

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1335  
Judiciary I Committee Substitute Adopted 7/6/00  
Third Edition Engrossed 7/6/00  
House Committee Substitute Favorable 7/13/00

Short Title: 2000 Technical Corrections.

(Public)

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Sponsors:

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Referred to:

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May 18, 2000

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE TECHNICAL CORRECTIONS AND CONFORMING CHANGES  
3 TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL  
4 STATUTES COMMISSION, TO MAKE OTHER TECHNICAL AND  
5 CONFORMING CHANGES, AND TO AMEND LAWS RELATING TO URBAN  
6 WATERFRONT DEVELOPMENT AND THE CLASSIFICATION OF GAMMA  
7 HYDROXYBUTYRIC ACID (GHB) AS A CONTROLLED SUBSTANCE.

8 The General Assembly of North Carolina enacts:

9 Section 1. G.S. 7A-38.4(l) reads as rewritten:

10 "(l) The Supreme Court may adopt standards for the certification and conduct of  
11 mediators and other neutrals who participate in settlement procedures conducted pursuant  
12 to this section. The standards may also regulate mediator training programs. The Supreme  
13 Court may adopt procedures for the enforcement of those standards. The administration  
14 of mediator certification, regulation of mediator conduct, and decertification shall be  
15 conducted through the Dispute Resolution Commission."

16 Section 2. G.S. 18B-603(f)(8) reads as rewritten:

1           "(8) The permits authorized by ~~G.S. 18B-100(1)~~, G.S. 18B-1001(1), (3), (5),  
2           and (10) for tourism resorts;"

3           Section 3. G.S. 20-19(c3)(3) reads as rewritten:

4           "(3) For any restoration of a drivers license for a person convicted of driving  
5           while impaired in a commercial motor vehicle, G.S. 20-138.2, driving  
6           while less than 21 years old after consuming alcohol or drugs, G.S. 20-  
7           138.3, felony death by vehicle, G.S. 20-141.4(a1), manslaughter or  
8           negligent homicide resulting from the operation of a motor vehicle  
9           when the offense involved impaired driving, or a revocation under this  
10          subsection, that the person not operate a vehicle with an alcohol  
11          concentration of greater than 0.00 ~~or more~~ at any relevant time after the  
12          driving;"

13          Section 4. G.S. 20-19(c3)(4) reads as rewritten:

14          "(4) For any restoration of a drivers license revoked pursuant to G.S. 20-23  
15          or G.S. 20-23.2 when the offense for which the person's license was  
16          revoked prohibits substantially similar conduct which if committed in  
17          this State would result in a conviction of driving while impaired in a  
18          commercial motor vehicle, G.S. 20-138.2, driving while less than 21  
19          years old after consuming alcohol or drugs, G.S. 20-138.3, felony death  
20          by vehicle, G.S. 20-141.4(a1), or manslaughter or negligent homicide  
21          resulting from the operation of a motor vehicle when the offense  
22          involved impaired driving, that the person not operate a vehicle with an  
23          alcohol concentration of greater than 0.00 ~~or more~~ at any relevant time  
24          after the driving."

25          Section 5. G.S. 20-138.2A(b2) reads as rewritten:

26          "(b2) Alcohol Screening Test. – Notwithstanding any other provision of law, an  
27          alcohol screening test may be administered to a driver suspected of violation of  
28          subsection (a) of this section, and the results of an alcohol screening test or the driver's  
29          refusal to submit may be used by a law enforcement officer, a court, or an administrative  
30          agency in determining if alcohol was present in the driver's body. No alcohol screening  
31          tests are valid under this section unless the device used is one approved by the  
32          Commission ~~on~~ for Health Services, and the screening test is conducted in accordance  
33          with the applicable regulations of the Commission as to its manner and use."

34          Section 6. G.S. 20-138.2B(b2) reads as rewritten:

35          "(b2) Alcohol Screening Test. – Notwithstanding any other provision of law, an  
36          alcohol screening test may be administered to a driver suspected of violation of  
37          subsection (a) of this section, and the results of an alcohol screening test or the driver's  
38          refusal to submit may be used by a law enforcement officer, a court, or an administrative  
39          agency in determining if alcohol was present in the driver's body. No alcohol screening  
40          tests are valid under this section unless the device used is one approved by the  
41          Commission ~~on~~ for Health Services, and the screening test is conducted in accordance  
42          with the applicable regulations of the Commission as to its manner and use."

43          Section 7. G.S. 20-138.3(b2) reads as rewritten:

1       "(b2) Alcohol Screening Test. – Notwithstanding any other provision of law, an  
2 alcohol screening test may be administered to a driver suspected of violation of  
3 subsection (a) of this section, and the results of an alcohol screening test or the driver's  
4 refusal to submit may be used by a law enforcement officer, a court, or an administrative  
5 agency in determining if alcohol was present in the driver's body. No alcohol screening  
6 tests are valid under this section unless the device used is one approved by the  
7 Commission ~~on~~for Health Services, and the screening test is conducted in accordance  
8 with the applicable regulations of the Commission as to its manner and use."

9       Section 8. G.S. 31B-4(a) reads as rewritten:

10       "(a) The right to renounce property or an interest therein is barred by:

- 11           (1) An assignment, conveyance, encumbrance, pledge, or transfer of the  
12 property or interest, or a contract therefor by the person authorized to  
13 renounce,  
14           (2) A written waiver of the right to renounce, or  
15           (3) Repealed by Session Laws 1998-148, s. 4.  
16           (4) A sale of the property or interest under judicial sale made before the  
17 renunciation is effected."

18       Section 9. G.S. 43-46 reads as rewritten:

19       "**§ 43-46. Notice of delinquent taxes filed.**

20       It shall be the duty of the tax collector of each taxing unit, not later than June 30  
21 following the date the taxes became delinquent, to file an exact memorandum of the  
22 delinquency, if any, of any registered land for the nonpayment of the taxes or assessments  
23 thereon, including ~~the~~ interest, in the office of the register of deeds for registration; and if  
24 such officer fails to perform such duty, and there shall be subsequent to such day a  
25 transfer of the land as hereinbefore provided, the grantee shall acquire a good title free  
26 from any lien for such taxes and assessments, and the collector and his sureties shall be  
27 liable for the payment of the taxes and assessments with the interest thereon. The register  
28 of deeds shall enter the notice of delinquency on the record copy of the certificate of title,  
29 and the tax lien shall be valid against the registered estate from the time it is noted on the  
30 record copy. The register of deeds shall enter the notice of cancellation of the tax lien on  
31 the record copy of the certificate of title upon presentation of satisfactory evidence of  
32 payment."

33       Section 10.(a) Section 2.2 of S.L. 1999-189 and Section 50 of S.L. 1999-456 are  
34 repealed.

35       Section 10.(b) G.S. 57C-2-20 reads as rewritten:

36       "**§ 57C-2-20. Formation.**

37       (a) One or more persons may ~~organize~~form a limited liability company by  
38 delivering executed articles of organization to the Secretary of State for filing. A limited  
39 liability company may also be formed through the conversion of another business entity  
40 pursuant to Part 1 of Article 9A of this Chapter.

- 41       (b)           (1) When the filing by the Secretary of State ~~files of~~ the articles  
42 of ~~organization,~~organization becomes effective, the proposed  
43 organization becomes a limited liability company subject to this

Chapter and to the purposes, conditions, and provisions stated in the articles, and the person executing the articles of organization become members of the limited liability company articles of organization.

(2) Filing of the articles of organization by the Secretary of State is conclusive evidence of the organization formation of the limited liability company, except in a proceeding by the State to cancel or revoke the articles of organization or involuntarily dissolve the limited liability company.

(c) If initial members are not identified in the articles of organization of a limited liability company in the manner provided in G.S. 57C-3-01(a), the organizers shall hold one or more meetings at the call of a majority of the organizers to identify the initial members of the limited liability company. Unless otherwise provided in this Chapter or in the articles of organization of the limited liability company, all decisions to be made by the organizers at such meetings shall require the approval, consent, agreement, or ratification of a majority of the organizers. Unless otherwise provided in the articles of organization, the organizers may, in lieu of a meeting, take action as described in this subsection by written consent signed by all of the organizers. The written consent may be incorporated in, or otherwise made part of, the initial written operating agreement of the limited liability company."

Section 11. G.S. 58-7-70 reads as rewritten:

**"§ 58-7-70. Effects of redomestication.**

The license, agent appointments and licenses, rates, and other items that the Commissioner authorizes or grants, in his discretion, that are in existence at the time any insurer licensed to transact the business of insurance in this State transfers its corporate domicile to this or any other state by merger, consolidation, or any other lawful method, shall continue in full force and effect upon such transfer if such insurer remains duly licensed to transact the business of insurance in this State. All outstanding policies of any transferring insurer shall remain in full force and effect and need not be endorsed as to any new name of the insurer or its new location unless so ordered by the Commissioner. Every transferring insurer shall file new policy forms with the Commissioner on or before the effective date of the transfer, but may use existing policy forms with appropriate endorsements if allowed by, and under such conditions as approved by, the Commissioner: Provided, however, every such transferring insurer shall (i) notify the Commissioner of the details of the proposed transfer and (ii) promptly file any resulting amendments to corporate documents filed or required to be filed with the Commissioner."

Section 12. G.S. 58-28-15 reads as rewritten:

**"§ 58-28-15. Validity of acts or contracts of unauthorized company shall not impair obligation of contract as to the company; maintenance of suits; right to defend.**

The failure of a company to obtain a license shall not impair the validity of any acts or contracts of the company. Any person or insured holding contracts of insurance of an unauthorized insurer may bring an action in the courts of this State under the provisions of G.S. 58-16-35 for the enforcement of any rights pursuant to the contract of insurance.

1 The failure of the insurance company to obtain a license shall not prevent such company  
2 from defending any action at law or suit in equity in any court of this State so long as the  
3 said company fully complies with the provisions of G.S. 58-16-35(c), but no company  
4 transacting insurance business in this State without a license shall be permitted to  
5 maintain an action at law or in equity in any court of this State to enforce any right, claim  
6 or demand arising out of the transaction of such business until such company shall have  
7 obtained a license. Nor shall an action at law or in equity be maintained in any court of  
8 this State by any successor or assignee of such company on any such right, claim or  
9 demand originally held by such company until a license shall have been obtained by the  
10 company or by a company which has acquired all or substantially all of its assets.  
11 Nothing in this section shall be construed to abrogate the conditions of admission into  
12 this State nor to impair the authority of the Commissioner with respect to the issuance of  
13 ~~certificates of authority [licenses].~~ licenses. The Commissioner in considering the  
14 issuance of a license shall take into consideration the acts or transactions which an  
15 unauthorized company has engaged in in this State prior to its application for a license."

16 Section 13. G.S. 58-30-10(6) reads as rewritten:

17 "(6) 'Doing business' includes any of the following acts by insurers, whether  
18 effected by mail or otherwise:

- 19 a. The issuance or delivery of contracts of insurance to persons  
20 resident in this State;
- 21 b. The solicitation of applications for such contracts, or other  
22 negotiations preliminary to the execution of such contracts;
- 23 c. The collection of premiums, membership fees, assessments, or  
24 other consideration for such contracts;
- 25 d. The transaction of matters subsequent to execution of such  
26 contracts and arising out of them;
- 27 e. Operating as an insurer under a license ~~or license~~ issued by the  
28 Department; or
- 29 f. The purchase of contracts of insurance issued to persons in this  
30 State by an assumption agreement."

31 Section 14. G.S. 58-30-55(2) reads as rewritten:

32 **"§ 58-30-55. Condition on release from delinquency proceedings.**

33 No insurer that is subject to any delinquency proceedings, whether formal or informal,  
34 administrative or judicial, shall:

- 35 (1) Be released from such proceeding, unless such proceeding is converted  
36 into a judicial rehabilitation or liquidation proceeding;
- 37 (2) Be permitted to solicit or accept new business or request or accept the  
38 restoration of any suspended or revoked ~~license or~~ license;
- 39 (3) Be returned to the control of its shareholders or private management; or
- 40 (4) Have any of its assets returned to the control of its shareholders or  
41 private management;

42 until all payments of or on account of the insurer's contractual obligations by all guaranty  
43 associations, along with all expenses thereof and interest on all such payments and

1 expenses, have been repaid to the guaranty associations or a plan of repayment by the  
2 insurer shall have been approved by the guaranty associations."

3 Section 15. G.S. 58-42-45(a) reads as rewritten:

4 "(a) The provisions of Chapter 150B of the General Statutes shall apply  
5 to this Article.

6 ~~shall pursuant to~~".

7 Section 16. G.S. 58-50-1 reads as rewritten:

8 **"§ 58-50-1. Waiver by insurer.**

9 The acknowledgment by any insurer of the receipt of notice given under any policy  
10 covered by Articles 49, 50 through 55, 65, or 67 of this Chapter, or the furnishing of  
11 forms for filing proofs of loss, or the acceptance of such proofs, or the investigation of  
12 any claim ~~[under]~~under the policy, shall not operate as a waiver of any of the rights of  
13 the insurer in defense of any claim arising under the policy."

14 Section 17. G.S. 59-201(a) reads as rewritten:

15 "(a) In order to form a limited partnership, a certificate of limited  
16 partnership must be executed and filed in the office of the Secretary of State and set forth:

17 (1) The name of the limited ~~partnership;~~partnership.

18 (2) The address, including county and city or town, and street and number,  
19 if any, of the registered office and the name of the registered agent at  
20 such address for service of process required to be maintained by ~~G.S.~~  
21 ~~59-105;~~G.S. 59-105.

22 (3) The latest date upon which the limited partnership is to ~~dissolve;~~ and  
23 dissolve.

24 (4) The name and the address, including county and city or town, and street  
25 and number, if any, of each general partner.

26 (5) The address, including county and city or town, and street and number,  
27 if any, of the office at which the records referred to in G.S. 59-106 are  
28 kept, if such records are not kept at the registered office."

