 which the school will be located, in lieu of a bond:

- 3 1. An assignment of a savings account in an amount equal to the
4 bond required (i) which is in a form acceptable to the Board; (ii)
5 which is executed by the applicant; and (iii) which is executed
6 by a federally insured depository institution ~~lawfully doing~~
7 ~~business in this State; or a trust institution authorized to do~~
8 business in this State; and (iv) for which access to the account in
9 favor of the State of North Carolina is subject to the same
10 conditions as for a bond in subpart b. above.
- 11 2. A certificate of deposit (i) which is executed by a federally
12 insured depository institution ~~lawfully doing business in this~~
13 ~~State; or a trust institution authorized to do business in this State~~
14 and (ii) which is either payable to the State of North Carolina,
15 unrestrictively endorsed to the Board; in the case of a negotiable
16 certificate of deposit, is unrestrictively endorsed to the Board; or
17 in the case of a nonnegotiable certificate of deposit, is assigned
18 to the Board in a form satisfactory to the Board; and (iii) for
19 which access to the certificate of deposit in favor of the State of
20 North Carolina is subject to the same conditions as for a bond in
21 subpart b. above."

22 **SECTION 18.(i)** G.S. 88B-17, as amended by Section 16(f) of this act, reads as
23 rewritten:

24 "**§ 88B-17. Bond required for private cosmetic art schools.**

25 (a) Each private cosmetic art school shall provide a guaranty bond unless the school has
26 already provided a bond or an alternative to a bond under G.S. 115D-95. The Board may restrict,
27 suspend, revoke, or refuse to renew or reinstate the license of a school that fails to maintain a bond
28 or an alternative to a bond pursuant to this section or G.S. 115D-95.

29 (b) (1) The applicant shall file the guaranty bond with the clerk of superior court in the
30 county in which the school is located. The bond shall be in favor of the
31 students. The bond shall be executed by the applicant as principal and by a
32 bonding company authorized to do business in this State. The bond shall be
33 conditioned to provide indemnification to any student or the student's parent or
34 guardian who has suffered loss of tuition or any fees by reason of the failure of
35 the school to offer or complete student instruction, academic services, or other
36 goods and services as related to course enrollment for any reason, including
37 suspension, revocation, or nonrenewal of a school's approval, bankruptcy,
38 foreclosure, or the school's ceasing to operate.

39 (2) The bond amount shall be at least equal to the maximum amount of prepaid
40 tuition held at any time by the school during the last fiscal year, but in no case
41 shall be less than ten thousand dollars (\$10,000). Each application for license or
42 license renewal shall include a letter signed by an authorized representative of
43 the school showing the calculations made and the method of computing the
44 amount of the bond in accordance with rules prescribed by the Board. If the
45 Board finds that the calculations made and the method of computing the
46 amount of the bond are inaccurate or that the amount of the bond is otherwise
47 inadequate to provide indemnification under the terms of the bond, the Board
48 may require the applicant to provide an additional bond.

49 (3) The bond shall remain in force and effect until canceled by the guarantor. The
50 guarantor may cancel the bond upon 30 days' notice to the Board. Cancellation

1 of the bond shall not affect any liability incurred or accrued prior to the
2 termination of the notice period.

3 (c) An applicant who is unable to secure a bond may seek from the Board a waiver of the
4 guaranty bond requirement and approval of one of the guaranty bond alternatives set forth in this
5 subsection. With the approval of the Board, an applicant may file one of the following instead of a
6 bond with the clerk of court in the county in which the school is located:

7 (1) An assignment of a savings account in an amount equal to the bond required
8 that is in a form acceptable to the Board, and is executed by the applicant and a
9 federally insured depository institution ~~lawfully doing business in this State, or~~
10 a trust institution authorized to do business in this State, and access to the
11 account is subject to the same conditions as those for a bond in subsection (b)
12 of this section.

13 (2) A certificate of deposit that is executed by a federally insured depository
14 institution ~~lawfully doing business in this State or a trust institution authorized~~
15 to do business in this State and access to the certificate of deposit is subject to
16 the same conditions as those for a bond in subsection (b) of this section."

17 **SECTION 18.(j)** G.S. 90-171.55, as amended by Section 16(g) of this act, reads as
18 rewritten:

19 **"§ 90-171.55. Nurses Aides Registry.**

20 (a) The Board of Nursing, established pursuant to G.S. 90-171.21, shall establish a Nurses
21 Aides Registry for persons functioning as nurses aides regardless of title. The Board shall consider
22 those Level I nurses aides employed in State licensed or Medicare/Medicaid certified nursing
23 facilities who meet applicable State and federal registry requirements as adopted by the North
24 Carolina Medical Care Commission as having fulfilled the training and registry requirements of
25 the Board. The Board may not charge an annual fee to a nurse aide I registry applicant. The Board
26 may charge an annual fee of twelve dollars (\$12.00) for each nurse aide II registry applicant. The
27 Board shall adopt rules to ensure that whenever possible, the fee is collected through the employer
28 or prospective employer of the registry applicant. Fees collected may be used by the Board in
29 administering the registry. The Board's authority granted by this Article shall not conflict with the
30 authority of the Medical Care Commission.

31 (b) (1) Each nurses aide training program, except for those operated by (i) institutions
32 under the Board of Governors of The University of North Carolina, (ii)
33 institutions of the North Carolina Community College System, (iii) public high
34 schools, and (iv) hospital authorities acting pursuant to G.S. 131E-23(31), shall
35 provide a guaranty bond unless the program has already provided a bond or an
36 alternative to a bond under G.S. 115D-95. The Board of Nursing may revoke
37 the approval of a program that fails to maintain a bond or an alternative to a
38 bond pursuant to this subsection or G.S. 115D-95.

39 (2) When application is made for approval or renewal of approval, the applicant
40 shall file a guaranty bond with the clerk of the superior court of the county in
41 which the program will be located. The bond shall be in favor of the students.
42 The bond shall be executed by the applicant as principal and by a bonding
43 company authorized to do business in this State. The bond shall be conditioned
44 to provide indemnification to any student, or his parent or guardian, who has
45 suffered a loss of tuition or any fees by reason of the failure of the program to
46 offer or complete student instruction, academic services, or other goods and
47 services related to course enrollment for any reason, including the suspension,
48 revocation, or nonrenewal of a program's approval, bankruptcy, foreclosure, or
49 the program ceasing to operate.

50 The bond shall be in an amount determined by the Board to be adequate to
51 provide indemnification to any student, or his parent or guardian, under the

1 terms of the bond. The bond amount for a program shall be at least equal to the
 2 maximum amount of prepaid tuition held at any time during the last fiscal year
 3 by the program. The bond amount shall also be at least ten thousand dollars
 4 (\$10,000).

5 Each application for a license shall include a letter signed by an authorized
 6 representative of the program showing in detail the calculations made and the
 7 method of computing the amount of the bond pursuant to this subdivision and
 8 the rules of the Board. If the Board finds that the calculations made and the
 9 method of computing the amount of the bond are inaccurate or that the amount
 10 of the bond is otherwise inadequate to provide indemnification under the terms
 11 of the bond, the Board may require the applicant to provide an additional bond.

12 The bond shall remain in force and effect until cancelled by the guarantor.
 13 The guarantor may cancel the bond upon 30 days notice to the Board.
 14 Cancellation of the bond shall not affect any liability incurred or accrued prior
 15 to the termination of the notice period.

16 (3) An applicant that is unable to secure a bond may seek a waiver of the guaranty
 17 bond from the Board and approval of one of the guaranty bond alternatives set
 18 forth in this subdivision. With the approval of the Board, an applicant may file
 19 with the clerk of the superior court of the county in which the program will be
 20 located, in lieu of a bond:

21 a. An assignment of a savings account in an amount equal to the bond
 22 required (i) which is in a form acceptable to the Board; (ii) which is
 23 executed by the applicant; and (iii) which is executed by a federally
 24 insured depository institution ~~lawfully doing business in this State; or a~~
 25 trust institution authorized to do business in this State; and (iv) for
 26 which access to the account in favor of the State of North Carolina is
 27 subject to the same conditions as for a bond in subdivision (2) of this
 28 subsection.

