

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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HOUSE BILL 40  
Committee Substitute Favorable 2/11/25  
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Short Title: GSC Technical Corrections 2025 Part 1.

(Public)

Sponsors:

Referred to:

February 5, 2025

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

5 The General Assembly of North Carolina enacts:

6 SECTION 1.(a) G.S. 1-18 is repealed.

7 SECTION 1.(b) G.S. 29-30 reads as rewritten:

8 "§ 29-30. Election of surviving spouse to take life interest in lieu of intestate share provided.

9 (a) Except as provided in this subsection, in lieu of the intestate share provided in  
10 G.S. 29-14 or G.S. 29-21, or of the elective share provided in G.S. 30-3.1, the surviving spouse  
11 of an intestate or the surviving spouse who has petitioned for an elective share is entitled to take  
12 as the surviving spouse's intestate share or elective share a life estate in one third in value of all  
13 the real estate of which the deceased spouse was seised and possessed of an estate of inheritance  
14 at any time during ~~coverture~~ the marriage. The surviving spouse is not entitled to take a life  
15 estate in any of the following circumstances:

16 ...

17 (b) The surviving spouse may elect to take a life estate in the usual dwelling house  
18 occupied by the surviving spouse at the time of the death of the deceased spouse if the dwelling  
19 house was owned by the deceased spouse at the time of the deceased spouse's death, together  
20 with the outbuildings, ~~improvements~~ improvements, and ~~easements thereunto belonging or~~  
21 ~~appertaining~~ easements, and ~~lands~~ land upon which the dwelling house is situated and that is  
22 reasonably necessary to the its use and enjoyment thereof, as well as enjoyment. The surviving  
23 spouse may also elect to take a fee simple ownership in the household furnishings therein, despite  
24 the fact that a life estate ~~therein~~ in the dwelling house might exceed the fractional limitation  
25 provided for in subsection (a) of this section. If the value of a life estate in the dwelling house is  
26 less than the value of a life estate in one-third in value of all the real estate, the surviving spouse  
27 may elect to take a life estate in the dwelling and a life estate in such other real estate as to make  
28 the aggregate life estate of the surviving spouse equal to a life estate in one-third in value of all  
29 the real estate.

30 (c) The election provided for in subsection (a) of this section ~~shall be~~ is made by ~~the filing~~  
31 ~~of a~~ petition in accordance with Article 2 of Chapter 28A of the General Statutes (i) with the  
32 clerk of the superior court of the county in which the administration of the estate is pending or  
33 (ii) if no administration is pending, then with the clerk of the superior court of any county in  
34 which the administration of the estate could be commenced, together with ~~the recording of a~~  
35 notice indicating the county and file number of the clerk's filing with the register of deeds in



1 every county where real property ~~to be~~ claimed under the filing is located. The election shall be  
2 made prior to the following applicable periods:

- 3 (1) In case of testacy, the shorter of (i) within 12 months of the date of death of  
4 the deceased spouse if letters testamentary are not issued within that period,  
5 or (ii) within one month after the expiration of the time limit for filing a claim  
6 for elective share if letters have been issued.
- 7 (2) In case of intestacy, the shorter of (i) within 12 months after the date of death  
8 of the deceased spouse if letters of administration are not issued within that  
9 period, or (ii) within one month after the expiration of the time limit for filing  
10 claims against the estate, if letters have been issued.
- 11 (3) Repealed by Session Laws 2011-344, s. 5, effective January 1, 2012.
- 12 (4) If litigation that affects the share of the surviving spouse in the estate is  
13 pending, including a pending petition for determination of an elective share,  
14 then within ~~such a~~ reasonable time as ~~may be~~ allowed by written order of the  
15 clerk of the superior court.

16 Nothing in this subsection extends the period of time for a surviving spouse to petition for an  
17 elective share under Article 1A of Chapter 30 of the General Statutes.

18 (c1) The petition described in subsection (c) of this section shall do all of the following:

- 19 (1) Be directed to the clerk with whom it is filed.
- 20 (2) State that the surviving spouse making the petition elects to take under this  
21 section rather than under ~~the provisions of~~ G.S. 29-14, 29-21, or 30-3.1, as  
22 applicable.
- 23 (3) Set forth the names of all heirs, devisees, personal ~~representatives~~  
24 representatives, and all other persons in possession of or claiming an estate or  
25 an interest in the property described in subsection (a) of this section.
- 26 (4) Request the allotment of the life estate provided for in subsection (a) of this  
27 section.

28 (c2) The petition described in subsection (c) of this section may be filed in ~~person, person~~  
29 or by attorney authorized in a writing executed and duly acknowledged by the surviving spouse  
30 and attested by at least one witness. If the surviving spouse is a minor or an incompetent, the  
31 petition may be executed and filed by a general guardian or by the guardian of the person or  
32 estate of the minor or incompetent spouse. If the minor or incompetent spouse has no guardian,  
33 the petition may be executed and filed by a guardian ad litem appointed by the clerk. The petition,  
34 whether in person or by attorney, shall be filed as a record of the court, and a summons together  
35 with a copy of the petition shall be served upon each of the interested persons named in the  
36 petition, in accordance with G.S. 1A-1, Rule 4.

37 (d) In case of election to take a life estate in lieu of an intestate share or elective share, as  
38 provided in either G.S. 29-14, 29-21, or 30-3.1, the clerk of superior court, with whom the  
39 petition has been filed, shall summon and appoint a jury of three disinterested persons who being  
40 first duly sworn shall promptly allot and set apart to the surviving spouse the life estate provided  
41 for in subsection (a) of this section and make a final report of this action to the clerk.

42 (e) The final report shall be filed by the jury not more than 60 days after ~~the their~~  
43 summoning and ~~appointment thereof, appointment,~~ shall be signed by all jurors, and shall  
44 describe by metes and bounds the real estate in which the surviving spouse ~~shall have~~ has been  
45 allotted and set aside a life estate. It shall be filed as a record of court and a certified copy ~~thereof~~  
46 of it shall be filed and recorded in the office of the register of deeds of each county in which any  
47 part of the real property of the deceased spouse, affected by the allotment, is located.

48 (f) In the election and procedure to have the life estate allotted and set apart provided for  
49 in this section, the rules of procedure relating to partition proceedings apply except insofar as the  
50 rules would be inconsistent with ~~the provisions of~~ this section. A determination of the life estate  
51 under this section may be appealed in accordance with G.S. 1-301.3.

1 (g) Neither the household furnishings in the dwelling house nor the life ~~estates~~ estate  
 2 taken by election under this section are subject to the payment of debts due from the estate of the  
 3 deceased spouse, except those debts secured by ~~such the~~ the property as follows:

4 (1) By a mortgage or deed of trust in which the surviving spouse has waived the  
 5 surviving spouse's rights by joining with the other ~~spouse in the making~~  
 6 ~~thereof, spouse.~~ thereof, spouse.

7 (2) By a mortgage or deed of trust given by the deceased spouse to secure a loan,  
 8 the proceeds of which were used to pay all or a portion of the purchase price  
 9 of the encumbered real property, regardless of whether the secured party is the  
 10 seller of the real property or a third-party ~~lender, or by~~ lender.

11 (2a) By a conditional sales contract of personal property in which title is retained  
 12 by the vendor, made prior to or during the marriage.

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

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

16 (5) By a mortgage or deed of trust on property with respect to which the elective  
 17 life estate provided for in this section does not apply as provided in subsection  
 18 (a) of this section.

19 (h) If no election is made in the manner and within the time provided for in subsection  
 20 (c) of this section, the surviving spouse ~~shall be~~ is conclusively deemed to have waived the  
 21 surviving spouse's right to elect to take under ~~the provisions of~~ this section, and any interest  
 22 ~~which that~~ the surviving spouse may have had in the real estate of the deceased spouse by virtue  
 23 of this section ~~shall terminate.~~ is terminated."

24 **SECTION 1.(c)** G.S. 50-11 reads as rewritten:

25 **"§ 50-11. Effects of absolute divorce.**

26 (a) After a judgment of divorce from the bonds of matrimony, all rights arising out of the  
 27 marriage ~~shall cease and determine except as hereinafter set out,~~ cease, except as otherwise  
 28 provided by this section, and either party may marry again without restriction arising from the  
 29 dissolved marriage.

30 (b) No judgment of divorce shall cause any child in esse or begotten of the body of the  
 31 wife during ~~coverture~~ the marriage to be treated as a child born out of wedlock.

32 (c) A divorce obtained pursuant to G.S. 50-5.1 or G.S. 50-6 ~~shall~~ does not affect the  
 33 rights of either spouse with respect to any action for alimony or postseparation support pending  
 34 at the time the judgment for divorce is granted. Furthermore, a judgment of absolute divorce ~~shall~~  
 35 does not impair or destroy the right of a spouse to receive alimony or postseparation support or  
 36 affect any other rights provided for ~~such the~~ the spouse under any judgment or decree of a court  
 37 rendered before or at the time of the judgment of absolute divorce.

38 (d) A divorce obtained outside the State in an action in which jurisdiction over the person  
 39 of the dependent spouse was not obtained ~~shall~~ does not impair or destroy the right of the  
 40 dependent spouse to alimony as provided by the laws of this State.

41 (e) An absolute divorce obtained ~~within in~~ in this State ~~shall destroy~~ destroys the right of a  
 42 spouse to equitable distribution under G.S. 50-20 unless the right is asserted prior to judgment of  
 43 absolute divorce; ~~except, however,~~ the defendant may bring an action or file a motion in the cause  
 44 for equitable distribution within six months from the date of the judgment in ~~such a the~~ the case if  
 45 service of process upon the defendant was by publication pursuant to G.S. 1A-1, ~~Rule 4~~ Rule 4,  
 46 and the defendant failed to appear in the action for divorce.

47 (f) An absolute divorce by a court that lacked personal jurisdiction over the absent spouse  
 48 or lacked jurisdiction to dispose of the property ~~shall~~ does not destroy the right of a spouse to  
 49 equitable distribution under G.S. 50-20 if an action or motion in the cause is filed within six  
 50 months after the judgment of divorce is entered. The validity of ~~such the~~ the divorce may be attacked  
 51 in the action for equitable distribution."

1           **SECTION 1.(d)** G.S. 52-10 reads as rewritten:

2   "**§ 52-10. Contracts between husband and wife generally; releases.**

3       (a) Contracts between husband and wife not inconsistent with public policy are valid, and  
4 any persons of full age about to be married and married persons may, with or without a valuable  
5 consideration, release and quitclaim ~~such rights which they might respectively acquire or may~~  
6 ~~have acquired by marriage in the property of each other; and such other.~~ These releases may be  
7 pleaded in bar of any action or proceeding for the recovery of the rights and estate ~~so~~ released.  
8 No contract or release between husband and wife made during their ~~coverture shall be valid to~~  
9 ~~affect or change any part of the real estate of either spouse, or the accruing income thereof for a~~  
10 ~~longer time than three years next ensuing the making of such contract or release, marriage affects~~  
11 either of the following, unless it is in writing and is acknowledged by both parties before a  
12 certifying ~~officer~~ officer:

13           (1) Either spouse's real property.

14           (2) Income from either spouse's real property accruing more than three years after  
15 the execution of the contract or release.

16       (a1) A contract between a husband and wife made, with or without a valuable  
17 consideration, during a period of separation to waive, release, or establish rights and obligations  
18 to ~~post separation~~ postseparation support, alimony, or spousal support is valid and not  
19 inconsistent with public policy. A provision waiving, releasing, or establishing rights and  
20 obligations to ~~post separation~~ postseparation support, alimony, or spousal support ~~shall remain~~  
21 remains valid following a period of reconciliation and subsequent separation, if the contract  
22 satisfies all of the following requirements:

23           (1) The contract is in writing.

24           (2) The provision waiving the rights or obligations is clearly stated in the contract.

25           (3) The contract was acknowledged by both parties before a certifying officer.

26 A release made pursuant to this subsection may be pleaded in bar of any action or proceeding for  
27 the recovery of the rights released.

28       (b) ~~Such~~ A certifying officer under this section shall be a notary public, or a justice, judge,  
29 magistrate, clerk, assistant ~~clerk~~ clerk, or deputy clerk of the General Court of Justice, or the  
30 equivalent or corresponding officers of the state, ~~territory~~ territory, or foreign country where the  
31 acknowledgment is made. ~~Such~~ The officer ~~must~~ shall not be a party to the contract.

32       (c) This section ~~shall~~ does not apply to any judgment of the superior court or other State  
33 court of competent ~~jurisdiction, which, jurisdiction that,~~ by reason of its being consented to by a  
34 husband and wife, or their attorneys, may be construed to constitute a contract or release between  
35 ~~such~~ the husband and wife."

36           **SECTION 2.** G.S. 1-569.17 reads as rewritten:

37   "**§ 1-569.17. Witnesses; subpoenas; depositions; discovery.**

38       (a) An arbitrator may issue a subpoena for the attendance of a witness and for the  
39 production of records and other evidence at any hearing and may administer oaths. A subpoena  
40 shall be served in the manner for service of subpoenas in a civil action and, upon motion to the  
41 court by a party to the arbitration proceeding or the arbitrator, enforced in the manner for  
42 enforcement of subpoenas in a civil action.

43       ...

44       (d) If an arbitrator permits discovery under subsection (c) of this section, the arbitrator  
45 may order a party to the arbitration proceeding to comply with the arbitrator's discovery-related  
46 orders, issue subpoenas for the attendance of a witness and for the production of records and  
47 other evidence at a discovery proceeding, and take action against a noncomplying party to the  
48 extent a court could if the controversy were the subject of a civil action in this State.

49       ...

50       (g) The court may enforce a subpoena or discovery-related order for the attendance of a  
51 witness within this State and for the ~~protection~~ production of records and other evidence issued

1 by an arbitrator in connection with an arbitration proceeding in another state upon conditions  
2 determined by the court so as to make the arbitration proceeding fair, expeditious, and  
3 cost-effective. A subpoena or discovery-related order issued by an arbitrator in another state shall  
4 be served in the manner provided by law for service of subpoenas in a civil action in this State  
5 and, upon motion to the court by a party to the arbitration proceeding or the arbitrator, enforced  
6 in the manner provided by law for enforcement of subpoenas in a civil action in this State.

7 (h) An arbitrator ~~shall~~does not have the authority to hold a party in contempt of any order  
8 the arbitrator makes under this section. A court may hold parties in contempt for failure to obey  
9 an arbitrator's order, or an order made by the court, pursuant to this section, among other  
10 sanctions imposed by the arbitrator or the court."

11 **SECTION 3.** G.S. 7B-2204(d) reads as rewritten:

12 "(d) Should the juvenile be found guilty, or enter a plea of guilty or no contest to a criminal  
13 offense in superior court and receive an active sentence, then immediate transfer to the Division  
14 of Prisons of the Department of Adult Correction shall be ordered. Until ~~such time as~~ the juvenile  
15 is transferred to the Division of Prisons of the Department of Adult Correction, the juvenile may  
16 be detained in a holdover facility or detention facility approved by the ~~Section or approved by~~  
17 ~~the~~ Division of Juvenile Justice of the Department of Public Safety."

18 **SECTION 4.** G.S. 14-113.7A reads as rewritten:

19 "**§ 14-113.7A. Application of Article to credit financial transaction cards.**

20 This Article ~~shall not be construed as being applicable~~does not apply to any credit a financial  
21 transaction card as the term is defined in G.S. 14-113.8."

22 **SECTION 5.** Article 15A of Chapter 15 of the General Statutes is repealed.

23 **SECTION 6.** G.S. 58-6-25 reads as rewritten:

24 "**§ 58-6-25. Insurance regulatory charge.**

25 ...

26 (b) Rates. – The rate of the charge for each taxable year ~~shall be~~is six and one-half  
27 percent (6.5%). When the Department prepares its budget request for each upcoming fiscal year,  
28 the Department shall propose a percentage rate of the charge levied in this section. The Governor  
29 shall submit that proposed rate to the General Assembly each fiscal year. It is the intent of the  
30 General Assembly that the percentage rate not exceed the rate necessary to generate funds  
31 sufficient to defray the estimated cost of the operations of the Department for each upcoming  
32 fiscal year, including a reasonable margin for a reserve that shall be used to provide for  
33 unanticipated expenditures requiring a budget adjustment as authorized by G.S. 143C-6-4. In  
34 calculating the amount of the reserve, the General Assembly shall consider all relevant factors  
35 that may affect the cost of operating the Department or a possible unanticipated increase or  
36 decrease in North Carolina premiums or other charge revenue.

37 ...

38 (d) Use of Proceeds. – The Insurance Regulatory Fund is created as an interest-bearing  
39 special fund to which the proceeds of the charge levied in this section and all fees collected under  
40 Articles 69 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the General  
41 Statutes shall be credited. Moneys in the Fund may be spent only pursuant to appropriation by  
42 the General Assembly, and the Fund is subject to the provisions of the State Budget Act. All  
43 money credited to the Fund shall be used to reimburse the General Fund for the following:

44 ...

45 (9) Money appropriated to the Department of Insurance for the regulation of the  
46 professional employer organization industry pursuant to Article 89A of  
47 ~~Chapter 58 of the General Statutes~~this Chapter.

48 ...."

49 **SECTION 7.(a)** The last sentence of Section 5 of S.L. 2013-357 is codified as the  
50 last sentence of G.S. 58-50-130(a)(5)b.

1 SECTION 7.(b) G.S. 58-50-130, as amended by subsection (a) of this section, reads  
2 as rewritten:

3 "§ 58-50-130. Required health care plan provisions.

4 (a) Health benefit plans covering small employers are subject to the following provisions:

5 ...

6 (5) No small employer carrier, insurer, subsidiary of an insurer, or controlled  
7 individual of an insurance holding company shall provide stop loss,  
8 catastrophic, or reinsurance coverage that does not comply with the applicable  
9 standards in this Article, including underwriting and rating standards, to small  
10 employers ~~who employ~~ employing fewer than 12 eligible employees ~~that does~~  
11 ~~not comply with the underwriting, rating, and other applicable standards in~~  
12 ~~this Act.~~ employees. An insurer shall not issue a stop loss health insurance  
13 policy to any person, firm, corporation, partnership, or association defined as  
14 a small employer that does any of the following:

- 15 a. Provides direct coverage of health expenses payable to an individual.  
16 b. Has an annual attachment point for claims incurred per individual that  
17 is lower than twenty thousand dollars (\$20,000) for plan years  
18 beginning in 2013. For subsequent policy years, the amount shall be  
19 indexed using the Consumer Price Index for Medical Services for All  
20 Urban Consumers for the South Region and shall be rounded to the  
21 nearest whole thousand dollars. The index factor ~~shall be~~ is the index  
22 as of July of the year preceding the change divided by the index as of  
23 July 2012. The Department of Insurance ~~shall make the amount of the~~  
24 ~~attachment points in Section 3 of this act~~ the indexed amount available  
25 to the public annually.  
26 c. Has an annual aggregate attachment point lower than the greater of  
27 one of the following:  
28 1. One hundred twenty percent (120%) of expected claims.  
29 2. Twenty thousand dollars (\$20,000) for plan years beginning in  
30 2013. For subsequent policy years, the amount shall be indexed  
31 using the Consumer Price Index for Medical Services for All  
32 Urban Consumers for the South Region and shall be rounded  
33 to the nearest whole thousand dollars. The index factor ~~shall be~~  
34 is the index as of July of the year preceding the change divided  
35 by the index as of July 2012.