29 Section 18. G.S. 89C-12 reads as rewritten:

30 **"§ 89C-12. Records and reports of Board; evidence.**

31 The Board shall keep a record of its proceedings and a register of all applicants for  
32 licensure, showing for each the date of application, name, age, education, and other  
33 qualifications, place of business and place of residence, whether the applicant was  
34 rejected or a certificate of licensure granted, and the date licensure was rejected or  
35 granted. The books and register of the Board shall be prima facie evidence of all matters  
36 recorded by the Board, and a copy duly certified by the secretary of the Board under seal  
37 shall be admissible in evidence as if the original were produced. A roster showing the  
38 names and places of business and of residence of all licensed professional engineers and  
39 all licensed professional land surveyors shall be prepared by the secretary of the Board  
40 current to the month of January of each year. The roster shall be printed by the Board out  
41 of the Board's fund and distributed as described in the Board's rules. On or before the first  
42 day of May of each year, the Board shall submit to the Governor a report on its  
43 transactions for the preceding year, and shall file with the Secretary of State a copy of the

1 report, together with a complete statement of the receipts and expenditures of the Board  
2 attested by the chair and the secretary and a copy of the ~~the~~ roster of licensed professional  
3 engineers and professional land surveyors."

4 Section 19.(a) G.S. 93A-3(a) reads as rewritten:

5 "(a) There is hereby created the North Carolina Real Estate Commission,  
6 hereinafter called the Commission. The Commission shall consist of nine members,  
7 seven members to be appointed by the Governor, one member to be appointed by the  
8 General Assembly upon the recommendation of the President Pro Tempore of the Senate  
9 in accordance with G.S. 120-121, and one member to be appointed by the General  
10 Assembly upon the recommendation of the Speaker of the House of Representatives in  
11 accordance with G.S. 120-121. At least three members of the Commission shall be  
12 licensed real estate brokers or real estate ~~salesmen~~. salespersons. At least two members of  
13 the Commission shall be persons who are not involved directly or indirectly in the real  
14 estate or real estate appraisal business. Members of the Commission shall serve three-  
15 year terms, so staggered that the terms of ~~two~~ three members expire in one year, the terms  
16 of ~~two~~ three members expire in the next year, and the terms of three members expire in  
17 the third year of each three-year period. The members of the Commission shall elect one  
18 of their members to serve as chairman of the Commission for a term of one year. The  
19 Governor may remove any member of the Commission for misconduct, incompetency, or  
20 willful neglect of duty. The Governor shall have the power to fill all vacancies occurring  
21 on the Commission, except vacancies in legislative appointments shall be filled under  
22 G.S. 120-122."

23 Section 19.(b) The Revisor of Statutes is authorized to delete any reference to the  
24 words "salesman", "salesman's", "salesmen", and "salesmen's" wherever they appear in  
25 Chapter 93A of the General Statutes and to substitute, as appropriate, the words  
26 "salesperson", "salesperson's", "salespersons", and "salespersons".

27 Section 20.(a) Section 16 of S.L. 1999-293 is repealed.

28 Section 20.(b) G.S. 110-136.3 is amended by adding a new subsection to read:

29 "(d1) Employment verifications. – For the purpose of establishing or modifying a  
30 child support order, the amount of the obligor's gross income may be established by a  
31 written statement signed by the obligor's employer or the employer's designee or an  
32 Employee Verification form produced by the Automated Collections Tracking System  
33 that has been completed and signed by the obligor's employer or the employer's designee.  
34 A written statement signed by the employer of the obligor or the employer's designee that  
35 sets forth an obligor's gross income, as well as an Employee Verification form signed by  
36 the obligor's employer or the employer's designee, shall be admissible evidence in any  
37 action establishing or modifying a child support order."

38 Section 21.(a) The introductory language of Section 6 of S.L. 1998-220 reads as  
39 rewritten:

40 "Section 6. ~~G.S. 115C-174.21(b)~~ G.S. 115C-174.11(b) reads as rewritten:"

41 Section 21.(b) The introductory language of Section 11 of S.L. 1998-220 reads as  
42 rewritten:

43 "Section 11. ~~G.S. 115C-174.21(e)~~ G.S. 115C-174.11(c) reads as rewritten:"

1 Section 22. G.S. 115C-105.46(2) reads as rewritten:

2 "(2) Shall provide, in cooperation with the Board of Governors of The  
3 University of North Carolina, ongoing technical assistance to the local  
4 school administrative units in the development, implementation, and  
5 evaluation of their local plans under ~~G.S. 115C-105.57.~~ G.S. 115C-  
6 105.47."

7 Section 23. G.S. 115C-325(n) reads as rewritten:

8 "(n) Appeal. – Any career employee who has been dismissed or demoted under  
9 G.S. 115C-325(e)(2), or under G.S. 115C-325(j2), or who has been suspended without  
10 pay under G.S. 115C-325(a)(4a), or any school administrator whose contract is not  
11 renewed in accordance with G.S. 115C-287.1, ~~or any school administrator whose contract~~  
12 ~~is not renewed in accordance with G.S. 115C-287.1,~~ or any probationary teacher whose  
13 contract is not renewed under G.S. 115C-325(m)(2) shall have the right to appeal from  
14 the decision of the board to the superior court for the superior court district or set of  
15 districts as defined in G.S. 7A-41.1 in which the career employee is employed. This  
16 appeal shall be filed within a period of 30 days after notification of the decision of the  
17 board. The cost of preparing the transcript shall be determined under G.S. 115C-  
18 325(j2)(8) or G.S. 115C-325(j3)(10). A career employee who has been demoted or  
19 dismissed, or a school administrator whose contract is not renewed, who has not  
20 requested a hearing before the board of education pursuant to this section shall not be  
21 entitled to judicial review of the board's action."

22 Section 24. G.S. 115C-325(q)(1)b. reads as rewritten:

23 "b. If the State Board through its designee recommends the dismissal  
24 of a principal under this subdivision, the principal shall be  
25 suspended with pay pending a hearing before a panel of three  
26 members of the State Board. The purpose of this hearing, which  
27 shall be held within 60 days after the principal is suspended, is to  
28 determine whether the principal shall be dismissed.

29 ~~These principals shall be suspended with pay pending a~~  
30 ~~hearing before a panel of three members of the State Board. The~~  
31 ~~purpose of this hearing, which shall be held within 60 days after~~  
32 ~~the principal is suspended, is to determine whether the principal~~  
33 ~~shall be dismissed."~~

34 Section 25. G.S. 115C-404(a) reads as rewritten:

35 "**§ 115C-404. Use of juvenile court information.**

36 (a) Written notifications received in accordance with G.S. 7B-3101 and  
37 information gained from examination of juvenile records in accordance with G.S. 7B-  
38 3100 are confidential records, are not public records as defined under G.S. 132-1, and  
39 shall not be made part of the student's official record under G.S. 115C-402. Immediately  
40 upon receipt, the principal shall maintain these documents in a safe, locked record storage  
41 that is separate from the student's other school records. The principal shall shred, burn, or  
42 otherwise destroy documents received in accordance with G.S. 7B-3100 to protect the  
43 confidentiality of the information when the principal receives notification that the court



1 dismissed the petition under G.S. 7B-2411, the court transferred jurisdiction over the  
2 student to superior court under G.S. 7B-2200, or the court granted the student's petition  
3 for expunction of the records. The principal shall shred, burn, or otherwise destroy all  
4 information gained from examination of juvenile records in accordance with G.S. 7B-  
5 3100 when the principal finds that the school no longer needs the information to protect  
6 the safety of or to improve the educational opportunities for the student or others. In no  
7 case shall the principal make a copy of these documents.

8 ~~G.S. 7A-675.2 Article 31 of Chapter 7B of the General Statutes petition, court,~~  
9 ~~records pursuant to Chapter 7B of the General Statutes."~~

10 Section 26. G.S. 116-14(b1) reads as rewritten:

11 "(b1) The President shall receive General Fund appropriations made by the General  
12 Assembly for continuing operations of The University of North Carolina that are  
13 administered by the President and the President's staff complement established pursuant  
14 to G.S. 116-14(b) in the form of a single sum to Budget Code 16010 of The University of  
15 North Carolina in the manner and under the conditions prescribed by G.S. 116-30.2. The  
16 President, with respect to the foregoing appropriations, shall have the same duties and  
17 responsibilities that are prescribed by G.S. 116-30.2 for the Chancellor of a special  
18 responsibility constituent institution. The President may establish procedures for  
19 transferring funds from Budget Code 16010 to the constituent institutions for  
20 nonrecurring expenditures. The President may identify funds for capital improvement  
21 projects from Budget Code 16010, and the capital improvement projects may be  
22 established following the procedures set out in ~~in~~ G.S. 143-18.1."

23 Section 27. G.S. 116B-66(a) reads as rewritten:

24 "(a) After property has been paid or delivered to the Treasurer under this Article,  
25 another state may recover the property if:

- 26 (1) The property was paid or delivered to the custody of this State because  
27 the records of the holder did not reflect a last known location of the  
28 apparent owner within the borders of the other state, and the other state  
29 establishes that the apparent owner or other person entitled to the  
30 property was last known to be located within the borders of that state  
31 and under the laws of that state the property has escheated or become  
32 subject to a claim of abandonment by that state;
- 33 (2) The property was paid or delivered to the custody of this State because  
34 the laws of the other state did not provide for the escheat or custodial  
35 taking of the property, and under the laws of that state subsequently  
36 enacted, the property has escheated or become subject to a claim of  
37 abandonment by that state;
- 38 (3) The records of the holder were erroneous in that they did not accurately  
39 identify the owner of the property and the last known location of the  
40 owner within the borders of another state, and under the laws of that  
41 state the property has escheated or become subject to a claim of  
42 abandonment by that state; or

1           (4) ~~The property was subjected to custody by this State under G.S. 116B-~~  
2           ~~56(6), and under the laws of the state of domicile of the holder, the~~  
3           ~~property has escheated or become subject to a claim of abandonment by~~  
4           ~~that state; or~~

5           (5) The property is a sum payable on a traveler's check, money order, or  
6           similar instrument that was purchased in the other state and delivered  
7           into the custody of this State under ~~G.S. 116B-56(7)~~, G.S. 116B-  
8           56(a)(6), and under the laws of the other state, the property has  
9           escheated or become subject to a claim of abandonment by that state."

10          Section 28. The catch line of G.S. 120-9 reads as rewritten:

11        "**§ 120-9. Freedom of speech; ~~protection from arrest.~~ speech.**"

12          Section 29. G.S. 126-2(b)(5) reads as rewritten:

13        "(5) One member of the public at large appointed by the Governor. The  
14           initial member appointed under this subdivision shall serve for a term  
15           expiring June 30, 2001; the terms of subsequent appointees shall be for  
16           six years.

17        ~~seven~~".

18          Section 30. G.S. 131D-2(b)(1) reads as rewritten:

19        "(1) The Department of Health and Human Services shall inspect and  
20           license, under rules adopted by the Medical Care Commission, all adult  
21           care homes for persons who are aged or mentally or physically disabled  
22           except those exempt in subsection (c) of this section. Licenses issued  
23           under the authority of this section shall be valid for one year from the  
24           date of issuance unless revoked earlier by the Secretary for failure to  
25           comply with any part of this section or any rules adopted hereunder  
26           adult care. ~~adult care adult care~~ Licenses shall be renewed annually  
27           upon filing and the Department's approval of the renewal application. A  
28           license shall not be renewed if outstanding fines and penalties imposed  
29           by the State against the home have not been paid. Fines and penalties  
30           for which an appeal is pending are exempt from consideration. The  
31           renewal application shall contain all necessary and reasonable  
32           information that the Department may by rule require. Except as  
33           otherwise provided in this subdivision, the Department may amend a  
34           license by reducing it from a full license to a provisional license for a  
35           period of not more than 90 days whenever the Department finds that:

36           a. The licensee has substantially failed to comply with the  
37           provisions of Articles 1 and 3 of Chapter 131D of the General  
38           Statutes and the rules adopted pursuant to these Articles;

39           b. There is a reasonable probability that the licensee can remedy the  
40           licensure deficiencies within a reasonable length of time; and

41           c. There is a reasonable probability that the licensee will be able  
42           thereafter to remain in compliance with the licensure rules for the  
43           foreseeable future.

1 The Department may extend a provisional license for not more than one  
2 additional 90-day period upon finding that the licensee has made  
3 substantial progress toward remedying the licensure deficiencies that  
4 caused the license to be reduced to provisional status.

5 The Department may revoke a license whenever:

6 a. The Department finds that:

- 7 1. The licensee has substantially failed to comply with the  
8 provisions of Articles 1 and 3 of Chapter 131D of the  
9 General Statutes and the rules adopted pursuant to these  
10 Articles; and
- 11 2. It is not reasonably probable that the licensee can remedy  
12 the licensure deficiencies within a reasonable length of  
13 time; or

14 b. The Department finds that:

- 15 1. The licensee has substantially failed to comply with the  
16 provisions of Articles 1 and 3 of Chapter 131D of the  
17 General Statutes and the rules adopted pursuant to these  
18 Articles; and
- 19 2. Although the licensee may be able to remedy the  
20 deficiencies within a reasonable time, it is not reasonably  
21 probable that the licensee will be able to remain in  
22 compliance with licensure rules for the foreseeable future;  
23 or

24 c. The Department finds that the licensee has failed to comply with  
25 the provisions of Articles 1 and 3 of Chapter 131D of the General  
26 Statutes and the rules adopted pursuant to these Articles, and the  
27 failure to comply endangered the health, safety, or welfare of the  
28 patients in the facility.

29 The Department may also issue a provisional license to a facility,  
30 pursuant to rules adopted by the Medical Care Commission, for  
31 substantial failure to comply with the provisions of this section or rules  
32 adopted pursuant to this section. Any facility wishing to contest the  
33 issuance of a provisional license shall be entitled to an administrative  
34 hearing as provided in the Administrative Procedure Act, Chapter 150B  
35 of the General Statutes. A petition for a contested case shall be filed  
36 within 30 days after the Department mails written notice of the issuance  
37 of the provisional license."

