

GENERAL ASSEMBLY OF NORTH CAROLINA
1995 SESSION

CHAPTER 542
HOUSE BILL 898

AN ACT TO AUTHORIZE STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION, TO CREATE AND CONTINUE VARIOUS COMMISSIONS, TO DIRECT STATE AGENCIES AND LEGISLATIVE OVERSIGHT COMMITTEES AND COMMISSIONS TO STUDY SPECIFIED ISSUES, TO MAKE VARIOUS STATUTORY CHANGES, AND TO MAKE TECHNICAL CORRECTIONS TO CHAPTER 507 OF THE 1995 SESSION LAWS.

The General Assembly of North Carolina enacts:

PART I.—TITLE

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

PART II.—LEGISLATIVE RESEARCH COMMISSION

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

- (1) Atlantic States Marine Fisheries Compact withdrawal (H.B. 948 - Preston)
- (2) Bad check fees (S.B. 876 - Ballance)
- (3) Chiropractic care (S.J.R. 228 - Odom, Soles)
- (4) Consolidation of regulatory agencies of financial institutions (H.B. 839 - Tallent)
- (5) Consumer protection issues:
 - a. Consumer protection (S.B. 59 - Jordan; H.B. 196 - Thompson)
 - b. Rental property rights (S.B. 861 - Perdue)
- (6) Domiciliary care and nursing homes (H.B. 685, H.B. 745 - Clary)
- (7) Education issues:
 - a. Education improvement (State grants and loans for community college tuition and fees, H.B. 42 - Warner)
 - b. School building disposition (S.B. 60 - Jordan, Edwards; H.B. 78 - Wainwright)
 - c. School funding (S.B. 1088 - Winner, Plexico)
 - d. Ability grouping and tracking of students (S.B. 1004 - Martin, W.; H.B. 1051 - Cunningham)

- e. Teacher tenure, performance evaluation, and incentives (H.B. 210 - Arnold)
- f. Choice in education (Shubert, Linney, Miller, K., Wood), including tuition tax credits (H.B. 954 - Wood)
- (8) Election laws reform (S.B. 982 - Plexico; H.B. 922 - Cansler; H.B. 858 - Miner)
- (9) Emergency medical services (S.J.R. 1045 - Speed)
- (10) Energy conservation (S.J.R. 461 - Edwards; H.J.R. 275 - Brawley)
- (11) Grandparent visitation rights (S.B. 841 - Forrester, Kerr, and Carpenter; H.J.R. 872 - Mitchell)
- (12) Illegitimacy, its prevention, and related child support and welfare benefits issues (Basnight)
- (13) Insurance and insurance-related issues:
 - a. Coastal insurance availability and affordability (S.J.R. 881 - Soles, Parnell)
 - b. Long-term care insurance (S.B. 102 - Parnell; H.B. 98 - Edwards)
 - c. Statewide flexible benefits program and third-party administrator contracts (Executive Order 66)
- (14) Juvenile and family law (S.J.R. 381 - Cooper, Allran, Winner; H.J.R. 251 - Hensley, Rogers, Russell; H.J.R. 274 - Hackney)
- (15) Lien laws (S.B. 434 - Hartsell, Soles, and Cooper)
- (16) Mold Lien Act (H.B. 617 - McMahan)
- (17) Occupational and professional regulation:
 - a. Fire Alarm Installers (Capps)
 - b. Forester licensing (Weatherly)
 - c. Qualified environmental professionals (H.B. 880 - Wood)
 - d. Psychology Practice Act (H.B. 452 - Lemmond)
- (18) Property issues.
 - a. Property rights (H.B. 597 - Nichols)
 - b. Extraterritorial jurisdiction representation (H.J.R. 73 - Ellis)
 - c. Annexation laws (H.B. 660 - Pulley; H.B. 539 - Sherrill)
 - d. Condemnation by government entities, including the condemnation process, fair market value for property, payment of condemnees' attorneys' fees and court costs, and related matters (Allred)
- (19) Revenue and tax issues:
 - a. Revenue laws (H.B. 246 - Gamble)
 - b. Interstate Tax Agreements (S.J.R. 122 - Webster)
 - c. Tax expenditures (H.J.R. 95 - Gamble, Luebke)
 - d. Nonprofit continuing care facilities property tax exemption (S.B. 980 - Plexico and Sherron)
 - e. Diesel Fuel Payment method (S.B. 797 - Hoyle; H. B. 975 - Barbee)

- f. Taxation of business inventory donated to nonprofit organization (McMahan)
- (20) State Personnel Issues, including needed revisions to the State Personnel Act (Morgan)
- (21) State purchasing and Correction Enterprises (S.B. 420 - Kerr, Sherron; H.B. 302 - Warner)
- (22) Water issues:
 - a. Water issues (S.B. 95 - Albertson; H.B. 46 - Ives)
 - b. Drinking water tests (H.B. 930 - Allred)
 - c. Water conservation measures to reduce consumption (Sherron)

Sec. 2.2. Executive Budget Act Revision (Morgan, Holmes, Gray). The Legislative Research Commission may study the Executive Budget Act and the budget process. The study may consider this State's and other states' laws and policies on the budget process and any other matters it considers necessary in order to recommend a complete revision of the Executive Budget Act and its policies. A study of these revisions shall specifically address the constitutional requirement of separation of powers as it relates to proposing, enacting, and executing a State budget and as it relates to the gubernatorial veto.

Sec. 2.3. Criminal Laws and Procedures; Sentencing (Neely, Odom, and Ballance). The Legislative Research Commission may study criminal laws and procedures, including criminal offenses, criminal penalties, criminal process and procedure, sentencing, and related matters.

Sec. 2.4. Downtown Revitalization (Brawley and Sherron). The Legislative Research Commission may study ways to encourage the development and use of downtown area structures. The use of these structures may include both commercial and residential uses in the same structure. To encourage the development of downtown area structures, the Legislative Research Commission study should evaluate the usefulness and cost-effectiveness of providing the following State and local incentives:

- (1) Income tax credits.
- (2) Reduced property tax liability through the use of exemptions, deferrals, or lower values.
- (3) Zoning law modifications.
- (4) Building code modifications.

Sec. 2.5. State and Federal Retirees (Rand, Perdue, Warren, Edwards, Grady, Morgan, Gray). The Legislative Research Commission may study North Carolina's tax treatment of the retirement benefits of State and federal government retirees residing in North Carolina, the potential need to make changes in the revenue laws of North Carolina relative to such benefits, and recommendations by which any alleged unconstitutional or inequitable tax treatment of retirement benefits might be redressed.

Sec. 2.6. Cape Fear River Basin (Shaw). The Legislative Research Commission may study the uses of the Cape Fear River Basin, including increased economic development, the use of hydroelectric power, recreational uses, and improving water quality for citizens of southeastern North Carolina.