29 b. A certificate of deposit (i) which is executed by a federally insured
 30 depository institution ~~lawfully doing business in this State; or a trust~~
 31 institution authorized to do business in this State and (ii) which is either
 32 payable to the State of North Carolina, unrestrictively endorsed to the
 33 Board; in the case of a negotiable certificate of deposit, is unrestrictively
 34 endorsed to the Board; or in the case of a nonnegotiable certificate of
 35 deposit, is assigned to the Board in a form satisfactory to the Board; and
 36 (iii) for which access to the certificate of deposit in favor of the State of
 37 North Carolina is subject to the same conditions as for a bond in
 38 subdivision (2) of this subsection."

39 **SECTION 18.(k)** G.S. 93A-42, as amended by Section 16(j) of this act, reads as

40 rewritten:

41 "**§ 93A-42. Time shares deemed real estate.**

42 ...

43 (d) The independent escrow agent provided by G.S. 93A-42(c)(2) shall deposit and
 44 maintain the purchaser's payments in an insured trust or escrow account in a federally insured
 45 depository institution ~~lawfully doing business in this State; or a trust institution authorized to do~~
 46 business in this State. The trust or escrow account may be interest-bearing and the interest earned
 47 shall belong to the developer, if agreed upon in writing by the purchaser; provided, however, if the
 48 time share instrument is not recorded within the time periods specified in this section, then the
 49 interest earned shall belong to the purchaser. The independent escrow agent shall return all
 50 payments to the purchaser at the expiration of 180 days following the execution of the contract of
 51 sale by the purchaser, unless prior to that time the time share instrument has been recorded.

1 However, if prior to the expiration of 180 days following the execution of the contract of sale, the
2 developer and the purchaser provide their written consent to the independent escrow agent, the
3 developer's obligation to record the time share instrument and the escrow period may be extended
4 for an additional period of 120 days. Upon recordation of the time share instrument, the
5 independent escrow agent shall pay the purchaser's funds to the developer. Upon request by the
6 Commission, the independent escrow agent shall promptly make available to the Commission
7 inspection of records of money held by the independent escrow agent.

8"

9 **SECTION 18.(l)** G.S. 93A-45, as amended by Section 16(k) of this act, reads as
10 rewritten:

11 "**§ 93A-45. Purchaser's right to cancel; escrow; violation.**

12 ...

13 (c) Any payments received by a time share developer or time share salesperson in
14 connection with the sale of the time share shall be immediately deposited by such developer or
15 salesperson in a trust or escrow account in a federally insured depository institution ~~lawfully doing~~
16 ~~business in this State or a trust institution authorized to do business in this State~~ and shall remain
17 in such account for 10 days or cancellation by the purchaser, whichever occurs first. Payments
18 held in such trust or escrow accounts shall be deemed to belong to the purchaser and not the
19 developer. In lieu of such escrow requirements, the Commission shall have the authority to accept,
20 in its discretion, alternative financial assurances adequate to protect the purchaser's interest during
21 the contract cancellation period, including but not limited to a surety bond, corporate bond, cash
22 deposit or irrevocable letter of credit in an amount equal to the escrow requirements.

23"

24 **SECTION 19.** G.S. 14-27.23(c) and G.S. 14-27.28(c) are repealed.

25 **SECTION 19.5.** G.S. 20-63(b1) reads as rewritten:

26 "(b1) The following special registration plates do not have to be a "First in Flight" plate or
27 "First in Freedom" plate as provided in subsection (b) of this section. The design of the plates that
28 are not "First in Flight" plates or "First in Freedom" plates must be developed in accordance with
29 G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the
30 Division may not issue the plate on a background under this subsection unless it receives at least
31 200 applications for the plate in addition to the applications required under G.S. 20-79.4 or
32 G.S. 20-81.12.

33 ...

34 (54) Order of the Long Leaf Pine."

35 **SECTION 20.** G.S. 28A-2B-2 reads as rewritten:

36 "**§ 28A-2B-2. Venue.**

37 The venue for a petition under G.S. 28A-2B-1 is the county of this State in which the
38 petitioner whose will or codicil is the subject of the petition ~~is domiciled.~~resides."

39 **SECTION 21.** G.S. 31D-5-505, as recodified by Section 7.2(b) of this act, reads as
40 rewritten:

41 "**§ 31D-5-505. Requisites of release ~~or limitation~~ as against creditors and purchasers for**
42 **value.**

43 No release ~~or limitation~~ of a power of appointment after March 8, 1943, which is made by the
44 owner of the legal title to real property in this State shall be valid as against creditors and
45 purchasers for a valuable consideration until an instrument in writing setting forth the release ~~or~~
46 ~~limitation~~ is executed and acknowledged in the manner required for a deed and recorded in the
47 county where the real property is."

48 **SECTION 22.** G.S. 36C-5-505 reads as rewritten:

49 "**§ 36C-5-505. Creditor's claim against settlor.**

50 ...

1 (c) Subject to the Uniform Voidable Transactions Act, Article 3A of Chapter 39 of the
 2 General Statutes, for purposes of this section, property contributed to the following trusts is not
 3 considered to have been contributed by the settlor and a person who would otherwise be treated as
 4 a settlor or a deemed settlor of the following trusts may not be treated as a settlor:

- 5 (1) If the settlor is a beneficiary after the death of the settlor's spouse:
 6 a. An irrevocable inter vivos marital trust that is treated as a general power
 7 of appointment trust described in section 2523(e) of the Internal
 8 Revenue Code.
 9 b. An irrevocable inter vivos marital trust that is treated as a qualified
 10 terminable interest trust under section 2523(f) of the Internal Revenue
 11 Code.
 12 c. An irrevocable inter vivos trust of which the settlor's spouse is a
 13 beneficiary during the spouse's lifetime but which does not qualify for
 14 the federal gift tax marital deduction, and during the lifetime of the
 15 settlor's spouse (i) the settlor's spouse is the only beneficiary or (ii) the
 16 settlor's spouse and ~~the settlor's issue~~ any issue of the settlor or the
 17 settlor's spouse, or both, are the only beneficiaries.
 18 d. Another trust, to the extent that the property of the other trust is
 19 attributable to property passing from a trust described in
 20 sub-subdivisions a., b., and c. of this subdivision.

21 For purposes of this subdivision, notwithstanding the provisions of
 22 G.S. 36C-1-103(3), the settlor is a beneficiary whether so named under the
 23 initial trust instrument or through the exercise of a limited or general power of
 24 appointment.

- 25 (2) An irrevocable inter vivos trust for the benefit of a person if the settlor is the
 26 person's spouse, regardless of whether or when that person was a settlor of an
 27 irrevocable inter vivos trust for the benefit of the person's spouse.

28 For purposes of this subsection, the "settlor's spouse" refers to the person to whom the settlor
 29 was married at the time the irrevocable inter vivos trust was created, notwithstanding a subsequent
 30 dissolution of the marriage."

31 **SECTION 23.(a)** G.S. 39-13 reads as rewritten:

32 "**§ 39-13. Spouse need not join in purchase-money mortgage.**

33 ~~The purchaser of real estate who does not pay the whole of the purchase money at the time~~
 34 ~~when he or she takes a deed for title may make a mortgage or deed of trust for securing the~~
 35 ~~payment of such purchase money, or such part thereof as may remain unpaid, which~~ A mortgage
 36 or deed of trust given by the purchaser of real property to secure a loan, the proceeds of which
 37 were used to pay all or a portion of the purchase price of the encumbered real property, regardless
 38 of whether the secured party is the seller of the real property or a third-party lender, shall be good
 39 and effectual against his or her spouse as well as the purchaser, without requiring the spouse to
 40 join in the execution of such mortgage or deed of trust."