36 Nothing in this subsection prohibits an insurer from providing additional  
37 incentives to small employers with benefits promoting a medical home or  
38 benefits that provide health care screenings, are focused on outcomes and key  
39 performance indicators, or are reimbursed on an outcomes basis rather than a  
40 fee-for-service basis.

41 (6) If a small employer carrier offers coverage to a small employer, the small  
42 employer carrier shall offer coverage to all eligible employees of a small  
43 employer and their dependents. A small employer carrier shall not offer  
44 coverage to only certain individuals in a small employer group except in the  
45 case of late enrollees as provided in ~~G.S. 58-50-130(a)(4)~~ subdivision (a)(4)  
46 of this section.

47 (7), (8) Repealed by Session Laws 1997-259, s. 5.

48 (9) The health benefit plan ~~must~~ shall meet the applicable requirements of Article  
49 68 of this Chapter.

1 (b) For all small employer health benefit plans that are grandfathered health benefit plans  
2 and that are subject to this section, the premium rates are subject to all of the following  
3 provisions:

4 (1) Small employer carriers shall use an adjusted-community rating methodology  
5 in which the premium for each small employer can vary only on the basis of  
6 the eligible employee's or dependent's age as determined under subdivision  
7 (6) of this subsection, the gender of the eligible employee or dependent,  
8 number of family members covered, or geographic area as determined under  
9 subdivision (7) of this subsection, or industry as determined under subdivision  
10 (9) of this subsection. Premium rates charged during a rating period to small  
11 employers with similar case characteristics for the same coverage shall not  
12 vary from the adjusted community rate by more than twenty-five percent  
13 (25%) for any reason, including differences in administrative costs and claims  
14 experience.

15 (2) Rating factors related to age, gender, number of family members covered,  
16 geographic location, or industry may be developed by each carrier to reflect  
17 the carrier's experience. The factors used by carriers are subject to the  
18 Commissioner's review.

19 (3) A small employer carrier shall not modify the premium rate charged to a small  
20 employer or a small employer group member, including changes in rates  
21 related to the increasing age of a group member, for 12 months from the initial  
22 issue date or renewal date, unless the group is ~~composite-rated~~  
23 composite-rated and composition of the group changed by twenty percent  
24 (20%) or more or benefits are changed. The percentage increase in the  
25 premium rate charged to a small employer for a new rating period shall not  
26 exceed the sum of all of the following:

27 ...

28 (4), (5) Repealed by Session Laws 1995, c. 238, s. 1.

29 (6) Unless the small employer carrier uses composite rating, the small employer  
30 carrier shall use the following age brackets:

- 31 a. Younger than 15 ~~years;~~years.  
32 b. 15 to 19 ~~years;~~years.  
33 c. 20 to 24 ~~years;~~years.  
34 d. 25 to 29 ~~years;~~years.  
35 e. 30 to 34 ~~years;~~years.  
36 f. 35 to 39 ~~years;~~years.  
37 g. 40 to 44 ~~years;~~years.  
38 h. 45 to 49 ~~years;~~years.  
39 i. 50 to 54 ~~years;~~years.  
40 j. 55 to 59 ~~years;~~years.  
41 k. 60 to 64 ~~years;~~years.  
42 l. 65 years.

43 Carriers may combine, but shall not split, complete age brackets for the  
44 purposes of determining rates under this subsection. Small employer carriers  
45 shall be permitted to develop separate rates for individuals aged 65 years and  
46 older for coverage for which Medicare is the primary payor and coverage for  
47 which Medicare is not the primary payor.

48 (7) A carrier shall define geographic area to mean medical care system. Medical  
49 care system factors shall reflect the relative differences in expected costs, shall  
50 produce rates that are not excessive, inadequate, or unfairly discriminatory in

1 the medical care system areas, and shall be ~~revenue-neutral~~revenue-neutral  
 2 to the small employer carrier.

3 (8) The Department may adopt rules to administer this subsection and to assure  
 4 that rating practices used by small employer carriers are consistent with the  
 5 purposes of this subsection. Those rules shall include consideration of  
 6 differences based on all of the following:

7 a. Health benefit plans that use different provider network arrangements  
 8 may be considered separate plans for the purposes of determining the  
 9 rating in subdivision (1) of this ~~subsection, provided that~~subsection so  
 10 long as the different arrangements are expected to result in substantial  
 11 differences in claims costs.

12 b. Except as provided for in sub-subdivision a. of this subdivision,  
 13 differences in rates charged for different health benefit plans shall be  
 14 reasonable and reflect objective differences in plan ~~design, design~~ but  
 15 shall not permit differences in premium rates because of the case  
 16 characteristics of groups assumed to select particular health benefit  
 17 plans.

18 c. Small employer carriers shall apply allowable rating factors  
 19 consistently with respect to all small employers.

20 (9) In any case where the small employer carrier uses industry as a case  
 21 characteristic in establishing premium rates, the rate factor associated with  
 22 any industry classification divided by the lowest rate factor associated with  
 23 any other industry classification shall not exceed 1.2.

24 (b1) For all small employer health benefit plans that are not grandfathered health benefit  
 25 plans and that are subject to this section, the premium rates are subject to all of the following  
 26 provisions:

27 (1) A small employer carrier shall use a method to develop premiums for small  
 28 employer group health benefit plans that are not grandfathered health plans  
 29 ~~which that~~ spreads financial risk across a large population and allows  
 30 adjustments for only the following factors:

31 a. Age, except that the rate shall not vary by more than the ratio of three  
 32 to one (3:1) for adults.

33 b. Whether the plan or coverage covers individual or family.

34 c. Geographic rating areas.

35 d. Tobacco use, except that the rate shall not vary by more than the ratio  
 36 of one and two-tenths to one (1.2:1) due to tobacco use.

37 With respect to family coverage under a health benefit plan, the rating  
 38 variations for age and tobacco use shall be applied based on the portion of  
 39 premium that is attributable to each family member covered under the plan.

40 ...

41 (f) Each small employer carrier shall file with the Commissioner annually on or before  
 42 March 15 an actuarial certification certifying that it is in compliance with this ~~Act~~Article and  
 43 that its rating methods are actuarially sound. The small employer carrier shall retain a copy of  
 44 the certification at its principal place of business.

45 (g) A small employer carrier shall make the information and documentation described in  
 46 subsection (e) of this section available to the Commissioner upon request. Except in cases of  
 47 violations of this ~~Act~~Article, the information is proprietary and trade secret information and is  
 48 not subject to disclosure by the Commissioner to persons outside of the Department except as  
 49 agreed to by the small employer carrier or as ordered by a court of competent jurisdiction.  
 50 Nothing in this section affects the Commissioner's authority to approve rates before their use  
 51 under G.S. 58-65-60(e) or G.S. 58-67-50(c).



(h) ~~The provisions of subdivisions (a)(1), (3), and (5) and subsections (b) through (g) of this section apply to health benefit plans delivered, issued for delivery, renewed, or continued in this State or covering persons residing in this State on or after January 1, 1992. The provisions of subdivisions (a)(2) and (4) of this section apply to health benefit plans delivered, issued for delivery, renewed, or continued in this State or covering persons residing in this State on or after the date the plan becomes operational, as designated by the Commissioner. For purposes of this subsection, the date a health benefit plan is continued is the anniversary date of the issuance of the health benefit plan.~~

...."

**SECTION 7.(c)** The introductory language of Section 12 of S.L. 2015-281 reads as rewritten:

"**SECTION 12.** ~~Section 4(b) of S.L. 2013-357 reads as rewritten:~~

~~"**SECTION 4.(b)**—G.S. 58-50-110 reads as rewritten:"~~

**SECTION 7.(d)** Subsection (c) of this section is retroactively effective January 1, 2016. The remainder of this section is effective when it becomes law.

**SECTION 9.(a)** G.S. 89E-3 reads as rewritten:

**"§ 89E-3. Definitions.**

When used in this Chapter, unless the context otherwise requires:

- (1) "Board" means the North Carolina Board for Licensing of Geologists.
- (2) "Geologist". The term "geologist", within the intent of this Chapter, shall mean a person who is trained and educated in the science of geology.
- (3) The term "geologist-in-training" means a person who has ~~taken~~ and successfully passed the portion of professional examination covering fundamental or academic geologic subjects, prior to ~~his~~ completion of the requisite years of experience in geologic work as ~~provided for in~~ required for licensure under this Chapter.
- ...
- (5) The term "good moral character" means such character as tends to ensure the faithful discharge of ~~the fiduciary duties of the licensed geologist to his~~ licensed geologist's fiduciary duties to a client.
- ...
- (8) "Public practice of geology" means the performance for others of geological service or work in the nature of work or consultation, investigation, surveys, evaluations, planning, mapping and inspection of geological work, in which the performance is related to the public welfare of safeguarding of life, health, property and the environment, except as specifically exempted by this Chapter. The definition shall not include or allow the practice of engineering as defined in Chapter 89C of the North Carolina General Statutes.
- (9) The term "qualified geologist" means a person who possesses all of the qualifications specified in this Chapter for licensing ~~except that he or she~~ but is not licensed.
- (10) The term "responsible charge of work" means the independent control and direction by the use of initiative, skill and independent judgment of geological work or the supervision of such work.
- (11) The term "subordinate" means either of the following who does not assume the responsible charge of work:
  - a. ~~any~~ A person who assists a licensed geologist in the practice of ~~geology without assuming the responsible charge of work.~~ geology.
  - b. A geologist-in-training working under the supervision of a licensed geologist."

**SECTION 9.(b)** G.S. 89E-4 reads as rewritten:

1 "§ 89E-4. North Carolina Board for Licensing of Geologists; appointments; terms;  
2 composition.

3 ...  
4 (c) Each member of the Board shall be a citizen of the United States and shall have been  
5 a resident of this State for at least six months immediately preceding ~~his or her~~  
6 ~~appointment~~ appointment to the Board.

7 ...."

8 SECTION 9.(c) G.S. 89E-6 reads as rewritten:

9 "§ 89E-6. Exemptions.

10 Any person except as specifically exempted below who shall publicly practice or offer to  
11 publicly practice geology in this State is subject to the provisions of this Chapter. The following  
12 persons are exempt:

- 13 (1) Persons engaged solely in teaching the science of geology or engaged solely  
14 in geologic research in this State ~~may pursue their teaching and/or research~~  
15 ~~without licensing~~ State. A teacher or researcher must, however, be a licensed  
16 geologist ~~if he or she performs to perform~~ to perform geologic work and services for  
17 which a ~~licensed geologist license~~ licensed geologist license is required by this Chapter.
- 18 (2) Officers and employees of the United States of America and the State of North  
19 Carolina practicing solely as such officers or employees.
- 20 (3) Officers and employees of petroleum companies practicing solely as such  
21 officers and employees and not offering their professional services to the  
22 public for hire.
- 23 (4) A subordinate to a licensed geologist or a geologist in training licensed under  
24 ~~this Chapter insofar as he or she acts solely in such~~ when acting solely in that  
25 capacity. This exemption does not permit ~~any such a~~ any such a subordinate to practice  
26 geology for others in ~~his~~ the subordinate's own right or use the term "licensed  
27 geologist".

28 SECTION 9.(d) G.S. 89E-7 reads as rewritten:

29 "§ 89E-7. Limitations.

30 ...

31 (b) This Chapter shall not be construed to prevent or to affect:

32 ...

- 33 (2) The public practice of geology by a person not a resident of and having no  
34 established place of business in this State, when ~~such the~~ practice does not  
35 exceed in the aggregate more than 90 days in any calendar year, ~~and provided~~  
36 ~~such person the nonresident is duly licensed to practice such profession~~  
37 geology in another state where the requirements for a license are not lower  
38 than those specified in this Chapter ~~for obtaining the license required for such~~  
39 ~~work; and provided further that such Chapter, the nonresident shall file files~~  
40 with the Board Board, within 10 days of entering this State for commencing  
41 ~~of such work, a statement giving his the nonresident's name, residence,~~  
42 residence address, the number of his license, and by what authority issued,  
43 ~~and nonresident license number and issuing state, and, upon the completion~~  
44 of the work, files with the Board a statement of the time engaged in such the  
45 work within in the State; or
- 46 (3) The public practice of geology by a person who is not a resident of and having  
47 has no established place of business in this State, or who State or has recently  
48 become a resident hereof, practicing or offering of this State and who practices  
49 or offers to practice herein in this State for more than 90 days in any calendar  
50 year the profession of geology, if he if the person is licensed in another state  
51 or qualified as defined herein, if he shall have state, has filed with the Board

1 an application for a ~~license~~ license, and ~~shall have~~ has paid the fee required  
 2 by this Chapter. ~~Such~~ A practice ~~shall be under this exemption is~~ deemed a  
 3 provisional practice and shall continue only for ~~such~~ the time as the Board  
 4 requires reasonably for the consideration of the applicant for licensing under  
 5 this Chapter as a geologist."

6 **SECTION 9.(e)** G.S. 89E-8 reads as rewritten:

7 **"§ 89E-8. Applications.**

8 An application for licensing as a geologist shall be made under oath, shall show the applicant's  
 9 education and a summary of ~~his~~ the applicant's geological work, ~~plus and shall set out any~~ other  
 10 relevant criteria to be determined by the Board. The Board shall have the power to determine a  
 11 reasonable application fee ~~which that~~ shall accompany each application."

12 **SECTION 9.(f)** G.S. 89E-9 reads as rewritten:

13 **"§ 89E-9. Minimum qualifications.**

14 An applicant shall be eligible for a license as a geologist in North Carolina provided that each  
 15 applicant meets the following minimum qualifications:

- 16 (1) Be of good moral and ethical character.
- 17 (2) Have graduated from an accredited college or university, and have a degree  
 18 with a major in geology, engineering geology or geological engineering or  
 19 related geologic science; or have completed 30 semester hours or the  
 20 equivalent in geological science courses leading to a major in geology, of  
 21 which at least 24 hours of the equivalent were upper level undergraduate  
 22 courses or graduate courses. ~~The Board shall waive the academic requirements~~  
 23 ~~for a person already practicing geology at the time this Chapter is enacted,~~  
 24 ~~provided application for license is made not later than one year after~~  
 25 ~~appointment of the initial Board and provided further that the applicant can~~  
 26 ~~provide evidence to satisfy the Board that he or she is competent to engage in~~  
 27 ~~the public practice of geology.~~
- 28 (3) Successfully pass such examination established by the Board which shall be  
 29 designed to demonstrate that the applicant has the necessary knowledge and  
 30 requisite skill to exercise the responsibilities of the public practice of geology.  
 31 ~~The Board shall waive the examination for licensing as a geologist of an~~  
 32 ~~applicant who makes written application to the Board not later than one year~~  
 33 ~~after appointment of the initial Board, and who otherwise meets the~~  
 34 ~~qualification of this Chapter.~~
- 35 (4) Have at least five years of professional geological work which shall include a  
 36 minimum of three years of professional geological work under the supervision  
 37 of a licensed geologist; or a minimum of three cumulative years work in  
 38 responsible charge of geological work satisfactory to the Board. The following  
 39 criteria of education and experience qualify as specified toward accumulation  
 40 of the required five years of professional geological work:  
 41 ...  
 42 d. The ability of the applicant shall have been demonstrated by ~~his~~ having  
 43 performed the work in a responsible position as determined by the  
 44 Board. The adequacy of the required supervision and the experience  
 45 shall be determined by the Board in accordance with the standards set  
 46 forth in ~~regulations~~ rules adopted by it."

47 **SECTION 9.(g)** G.S. 89E-11 reads as rewritten:

48 **"§ 89E-11. Comity.**

49 A person holding a license to engage in the practice of geology, on the basis of comparable  
 50 licensing requirements issued to ~~him~~ by a proper authority by the State, territory, or possession  
 51 of the United States or the District of Columbia, and who, in the opinion of the Board otherwise

1 meets the requirements of this Chapter based upon verified evidence may, upon application, be  
2 licensed without further examination."

3 **SECTION 9.(h)** G.S. 89E-13 reads as rewritten:

4 **"§ 89E-13. Seals; requirements.**

5 Each geologist licensed ~~hereunder, under this Chapter,~~ upon the issuance of a license, shall  
6 obtain from the secretary at a cost prescribed by the Board, a seal of the design authorized by the  
7 Board bearing the licensee's name and the legend "Licensed Geologist – State of North Carolina".  
8 All drawings, ~~reports-reports,~~ or other geologic papers or documents involving geologic work as  
9 defined in this Chapter ~~which shall have been that are~~ prepared or approved by a licensed  
10 ~~geologist or a subordinate employee under his direction for the use of or geologist, or a~~  
11 ~~nonresident geologist who has been exempted under this Chapter,~~ for delivery to any person or  
12 for public record ~~within in~~ this State shall be signed by ~~him or her~~ and impressed with ~~the said~~  
13 ~~seal or the seal of a nonresident practicing under the provisions of this Chapter, either of which~~  
14 ~~shall indicate his or her responsibility therefor, the geologist. The signature and seal each indicate~~  
15 the geologist's responsibility for the papers or documents."

16 **SECTION 9.(i)** G.S. 89E-14 reads as rewritten:

17 **"§ 89E-14. Records.**

18 (a) The Board shall keep a public record of its proceedings and a register of all  
19 applications for licensing.

20 (b) The register shall show:

21 ...

22 (4) ~~His or her~~ The applicant's education and other qualifications;

23 ...."

24 **SECTION 9.(j)** G.S. 89E-18 reads as rewritten:

25 **"§ 89E-18. Prohibitions; unlawful acts.**

26 ~~After the effective date of this Chapter:~~ All of the following are unlawful:

27 (1) ~~It shall be unlawful for any~~ For a person other than a licensed geologist or a  
28 subordinate ~~under his direction~~ to prepare any geologic plans, ~~reports-reports,~~  
29 or documents in which the performance is related to the public welfare or  
30 safeguarding of life, health, ~~property-property,~~ or the environment.

31 (2) ~~It shall be unlawful for any~~ For a person to publicly practice, or offer to  
32 publicly practice, geology in this State ~~as defined in the provisions of this~~  
33 ~~Chapter, State,~~ or to use in connection with ~~his or her~~ the person's name or  
34 otherwise ~~assume, assume~~ or advertise any title or description tending to  
35 convey the impression that ~~he or she~~ the person is a licensed geologist, unless  
36 ~~such~~ the person has been ~~duly~~ licensed or exempted under ~~the provisions of~~  
37 this Chapter.