Sec. 2.7. Workers' Compensation (S.J.R. 996 - Kerr). The Legislative Research Commission may study the effect of the assigned risk pool on small employers, the funding mechanisms of the Industrial Commission, workers' compensation premium tax, or any other matter raised by the Chairman or Advisory Panel of the Industrial Commission; provided, however, the Legislative Research Commission shall not study any matter contained in the original or any subsequent version of Senate Bill 906, the legislation that led to the Workers' Compensation Reform Act of 1994. The Commission may also study the issue of funding of workers' compensation for volunteer fire department and rescue squad members.

Sec. 2.8. Committee Membership. For each Legislative Research Commission committee created during the 1995-96 biennium, the cochairs of the Legislative Research Commission shall appoint the committee membership.

Sec. 2.9. Reporting Dates. For each of the topics the Legislative Research Commission decides to study under this act or pursuant to G.S. 120-30.17(1), the Commission may report its findings, together with any recommended legislation, to the 1996 Regular Session of the 1995 General Assembly, if approved by the cochairs, or the 1997 General Assembly, or both.

Sec. 2.10. Bills and Resolution References. The listing of the original bill or resolution in this Part is for reference purposes only and shall not be deemed to have incorporated by reference any of the substantive provisions contained in the original bill or resolution.

Sec. 2.11. Funding. From the funds available to the General Assembly, the Legislative Services Commission may allocate additional monies to fund the work of the Legislative Research Commission.

PART III.—SENATE AND HOUSE STUDIES

Sec. 3.1. The President Pro Tempore of the Senate may direct a Senate standing committee or select committee to study the following issues:

- (a) Campaign reform (S.B. 982 - Plexico).
- (b) Travel and Tourism Division of Department of Commerce merger with the Division of Parks and Recreation of the Department of Environment, Health, and Natural Resources (S.J.R. 1050 - Sherron).

Sec. 3.2. The Speaker of the House of Representatives may direct a House standing committee, permanent standing subcommittee, or select committee to study the following:

- (a) Issues involved in tort reform which were introduced in the 1995 Regular Session of the General Assembly but not enacted (Daughtry).
- (b) The facilitation of greater cooperation between the public and nonprofit sectors and the fostering of growth of the nonprofit sector, including, but not limited to, a review of government funding of nonprofits through State agencies, allowing local governments to take measures to encourage philanthropy within their communities and the feasibility of privatization of services and programs through nonprofit organizations (McMahan).

Sec. 3.3. A standing committee, permanent subcommittee, or select committee may report pursuant to this Part to the 1996 Regular Session of the 1995 General Assembly with any recommended legislation.

PART IV.—BLUE RIBBON STUDY COMMISSION ON AGRICULTURAL WASTE (S.B. 695 - Albertson; H.B. 524 - H. Hunter).

Sec. 4.1. The Blue Ribbon Study Commission on Agriculture Waste is created in the General Assembly. The Commission shall study the following issues:

- (1) The effect of agriculture waste on groundwater, drinking water, and air quality and any other environmental impacts of agriculture waste.
- (2) Methods of disposing of and managing agriculture waste currently in use in this State.
- (3) Methods of disposing of and managing agriculture waste that have fewer adverse impacts than those methods currently in use in this State, including positive commercial and noncommercial uses of agriculture waste.
- (4) The economic impact of agriculture waste in areas in this State where there is a high concentration of agriculture waste, including, but not limited to, the impact on property values of land adjacent to agriculture sites and on water treatment costs.
- (5) Implementation of the recommendations contained in the Swine Odor Task Force reports by the Swine Farm Odor Abatement Study authorized by Section 45 of Chapter 561 of the 1993 Session Laws and any recommendations that result from the federally funded study of the potential for groundwater contamination from animal waste lagoons currently being conducted by the Groundwater Section of the Department of Environment, Health, and Natural Resources.
- (6) General economic impact of agriculture industries on areas of the State with a high concentration of agriculture waste.
- (7) Coordination of regulatory activities and any other activities between federal, State, and local government agencies with jurisdiction over any aspect of agriculture industries.
- (8) Identification of beneficial uses of agriculture waste.

Sec. 4.2. The Blue Ribbon Study Commission on Agriculture Waste shall consist of 18 members to be appointed as follows:

- (1) Six members appointed by the President Pro Tempore of the Senate.
- (2) Six members appointed by the Governor.
- (3) Six members appointed by the Speaker of the House of Representatives.

The President Pro Tempore of the Senate and the Speaker of the House of Representatives each shall select a cochair. A majority of the Commission shall constitute a quorum for the transaction of business.

Sec. 4.3. The Commission shall submit a final report of its findings and recommendations to the 1996 Regular Session of the 1995 General Assembly by filing

the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives prior to the convening of the 1996 Regular Session of the 1995 General Assembly. The final report shall contain the findings, recommendations, and any legislative proposals of the Commission. The final report shall identify areas in the State where there is a significant concentration of agriculture waste; include recommendations on reducing agriculture waste in areas where there is an identified and significant harmful impact on groundwater or drinking water; and include recommendations on implementing any of the recommendations contained in the Swine Odor Study or the Groundwater Study considered by the Commission under this Part. If at any time during its deliberations, the Commission identifies a recommendation that can be implemented through the Administrative Procedure Act, Chapter 150B of the General Statutes, the Commission shall forward that recommendation with the proposed rule change to the responsible State agency for immediate consideration.

Sec. 4.4. Members appointed to the Commission shall serve until the Commission makes its final report. Vacancies on the Commission shall be filled by the same appointing officer who made the original appointments. The Commission shall terminate upon the filing of its final report.

Sec. 4.5. The Commission may contract for consultant services as provided by G.S. 120-32.02. The Commission may obtain assistance from North Carolina State University, particularly from those university resources associated with the ongoing studies conducted by the Swine Odor Task Force. Upon approval of the Legislative Services Commission, the Legislative Administrative Officer shall assign professional and clerical staff to assist in the work of the Commission. Clerical staff shall be furnished to the Commission through the offices of House and Senate supervisors of clerks. The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission. The Commission, while in the discharge of official duties, may exercise all the powers provided under the provisions of G.S. 120-19 through G.S. 120-19.4.

Sec. 4.6. Members of the Commission shall receive per diem, subsistence, and travel allowances as follows:

- (1) Commission members who are also General Assembly members, at the rate established in G.S. 120-3.1.
- (2) Commission members who are officials or employees of the State or local government agencies, at the rate established in G.S. 138-6.
- (3) All other Commission members, at the rate established in G.S. 138-5.

Sec. 4.7. From funds appropriated to the General Assembly, the Legislative Services Commission may allocate funds for the expenses of the Commission under this Part.