41 **SECTION 23.(b)** G.S. 29-30(g) reads as rewritten:

42 "(g) Neither the household furnishings in the dwelling house nor the life estates taken by
 43 election under this section shall be subject to the payment of debts due from the estate of the
 44 deceased spouse, except those debts secured by such property as follows:

- 45 (1) By a mortgage or deed of trust in which the surviving spouse has waived the
 46 surviving spouse's rights by joining with the other spouse in the making ~~thereof;~~
 47 ~~or thereof.~~
 48 (2) ~~By a purchase money mortgage or deed of trust,~~ By a mortgage or deed of trust
 49 given by the deceased spouse to secure a loan, the proceeds of which were used
 50 to pay all or a portion of the purchase price of the encumbered real property,
 51 regardless of whether the secured party is the seller of the real property or a

1 third-party lender, or by a conditional sales contract of personal property in
2 which title is retained by the vendor, made prior to or during the ~~marriage;~~
3 ~~or marriage.~~

4 (3) By a mortgage or deed of trust made prior to the ~~marriage; or~~ marriage.

5 (4) By a mortgage or deed of trust constituting a lien on the property at the time of
6 its acquisition by the deceased spouse either before or during the marriage."

7 **SECTION 23.(c)** This section is effective when it becomes law and applies to
8 mortgages and deeds of trust entered into on or after that date.

9 **SECTION 24.** G.S. 39-13.7 is amended by adding two new subsections to read:

10 "(f) Notice that the real property held in trust receives immunity from the claims of separate
11 creditors may be given in a statement in the conveyance of the tenancy by the entireties real
12 property to the trust that the real property is held under this section and that as of the date of the
13 conveyance, the requirements of subsection (b) of this section are met.

14 (g) A person entering a transaction involving real property held in trust under this section
15 may request confirmation from the trustee whether the requirements of this section providing
16 immunity from the claims of separate creditors are met at the time of the transaction."

17 **SECTION 25.** G.S. 90-12.7(b1), as enacted by S.L. 2016-17, reads as rewritten:

18 "(b1) A pharmacist may dispense an opioid antagonist to a person described in subdivision
19 ~~(b)(1)(1)~~ of subsection (b) of this section pursuant to a prescription issued pursuant to subsection
20 (b) of this section. For purposes of this section, the term "pharmacist" is as defined in
21 G.S. 90-85.3."

22 **SECTION 26.** G.S. 90-96 reads as rewritten:

23 **"§ 90-96. Conditional discharge for first offense.**

24 (a) Whenever any person who has not previously been convicted of (i) any felony offense
25 under any state or federal laws; (ii) any offense under this Article; or (iii) an offense under any
26 statute of the United States or any state relating to those substances included in Article 5 or 5A of
27 Chapter 90 or to that paraphernalia included in Article 5B of Chapter 90 of the General Statutes
28 pleads guilty to or is found guilty of (i) a misdemeanor under this Article by possessing a
29 controlled substance included within Schedules I through VI of this Article or by possessing drug
30 paraphernalia as prohibited by ~~G.S. 90-113.22, G.S. 90-113.22~~ or G.S. 90-113.22A or (ii) a felony
31 under G.S. 90-95(a)(3), the court shall, without entering a judgment of guilt and with the consent
32 of ~~such the~~ person, defer further proceedings and place ~~him the~~ person on probation upon such
33 reasonable terms and conditions as it may require, unless the court determines with a written
34 finding, and with the agreement of the District Attorney, that the offender is inappropriate for a
35 conditional discharge for factors related to the offense. Notwithstanding the provisions of
36 G.S. 15A-1342(c) or any other statute or law, probation may be imposed under this section for an
37 offense under this Article for which the prescribed punishment includes only a fine. To fulfill the
38 terms and conditions of probation the court may allow the defendant to participate in a drug
39 education program approved for this purpose by the Department of Health and Human Services or
40 in the Treatment for Effective Community Supervision Program under Subpart B of Part 6 of
41 Article 13 of Chapter 143B of the General Statutes. Upon violation of a term or condition, the
42 court may enter an adjudication of guilt and proceed as otherwise provided. Upon fulfillment of
43 the terms and conditions, the court shall discharge ~~such the~~ person and dismiss the ~~proceedings~~
44 ~~against him. proceedings.~~ Discharge and dismissal under this section shall be without court
45 adjudication of guilt and shall not be deemed a conviction for purposes of this section or for
46 purposes of disqualifications or disabilities imposed by law upon conviction of a crime including
47 the additional penalties imposed for second or subsequent convictions under this Article.
48 Discharge and dismissal under this section or G.S. 90-113.14 may occur only once with respect to
49 any person. Disposition of a case to determine discharge and dismissal under this section at the
50 district court division of the General Court of Justice shall be final for the purpose of appeal. Prior

1 to taking any action to discharge and dismiss under this section the court shall make a finding that
2 the defendant has no record of previous convictions as provided in this subsection.

3 (a1) Upon the first conviction only of any offense which qualifies under the provisions of
4 subsection (a) of this section, and the provisions of this subsection, the court may place defendant
5 on probation under this section for an offense under this Article including an offense for which the
6 prescribed punishment includes only a fine. The probation, if imposed, shall be for not less than
7 one year and shall contain a minimum condition that the defendant who was found guilty or pleads
8 guilty enroll in and successfully complete, within 150 days of the date of the imposition of said
9 probation, the program of instruction at the drug education school approved by the Department of
10 Health and Human Services pursuant to G.S. 90-96.01. The court may impose probation that does
11 not contain a condition that defendant successfully complete the program of instruction at a drug
12 education school if:

- 13 (1) There is no drug education school within a reasonable distance of the
14 defendant's residence; or
- 15 (2) There are specific, extenuating circumstances which make it likely that
16 defendant will not benefit from the program of instruction.

17 The court shall enter such specific findings in the record; provided that in the case of subdivision
18 (2) above, such findings shall include the specific, extenuating circumstances which make it likely
19 that the defendant will not benefit from the program of instruction.

20 Upon fulfillment of the terms and conditions of the probation, the court shall discharge such
21 person and dismiss the proceedings against the person.

22 For the purposes of determining whether the conviction is a first conviction or whether a
23 person has already had discharge and dismissal, no prior offense occurring more than seven years
24 before the date of the current offense shall be considered. In addition, convictions for violations of
25 a provision of G.S. 90-95(a)(1) or 90-95(a)(2) or 90-95(a)(3), or 90-113.10, or 90-113.11, or
26 90-113.12, or ~~90-113.22~~ 90-113.22, or 90-113.22A shall be considered previous convictions.

27 Failure to complete successfully an approved program of instruction at a drug education school
28 shall constitute grounds to revoke probation pursuant to this subsection and deny application for
29 expunction of all recordation of defendant's arrest, indictment, or information, trial, finding of
30 guilty, and dismissal and discharge pursuant to G.S. 15A-145.2. For purposes of this subsection,
31 the phrase "failure to complete successfully the prescribed program of instruction at a drug
32 education school" includes failure to attend scheduled classes without a valid excuse, failure to
33 complete the course within 150 days of imposition of probation, willful failure to pay the required
34 fee for the course as provided in G.S. 90-96.01(b), or any other manner in which the person fails
35 to complete the course successfully. The instructor of the course to which a person is assigned
36 shall report any failure of a person to complete successfully the program of instruction to the court
37 which imposed probation. Upon receipt of the instructor's report that the person failed to complete
38 the program successfully, the court shall revoke probation, shall not discharge such person, shall
39 not dismiss the proceedings against the person, and shall deny application for expunction of all
40 recordation of defendant's arrest, indictment, or information, trial, finding of guilty, and dismissal
41 and discharge pursuant to G.S. 15A-145.2. A person may obtain a hearing before the court of
42 original jurisdiction prior to revocation of probation or denial of application for expunction.

43 This subsection is supplemental and in addition to existing law and shall not be construed so as
44 to repeal any existing provision contained in the General Statutes of North Carolina.

45 (b) Upon the discharge of such person, and dismissal of the proceedings against the person
46 under subsection (a) or (a1) of this section, such person, if he or she was not over 21 years of age
47 at the time of the offense, may be eligible to apply for expunction of certain records relating to the
48 offense pursuant to G.S. 15A-145.2(a).

49 (c) Repealed by Session Laws 2009-510, s. 8(b), effective October 1, 2010.