38 (3) ~~After one year following the effective date of this act, it shall be unlawful for~~  
39 ~~For~~ anyone other than a geologist licensed ~~under this Chapter~~ to stamp or seal  
40 any plans, plats, ~~reports-reports,~~ or other documents with the seal or stamp of  
41 a licensed geologist, or to use in any manner the title "Licensed Geologist"  
42 unless that person is licensed ~~hereunder, under this Chapter.~~

43 (4) ~~It shall be unlawful for any~~ For a person to affix ~~his or her signature to or to~~  
44 ~~stamp~~ a licensed geologist's signature, stamp, or seal to any plans, plats,  
45 reports, or other documents ~~after the licensing of the person named thereon if~~  
46 the geologist's license has expired or has been suspended or ~~revoked-revoked,~~  
47 unless the license has since been renewed or reissued."

48 **SECTION 9.(k)** G.S. 89E-19 reads as rewritten:

49 **"§ 89E-19. Disciplinary procedures.**

50 ...

1 (b) If the Board finds that a licensee is professionally incompetent, the Board may require  
 2 the licensee to take an oral or written examination or to meet other requirements to demonstrate  
 3 the licensee's fitness to practice geology, and the Board may suspend the licensee's license until  
 4 ~~he or she~~ the licensee establishes professional competence to the satisfaction of the Board.

5 ...."

6 **SECTION 9.(l)** G.S. 89E-22 reads as rewritten:

7 **"§ 89E-22. Misdemeanor.**

8 Any person who shall willfully practice publicly, or offer to practice publicly, geology for  
 9 other natural or corporate persons in this State without being licensed in accordance with the  
 10 provisions of this Chapter, or any person presenting or attempting to use ~~as his own~~ the license  
 11 or the seal of ~~another~~, another as the person's own, or any person who shall give any false or  
 12 forged evidence of any kind in obtaining a license, or any person who shall falsely impersonate  
 13 any other licensee of like or different name, or any person who shall attempt to use an expired or  
 14 revoked license or practice at any time during a period the Board has suspended or revoked the  
 15 license, or any person who shall violate the provisions of this Chapter shall be guilty of a Class  
 16 2 misdemeanor."

17 **SECTION 9.(m)** G.S. 89E-24 reads as rewritten:

18 **"§ 89E-24. Attorney General as legal advisor.**

19 The Attorney General or any assistant or associate in the Department of Justice selected by  
 20 ~~him~~ the Attorney General shall act as legal advisor to the Board."

21 **SECTION 10.** G.S. 90A-53 reads as rewritten:

22 **"§ 90A-53. Qualifications and examination for registration as an environmental health  
 23 specialist or environmental health specialist intern.**

24 (a) The Board shall issue a certificate to a qualified person as a registered environmental  
 25 health specialist or a registered environmental health specialist intern. A certificate as a registered  
 26 environmental health specialist or a registered environmental health specialist intern shall be  
 27 issued to any person upon the Board's determination that the person meets ~~satisfies~~ all of the  
 28 following criteria:

- 29 (1) Has made application to the Board on a form prescribed by the Board and paid  
 30 a fee not to exceed one hundred dollars ~~(\$100.00);~~ (\$100.00).
- 31 (2) Is of good moral and ethical character and has signed an agreement to adhere  
 32 to the Code of Ethics adopted by the ~~Board;~~ Board.
- 33 (3) Meets any of the following education and practice experience standards:
- 34 a. Graduated with a bachelor's ~~degree or a~~ or postgraduate degree from a  
 35 program that is accredited by the National Environmental Health  
 36 Science and Protection Accreditation Council (EHAC).
- 37 b. Graduated with a bachelor's ~~degree or a~~ or postgraduate degree ~~in~~  
 38 public health and earned a minimum of 30 semester hours or 45 quarter  
 39 hours in the physical, biological, natural, life, or health sciences and  
 40 has one or more years of experience in the field of environmental  
 41 health practice. ~~degree, has earned 45 quarter hours physical,~~  
 42 ~~biological, natural, life, or health sciences and has one~~
- 43 c. Graduated with a bachelor's ~~degree or~~ or postgraduate degree in public  
 44 health and has one or more years of experience in the field of  
 45 environmental health practice. ~~degree, has earned or 45 quarter hours~~  
 46 ~~physical, biological, natural, life, or health sciences and has one~~
- 47 d. Has worked five or more continuous years as a registered  
 48 environmental health associate.
- 49 (4) Has satisfactorily completed a course in specialized instruction and training  
 50 approved by the Board in the practice of environmental health.
- 51 (5) Repealed by Session Laws 2009-443, s. 4, effective August 7, 2009.

1 (6) Has passed an examination administered by the Board designed to test for  
 2 competence in the subject matters of environmental health sanitation. The  
 3 examination shall be in a form prescribed by the Board and may be oral,  
 4 written, or both. The examination for applicants shall be held annually or more  
 5 frequently as the Board may by rule prescribe, at a time and place to be  
 6 determined by the Board. A person shall not be registered if ~~such the~~ person  
 7 fails to meet the minimum grade requirements for examination specified by  
 8 the Board. Failure to pass an examination ~~shall does not~~ prohibit ~~such the~~  
 9 person from being examined at subsequent times and places as specified by  
 10 the Board.

11 (7) Has paid a fee set by the Board not to exceed the cost of purchasing the  
 12 examination and an administrative fee not to exceed one hundred fifty dollars  
 13 (\$150.00).

14 (b) The Board may issue a certificate to a person serving as a registered environmental  
 15 health specialist intern without the person meeting the full requirements for experience of a  
 16 registered environmental health specialist for a period not to exceed two years from the date of  
 17 initial registration as a registered environmental health specialist ~~intern, provided, intern so long~~  
 18 ~~as the person meets the educational requirements in G.S. 90A-53 of this section and is in the field~~  
 19 ~~of environmental health practice."~~

20 **SECTION 11.** Article 3 of Chapter 110 of the General Statutes is repealed.

21 **SECTION 12.** G.S. 110-130 reads as rewritten:

22 "**§ 110-130. Action by the designated representatives of the county commissioners.**

23 (a) ~~Any A~~ county interested in the paternity ~~and/or or~~ support of a dependent child may  
 24 ~~institute civil or criminal proceedings commence a civil or criminal action against the responsible~~  
 25 ~~parent of the child, child or may take up and pursue intervene in any paternity and/or or support~~  
 26 ~~action commenced by the mother, custodian or guardian of the child. Such action shall be~~  
 27 ~~undertaken by the concerning the child. The designated representative of the county~~  
 28 ~~commissioners in the county where the mother of the child resides or is found, in the county~~  
 29 ~~where the father resides or is found, or in the county where the child resides or is found. Any~~  
 30 ~~legal proceeding instituted under this section found may commence or intervene in an action~~  
 31 ~~under this section. An action commenced under this section may be based upon information or~~  
 32 ~~belief.~~

33 (b) ~~The A~~ parent of the child may be subpoenaed for testimony at the trial of ~~the action~~  
 34 ~~to establish the paternity of and/or to obtain support for the child either instituted or taken up by~~  
 35 ~~the designated representative of the county commissioners. an action commenced or intervened~~  
 36 ~~in by a county under this section. The husband-wife privilege shall not be grounds is not a ground~~  
 37 ~~for excusing the mother or father from testifying at the trial nor shall said privilege be grounds is~~  
 38 ~~the privilege a ground for the exclusion of confidential communications between husband and~~  
 39 ~~wife. If a parent called for examination declines to answer upon the grounds that his ground that~~  
 40 ~~his or her testimony may tend to incriminate him, him or her, the court may require him to answer~~  
 41 ~~in which event he the parent to answer. The parent shall not thereafter be prosecuted for any~~  
 42 ~~criminal act involved in the conception of the child whose paternity is in issue and/or or for whom~~  
 43 ~~support is sought, except for perjury committed in this testimony."~~

44 **SECTION 13.(a)** G.S. 115C-284 reads as rewritten:

45 "**§ 115C-284. Method of selection and requirements.**

46 (a) Principals and supervisors shall be elected by the local boards of education upon the  
 47 recommendation of the ~~superintendent, in accordance with the provisions of~~  
 48 ~~G.S. 115C-276(j).superintendent.~~

49 (b) ~~In the city administrative units, principals shall be elected by the board of education~~  
 50 ~~of such administrative unit upon the recommendation of the superintendent of city schools.~~

51 (b1) Repealed by Session Laws 2023-125, s. 1(d), effective September 28, 2023.

1 (c) Repealed by Session Laws 2023-125, s. 1(d), effective September 28, 2023.

2 (c1) Repealed by Session Laws 2023-125, s. 1(d), effective September 28, 2023.

3 (c2) Repealed by Session Laws 2023-125, s. 1(d), effective September 28, 2023.

4 (c3) Repealed by Session Laws 2023-125, s. 1(d), effective September 28, 2023.

5 (d) Repealed by Session Laws 1989, c. 385, s. 1.

6 (d1) Repealed by Session Laws 2023-125, s. 1(d), effective September 28, 2023.

7 (e) The State Board shall not issue provisional licenses for principals. ~~It shall be All~~  
8 ~~principals and supervisors employed in the public schools of the State or in schools receiving~~  
9 ~~public funds are required either to hold or be qualified to hold a license issued by the State Board~~  
10 ~~of Education. It is unlawful for any a local board of education to employ or keep in service any~~  
11 ~~a principal or supervisor who neither holds nor is qualified to hold a license in compliance with~~  
12 ~~the provision of the law or in accordance with the regulations of the State Board of Education.~~  
13 ~~license. However, a local board of education may select a retired principal or retired assistant~~  
14 ~~principal to serve as an interim principal for the remainder of any school year, regardless of~~  
15 ~~licensure status.~~

16 (f) The allotment of classified principals ~~shall be~~ is one principal for each duly  
17 constituted school with seven or more state-allotted teachers.

18 (g) Local boards of education ~~shall have~~ authority to employ supervisors in addition to  
19 those that may be furnished by the State when, in the discretion of the board of education, the  
20 schools of the local school administrative unit can thereby be more efficiently and more  
21 economically operated and when funds for ~~the same~~ them are provided in the current expense  
22 fund budget. The duties of ~~such~~ these supervisors shall be assigned by the superintendent with  
23 the approval of the board of education.

24 (h) ~~All principals and supervisors employed in the public schools of the State or in~~  
25 ~~schools receiving public funds, shall be required either to hold or be qualified to hold a license~~  
26 ~~in compliance with the provision of the law or in accordance with the regulations of the State~~  
27 ~~Board of Education."~~

28 **SECTION 13.(b)** G.S. 115C-299 reads as rewritten:

29 "**§ 115C-299. Hiring of teachers.**

30 (a) ~~In the city administrative units, teachers shall be elected by the board of education of~~  
31 ~~such administrative unit upon the recommendation of the superintendent of city schools.~~

32 Teachers shall be elected by the ~~county and city~~ local boards of education upon the  
33 recommendation of the superintendent, ~~in accordance with the provisions of G.S.~~  
34 ~~115C-276(j).superintendent.~~

35 (b) No person otherwise qualified shall be denied the right to receive credentials from the  
36 State Board of Education, to receive training for the purpose of becoming a teacher, or to engage  
37 in practice teaching in any school on the grounds that ~~such~~ the person is totally or partially blind;  
38 nor shall any local board of education refuse to employ ~~such a~~ the person on ~~such~~ these grounds."

39 **SECTION 13.(c)** G.S. 115C-315(a) is repealed.

40 **SECTION 13.(d)** G.S. 115C-315(b) reads as rewritten:

41 "(b) Election by Local Boards. – School personnel shall be elected by the local board of  
42 education upon the recommendation of the superintendent, ~~in accordance with the provisions of~~  
43 ~~G.S. 115C-276(j).superintendent.~~

44 ~~It is the policy of the State of North Carolina to encourage and provide for the most efficient~~  
45 ~~and cost-effective method of meeting the needs of local school administrative units for~~  
46 ~~noncertified support personnel. To this end, the State Board of Education shall recommend to the~~  
47 ~~General Assembly by November 1, 1984, a system using factors and formulas to determine the~~  
48 ~~total number of noncertified support personnel allotted to local school administrative units. The~~  
49 ~~recommended system for allotting noncertified support personnel shall include the proposed~~  
50 ~~State's funding obligation for these positions and shall be developed in consultation with~~  
51 ~~school-based support personnel or their representatives."~~

1           **SECTION 14.(a)** G.S. 116-30.2 reads as rewritten:

2   "**§ 116-30.2. Appropriations to special responsibility constituent institutions.**

3       (a) All General Fund appropriations made by the General Assembly for continuing  
4 operations of a special responsibility constituent institution of The University of North Carolina  
5 shall be made in the form of a single sum to each budget code of the institution for each year of  
6 the fiscal period for which the appropriations are being made. Notwithstanding G.S. 143C-6-4  
7 and ~~G.S. 120-76(8)~~, G.S. 120-76.1, each special responsibility constituent institution may expend  
8 monies from the overhead receipts special fund budget code and the General Fund monies so  
9 appropriated to it in the manner deemed by the Chancellor to be calculated to maintain and  
10 advance the programs and services of the institutions, consistent with the directives and policies  
11 of the Board of Governors. Special responsibility constituent institutions may transfer  
12 appropriations between budget codes. These transfers ~~shall be~~ are considered certified even if as  
13 a result of agreements between special responsibility constituent institutions. The preparation,  
14 presentation, and review of General Fund budget requests of special responsibility constituent  
15 institutions shall be conducted in the same manner as are requests of other constituent institutions.  
16 The quarterly allotment procedure established pursuant to G.S. 143C-6-3 ~~shall apply~~ applies  
17 to the General Fund appropriations made for the current operations of each special responsibility  
18 constituent institution. All General Fund monies so appropriated to each special responsibility  
19 constituent institution shall be recorded, reported, and audited in the same manner as are General  
20 Fund appropriations to other constituent institutions.

21       (b) Repealed by Session Laws 2006-66, s. 9.11(f), effective July 1, 2007."

22           **SECTION 14.(b)** G.S. 126-85 reads as rewritten:

23   "**§ 126-85. Protection from retaliation.**

24       (a) No head of any State department, ~~agency~~ agency, or institution or other State  
25 employee exercising supervisory authority shall discharge, ~~threaten~~ threaten, or otherwise  
26 discriminate against a State employee regarding the State employee's compensation, terms,  
27 conditions, location, or privileges of employment because the State employee, or a person acting  
28 on behalf of the employee, reports or is about to report, verbally or in writing, any activity  
29 described in G.S. 126-84, unless the State employee knows or has reason to believe that the report  
30 is inaccurate.

31       (a1) No State employee shall retaliate against another State employee because the  
32 employee, or a person acting on behalf of the employee, reports or is about to report, verbally or  
33 in writing, any activity described in G.S. 126-84.

34       (b) No head of any State department, ~~agency~~ agency, or institution or other State  
35 employee exercising supervisory authority shall discharge, ~~threaten~~ threaten, or otherwise  
36 discriminate against a State employee regarding the employee's compensation, terms, conditions,  
37 ~~location~~ location, or privileges of employment because the State employee has refused to carry  
38 out a directive ~~which~~ that in fact constitutes a violation of State or federal law, ~~rule~~ rule, or  
39 regulation or poses a substantial and specific danger to the public health and safety.

40       (b1) No State employee shall retaliate against another State employee because the  
41 employee has refused to carry out a directive ~~which~~ that may constitute a violation of State or  
42 federal law, ~~rule or regulation~~, rule, or regulation or poses a substantial and specific danger to the  
43 public health and safety.

44       (c) The protections of this Article ~~shall include~~ include State employees who report any  
45 activity described in G.S. 126-84 to the State Auditor as authorized by G.S. 147-64.6B, to the  
46 Joint Legislative Commission on Governmental Operations as authorized by ~~G.S. 120-76~~,  
47 G.S. 120-75.1, or to a legislative committee as required by G.S. 120-19."

48           **SECTION 15.** G.S. 116-209.28 reads as rewritten:

49   "**§ 116-209.28. Administration of scholarships previously awarded by the Principal Fellows**  
50   **Program.**



1 (a) The Authority ~~shall, as of July 1, 2021,~~ shall administer all outstanding scholarship  
2 loans previously awarded by the former North Carolina Principal Fellows Commission and  
3 subject to repayment under the former Principal Fellows Program administered pursuant to  
4 Article 5C of this Chapter.

5 (b) All funds received by the Authority in association with its administration of the  
6 Principal Fellows Program, including all funds received as repayment of scholarship loans and  
7 all interest earned on these funds, shall be deposited into the North Carolina Principal Fellows  
8 ~~and TP3-Trust Fund established in G.S. 116-74.41B."~~

9 **SECTION 16.** G.S. 121-42 is repealed.

10 **SECTION 17.(a)** The Revisor of Statutes may recodify the definitions in  
11 G.S. 126-81 so that they appear in alphabetical order and shall make any necessary conforming  
12 changes.

13 **SECTION 17.(b)** Subdivision (2a) of G.S. 135-48.1 is recodified as subdivision (2c)  
14 of that section.

15 **SECTION 18.(a)** G.S. 128-28 reads as rewritten:

16 "**§ 128-28. Administration and responsibility for operation of System.**

17 (a) Vested in Board of Trustees. – The general administration and responsibility for the  
18 proper operation of the Retirement System and for making effective the provisions of this Article  
19 are ~~hereby~~ vested in the Board of Trustees: ~~Provided, that all Trustees.~~ All expenses in connection  
20 with the administration of the North Carolina Local Governmental Employees' Retirement  
21 System shall be charged against and paid from the expense fund as provided in subsection (f) of  
22 G.S. 128-30.

23 (b) Board of Trustees a Body Politic and Corporate; Powers and Authority; Exemption  
24 from Taxation. – The Board of Trustees ~~shall be~~ is a body politic and corporate under the name  
25 Board of Trustees of the North Carolina Local Governmental Employees' Retirement ~~System,~~  
26 ~~and as System. As~~ a body politic and corporate ~~shall have~~ corporate, it has the right to sue and  
27 be sued, ~~shall have perpetual succession and has perpetual succession,~~ shall have a common seal,  
28 ~~and in said in its corporate name shall be able and capable in law to~~ may take, demand, ~~receive~~  
29 ~~receive,~~ and possess all kinds of real and personal property necessary and proper for its corporate  
30 purposes, and ~~to~~ may bargain, sell, grant, ~~alien, transfer,~~ or dispose of all ~~such~~ real and personal  
31 property ~~as it may lawfully acquire.~~ lawfully acquired by it. All ~~such~~ property owned or acquired  
32 by ~~said body politic and corporate shall be~~ it is exempt from all taxes imposed by the State or  
33 any political subdivision thereof, ~~and shall not be thereof and is not~~ subject to income taxes.

34 (c) Members of Board. – The Board shall consist of (i) five members of the Board of  
35 Trustees of the Teachers' and State Employees' Retirement System appointed under  
36 G.S. 135-6(b); the State Treasurer; the Superintendent of Public Instruction; the two members  
37 appointed by the General Assembly; and one of the two members appointed by the Governor  
38 who are not members of the teaching profession or State employees; and (ii) eight members  
39 designated by the Governor:

40 (1) One member shall be a mayor or a member of the governing body of a city or  
41 town participating in the Retirement ~~System;~~ System.