38 Section 31. G.S. 136-176(b)(2) reads as rewritten:

39 "(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and  
40 construct the urban loops described in ~~G.S. 136-80~~ G.S. 136-180 and to  
41 pay debt service on highway bonds and notes that are issued under the  
42 State Highway Bond Act of 1996 and whose proceeds are applied to  
43 these urban loops."

1 Section 32. G.S. 143-151.57(a) reads as rewritten:

2 "(a) Maximum Fees. – The Board may adopt fees that do not exceed the amounts  
3 set in the following table for administering this Article:

4 <u>Item</u>	<u>Maximum Fee</u>
5 Application for home inspector license	\$25.00
6 Application for associate home inspector license	15.00
7 Home inspector examination	75.00
8 Issuance of home inspector license	150.00
9 Issuance of associate home inspector license	100.00
10 Late renewal of home inspector license	25.00
11 Late renewal of associate home inspector license	
12 <del>inspector-</del>	15.00
13 Application for course approval	150.00
14 Renewal of course approval	75.00
15 Course fee, per credit hour per licensee	5.00
16 Credit for unapproved continuing education course	50.00
17 Copies of Board rules or licensure standards	Cost of printing
18 * and mailing."	

19 Section 33. G.S. 143B-270(c) reads as rewritten:

20 "(c) Members appointed shall hold office for a term of four years beginning on  
21 October 1, 1987, except that three of the initial appointees and these three appointees'  
22 immediate successors shall serve a term of two years, with the immediate successors'  
23 terms expiring on September 30, 1991. ~~The Speaker, Lieutenant Governor, and Governor~~  
24 ~~shall each select one of their initial appointees to serve a two-year term."~~

25 Section 34. G.S. 160A-23.1(d) reads as rewritten:

26 "(d) If the council adopts the resolution provided for in subsection (a) of this  
27 section ~~and:~~

- 28 (1) ~~Does and does not~~ adopt the changes, or  
29 (2) ~~Does does~~ adopt the changes, but approval under the Voting Rights Act  
30 of 1965, as amended, is required, and notice of such approval is not  
31 received,

32 by the end of the third day before the opening of the filing period, the municipal election  
33 shall be rescheduled as provided in this subsection and current officeholders shall hold  
34 over until their successors are elected and qualified. For cities using the:

- 35 (1) Partisan primary and election method under G.S. 163-291, the primary  
36 shall be held on the primary election date for county officers in 2002,  
37 the second primary, if necessary, shall be held on the second primary  
38 election date for county officers in 2002, and the general election shall  
39 be held on the general election date for county officers in ~~1992;~~ 2002;

- 40 (2) Nonpartisan primary and election method under G.S. 163-294, the  
41 primary shall be held on the primary election date for county officers in  
42 2002 and the election shall be held on the date for the second primary  
43 for county officers in 2002;

1 (3) Nonpartisan plurality election method under G.S. 163-292, the election  
2 shall be held on the primary election date for county officers in 2002;

3 (4) Election and runoff method under G.S. 163-293, the election shall be  
4 held on the primary election date for county officers in 2002 and the  
5 runoffs, if necessary, shall be held on the date for the second primary for  
6 county officers in 2002.

7 The organizational meeting of the new council may be held at any time after the  
8 results of the election have been officially determined and published, but not later than  
9 the time and date of the first regular meeting of the council in July 2002, except in the  
10 case of partisan municipal elections, when the organizational meeting shall be held not  
11 later than the time and date of the first regular meeting of the council in December of  
12 2002."

13 Section 35. G.S. 5A-23(g) reads as rewritten:

14 "(g) ~~A judge conducting a hearing to determine if a person is in civil contempt may~~  
15 ~~at that hearing, upon making the required findings, find the person in criminal contempt~~  
16 ~~for the same conduct, regardless of whether imprisonment for civil contempt is proper in~~  
17 ~~the case. A person who is found in civil contempt under this Article shall not, for the~~  
18 ~~same conduct, be found in criminal contempt under Article 1 of this Chapter."~~

19 Section 36. G.S. 7A-41(c)(8) reads as rewritten:

20 "(8) The names and boundaries of precincts in New Hanover and Pender  
21 Counties are those in existence on ~~May~~ December 1, 1999."

22 Section 37. G.S. 14-113.20(b) reads as rewritten:

23 "(b) The term "identifying information" as used in this section includes the  
24 following:

25 (1) Social security numbers.

26 (2) Drivers license numbers.

27 (3) Checking account numbers.

28 (4) Savings account numbers.

29 (5) Credit card numbers.

30 (6) Debit card numbers.

31 (7) Personal Identification (PIN) Code as defined in ~~G.S. 14-113.8(8)~~. G.S.  
32 14-113.8(6).

33 (8) Electronic identification numbers.

34 (9) Digital signatures.

35 (10) Any other numbers or information that can be used to access a person's  
36 financial resources."

37 Section 38. G.S. 7A-751(a) reads as rewritten:

38 "(a) The head of the Office of Administrative Hearings is the Chief Administrative  
39 Law Judge, who shall serve as Director of the Office. The Chief Administrative Law  
40 Judge has the powers and duties conferred on that position by this Chapter and the  
41 Constitution and laws of this State and may adopt rules to implement the conferred  
42 powers and duties.

1 The salary of the Chief Administrative Law Judge shall be the same as that fixed from  
2 time to time for district court judges. The salary of a Senior Administrative Law Judge  
3 shall be ninety-five percent (95%) of the salary of the Chief Administrative Law Judge.

4 In lieu of merit and other increment raises, the Chief Administrative Law Judge and  
5 any Senior Administrative Law Judge shall receive longevity pay on the same basis as is  
6 provided to employees of the State who are subject to the State Personnel Act."

7 Section 38.1.(a) G.S. 17C-3(a) reads as rewritten:

8 "(a) There is established the North Carolina Criminal Justice Education and  
9 Training Standards Commission, hereinafter called 'the ~~Commission,~~~~in the Department~~  
10 ~~of Justice-Commission.'~~ The Commission shall be composed of 26 members as follows:

11 (1) Police Chiefs. – Three police chiefs selected by the North Carolina  
12 Association of Chiefs of Police and one police chief appointed by the  
13 Governor.

14 (2) Police Officers. – Three police officials appointed by the North Carolina  
15 Police Executives Association and two criminal justice officers certified  
16 by the Commission as selected by the North Carolina Law-Enforcement  
17 Officers' Association.

18 (3) Departments. – The Attorney General of the State of North Carolina; the  
19 Secretary of the Department of Crime Control and Public Safety; the  
20 Secretary of the Department of Correction; the President of the  
21 ~~Department~~ North Carolina System of Community Colleges.

22 (3a) A representative of the Office of Juvenile Justice.

23 (4) At-large Groups. – One individual representing and appointed by each  
24 of the following organizations: one mayor selected by the League of  
25 Municipalities; one law-enforcement training officer selected by the  
26 North Carolina Law-Enforcement Training Officers' Association; one  
27 criminal justice professional selected by the North Carolina Criminal  
28 Justice Association; one sworn law-enforcement officer selected by the  
29 North State Law-Enforcement Officers' Association; one member  
30 selected by the North Carolina Law-Enforcement Women's Association;  
31 and one District Attorney selected by the North Carolina Association of  
32 District Attorneys.

33 (5) Citizens and Others. – The President of The University of North  
34 Carolina; the Director of the Institute of Government; and two citizens,  
35 one of whom shall be selected by the Governor and one of whom shall  
36 be selected by the Attorney General. The General Assembly shall  
37 appoint two persons, one upon the recommendation of the Speaker of  
38 the House of Representatives and one upon the recommendation of the  
39 President Pro Tempore of the Senate. Appointments by the General  
40 Assembly shall be made in accordance with G.S. 120-122.  
41 Appointments by the General Assembly shall serve two-year terms to  
42 conclude on June 30th in odd-numbered years."

43 Section 38.1.(b) G.S. 17C-6(a) reads as rewritten:

1       (a) In addition to powers conferred upon the Commission elsewhere in this  
2 Chapter, the Commission shall have the following powers, which shall be enforceable  
3 through its rules and regulations, certification procedures, or the provisions of G.S. 17C-  
4 10:

- 5           (1) Promulgate rules and regulations for the administration of this Chapter,  
6 which rules may require (i) the submission by any criminal justice  
7 agency of information with respect to the employment, education,  
8 retention, and training of its criminal justice officers, and (ii) the  
9 submission by any criminal justice training school of information with  
10 respect to its criminal justice training programs that are required by this  
11 Chapter;
- 12           (2) Establish minimum educational and training standards that must be met  
13 in order to qualify for entry level employment and retention as a  
14 criminal justice officer in temporary or probationary status or in a  
15 permanent position;
- 16           (3) ~~Certify, Certify and recertify,~~ pursuant to the standards that it has  
17 established for the purpose, persons as qualified under the provisions of  
18 this Chapter to be employed at entry level and retained as criminal  
19 justice officers;
- 20           (4) Establish minimum standards for the certification of criminal justice  
21 training schools and programs or courses of instruction that are required  
22 by this Chapter;
- 23           (5) ~~Certify, Certify and recertify,~~ pursuant to the standards that it has  
24 established for the purpose, criminal justice training schools and  
25 programs or courses of instruction that are required by this Chapter;
- 26           (6) Establish minimum standards and levels of education and experience for  
27 all criminal justice instructors who participate in programs or courses of  
28 instruction that are required by this Chapter;
- 29           (7) ~~Certify, Certify and recertify,~~ pursuant to the standards that it has  
30 established for the purpose, criminal justice instructors who participate  
31 in programs or courses of instruction that are required by this Chapter;
- 32           (8) Investigate and make such evaluations as may be necessary to determine  
33 if criminal justice agencies, schools, and individuals are complying with  
34 the provisions of this Chapter;
- 35           (9) Adopt and amend bylaws, consistent with law, for its internal  
36 management and control;
- 37           (10) Enter into contracts incident to the administration of its authority  
38 pursuant to this Chapter;
- 39           (11) Establish minimum standards and levels of training for certification and  
40 periodic recertification of operators of and instructors for training  
41 programs in radio microwave, laser, and other electronic speed-  
42 measuring instruments;

- 1 (12) Certify and recertify, pursuant to the standards that it has established,  
2 operators and instructors for training programs for each approved type  
3 of radio microwave, laser, and other electronic speed-measuring  
4 instruments;
- 5 (13) In conjunction with the Secretary of Crime Control and Public Safety,  
6 approve use of specific models and types of radio microwave, laser, and  
7 other speed-measuring instruments and establish the procedures for  
8 operation of each approved instrument and standards for calibration and  
9 testing for accuracy of each approved instrument.
- 10 (14) Establish minimum standards for in-service training for criminal justice  
11 officers."

12 Section 39. G.S. 18B-108 reads as rewritten:

13 **"§ 18B-108. Sales on trains.**

14 Alcoholic beverages may be sold on railroad trains in this State upon ~~receipt of the~~  
15 ~~required revenue license under G.S. 105-113.76.~~ compliance with Article 2C of Chapter  
16 105 of the General Statutes."

17 Section 40.(a) G.S. 24-1.1A(c) reads as rewritten:

18 "(c) If the home loan is one described in subdivision (a)(1) or subdivision (a)(2) of  
19 this section, the lender may charge the borrower the following fees and charges in  
20 addition to interest and other fees and charges as permitted in this section and late  
21 payment charges as permitted in G.S. 24-10.1:

- 22 (1) At or before loan closing, the lender may charge such of the following  
23 fees and charges as may be agreed upon by the parties notwithstanding  
24 the provisions of any State law, other than G.S. 24-1.1E, limiting the  
25 amount of such fees or charges:

- 26 a. ~~Loan application, origination, and commitment fees;~~  
27 commitment, and interest rate lock fees;
- 28 a1. Fees to administer a construction loan or a  
29 construction/permanent loan, including inspection fees and loan  
30 conversion fees;
- 31 b. Discount points, but only to the extent the discount points are  
32 paid for the purpose of reducing, and in fact result in a bona fide  
33 reduction of the interest rate or time-price differential;
- 34 c. Assumption fees to the extent permitted by G.S. 24-10(d);
- 35 d. Appraisal fees to the extent permitted by G.S. 24-10(h);
- 36 e. ~~To Fees and charges to the extent permitted by G.S. 24-8(d),~~  
37 ~~sums for the payment of bona fide loan-related goods, products,~~  
38 ~~and services provided or to be provided by third parties and sums~~  
39 ~~for the payment of taxes, filing fees, recording fees, and other~~  
40 ~~charges, and fees paid or to be paid to public officials; G.S. 24-~~  
41 ~~8(d); and~~
- 42 f. Additional fees and charges, however individually or collectively  
43 denominated, payable to the lender which, in the aggregate, do



1 not exceed the greater of (i) one quarter of one percent (1/4 of  
2 1%) of the principal amount of the loan, or (ii) one hundred fifty  
3 dollars (\$150.00).