50 (d) Whenever any person is charged with a misdemeanor under this Article by possessing
51 a controlled substance included within Schedules I through VI of this Article or a felony under

1 G.S. 90-95(a)(3), upon dismissal by the State of the charges against such person, upon entry of a
2 nolle prosequi, or upon a finding of not guilty or other adjudication of innocence, the person may
3 be eligible to apply for expunction of certain records relating to the offense pursuant to
4 G.S. 15A-145.2(b).

5 (e) Whenever any person who has not previously been convicted of (i) any felony offense
6 under any state or federal laws; (ii) any offense under this Article; or (iii) an offense under any
7 statute of the United States or any state relating to controlled substances included in any schedule
8 of this Article or to that paraphernalia included in Article 5B of Chapter 90 of the General Statutes
9 pleads guilty to or has been found guilty of (i) a misdemeanor under this Article by possessing a
10 controlled substance included within Schedules I through VI of this Article, or by possessing drug
11 paraphernalia as prohibited by G.S. 90-113.22 or G.S. 90-113.22A, or (ii) a felony under
12 G.S. 90-95(a)(3), the person may be eligible to apply for cancellation of the judgment and
13 expunction of certain records related to the offense pursuant to G.S. 15A-145.2(c).

14 (f) Repealed by Session Laws 2009-577, s. 6, effective December 1, 2009, and applicable
15 to petitions for expunctions filed on or after that date."

16 **SECTION 27.(a)** G.S. 90-414.5(a) reads as rewritten:

17 "(a) The Authority shall provide the Department and the State Health Plan for Teachers and
18 State Employees secure, real-time access to data and information disclosed through the HIE
19 Network, solely for the purposes set forth in ~~subsection (a) of this section~~ G.S. 90-414.4(a) and in
20 G.S. 90-414.2. The Authority shall limit access granted to the State Health Plan for Teachers and
21 State Employees pursuant to this section to data and information disclosed through the HIE
22 Network that pertains to services (i) rendered to teachers and State employees and (ii) paid for by
23 the State Health Plan."

24 **SECTION 27.(b)** G.S. 90-414.7(b) reads as rewritten:

25 "(b) Powers and Duties. – The Authority has the following powers and duties:

26 (1) Oversee and administer the HIE Network in a manner that ensures all of the
27 following:

28 ...

29 h. Minimization of the amount of data required to be submitted under ~~G.S.~~
30 ~~90-414(b)~~ G.S. 90-414.4(b) and any use or disclosure of such data to
31 what is determined by the Authority to be required in order to advance
32 the purposes set forth in G.S. 90-414.2 and ~~G.S. 90-414(a).~~
33 G.S. 90-414.4(a)."

34 **SECTION 28.** If a taxpayer is eligible for a historic rehabilitation tax credit under
35 G.S. 105-129.105(e) with respect to qualifying rehabilitation expenditures that were incurred in
36 2014 and 2015 in connection with a certified historic structure for which a certificate of occupancy
37 was issued on or after December 15, 2015, and before January 1, 2016, for purposes of Article 3L
38 of Chapter 105 of the General Statutes, the certified historic structure shall be treated as having
39 been placed in service in 2016 notwithstanding that the certified historic structure may be
40 considered placed in service in 2015 for purposes of the tax credit under section 47 of the Internal
41 Revenue Code or other federal income tax purposes.

42 **SECTION 29.** Reserved.

43 **SECTION 30.(a)** G.S. 115C-12(25) reads as rewritten:

44 "(25) Duty to Report to Joint Legislative Education Oversight Committee. – Upon the
45 request of the Joint Legislative Education Oversight Committee, the State
46 Board shall examine and evaluate issues, programs, policies, and fiscal
47 information, and shall make reports to that Committee. Furthermore, ~~beginning~~
48 ~~October 15, 2015, and annually thereafter, by November 15 of each year,~~ the
49 State Board shall submit reports to that Committee regarding schools identified
50 as low-performing, school improvement plans found to significantly improve
51 student performance, personnel actions taken in low-performing schools, and

1 recommendations for additional legislation to improve student performance and
2 increase local flexibility."

3 **SECTION 30.(b)** G.S. 115C-296.13(e) reads as rewritten:

4 "(e) Annual State Board of Education Report. – The educator preparation program report
5 cards shall be submitted to the Joint Legislative Education Oversight Committee on an annual
6 basis by ~~December 15-March 15.~~"

7 **SECTION 30.(c)** G.S. 115C-238.55 reads as rewritten:

8 "**§ 115C-238.55. Evaluation of cooperative innovative high schools.**

9 The State Board of Education and the governing Boards shall evaluate the success of
10 students in cooperative innovative high schools approved under this Part. Success shall be
11 measured by high school retention rates, high school completion rates, high school dropout rates,
12 certification and associate degree completion, admission to four-year institutions, postgraduation
13 employment in career or study-related fields, and employer satisfaction of employees who
14 participated in and graduated from the schools. The Boards shall jointly report by ~~January 15~~
15 March 15 of each year to the Joint Legislative Education Oversight Committee on the evaluation
16 of these schools."

17 **SECTION 30.(d)** Section 1(b) of S.L. 2013-1, as amended by Section 16.1 of S.L.
18 2013-410, as amended by Section 89 of S.L. 2014-115, reads as rewritten:

19 "**SECTION 1.(b)** The State Board of Education shall make high school diploma
20 endorsements, as provided under this section, available to students graduating from high school
21 beginning with the 2014-2015 school year. The State Board of Education shall report to the Joint
22 Legislative Education Oversight Committee on the progress toward establishing specific college
23 and career endorsements for high school diplomas and for awarding these endorsements by
24 February 1, 2014. The State Board of Education shall submit the report on the impact of awarding
25 the high school endorsements on high school graduation, college acceptance and remediation, and
26 post-high school employment rates by ~~September 15, 2016, November 15, 2016,~~ and annually
27 thereafter."

28 **SECTION 30.(e)** G.S. 115C-156.2(b) reads as rewritten:

29 "(b) Beginning in 2014, the State Board of Education shall report to the Joint Legislative
30 Education Oversight Committee by ~~September 15-November 15~~ of each year on the number of
31 students in career and technical education courses who earned (i) community college credit and
32 (ii) related industry certifications and credentials."

33 **SECTION 30.(f)** Section 8.29(e) of S.L. 2015-241 reads as rewritten:

34 "**SECTION 8.29.(e)** The Department of Public Instruction shall provide interim reports on the
35 grant program to the Joint Legislative Education Oversight Committee by ~~September 15, 2016,~~
36 November 15, 2016, with a final report on the program by ~~September 15, 2017-November 15,~~
37 2017. The final report shall include the final results of the program and recommendations
38 regarding effective after-school program models, standards, and performance measures based on
39 student performance, leveraging of community-based resources to expand student access to
40 learning activities and academic support, and the experience of the grant recipients."

41 **SECTION 30.(g)** G.S. 115C-83.10(c) reads as rewritten:

42 "(c) The State Board of Education shall establish a uniform format for local boards of
43 education to report the required information listed in subsections (a) and (b) of this section and
44 shall provide the format to local boards of education no later than 90 days prior to the annual due
45 date. The State Board of Education shall compile annually this information and submit a
46 State-level summary to the Governor, the President Pro Tempore of the Senate, the Speaker of the
47 House of Representatives, and the Joint Legislative Education Oversight Committee by ~~October~~
48 15 of each year, beginning with the 2015-2016 school year-December 15, 2016, and annually
49 thereafter."

50 **SECTION 30.(h)** G.S. 115C-174.26(h) reads as rewritten:

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

- 4 (1) The North Carolina Advanced Placement Partnership's report to the Department
 5 of Public Instruction as required by subsection (g) of this section and the State
 6 Board's assessment of that report.
- 7 (2) Number of students enrolled in advanced courses and participating in advanced
 8 course examinations, including demographic information by gender, race, and
 9 free and reduced-price lunch status.
- 10 (3) Student performance on advanced course examinations, including information
 11 by course, local school administrative unit, and school.
- 12 (4) Number of students participating in 10th grade PSATMSQT testing.
- 13 (5) Number of teachers attending summer institutes offered by the North Carolina
 14 Advanced Placement Partnership.
- 15 (6) Distribution of funding appropriated for advanced course testing fees and
 16 professional development by local school administrative unit and school.
- 17 (7) Status and efforts of the North Carolina Advanced Placement Partnership.
- 18 (8) Other trends in advanced courses and examinations."