42 (2) One member shall be a county commissioner of a county participating in the  
43 Retirement ~~System;~~ System.

44 (3) One member shall be a law-enforcement officer employed by an employer  
45 participating in the Retirement ~~System;~~ System.

46 (4) One member shall be a county manager of a county participating in the  
47 Retirement ~~System;~~ System.

48 (5) One member shall be a city or town manager of a city or town participating in  
49 the Retirement ~~System;~~ System.

50 (6) One member shall be an active, Fair Labor Standards Act nonexempt, local  
51 governmental employee of an ~~employer;~~ employer.

- 1 (7) One member shall be a retired, Fair Labor Standards Act nonexempt, local  
 2 governmental employee of an ~~employer; and employer.~~  
 3 (8) One member shall be an active or retired member of the ~~Firemen's and Rescue~~  
 4 ~~Squad Workers' Pension Fund.~~ North Carolina Firefighters' and Rescue Squad  
 5 Workers' Pension Fund.

6 The Governor shall designate eight members on April 1 of years in which an election is held  
 7 for the office of Governor, or as soon thereafter as possible, and each of the eight members  
 8 designated by the Governor shall serve on the Board in addition to the regular duties of ~~their~~ the  
 9 member's city, town, or county ~~office; Provided, that if office.~~ office. If for any reason any member  
 10 appointed pursuant to subdivisions (1) through (6) of this subsection vacates the city, town, or  
 11 county office or employment ~~which that~~ the member held at the time of this designation, the  
 12 Governor shall designate another member to serve until the next regular date for the designation  
 13 of members to serve on the Board.

14 (d) Compensation of Trustees. – The trustees shall be paid during sessions of the Board  
 15 at the prevailing rate established for members of State boards and commissions, and they shall  
 16 be reimbursed for all necessary expenses that they incur through service on the Board.

17 (e) Oath. – Each trustee other than the ex officio members shall, within 10 days after ~~his~~  
 18 appointment, take an oath of office, ~~that, to,~~ so far as it devolves upon ~~him, he will~~ the trustee,  
 19 diligently and honestly administer the affairs of the ~~said Board, and that he will~~ Board and to not  
 20 knowingly violate or willingly permit to be violated any of the provisions of law applicable to  
 21 the Retirement System. ~~Such~~ The oath shall be subscribed to by the ~~member~~ trustee making it,  
 22 ~~and~~ certified by the officer before whom it is taken, and immediately filed in the office of the  
 23 Secretary of ~~State; Provided, that where~~ State. However, if a local governmental official  
 24 designated by the Governor has taken an oath of office in connection with the local governmental  
 25 office ~~that he the~~ official holds, the oath for ~~his~~ local governmental office ~~shall be~~ is deemed to  
 26 be sufficient, and ~~he shall not be the official is not~~ required to take the oath hereinabove  
 27 provided. provided in this subsection.

28 (f) Voting Rights. – Each trustee ~~shall be~~ is entitled to one vote in the Board. A majority  
 29 of affirmative votes in attendance ~~shall be~~ is necessary for a decision by the trustees at any  
 30 meeting of ~~said the~~ Board. A vote may only be taken if at least seven members of the Board are  
 31 in attendance, in person or by telephone, for the meeting at which a vote on a decision is taken.

32 (f1) Effect of Vote Related to Contributory Death Benefit. – No decision of the Board  
 33 related to the Contributory Death Benefit provided for under this Article ~~shall take~~ takes effect  
 34 unless and until this same decision has been made and voted on by the Board of Trustees of the  
 35 Teachers' and State Employees' Retirement System.

36 (g) ~~Rules and Regulations.~~ Rules. – Subject to the limitations of this Article, the Board  
 37 of Trustees ~~shall, from time to time, establish rules and regulations~~ shall adopt rules for the  
 38 administration of the funds created by this Article and for the transaction of its business. The  
 39 Board ~~of Trustees shall also, from time to time, shall,~~ in its discretion, adopt rules ~~and regulations~~  
 40 to prevent injustices and inequalities ~~which that~~ might otherwise arise in the administration of  
 41 this Article.

42 (h) Officers and Other Employees, ~~Salaries~~ Salaries, and Expenses. – The State Treasurer  
 43 shall be ex officio chair of the Board of Trustees and shall appoint a director. The Board ~~of~~  
 44 ~~Trustees~~ shall engage ~~such actuarial and other service as shall be~~ actuarial and other services  
 45 required to transact the business of the Retirement System. The compensation of all persons  
 46 engaged by the ~~Board of Trustees,~~ Board, and all other expenses of the Board necessary for the  
 47 operation of the Retirement System, shall be paid at ~~such rates and in such amounts as the Board~~  
 48 ~~of Trustees shall approve.~~ rates and in amounts approved by the Board.

49 (i) Actuarial Data. – The Board of Trustees shall keep in convenient form ~~such data as~~  
 50 ~~shall be~~ necessary for actuarial valuation of the various funds of the Retirement ~~System,~~ System  
 51 and for checking the experience of the System.

1 (j) Record of Proceedings; Annual Report. – The Board of Trustees shall keep a record  
2 of all of its proceedings ~~which that~~ shall be open to public inspection. It shall publish annually a  
3 report showing the fiscal transactions of the Retirement System for the preceding year, the  
4 amount of the accumulated cash and securities of the System, and the last balance sheet showing  
5 the financial condition of the System by means of an actuarial valuation of the assets and  
6 liabilities of the Retirement System. It shall also publish annually a report on supplemental  
7 insurance offerings that are made available to retirees and the extent to which retirees participate  
8 in those offerings.

9 (k) Legal Adviser. – The Attorney General ~~shall be~~ is the legal adviser of the Board of  
10 Trustees.

11 (l) Medical Board. – The Board of Trustees shall designate a Medical Board to be  
12 composed of not less than three nor more than five physicians not eligible to participate in the  
13 Retirement System. The Board of Trustees may structure appointment requirements and term  
14 durations for those ~~medical board~~ Medical Board members. If required, other physicians may be  
15 employed to report on special cases. The Medical Board shall arrange for and pass upon all  
16 medical examinations required under ~~the provisions of this Chapter, and~~ shall investigate all  
17 essential statements and certificates by or on behalf of a member in connection with an  
18 application for disability retirement, and shall report in writing to the Board of Trustees its  
19 conclusion and recommendations upon all the matters referred to it. A person serving on the  
20 ~~medical board shall be~~ Medical Board is immune individually from civil liability for monetary  
21 damages, except to the extent covered by insurance, for any act or failure to act arising out of  
22 that service, ~~except where unless~~ any of the following ~~apply~~ applies:

23 (1) The person was not acting within the scope of that person's official duties.

24 (2) The person was not acting in good faith.

25 (3) The person committed gross negligence or willful or wanton misconduct that  
26 resulted in the damages or injury.

27 (4) The person derived an improper financial benefit, either directly or indirectly,  
28 from the transaction.

29 (5) The person incurred the liability from the operation of a motor vehicle.

30 (m) Duties of Actuary. – The Board of Trustees shall designate an actuary ~~who shall to be~~  
31 the technical adviser of the Board of Trustees on matters regarding the operation of the funds  
32 created by ~~the provisions of this Chapter and shall perform such other duties as are required in~~  
33 ~~connection therewith.~~ this Chapter. The experience studies and all other actuarial calculations  
34 required by this Chapter, and all the assumptions used by the System's actuary, including  
35 mortality tables, interest rates, annuity factors, the contribution-based benefit cap factor, and  
36 employer contribution rates, shall be set out in the actuary's periodic reports, annual valuations  
37 of System assets, or other materials provided to the ~~Board of Trustees.~~ Board. Notwithstanding  
38 Article 2A of Chapter 150B of the General Statutes, these materials, once accepted by the Board,  
39 ~~shall be~~ are considered part of the Plan documentation governing ~~this the~~ Retirement System and  
40 ~~shall be~~ are effective the first day of the month following adoption unless a different date is  
41 specified in the adopting resolution. The effective date ~~shall does~~ not retroactively affect a  
42 contribution rate. The Board's minutes relative to all actuarial assumptions used by the System  
43 ~~shall also be~~ are also considered part of the Plan documentation governing ~~this the~~ Retirement  
44 System, with the result of precluding any employer discretion in the determination of benefits  
45 payable ~~hereunder, under this section,~~ consistent with Section 401(a)(25) of the Internal Revenue  
46 Code.

47 (n) ~~Immediately after the establishment of the Retirement System the actuary shall make~~  
48 ~~such investigation of the mortality, service and compensation experience of the members of the~~  
49 ~~System as he shall recommend and the Board of Trustees shall authorize, and on the basis of such~~  
50 ~~investigation he shall recommend for adoption by the Board of Trustees such tables and such~~  
51 ~~rates as are required in subsection (o), paragraphs (1) and (2), of this section. The Board of~~

1 ~~Trustees shall adopt tables and certify rates, and as soon as practicable thereafter the actuary shall~~  
2 ~~make a valuation based on such tables and rates of the assets and liabilities of the funds created~~  
3 ~~by this Chapter.~~

4 (o) ~~In the year 1945, and at least once in each five-year period thereafter, At least once~~  
5 every five years, the actuary shall make an actuarial investigation into the mortality, ~~service~~  
6 service, and compensation experience of the members and beneficiaries of the Retirement System  
7 and shall make a valuation of the assets and liabilities of the funds of the System. Taking into  
8 account the result of ~~such the~~ investigation and valuation, the Board of Trustees shall do ~~all both~~  
9 of the following:

10 (1) Adopt any necessary mortality, service, or other tables and any necessary  
11 contribution-based benefit cap factors for the Retirement System.

12 (2) Certify the rates of contributions payable by the participating units on account  
13 of new entrants at various ages.

14 In order to pay for the administration of this section, the Retirement Systems Division of the  
15 Department of State Treasurer may increase receipts from the retirement assets of the Retirement  
16 System or may pay the costs directly from the retirement assets.

17 (p) On the basis of the tables and interest assumption rate ~~as adopted by the Board of~~  
18 Trustees, the actuary shall make an annual valuation of the assets and liabilities of the funds of  
19 the System created by this Chapter. The annual valuation shall include a supplementary section  
20 that provides an analysis of assets on a market basis using the 30-year treasury rate as of  
21 December 31 of the year of the valuation as the discount rate. In order to pay for the  
22 administration of this section, the Retirement Systems Division of the Department of State  
23 Treasurer may increase receipts from the retirement assets of the Retirement System or may pay  
24 the costs directly from the retirement assets.

25 (q) Notwithstanding any ~~law, rule, regulation or policy law~~ to the contrary, any board,  
26 agency, department, ~~institution institution,~~ or subdivision of the State maintaining lists of names  
27 and addresses in the administration of ~~their its~~ programs may upon request provide to the  
28 Retirement System information limited to social security numbers, current name and addresses  
29 of persons identified by the System as members, beneficiaries, and beneficiaries of members of  
30 the System. The System shall use ~~such this~~ information for the sole purpose of notifying  
31 members, beneficiaries, and beneficiaries of members of ~~their the person's~~ rights to and accruals  
32 of benefits in the Retirement System. Any social security number, current ~~name name,~~  
33 address ~~so obtained and obtained,~~ any other information concluded ~~therefrom and the source~~  
34 thereof shall be treated as from this information, and the source of this information are  
35 confidential and shall not be divulged by any employee of the Retirement System or of the  
36 Department of State Treasurer except as ~~may be~~ necessary to notify the member, beneficiary, or  
37 beneficiary of the member of ~~their the person's~~ rights to and accruals of benefits in the Retirement  
38 System. Any person, officer, ~~employee employee,~~ or former employee violating this provision  
39 ~~shall be is~~ guilty of a Class 1 misdemeanor; and if ~~such the~~ offending person ~~be is~~ a public official  
40 or employee, ~~he the person~~ shall be dismissed from office or employment and shall not hold any  
41 public office or employment in this State for a period of five years thereafter.

42 (r) Fraud Investigations and Compliance Investigations. – Access to Persons and  
43 Records. – In the course of conducting a fraud investigation or compliance investigation, the  
44 Retirement Systems Division, or authorized representatives who are assisting the Retirement  
45 Systems Division staff, ~~shall has~~ all of the following powers:

46 (1) ~~Have ready~~ To have access to persons and ~~may to~~ examine and copy all books,  
47 records, reports, vouchers, correspondence, files, personnel files, investments,  
48 and any other documentation of any employer. The review of State tax returns  
49 shall be limited to matters of official business, and the Division's report shall  
50 not violate the confidentiality provisions of tax laws.

- 1           (2) ~~Have such access~~ To have access to persons, records, papers, reports,  
2 vouchers, correspondence, books, and any other documentation that is in the  
3 possession of any individual, private corporation, institution, association,  
4 board, or other organization ~~which pertain~~ pertaining to the following:
- 5           a. Amounts received pursuant to a grant or contract from the federal  
6 government, the State, or its political subdivisions.
- 7           b. Amounts received, disbursed, or otherwise handled on behalf of the  
8 federal government or the State.
- 9           (3) ~~Have the authority, and shall be provided with ready access, to examine~~ To  
10 access, examine, and inspect all property, equipment, and facilities in the  
11 possession of any employer agency or any individual, private corporation,  
12 institution, association, board, or other organization that were furnished or  
13 otherwise provided through grant, contract, or any other type of funding by  
14 the employer agency.

15       With respect to the requirements of sub-subdivision (2)b. of this subsection, providers of  
16 social and medical services to a beneficiary shall make copies of records they maintain for  
17 services provided to a beneficiary available to the Retirement Systems Division, or to the  
18 authorized representatives who are assisting the Retirement Systems Division staff. Copies of the  
19 records of social and medical services provided to a beneficiary ~~will~~ permit verification of the  
20 health or other status of a beneficiary as required for the payment of benefits under Article 3 of  
21 this Chapter. The Retirement Systems Division, or authorized representatives who are assisting  
22 the Retirement Systems Division staff, shall request records in writing by providing the name of  
23 each beneficiary for whom records are sought, the purpose of the request, the statutory authority  
24 for the request, and a reasonable period of time for the production of record copies by the  
25 provider. A provider may charge, and the Retirement Systems Division, or authorized  
26 representatives who are assisting the Retirement Systems Division staff, shall, in accordance with  
27 G.S. 90-411, pay a reasonable fee to the provider for copies of the records provided in accordance  
28 with this subsection.

29       (s) Fraud Investigative Reports and Work Papers or Compliance Investigative Reports  
30 and Work Papers. – The Executive Director of the Retirement Systems Division shall maintain  
31 for 10 years a complete file of all fraud investigative reports, compliance investigative reports,  
32 and reports of other examinations, investigations, surveys, and reviews issued under the  
33 Executive Director's authority. Fraud investigation work papers, compliance investigation work  
34 papers, and other evidence or related supportive material directly pertaining to the work of the  
35 Retirement Systems Division of the Department of State Treasurer shall be retained according to  
36 an agreement between the Executive Director of the Retirement Systems Division and State  
37 Archives. To promote intergovernmental cooperation and avoid unnecessary duplication of fraud  
38 or compliance investigative effort, and notwithstanding local unit personnel policies to the  
39 contrary, pertinent work papers and other supportive material relating to issued fraud  
40 investigation reports or compliance investigative reports may be, at the discretion of the  
41 Executive Director of the Retirement Systems Division ~~and,~~ and unless otherwise prohibited by  
42 law, made available for inspection by ~~duly~~ authorized representatives of the State and federal  
43 government who desire access to and inspection of ~~such~~ the records in connection with some  
44 matter officially before them, including criminal investigations. Except as provided in this  
45 section, or upon an order issued in Wake County Superior Court upon 10 days' notice and hearing  
46 finding that access is necessary to a proper administration of justice, fraud or compliance  
47 investigation work papers and related supportive material shall be kept confidential, including  
48 any information developed as a part of the investigation.

49       (t) Fraud Reports May Be Anonymous. – The identity of any person reporting fraud,  
50 waste, and abuse to the Retirement Systems Division shall be kept confidential and shall not be  
51 maintained as a public record within the meaning of G.S. 132-1.

1 (u) Immunity. – A person serving on the Local Governmental Employees' Retirement  
2 System Board of Trustees ~~shall be is~~ immune individually from civil liability for monetary  
3 damages, except to the extent covered by insurance, for any act or failure to act arising out of  
4 that service, ~~except where unless~~ any of the following ~~apply:applies~~:

- 5 (1) The person was not acting within the scope of that person's official duties.
- 6 (2) The person was not acting in good faith.
- 7 (3) The person committed gross negligence or willful or wanton misconduct that  
8 resulted in the damages or injury.
- 9 (4) The person derived an improper personal financial benefit, either directly or  
10 indirectly, from the transaction.
- 11 (5) The person incurred the liability from the operation of a motor vehicle."

12 **SECTION 18.(b)** G.S. 135-6, as amended by Section 3D.1(l) of S.L. 2024-57, reads  
13 as rewritten:

14 "**§ 135-6. Administration.**

15 (a) Administration by Board of Trustees; Corporate Name; Rights and Powers; Tax  
16 Exemption. – The general administration and responsibility for the proper operation of the  
17 Retirement System and for making effective the provisions of the Chapter are ~~hereby~~ vested in a  
18 Board of Trustees ~~which shall be organized immediately after a majority of the trustees provided~~  
19 ~~for in this section shall have qualified and taken the oath of office.~~ Trustees.

20 The Board of Trustees ~~shall be is~~ a body politic and corporate under the name "~~Board Board~~  
21 of Trustees Teachers' and State Employees' Retirement System"; ~~and as System.~~ As a body politic  
22 and corporate ~~shall have corporate~~, it ~~has~~ the right to sue and be sued, ~~shall have perpetual~~  
23 ~~succession and has perpetual succession~~, shall have a common seal, ~~and in said in its~~ corporate  
24 name ~~shall be able and capable in law to may~~ take, demand, ~~receive receive~~, and possess all kinds  
25 of real and personal property necessary and proper for its corporate purposes, and ~~to may~~ bargain,  
26 sell, grant, ~~alien, transfer~~, or dispose of all ~~such~~ real and personal property ~~as it may lawfully~~  
27 ~~acquire. lawfully acquired~~ by it. All ~~such~~ property owned or acquired by ~~said body politic and~~  
28 ~~corporate shall be it is~~ exempt from all taxes imposed by the State or any political subdivision  
29 thereof, ~~and shall not be thereof and is not~~ subject to income taxes.

30 (b) Membership of Board; Terms. – The Board shall consist of the following 13  
31 members:

- 32 ...
- 33 (4) Two members appointed by the General Assembly, one appointed upon the  
34 recommendation of the Speaker of the House of Representatives, and one  
35 appointed upon the recommendation of the President Pro Tempore of the  
36 Senate in accordance with G.S. 120-121. Neither of these members ~~may shall~~  
37 be an active or retired teacher or State employee or an employee of a unit of  
38 local government. The initial members appointed by the General Assembly  
39 shall serve for terms expiring June 30, 1983. Thereafter, their successors shall  
40 serve for two-year terms beginning July 1 of odd-numbered years. Vacancies  
41 in appointments made by the General Assembly shall be filled in accordance  
42 with G.S. 120-122.

