

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 293

Committee Substitute Favorable 4/14/99

Senate Education/Higher Education Committee Substitute Adopted 6/3/99

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Short Title: Proprietary Sch./Civil Penalties/AB.

(Public)

Sponsors:

Referred to:

March 4, 1999

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE STATE BOARD OF COMMUNITY COLLEGES TO ASSESS MONETARY PENALTIES AGAINST PROPRIETARY SCHOOLS THAT OPERATE WITHOUT A LICENSE OR OPERATE OUTSIDE THE SCOPE OF THEIR LICENSE.

The General Assembly of North Carolina enacts:

Section 1. Article 8 of Chapter 115D of the General Statutes is amended by adding a new section to read:

**"§ 115D-93.1. Operation without a license or outside scope of license; penalty.**

Upon its determination that a person is in violation of this Article, the State Board shall immediately notify the person and may assess a civil penalty not to exceed one thousand dollars (\$1,000) against that person. In determining the amount of this penalty, the State Board shall consider the degree and extent of harm or potential harm caused by the violation. In addition, beginning on the thirtieth day following the date the Board makes this determination and sends the required notification, the person is liable for a civil penalty of one hundred dollars (\$100.00) for each day the person continues to be in

1 violation of this Article. A person is in violation of this Article if the person owns or  
2 operates a proprietary school (i) that is operating in the State without a license as required  
3 under this Article or (ii) that is offering a program of instruction, course, or subject that is  
4 not specifically indicated in the school's application for a license under this Article. If the  
5 State Board fails to approve or deny a completed supplementary application within 60  
6 days in accordance with G.S. 115D-90(d), a person will not be in violation of offering a  
7 program of instruction, course, or subject that is not indicated in the school's application  
8 for a license until 60 days after the completed supplementary application is denied. Civil  
9 penalties assessed under this section may be in addition to any other penalties or  
10 sanctions the State Board may impose for violation of this Article. This section is subject  
11 to Articles 3 and 4 of Chapter 150B of the General Statutes. The clear proceeds of civil  
12 penalties assessed under this section shall be remitted to the Civil Penalty and Forfeiture  
13 Fund in accordance with G.S. 115C-457.2."

14 Section 2. G.S. 115D-87 is amended by adding a new subdivision to read:

15 "(3a) 'Proprietary school' means a correspondence school, a proprietary  
16 business school, a proprietary trade school, or a proprietary technical  
17 school as defined in this section."

18 Section 3.1. G.S. 115D-90(d) reads as rewritten:

19 "(d) Any license issued shall be restricted to the programs of instruction or courses  
20 or subjects specifically indicated in the application for a license. The holder of a license  
21 shall present a supplementary application as may be directed by the President of the  
22 Community College System for approval of additional programs of instruction, courses,  
23 or subjects, in which it is desired to offer instruction during the effective period of the  
24 license. The State Board, acting by and through the President of the Community College  
25 System, shall approve or disapprove a supplementary application submitted for approval  
26 under this subsection within 60 days of the submission of a completed supplementary  
27 application."

28 Section 3. This act becomes effective October 1, 1999, and applies to offenses  
29 occurring on or after that date.