4 (2) Except as provided in subsection (g) of this section with respect to the  
5 deferral of loan payments, upon modification, renewal, extension, or  
6 amendment of any of the terms of a home loan, the lender may charge  
7 such of the following fees and charges as may be agreed upon by the  
8 parties notwithstanding the provisions of any State law, other than G.S.  
9 24-1.1E, limiting the amount of such fees or charges:

10 a. Discount points, but only to the extent the discount points are  
11 paid for the purpose of reducing, and in fact result in a bona fide  
12 reduction of, the interest rate or time-price differential;

13 a1. Fees which do not exceed one quarter of one percent (1/4 of 1%)  
14 of the principal amount of the loan if the principal amount of the  
15 loan is less than one hundred fifty thousand dollars (\$150,000),  
16 or one percent of the principal amount of the loan if the principal  
17 amount of the loan is one hundred fifty thousand dollars  
18 (\$150,000) or more, for the conversion of a variable interest rate  
19 loan to a fixed interest rate loan, of a fixed interest rate loan to a  
20 variable interest rate loan, of a closed-end loan to an open-end  
21 loan, or of an open-ended loan to a closed-end loan;

22 b. Assumption fees to the extent permitted by G.S. 24-10(d);

23 c. Appraisal fees to the extent permitted by G.S. 24-10(h);

24 ~~d. To Fees and charges to the extent permitted by G.S. 24-8(d),~~  
25 ~~sums for the payment of bona fide loan related goods, products,~~  
26 ~~and services provided or to be provided by third parties and sums~~  
27 ~~for the payment of taxes, filing fees, recording fees, and other~~  
28 ~~charges, and fees paid or to be paid to public officials; G.S. 24-~~  
29 ~~8(d); and~~

30 e. Additional ~~If no fees are charged under subdivision (c)(2)b. of~~  
31 this section, additional fees and charges, however individually or  
32 collectively ~~denominated, payable to the lender which, in the~~  
33 ~~aggregate, do not exceed the greater of (i) one quarter of one~~  
34 ~~percent (1/4 of 1%) of the balance outstanding at the time of the~~  
35 ~~modification, renewal, extension, or amendment of terms, or (ii)~~  
36 ~~one hundred fifty dollars (\$150.00). The fees and charges~~  
37 ~~permitted by this sub-subdivision may be charged only pursuant~~  
38 ~~to a written agreement which states the amount of the fee or~~  
39 ~~charge and is made at the time of the specific modification,~~  
40 ~~renewal, extension, or amendment, or at the time the specific~~  
41 ~~modification, renewal, extension, or amendment is requested."~~

42 Section 40.(b) G.S. 24-1.1A(g)(2)e. reads as rewritten:

1           "e.    No lender may charge a deferral fee for modifying or extending  
2           the maturity date of a loan or the date a balloon payment is due;  
3           provided, however, that any such modification or extension of  
4           the loan maturity date or the date a balloon payment is due shall,  
5           to the extent applicable, be considered a modification or  
6           extension subject to the provisions of subdivision (c)(2) of this  
7           section. A lender may charge a deferral fee under this subsection  
8           for deferring the payment of all or part of one or more regularly  
9           scheduled payments, regardless of whether the deferral results in  
10           an extension of the loan maturity date or the date a balloon  
11           payment is due. A modification or extension of the loan maturity  
12           date or the date a balloon payment is due which is not incident to  
13           the deferral of a regularly scheduled payment shall be considered  
14           a modification or extension subject to the provisions of  
15           subdivision (c)(2) of this section."

16       Section 40.(c) G.S. 24-8(d) reads as rewritten:

17       "(d) Notwithstanding any contrary provision of State law, any lender may collect  
18       money from the borrower for the payment of (i) bona fide loan-related goods, products,  
19       and services provided or to be provided by third parties, ~~and~~ (ii) taxes, filing fees,  
20       recording fees, and other charges and fees paid or to be paid to public officials ~~officials~~,  
21       and (iii) fees payable to the federal government, any state or local government or any  
22       federal, state, or local governmental agency in connection with a loan made pursuant to a  
23       loan program sponsored by or offered through the federal government, any state or local  
24       government or any federal, state or local government agency, including loan guarantee  
25       and tax credit programs. No third party shall charge or receive (i) any unreasonable  
26       compensation for loan-related goods, products, and services, or (ii) any compensation for  
27       which no loan-related goods and products are provided or for which no or only nominal  
28       loan-related services are performed. Loan-related goods, products, and services include  
29       fees for tax payment services, fees for flood certification, fees for pest-infestation  
30       determinations, mortgage brokers' fees, appraisal fees, inspection fees, environmental  
31       assessment fees, fees for credit report services, assessments, costs of upkeep, surveys,  
32       attorneys' fees, notary fees, escrow charges, and insurance premiums (including, for  
33       example, fire, title, life, accident and health, disability, unemployment, flood, and  
34       mortgage insurance)."

35       Section 40.1. G.S. 24-1.1E(c) reads as rewritten:

36       "(c) Prohibited Acts and Practices. – The following acts and practices are  
37       prohibited in the making of a high-cost home loan:

38       (1) No lending without home-ownership counseling. – A lender may not  
39       make a high-cost home loan without first receiving certification from a  
40       counselor approved by the North Carolina Housing Finance Agency that  
41       the borrower has received counseling on the advisability of the loan  
42       transaction and the appropriate loan for the borrower.

- 1           (2) No lending without due regard to repayment ability. – As used in this  
2 subsection, the term "obligor" refers to each borrower, co-borrower,  
3 cosigner, or guarantor obligated to repay a loan. A lender may not make  
4 a high-cost home loan unless the lender reasonably believes at the time  
5 the loan is consummated that one or more of the obligors, when  
6 considered individually or collectively, will be able to make the  
7 scheduled payments to repay the obligation based upon a consideration  
8 of their current and expected income, current obligations, employment  
9 status, and other financial resources (other than the borrower's equity in  
10 the dwelling which secures repayment of the loan). An obligor shall be  
11 presumed to be able to make the scheduled payments to repay the  
12 obligation if, at the time the loan is consummated, the obligor's total  
13 monthly debts, including amounts owed under the loan, do not exceed  
14 fifty percent (50%) of the obligor's monthly gross income as verified by  
15 the credit application, the obligor's financial statement, a credit report,  
16 financial information provided to the lender by or on behalf of the  
17 obligor, or any other reasonable means; provided, no presumption of  
18 inability to make the scheduled payments to repay the obligation shall  
19 arise solely from the fact that, at the time the loan is consummated, the  
20 obligor's total monthly debts (including amounts owed under the loan)  
21 exceed fifty percent (50%) of the obligor's monthly gross income.
- 22           (3) No financing of fees or charges. – In making a high-cost home loan, a  
23 lender may not directly or indirectly finance:  
24           a. Any prepayment fees or penalties payable by the borrower in a  
25 refinancing transaction if the lender or an affiliate of the lender is  
26 the noteholder of the note being refinanced;  
27           b. Any points and fees; or  
28           c. Any other charges payable to third parties.
- 29           (4) No benefit from refinancing existing high-cost home loan with new  
30 high-cost home loan. – A lender may not charge a borrower points and  
31 fees in connection with a high-cost home loan if the proceeds of the  
32 high-cost home loan are used to refinance an existing high-cost home  
33 loan held by the same lender as noteholder.
- 34           (5) Restrictions on home-improvement contracts. – A lender may not pay a  
35 contractor under a home-improvement contract from the proceeds of a  
36 high-cost home loan other than (i) by an instrument payable to the  
37 borrower or jointly to the borrower and the contractor, or (ii) at the  
38 election of the borrower, through a third-party escrow agent in  
39 accordance with terms established in a written agreement signed by the  
40 borrower, the lender, and the contractor prior to the disbursement.
- 41           (6) No shifting of liability. – A lender is prohibited from shifting any loss,  
42 liability, or claim of any kind to the closing agent or closing attorney for  
43 any violation of this section."

1 Section 41. G.S. 42A-19 reads as rewritten:

2 **"§ 42A-19. Transfer of property subject to a vacation rental agreement.**

3 (a) The grantee of residential property voluntarily transferred by a landlord who  
4 has entered into a vacation rental agreement for the use of the property shall take his or  
5 her title subject to the vacation rental agreement if the vacation rental is to end not later  
6 than 180 days after the grantee's interest in the property is recorded in the office of the  
7 register of deeds. If the vacation rental is to end more than 180 days after the recording of  
8 the grantee's interest, the tenant shall have no right to enforce the terms of the agreement  
9 unless the grantee has agreed in writing to honor such terms, but the tenant shall be  
10 entitled to a refund of ~~any~~ payments made by him or ~~her~~ her, as provided in subsection  
11 (b) of this section. Prior to entering into any contract of sale, the landlord shall disclose  
12 to the grantee the time periods that the property is subject to a vacation rental agreement.  
13 Not later than 10 days after entering into the contract of sale the landlord shall disclose to  
14 the grantee each tenant's name and address and shall provide the grantee with a copy of  
15 each vacation rental agreement. Not later than 10 days after transfer of the property, the  
16 grantee or the grantee's agent shall:

17 (1) Notify each tenant in writing of the property transfer, the grantee's name  
18 and address, and the date the grantee's interest was recorded.

19 (2) Advise each tenant whether he or she has the right to occupy the  
20 property subject to the terms of the vacation rental agreement and the  
21 provisions of this section.

22 (3) Advise each tenant of whether he or she has the right to receive a refund  
23 of any payments made by him or her.

24 (b) Except as otherwise provided in this subsection, upon termination of the  
25 landlord's interest in the residential property subject to a vacation rental agreement,  
26 whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or  
27 the landlord's agent, or the real estate broker, shall, within 30 days, transfer all advance  
28 rent paid by the tenant, and the portion of any fees remaining after any lawful deductions  
29 made under G.S. 42A-16, to the landlord's successor in interest and thereafter notify the  
30 tenant by mail of such transfer and of the transferee's name and address. For vacation  
31 rentals that end more than 180 days after the recording of the interest of the landlord's  
32 successor in interest, unless the landlord's successor in interest has agreed in writing to  
33 honor the vacation rental agreement, the landlord or the landlord's agent, or the real estate  
34 broker, shall, within 30 days, transfer all advance rent paid by the tenant, and the portion  
35 of any fees remaining after any lawful deductions made under G.S. 42A-16, to the tenant.  
36 Compliance with this subsection shall relieve the landlord or real estate broker of further  
37 liability with respect to any payment of rent or fees. Funds held as a security deposit shall  
38 be disbursed in accordance with G.S. 42A-18.

39 ~~(e) If, prior to the tenant's occupancy of the property, the landlord's interest in the~~  
40 ~~property is involuntarily transferred to another, the landlord shall refund to the tenant~~  
41 ~~within 60 days after the transfer any payments made by the tenant.~~

1 (d) The failure of a landlord to comply with the provisions of this section shall  
2 constitute an unfair trade practice in violation of G.S. 75-1.1. A landlord who complies  
3 with the requirements of this section shall have no further obligations to the tenant."

4 Section 42.(a) G.S. 43-22 reads as rewritten:

5 **"§ 43-22. Jurisdiction of courts; registered land affected only by registration.**

6 Except as otherwise specially provided by this Chapter, registered land and ownership  
7 therein shall be subject to the jurisdiction of the courts in the same manner as if it had not  
8 been registered; but the registration shall be the only operative act to transfer or affect the  
9 title to registered land, and shall date from the time the writing, instrument or record to be  
10 registered is duly filed in the office of the register of deeds, subject to the provisions of  
11 this Chapter; no voluntary or involuntary transaction shall affect the title to registered  
12 lands until registered in accordance with the provisions of this Chapter: Provided, that all  
13 mortgages, deeds, surrendered and canceled certificates, when new certificates are issued  
14 for the land so deeded, the other paper- writings, if any, pertaining to and affecting the  
15 registered estate or estates herein referred to, shall be filed by the register of deeds for  
16 reference and information, but the ~~registration of titles book~~ consolidated real property  
17 records shall be and constitute sole and conclusive legal evidence of title, except in cases  
18 of mistake and fraud, which shall be corrected in the methods now provided for the  
19 correction of papers authorized to be registered."

20 Section 42.(b) G.S. 43-25 reads as rewritten:

21 **"§ 43-25. Release from registration.**

22 Whenever the record owner of any estate in lands, the title to which has been  
23 registered or attempted to be registered in accordance with the provisions of this Chapter,  
24 desires to have such estate released from the provisions of said Chapter insofar as said  
25 Chapter relates to the form of conveyance, so that such estate may ever thereafter be  
26 conveyed, either absolutely or upon condition or trust, by the use of any desired form of  
27 conveyance other than the certificate of title prescribed by said Chapter, such owner may  
28 present his owner's certificate of title to such registered estate to the register of deeds of  
29 the county wherein such land lies, with a memorandum or statement written by him on  
30 the margin thereof in the words following, or words of similar import, to wit: "I (or  
31 we),....., being the owner (or owners) of the registered estate evidenced by this  
32 certificate of title, do hereby release said estate from the provisions of Chapter 43 of the  
33 General Statutes of North Carolina insofar as said Chapter relates to the form of  
34 conveyance, so that hereafter the said estate may, and shall be forever until again  
35 hereafter registered in accordance with the provisions of said Chapter and acts  
36 amendatory thereof, conveyed, either absolutely or upon condition or trust, by any form  
37 of conveyance other than the certificate of title prescribed by said Chapter, and in the  
38 same manner as if said estate had never been registered."Which said memorandum or  
39 statement shall further state that it is made pursuant to the provisions of this section, and  
40 shall be signed by such record owner and attested by the register of deeds under his hand  
41 and official seal, and a like memorandum or statement so entered, signed and attested  
42 upon the margin of the record of the said owner's certificate of title in the ~~registration of~~  
43 titles book consolidated real property records in said register's office, with the further

1 notation made and signed by the register of deeds on the margin of the certificate of title  
2 in the ~~registration of titles book~~ consolidated real property records showing that such  
3 entry has been made upon the owner's certificate of title; and thereafter any conveyance  
4 of such registered estate, or any part thereof, by such owner, his heirs or assigns, by  
5 means of any desired form of conveyance other than such certificate of title shall be as  
6 valid and effectual to pass such estate of the owner according to the tenor and purport of  
7 such conveyance in the same manner and to the same extent as if such estate had never  
8 been so registered."

9 Section 42.(c) G.S. 43-31 reads as rewritten:

10 **"§ 43-31. When whole of land conveyed.**

11 Whenever the whole of any registered estate is transferred or conveyed the same shall  
12 be done by a transfer or conveyance attached to the certificate substantially as follows:

13 The owners (giving the names of the parties owning land described in the certificate)  
14 hereby, in consideration of \_\_\_\_\_ dollars, sell and convey to the purchaser  
15 (giving name of purchaser) the lot or tract of land, as the case may be, described in the  
16 certificate of title hereto attached. The transfer shall be indexed on the grantor and  
17 grantee indexes in the same manner as deeds are indexed.