43 (c) Compensation of Trustees. – The trustees shall be paid during sessions of the Board  
44 at the prevailing rate established for members of State boards and commissions, and they shall  
45 be reimbursed for all necessary expenses that they incur through service on the Board.

46 (d) Oath. – Each trustee other than the ex officio members shall, within 10 days after ~~his~~  
47 appointment, take an oath of office, ~~that, to,~~ so far as it devolves upon ~~him, he will the trustee,~~  
48 diligently and honestly administer the affairs of the ~~said Board, and that he will Board and to not~~  
49 knowingly violate or willingly permit to be violated any of the provisions of law applicable to  
50 the Retirement System. ~~Such The~~ oath shall be subscribed to by the ~~member trustee~~ making it,

1 ~~and~~ certified by the officer before whom it is taken, and immediately filed in the office of the  
2 Secretary of State.

3 (e) Voting Rights. – Each trustee ~~shall be is~~ entitled to one vote in the Board. A majority  
4 of affirmative votes by trustees in attendance ~~shall be is~~ necessary for a decision by the trustees  
5 at any meeting of the Board. A vote may only be taken if at least seven members of the Board  
6 are in attendance, in person or by telephone, for the meeting at which a vote on a decision is  
7 taken.

8 (e1) Effect of Vote Related to Contributory Death Benefit. – No decision of the Board  
9 related to the Contributory Death Benefit provided for under this Chapter, Chapter 120, or  
10 Chapter 127A of the General Statutes, ~~shall take~~ takes effect unless and until this same decision  
11 has been made and voted on by the Board of Trustees of the Local Governmental Employees  
12 Retirement System.

13 (f) ~~Rules and Regulations.~~ Rules. – Subject to the limitations of this Chapter, the Board  
14 of Trustees ~~shall, from time to time, establish rules and regulations~~ shall adopt rules for the  
15 administration of the funds created by this Chapter and for the transaction of its business. The  
16 Board of Trustees ~~shall also, from time to time, shall,~~ in its discretion, adopt rules ~~and regulations~~  
17 to prevent injustices and inequalities ~~which that~~ might otherwise arise in the administration of  
18 this Chapter.

19 (g) Officers and Other Employees; Salaries and Expenses. – The State Treasurer shall be  
20 ex officio chair of the Board of Trustees and shall appoint a director. The Board ~~of Trustees~~ shall  
21 engage ~~such actuarial and other service as shall be~~ actuarial and other services required to transact  
22 the business of the Retirement System. The compensation of all persons, other than the director,  
23 engaged by the ~~Board of Trustees, Board,~~ and all other expenses of the Board necessary for the  
24 operation of the Retirement System, shall be paid at ~~such rates and in such amounts as the Board~~  
25 ~~of Trustees shall approve,~~ rates and in amounts approved by the Board, subject to the approval  
26 of the Director of the Budget.

27 (h) Actuarial Data. – The Board of Trustees shall keep in convenient form ~~such data as~~  
28 ~~shall be~~ necessary for actuarial valuation of the various funds of the Retirement ~~System,~~ System  
29 and for checking the experience of the System.

30 (i) Record of Proceedings; Annual Report. – The Board of Trustees shall keep a record  
31 of all of its proceedings ~~which that~~ shall be open to public inspection. It shall publish annually a  
32 report showing the fiscal transactions of the Retirement System for the preceding year, the  
33 amount of the accumulated cash and securities of the System, and the last balance sheet showing  
34 the financial condition of the System by means of an actuarial valuation of the assets and  
35 liabilities of the Retirement System. It shall also publish annually a report on supplemental  
36 insurance offerings that are made available to retirees and the extent to which retirees participate  
37 in those offerings.

38 (j) Legal Adviser. – The Attorney General ~~shall be is~~ the legal adviser of the Board of  
39 Trustees.

40 (k) Medical Board. – The Board of Trustees shall designate a ~~medical board~~ Medical  
41 Board to be composed of not less than three nor more than five physicians not eligible to  
42 participate in the Retirement System. The Board of Trustees may structure appointment  
43 requirements and term durations for those ~~medical board~~ Medical Board members. If required,  
44 other physicians may be employed to report on special cases. The ~~medical board~~ Medical Board  
45 shall arrange for and pass upon all medical examinations required under ~~the provisions of this~~  
46 Chapter, ~~and~~ shall investigate all essential statements and certificates by or on behalf of a member  
47 in connection with an application for disability retirement, and shall report in writing to the Board  
48 of Trustees its conclusion and recommendations upon all the matters referred to it, except as  
49 otherwise provided in this Chapter. A person serving on the ~~medical board~~ shall be Medical  
50 Board is immune individually from civil liability for monetary damages, except to the extent

1 covered by insurance, for any act or failure to act arising out of that service, ~~except where~~ unless  
 2 any of the following ~~apply:~~ applies:

- 3 (1) The person was not acting within the scope of that person's official duties.
- 4 (2) The person was not acting in good faith.
- 5 (3) The person committed gross negligence or willful or wanton misconduct that  
 6 resulted in the damages or injury.
- 7 (4) The person derived an improper financial benefit, either directly or indirectly,  
 8 from the transaction.
- 9 (5) The person incurred the liability from the operation of a motor vehicle.

10 (l) Duties of Actuary. – The Board of Trustees shall designate an actuary ~~who shall to be~~  
 11 the technical adviser of the Board of Trustees on matters regarding the operation of the funds  
 12 created by ~~the provisions of this Chapter and shall perform such other duties as are required in~~  
 13 ~~connection therewith.~~ this Chapter. The experience studies and all other actuarial calculations  
 14 required by this Chapter, and all the assumptions used by the System's actuary, including  
 15 mortality tables, interest rates, annuity factors, the contribution-based benefit cap factor, and  
 16 employer contribution rates, shall be set out in the actuary's periodic reports, annual valuations  
 17 of System assets, or other materials provided to the ~~Board of Trustees.~~ Board. Notwithstanding  
 18 Article 2A of Chapter 150B of the General Statutes, these materials, once accepted by the Board,  
 19 ~~shall be~~ are considered part of the Plan documentation governing ~~this the~~ Retirement System and  
 20 ~~shall be~~ are effective the first day of the month following adoption unless a different date is  
 21 specified in the adopting resolution. The effective date ~~shall~~ does not retroactively affect a  
 22 contribution rate. The Board's minutes relative to all actuarial assumptions used by the System  
 23 ~~shall also be~~ are also considered part of the Plan documentation governing ~~this the~~ Retirement  
 24 System, with the result of precluding any employer discretion in the determination of benefits  
 25 payable ~~hereunder,~~ under this section, consistent with Section 401(a)(25) of the Internal Revenue  
 26 Code.

27 (m) ~~Immediately after the establishment of the Retirement System the actuary shall make~~  
 28 ~~such investigation of the mortality, service and compensation experience of the members of the~~  
 29 ~~System as he shall recommend and the Board of Trustees shall authorize, and on the basis of such~~  
 30 ~~investigation he shall recommend for adoption by the Board of Trustees such tables and such~~  
 31 ~~rates as are required in subsection (n), subdivisions (1) and (2), of this section. The Board of~~  
 32 ~~Trustees shall adopt tables and certify rates, and as soon as practicable thereafter the actuary shall~~  
 33 ~~make a valuation based on such tables and rates of the assets and liabilities of the funds created~~  
 34 ~~by this Chapter.~~

35 (n) ~~In 1943, and at least once in each five-year period thereafter, At least once every five~~  
 36 ~~years,~~ the actuary shall complete an actuarial experience review of the mortality, ~~service~~ service,  
 37 and compensation experience of the members and beneficiaries of the Retirement System and  
 38 shall make a valuation of the assets and liabilities of the funds of the System. Taking into account  
 39 the result of the actuarial investigation and valuation, the Board of Trustees shall do ~~at~~ both  
 40 the following:

- 41 (1) Adopt any necessary mortality, service, or other tables and any necessary  
 42 contribution-based benefit cap factors for the Retirement System.
- 43 (2) Certify the rates of contributions payable by the State of North Carolina on  
 44 account of new entrants at various ages.

45 In order to pay for the administration of this section, the Retirement Systems Division of the  
 46 Department of State Treasurer may increase receipts from the retirement assets of the Retirement  
 47 System or may pay the costs directly from the retirement assets.

48 ...

49 (o) On the basis of the tables and interest assumption rate ~~as~~ adopted by the Board of  
 50 Trustees, the actuary shall make an annual valuation of the assets and liabilities of the funds of  
 51 the System created by this Chapter. The annual valuation shall include a supplementary section



1 that provides an analysis of assets on a market basis using the 30-year treasury rate as of  
 2 December 31 of the year of the valuation as the discount rate. In order to pay for the  
 3 administration of this section, the Retirement Systems Division of the Department of State  
 4 Treasurer may increase receipts from the retirement assets of the Retirement System or may pay  
 5 the costs directly from the retirement assets.

6 (p) Notwithstanding any ~~law, rule, regulation or policy law~~ to the contrary, any board,  
 7 agency, department, ~~institution~~ institution, or subdivision of the State maintaining lists of names  
 8 and addresses in the administration of ~~their~~ its programs may upon request provide to the  
 9 Retirement System information limited to social security numbers, current name and addresses  
 10 of persons identified by the System as members, beneficiaries, and beneficiaries of members of  
 11 the System. The System shall use ~~such~~ this information for the sole purpose of notifying  
 12 members, beneficiaries, and beneficiaries of members of ~~their~~ the person's rights to and accruals  
 13 of benefits in the Retirement System. Any social security number, current ~~name~~ name, and  
 14 address ~~so obtained and~~ obtained, any other information concluded ~~therefrom and the source~~  
 15 ~~thereof shall be treated as~~ from this information, and the source of this information are  
 16 confidential and shall not be divulged by any employee of the Retirement System or of the  
 17 Department of State Treasurer except as ~~may be~~ necessary to notify the member, beneficiary, or  
 18 beneficiary of the member of ~~their~~ the person's rights to and accruals of benefits in the Retirement  
 19 System. Any person, officer, ~~employee~~ employee, or former employee violating this provision  
 20 ~~shall be~~ is guilty of a Class 1 misdemeanor; and if ~~such~~ the offending person ~~be~~ is a public official  
 21 or employee, ~~he~~ the person shall be dismissed from office or employment and shall not hold any  
 22 public office or employment in this State for a period of five years thereafter.

23 (q) Compliance Investigations and Fraud Investigations – Access to Persons and Records.  
 24 – In the course of conducting a compliance investigation or a fraud investigation, the Retirement  
 25 Systems Division, or authorized representatives who are assisting the Retirement Systems  
 26 Division staff, ~~shall~~ has all of the following powers:

- 27 (1) ~~Have ready~~ To have access to persons and ~~may~~ to examine and copy all books,  
 28 records, reports, vouchers, correspondence, files, personnel files, investments,  
 29 and any other documentation of any employer. The review of State tax returns  
 30 shall be limited to matters of official business, and the Division's report shall  
 31 not violate the confidentiality provisions of tax laws.
- 32 (2) ~~Have such~~ To have access to persons, records, papers, reports, vouchers,  
 33 correspondence, books, and any other documentation that is in the possession  
 34 of any individual, private corporation, institution, association, board, or other  
 35 organization ~~that~~ pertain ~~pertaining~~ to the following:
  - 36 a. Amounts received pursuant to a grant or contract from the federal  
 37 government, the State, or its political subdivisions.
  - 38 b. Amounts received, disbursed, or otherwise handled on behalf of the  
 39 federal government or the State.
- 40 (3) ~~Have the authority, and shall be provided with ready access, to examine~~ To  
 41 access, examine, and inspect all property, equipment, and facilities in the  
 42 possession of any employer agency or any individual, private corporation,  
 43 institution, association, board, or other organization that were furnished or  
 44 otherwise provided through grant, contract, or any other type of funding by  
 45 the employer agency.

46 With respect to the requirements of sub-subdivision (2)b. of this subsection, providers of  
 47 social and medical services to a beneficiary shall make copies of records they maintain for  
 48 services provided to a beneficiary available to the Retirement Systems Division, or to the  
 49 authorized representatives who are assisting the Retirement Systems Division staff. Copies of the  
 50 records of social and medical services provided to a beneficiary ~~will~~ permit verification of the  
 51 health or other status of a beneficiary as required for the payment of benefits under Article 1,

1 Article 4, or Article 6 of this Chapter. The Retirement Systems Division, or authorized  
2 representatives who are assisting the Retirement Systems Division staff, shall request records in  
3 writing by providing the name of each beneficiary for whom records are sought, the purpose of  
4 the request, the statutory authority for the request, and a reasonable period of time for the  
5 production of record copies by the provider. A provider may charge, and the Retirement Systems  
6 Division, or authorized representatives who are assisting the Retirement Systems Division staff,  
7 shall, in accordance with G.S. 90-411, pay a reasonable fee to the provider for copies of the  
8 records provided in accordance with this subsection.

9 (r) Compliance or Fraud Investigative Reports and Work Papers. – The Executive  
10 Director of the Retirement Systems Division shall maintain for 10 years a complete file of all  
11 compliance investigative reports, fraud investigative reports and reports of other examinations,  
12 investigations, surveys, and reviews issued under the Executive Director's authority. Fraud or  
13 compliance investigation work papers and other evidence or related supportive material directly  
14 pertaining to the work of the Retirement Systems Division of the Department of State Treasurer  
15 shall be retained according to an agreement between the Executive Director of the Retirement  
16 Systems Division and State Archives. To promote intergovernmental cooperation and avoid  
17 unnecessary duplication of fraud and compliance investigative efforts, and notwithstanding local  
18 unit personnel policies to the contrary, pertinent work papers and other supportive material  
19 relating to issued fraud or compliance investigation reports may be, at the discretion of the  
20 Executive Director of the Retirement Systems Division ~~and, and~~ unless otherwise prohibited by  
21 law, made available for inspection by ~~duly~~ authorized representatives of the State and federal  
22 government who desire access to and inspection of ~~such the~~ records in connection with some  
23 matter officially before them, including criminal investigations. Except as provided in this  
24 section, or upon an order issued in Wake County Superior Court upon 10 days' notice and hearing  
25 finding that access is necessary to a proper administration of justice, fraud and compliance  
26 investigation work papers and related supportive material shall be kept confidential, including  
27 any information developed as a part of the investigation.

28 (s) Fraud Reports May Be Anonymous. – The identity of any person reporting fraud,  
29 waste, and abuse to the Retirement Systems Division shall be kept confidential and shall not be  
30 maintained as a public record within the meaning of G.S. 132-1.

31 (t) Immunity. – A person serving on the Teachers' and State Employees' Retirement  
32 System Board of Trustees ~~shall be~~ is immune individually from civil liability for monetary  
33 damages, except to the extent covered by insurance, for any act or failure to act arising out of  
34 that service, ~~except where~~ unless any of the following ~~apply~~ applies:

- 35 (1) The person was not acting within the scope of that person's official duties.
- 36 (2) The person was not acting in good faith.
- 37 (3) The person committed gross negligence or willful or wanton misconduct that  
38 resulted in the damages or injury.
- 39 (4) The person derived an improper personal financial benefit, either directly or  
40 indirectly, from the transaction.
- 41 (5) The person incurred the liability from the operation of a motor vehicle.

42 (u) The Treasurer may designate legal counsel, including private counsel, to represent the  
43 interests of the administration of benefit programs under this Chapter."

44 **SECTION 18.(c)** G.S. 153A-93 reads as rewritten:

45 **"§ 153A-93. Retirement benefits.**

46 (a) The board of commissioners may provide for enrolling county officers and employees  
47 in the Local Governmental Employees' Retirement System, the Law-Enforcement Officers'  
48 Benefit and Relief Fund, the ~~Firemen's Pension Fund, North Carolina Firefighters' and Rescue~~  
49 Squad Workers' Pension Fund, or a retirement plan certified to be actuarially sound by a qualified  
50 actuary as defined in subsection (c) of this section and may make payments into ~~such a the~~  
51 retirement system or plan on behalf of its employees.

1 (b) No county ~~may~~shall make payments into a retirement system or plan established or  
2 authorized by a local act unless the system or plan is certified to be actuarially sound by a  
3 qualified actuary as defined in subsection (c) of this section.

4 (c) A qualified actuary means a member of the American Academy of Actuaries or an  
5 individual certified as qualified by the Commissioner of Insurance.

6 (d) A county ~~which~~that is providing health insurance under G.S. 153A-92(d) may  
7 provide health insurance for all or any class of former officers and employees of the county. ~~Such~~  
8 The health insurance may be paid entirely by the county, partly by the county and former officer  
9 or employee, or entirely by the former officer or employee, at the option of the county.

10 (d1) ~~On and after October 1, 2009, a~~ A county ~~which~~that is providing health insurance  
11 under G.S. 153A-92(d) may provide health insurance for all or any class of former officers and  
12 employees of the county who have obtained at least 10 years of service with the county prior to  
13 separation from the county and who are not receiving benefits under subsection (a) of this section.  
14 ~~Such~~The health insurance may be paid entirely by the county, partly by the county and former  
15 officer or employee, or entirely by the former officer or employee, at the option of the county.

16 (d2) Notwithstanding subsection (d) of this section, any county that has elected to and is  
17 covering its active employees only, or its active and retired employees, under the State Health  
18 Plan, or elects ~~such~~ coverage under the Plan, ~~may~~shall not provide health insurance through the  
19 State Health Plan to all or any class of former officers and employees who are not receiving  
20 benefits under subsection (a) of this section. The county may, however, provide health insurance  
21 to ~~such~~the former officers and employees by any other means authorized by G.S. 153A-92(d).  
22 The health insurance premium may be paid entirely by the county, partly by the county and  
23 former officer or employee, or entirely by the former officer or employee, at the option of the  
24 county.

25 (e) The board of commissioners may provide a deferred compensation plan. ~~Where~~If the  
26 board of commissioners provides a deferred compensation plan, the investment of funds for the  
27 plan ~~shall be~~is exempt from ~~the provisions of~~ G.S. 159-30 and G.S. 159-31. Counties may invest  
28 deferred compensation plan funds in life insurance, fixed or variable annuities and retirement  
29 income contracts, regulated investment trusts, or other forms of investments approved by the  
30 Board of Trustees of the North Carolina Public Employee Deferred Compensation Plan."