19 **SECTION 31.** If House Bill 1080 of the 2015 General Assembly, 2016 Regular
 20 Session, becomes law, Article 7A of Chapter 115C of the General Statutes, as enacted by that bill,
 21 reads as rewritten:

22 "Article 7A.

23 "Achievement School District and Innovation Zones.

24 ...
 25 **"§ 115C-75.6. Achievement School District.**

26 ...
 27 (c) The State Board of Education ~~shall consider~~shall, upon the recommendation of the
 28 ASD Superintendent Selection Advisory ~~Committee and shall~~Committee, appoint a superintendent
 29 to serve as the executive officer of the ASD. The ASD Superintendent shall serve at the pleasure
 30 of the State Board of Education at a salary established by the State Board of Education within the
 31 funds appropriated for this purpose. The ASD Superintendent shall have qualifications consistent
 32 with G.S. 115C-271(a) and report directly to the State Board of Education.

33 ...
 34 **"§ 115C-75.7. Selection of achievement schools.**

35 (a) State Board Selection. – The State Board of Education ~~is authorized to~~shall select,
 36 upon the recommendation of the ASD Superintendent, no more than five qualifying schools to
 37 transfer to the ASD as achievement schools. The five qualifying schools selected for inclusion in
 38 the ASD should represent geographic diversity, including urban and rural schools. The State
 39 Board of Education shall select no more than one qualifying school per local school administrative
 40 unit, unless the local board of education consents.

41 ...
 42 (e) Waivers for Achievement Schools. – The ASD Superintendent ~~may~~is authorized to
 43 waive State Board of Education rules, regulations, policies, and procedures, or the provisions of
 44 this Chapter for achievement schools; however, achievement schools shall be required to comply
 45 with, at a minimum, the statutory requirements for charter schools as provided in Article 14A of
 46 this Chapter. The goal for each waiver shall be improvement of student performance. All
 47 achievement schools shall comply with all applicable constitutional and statutory
 48 nondiscrimination requirements.

49 ...
 50 **"§ 115C-75.13. Innovation zones.**

51 ...

1 (b) The innovation zone created by a local board of education must include all of the
2 following:

3 (1) Development of a clear and specific plan for improving schools within the
4 innovation ~~zone~~ zone approved by the State Board of Education to govern and
5 lead the schools in the innovation zone.

6 (2) Establishment of an innovation zone office with a leader appointed by the local
7 board of ~~education and approved by the State Board of Education to govern and~~
8 lead the schools in the innovation zone.
9 education.

10"

11 **SECTION 32.5.** G.S. 115D-67.4 reads as rewritten:

12 **"§ 115D-67.4. Fees collected by the Center; purchases using Center funds.**

13 Notwithstanding any other provision of law, all fees collected by the Applied Textile
14 Technology Center for services to the textile industry, except for regular curriculum and
15 continuing education tuition receipts, shall be retained by the Center and used for the operations of
16 the Center. Purchases made by the Center using these funds are not subject to the provisions of
17 Article 3 of Chapter 143 of the General Statutes. However, the Center shall: (i) submit all
18 proposed agreements or contracts for supplies, materials, printing, equipment, and contractual
19 ~~General or the Attorney General's Secretary of Administration or the Secretary's~~ designee for
20 review as provided in G.S. 114-8.3; and (ii) include in all agreements or contracts to be awarded
21 by the Center under this section a standard clause which provides that the State Auditor and
22 internal auditors of the Center may audit the records of the contractor during and after the term of
23 the contract to verify accounts and data affecting fees and performance. The Center shall not
24 award a cost plus percentage of cost agreement or contract for any purpose."

25 **SECTION 33.** G.S. 116-11 is amended by adding a new subsection to read:

26 "(13b) Notwithstanding G.S. 114-2, 114-2.3, 147-17, or any other provision of law, the Board
27 of Governors may authorize the President to employ or engage the services of and fix the
28 compensation for legal counsel as the President deems necessary to represent the University, a
29 constituent institution, or University employees and officials in any matter, including any case or
30 proceeding in or before any court or agency of this State or any other state or the United States."

31 **SECTION 34.** G.S. 126-5(c11) reads as rewritten:

32 "(c11) The following are exempt from: (i) the classification and compensation rules
33 established by the State Human Resources Commission pursuant to G.S. 126-4(1) through (4); (ii)
34 G.S. 126-4(5) only as it applies to hours and days of work, vacation, and sick leave; (iii)
35 G.S. 126-4(6) only as it applies to promotion and transfer; and (iv) ~~G.S. 126-4(10) only as it~~
36 ~~applies to the prohibition of the establishment of incentive pay programs;~~ and (v) Article 2 of
37 Chapter 126 of the General Statutes, except for G.S. 126-7.1:

38 (1) The Office of the Commissioner of Banks and its employees; and

39 (2) The following employees of the Department of Natural and Cultural Resources:
40 a. Director and Associate Directors of the North Carolina Museum of
41 History.
42 b. Program Chiefs and Curators.
43 c. Regional History Museum Administrators and Curators.
44 d. North Carolina Symphony.
45 e. Director, Associate Directors, and Curators of Tryon Palace.
46 f. Director, Associate Directors, and Curators of Transportation Museum.
47 g. Director and Associate Directors of the North Carolina Arts Council.
48 h. Director, Assistant Directors, and Curators of the Division of State
49 Historic Sites.

50 (3) Employees of the Department of Information Technology (DIT), and
51 employees in all agencies, departments, and institutions with similar

1 classifications as DIT employees, who voluntarily relinquish annual longevity
2 payments, relinquish any claim to longevity pay, voluntarily relinquish any
3 claim to career status or eligibility for career status as approved by the State
4 Chief Information Officer and the Director of the Office of State Human
5 Resources (OSHR)."

6 **SECTION 36.(a)** G.S. 140-5.13 reads as rewritten:

7 "**§ 140-5.13. Board of Trustees. – establishment; members; selection; quorum;**
8 **compensation; officers; meetings.**

9 ...

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

12 ...

13 All regular appointments or elections except those by the General Assembly shall be for terms of
14 six years, except that each member shall serve until the member's successor is chosen and
15 qualifies. No person may be appointed or elected to more than two consecutive terms of six years.
16 All ~~regular~~ appointments by the General Assembly shall be for ~~the then current legislative term,~~
17 ~~and no appointee of the General Assembly may be appointed to more than two consecutive terms~~
18 ~~of two years.~~ four years with no person being appointed to more than three consecutive terms.

19"

20 **SECTION 36.(b)** If Senate Bill 898, 2015 Regular Session, becomes law, then
21 Section 2.42 of that act is repealed.

22 **SECTION 36.(c)** R. Eugene Davis, Jr., of Wake County and Mary Jo Cresimore of
23 Wake County are appointed to the Museum of Art Board of Directors for terms expiring on June
24 30, 2020.

25 **SECTION 37.** G.S. 143-548 reads as rewritten:

26 "**§ 143-548. Vocational Rehabilitation Council.**

27 ...

28 (d1) Terms of Appointment. –

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

31 a. A member appointed to fill a vacancy occurring prior to the expiration
32 of the term for which a predecessor was appointed shall be appointed
33 for the remainder of that term;

34 b. The terms of service of the members initially appointed are as specified
35 by the appointing authority for a fewer number of years as will provide
36 for the expiration of terms on a staggered basis and shall include the
37 members of the existing Council to the extent possible with appropriate
38 adjustments to their terms;

39 c. The appointing authority shall have the power to remove any member of
40 the Council from office in accordance with the provisions of
41 G.S. 143B-16; and

42 d. A member may continue to serve until a successor for the position is
43 appointed;

44 (2) Number of Terms. – No member of the Council other than the representative of
45 the Client Assistance ~~Program-Program, the representative of a parent training~~
46 and information center, and the representative of the directors of projects
47 carried out under section 121 of the Rehabilitation Act of 1973, 29 U.S.C. §
48 741, as amended, may serve more than two consecutive full terms.