18 The same shall be signed and properly acknowledged by the parties and shall have the  
19 full force and effect of a deed in fee simple: Provided, that if the sale shall be in trust,  
20 upon condition, with power to sell or other unusual form of conveyance, the same shall  
21 be set out in the transfer, and shall be entered upon the ~~registration of titles book~~  
22 consolidated real property records as hereinafter provided; that upon presentation of the  
23 transfer, together with the certificate of title, to the register of deeds, the transaction shall  
24 be duly noted and registered in accordance with the provisions of this Chapter, and  
25 certificate of title so presented shall be canceled and a new certificate with the same  
26 number issued to the purchaser thereof, which new certificate shall fully refer by number  
27 and also by name of holder to former certificate just canceled."

28 Section 42.(d) G.S. 43-35 reads as rewritten:

29 **"§ 43-35. References and cross references entered on register.**

30 In all cases the register of deeds shall place upon the ~~registry of title books~~  
31 consolidated real property records and upon the certificate of title of such registered  
32 estate therein, references and cross references to the new certificates issued as above  
33 provided, in accordance with the provisions of this Article, and the new certificates  
34 issued shall fully refer by number and by name of the holder to the canceled certificate in  
35 place of which they are issued."

36 Section 42.(e) G.S. 43-36 reads as rewritten:

37 **"§ 43-36. When land conveyed as security.**

38 (a) Whole Land Conveyed. – Whenever the owner of any registered estate shall  
39 desire to convey same as security for debt, it may be done in the following manner, by a  
40 short form of transfer, substantially as follows, to wit:

41 A.B. and wife (giving names of all owners or holders of certificates and their wives)  
42 hereby transfer to C.D. the tract or lot of land described as No. .... in registration of  
43 titles book for ..... County, a certificate for the title for same being hereto attached, to

1 secure a debt of ..... dollars, due to ....., of ..... County and State, on the .... day of  
2 ....., ....., evidenced by bond (or otherwise as the case may be) dated the ..... day of  
3 ....., ....., In case of default in payment of said debt with accrued interest, ..... days  
4 notice of sale required.

5 The same shall be signed and properly acknowledged by the parties making same, and  
6 shall be presented, together with the owner's certificate, to the register of deeds, whose  
7 duty it shall be to note upon the owner's certificate and upon the certificate of title in the  
8 ~~registration of titles book~~ consolidated real property records the name of the trustee, the  
9 amount of debt, and the date of maturity of same.

10 (b) Part of Land Conveyed. – When a part of the registered estate shall be so  
11 conveyed, the register of deeds shall note upon the ~~book~~ consolidated real property  
12 records and owner's certificate the part so conveyed, and if the same be required and the  
13 proper fee paid by the trustee, shall issue what shall be known as a partial certificate, over  
14 his hand and seal, setting out the portion so conveyed.

15 (c) Effect of Transfer. – All transfers by such short form shall convey the power of  
16 sale upon due advertisement at the county courthouse and in some newspaper published  
17 in the county, or adjoining county, in the same manner and as fully as is now provided by  
18 law in the case of mortgages and deeds of trust and default therein.

19 (d) Other Encumbrances Noted. – All registered encumbrances, rights or adverse  
20 claims affecting the estate represented thereby shall continue to be noted, not only upon  
21 the certificate of title in the ~~registration book~~ consolidated real property records, but also  
22 upon the owner's certificate, until same shall have been released or discharged. And in  
23 the event of second or other subsequent voluntary encumbrances the holder of the  
24 certificate may be required to produce such certificate for the entry thereon or attachment  
25 thereto of the note of such subsequent charge or encumbrance as provided in this Article.

26 (e) Other Forms of Conveyance May Be Used. – Nothing in this section nor this  
27 Chapter shall be construed to prevent the owner from conveying such land, or any part of  
28 the same, as security for a debt by deed of trust or mortgage in any form which may be  
29 agreed upon between the parties thereto, and having such deed of trust or mortgage  
30 recorded in the office of the register of deeds as other deeds of trust and mortgages are  
31 recorded: Provided, that the book and page of the record at which such deed of trust or  
32 mortgage is recorded shall be entered by the register of deeds upon the owner's certificate  
33 and also on the ~~registration of titles book~~ consolidated real property records.

34 (f) Sale under Lien; New Certification. – Upon foreclosure of such deed of trust or  
35 mortgage, or sale under execution for taxes or other lien on the land, the fact of such  
36 foreclosure or sale shall be reported by the trustee, mortgagee or other person authorized  
37 to make the same, to the register of deeds of the county in which the land lies, and, upon  
38 satisfactory evidence thereof, it shall be his duty to call in and cancel the outstanding  
39 certificate of title for the land, so sold, and to issue a new certificate in its place to the  
40 purchaser or other person entitled thereto; and the production of such outstanding  
41 certificate and its surrender by the holder thereof may be compelled, upon notice to him,  
42 by motion before and order of the clerk of the superior court in the original proceeding or  
43 the clerk of the superior court of the county in which the land lies; but the right of appeal

1 from such order may be exercised and shall be allowed as in other special proceedings,  
2 and pending any such appeal the rights of all parties shall be preserved."

3 Section 42.(f) G.S. 43-38 reads as rewritten:

4 **"§ 43-38. Transfers probated; partitions; contracts.**

5 All transfers of registered land shall be duly executed and probated as required by law  
6 upon like conveyances of other lands, and in all cases of change in boundary by partition,  
7 subtraction or addition of land there shall be an accurate survey and permanent marking  
8 of boundaries and accurate plots, showing the courses, distances and markings of every  
9 portion thereof, which shall be duly proved and registered as upon the initial registration.  
10 Such transfers shall be presented to the register of deeds for entry upon the ~~registration of~~  
11 ~~titles book~~ consolidated real property records and upon the owner's certificate within 30  
12 days from the date thereof, or become subject to any rights which may accrue to any  
13 other person by a prior registration. All leases or contracts affecting land for a period  
14 exceeding three years shall be in writing, duly proved before the clerk of the superior  
15 court, recorded in the register's office, and noted upon the registry and upon the owner's  
16 certificate."

17 Section 42.(g) G.S. 43-39 reads as rewritten:

18 **"§ 43-39. Certified copy of order of court noted.**

19 In voluntary transactions a certificate from the proper State, county or court officer, or  
20 certified copy of the order, decree or judgment of any court of competent jurisdiction  
21 shall be authority for him to order a proper notation thereof upon the ~~registration of titles~~  
22 ~~book,~~ consolidated real property records, and for the register of deeds to note the  
23 transaction under the direction of the court."

24 Section 42.(h) G.S. 43-42 reads as rewritten:

25 **"§ 43-42. Conveyance of registered land in trust.**

26 Whenever a writing, instrument or record is filed for the purpose of transferring  
27 registered land in trust, or upon any equitable condition or limitation expressed therein, or  
28 for the purpose of creating or declaring a trust or other equitable interest in such land, the  
29 particulars of the trust, condition, limitation or other equitable interest shall not be  
30 entered on the certificate, but it shall be sufficient to enter in the ~~book~~ consolidated real  
31 property records and upon the certificates a memorial thereof by the terms "in trust" or  
32 "upon condition" or in other apt words, and to refer by number to the writing, instrument  
33 or record authorizing or creating the same. And if express power is given to sell,  
34 encumber or deal with the land in any manner, such power shall be noted upon the  
35 certificates by the term "with power to sell" or "with power to encumber," or by other apt  
36 words."

37 Section 42.(i) G.S. 43-44 reads as rewritten:

38 **"§ 43-44. Validating conveyance by entry on margin of certificate.**

39 In all cases where the owner of any estate in lands, the title to which has been  
40 registered or attempted to be registered in accordance with the provisions of this Chapter,  
41 has before August 21, 1924, and subsequent to such registration made any conveyance of  
42 such estate, or any portion thereof, by any form of conveyance sufficient in law to pass  
43 the title thereto if the title to said lands had not been so registered, the record owner and



1 holder of the certificate of title covering such registered estate may enter upon the  
2 margin of his certificate of title in the ~~registration of titles book~~ consolidated real property  
3 records a memorandum showing that such registered estate, or a portion thereof, has been  
4 so conveyed, and further showing the name of the grantee or grantees and the number of  
5 the book and the page thereof where such conveyance is recorded in the office of the  
6 register of deeds, and make a like entry upon the owner's certificate of title held by him,  
7 both of such entries to be signed by him and witnessed by the register of deeds, and  
8 attested by the seal of office of the register of deeds upon said owner's certificate, with  
9 the further notation made and signed by the register of deeds on the margin of the  
10 certificate of title in the ~~registration of titles book~~ consolidated real property records  
11 showing that such entry has been made upon the owner's certificate of title, and  
12 thereupon such conveyance shall become and be as valid and effectual to pass such estate  
13 of the owner according to the tenor and purport of such conveyance as if the title to said  
14 lands had never been so registered, whether such conveyance be in form absolute or upon  
15 condition of trust; and in all cases where such conveyance has been made before August  
16 21, 1924, upon the making of the entries herein authorized by the record owner and  
17 holder of such owner's certificate of title, the grantee and his heirs and assigns shall  
18 thereafter have the same right to convey the said estate or any part of the same in all  
19 respects as if the title to said lands had never been so registered."

20 Section 42.(j) This section is effective retroactive to January 1, 2000.

21 Section 43. G.S. 55-5-04(b) reads as rewritten:

22 "(b) Whenever a corporation shall fail to appoint or maintain a registered agent in  
23 this State, or whenever its registered agent cannot with due diligence be found at the  
24 registered office, then the Secretary of State shall be an agent of such corporation upon  
25 whom any such process, notice or demand may be served. Service on the Secretary of  
26 State of any such process, notice or demand shall be made by delivering to and leaving  
27 with ~~him the Secretary of State or with any clerk having charge of the corporation~~  
28 ~~department of his office, authorized by the Secretary of State to accept service of process,~~  
29 duplicate copies of any such process, notice or ~~demand.~~ demand and the fee required by  
30 G.S. 55-1-22(b). In the event any such process, notice or demand is served on the  
31 Secretary of ~~State, he~~ State in the manner provided by this subsection, the Secretary of  
32 State shall immediately mail one of the copies thereof, by registered or certified mail,  
33 return receipt requested, to the corporation at its principal office ~~shown in its most recent~~  
34 ~~annual report or in any subsequent communication received from the corporation stating~~  
35 ~~the current mailing address of its principal office~~ or, if there is no mailing address for the  
36 principal office on file, to the corporation at its registered office. Service on a corporation  
37 under this subsection shall be effective for all purposes from and after the date of ~~such~~ the  
38 service on the Secretary of State."

39 Section 44. G.S. 55-9-05 reads as rewritten:

40 "**§ 55-9-05. Exemptions.**

41 The provisions of G.S. 55-9-02 shall not be applicable to any corporation that shall be  
42 made the subject of a business combination by an other entity if: (i) the corporation was  
43 not a public corporation (as defined in G.S. 55-1-40 (18a)) at the time such other entity

1 acquired in excess of ten percent (10%) of the voting shares; (ii) on or before September  
2 30, 1990 (or such earlier date as may be irrevocably established by resolution of the  
3 board of directors), the board of directors of a corporation to which G.S. 55-9-02 was not  
4 applicable on July 1, 1990, (other than a corporation described in G.S. 55-9-05 (iii))  
5 adopted a bylaw stating that the provisions of this Article shall not be applicable to the  
6 corporation; (iii) in the case of a corporation to which G.S. 55-9-02 was not applicable on  
7 July 1, 1990, as the result of adoption by its board of directors under G.S. 55-9-05(ii) of a  
8 bylaw providing that G.S. 55-9-02 not apply to such corporation, the board of directors of  
9 such corporation shall not have rescinded such bylaw on or before September 30, 1990  
10 (or such earlier date as may be irrevocably established by resolution of the board of  
11 directors); (iv) in the case of a corporation (including its predecessors) which becomes a  
12 public corporation for the first time after July 1, 1990, such corporation adopts a bylaw  
13 within 90 days of becoming a public corporation stating that the provisions of this Article  
14 shall not be applicable to it; (v) in the case of a newly formed corporation after April 23,  
15 1987, the initial articles of incorporation of the corporation shall provide that the  
16 provisions of this Article shall not be applicable; ~~or~~-(vi) such business combination was  
17 the subject of an existing agreement of the corporation on ~~April 23, 1987.~~ April 23, 1987;  
18 or (vii) on or after September 1, 2000, and on or before December 31, 2000, the board of  
19 directors of a corporation to which G.S. 55-9-02 was applicable on September 1, 2000,  
20 adopts a bylaw stating that the provisions of this Article shall not be applicable to the  
21 corporation. Neither the adoption or failure to adopt a bylaw of the type set forth in ~~G.S.~~  
22 ~~55-9-05(ii) or (iv)~~ G.S. 55-9-05(ii), (iv), or (vii) of this section nor the rescission or  
23 failure to rescind a bylaw of the type referred to in G.S. 55-9-05(iii) shall constitute  
24 grounds for any cause of action, at law or in equity, against the corporation or any of its  
25 directors."