PART V.—CONCEALED HANDGUNS (Rand)

Sec. 5.1. The Governor's Crime Commission established pursuant to Part 3 of Article 11 of Chapter 143B of the General Statutes shall study the effects of the enactment of Article 54B of Chapter 14 of the General Statutes, Concealed Handgun Permit, as enacted by Chapter 398 of the 1995 Session Laws. The Commission shall:

- (1) Review the number of permits denied, issued, and revoked.
- (2) Review any data on the use of concealed handguns by those who have permits including to the extent available:
 - a. Instances where a crime was prevented by a person who was carrying a concealed handgun pursuant to a permit.
 - b. Instances where a child or another person was accidentally injured by a handgun carried by a person with a concealed handgun permit.
 - c. Instances where a handgun was used inappropriately by a person with a concealed weapon permit.
- (3) Attempt to determine the effect of Article 54B on crime in the State and on the safety of the public.

Sec. 5.2. The Governor's Crime Commission shall conduct this study with funds appropriated or otherwise available to the Department of Crime Control and Public Safety.

Sec. 5.3. The Governor's Crime Commission may report to the 1996 Regular Session of the 1995 General Assembly and shall report to the 1997 General Assembly upon its convening.

PART VI.—COOPERATIVE AGRICULTURE AND SEAFOOD EXPORTS IN RURAL COUNTIES (Basnight)

Sec. 6.1. The Joint Legislative Commission on Seafood and Aquaculture established pursuant to G.S. 120-70.60 shall study the use of agriculture and seafood cooperatives that can be utilized to enhance and promote economic development through the production of value added products which include raw material resources and related infrastructure weaknesses of rural and coastal counties.

Sec. 6.2. The Commission may make an interim report to the 1996 Regular Session of the 1995 General Assembly and shall report to the 1997 General Assembly upon its convening.

PART VII.—ERC STUDY CONSOLIDATION OF ENVIRONMENTAL RULE MAKING AND QUASI-JUDICIAL FUNCTIONS INTO ONE ENVIRONMENTAL COMMISSION (S.B. 1071 - Perdue)

Sec. 7.1. (a) The Environmental Review Commission established pursuant to Article 12D of Chapter 120 of the General Statutes shall study the organization, powers, duties, and functions of the boards, commissions, and councils within State government that currently exercise environmental rule making and quasi-judicial functions to determine whether those functions should be consolidated into a single, full-time Environmental Commission patterned after the North Carolina Utilities Commission. In conducting this study, the Environmental Review Commission shall evaluate options and develop recommendations for an Environmental Commission to:

- (1) Balance the interests of environmental protection and economic development within the State.

- (2) Represent in the membership of the Environmental Commission both environmental impact and economic impact assessment specialists.
- (3) Enhance the efficiency of the environmental regulatory process.
- (4) Serve as the single rule-making body regarding environment, natural resources, and health-related environmental matters.
- (5) Coordinate regulatory programs across a broad range of environmental policy.
- (6) Resolve disputes between State environmental agencies and other persons through a fair and efficient administrative hearings process.
- (7) Hear and decide all appeals of environmental permit decisions.
- (8) Provide for appeal directly to the Appellate Division of the General Court of Justice.
- (9) Be exempt from Chapter 150B of the General Statutes.
- (10) Complete the consolidation of environmental regulatory programs within the Department of Environment, Health, and Natural Resources.
- (11) Facilitate public involvement by providing for citizen advisory councils for specific program areas.
- (12) Restructure the Department of Environment, Health, and Natural Resources to reflect the development of the Environmental Commission.
- (13) Consider the role, structure, and function of the staff of the Environmental Commission and whether any staff of the Department of Environment, Health, and Natural Resources should be used to staff the Environmental Commission.

(b) The Environmental Review Commission shall review, at a minimum, the organization, powers, duties, and functions of the following boards, commissions, and councils that currently address environmental matters to determine the desirability and feasibility of incorporating their powers, duties, and functions into an Environmental Commission:

- (1) Coastal Resources Commission.
- (2) Environmental Management Commission.
- (3) Commission for Health Services.
- (4) Marine Fisheries Commission.
- (5) Mining Commission.
- (6) Sedimentation Control Commission.
- (7) Soil and Water Conservation Commission.
- (8) Water Pollution Control System Operators Certification Commission.
- (9) Water Treatment Facility Operators Board of Certification.
- (10) Wildlife Resources Commission.
- (11) Pesticide Board.
- (12) Structural Pest Control Committee.

(c) The Environmental Review Commission shall report its findings and recommendations, including any proposals for legislation, to the 1997 General Assembly on or before 15 February 1997.

PART VIII.—DEHNR STUDY/ENVIRONMENTAL REGULATION (S.B. 951-Gulley)

Sec. 8.1. (a) The Department of Environment, Health, and Natural Resources shall conduct a study of its mission, authority, duties, structure, and permit process related to environmental programs and shall consider specific actions being undertaken by the Department and further proposals for coordinating and streamlining environmental regulatory and permit processes, which actions and proposals shall include:

- (1) General changes to improve customer service and accountability:
 - a. Ways to manage and train Department employees to provide better customer service; and
 - b. Ways to improve the efficiency, effectiveness, accountability, flexibility, and fairness of the State environmental regulatory and permit processes.
- (2) Structural and organizational changes to improve performance and effectiveness of environmental programs.
- (3) Narrowing the scope of permitted activities:
 - a. Any activities that presently require permits that can be regulated through some more efficient means, such as registration or not at all without undue risk to public health and the environment; and
 - b. Eliminating redundant and nonsubstantive activities whose environmental and health effects are known to be insignificant.
- (4) Alternatives to individualized permitting:
 - a. Issuing temporary permits to businesses installing new equipment that will facilitate implementation of pollution prevention; and
 - b. Issuing temporary or other fast-track permits to facilitate remediation.
- (5) Improvements in processing for individualized permitting:
 - a. Eliminating process bottlenecks that delay the processing of permits;
 - b. Prioritizing applications in a consistent and efficient manner;
 - c. Eliminating unnecessary hearings; and
 - d. Rewarding persons who implement pollution prevention programs and comprehensive self-auditing or other quality environmental management programs through recognition and priority in permit processing.
- (6) Improvements in applicants' and affected parties' understanding of the permit system:
 - a. Providing applicants with checklists for completing applications;

- b. Advising permit applicants and affected parties of the expected timetable for processing permit applications;
 - c. Developing a consistent process and forms that minimize redundant information requests for environmental permit applications across the various divisions and commissions within the Department;
 - d. Providing improved and more consistent notice of permit applications and decisions;
 - e. Improving Department permit and compliance information systems to allow permit applicants and interested persons quick and simple access to information about permit applications and permitted facilities; and
 - f. Developing methods for providing direct compliance assistance, such as assistance in determining which permit requirements apply to particular facilities and assistance in preparing the permit applications or commenting on permit applications.
- (7) Improvements in fee structures and fee handling:
- a. Revising current fee structures for fairness and consistency and to balance the costs of program administration and the impact of fees on regulated business; and
 - b. Demonstrating accountability on expenditure of receipts.