49"

50 **SECTION 38.** G.S. 143B-68 reads as rewritten:

1 "§ 143B-68. **Public Librarian Certification Commission – members; selection; quorum;**
2 **compensation.**

3 The Public Librarian Certification Commission of the Department of Natural and Cultural
4 Resources shall consist of five members as follows: (i) ~~the chairman of the North Carolina~~
5 ~~Association of Library Trustees,~~ (ii) the chairman of the public libraries section of the North
6 Carolina Library Association, ~~(iii) an individual~~ (ii) two individuals named by the Governor upon
7 the nomination of the North Carolina Library Association, ~~(iv)–(iii)~~ the dean of a State or
8 regionally accredited graduate school of librarianship in North Carolina appointed by the
9 Governor and ~~(v)–(iv)~~ one member at large appointed by the Governor.

10 The members shall serve four-year terms or while holding the appropriate
11 ~~chairmanships-chairmanship.~~ Any appointment to fill a vacancy created by the resignation,
12 dismissal, death or disability of a member shall be for the balance of the unexpired term.

13 The Governor shall have the power to remove any member of the Commission from office for
14 misfeasance, malfeasance, and nonfeasance according to the provisions of G.S. 143B-13 of the
15 Executive Organization Act of 1973.

16 The members of the Commission shall receive per diem, and necessary travel expenses in
17 accordance with the provisions of G.S. 138-5.

18 A majority of the Commission shall constitute a quorum for the transaction of business.

19 All clerical and other services required by the Commission shall be supplied by the Secretary
20 of the Department through the regular staff of the Department."

21 **SECTION 39.** G.S. 143B-79 is amended by adding a new subdivision to read as
22 follows:

23 "(8) Any surplus furnishings for use in the Governor's mansion and not needed by
24 the Governor for current purposes are available for use by the cabinet agencies
25 for decorative purposes in State-owned facilities. This is irrespective of
26 ownership and without approval of any committee or required process set forth
27 in this section or elsewhere. An inventory of these items will be maintained by
28 the Department of Administration, and the items can be recalled at any time for
29 use in the Governor's mansion."

30 **SECTION 40.** G.S. 143B-437.01(a)(6), as amended by Section 5.5(c) of S.L. 2016-5,
31 reads as rewritten:

32 "(6) The funds shall not be used for any retail, entertainment, or sports projects. The
33 funds shall not be used for any nonmanufacturing project that does not meet the
34 wage standard for the development tier area or zone in which the project is
35 located. There is no wage standard for a development tier one area. If an urban
36 progress zone or an agrarian growth zone is not in a development tier one area,
37 then the wage standard for that zone is an average weekly wage that is at least
38 equal to ninety percent (90%) of the lesser of the average wage for all insured
39 private employers in the State and the average wage for all insured private
40 employers in the county in which the ~~datacenter~~-project is located. The wage
41 standard for a development tier two area or a development tier three area is an
42 average weekly wage that is at least equal to one hundred ten percent (110%) of
43 the lesser of the average wage for all insured private employers in the State and
44 ninety percent (90%) of the average wage for all insured private employers in
45 the county in which the ~~datacenter~~-project is located."

46 **SECTION 41.** G.S. 147-12(b) reads as rewritten:

47 "(b) The Department of Transportation, the Division of Adult Correction of the Department
48 of Public Safety, the State Highway Patrol, the Wildlife Resources Commission, the Division of
49 Parks and Recreation in the ~~Department of Natural and Natural Resources [Department of Natural~~
50 ~~and Cultural Resources],~~ Department of Natural and Cultural Resources, and the Division of
51 Marine Fisheries in the Department of Environmental Quality shall deliver to the Governor by

1 February 1 of each year detailed information on the agency's litter enforcement, litter prevention,
2 and litter removal efforts. The Administrative Office of the Courts shall deliver to the Governor,
3 by February 1 of each year, detailed information on the enforcement of the littering laws of the
4 State, including the number of charges and convictions under the littering laws of the State. The
5 Governor shall gather the information submitted by the respective agencies and deliver a
6 consolidated annual report, on or before March 1 of each year, to the Environmental Review
7 Commission, the Joint Legislative Transportation Oversight Committee, and the House of
8 Representatives and the Senate appropriations committees with jurisdiction over natural and
9 economic resources."

10 **SECTION 42.** G.S. 147-86.59 reads as rewritten:

11 **"§ 147-86.59. Certification required.**

12 (a) A State agency shall ~~require~~ certify that a person that attempts to contract with the
13 State or political subdivision of the State, ~~including a contract renewal or assumption, to certify, at~~
14 ~~the time~~ State is not identified on a list created by the State Treasurer pursuant to G.S. 147-86.58
15 when the bid is submitted or the contract is entered into, renewed, or assigned, that the person or
16 the assignee is not identified on a list created by the State Treasurer pursuant to G.S. 147-86.58.
17 assigned. "Attempts to contract" include a contract renewal or assumption. A State agency shall
18 include certification information in the procurement record. If a State agency and the same person
19 enter into multiple contracts or multiple contract renewals or assumptions within 180 days after a
20 certification is made, a new certification need not be made.

21 (b) A person that contracts with the State or a political subdivision of the State, including a
22 contract renewal or assumption, shall not utilize on the contract with the State agency any
23 subcontractor that is identified on a list created pursuant to G.S. 147-86.58.

24 (c) Upon receiving information that a person who has ~~made the certification~~ been certified
25 as required by subsection (a) of this section is in violation thereof, the State agency shall review
26 the information and offer the person an opportunity to respond. If the person fails to demonstrate
27 that the person should not have been identified on the list created pursuant to G.S. 147-86.58
28 within 90 days after the determination of the violation, then the State agency shall take action as
29 may be appropriate and provided for by law, rule, or contract."

30 **SECTION 43.(a)** G.S. 159-32 reads as rewritten:

31 **"§ 159-32. Daily deposits.**

32 Except as otherwise provided by law, all taxes and other moneys collected or received by an
33 officer or employee of a local government or public authority shall be deposited in accordance
34 with this section. Each officer and employee of a local government or public authority whose duty
35 it is to collect or receive any taxes or other moneys ~~shall~~ shall, on a daily basis, deposit his or
36 submit to a properly licensed and recognized cash collection service all collections and receipts
37 daily. If receipts. However, if the governing board gives its approval, deposits or submissions to a
38 properly licensed and recognized cash collection service shall be required only when the moneys
39 on hand amount to as much as two hundred fifty dollars (\$250.00), but in any event a deposit shall
40 be made on the last business day of the month. (\$250.00) or greater. Until deposited or officially
41 submitted to a properly licensed and recognized cash collection service, all moneys must be
42 maintained in a secure location. All deposits shall be made with the finance officer or in an official
43 depository. Deposits in an official depository shall be immediately reported to the finance officer
44 by means of a duplicate deposit ticket. The finance officer may at any time audit the accounts of
45 any officer or employee collecting or receiving taxes or other moneys, and may prescribe the form
46 and detail of these accounts. The accounts of such an officer or employee shall be audited at least
47 annually."

48 **SECTION 43.(b)** This section becomes effective October 1, 2016.