26 Section 45. G.S. 55-11-10(e1) reads as rewritten:

27 "(e1) If the surviving business entity is not a domestic limited liability company, a  
28 domestic corporation, a domestic nonprofit corporation, or a domestic limited  
29 partnership, when the merger takes effect the surviving business entity is deemed:

30 (1) To agree that it may be served with process in this State in any  
31 proceeding for enforcement (i) of any obligation of any merging  
32 domestic limited liability company, domestic corporation, domestic  
33 nonprofit corporation, domestic limited partnership, or other partnership  
34 as defined in G.S. 59-36 that is formed under the laws of this State, (ii)  
35 the rights of dissenting shareholders of any merging domestic  
36 corporation under Article 13 of this Chapter, and (iii) any obligation of  
37 the surviving business entity arising from the merger; and

38 (2) ~~If the surviving business entity does not have a registered agent in this~~  
39 ~~State, to~~ To have appointed the Secretary of State as its ~~registered agent~~  
40 for service of process in any such ~~proceeding until such time as the~~  
41 ~~surviving business entity appoints a registered agent in this State.~~  
42 proceeding. Service on the Secretary of State of any such process shall  
43 be made by delivering to and leaving with the Secretary of State or with

1 any clerk authorized by the Secretary of State to accept service of  
2 process, duplicate copies of such ~~process~~ process and the fee required  
3 by G.S. 55-1-22(b). Upon receipt of service of process on behalf of a  
4 surviving business ~~entity~~, entity in the manner provided for in this  
5 section, the Secretary of State shall immediately mail a copy of the  
6 process by registered or certified mail, return receipt requested, to the  
7 surviving business ~~entity at its address shown in the articles of merger~~  
8 ~~or, if an application for certificate of withdrawal by reason of merger~~  
9 ~~has been filed, at the address for service of process contained in that~~  
10 ~~application~~. entity. If the surviving business entity is authorized to  
11 transact business or conduct affairs in this State, the address for mailing  
12 shall be its principal office designated in the latest document filed with  
13 the Secretary of State that is authorized by law to designate the principal  
14 office or, if there is no principal office on file, its registered office. If  
15 the surviving business is not authorized to transact business or conduct  
16 affairs in this State, the address for mailing shall be the mailing address  
17 designated pursuant to subdivision (3) of subsection (d) of this section."

18 Section 46. G.S. 55A-5-04(b) reads as rewritten:

19 "(b) When a corporation fails to appoint or maintain a registered agent in this State,  
20 or when its registered agent cannot with due diligence be found at the registered office,  
21 the Secretary of State shall be an agent of the corporation upon whom any process,  
22 notice, or demand may be served. Service on the Secretary of State of any process,  
23 notice, or demand shall be made by delivering to and leaving with the Secretary of State  
24 or with any clerk ~~having charge of the corporation department of his office~~, authorized by  
25 the Secretary of State to accept service of process, duplicate copies of any such process,  
26 notice or ~~demand~~. demand and the fee required by G.S. 55A-1-22(b). In the event any  
27 process, notice, or demand is served on the Secretary of ~~State~~, State in the manner  
28 provided for in this section, ~~he~~ the Secretary of State shall immediately mail one of the  
29 copies thereof, by registered or certified mail, return receipt requested, to the corporation  
30 at its principal office ~~shown in its most recent annual report, if applicable, the articles of~~  
31 ~~incorporation, the Designation of Principal Office Address form, in any subsequent~~  
32 ~~Corporation's Statement of Change of Principal Office Address form, or in any~~  
33 ~~subsequent communication received from the corporation stating the current mailing~~  
34 ~~address of its principal office~~ or, if there is no mailing address for the principal office on  
35 file, to the corporation at its registered office. Service on a corporation under this  
36 subsection shall be effective for all purposes from and after the date of such service on  
37 the Secretary of State."

38 Section 47. G.S. 55-9A-09 reads as rewritten:

39 "**§ 55-9A-09. Exemptions.**

40 The provisions of this Article shall not be applicable to any corporation if, on or  
41 before September 30, 1990, or such earlier date as may be irrevocably established by  
42 resolution of the board of directors, or at any time before the corporation becomes, or  
43 after it ceases to be, a covered corporation, the board of directors adopts a bylaw stating

1 that the provisions of this Article shall not be applicable to the corporation; or, in the case  
2 of a corporation formed after August 12, 1987, its initial articles of incorporation provide  
3 that this Article shall not be applicable to the ~~corporation~~ corporation; or on or after  
4 September 1, 2000, and on or before December 31, 2000, the board of directors of a  
5 corporation to which the provisions of this Article were applicable on September 1, 2000,  
6 adopts a bylaw stating that the provisions of this Article shall not be applicable to the  
7 corporation. Neither adoption nor failure to adopt such a bylaw or provision shall  
8 constitute grounds for any cause of action against the corporation, or any officer or  
9 director of the corporation."

10 Section 48. G.S. 55A-11-09 reads as rewritten:

11 "**§ 55A-11-09. Merger with unincorporated entity.**

12 (a) As used in this section, "business entity" means a domestic corporation as  
13 defined in G.S. 55-1-40 (including a professional corporation as defined in G.S. 55B-2), a  
14 foreign corporation as defined in G.S. 55-1-40 (including a foreign professional  
15 corporation as defined in G.S. 55B-16), a domestic or foreign nonprofit corporation as  
16 defined in G.S. 55A-1-40, a domestic or foreign limited liability company as defined in  
17 G.S. 57C-1-03, a domestic or foreign limited partnership as defined in G.S. 59-102, ~~and a~~  
18 registered limited liability partnership or foreign limited liability partnership as defined in  
19 G.S. 59-32, or any other partnership as defined in G.S. 59-36 whether or not formed  
20 under the laws of this State (including a registered limited liability partnership as defined  
21 in G.S. 59-32 and any limited liability partnership formed under a law other than the laws  
22 of this State). State.

23 (b) One or more domestic nonprofit corporations may merge with one or more  
24 unincorporated entities and, if desired, one or more foreign nonprofit corporations,  
25 domestic business corporations, or foreign business corporations if:

- 26 (1) The merger is permitted by the laws of the state or country governing  
27 the organization and internal affairs of each of the other merging  
28 business entities;
- 29 (2) Each merging domestic nonprofit corporation and each other merging  
30 business entity comply with the requirements of this section and, to the  
31 extent applicable, the laws referred to in subdivision (1) of this  
32 subsection; and
- 33 (3) The merger complies with G.S. 55A-11-02, if applicable.

34 (c) Each merging domestic nonprofit corporation and each other merging business  
35 entity shall approve a written plan of merger containing:

- 36 (1) For each merging business entity, its name, type of business entity, and  
37 the state or country whose laws govern its organization and internal  
38 affairs;
- 39 (2) The name of the merging business entity that shall survive the merger;
- 40 (3) The terms and conditions of the merger;
- 41 (4) The manner and basis for converting the interests in each merging  
42 business entity into interests, obligations, or securities of the surviving  
43 business entity or into cash or other property in whole or in part; and

- 1 (5) If the surviving business entity is a domestic nonprofit corporation, any  
2 amendments to its articles of incorporation that are to be made in  
3 connection with the merger.

4 The plan of merger may contain other provisions relating to the merger.

5 In the case of a domestic nonprofit corporation, approval of the plan of merger  
6 requires that the plan of merger be adopted as provided in G.S. 55A-11-03. In the case of  
7 each other merging business entity, the plan of merger must be approved in accordance  
8 with the laws of the state or country governing the organization and internal affairs of  
9 such merging business entity.

10 After a plan of merger has been approved by a domestic nonprofit corporation but  
11 before the articles of merger become effective, the plan of merger (i) may be amended as  
12 provided in the plan of merger, or (ii) may be abandoned (subject to any contractual  
13 rights) as provided in the plan of merger or, if there is no such provision, as determined  
14 by the board of directors.

15 (d) After a plan of merger has been approved by each merging domestic nonprofit  
16 corporation and each other merging business entity as provided in subsection (c) of this  
17 section, the surviving business entity shall deliver articles of merger to the Secretary of  
18 State for filing. The articles of merger shall set forth:

- 19 (1) The plan of merger;  
20 (2) For each merging business entity, its name, type of business entity, and  
21 the state or country whose laws govern its organization and internal  
22 affairs;  
23 (3) The name and address of the surviving business entity; entity and, if the  
24 surviving business entity is not authorized to transact business or  
25 conduct affairs in this State, a designation of its mailing address and a  
26 commitment to file with the Secretary of State a statement of any  
27 subsequent change in its mailing address;  
28 (4) A statement that the plan of merger has been approved by each merging  
29 business entity in the manner required by law; and  
30 (5) The effective date and time of merger if it is not to be effective at the  
31 time of filing of the articles of merger.

32 If the plan of merger is amended or abandoned after the articles of merger have been  
33 filed but before the articles of merger become effective, the surviving business entity  
34 promptly shall deliver to the Secretary of State for filing an amendment to the articles of  
35 merger reflecting the amendment or abandonment of the plan of merger.

36 Certificates of merger shall also be registered as provided in G.S. 47-18.1.

37 (e) A merger takes effect when the articles of merger become effective. When a  
38 merger takes effect:

- 39 (1) Each other merging business entity merges into the surviving business  
40 entity and the separate existence of each merging business entity except  
41 the surviving business entity ceases;

- 1           (2)    The title to all real estate and other property owned by each merging  
2           business entity is vested in the surviving business entity without  
3           reversion or impairment;
- 4           (3)    The surviving business entity has all liabilities of each merging business  
5           entity;
- 6           (4)    A proceeding pending by or against any merging business entity may be  
7           continued as if the merger did not occur, or the surviving business entity  
8           may be substituted in the proceeding for a merging business entity  
9           whose separate existence ceases in the merger;
- 10          (5)    If a domestic nonprofit corporation is the surviving business entity, its  
11          articles of incorporation shall be amended to the extent provided in the  
12          plan of merger;
- 13          (6)    The interests in each merging business entity that are to be converted  
14          into interests, obligations, or securities of the surviving business entity  
15          or into the right to receive cash or other property are thereupon so  
16          converted, and the former holders of the interests are entitled only to the  
17          rights provided to them in the articles of merger or, in the case of former  
18          holders of shares in a domestic business corporation, any rights they  
19          may have under Article 13 of Chapter 55 of the General Statutes; and
- 20          (7)    If the surviving business entity is not a domestic business corporation,  
21          the surviving business entity is deemed to agree that it will promptly  
22          pay to the dissenting shareholders of any merging domestic business  
23          corporation the amount, if any, to which they are entitled under Article  
24          13 of Chapter 55 of the General Statutes and otherwise to comply with  
25          the requirements of Article 13 as if it were a surviving domestic  
26          business corporation in the merger.

27           The merger shall not affect the liability or absence of liability of any holder of an  
28           interest in a merging business entity for any acts, omissions, or obligations of any  
29           merging business entity made or incurred prior to the effectiveness of the merger. The  
30           cessation of separate existence of a merging business entity in the merger shall not  
31           constitute a dissolution or termination of the merging business entity.

32           (e1)   If the surviving business entity is not a domestic limited liability company, a  
33           domestic business corporation, a domestic nonprofit corporation, or a domestic limited  
34           partnership, when the merger takes effect the surviving business entity is deemed:

- 35           (1)    To agree that it may be served with process in this State in any  
36           proceeding for enforcement of (i) any obligation of any merging  
37           domestic limited liability company, domestic business corporation,  
38           domestic nonprofit corporation, domestic limited partnership, or other  
39           partnership as defined in G.S. 59-36 that is formed under the laws of  
40           this State, (ii) the rights of dissenting shareholders of any merging  
41           domestic business corporation under Article 13 of Chapter 55 of the  
42           General Statutes, and (iii) any obligation of the surviving business entity  
43           arising from the merger; and

1           (2) ~~If the surviving business entity does not have a registered agent in this~~  
2 ~~State, to~~ To have appointed the Secretary of State as its registered agent  
3 for service of process in any such ~~proceeding until such time as the~~  
4 ~~surviving business entity appoints a registered agent in this State.~~  
5 proceeding. Service on the Secretary of State of any such process shall  
6 be made by delivering to and leaving with the Secretary of State or with  
7 any clerk authorized by the Secretary of State to accept service of  
8 process, duplicate copies of such ~~process.~~ process and the fee required  
9 by G.S. 55A-1-22(b). Upon receipt of service of process on behalf of a  
10 surviving business ~~entity,~~ entity in the manner provided by this section,  
11 the Secretary of State shall immediately mail a copy of the process by  
12 registered or certified mail, return receipt requested, to the surviving  
13 business ~~entity at its address shown in the articles of merger or, if an~~  
14 ~~application for a certificate of withdrawal by reason of merger has been~~  
15 ~~filed, at the address for service of process contained in that application.~~  
16 entity. If the surviving business entity is authorized to transact business  
17 or conduct affairs in this State, the address for mailing shall be its  
18 principal office designated in the latest document filed with the  
19 Secretary of State that is authorized by law to designate the principal  
20 office or, if there is no principal office on file, its registered office. If the  
21 surviving business is not authorized to transact business or conduct  
22 affairs in this State, the address for mailing shall be the mailing address  
23 designated pursuant to subdivision (3) of subsection (d) of this section.

24           (f) This section does not apply to a merger that does not include a merging  
25 unincorporated entity."

26           Section 49. G.S. 57C-2-43(b) reads as rewritten:

27           "(b) Whenever a limited liability company shall fail to appoint or maintain a  
28 registered agent in this State, or whenever its registered agent cannot with due diligence  
29 be found at the registered office, then the Secretary of State shall be an agent of the  
30 limited liability company upon whom any process, notice, or demand may be served.  
31 Service on the Secretary of State of any such process, notice, or demand shall be made by  
32 delivering to and leaving with the Secretary of State or with any clerk ~~having charge of~~  
33 ~~the limited liability company department of the Secretary of State's office,~~ authorized by  
34 the Secretary of State to accept service of process, duplicate copies of the process notice,  
35 or ~~demand~~ demand and the fee required by G.S. 57C-1-22(b). In the event any such  
36 process, notice, or demand is served on the Secretary of ~~State,~~ State in the manner  
37 provided for in this section, the Secretary of State shall immediately mail one of the  
38 copies thereof, by registered or certified mail, return receipt requested, to the limited  
39 liability company ~~at the address indicated in the latest communication received by the~~  
40 ~~secretary of State from the limited liability company stating the current mailing address~~  
41 ~~of its principal office or, if there is no mailing address for the principal office on file, to~~  
42 the limited liability company at its registered office. Service on a limited liability

1 company under this subsection shall be effective for all purposes from and after the date  
2 of the service on the Secretary of State."