(b) The Department shall select an equal number of representatives from local government, industry, small business, and environmental groups to work with and advise the Department in developing the proposals set forth in subsection (a) of this section.

Sec. 8.2. The Department shall report its findings regarding specific actions being undertaken, its recommendations for further proposals for coordinating and streamlining the environmental regulatory and permit processes, and its progress toward these ends to the Environmental Review Commission no later than 1 January 1996. The Department shall participate in developing any necessary legislative proposals and proposals for rule changes to implement the report's recommendations.

Sec. 8.3. The Department shall conduct this study with funds appropriated or otherwise available to the Department.

PART IX.—FUEL TAX EXEMPTION FOR COMMUNITY COLLEGES (S.B. 894 - Conder)

Sec. 9.1. The Joint Legislative Transportation Oversight Committee established pursuant to G.S. 120-70.50 shall study the issue of restoring the motor fuel tax exemption for fuel used in vehicles owned by a community college.

Sec. 9.2. The Committee may make an interim report to the 1996 Regular Session of the 1995 General Assembly and shall report to the 1997 General Assembly upon its convening.

PART X.—HIGHWAY PATROL TROOP AND DISTRICT BOUNDARIES (Perdue)

Sec. 10.1. The North Carolina State Highway Patrol shall study the current highway patrol troop and district boundaries and the location of troop and district headquarters to determine whether all areas of the State are adequately served by the current configuration. In the course of the study, the Highway Patrol shall:

- (1) Consider (i) the geographical area covered and the population served by each troop and (ii) the distance between troopers and their headquarters and maintenance garages.
- (2) Determine whether and how troop and district boundaries may be reconfigured to serve the daily operation of the Highway Patrol more efficiently and effectively.
- (3) Propose cost-effective ways to implement any proposed reconfiguration.

Sec. 10.2. The Highway Patrol shall report the results of its study to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Transportation Oversight Committee prior to March 31, 1996.

Sec. 10.3. The Highway Patrol shall conduct this study with funds appropriated or otherwise available to the Department of Crime Control and Public Safety.

PART XI.— INMATE HOUSING

Sec. 11.1. The Joint Legislative Corrections Oversight Committee, established under Article 12J of Chapter 120 of the General Statutes, shall study the issue of inmate housing (S.B. 31 - Hobbs). The Committee shall report its findings and recommendations to the 1996 Regular Session of the 1995 General Assembly.

PART XII.—NORTH CAROLINA HEALTH CARE REFORM COMMISSION (Morgan, Holmes, Gray)

Sec. 12.1. (a) The North Carolina Health Care Reform Commission established pursuant to Article 65 of Chapter 143 of the General Statutes may study Medicaid and medical cost containment in order to develop a medical cost containment policy that ensures that appropriate public medical care is delivered in a cost-effective manner. The study may examine federal Medicaid laws and regulations, federal and state medical cost containment initiatives, medical cost containment initiatives in North Carolina, including recommendations from the Government Performance Audit Committee to the 1993 General Assembly, and related matters.

(b) (S.B. 1044 - Speed and Perdue) The North Carolina Health Care Reform Commission shall study the methods of financing immunization services and their impact on age-appropriate immunization rates and other immunization programs.

(c) (S.B. 545 - Parnell; H.B. 741 - Blue) The North Carolina Health Care Reform Commission shall study the issue of fees for copies of medical records.

(d) The Commission shall conduct this study using funds appropriated or otherwise available to the Commission. The Commission may make an interim report for any studies authorized by this part to the 1996 Regular Session of the 1995 General Assembly and shall report to the 1997 General Assembly upon its convening.

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

Sec. 13.1. The Mental Health Study Commission, established and structured by 1973 General Assembly Resolution 80; Chapter 806, 1973 Session Laws; Chapter 185, 1975 Session Laws; Chapter 184, 1977 Session Laws; Chapter 215, 1979 Session Laws; 1979 General Assembly Resolution 20; Chapter 49, 1981 Session Laws; Chapter 268, 1983 Session Laws; Chapter 792, 1985 Session Laws; Chapter 873, 1987 Session Laws; Chapter 802, 1989 Session Laws; Chapter 754, 1991 Session Laws; and Chapter 771, 1993 Session Laws, Regular Session 1994, is reestablished and authorized to continue in existence until July 1, 1997.

Sec. 13.2. (a) The Commission shall consist of 25 members as follows:

- (1) The Secretary of the Department of Human Resources or a delegate, serving ex officio as a nonvoting member.
- (2) Eight members appointed by the Speaker of the House of Representatives, seven of whom shall be members of the House of Representatives at the time of their appointment. One of these seven shall be a Chair of the House Appropriations Subcommittee on Human Resources, and one shall be a Chair of a standing House committee that deals with mental health, developmental disabilities, and substance abuse issues.
- (3) Eight members appointed by the President Pro Tempore of the Senate, seven of whom shall be members of the Senate at the time of their appointment. One of these seven shall be Chair of the Senate Human Resources Appropriations Committee and one shall be Chair of a standing Senate committee that deals with mental health, developmental disabilities, and substance abuse issues.
- (4) Eight members appointed by the Governor, two of whom shall be county commissioners at the time of their appointment, selected from a list of four candidates nominated by the North Carolina Association of County Commissioners. If the Association has failed to make nominations by September 1, 1995, the Governor may appoint any two county commissioners.

(b) Members and staff of the continued Mental Health Study Commission shall receive compensation and expenses delineated by the original authorization in the 1973 General Assembly Resolution 80. Expenses of the Commission shall be expended by the Department of Human Resources from Budget Code 14460 subhead 1110.

Sec. 13.3. The continued Mental Health Study Commission has all the powers and duties of the original Commission as they are necessary to continue the original study, to assist in the implementation of the original and succeeding Commission recommendations, and to plan future activity on the subject of the study. In addition to other studies authorized by law, the Commission shall perform the following activities:

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

Sec. 13.4. The Mental Health Study Commission shall make a final report to the 1997 General Assembly, including any legislative proposals, by March 15, 1997, and may make an interim report, including any legislative proposals, to the 1996 Regular Session of the 1995 General Assembly on or before May 15, 1996.

PART XIV.—SCHOOL CAPITAL CONSTRUCTION STUDY COMMISSION
(Winner; H.B. 1041 - Owens)

Sec. 14.1. (a) The School Capital Construction Study Commission is established. The Commission consists of the following 20 members:

- (1) Six members, four of whom shall be members of the House of Representatives, appointed by the Speaker of the House of Representatives.
- (2) Six members, four of whom shall be members of the Senate, appointed by the President Pro Tempore of the Senate.
- (3) Three members appointed by the Governor.
- (4) The Chair of the State Board of Education, or one member appointed by the Chair.
- (5) The President of the School Board Association, or one member appointed by the President.