31 **SECTION 18.(d)** G.S. 160A-163 reads as rewritten:

32 **"§ 160A-163. Retirement benefits.**

33 (a) The council may provide for enrolling city employees in the Local Governmental  
34 Employees' Retirement System, the Law-Enforcement Officers' Benefit and Relief Fund, the  
35 ~~Firemen's Pension Fund, North Carolina Firefighters' and Rescue Squad Workers' Pension Fund,~~  
36 or a retirement plan certified to be actuarially sound by a qualified actuary as defined in  
37 subsection (d) of this ~~section,~~section and may make payments into ~~any~~such~~the~~ retirement  
38 system or plan on behalf of its employees. The city may also supplement from local funds  
39 benefits provided by the Local Governmental Employees' Retirement System, the  
40 Law-Enforcement Officers' Benefit and Relief Fund, or the ~~Firemen's Pension Fund, North~~  
41 Carolina Firefighters' and Rescue Squad Workers' Pension Fund.

42 (b) The council may create and administer a special fund for the relief of members of the  
43 police and fire departments who have been retired for age, or for disability or injury incurred in  
44 the line of duty, but any ~~such~~of these funds established on or after January 1, 1972, ~~shall be~~are  
45 subject to ~~the provisions of~~ subsection (c) of this section. The council may receive donations and  
46 devises in aid of ~~any~~such~~the~~ fund, shall provide for its permanence and increase, and shall  
47 prescribe and regulate the conditions under which benefits may be paid.

48 (c) No city shall make payments into any retirement system or plan established or  
49 authorized by local act of the General Assembly unless the plan is certified to be actuarially  
50 sound by a qualified actuary as defined in subsection (d) of this section.

1 (d) A qualified actuary means an individual certified as qualified by the Commissioner  
2 of Insurance, or any member of the American Academy of Actuaries.

3 (e) A city ~~which that~~ is providing health insurance under G.S. 160A-162(b) may provide  
4 health insurance for all or any class of former employees of the city who are receiving benefits  
5 under subsection (a) of this section or who are 65 years of age or older. ~~Such The~~ health insurance  
6 may be paid entirely by the city, partly by the city and former employee, or entirely by the former  
7 employee, at the option of the city.

8 (f) The council may provide a deferred compensation plan. ~~Where If~~ the council provides  
9 a deferred compensation plan, the investment of funds for the plan ~~shall be is~~ exempt from the  
10 ~~provisions of~~ G.S. 159-30 and G.S. 159-31. Cities may invest deferred compensation plan funds  
11 in life insurance, fixed or variable annuities and retirement income contracts, regulated  
12 investment trusts, or other forms of investments approved by the Board of Trustees of the North  
13 Carolina Public Employee Deferred Compensation Plan.

14 (g) ~~Should If~~ the council ~~provide provides~~ for a retirement plan, a plan ~~which that~~  
15 supplements a State-administered plan, or a special fund, any benefits payable from ~~such the~~ plan  
16 or fund on account of the disability of city employees may be restricted with regard to the amount  
17 ~~which that~~ may be earned by the disabled former employee in any other employment, but only  
18 to the extent that the earnings of disability beneficiaries in the Local Governmental Employees'  
19 Retirement System are restricted in accordance with G.S. 128-27(e)(1)."

20 **SECTION 19.(a)** The title of Chapter 140A of the General Statutes reads as  
21 rewritten:

22 **"State Awards System Awards."**

23 **SECTION 19.(b)** Chapter 140A of the General Statutes is amended by designating  
24 G.S. 140A-1 through G.S. 140A-6 as Article 1 with the heading "North Carolina Awards."

25 **SECTION 19.(c)** G.S. 140A-2 reads as rewritten:

26 **"§ 140A-2. Fields of recognition; periods covered.**

27 These recognitions shall be known as the North Carolina Awards for Literature, Science, the  
28 Fine ~~Arts Arts~~, and Public Service, and shall be conferred upon citizens of North Carolina for the  
29 most notable attainments in these respective fields during the current year, ~~terminating four~~  
30 ~~months before the date of award, though such distinctions can be exceptionally conferred, with~~  
31 ~~the approval of the Governor and the Council of State, year or~~ for eminence achieved during  
32 years prior to the award."

33 **SECTION 19.(d)** G.S. 140A-5 reads as rewritten:

34 **"§ 140A-5. Selection of recipients for awards.**

35 The recipients of the awards shall be chosen by ~~a committee named by~~ the North Carolina  
36 Awards Committee, for each category of achievement, but no award shall be made in any field  
37 unless the ~~committee of awards Committee~~ deems the recognized accomplishment to be  
38 outstanding in merit, value, and distinction."

39 **SECTION 19.(e)** G.S. 140A-6 reads as rewritten:

40 **"§ 140A-6. Administration expense.**

41 The expense of administering this ~~Chapter shall Article~~ may be paid out of the Contingency  
42 and Emergency Fund subject to the approval of the Governor and Council of State."

43 **SECTION 19.(f)** Chapter 140A of the General Statutes is amended by adding a new  
44 Article to read:

45 **"Article 2.**

46 **"Medal of Valor Award."**

47 **SECTION 19.(g)** G.S. 147-12(a)(15) is recodified as G.S. 140A-15 in Article 2 of  
48 Chapter 140A of the General Statutes, as enacted by subsection (f) of this section, and reads as  
49 rewritten:

50 **"§ 140A-15. Medal of Valor Award.**

1 ~~To~~ The Governor and Lieutenant Governor may each award the "Medal of Valor Award" to  
2 a first responder upon recommendation from the highest-ranking official or member of a first  
3 responder unit. The Governor and Lieutenant Governor may each award no more than two Medal  
4 of Valor Awards to first responders each calendar year, except ~~that a third may be awarded under~~  
5 ~~special circumstances as determined by the Governor.~~ that, if the Governor or Lieutenant  
6 Governor finds there are special circumstances, each may award a third. The Governor and  
7 Lieutenant Governor may also annually each award one Medal of Valor Award to one first  
8 responder ~~unit, once each calendar year.~~ unit. A Medal of Valor Award shall be for a first  
9 responder or first responder unit that has performed great acts of heroism while under threat of  
10 personal risk to safety, beyond the call of duty in the field. For the purposes of this ~~subdivision,~~  
11 section, a "first responder" includes any firefighter, paramedic, law enforcement officer,  
12 emergency medical services personnel, or rescue squad member. ~~The Governor and Lieutenant~~  
13 ~~Governor shall each maintain an internet accessible link and application form on a State website~~  
14 ~~where nominations can be put forward, and each shall contain information on the Medal of Valor~~  
15 ~~Award.~~ The websites for the offices of Governor and Lieutenant Governor shall include  
16 information about the Medal of Valor Award and a form for submitting a nomination for the  
17 award."

18 **SECTION 19.(h)** G.S. 143A-13 reads as rewritten:

19 **"§ 143A-13. Office of the Lieutenant Governor; creation; awards. Governor created.**

20 (a) ~~Creation.~~—There is hereby created an office of the Lieutenant Governor.

21 (b) ~~Medal of Valor Award.~~—The Lieutenant Governor may award the "Medal of Valor  
22 Award" to a first responder upon recommendation from the highest ranking official or member  
23 of a first responder unit. The Lieutenant Governor may award no more than two Medal of Valor  
24 Awards to first responders each calendar year, except that a third may be awarded under special  
25 circumstances as determined by the Lieutenant Governor. The Lieutenant Governor may also  
26 award one Medal of Valor Award to one first responder unit, once each calendar year. A Medal  
27 of Valor Award shall be for a first responder or first responder unit that has performed great acts  
28 of heroism while under threat of personal risk to safety, beyond the call of duty in the field. For  
29 the purposes of this subsection, a "first responder" includes any firefighter, paramedic, law  
30 enforcement officer, emergency medical services personnel, or rescue squad member."

31 **SECTION 19.(i)** G.S. 143B-84 reads as rewritten:

32 **"§ 143B-84. North Carolina Awards Committee – members; selection; quorum;  
33 compensation.**

34 The North Carolina Awards Committee shall consist of five members appointed by the  
35 Governor to serve at the Governor's pleasure.

36 The Governor shall designate a member of the Committee as ~~chairman~~ chair to serve ~~in such~~  
37 ~~capacity~~ at the pleasure of the Governor.

38 Members of the Committee shall serve without compensation or travel or per diem.

39 A majority of the Committee ~~shall constitute~~ constitutes a quorum for the transaction of  
40 business.

41 ~~The Secretary of Natural and Cultural Resources is hereby authorized to request contingency~~  
42 ~~and emergency funds for the administration of the North Carolina Awards Committee, for the~~  
43 ~~period between July 1, 1973, and ratification of the next general appropriations bill for the~~  
44 ~~Department.~~

45 All clerical and other services required by the Committee shall be supplied by the Secretary  
46 of Natural and Cultural Resources."

47 **SECTION 20.** G.S. 143-63.1 reads as rewritten:

48 **"§ 143-63.1. Sale, ~~disposal~~ disposal, and destruction of firearms.**

49 (a) Except as ~~hereinafter provided,~~ it shall be provided in this section, it is unlawful for  
50 any employee, ~~officer~~ officer, or official of the State in the exercise of his or her official duty to  
51 sell or otherwise dispose of any pistol, revolver, ~~shotgun~~ shotgun, or rifle to any person, firm,

1 corporation, county or local governmental unit, ~~law enforcement~~ law enforcement agency, or  
2 other legal entity.

3 (b) It ~~shall be~~ is lawful for the Department of Administration, in the exercise of its official  
4 duty, to sell any weapon described in subsection (a) ~~hereof, to any of this section to a law~~  
5 enforcement agency of a county or local governmental unit, law enforcement agency in the State;  
6 ~~provided, however, that such law enforcement unit in the State, so long as the agency files a~~  
7 written statement, duly notarized, with the seller of ~~said weapon~~ the weapon, certifying that ~~such~~  
8 the weapon is needed in law enforcement by ~~such law enforcement~~ the agency.

9 (c) All weapons described in subsection (a) ~~hereof which of this section that~~ are not sold  
10 as ~~herein provided by this section~~ within one year of being declared surplus property shall be  
11 destroyed by the Department of Administration.

12 (d) Notwithstanding the provisions of this section, but subject to ~~the provisions of~~  
13 ~~G.S. 20-187.2, G.S. 17F-20,~~ (i) each department, agency, institution, commission, and bureau of  
14 the Executive, Judicial, or Legislative branch of North Carolina and (ii) campus law enforcement  
15 agencies and campus police agencies of the constituent institutions of The University of North  
16 Carolina may sell, trade, or otherwise dispose of any or all surplus weapons they possess to any  
17 federally licensed firearm dealers. The sale, trade, or disposal of these weapons shall be in a  
18 manner prescribed by the Department of Administration. Surplus weapons shall be offered for  
19 public sale to federally licensed firearm dealers. Public sale is through sealed competitive bids,  
20 electronic bids, negative bids, auction, and retail sales. Any ~~moneys or property~~ money obtained  
21 from the sale or disposal shall ~~go be credited to the general fund.~~ General Fund."

22 **SECTION 21.(a)** All of the following provisions are repealed:

- 23 (1) Subdivision (5) of G.S. 143-215.94A.
- 24 (2) Subdivisions (b)(6) and (b)(12) of G.S. 143-215.94B.
- 25 (3) G.S. 143-215.94F.
- 26 (4) G.S. 143-215.94P.

27 **SECTION 21.(b)** G.S. 143-215.94A(2), (2a), and (7) read as rewritten:

28 "(2) "Commercial underground storage tank" means any one or combination of  
29 tanks (including underground pipes connected thereto) used to contain an  
30 accumulation of petroleum products, the volume of which (including the  
31 volume of the underground pipes connected thereto) is ten percent (10%) or  
32 more beneath the surface of the ground. The term "~~commercial underground~~  
33 ~~storage tank~~" does not include ~~any~~ any of the following:

- 34 a. ~~Farm or residential underground storage tank of 1,100 gallons or less~~  
35 ~~capacity used for storing motor fuel for noncommercial purposes;~~
- 36 b. ~~Underground storage tank of 1,100 gallons or less capacity used for~~  
37 ~~storing heating oil for consumptive use on the premises where stored;~~
- 38 c. ~~Underground storage tank of more than 1,100 gallon capacity used for~~  
39 ~~storing heating oil for consumptive use on the premises where stored~~  
40 ~~by four or fewer households;~~
- 41 c1. Noncommercial underground storage tank.
- 42 d. ~~Septic tank;~~ tank.
- 43 e. Pipeline facility (including gathering lines) regulated ~~under~~ under any  
44 of the following:
  - 45 1. The Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. § 1671  
46 et seq.); ~~seq.~~
  - 47 2. The Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C.  
48 § 2001 et seq.); ~~or seq.~~
  - 49 3. ~~Any intrastate pipeline facility regulated under State laws~~  
50 ~~comparable to the provisions of the Natural Gas Pipeline~~

- 1 Safety Act of 1968 or the Hazardous Liquid Pipeline Safety  
 2 Act of ~~1979~~;1979.
- 3 f. Surface impoundment, pit, pond, or ~~lagoon~~;lagoon.  
 4 g. Storm water or waste water collection ~~system~~;system.  
 5 h. Flow-through process ~~tank~~;tank.  
 6 i. Liquid trap or associated gathering lines directly related to oil or gas  
 7 production and gathering ~~operations~~;or~~operations~~.  
 8 j. Storage tank situated in an underground area (such as a basement,  
 9 cellar, mineworking, drift, shaft, or tunnel) if the storage tank is  
 10 situated upon or above the surface of the floor.
- 11 (2a) "Cost-effective cleanup" means the cleanup method that meets all of the  
 12 following criteria:  
 13 a. Addresses imminent threats to human health or the environment.  
 14 b. Provides for the cleanup or removal of all contaminated soil except in  
 15 circumstances where it is impractical to remove contaminated soil.  
 16 c. Is approved by the Commission for remediation of the site.  
 17 d. Is the least expensive cleanup based on total cost, including costs not  
 18 eligible for reimbursement from the Commercial Fund ~~or the~~  
 19 ~~Noncommercial~~Fund.
- 20 ...  
 21 (7) "Noncommercial underground storage tank" means any one or combination  
 22 of the following tanks (including underground pipes connected thereto) used  
 23 to contain an accumulation of petroleum products, the volume of which  
 24 (including the volume of the underground pipes connected thereto) is ten  
 25 percent (10%) or more beneath the surface of the ~~ground~~. ~~The term~~  
 26 ~~"noncommercial storage tank" does not include any~~;ground:  
 27 a. ~~Commercial underground storage tanks;~~  
 28 b. ~~Septic tank;~~  
 29 e. ~~Pipeline facility (including gathering lines) regulated under:~~  
 30 1. ~~The Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. § 1671~~  
 31 ~~et seq.);~~  
 32 2. ~~The Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C.~~  
 33 ~~§ 2001 et seq.); or~~  
 34 3. ~~Any intrastate pipeline facility regulated under State laws~~  
 35 ~~comparable to the provisions of the Natural Gas Pipeline~~  
 36 ~~Safety Act of 1968 or the Hazardous Liquid Pipeline Safety~~  
 37 ~~Act of 1979;~~  
 38 d. ~~Surface impoundment, pit, pond, or lagoon;~~  
 39 e. ~~Storm water or waste water collection system;~~  
 40 f. ~~Flow-through process tank;~~  
 41 g. ~~Liquid trap or associated gathering lines directly related to oil or gas~~  
 42 ~~production and gathering operations; or~~  
 43 h. ~~Storage tank situated in an underground area (such as a basement,~~  
 44 ~~eellar, mineworking, drift, shaft, or tunnel) if the storage tank is~~  
 45 ~~situated upon or above the surface of the floor.~~  
 46 a. Farm or residential underground storage tank of 1,100 gallons or less  
 47 capacity used for storing motor fuel for noncommercial purposes.  
 48 b. Underground storage tank of 1,100 gallons or less capacity used for  
 49 storing heating oil for consumptive use on the premises where stored.

c. Underground storage tank of more than 1,100 gallon capacity used for storing heating oil for consumptive use on the premises where stored by four or fewer households."

SECTION 21.(c) G.S. 143-215.94E reads as rewritten:

"§ 143-215.94E. Rights and obligations of the owner or operator.

...

(b1) In the case of a discharge or release from a commercial underground storage tank where the owner and operator cannot be identified or located, or where the owner and operator fail to proceed as required by subsection (a) of this section, the following requirements apply:

(1) If the current landowner of the land in which the commercial underground storage tank is located notifies the Department in accordance with G.S. 143-215.85 and undertakes to collect and remove the discharge or release and to restore the area affected in accordance with the requirements of this Article and applicable federal and State laws, regulations, and rules, the current landowner may elect to have the Commercial Fund pay or reimburse the current landowner for any costs described in subdivisions (1), (2), (2a), (3), and (4) of G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) that exceed the amounts for which the owner or operator is responsible under that subsection.

~~{The following also apply:}~~ The following provisions also apply:

- a. The current landowner is not eligible for payment or reimbursement until the current landowner has paid the costs described in subdivisions (1), (2), (2a), (3), and (4) of G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) for which the owner or operator is responsible.
- b. Eligibility for reimbursement under this subsection may be transferred from a current landowner who has paid the costs described in subdivisions (1), (2), (2a), (3), and (4) of G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) to a subsequent landowner.

The current landowner shall submit documentation of all expenditures as required by G.S. 143-215.94G(b).

...

~~(e) When an An owner, operator, or landowner that pays the costs described in G.S. 143-215.94B(b), 143-215.94B(b1), or 143-215.94D(b1) subsection (b) or (b1) of G.S. 143-215.94B resulting from a discharge or release of petroleum from an a commercial underground storage tank, the owner, operator, or landowner tank may seek reimbursement from the appropriate fund for any costs that the owner, operator, or landowner may elect to have either the Commercial Fund or the Noncommercial Fund pay in accordance with the applicable subsections of this section.~~

(e1) The Department may contract for any services necessary to evaluate any claim for reimbursement or compensation from the Commercial Fund, ~~Fund and~~ may contract for any expert witness or consultant services necessary to defend any decision to pay or deny any claim for reimbursement, ~~and reimbursement. The Department may pay the cost of these services from the fund against which the claim is made; provided that in fund. In any fiscal year-year, however,~~ the Department shall not expend ~~from either fund~~ more than one percent (1%) of the unobligated balance of the fund on 30 June of the previous fiscal year. The cost of contractual services ~~to evaluate a claim or for expert witness or consultant services to defend a decision with respect to a claim shall be included as costs under G.S. 143-215.94B(b) and 143-215.94B(b1) authorized by this subsection~~ are considered costs under subsections (b) and (b1) of G.S. 143-215.94B.

...

(e5) (1) As used in this subsection:

...

b. "Preapproval" means a determination by the Department that:





be available in the Commercial Fund ~~or the Noncommercial Fund, whichever applies,~~ to pay or reimburse the cost of that task within 90 days after the Department determines that the owner, operator, or landowner has submitted a claim with documentation sufficient to establish that the claim is eligible to be paid under this Part.

...

(8) The Department may preapprove and authorize ~~a task the cost of which is to be paid or reimbursed for payment or reimbursement~~ from the Commercial Fund ~~or the Noncommercial Fund~~ a task that has not been authorized pursuant to subdivisions (5) and (6) of this subsection if the owner, operator, or landowner specifically requests that the task be authorized and agrees that the claim for payment or reimbursement of the task's cost will not be paid until after the Department has paid all claims for payment or reimbursement of costs for tasks ~~that~~ the Department has authorized pursuant to subdivisions (5) and (6) of this subsection.