3 Section 50. G.S. 57C-7-04(a) reads as rewritten:

4 "(a) A foreign limited liability company may apply for a certificate of authority to  
5 transact business in this State by delivering an application to the Secretary of State for  
6 filing. The application must set forth:

7 (1) The name of the foreign limited liability company or, if its name is  
8 unavailable for use in this State, a name that satisfies the requirements  
9 of G.S. 57C-7-06;

10 (2) The name of the state or country under whose law it is organized;

11 (3) Its date of organization and period of duration;

12 (4) The street address, and the mailing address if different from the street  
13 address, of its principal ~~office in the state or country under whose law it~~  
14 ~~is organized;~~ office;

15 (5) The street address, and the mailing address if different from the street  
16 address, of its registered office in this State and the name of its  
17 registered agent at that office; and

18 (6) The names and usual business addresses of its current managers."

19 Section 51. G.S. 57C-9A-23(b) reads as rewritten:

20 "(b) If the surviving business entity is not a domestic limited liability  
21 company, a domestic corporation, a domestic nonprofit corporation, or a domestic limited  
22 partnership when the merger takes effect, the surviving business entity is deemed:

23 (1) To agree that it may be served with process in this State in any  
24 proceeding for enforcement of (i) any obligation of any merging  
25 domestic limited liability company, domestic corporation, domestic  
26 nonprofit corporation, domestic limited partnership, or other partnership  
27 as defined in G.S. 59-36 that is formed under the laws of this State, (ii)  
28 the rights of dissenting shareholders of any merging domestic  
29 corporation under Article 13 of Chapter 55 of the General Statutes, and  
30 (iii) any obligation of the surviving business entity arising from the  
31 merger; and

32 (2) ~~If the surviving business entity does not have a registered agent in this~~  
33 ~~State, to~~ To have appointed the Secretary of State as its registered agent  
34 for service of process in any such proceeding until such time as the  
35 surviving business entity appoints a registered agent in this State.  
36 proceeding. Service on the Secretary of State of any such process shall  
37 be made by delivering to and leaving with the Secretary of State or with  
38 any clerk authorized by the Secretary of State to accept service of  
39 process, duplicate copies of such ~~process.~~ process and the fee required  
40 by G.S. 57C-1-22(b). Upon receipt of service of process on behalf of a  
41 surviving business ~~entity,~~ entity in the manner provided for in this  
42 section, the Secretary of State shall immediately mail a copy of the  
43 process by registered or certified mail, return receipt requested, to the



1 ~~surviving business entity at its address shown in the articles of merger~~  
2 ~~or, if an application for a certificate of withdrawal by reason of merger~~  
3 ~~has been filed, at the address for service of process contained in that~~  
4 ~~application.~~ entity. If the surviving business entity is authorized to  
5 transact business or conduct affairs in this State, the address for mailing  
6 shall be its principal office designated in the latest document filed with  
7 the Secretary of State that is authorized by law to designate the principal  
8 office or, if there is no principal office on file, its registered office. If  
9 the surviving business is not authorized to transact business or conduct  
10 affairs in this State, the address for mailing shall be the mailing address  
11 designated pursuant to subdivision (3) of subsection (d) of this section."

12 Section 52. G.S. 59-73.6(b) reads as rewritten:

13 "(b) If the surviving business entity is not a domestic limited liability company, a  
14 domestic corporation, a domestic nonprofit corporation, or a domestic limited partnership  
15 when the merger takes effect, the surviving business entity is deemed:

16 (1) To agree that it may be served with process in this State in any  
17 proceeding for enforcement of (i) any obligation of any merging  
18 domestic limited liability company, domestic corporation, domestic  
19 nonprofit corporation, domestic limited partnership, or other partnership  
20 as defined in G.S. 59-36 that is formed under the laws of this State, (ii)  
21 the rights of dissenting shareholders of any merging domestic  
22 corporation under Article 13 of Chapter 55 of the General Statutes, and  
23 (iii) any obligation of the surviving business entity arising from the  
24 merger; and

25 (2) ~~If the surviving business entity does not have a registered agent in this~~  
26 ~~State, to~~ To have appointed the Secretary of State as its registered agent  
27 for service of process in any such ~~proceeding until such time as the~~  
28 ~~surviving business entity appoints a registered agent in this State.~~  
29 proceeding. Service on the Secretary of State of any such process shall  
30 be made by delivering to and leaving with the Secretary of State or with  
31 any clerk authorized by the Secretary of State to accept service of  
32 process, duplicate copies of such ~~process.~~ process and the fees required  
33 by G.S. 59-73.7(c). Upon receipt of service of process on behalf of a  
34 surviving business ~~entity,~~ entity in the manner provided for in this  
35 section, the Secretary of State shall immediately mail a copy of the  
36 process by registered or certified mail, return receipt requested, to the  
37 surviving business ~~entity at its address shown in the articles of merger~~  
38 ~~or, if an application for a certificate of withdrawal by reason of merger~~  
39 ~~has been filed, at the address for service of process contained in that~~  
40 ~~application.~~ entity. If the surviving business entity is authorized to  
41 transact business or conduct affairs in this State, the address for mailing  
42 shall be its principal office designated in the latest document filed with  
43 the Secretary of State that is authorized by law to designate the principal

1           office or, if there is no principal office on file, its registered office. If the  
2           surviving business is not authorized to transact business or conduct  
3           affairs in this State, the address for mailing shall be the mailing address  
4           designated pursuant to subdivision (3) of subsection (d) of this section."

5           Section 53. G.S. 59-84.2(h) reads as rewritten:

6           "~~(h) An amendment or withdrawal of a registration is effective on the later of the~~  
7           ~~date it is filed or a deferred effective date specified in the amendment or withdrawal.~~ A  
8           registration is amended by filing a certificate of amendment thereto in the office of the  
9           Secretary of State. The certificate shall set forth the following:

- 10           (1) The name of the partnership.  
11           (2) The date of filing of the registration.  
12           (3) The amendment to the registration."

13           Section 54. G.S. 59-91(f) reads as rewritten:

14           "~~(f) An amendment or withdrawal of a registration is effective on the later of the date~~  
15           ~~it is filed or a deferred effective date specified in the amendment or withdrawal.~~ A  
16           registration is amended by filing a certificate of amendment thereto in the office of the  
17           Secretary of State. The certificate shall set forth the following:

- 18           (1) The name of the partnership.  
19           (2) The date of filing of the registration.  
20           (3) The amendment to the registration."

21           Section 55. G.S. 59-902(a)(4) reads as rewritten:

22           "(a) Before transacting business in this State, a foreign limited partnership shall  
23           procure a certificate of authority to transact business in this State from the Secretary of  
24           State. No foreign limited partnership shall be entitled to transact in this State any business  
25           which a limited partnership organized under this Article is not permitted to transact. In  
26           order to register, a foreign limited partnership shall deliver to the Secretary of State an  
27           original and one conformed copy of an application for registration as a foreign limited  
28           partnership, signed by a general partner and setting forth:

- 29           (1) The name of the foreign limited partnership and, if different, the name  
30           under which it proposes to register and transact business in this State;  
31           (2) The jurisdiction and date of its formation;  
32           (3) The date of formation and the period of duration;  
33           (4) The address, including county and city or town, and street and number,  
34           if any, of the principal office of the foreign limited ~~partnership in the~~  
35           ~~jurisdiction under the laws of which it is formed;~~ partnership;  
36           (5) The address, including county and city or town, and street and number,  
37           if any, of the proposed registered office of the foreign limited  
38           partnership in this State, and the name of its proposed registered agent  
39           in this State at such address; the agent must be an individual resident of  
40           this State, a domestic corporation, or a foreign corporation having a  
41           place of business in, and authorized to do business in this State;  
42           (6) If the certificate of limited partnership filed in the foreign limited  
43           partnership's state of organization is not required to include the names

1 and addresses of the partners, a list of the names and addresses or, at the  
2 election of the foreign limited partnership, a list of the names and  
3 addresses of the general partners and the address, including county and  
4 city or town, and street and number, of the office at which is kept a list  
5 of the names and addresses of the limited partners and their capital  
6 contributions, together with an undertaking by the foreign limited  
7 partnership to keep such records until such foreign limited partnership's  
8 registration in this State is cancelled;

9 (7) A statement that in consideration of the issuance of a certificate of  
10 authority to transact business in this State, the foreign limited  
11 partnership appoints the Secretary of State of North Carolina as the  
12 agent to receive service of process, notice, or demand, whenever the  
13 foreign limited partnership fails to appoint or maintain a registered  
14 agent in this State or whenever any such registered agent cannot with  
15 reasonable diligence be found at the registered office;

16 (8) The names and addresses including county and city or town, and street  
17 and number, if any, of all of the general partners;

18 (9) The execution of a certificate or amendment by a general partner  
19 constitutes an affirmation under the penalties of perjury that the facts  
20 stated therein are true."

21 Section 56. G.S. 62-302 reads as rewritten:

22 **"§ 62-302. Regulatory fee.**

23 (a) Fee Imposed. – It is the policy of the State of North Carolina to provide fair  
24 regulation of public utilities in the interest of the public, as provided in G.S. 62-2. The  
25 cost of regulating public utilities is a burden incident to the privilege of operating as a  
26 public utility. Therefore, for the purpose of defraying the cost of regulating public  
27 utilities, every public utility subject to the jurisdiction of the Commission shall pay a  
28 quarterly regulatory fee, in addition to all other fees and taxes, as provided in this section.  
29 The fees collected shall be used only to pay the expenses of the Commission and the  
30 Public Staff in regulating public utilities in the interest of the public.

31 It is also the policy of the State to provide limited oversight of certain electric  
32 membership corporations as provided in G.S. 62-53. Therefore, for the purpose of  
33 defraying the cost of providing the oversight authorized by G.S. 62-53 and G.S. 117-18.1,  
34 each fiscal year each electric membership corporation whose principal purpose is to  
35 furnish or cause to be furnished bulk electric supplies at wholesale as provided in G.S.  
36 117-16 shall pay an annual fee as provided in this section.

37 (b) Public Utility Rate. –

38 (1) ~~For the 1989-90 fiscal year, the regulatory fee shall be the greater of (i)~~  
39 ~~twelve hundredths percent (0.12%) of each public utility's North~~  
40 ~~Carolina jurisdictional revenues for each quarter or (ii) six dollars and~~  
41 ~~twenty-five cents (\$6.25) each quarter.~~

42 (2) ~~For fiscal years beginning on or after July 1, 1990, the~~ The public utility  
43 regulatory fee for each fiscal year shall be the greater of (i) a percentage

1 rate, established by the General Assembly, of each public utility's North  
2 Carolina jurisdictional revenues for each quarter or (ii) six dollars and  
3 twenty-five cents (\$6.25) each quarter.

4 When the Commission prepares its budget request for the upcoming  
5 fiscal year, the Commission shall propose a percentage rate of the public  
6 utility regulatory fee. For fiscal years beginning in an odd-numbered  
7 year, that proposed rate shall be included in the budget message the  
8 Governor submits to the General Assembly pursuant to G.S. 143-11.  
9 For fiscal years beginning in an even-numbered year, that proposed rate  
10 shall be included in a special budget message the Governor shall submit  
11 to the General Assembly. The General Assembly shall set the  
12 percentage rate of the public utility regulatory fee by law.

13 The percentage rate may not exceed the amount necessary to  
14 generate funds sufficient to defray the estimated cost of the operations  
15 of the Commission and the Public Staff for the upcoming fiscal year,  
16 including a reasonable margin for a reserve fund. The amount of the  
17 reserve may not exceed the estimated cost of operating the Commission  
18 and the Public Staff for the upcoming fiscal year. In calculating the  
19 amount of the reserve, the General Assembly shall consider all relevant  
20 factors that may affect the cost of operating the Commission or the  
21 Public Staff or a possible unanticipated increase or decrease in North  
22 Carolina jurisdictional revenues.

23 (3) If the Commission, the Public Staff, or both experience a revenue  
24 shortfall, the Commission shall implement a temporary public utility  
25 regulatory fee surcharge to avert the deficiency that would otherwise  
26 occur. In no event may the total percentage rate of the public utility  
27 regulatory fee plus any surcharge established by the Commission exceed  
28 twenty-five hundredths percent (0.25%).

29 (4) As used in this section, the term 'North Carolina jurisdictional revenues'  
30 means all revenues derived or realized from intrastate tariffs, rates, and  
31 charges approved or allowed by the Commission or collected pursuant  
32 to Commission order or rule, but not including tap-on fees or any other  
33 form of contributions in aid of construction.

34 (b1) Electric Membership Corporation Rate. — ~~For the purpose of providing the~~  
35 ~~oversight authorized by G.S. 62-53 and G.S. 117-18.1, beginning with the 1999-2000~~  
36 ~~fiscal year the North Carolina Electric Membership Corporation shall pay an annual flat~~  
37 ~~fee to the fund established in subsection (d) of this section. The amount of the annual~~  
38 ~~electric membership corporation regulatory fee for each fiscal year shall be a dollar~~  
39 ~~amount as established by the General Assembly by law.~~

40 When the Commission prepares its budget request for the upcoming fiscal year, the  
41 Commission shall propose the amount of the electric membership corporation regulatory  
42 fee. For fiscal years beginning in an odd-numbered year, the proposed amount shall be  
43 included in the budget message the Governor submits to the General Assembly pursuant

1 to G.S. 143-11. For fiscal years beginning in an even-numbered year, the proposed  
2 amount shall be included in a special budget message the Governor shall submit to the  
3 General Assembly.

4 The amount of the electric membership corporation regulatory fee proposed by the  
5 Commission may not exceed the amount necessary to defray the estimated cost of the  
6 operations of the Commission and the Public Staff for the regulation of the electric  
7 membership corporations in the upcoming fiscal year, including a reasonable margin for  
8 a reserve fund. The amount of the reserve may not exceed the estimated cost of the  
9 Commission and the Public Staff for the regulation of the electric membership  
10 corporations for the upcoming fiscal year. ~~The fee will be assessed on a quarterly basis  
11 and will be due and payable to the Commission on or before the 15th day of the second  
12 month following the end of each quarter.~~

13 (c) When Due. – The electric membership corporation regulatory fee imposed  
14 under this section shall be paid in quarterly installments. The fee is due and payable to  
15 the Commission on or before the 15th day of the second month following the end of each  
16 quarter.