49 **SECTION 43.5.** G.S. 163-227.2(g) reads as rewritten:

50 "(g) Notwithstanding any other provision of this section, a county board of elections by
51 unanimous vote of all its members may provide for one or more sites in that county for absentee

1 ballots to be applied for and cast under this section. Every individual staffing any of those sites
2 shall be a member or full-time employee of the county board of elections or an employee of the
3 county board of elections whom the board has given training equivalent to that given a full-time
4 employee. Those sites must be approved by the State Board of Elections as part of a Plan for
5 Implementation approved by both the county board of elections and by the State Board of
6 Elections which shall also provide adequate security of the ballots and provisions to avoid
7 allowing persons to vote who have already voted. The Plan for Implementation shall include a
8 provision for the presence of political party observers at each one-stop site equivalent to the
9 provisions in G.S. 163-45 for party observers at voting places on election day. A county board of
10 elections may propose in its Plan not to offer one-stop voting at the county board of elections
11 office; the State Board may approve that proposal in a Plan only if the Plan includes at least one
12 site reasonably proximate to the county board of elections office and the State Board finds that the
13 sites in the Plan as a whole provide adequate coverage of the county's electorate. If a county board
14 of elections has considered a proposed Plan or Plans for Implementation and has been unable to
15 reach unanimity in favor of a Plan, a member or members of that county board of elections may
16 petition the State Board of Elections to adopt a plan for it. If petitioned, the State Board may also
17 receive and consider alternative petitions from another member or members of that county board.
18 The State Board of Elections may adopt a Plan for that county. The State Board, in that plan, shall
19 take into consideration factors including geographic, demographic, and partisan interests of that
20 county. Any plan adopted by either the county board of elections or the State Board of Elections
21 under this subsection shall provide for the same days of operation and same number of hours of
22 operation on each day for all sites in that county for that election. The requirement of the previous
23 sentence does not apply to the county board of elections office itself nor, if one-stop voting is not
24 conducted at the county board of elections office, to the reasonably proximate alternate site
25 approved under this subsection. No plan adopted by the State Board of Elections in the exercise of
26 its supervisory authority under this subsection may be challenged in a petition for judicial review."

27 **SECTION 44.** If House Bill 242, 2015 Regular Session, becomes law, then Section
28 6.5 of S.L. 2014-101, as amended by Section 2 of House Bill 242, 2015 Regular Session, reads as
29 rewritten:

30 **"SECTION 6.5.** Upon recommendations by the Office of Charter Schools and the Charter
31 Schools Advisory Board, the State Board of Education shall adopt a process and rules for
32 fast-track replication of high-quality charter schools currently operating in the State. The State
33 Board of Education shall not require a planning year for applicants selected through the fast-track
34 replication process. In addition to the requirements for charter applicants set forth in Part 6A of
35 Article 16 of Chapter 115C of the General Statutes, the fast-track replication process adopted by
36 the State Board of Education shall, at a minimum, require a board of directors of a charter school
37 to demonstrate one of the following in order to qualify for fast-track replication:

- 38 (1) A charter school in this State governed by the board of directors has student
39 academic outcomes that are comparable to the academic outcomes of students
40 in the local school administrative unit in which the charter school is located and
41 can provide three years of financially sound audits.
- 42 (2) The board of directors agrees to contract with an education management
43 organization or charter management organization that can demonstrate that it
44 can replicate high-quality charter schools in the State that have proven student
45 academic success and financial soundness.

46 The State Board of Education shall ensure that the rules for a fast-track replication process provide
47 that decisions by the State Board of Education on whether to grant a charter through the
48 replication process are completed in less than 120 days from the application submission date but in
49 no event later than October 15 of the year immediately preceding the year of the proposed school
50 opening. The State Board of Education shall adopt rules and procedures required by this section

1 within 90 days of the effective date of this act, and report to the Joint Legislative Education
2 Oversight Committee within 120 days of the effective date of this act."

3 **SECTION 45.** Section 1 of S.L. 2015-52 is repealed.

4 **SECTION 46.(a)** Section 10 of S.L. 2015-125 reads as rewritten:

5 "**SECTION 10.** Sections 8 and 9 of this act become effective July 1, 2015. Section 3 of this
6 act becomes effective October 1, 2016. The remainder of this act becomes effective July 1, 2016,
7 and applies to offenses committed on or after that date."

8 **SECTION 46.(b)** If House Bill 959, 2015 Regular Session, becomes law, Section
9 13(f) of the act is repealed.

10 **SECTION 46.(c)** If House Bill 959, 2015 Regular Session, becomes law, Section
11 13(j) of the act reads as rewritten:

12 "**SECTION 13.(j)** This section becomes effective ~~December 1, 2016, and applies to offenses~~
13 ~~committed on or after that date.~~ July 1, 2016."

14 **SECTION 46.(d)** This section becomes effective July 1, 2016.

15 **SECTION 47.** Section 4 of S.L. 2016-27 reads as rewritten:

16 "**SECTION 4.** ~~G.S. 14-309(5)c.,~~ G.S. 14-309.14(5)c., as enacted by Section 1 of this act,
17 becomes effective October 1, 2016, and applies to applications submitted on or after October 1,
18 2016, and offenses committed on or after that date. The remainder of Section 1 of this act becomes
19 effective December 1, 2016, and applies to offenses committed on or after that date. The
20 remainder of this act is effective when it becomes law."

21 **SECTION 48.(a)** If Senate Bill 600, 2016 Regular Session of the 2015 General
22 Assembly, becomes law, G.S. 93E-2-4(i), as enacted by that act, reads as rewritten:

23 "(i) For appraisal assignments of ~~property secured by the principal dwelling of the~~
24 ~~consumer, one- to four-family residential dwellings,~~ an appraisal management company shall
25 compensate appraisers in compliance with section 129E(i) of the federal Truth in Lending Act (15
26 U.S.C. § 1601 et seq.) and regulations promulgated thereunder. The Board shall adopt rules
27 necessary to enforce this subsection. ~~Rules establishing customary and reasonable rates shall be~~
28 ~~based on objective third party information, such as academic studies and independent private~~
29 ~~sector surveys."~~

30 **SECTION 48.(b)** This section becomes effective January 1, 2017.

31 **SECTION 49.** If House Bill 289, 2016 Regular Session of the 2015 General
32 Assembly, becomes law, Section 3 of the act reads as rewritten:

33 "**SECTION 3.** This act becomes effective ~~October 1, 2015.~~ October 1, 2016."

34 **SECTION 50.** Section 1 of Senate Resolution 746, adopted by the Senate, 2016
35 Regular Session of the 2015 General Assembly, is amended by deleting the phrase "general
36 farming" and substituting the word "marketing" in its place.

37 **SECTION 51.(a)** The Revisor of Statutes shall cause to be printed an explanatory
38 comment to G.S. 36C-1-112, prepared by the Estate Planning and Fiduciary Law Section of the
39 North Carolina Bar Association, that Section having originally prepared Chapter 36C of the
40 General Statutes for introduction in 2005, as the Revisor may deem appropriate.

41 **SECTION 51.(b)** The Revisor of Statutes shall cause to be printed all explanatory
42 comments of the drafters of Sections 7.1, 7.2(b) and (c), 21, and 22, as the Revisor may deem
43 appropriate.

44 **SECTION 52.(a)** If House Bill 630, 2015 Regular Session, becomes law, that act is
45 amended by adding a new bill section to read:

46 "**SECTION 1.1.** For purposes of G.S. 130A-309.216, as enacted by Section 1 of this act, the
47 term "an impoundment owner" shall be construed to mean Duke Energy Progress, LLC, and Duke
48 Energy Carolinas, LLC, as a single entity, and as such, G.S. 130A-309.216, as enacted by Section
49 1 of this act, requires installation and operation of a total of three ash beneficiation projects in the
50 State."

1 **SECTION 52.(b)** If House Bill 630, 2015 Regular Session becomes law, then Section
 2 3(a) reads as rewritten:

3 **"SECTION 3.(a)** Notwithstanding G.S. 130A-309.213 or G.S. 130A-309.214, as amended by
 4 Section 1 of this act, and except as otherwise preempted by the requirements of federal law, the
 5 following coal combustion residuals surface impoundments shall be deemed intermediate-risk and,
 6 as soon as practicable, but no later than August 1, 2028, shall be closed in conformance with
 7 Section 3(b) of this act:

- 8 (1) Coal combustion residuals surface impoundments located at the H.F. Lee Steam
 9 Station, owned and operated by Duke Energy Progress, and located in Wayne
 10 County.
- 11 (2) Coal combustion residuals surface impoundments located at the Cape Fear
 12 Steam Station, owned and operated by Duke Energy Progress, and located in
 13 Chatham County.
- 14 (3) Coal combustion residuals surface impoundments located at the Weatherspoon
 15 Steam Station, owned and operated by Duke Energy Progress, and located in
 16 ~~New Hanover~~Robeson County."