(9) The Department may preapprove and authorize ~~a task the cost of which is to be paid or reimbursed for payment or reimbursement~~ from the Commercial Fund ~~or the Noncommercial Fund~~ a task that has not been authorized pursuant to subdivisions (5) and (6) of this subsection if the discharge or release creates an emergency situation. An emergency situation exists when a discharge or release of petroleum results in an imminent threat to human health or the environment. A claim for payment or reimbursement of costs for tasks ~~that are~~ authorized under this subdivision shall be paid or reimbursed on the same basis as tasks ~~that are~~ authorized under subdivisions (5) and (6) of this subsection.

...

(g) No owner or operator shall be reimbursed pursuant to this section, and the Department shall seek reimbursement of the ~~appropriate fund~~ Commercial Fund or of the Department for any monies disbursed from the ~~appropriate fund~~ Commercial Fund or expended by the Department if any of the following apply:

- (1) The owner or operator has willfully violated any substantive law, rule, or regulation applicable to underground storage tanks and intended to prevent or mitigate discharges or releases or to facilitate the early detection of discharges or releases.
- (2) The discharge or release is the result of the owner's or operator's willful or wanton misconduct.
- (3) The owner or operator has failed to pay any annual tank operating fee due pursuant to G.S. 143-215.94C.

...

(j) An owner, operator, or landowner shall request that the Department determine whether any of the costs of assessment and cleanup of a discharge or release from a petroleum underground storage tank are eligible to be paid or reimbursed from ~~either~~ the Commercial Fund within one year after completion of any task that is eligible to be paid or reimbursed under G.S. 143-215.94B(b) or 143-215.94B(b1).

...."

**SECTION 21.(d)** G.S. 143-215.94G, as amended by Section 24(l) of this act, reads as rewritten:

**"§ 143-215.94G. Authority of the Department to engage in cleanups; actions for fund reimbursement.**

(a) If there is a discharge or release of petroleum from any of the following, the Department may use staff, equipment, or materials under its control or provided by other

1 cooperating federal, State, or local agencies and may contract with any agent or contractor it  
 2 deems appropriate to investigate a release, to develop and implement a cleanup plan, to provide  
 3 interim alternative sources of drinking water to third parties, and to pay the initial costs for  
 4 providing permanent alternative sources of drinking water to third parties:

- 5 (1) ~~A noncommercial underground storage tank.~~
- 6 (2) An underground storage tank whose owner or operator cannot be identified or  
 7 located.
- 8 (3) An underground storage tank whose owner or operator fails to proceed as  
 9 required by G.S. 143-215.94E(a).
- 10 (4) A commercial underground storage tank taken out of operation prior to 1  
 11 January 1974 if, when the discharge or release is discovered, neither the owner  
 12 nor operator owns or leases the land on which the underground storage tank  
 13 is located.

14 ...  
 15 (d) The Secretary shall seek reimbursement through any legal means available for the  
 16 following:

- 17 ...
- 18 (6) The amounts provided for in ~~G.S. 143-215.94B(b5) and~~  
 19 ~~G.S. 143-215.94D(b2).~~ G.S. 143-215.94B(b5).

20 (e) In the event that a civil action is commenced to secure reimbursement pursuant to  
 21 subdivisions (1) through (4) of subsection (d) of this section, the Secretary may recover, in  
 22 addition to any amount due, the costs of the action, including but not limited to reasonable  
 23 attorneys' fees and investigation expenses. Any monies received or recovered as reimbursement  
 24 shall be paid into the ~~appropriate fund~~ Commercial Fund or other source from which the  
 25 expenditures were made.

26 (f) Repealed by Session Laws 2015-241, s. 14.16A(f), effective December 31, 2016.

27 (g) If the Department paid or reimbursed costs that are not authorized to be paid or  
 28 reimbursed under G.S. 143-215.94B ~~or G.S. 143-215.94D~~ as a result of a misrepresentation by  
 29 an agent that acted on behalf of an owner, operator, or landowner, the Department shall first seek  
 30 reimbursement, pursuant to subdivision (1) of subsection (d) of this section, from the agent of  
 31 monies paid to or retained by the agent.

32 ...."

33 **SECTION 21.(e)** G.S. 143-215.94V reads as rewritten:

34 **"§ 143-215.94V. Standards for petroleum underground storage tank cleanup.**

35 (a) Legislative findings and intent.

- 36 (1) The General Assembly finds that:
  - 37 a. The goals of the underground storage tank program are to protect  
 38 human health and the environment. Maintaining the solvency of the  
 39 Commercial Fund ~~and the Noncommercial Fund~~ is essential to these  
 40 goals.

41 ...  
 42 (2) The General Assembly intends:

- 43 ...
- 44 e. That ~~neither~~ the Commercial Fund ~~nor the Noncommercial Fund~~ not  
 45 be used to clean up sites where the Commission has determined that a  
 46 discharge or release poses a degree of risk to human health or the  
 47 environment that is no greater than the acceptable level of risk  
 48 established by the Commission.
- 49 f. Repealed by Session Laws 1998-161, s. 11(c), effective retroactively  
 50 to January 1, 1998.

1 g. That the Commercial Fund ~~and the Noncommercial Fund~~ be used to  
2 perform the most cost-effective cleanup that addresses imminent  
3 threats to human health and the environment.

4 ...

5 (c) The Commission may require an owner or operator or a landowner eligible for  
6 payment or reimbursement under ~~subsections (b), (b1), (c), and (c1)~~ subsections (b) and (b1) of  
7 G.S. 143-215.94E to provide information necessary to determine the degree of risk to human  
8 health and the environment that is posed by a discharge or release from a petroleum underground  
9 storage and to identify the most cost-effective cleanup that addresses imminent threats to human  
10 health and the environment.

11 ...

12 (e) If the Commission concludes under subsection (d) of this section that no cleanup, no  
13 further cleanup, or no further action will be required, the Department shall not pay or reimburse  
14 any costs otherwise payable or reimbursable under this Article from ~~either the Commercial or~~  
15 ~~Noncommercial~~ Fund, other than reasonable and necessary to conduct the risk assessment  
16 required by this section, unless:

17 (1) Cleanup is ordered or damages are awarded in a finally adjudicated judgment  
18 in an action against the owner or landowner. To be eligible for reimbursement  
19 of damages arising from a third-party claim for bodily injury or property  
20 damage awarded in a finally adjudicated judgment, however, an owner or  
21 operator shall (i) notify the Department of any such claim; (ii) provide the  
22 Department with all pleadings and other related documents if a lawsuit has  
23 been filed; and (iii) provide the Department copies of any medical reports,  
24 statements, investigative reports, or certifications from licensed professionals  
25 necessary to determine that a claim for bodily injury or property damage is  
26 reasonable and necessary. Reimbursement of claims for damages arising from  
27 a third-party claim for bodily injury or property damage awarded in a finally  
28 adjudicated judgment shall be subject to the limitations set forth in ~~G.S.~~  
29 ~~143-215.94B(b)(5) and G.S. 143-215.94D(b1)(2), as applicable,~~  
30 G.S. 143-215.94B(b)(5) and any other provision governing third-party claims  
31 set forth in this Article.

32 ...

33 (e1) If the Commission concludes under subsection (d) of this section that further cleanup  
34 is required and notifies the owner, operator, or landowner of the cleanup method approved by the  
35 Commission as the most cost-effective cleanup method for the site, the Department shall not pay  
36 or reimburse any costs otherwise payable or reimbursable under this Article from ~~either the~~  
37 ~~Commercial Fund or Noncommercial~~ Fund, other than those costs that are reasonable and  
38 necessary to conduct the risk assessment and to implement the cost-effective cleanup method  
39 approved by the Commission. If the owner, operator, or landowner selects a cleanup method  
40 other than the one identified by the Commission as the most cost-effective cleanup, the  
41 Department shall not pay or reimburse for costs in excess of the cost of implementing the  
42 approved cost-effective cleanup.

43 ...

44 (h) If a discharge or release of petroleum from an underground storage tank results in  
45 contamination in soil or groundwater that becomes commingled with contamination that is the  
46 result of a discharge or release of petroleum from a source of contamination other than an  
47 underground storage tank, the cleanup of petroleum may proceed under rules adopted pursuant  
48 to this section. The Department shall not pay or reimburse from the Commercial Fund any costs  
49 associated with the assessment or remediation of that portion of contamination that results from  
50 a release or discharge of petroleum from a source other than an underground storage ~~tank from~~  
51 ~~either the Commercial Fund or the Noncommercial Fund.~~ tank."

1           **SECTION 21.(f)** G.S. 143B-426.40A(l) reads as rewritten:

2           "*(l)*   ~~Assignment of Payments From the Underground Storage Tank Cleanup Funds.—~~  
3 ~~Payments from Commercial Fund.~~ — This section does not apply to an assignment of any claim  
4 for payment or reimbursement from the Commercial Leaking Petroleum Underground Storage  
5 Tank Cleanup Fund established by ~~G.S. 143-215.94B~~ or the ~~Noncommercial Leaking Petroleum~~  
6 ~~Underground Storage Tank Cleanup Fund established by G.S. 143-215.94D.~~ G.S. 143-215.94B."

7           **SECTION 22.** Article 29A of Chapter 143 of the General Statutes is repealed.

8           **SECTION 23.** G.S. 144-9(b) reads as rewritten:

9           "(b)   The Department of Military and Veterans Affairs shall accept, at no charge, a worn,  
10 tattered, or otherwise damaged flag of the United States of America or the State of North Carolina  
11 from a citizen of the State and shall make arrangements for its respectful disposal. The  
12 Department shall establish a flag retirement program to encourage citizens to send in or drop off  
13 worn, tattered, or otherwise damaged flags at the Department's office in Raleigh and at any  
14 Veterans Home or Veterans Cemetery in the State and may establish other locations for flag  
15 drop-off as it deems appropriate. The Department shall advertise the flag retirement program on  
16 its website and by printed posters placed at all flag drop-off locations.

17           ~~Department"~~

18           **SECTION 24.(a)** G.S. 150B-37(c) is recodified as the last sentence of  
19 G.S. 150B-34(a).

20           **SECTION 24.(b)** G.S. 150B-34, as amended by subsection (a) of this section, reads  
21 as rewritten:

22           "**§ 150B-34. Final decision or order.**

23           (a)   In each contested case the administrative law judge shall make a final decision or  
24 order that contains findings of fact and conclusions of law. The administrative law judge shall  
25 decide the case based upon the preponderance of the evidence, giving due regard to the  
26 demonstrated knowledge and expertise of the agency with respect to facts and inferences within  
27 the specialized knowledge of the agency. The Office of Administrative Hearings shall forward a  
28 copy of the administrative law judge's final decision or order to each party.

29           (b)   Repealed by Session Laws 1991, c. 35, s. 6.

30           (c)   Repealed by Session Laws 2011-398, s. 18. For effective date and applicability, see  
31 editor's note.

32           (d)   Except for the exemptions contained in G.S. 150B-1, the provisions of this section  
33 regarding the decision of the administrative law judge ~~shall~~ apply only to agencies subject to  
34 Article 3 of this Chapter, notwithstanding any other provisions to the contrary relating to  
35 recommended decisions by administrative law judges.

36           ...."

37           **SECTION 24.(c)** G.S. 90A-30 reads as rewritten:

38           "**§ 90A-30. Penalties; remedies; contested cases.**

39           (a)   Upon the recommendation of the Board of Certification, the Secretary of  
40 Environmental Quality or a delegated representative may impose an administrative, civil penalty  
41 on any person, corporation, company, association, partnership, unit of local government, State  
42 agency, federal agency, or other legal entity ~~who~~ that violates G.S. 90A-29(a). Each day of a  
43 continued violation ~~shall constitute~~ constitutes a separate violation. The penalty shall not exceed  
44 one hundred dollars (\$100.00) for each day ~~such~~ the violation continues. No penalty shall be  
45 assessed until the person alleged to be in violation has been notified of the violation.

46           The clear proceeds of penalties imposed pursuant to this section shall be remitted to the Civil  
47 Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

48           (b)   Any person wishing to contest a penalty issued under this section ~~shall be~~ is entitled  
49 to an administrative hearing and judicial review conducted according to the procedures outlined  
50 in Articles 3 and 4 of Chapter 150B of the General Statutes.

1 (c) The Secretary may bring a civil action in the superior court of the county in which the  
 2 violation is alleged to have occurred to recover the amount of the administrative penalty  
 3 ~~whenever~~ if either of the following applies to an owner or person in control of a water treatment  
 4 facility:

5 (1) ~~Who~~ The owner or person has not requested an administrative hearing and  
 6 fails to pay the penalty within 60 days after being notified of ~~such penalty,~~  
 7 ~~or the penalty.~~

8 (2) ~~Who~~ The owner or person has requested an administrative hearing and fails  
 9 to pay the penalty within 60 days after ~~service of the Office of Administrative~~  
 10 Hearings forwards a written copy of the decision as provided in ~~G.S.~~  
 11 150B-36.G.S. 150B-34.

12 (d) Notwithstanding any other provision of law, this section imposes the only penalty or  
 13 sanction, civil or criminal, for violations of G.S. 90A-29(a) or for the failure to meet any other  
 14 legal requirement for a water system to have a certified operator in responsible charge."

15 **SECTION 24.(d)** G.S. 104E-24 reads as rewritten:

16 "**§ 104E-24. Administrative penalties.**

17 (a) The Department may impose an administrative penalty on ~~any person:~~ a person that  
 18 does either of the following:

19 (1) ~~Who fails~~ Fails to comply with this Chapter, any order issued ~~hereunder,~~ under  
 20 it, or any rules adopted pursuant to ~~this Chapter;~~ it.

21 (2) ~~Who refuses~~ Refuses to allow an authorized representative of the Radiation  
 22 Protection Commission or the Department of Health and Human Services a  
 23 right of entry as provided for in G.S. 104E-11 or impounding materials as  
 24 provided for in G.S. 104E-14.

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

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

33 (d) The Secretary may bring a civil action in the superior court of the county in which  
 34 ~~such the~~ violation is alleged to have occurred to recover the amount of the administrative penalty  
 35 ~~whenever a person:~~ if either of the following applies:

36 (1) ~~Who~~ The person has not requested an administrative hearing and fails to pay  
 37 the penalty within 60 days after being notified of ~~such penalty,~~ or the penalty.

38 (2) ~~Who~~ The person has requested an administrative hearing and fails to pay the  
 39 penalty within 60 days after ~~service of the Office of Administrative Hearings~~  
 40 forwards a written copy of the decision as provided in ~~G.S.~~  
 41 150B-36.G.S. 150B-34.

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

44 **SECTION 24.(e)** G.S. 108A-70.9A(f) reads as rewritten:

45 "(f) Final Decision. – After a hearing before an administrative law judge, ~~the judge~~ OAH  
 46 shall ~~return~~ forward a written copy of the administrative law judge's decision to the Department  
 47 and the recipient in accordance with ~~G.S. 150B-37.G.S. 150B-34.~~ The Department decision shall  
 48 notify the Department and the recipient of the final decision and of the right to judicial review of  
 49 the decision pursuant to Article 4 of Chapter 150B of the General Statutes."

50 **SECTION 24.(f)** G.S. 108A-70.9B(g) reads as rewritten:

1 "(g) Decision. – The administrative law judge assigned to a contested Medicaid case shall  
2 hear and decide the case without unnecessary delay. The judge shall prepare a written decision  
3 and ~~send~~shall forward a copy of it to the parties in accordance with  
4 ~~G.S. 150B-37.~~G.S. 150B-34."

5 **SECTION 24.(g)** G.S. 108D-16 reads as rewritten:

6 "**§ 108D-16. Notice of final decision and right to seek judicial review.**

7 The administrative law judge assigned to conduct a contested case hearing under  
8 G.S. 108D-15 shall hear and decide the case without unnecessary delay. The judge shall prepare  
9 a written decision that includes findings of fact and conclusions of law and ~~send~~shall forward a  
10 copy of it to the parties in accordance with ~~G.S. 150B-37.~~G.S. 150B-34. The written decision  
11 shall notify the parties ~~of the final decision and~~ of the right of the enrollee and the managed care  
12 entity to seek judicial review of the decision under Article 4 of Chapter 150B of the General  
13 Statutes."

14 **SECTION 24.(h)** G.S. 122C-24 reads as rewritten:

15 "**§ 122C-24. Adverse action on a license.**

16 (a) The Secretary may deny, suspend, amend, or revoke a license in any case in which  
17 the Secretary finds that there has been a substantial failure to comply with any provision of this  
18 Article or other applicable statutes or any applicable rule adopted pursuant to these statutes.  
19 ~~Action[s]~~Actions under this section and appeals of those actions shall be in accordance with  
20 rules of the Commission and Chapter 150B of the General Statutes.

21 (b) ~~When an appeal is filed concerning the denial, suspension, amendment, or revocation~~  
22 ~~of a license, a copy of the proposal for decision shall be sent to the Chairman of the Commission~~  
23 ~~in addition to the parties specified in G.S. 150B-34. The Chairman or members of the~~  
24 ~~Commission designated by the Chairman may submit for the Secretary's consideration written or~~  
25 ~~oral comments concerning the proposal prior to the issuance of a final agency decision in~~  
26 ~~accordance with G.S. 150B-36."~~

27 **SECTION 24.(i)** G.S. 122C-24.1 reads as rewritten:

28 "**§ 122C-24.1. Penalties; remedies.**

29 ...

30 (h) The Secretary may bring a civil action in the superior court of the county ~~wherein~~  
31 where the violation occurred to recover the amount of the administrative penalty ~~whenever if~~  
32 either of the following applies to a facility:

33 (1) ~~Which~~The facility has not requested an administrative hearing and fails to  
34 pay the penalty within 60 days after being notified of the ~~penalty, or penalty.~~

35 (2) ~~Which~~The facility has requested an administrative hearing and fails to pay  
36 the penalty within 60 days after ~~receipt of the Office of Administrative~~  
37 Hearings forwards a written copy of the decision as provided in  
38 ~~G.S. 150B-37.~~G.S. 150B-34.

39 ...

40 (j) The clear proceeds of civil penalties provided for in this section shall be remitted to  
41 the ~~State Treasurer for deposit~~Civil Penalty and Forfeiture Fund in accordance with ~~State~~  
42 law.G.S. 115C-457.2.

43 ...."

44 **SECTION 24.(j)** G.S. 131D-34 reads as rewritten:

45 "**§ 131D-34. Penalties; remedies.**

46 ...

47 (g) The Secretary may bring a civil action in the superior court of the county ~~wherein~~  
48 where the violation occurred to recover the amount of the administrative penalty ~~whenever if~~  
49 either of the following applies to a facility:

50 (1) ~~Which~~The facility has not requested an administrative hearing and fails to  
51 pay the penalty within 60 days after being notified of the ~~penalty, or penalty.~~

- 1           (2) ~~Which~~ The facility has requested an administrative hearing and fails to pay  
2           the penalty within 60 days after ~~receipt of the Office of Administrative~~  
3           Hearings forwards a written copy of the decision as provided in  
4           G.S. 150B-36-G.S. 150B-34.