- (6) The President of the Association of County Commissioners, or one member appointed by the President.
- (7) The Superintendent of Public Instruction, or one member appointed by the Superintendent.
- (8) The State Treasurer, or one member appointed by the Treasurer.

All appointments shall be made no later than September 1, 1995. Vacancies shall be filled by the person who made the initial appointment.

(b) The Commission shall conduct a comprehensive study of public school facilities in the State. The study shall:

- (1) Identify the public school facility needs of the State based upon a consideration of factors such as local growth rates and the age of existing facilities.
- (2) Develop criteria for ranking the identified public school facility needs in priority order that take into consideration factors that will ensure the ranking is equitable.
- (3) Identify the federal, State, and local funds that are currently available to meet the identified public school facility needs, and analyze how they are being utilized.
- (4) Examine the roles the State and the counties should play in providing funds to meet public school facility needs. In particular, the Commission shall evaluate the extent to which public school facility needs should be met by counties. As part of this examination, the Commission shall consider the impact of mandates to provide social services on counties' ability to generate local revenue.
- (5) Explore various methods of governmental financing to meet identified public school facility needs, and recommend ways to obtain any additional funding needed to meet these needs.
- (6) Evaluate how current formulas for providing additional funds for schools in low-wealth counties and small school systems and the factors considered in these formulas affect the counties' ability to meet their public school facility needs. As part of this evaluation, the Commission shall consider whether the size of the school system or wealth of the county affects the extent of the county's public school facility needs and of the county's ability to meet those needs. Based on its evaluation, the Commission shall recommend whether any category of schools should receive special funding, and shall determine the source for this funding and the formula for distributing this funding.
- (7) Consider the utility, effectiveness, and efficiency of developing model designs for public school facilities that are energy-efficient and technologically adequate. The Commission also shall consider ways to use appropriately the State's schools of architecture and design in the development of these designs.

(8) Develop a long-term plan for funding the identified public school facility needs in an equitable and adequate manner.

(9) Consider any other issue the Commission considers relevant.

(c) Each local school administrative unit shall assist the Commission by submitting to the Commission a list of the public school facility needs of the unit. The list shall include a written justification of the reason for including each item on the list and a statement that the county commissioners of the county in which the unit is located has approved or disapproved the list. If the county commissioners of the county in which the unit is located fail to approve the list, they shall submit their list of the public school facility needs that includes a written justification of the reasons for submitting a separate list and for including each item on the list.

(d) The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each designate a cochair of the Commission. The Commission shall meet upon the call of the cochairs. A quorum of the Commission is 11 members. While in the discharge of its official duties, the Commission has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1.

Members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

The Legislative Administrative Officer shall assign as staff to the Commission professional employees of the General Assembly. Clerical staff shall be assigned to the Commission through the Offices of the Supervisor of Clerks of the Senate and Supervisor of Clerks of the House of Representatives.

(e) The Commission shall submit a progress report to the General Assembly by January 15, 1996, and shall submit a final report, including recommendations, to the General Assembly by April 15, 1996. A report to the General Assembly shall be submitted to the Legislative Library and to the Fiscal Research Division. The Commission shall terminate upon filing its final report.

(f) From funds appropriated to the General Assembly, the Legislative Services Commission may allocate funds for the expenses of the Commission under this Part.

PART XV.—STATE AND LOCAL GOVERNMENT FISCAL RELATIONS AND TRENDS STUDY COMMISSION (S.B. 376 - Kerr; S.B. 435, S.B. 446 - Sherron; S.B. 1048 - McDaniel; S.B. 1070 - Perdue; C. Wilson; H.B. 3, §2 - Russell; H.B. 747 - Lemmond; H.B. 854 - Wilkins; H.J.R. 883 - Arnold; H.J.R. 977 - House Loc. & Reg. II)

Sec. 15.1. (a) The State and Local Government Fiscal Relations and Trends Study Commission is established to study the fiscal responsibility of local governments, including structure, powers, finance and revenue options, and unfunded mandates; whether North Carolina's current system of shared responsibility for administering and financing public services is meeting the needs of the State and its communities; how that system might be improved to make the provision of public services more effective, efficient, and equitable; and identify trends affecting the fiscal resources of the State and local government. The Commission shall consist of 10 members, as follows:

(1) The President Pro Tempore of the Senate or a designee;

- (2) The Speaker of the House of Representatives or a designee;
- (3) Four Senators appointed by the President Pro Tempore of the Senate; and
- (4) Four Representatives appointed by the Speaker of the House of Representatives.

(b) Appointment to the Commission shall be made before September 15, 1995. The first meeting of the Commission shall be held no later than October 13, 1995.

(c) The President Pro Tempore of the Senate and the Speaker of the House of Representatives, or their designees, shall serve as cochairmen of the Commission.

Sec. 15.2. (a) The Commission is authorized to review the current responsibilities of State agencies and units of local government for administering, financing, and making decisions about public services. It shall give particular attention to those statewide services that are administered by counties on behalf of the State, such as public education at both the K-12 level and through the community college system; public health; mental health, developmental disabilities, and substance abuse services; and social services programs. It may also consider services that once were administered by local governments, such as secondary roads; services that are primarily provided by the State but have some component of local responsibility, such as court facilities; and other public services that are provided and financed primarily by local governments, such as law enforcement, city streets, solid waste collection and disposal, and water and sewer services. The Commission is also authorized to study fiscal trends and may review expenditures of the State and identify trends that will impact these expenditures.

(b) In reviewing the allocation of responsibility for public services among the State and its local governments, the Commission shall address the following issues:

- (1) Whether all or some portion of the service could be more effectively and efficiently provided by the private sector, with or without some form of public-private partnership;
- (2) Which level of government and which units within each level should be made responsible for providing and administering the service;
- (3) Whether revenues needed to finance the service should come from the State or its local governments, or from some combination of State and local revenue sources, and which revenue sources should be used to finance the service;
- (4) The extent to which local governments should be free to provide the service or not and at what level of effort;
- (5) The extent to which the State should impose some degree of uniformity in levels or quality of service by setting standards and guidelines or imposing mandates; and
- (6) How best to address the need to achieve statewide uniformity in the provision of certain services, such as those required by federal or State law to be provided uniformly throughout the State, while at the same time providing local governments with the flexibility needed to administer the programs effectively.