17 **SECTION 52.5.(a)** If House Bill 1030, 2015 Regular Session, becomes law,
 18 subsection (d) of Section 8.32 of that act is repealed.

19 **SECTION 52.5.(b)** This section becomes effective July 1, 2016.

20 **SECTION 53.** If House Bill 1030, 2015 Regular Session, becomes law, then Section
 21 36.16(a1) reads as rewritten:

22 **"SECTION 36.16.(a1)** Teachers paid on the Salary Schedule in Section 9.1 of this act are not
 23 eligible to receive the bonus awarded by subsection (a) of this ~~section-section~~ unless they have
 24 more than 30 years of creditable experience and do not receive a recurring salary increase."

25 **SECTION 53.5.** If House Bill 1030, 2015 Regular Session, becomes law, then
 26 Section 12I.1(a) of S.L. 2015-241, as amended by Section 4.6 of S.L. 2015-268 and Section 12K.1
 27 of House Bill 1030, 2015 Regular Session, reads as rewritten:

28 **"SECTION 12I.1.(a)** Except as otherwise provided, appropriations from federal block grant
 29 funds are made for each year of the fiscal biennium ending June 30, 2017, according to the
 30 following schedule:

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS	FY 2015-2016	FY 2016-2017
...		
SOCIAL SERVICES BLOCK GRANT		
Local Program Expenditures		
Divisions of Social Services and Aging and Adult Services		
01. County Departments of Social Services (Transfer From TANF \$4,148,001)	\$27,335,458	\$27,215,583 <u>\$27,065,583</u>
01A. EBCI Tribal Public Health and Human Services	0	244,740
02. Child Protective Services (Transfer From TANF)	5,040,000	5,040,000

1	03. State In-Home Services Fund	2,209,023	1,943,950
2			
3	04. Adult Protective Services	1,245,363	1,245,363
4			
5	05. State Adult Day Care Fund	2,039,647	1,994,084
6			
7	06. Child Protective Services/CPS		
8	Investigative Services – Child Medical		
9	Evaluation Program	563,868	563,868
10			
11	07. Special Children Adoption Incentive Fund	462,600	462,600
12			
13	08. Child Protective Services – Child		
14	Welfare Training for Counties		
15	(Transfer From TANF)	1,300,000	1,300,000
16			
17	08A. Child Protective Services – Child		
18	Welfare Training for Counties/Mobile Training	0	737,067
19			
20	09. Home and Community Care Block		
21	Grant (HCCBG)	1,788,157	1,696,888
22			
23	10. Child Advocacy Centers	375,000	375,000
24			
25	11. Guardianship	4,107,032	4,035,704
26			
27	12. Foster Care Services		
28	(Transfer From TANF)	1,385,152	1,385,152
29			
30	Division of Central Management and Support		
31			
32	13. DHHS Competitive Block Grants		
33	for Nonprofits	3,852,500	3,852,500
34			
35	14. NC FAST – Operations and		
36	Maintenance	712,324	939,315
37			
38			
39	<u>14A. Big Brothers Big Sisters of the Triangle</u>	<u>0</u>	<u>150,000</u>
40			
41	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
42			
43	15. Mental Health Services – Adult and		
44	Child/Developmental Disabilities Program/		
45	Substance Abuse Services – Adult	4,030,730	4,030,730
46			
47	DHHS Program Expenditures		
48			
49	Division of Services for the Blind		
50			
51	16. Independent Living Program	3,361,323	3,361,323

1			
2	Division of Health Service Regulation		
3			
4	17. Adult Care Licensure Program	381,087	381,087
5			
6	18. Mental Health Licensure and		
7	Certification Program	190,284	190,284
8			
9	DHHS Administration		
10			
11	19. Division of Aging and Adult Services	577,745	577,745
12			
13	20. Division of Social Services	559,109	559,109
14			
15	21. Office of the Secretary/Controller's Office	127,731	127,731
16			
17	22. Division of Child Development and		
18	Early Education	13,878	13,878
19			
20	23. Division of Mental Health, Developmental		
21	Disabilities, and Substance Abuse Services	27,446	27,446
22			
23	24. Division of Health Service Regulation	118,946	118,946
24			
25	TOTAL SOCIAL SERVICES BLOCK GRANT	\$61,804,403	\$62,420,093
26			

27"

28 **SECTION 54.** G.S. 116-30.3 reads as rewritten:

29 "**§ 116-30.3. Reversions.**

30 (a) Of the General Fund current operations appropriations credit balance remaining at the
 31 end of each fiscal year in each of the budget codes listed in this subsection, any amount of the
 32 General Fund appropriation for that budget code for that fiscal year (i) may be carried forward to
 33 the next fiscal year in that budget code, (ii) is appropriated in that budget code, and (iii) may be
 34 used for any of the purposes set out in subsection (f) of this section. However, the amount carried
 35 forward in each budget code under this subsection shall not exceed ~~two and one half percent~~
 36 ~~(2.5%)~~ five percent (5%) of the General Fund appropriation in that budget code. The Director of
 37 the Budget, under the authority set forth in G.S. 143C-6-2, shall establish the General Fund current
 38 operations credit balance remaining in each budget code.

39 The budget codes that may carry forward a General Fund current operations appropriations
 40 credit balance remaining at the end of each fiscal year pursuant to this section are the budget codes
 41 for each of the following:

- 42 (1) Each special responsibility constituent institution.
- 43 (2) The Area Health Education Centers of the University of North Carolina at
 44 Chapel Hill.
- 45 (3) General Administration Budget Code 16010.
- 46 (b) Repealed by Session Laws 1998-212, s. 11(b).
- 47 (c) Repealed by Session Laws 1998-212, s. 11(a).
- 48 (d) Repealed by Session Laws 1998-212, s. 11(b).
- 49 (e) Repealed by Session Laws 2014-100, s. 11.17(a), effective July 1, 2014.
- 50 (f) ~~Funds~~ Except as provided otherwise by this subsection, funds carried forward pursuant

51 to subsection (a) of this section may be used for one-time expenditures, provided, however, that

1 the expenditures shall not impose additional financial obligations on the State and shall not be
2 used to support positions. Any amount carried forward in a budget code that is in excess of two
3 and one-half percent (2.5%) of the General Fund appropriation for that fiscal year in that budget
4 code shall be used only (i) for projects that are eligible to receive funds from the Repairs and
5 Renovations Reserve under G.S. 143C-4-3(b) or (ii) for advanced planning of capital
6 improvement projects.

7 (g) The Board of Governors of The University of North Carolina shall submit the
8 following written reports to the Joint Legislative Commission on Governmental Operations and to
9 the Fiscal Research Division on the allocation and use of funds accruing from the carryforward
10 provided by subsection (a) of this section:

11 (1) A report on expenditures for repairs and renovations from the funds carried
12 forward no later than October 1 each year.

13 (2) A report on any expenditures for advanced planning no later than 30 days after
14 the funds are spent."

15 **SECTION 54.5.(a)** Notwithstanding Section 8.27(c) of S.L. 2015-241, as amended by
16 Section 3.1 of S.L. 2015-268, if federal Investing in Innovation Grant funds are unavailable due to
17 the insolvency of the North Carolina New Schools Project, any costs incurred by local school
18 administrative units and the community college partners in implementing the program may be
19 funded by the local school administrative unit or a third-party entity. Community colleges shall
20 not earn budget FTE for student course enrollments under this section unless the student course
21 enrollment is otherwise authorized as provided in G.S. 115D-20(4)a.

22 **SECTION 54.5.(b)** This section is effective when it becomes law and applies only to
23 the 2016-2017 school year.

24 **PART III. EFFECTIVE DATE**

25 **SECTION 55.** Section 2 of this act becomes effective December 1, 2015. Except as
26 otherwise provided in this act, this act is effective when it becomes law.
27