5           ...

6           (i) The clear proceeds of civil penalties provided for in this section shall be remitted to  
7           the ~~State Treasurer for deposit~~ Civil Penalty and Forfeiture Fund in accordance with ~~State~~  
8           law-G.S. 115C-457.2."

9           **SECTION 24.(k)** G.S. 131E-129(f) reads as rewritten:

10          "(f) The Secretary may bring a civil action in the superior court of the county ~~wherein~~  
11          ~~where~~ the violation occurred to recover the amount of the administrative penalty ~~whenever if~~  
12          either of the following applies to a facility:

- 13               (1) ~~Which~~ The facility has not requested an administrative hearing and fails to  
14               pay the penalty within 60 days after being notified of the ~~penalty; or~~ penalty.  
15               (2) ~~Which~~ The facility has requested an administrative hearing and fails to pay  
16               the penalty within 60 days after ~~receipt of the Office of Administrative~~  
17               Hearings forwards a written copy of the decision as provided in  
18               G.S. 150B-36-G.S. 150B-34."

19          **SECTION 24.(l)** G.S. 143-215.94G reads as rewritten:

20          "**§ 143-215.94G. Authority of the Department to engage in cleanups; actions for fund**  
21          **reimbursement.**

22          (a) ~~The~~ If there is a discharge or release of petroleum from any of the following, the  
23          Department may use staff, equipment, or materials under its control or provided by other  
24          cooperating federal, State, or local agencies and may contract with any agent or contractor it  
25          deems appropriate to investigate a release, to develop and implement a cleanup plan, to provide  
26          interim alternative sources of drinking water to third parties, and to pay the initial costs for  
27          providing permanent alternative sources of drinking water to third ~~parties, and shall pay the costs~~  
28          resulting from the Commercial Fund whenever there is a discharge or release of petroleum from  
29          any of the following parties:

- 30               (1) A noncommercial underground storage tank.  
31               (2) An underground storage tank whose owner or operator cannot be identified or  
32               located.  
33               (3) An underground storage tank whose owner or operator fails to proceed as  
34               required by G.S. 143-215.94E(a).  
35               (4) A commercial underground storage tank taken out of operation prior to 1  
36               January 1974 if, when the discharge or release is discovered, neither the owner  
37               nor operator owns or leases the land on which the underground storage tank  
38               is located.

39          (a1) Every State agency shall provide to the Department to the maximum extent feasible  
40          ~~such any~~ staff, equipment, and materials as may be that are available and useful to the  
41          development and implementation of a cleanup program.

42          (a2) The cost of any action authorized under subsection (a) of this section shall be paid, to  
43          the extent funds are available, from the following sources in the order listed:

- 44               (1) Any funds to which the State is entitled under any federal program providing  
45               for the cleanup of petroleum discharges or releases from underground storage  
46               tanks, including, but not limited to, the Leaking Underground Storage Tank  
47               Trust Fund established pursuant to 26 U.S.C. § 4081 and 42 U.S.C. §  
48               6991b(h).  
49               (2) The Commercial Fund.

50          (a3) Expired October 1, 2011, pursuant to Session Laws 2001-442, s. 8, as amended by  
51          Session Laws 2008-195, s. 11.



1 (b) Whenever the discharge or release of a petroleum product is from a commercial  
2 underground storage tank, the Department may supervise the cleanup of environmental damage  
3 required by G.S. 143-215.94E(a). If the owner or operator elects to have the Commercial Fund  
4 reimburse or pay for any costs allowed under subsection (b) or (b1) of G.S. 143-215.94B, the  
5 Department shall require the owner or operator to submit documentation of all expenditures  
6 claimed for the purposes of establishing that the owner or operator has spent the amounts required  
7 to be paid by the owner or operator pursuant to and in accordance with G.S. 143-215.94E(b). The  
8 Department shall allow credit for all expenditures that the Department determines to be  
9 reasonable and necessary. The Department ~~may~~shall not pay for any costs for which the  
10 Commercial Fund was established until the owner or operator has paid the amounts specified in  
11 G.S. 143-215.94E(b).

12 (c) The Secretary shall keep a record of all expenses incurred for the services of State  
13 personnel and for the use of the State's equipment and material.

14 (d) The Secretary shall seek reimbursement through any legal means ~~available,~~  
15 for:available for the following:

16 (1) Any costs not authorized to be paid from the Commercial ~~Fund;~~Fund.

17 (2) The amounts provided for in G.S. 143-215.94B(b) or G.S. 143-215.94B(b1)  
18 required to be paid for by the owner or operator pursuant to  
19 G.S. 143-215.94E(b) ~~where~~if the owner or operator of a commercial  
20 underground storage tank is later identified or ~~located;~~located.

21 (3) The amounts provided for in G.S. 143-215.94B(b) or G.S. 143-215.94B(b1)  
22 required to be paid for by the owner or operator pursuant to  
23 G.S. 143-215.94E(b) ~~where~~if the owner or operator of a commercial  
24 underground storage tank failed to proceed as required by ~~G.S.~~  
25 ~~143-215.94E(a);~~G.S. 143-215.94E(a).

26 (3a) The amounts provided for by G.S. 143-215.94B(b)(5) required to be paid by  
27 the owner or operator to third parties for the cost of providing interim  
28 alternative sources of drinking water to third parties and the initial cost of  
29 providing permanent alternative sources of drinking water to third  
30 ~~parties;~~parties.

31 (4) Any funds due under ~~G.S. 143-215.94E(g); and~~G.S. 143-215.94E(g).

32 (5) Any funds to which the State is entitled under any federal program providing  
33 for the cleanup of petroleum discharges or releases from underground storage  
34 ~~tanks; [and]~~tanks.

35 (6) The amounts provided for in G.S. 143-215.94B(b5) and  
36 G.S. 143-215.94D(b2).

37 (e) In the event that a civil action is commenced to secure reimbursement pursuant to  
38 subdivisions (1) through (4) of subsection (d) of this section, the Secretary may recover, in  
39 addition to any amount due, the costs of the action, including but not limited to reasonable  
40 ~~attorney's~~attorneys' fees and investigation expenses. Any monies received or recovered as  
41 reimbursement shall be paid into the appropriate fund or other source from which the  
42 expenditures were made.

43 (f) Repealed by Session Laws 2015-241, s. 14.16A(f), effective December 31, 2016.

44 (g) If the Department paid or reimbursed costs that are not authorized to be paid or  
45 reimbursed under G.S. 143-215.94B or G.S. 143-215.94D as a result of a misrepresentation by  
46 an agent ~~who~~that acted on behalf of an owner, operator, or landowner, the Department shall first  
47 seek reimbursement, pursuant to subdivision (1) of subsection (d) of this section, from the agent  
48 of monies paid to or retained by the agent.

49 (h) The Department shall take administrative action to recover costs or bring a civil action  
50 pursuant to subdivision (1) of subsection (d) of this section to seek reimbursement of costs in  
51 accordance with the ~~time limits set out in this subsection.~~following time limits:

1 (1) The Department shall take administrative action to recover costs or bring a  
2 civil action to seek reimbursement of costs that are not authorized to be paid  
3 from the Commercial Fund under subdivision (1), (2), or (3) of  
4 G.S. 143-215.94B(d) within five years after payment.

5 (2) The Department shall take administrative action to recover costs or bring a  
6 civil action to seek reimbursement of costs other than those described in  
7 subdivision (1) of this subsection within three years after payment.

8 (3) Notwithstanding the time limits set out in subdivisions (1) and (2) of this  
9 subsection, the Department may take administrative action to recover costs or  
10 bring a civil action to seek reimbursement of costs paid as a result of fraud or  
11 misrepresentation at any time.

12 (i) An administrative action or civil action that is not commenced within the time allowed  
13 by subsection (h) of this section is barred.

14 (j) Except with the consent of the claimant, the Department ~~may~~shall not withhold  
15 payment or reimbursement of costs that are authorized to be paid from the Commercial Fund in  
16 order to recover any other costs that are in dispute unless the Department is authorized to  
17 withhold payment by a final decision ~~of the Commission pursuant to G.S. 150B-36~~in a contested  
18 case under Article 3 of Chapter 150B of the General Statutes or by an order or final decision of  
19 a court."

20 **SECTION 25.** G.S. 160D-1311 reads as rewritten:

21 "**§ 160D-1311. Community development programs and activities.**

22 (a) A local government ~~is authorized to~~may engage in, ~~to~~ accept federal and State grants  
23 and loans for, and ~~to~~ appropriate and expend funds for community development programs and  
24 activities. In undertaking community development programs and activities, in addition to other  
25 authority granted by law, a local government may engage in the following activities:

26 (1) Programs of assistance and financing of rehabilitation of private buildings  
27 principally for the benefit of low- and moderate-income persons, or for the  
28 restoration or preservation of older neighborhoods or properties, including  
29 direct repair, the making of grants or loans, the subsidization of interest  
30 payments on loans, and the guaranty of loans.

31 (2) Programs concerned with employment, economic development, crime  
32 prevention, child care, health, drug abuse, education, and welfare needs of  
33 persons of low and moderate income.

34 (b) A governing board may exercise directly those powers granted by law to local  
35 government redevelopment commissions and those powers granted by law to local government  
36 housing authorities and may do so whether or not a redevelopment commission or housing  
37 authority is in existence in ~~such~~the local government. Any governing board desiring to do so  
38 may delegate to any redevelopment commission, created under Article 22 of Chapter 160A of  
39 the General Statutes, or to any housing authority, created under Article 1 of Chapter 157 of the  
40 General Statutes, the responsibility of undertaking or carrying out any specified community  
41 development activities. Any governing board may by agreement undertake or carry out for  
42 another any specified community development activities. Any governing board may contract  
43 with any person, association, or corporation in undertaking any specified community  
44 development activities. Any county or city board of health, county board of social services, or  
45 county or city board of education may by agreement undertake or carry out for any other  
46 governing board any specified community development activities.

47 (c) A local government undertaking community development programs or activities may  
48 create one or more advisory committees to advise it and to make recommendations concerning  
49 ~~such~~the programs or activities.

50 (d) A governing board proposing to undertake any loan guaranty or similar program for  
51 rehabilitation of private buildings ~~is authorized to~~may submit to its voters the question whether

1 ~~such the~~ program shall be undertaken, ~~such~~ undertaken. The referendum ~~to shall~~ be conducted  
2 pursuant to the general and local laws applicable to special elections in ~~such the~~ local  
3 government. ~~No State or local taxes shall be appropriated or expended by a county pursuant to~~  
4 ~~this section for any purpose not expressly authorized by G.S. 153A-149, unless the same is first~~  
5 ~~submitted to a vote of the people as therein provided.~~

6 (e) A government may receive and dispense funds from the Community Development  
7 Block Grant (CDBG) Section 108 Loan Guarantee program, Subpart M, 24 C.F.R. § 570.700, et  
8 seq., either through application to the North Carolina Department of Commerce or directly from  
9 the federal government, in accordance with State and federal laws governing these funds. Any  
10 local government that receives these funds directly from the federal government may pledge  
11 current and future CDBG funds for use as loan guarantees in accordance with State and federal  
12 laws governing these funds. A local government may implement the receipt, dispensing, and  
13 pledging of CDBG funds under this subsection by borrowing CDBG funds and lending all or a  
14 portion of those funds to a third party in accordance with applicable laws governing the CDBG  
15 program.

16 A government that has pledged current or future CDBG funds for use as loan guarantees prior  
17 to the enactment of this subsection is authorized to have taken ~~such the~~ action. A pledge of future  
18 CDBG funds under this subsection is not a debt or liability of the State or any political  
19 subdivision of the State or a pledge of the faith and credit of the State or any political subdivision  
20 of the State. The pledging of future CDBG funds under this subsection does not directly,  
21 indirectly, or contingently obligate the State or any political subdivision of the State to levy or to  
22 pledge any taxes.

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

37 (g) No State or local taxes shall be appropriated or expended by a county pursuant to this  
38 section for any purpose not expressly authorized by G.S. 153A-149, unless the purpose is first  
39 submitted to a vote of the people as provided by that section."

40 **SECTION 26.** G.S. 168-11 reads as rewritten:

41 "**§ 168-11. Reporting by Protection and Advocacy Agency for persons with disabilities.**

42 The designated Protection and Advocacy Agency (Agency) for this State shall report to the  
43 General Assembly ~~as provided in this section.~~ twice per year on actions the Agency has taken in  
44 its efforts to advocate for persons with disabilities. The Agency shall submit its reports to the  
45 chairs of the House and Senate Appropriations Committees on Health and Human Services  
46 during session and to the Joint Legislative Oversight Committee on Medicaid and the Joint  
47 Legislative Oversight Committee on Health and Human Services during the interim.

48 Upon review, the General Assembly is encouraged to examine the activities of the Agency  
49 to determine the impact on current and future State budgets. The Agency is encouraged to  
50 annually hold six meetings with the public throughout the State to share the Agency's findings in  
51 the reports required by this section. Nothing in this section ~~shall be construed as impacting~~

1 ~~impacts~~ the Agency's ability to perform work within its governing laws. ~~The reports shall be~~  
2 ~~submitted as follows:~~

3 ~~A report submitted twice a year of actions the Agency has taken in its efforts to advocate for~~  
4 ~~persons with disabilities. The Agency shall submit its reports to the chairs of the House and~~  
5 ~~Senate Appropriations Committees on Health and Human Services during session and to the Joint~~  
6 ~~Legislative Oversight Committee on Medicaid and NC Health Choice and the Joint Legislative~~  
7 ~~Oversight Committee on Health and Human Services during the interim."~~

8 **SECTION 27.(a)** Subsection (a) of Section 9A.1 of S.L. 2022-74 is repealed.

9 **SECTION 27.(b)** G.S. 108A-42.1, as amended by subsection (a) of this section,  
10 reads as rewritten:

11 "**§ 108A-42.1. State-County Special Assistance Program payment rates.**

12 (a) Basic Rate. – The maximum monthly rate for State-County Special Assistance  
13 recipients residing in adult care homes or in-home living arrangements without a diagnosis of  
14 Alzheimer's disease or dementia ~~shall be one thousand one hundred eighty-two dollars (\$1,182)~~  
15 is one thousand two hundred eighty-five dollars (\$1,285) per month per resident. This rate shall  
16 be adjusted on January 1, 2024, and each January 1 thereafter, using the federally approved Social  
17 Security cost-of-living adjustment effective for the applicable year.

18 (b) Enhanced Rate. – The maximum monthly rate for State-County Special Assistance  
19 recipients residing in special care units or in-home living arrangements with a diagnosis of  
20 Alzheimer's disease or dementia ~~shall be one thousand five hundred fifteen dollars (\$1,515)~~ is  
21 one thousand six hundred forty-seven dollars (\$1,647) per month per resident. This rate shall be  
22 adjusted on January 1, 2024, and each January 1 thereafter, using the federally approved Social  
23 Security cost-of-living adjustment effective for the applicable year."

24 **SECTION 27.(c)** This section is retroactively effective January 1, 2023.

25 **SECTION 28.(a)** Section 9A.3A(a) of S.L. 2021-180 reads as rewritten:

26 "**SECTION 9A.3A.(a)** It is the intent of the General Assembly to provide greater parity  
27 among individuals receiving benefits under the State-County Special Assistance Program  
28 authorized under G.S. 108A-40 regardless if they elect to reside in an adult care home, a special  
29 care unit, or an in-home living arrangement. To that end, ~~no later than 30 days after the effective~~  
30 ~~date of this subsection, the Department of Health and Human Services, Division of Aging and~~  
31 ~~Adult Services, shall apply to the federal Social Security Administration (SSA) for approval to~~  
32 ~~allow eligible individuals residing in in-home living arrangements to qualify for State-County~~  
33 ~~Special Assistance under the Social Security Optional State Supplement Program in the same~~  
34 ~~manner as individuals residing in adult care homes or special care units. Additionally, no later~~  
35 ~~than 30 days after the effective date of this subsection, the Department of Health and Human~~  
36 ~~Services, Division of Health Benefits, shall submit a State Plan amendment to the Centers for~~  
37 ~~Medicare and Medicaid Services (CMS) for approval to add Medicaid coverage for individuals~~  
38 ~~residing in in-home living arrangements who qualify for State-County Special Assistance under~~  
39 ~~the Social Security Optional State Supplement Program. It is the further intent of the General~~  
40 ~~Assembly to appropriate sufficient funds in future fiscal years to support annual adjustment of~~  
41 ~~the State-County Special Assistance Program payment rates using the federally approved Social~~  
42 ~~Security cost-of-living adjustment. This subsection is effective when it becomes law."~~

43 **SECTION 28.(b)** Section 9A.3A(d) of S.L. 2021-180, as amended by Section  
44 9A.1(b) of S.L. 2022-74, reads as rewritten:

45 "**SECTION 9A.3A.(d)** Subsections (b), (c), and (e) of this section become effective on ~~the~~  
46 ~~date the Current Operations Appropriations Act of 2022 becomes law, or 30 days after the date~~  
47 ~~that both the SSA and CMS have approved the applications~~ the date the CMS approves the  
48 application submitted by the Department of Health and Human Services pursuant to subsection  
49 (a) of this section, ~~whichever is later.~~ section. The Secretary of Health and Human Services  
50 reported to the Revisor of Statutes that the CMS approved the application effective January 1,  
51 2023.

1       The Secretary of the Department of Health and Human Services shall report to the Revisor  
2 of Statutes when both the SSA and CMS approvals are obtained and the date of the approval.  
3 Subsections (b), (c), and (e) of this section shall not become effective if either the SSA or CMS  
4 disapproves the applications submitted by the Department of Health and Human Services  
5 pursuant to subsection (a) of this section. If, by June 30, 2023, the Department of Health and  
6 Human Services has not received notification of application approval from both the SSA and  
7 CMS pursuant to subsection (a) of this section, then subsections (b), (c), and (e) of this section  
8 shall expire. This subsection is effective when it becomes law."

9           **SECTION 28.(c)** Section 9A.1(d) of S.L. 2022-74 reads as rewritten:

10       "**SECTION 9A.1.(d)** Subsections (a) and (e) of this section become Subsection (c) of this  
11 section becomes effective on the date the Current Operations Appropriations Act of 2022  
12 becomes law, or 30 days after the date that both the SSA and CMS have approved the applications  
13 submitted by the Department of Health and Human Services pursuant to subsection (a) of Section  
14 9A.3A of S.L. 2021-180, whichever is later, that subsection (e) of Section 9A.3A of S.L.  
15 2021-180 becomes effective. The remainder of this section is effective when it becomes law."

16           **SECTION 28.(d)** This section is retroactively effective January 1, 2023.

17           **SECTION 29.** Except as otherwise provided, this act is effective when it becomes  
18 law.