- (c) The Commission shall:
 - (1) Review long-term fiscal trends and to analyze the impact of these trends on the State budget.
 - (2) Identify the factors that have contributed to the financial problems of the State and recommend measures to avoid a recurrence of those problems to the extent they are within the control of the State of North Carolina.
 - (3) Monitor the State budget reform measures.
 - (4) Analyze options to address the effect on the State budget of federal legislative and judicial mandates.
 - (5) Review the condition of programs directed at ensuring an adequate workforce for the State's future.
 - (6) Analyze options to address future General Fund budget shortfalls.
 - (7) Study the feasibility of modifying the State's accounting practices to improve the State's balance sheet by treating as accrued (i) sales tax proceeds that have been collected on behalf of the State by merchants but have not yet been remitted and (ii) other tax proceeds that have been collected on behalf of the State but have not yet been remitted.
 - (8) Review the State's needs for changes in the revenue and budget structure to meet the needs of the State over the long term.
 - (9) Make a comprehensive review of the State and local tax system, particularly in light of future economic trends that may affect revenues generated by existing taxes.
 - (10) Consider proposals to enhance the State's revenue position, adapt the State tax structure to changes in the economy, avoid placing undue tax burdens on any segment of the population, and preserve the positive impact of the tax structure on the economic future of the State.
 - (11) Study the proper role of State government in fostering the growth of small businesses, including the financial and managerial needs of small businesses, the extent to which the State can and should meet those needs, the use of tax incentives as a means of stimulating small business growth and expansion, such as the expansion of the jobs tax credit and further tax credits for venture capital, and how organizations within State government can provide programs that support small business.
 - (12) Examine State and local expenditures and tax relief for economic development and economic incentives.
 - (13) Review issues concerning planned community acts and partnerships for quality growth.
- (d) In reviewing how public services are financed, the Commission shall conduct a review of all sources of revenue available to local governments, including locally levied taxes, charges, fees, intergovernmental revenues, and State revenues shared with local governments. This review shall include consideration of:
 - (1) Current trends in local government spending and revenues;

- (2) The extent to which existing local revenue sources are or can be made responsive to changes in the demand for services;
- (3) The extent to which existing local revenue sources allocate the burden of financing public services in a just and equitable manner;
- (4) Whether additional sources of revenue for local governments are needed;
- (5) Current State policy and practice with respect to mandating provision of public services at the local level without commensurate support from State-collected revenues; and
- (6) Current State policy and practice with respect to distributing State-collected revenues to local governments to compensate for legislated changes in local revenue sources.

Sec. 15.3. The Commission may make an interim report of its findings and recommendations to the General Assembly on or before the first day of the 1996 Regular Session. The Commission shall submit a final report of its findings and recommendations to the General Assembly on or before the first day of the 1997 Session by filing the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Upon filing its final report, the Commission shall terminate.

Sec. 15.4. The Commission, while in the discharge of official duties, may exercise all the powers provided for under the provisions of G.S. 120-19, and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call of the cochairs. The Commission may meet in the Legislative Building or the Legislative Office Building with the approval of the Legislative Services Commission.

Sec. 15.5. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1.

Sec. 15.6. The Commission may contract for professional or consultant services as provided by G.S. 120-32.02. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, upon the direction of the Legislative Services Commission.

Sec. 15.7. When a vacancy occurs in the membership of the Commission, the vacancy shall be filled by the same appointing officer who made the initial appointment.

Sec. 15.8. All State departments and agencies and local governments and their subdivisions shall furnish the Commission with any information in their possession or available to them.

Sec. 15.9. From funds appropriated to the General Assembly, the Legislative Services Commission may allocate funds for the expenses of the Commission under this Part.

PART XVI.—STATE PORTS STUDY

Sec. 16.1. (a) There is established in the General Assembly the State Ports Study Commission. The purpose of the Commission is to study the status, resources and operations of the ports of North Carolina, to determine whether the ports are serving the needs of exporters and importers in North Carolina, and to develop ways in which

North Carolina industries and the State would benefit from port improvements and modifications.

- (b) The Commission shall consist of 12 members as follows:
 - (1) Three Senators appointed by the President Pro Tempore of the Senate.
 - (2) Three Representatives appointed by the Speaker of the House of Representatives.
 - (3) Two representatives of North Carolina industries appointed by the Governor.
 - (4) Two representatives of North Carolina industries appointed by the President Pro Tempore of the Senate; and
 - (5) Two representatives of North Carolina industries appointed by the Speaker of the House of Representatives.

Appointments to the Commission shall be made before September 1, 1995.

The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall appoint as cochairs of the Commission from the General Assembly membership to serve on this Commission. All members shall serve at the will of their appointing officer. Unless removed or unless resigning, members shall serve until the Commission has made its report. Vacancies in membership shall be filled by the appropriate appointing officer.

The first meeting of the Commission shall be held no later than September 21, 1995.

- (c) The Commission shall:
 - (1) Review the roles of the ports in the economy of North Carolina, the transportation system necessary to port development, the administrative location of the ports, the desirability of privatization and leasing of ports, and any other issues directly pertaining to ports development and improvement of North Carolina ports;
 - (2) Examine and review the current operations of the ports, and of the State Ports Authority, and the ways in which policies and plans for the ports are formed and administered;
 - (3) Endeavor to determine (i) the cost-effectiveness of port operations, the returns realized by the State on its investment, (ii) whether there are alternatives to the current methods of operations which would be more beneficial to the taxpayers, and (iii) ways, if any, that services to North Carolina business and industry, including the port industries and the exporters and importers, could be improved or modified for the mutual benefit of those private industries and the State;
 - (4) Examine and review the methodologies in use by ports in other states that have achieved apparently more favorable returns to their states and industries;
 - (5) Recommend a methodology for establishing and administering a long-term planning procedure for the State Ports Authority; and
 - (6) Study the use and development of Radio Island.

(d) The Commission may contract for consultant services as provided by G.S. 120-32.02. Upon approval of the Legislative Services Commission, the Legislative Administrative Officer shall assign professional and clerical staff to assist in the work of the Commission. The professional staff shall include the appropriate staff from the Fiscal Research, Research, and Legislative Drafting Divisions of the Legislative Services Office of the General Assembly. Clerical staff shall be furnished to the Commission through the offices of House of Representatives and Senate Supervisors of Clerks. The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission. The Commission, while in the discharge of official duties, may exercise all the powers provided under the provisions of G.S. 120-19 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of the State to provide any information and any data within their possession or ascertainable from their records, and the power to subpoena witnesses.

Members of the Commission shall receive per diem, subsistence, and travel allowances as follows:

- (1) Commission members who are members of the General Assembly, at the rate established in G.S. 120-3.1;
- (2) Commission members who are officials or employees of the State or of local government agencies, at the rate established in G.S. 138-6; and
- (3) All other Commission members, at the rate established in G.S. 138-5.

(e) The Commission shall report the results of its study and its recommendations to the 1995 General Assembly by May 1, 1996. The Commission shall terminate upon filing its final report.

(f) All State departments and agencies shall furnish the Commission with documents and information in their possession or available to them.

(g) From funds appropriated to the General Assembly, the Legislative Services Commission may allocate funds for the expenses of the Commission under this Part.

PART XVII.—TAR IN CIGARETTES (S.B. 949 - Conder)

Sec. 17.1. The Board of Governors of The University of North Carolina is requested to direct North Carolina State University to conduct research into reducing the level of tar in cigarettes using funds appropriated or otherwise available to The University of North Carolina.

PART XVIII.—TOXIC AIR POLLUTANT STUDY (Rand)

Sec. 18.1. The Environmental Review Commission established pursuant to Article 12D of Chapter 120 of the General Statutes shall study:

- (1) The existing State toxic air pollutant control program under Chapter 2 of Title 15A of the North Carolina Administrative Code and its relation to the new federal hazardous air pollution control program established by the 1990 amendments to Title III of the federal Clean

Air Act, including the differing approaches employed by each of these programs.

- (2) Whether there is overlap or duplication of functions and results between these State and federal programs and ways to reduce or eliminate any overlap or duplication that may exist.
- (3) The benefits and costs to the State, the citizens of North Carolina, and regulated businesses and industries of continuing both programs.
- (4) The role and activities of the Scientific Advisory Board on Toxic Air Pollutants of the Department of Environment, Health, and Natural Resources under the State Toxic Air Pollutant Program.

Sec. 18.2. The Environmental Review Commission shall report the findings and recommendations of this study to the General Assembly upon the convening of the 1996 Regular Session.

PART XIX.—PLASTICS RECYCLING (H.B. 1066 - Luebke)

Sec. 19. 1. The Environmental Review Commission shall study plastics recycling. The Commission shall report its findings and recommendations to the General Assembly no later than 15 February 1997.

PART XX.—JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE

Subpart A. Natural Gas Pipeline Extension (S.B. 570 - Soles; H.B. 684 - McComas)

Sec. 20.1. The Joint Legislative Utility Review Committee is directed to study whether or not the extension of interstate natural gas pipelines into North Carolina can and should be encouraged by amending Chapter 62 of the General Statutes to provide that facilities selling electric power and thermal energy generated with natural gas from that pipeline should be exempted from regulation as public utilities. The Committee shall also study whether any other provisions of Chapter 62 of the General Statutes should be amended to encourage the construction of new interstate pipelines in North Carolina.

Sec. 20.2. The Joint Legislative Utility Review Committee shall report its findings and any recommendations under this subpart for legislation to the 1996 Regular Session of the 1995 General Assembly.

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

Sec. 20.3. The Joint Legislative Utility Review Committee is authorized to study the issues related to calculating avoided costs for small power producers and may recommend any needed changes to the General Assembly.

Sec. 20.4. The Committee is authorized to report any findings and recommendations under this subpart to the 1997 General Assembly and may make an interim report, including any recommended legislation, to the 1996 Regular Session of the 1995 General Assembly.

Subpart C. Expansion of Joint Legislative Utility Review Committee Membership

Sec. 20.5. G.S. 120-70.2, as amended by Section 1 of Chapter 440 of the 1995 Session Laws, reads as rewritten:

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

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

PART XXI.—STATE GOVERNMENT REORGANIZATION AND PRIVATIZATION (Morgan, Daughtry, Hoyle)

Sec. 21.1. (a) The State Government Reorganization and Privatization Study Commission is created. The Commission shall consist of the following 12 members:

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

(b) In order to provide for a public-private partnership in examining State government reorganization and privatization, the President Pro Tempore of the Senate shall designate one Senator and one member of the private sector as cochairs and the Speaker of the House of Representatives shall designate one Representative and one member of the private sector as cochairs. When a vacancy occurs in the membership of the Commission the vacancy shall be filled by the same appointing officer who made the initial appointment. Persons registered as lobbyists under Article 9A of Chapter 120 of the General Statutes may not be appointed to the Commission.

Sec. 21.2. The Commission may study the following issues:

- (1) Government reorganization, restructuring, and downsizing.
- (2) Privatization efforts of North Carolina and other jurisdictions and the need for State control of essential services and activities; criteria for determining the scope and methods of privatization.
- (3) State aid to private entities, including, but not limited to, the Biotechnology Center and MCNC.
- (4) Private auxiliary entities connected with State programs, including, but not limited to, the North Carolina Zoological Society.
- (5) Privatization of State services and programs, including, but not limited to, the North Carolina Zoological Park, the North Carolina Aquariums, and the State Ports.

- (6) Outsourcing of State information resource development, operation, and maintenance.
- (7) State expenditures for legal services.
- (8) Outside counsel for the State (S.J.R. 948 - Cochran).
- (9) Boards and commissions consolidation and abolition (H.B. 677 - Sherrill).
- (10) Other related issues.

Sec. 21.3. The Commission may develop, among other proposals, a plan for the orderly privatization of designated services and functions.

Sec. 21.4. The Commission shall submit a final report of its findings and recommendations to the 1997 General Assembly by filing the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives on or before January 15, 1997. The Commission may also submit an interim report of its findings and recommendations to the 1996 Regular Session of the 1995 General Assembly by filing the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives on or before May 15, 1996. Upon filing its final report to the 1997 General Assembly, the Commission shall terminate.

Sec. 21.5. The Commission, while in the discharge of official duties, may exercise all the powers provided for under the provisions of G.S. 120-19, and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call of the cochairs. With the approval of the Legislative Services Commission, the Commission may meet in the Legislative Building or the Legislative Office Building.

Sec. 21.6. Members of the Commission shall receive per diem, subsistence and travel expenses at the rates authorized by law.

Sec. 21.7. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02. The Legislative Services Commission, through the Legislative Administrative Officer, shall assign professional staff to assist in the work of the Commission. The House of Representatives' and the Senate's Supervisor of Clerks shall assign clerical staff to the Commission, upon the direction of the Legislative Services Commission. The expenses relating to clerical employees shall be borne by the Commission.

Sec. 21.8. Upon request by the Commission or its staff, a State department or agency, a local government, or a subdivision of either shall furnish the Commission with any information in its possession or available to it.

Sec. 21.9. The Legislative Services Commission may allocate funds to the Commission for the study authorized under this Part.

PART XXII.—LEGISLATIVE STUDY COMMISSION ON WETLANDS (S.B. 824 - Hoyle; H.B. 886 - Nichols)

Sec. 22.1. (a) There is established the Legislative Study Commission on Wetlands. The Commission shall consist of 16 members appointed as follows:

- (1) Four members of the House of Representatives appointed by the Speaker of the House of Representatives;
- (2) Four Senators appointed by the President Pro Tempore of the Senate;

- (3) Two environmentalists, one appointed by the Speaker of the House of Representatives and one appointed by the President Pro Tempore of the Senate;
- (4) Four persons representing the business community, two appointed by the Speaker of the House of Representatives and two appointed by the President Pro Tempore of the Senate;
- (5) One person representing the commercial fishing industry appointed by the President Pro Tempore of the Senate;
- (6) One scientist appointed by the Speaker of the House of Representatives.

(b) The Speaker of the House of Representatives shall designate one Representative as cochair and the President Pro Tempore of the Senate shall designate one Senator as cochair.

(c) The Commission shall study the current wetlands regulatory program including the need to develop a statewide wetlands restoration and mitigation program and mitigation bank. In making its recommendations, the Commission shall balance the need to provide effective rulemaking to protect wetlands with the need to encourage real estate and commercial development of property to enhance the State's economy. This evaluation shall include a review of current wetlands rules and regulations and an assessment of any necessary changes that should be made in exchange for participation in a statewide mitigation bank. The Commission may include in its recommendations, legislation to streamline the regulatory process, mitigation ratios and exemptions from mitigation, a coordinated program for wetlands restoration and enhancement, a Wetlands Mitigation Bank and Restoration Fund, funding for the mitigation bank, and any other issue relating to wetlands.

(d) The Commission, while in the discharge of official duties, may exercise all the powers provided for under the provisions of G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call of the cochairs. The Commission may meet in the Legislative Building or the Legislative Office Building.

(e) Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1 or G.S. 138-5, as appropriate.

(f) The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02. The Legislative Services Commission, through the Legislative Administrative Officer, shall assign professional staff to assist in the work of the Commission. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, upon the direction of the Legislative Services Commission. The expenses relating to clerical employees shall be borne by the Commission.

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

(h) The Commission shall make its recommendations and final report to the 1995 General Assembly, Regular Session 1996. Upon filing its report, the Commission shall terminate.

PART XXIII.—WELFARE REFORM STUDY COMMISSION CHANGES

Sec. 23.1. Subsection (a) of Section 47 of Chapter 24, 1993 Session Laws, Extra Session 1994, as continued by Section 23.8B(a) of Chapter 507 of the 1995 Session Laws, reads as rewritten:

"(a) There is created the Legislative Study Commission on Welfare Reform. The Commission shall consist of ~~14~~12 members as follows:

- (1) ~~Five~~Six members of the House of Representatives appointed by the Speaker of the House of Representatives; and
- (2) ~~Two persons appointed by the Speaker of the House of Representatives who are not members of the General Assembly;~~
- (2) ~~(3)~~ ~~Five~~Six Senators appointed by the President Pro Tempore of the ~~Senate; and~~ Senate.
- (4) ~~Two persons appointed by the President Pro Tempore of the Senate who are not members of the General Assembly."~~

Sec. 23.2. Subsection (g) of Section 47 of Chapter 24, 1993 Session Laws, Extra Session 1994, as continued by Section 23.8B(a) of Chapter 507 of the 1995 Session Laws, reads as rewritten:

"(g) Members of the Commission shall receive subsistence and travel expenses at the rates set forth in ~~G.S. 120-3.1 or G.S. 138-5, as appropriate.~~ G.S. 120-3.1."

PART XXIV.— JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS MEMBERSHIP

Sec. 24.1. (a) G.S. 120-74 reads as rewritten:

"§ 120-74. Appointment of members; terms of office.

The Commission shall consist of ~~22~~26 members. The President pro tempore of the Senate, the Speaker pro tempore of the House, and the Majority Leader of the Senate and the Speaker of the House shall serve as ex officio members of the Commission. The Speaker of the House of Representatives shall appoint ~~nine~~eleven members from the House. The President pro tempore of the Senate shall appoint ~~nine~~eleven members from the Senate. Vacancies created by resignation or otherwise shall be filled by the original appointing authority. Members shall serve two-year terms beginning and ending on January 15 of the odd-numbered years, except that initial appointments shall begin on July 1, 1975. Members shall not be disqualified from completing a term of service on the Commission because they fail to run or are defeated for reelection. Resignation or removal from the General Assembly shall constitute resignation or removal from membership on the Commission. The terms of the initial members of the Commission shall expire January 15, 1977."

(b) Appointees to the new positions created under this section shall serve initial terms beginning on the date of their appointment and ending January 15, 1997.

PART XXV.—BUDGET TECHNICAL CORRECTIONS
HEALTHY START FUNDS

Sec. 25.1. Section 26.4 of Chapter 507 of the 1995 Session Laws reads as rewritten:

"Sec. 26.4. Of the funds appropriated in this act to the Department of Environment, Health, and Natural Resources, the sum of two hundred thousand dollars (\$200,000) for the 1995-96 fiscal year shall be allocated to the North Carolina Healthy Start Foundation to support the programs and activities of the Governor's Commission on Reduction of Infant Mortality. Funds allocated pursuant to this section shall be expended first to support statewide planning, promotion, and coordination for the First Step Campaign. Funds remaining after allocation for First Step shall be used to support other programs and activities. The Healthy Start Foundation shall report on all of its programs to the Joint Legislative Commission on Governmental Operations on or before March 1, 1996. The report shall include information on the Foundation's activities and accomplishments during the past fiscal year, a list of the groups, organizations, communities, and other recipients of assistance from the Foundation in the last 12 months, itemized expenditures during the past fiscal year with sources of funding, planned activities, and accomplishments for at least the next 12 months, and itemized anticipated expenditures with sources of funding for the next 12 months.

In the event that the North Carolina Healthy Start Foundation fails or is unable to perform the services and activities required under this section, then the funds authorized for allocation pursuant to this section shall revert to the General Fund."

TECHNICAL CORRECTION/CRIMINAL HISTORY CHECKS

Sec. 25.2. G.S 110-90.2(g), as enacted by subsection (a) of Section 23.25 of Chapter 507 of the 1995 Session Laws, reads as rewritten:

"(g) The child day care provider who seeks to be employed in child day care and the child day care provider who seeks to own or operate child day care shall pay the cost of the fingerprinting and the local check at the time the child day care provider seeks to provide child day care. The Department of Justice shall perform the State criminal history check. ~~The Department of Human Resources shall bear the costs of obtaining the State criminal history check.~~ If the Department determines that a day care provider who has lived continuously in the State less than five years is not disqualified based on the local and State criminal history record check, the Department shall request a criminal history check from the National Repository of Criminal History from the Department of Justice. The Department of Human Resources shall pay the cost for the national criminal history record check."

CLERKS OF COURT EQUIPMENT FUNDS

Sec. 25.3. Section 27.10A1 of Chapter 507 of the 1995 Session Laws is amended by adding a new subdivision to read:

"(9a) Up to \$2,000,000 to the Judicial Department for equipment replacement."

CAPITAL BUDGET CLARIFICATIONS

Sec. 25.4. Entries 19 through 22 on the chart of Section 26A.1 of Chapter 507 of the 1995 Session Laws read as rewritten:

"19. State Parks System - Construction, <u>land</u> acquisition, repairs and renovations	10,000,000	
20. North Carolina Aquariums Planning	300,000	1,000,000
21. Museum of Natural Science- <u>Sciences - Exhibits</u> Planning and Design	400,000	
22. Water Resources <u>Development</u> Projects	2,065,000".	

PART XXVI.—EFFECTIVE DATE

Sec. 26.1. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 29th day of July, 1995.

Dennis A. Wicker
President of the Senate

Harold J. Brubaker
Speaker of the House of Representatives