17 The public utility regulatory fee imposed under this section, ~~except the fee imposed~~  
18 ~~by subsection (b1) of this section, section~~ is due and payable to the Commission on or  
19 before the 15th day of the second month following the end of each quarter. Every public  
20 utility subject to the public utility regulatory fee shall, on or before the date the fee is due  
21 for each quarter, prepare and render a report on a form prescribed by the Commission.  
22 The report shall state the public utility's total North Carolina jurisdictional revenues for  
23 the preceding quarter and shall be accompanied by any supporting documentation that the  
24 Commission may by rule require. Receipts shall be reported on an accrual basis.

25 If a public utility's report for the first quarter of any fiscal year shows that application  
26 of the percentage rate would yield a quarterly fee of twenty-five dollars (\$25.00) or less,  
27 the public utility shall pay an estimated fee for the entire fiscal year in the amount of  
28 twenty-five dollars (\$25.00). If, after payment of the estimated fee, the public utility's  
29 subsequent returns show that application of the percentage rate would yield quarterly fees  
30 that total more than twenty-five dollars (\$25.00) for the entire fiscal year, the public  
31 utility shall pay the cumulative amount of the fee resulting from application of the  
32 percentage rate, to the extent it exceeds the amount of fees, other than any surcharge,  
33 previously paid.

34 (d) Use of Proceeds. – A special fund in the office of State Treasurer, the Utilities  
35 Commission and Public Staff Fund, is created. The fees collected pursuant to this section  
36 and all other funds received by the Commission or the Public Staff, except for the clear  
37 proceeds of civil penalties collected pursuant to G.S. 62-50(d) and the clear proceeds of  
38 funds forfeited pursuant to G.S. 62-310(a), shall be deposited in the Utilities Commission  
39 and Public Staff Fund. The Fund shall be placed in an interest bearing account and any  
40 interest or other income derived from the Fund shall be credited to the Fund. Moneys in  
41 the Fund shall only be spent pursuant to appropriation by the General Assembly.

42 The Utilities Commission and Public Staff Fund shall be subject to the provisions of  
43 the Executive Budget Act except that no unexpended surplus of the Fund shall revert to

1 the General Fund. All funds credited to the Utilities Commission and Public Staff Fund  
2 shall be used only to pay the expenses of the Commission and the Public Staff in  
3 regulating public utilities in the interest of the public as provided by this Chapter and in  
4 regulating electric membership corporations as provided in G.S. 117-18.1.

5 The clear proceeds of civil penalties collected pursuant to G.S. 62-50(d) and the clear  
6 proceeds of funds forfeited pursuant to G.S. 62-310(a) shall be remitted to the Civil  
7 Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

8 Section 57. G.S. 66-273 reads as rewritten:

9 **"§ 66-273. Prerequisites for authentication.**

10 All of the following conditions must be met before a document can be authenticated:

- 11 (1) All seals and signatures must be originals.
- 12 (2) All dates must follow in chronological order on all certifications.
- 13 (3) All acknowledgments to be authenticated by the Secretary shall be in  
14 English or accompanied by a certified or notarized English translation.
- 15 (4) Whenever a copy is used, it must include a statement that it is a true and  
16 accurate copy.
- 17 (5) Whenever a document is to be authenticated by the United States  
18 Department of State, it must comply with all applicable statutes, rules,  
19 and regulations of that office."

20 Section 58. G.S. 66-291 reads as rewritten:

21 **"§ 66-291. Requirements.**

22 (a) Any tobacco product manufacturer selling cigarettes to consumers within the  
23 State (whether directly or through a distributor, retailer, or similar intermediary or  
24 intermediaries) after the effective date of this Article shall do one of the following:

- 25 (1) Become a participating manufacturer (as that term is defined in section  
26 II(jj) of the Master Settlement Agreement) and generally perform its  
27 financial obligations under the Master Settlement Agreement; or
- 28 (2) Place into a qualified escrow fund by April 15 of the year following the  
29 year in question the following amounts (as such amounts are adjusted  
30 for inflation):
  - 31 a. 1999: \$.0094241 per unit sold after the effective date of this  
32 Article.
  - 33 b. 2000: \$.0104712 per unit sold.
  - 34 c. For each of 2001 and 2002: \$.0136125 per unit sold.
  - 35 d. For each of 2003 through 2006: \$.0167539 per unit sold.
  - 36 e. For each of 2007 and each year thereafter: \$.0188482 per unit  
37 sold.

38 (b) A tobacco product manufacturer that places funds into escrow pursuant to  
39 subdivision (2) of ~~section~~subsection (a) of this ~~subsection~~section shall receive the  
40 interest or other appreciation on such funds as earned. Such funds themselves shall be  
41 released from escrow only under the following circumstances:

- 42 (1) To pay a judgment or settlement on any released claim brought against  
43 such tobacco product manufacturer by the State or any releasing party

1 located or residing in the State. Funds shall be released from escrow  
2 under this subdivision (i) in the order in which they were placed into  
3 escrow and (ii) only to the extent and at the time necessary to make  
4 payments required under such judgment or settlement;

5 (2) To the extent that a tobacco product manufacturer establishes that the  
6 amount it was required to place into escrow in a particular year was  
7 greater than the State's allocable share of the total payments that such  
8 manufacturer would have been required to make in that year under the  
9 Master Settlement Agreement (as determined pursuant to section  
10 IX(i)(2) of the Master Settlement Agreement, and before any of the  
11 adjustments or offsets described in section IX(i)(3) of that Agreement  
12 other than the Inflation Adjustment) had it been a participating  
13 manufacturer, the excess shall be released from escrow and revert back  
14 to such tobacco product manufacturer; or

15 (3) To the extent not released from escrow under subdivisions (1) or (2) of  
16 this subsection, funds shall be released from escrow and revert back to  
17 such tobacco product manufacturer 25 years after the date on which they  
18 were placed into escrow.

19 (c) Each tobacco product manufacturer that elects to place funds into escrow  
20 pursuant to this section shall annually certify to the Attorney General that it is in  
21 compliance with this section. The Attorney General may bring a civil action on behalf of  
22 the State against any tobacco product manufacturer that fails to place into escrow the  
23 funds required under this section. Any tobacco product manufacturer that fails in any year  
24 to place into escrow the funds required under this section shall:

25 (1) Be required within 15 days to place such funds into escrow as shall  
26 bring it into compliance with this section. The court, upon a finding of a  
27 violation ~~of this subsection, either of subdivision (2) of subsection (a) of~~  
28 this section, of subsection (b) of this section, or of this section, may  
29 impose a civil penalty (the clear proceeds of which shall be paid to the  
30 Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2)  
31 in an amount not to exceed five percent (5%) of the amount improperly  
32 withheld from escrow per day of the violation and in a total amount not  
33 to exceed one hundred percent (100%) of the original amount  
34 improperly withheld from escrow;

35 (2) In the case of a knowing violation, be required within 15 days to place  
36 such funds into escrow as shall bring it into compliance with this  
37 section. The court, upon a finding of a knowing violation either of  
38 subdivision (2) of subsection (a) of this section, section, of subsection  
39 (b) of this section, or of this section, may impose a civil penalty (the  
40 clear proceeds of which shall be paid to the Civil Penalty and Forfeiture  
41 Fund in accordance with G.S. 115C-457.2) in an amount not to exceed  
42 fifteen percent (15%) of the amount improperly withheld from escrow  
43 per day of the violation and in a total amount not to exceed three

1 hundred percent (300%) of the original amount improperly withheld  
2 from escrow; and

- 3 (3) In the case of a second knowing violation, be prohibited from selling  
4 cigarettes to consumers within the State (whether directly or through a  
5 distributor, retailer, or similar intermediary) for a period not to exceed  
6 two years.

7 Each failure to make an annual deposit required under this section shall constitute a  
8 separate violation."

9 Section 59.(a) G.S. 85B-3.2(a) reads as rewritten:

10 "(a) Definitions. – The following definitions shall apply in this section:

11 (1) Applicant – An applicant for initial licensure as an ~~auetioneer.~~  
12 auctioneer, apprentice auctioneer, or auction firm.

13 (2) Criminal history – A State or federal history of conviction of a crime,  
14 whether a misdemeanor or felony, that bears upon an applicant's fitness  
15 to be licensed as an ~~auetioneer.~~ auctioneer, apprentice auctioneer, or  
16 auction firm."

17 Section 59.(b) G.S. 85B-3.2(d) reads as rewritten:

18 "(d) If the applicant's verified criminal history record check reveals one or more  
19 convictions of a crime that is punishable as a felony offense, or the conviction of any  
20 crime involving fraud or moral turptitude, the Commission may deny the applicant's  
21 license. However, the conviction shall not automatically prohibit licensure, and the  
22 following factors shall be considered by the Commission in determining whether  
23 licensure shall be denied:

24 (1) The level and seriousness of the crime.

25 (2) The date of the crime.

26 (3) The age of the person at the time of the crime.

27 (4) The circumstances surrounding the commission of the crime, if known.

28 (5) The nexus between the criminal conduct of the applicant and the  
29 applicant's duties as an ~~auetioneer.~~ auctioneer, apprentice auctioneer, or  
30 auction firm.

31 (6) The prison, jail, probation, parole, rehabilitation, and employment  
32 records of the applicant since the date the crime was committed.

33 (7) The subsequent commission by the person of a crime."

34 Section 59.(c) The catch line for G.S. 114-19.8 reads as rewritten:

35 "**§ 114-19.8. Criminal record checks of applicants for ~~auetioneer~~ auctioneer,**  
36 **apprentice auctioneer, or auction firm license."**

37 Section 59.(d) This section becomes effective October 1, 2000, and applies to  
38 applications for licensure for auctioneers, apprentice auctioneers, and auction firms filed  
39 on or after that date.

40 Section 60. G.S. 90-178.3 reads as rewritten:"§ 90-178.3. Regulation of  
41 midwifery.(a) No person shall practice or offer to practice or hold oneself out to practice  
42 midwifery unless approved pursuant to this Article.



1 (b) A person approved pursuant to this Article may practice midwifery in a  
2 hospital or non-hospital setting and shall practice under the supervision of a physician  
3 licensed to practice medicine who is actively engaged in the practice of obstetrics. A  
4 registered nurse approved pursuant to this Article is authorized to write prescriptions for  
5 drugs in accordance with the same conditions applicable to a nurse practitioner under  
6 G.S. 90-18.2(b).

7 (c) Graduate nurse midwife applicant status may be granted by the joint  
8 subcommittee in accordance with G.S. 90-178.4."

9 Section 61. The catch line of G.S. 105-40 reads as rewritten:

10 "**§ 105-40. Amusements – Certain exhibitions, performances, and entertainments**  
11 **exempt from license tax."**

12 Section 62. G.S. 105-116(d) reads as rewritten:

13 "(d) Distribution. – Part of the taxes imposed by this section on electric power  
14 ~~companies, natural gas companies, and regional natural gas districts companies~~ is  
15 distributed to cities under G.S. 105-116.1."

16 Section 63.(a) G.S. 105-129.17(b) reads as rewritten:

17 "(b) Cap. —~~A total~~ The credits allowed in this Article may not exceed fifty percent  
18 (50%) of the tax against which they are claimed for the taxable year, reduced by the sum  
19 of all other credits allowed against that tax, except tax payments made by or on behalf of  
20 the taxpayer. This limitation applies to the cumulative amount of credit, including  
21 carryforwards, claimed by the taxpayer under this Article against each tax for the taxable  
22 year. Any unused portion of the credits may be carried forward for the succeeding five  
23 years."

24 Section 63.(b) G.S. 105-129.18 reads as rewritten:

25 "**§ 105-129.18. Substantiation.**

26 To claim a ~~credits~~ credit allowed by this Article, the taxpayer must provide any  
27 information required by the Secretary of Revenue. Every taxpayer claiming a credit under  
28 this Article must maintain and make available for inspection by the Secretary of Revenue  
29 any records the Secretary considers necessary to determine and verify the amount of the  
30 credit to which the taxpayer is entitled. The burden of proving eligibility for a credit and  
31 the amount of the credit rests upon the taxpayer, and no credit may be allowed to a  
32 taxpayer that fails to maintain adequate records or to make them available for  
33 inspection."

34 Section 63.(c) G.S. 105-129.19 reads as rewritten:

35 "**§ 105-129.19. Reports.**

36 The Department of Revenue shall report to the Legislative Research Commission and  
37 to the Fiscal Research Division of the General Assembly by May 1 of each year the  
38 following information for the 12-month period ending the preceding April 1:

39 (1) The number of taxpayers that claimed the credits allowed in this Article.

40 (2) The cost of business property and renewable energy property with  
41 respect to which ~~business property~~ credits were claimed.

42 (2a) The location of each qualified North Carolina low-income building with  
43 respect to which a low-income housing credit was claimed.

1 (3) The total cost to the General Fund of the credits claimed."

2 Section 64.(a) G.S. 105-130.15(a) reads as rewritten:

3 "(a) The net income of a corporation shall be computed in accordance with the  
4 method of accounting it regularly employed~~employs~~ in keeping the books of such  
5 corporation, ~~but such method of accounting must~~ its books. The method must be  
6 consistent with respect to both income and ~~deductions, but if in any case such deductions.~~  
7 If this method does not clearly reflect the income, the computation shall be made in  
8 accordance with ~~such method as in the opinion of the Secretary of Revenue a method~~  
9 that, in the Secretary's opinion, does clearly reflect the income, but shall follow as nearly  
10 as practicable the federal practice, unless contrary to the context and intent of this Part.

11 The Secretary may ~~in his discretion~~ adopt the rules and regulations and any guidelines  
12 administered or established by the Internal Revenue Service unless contrary to any  
13 provisions of this Part."

14 Section 64.(b) G.S. 105-130.17(a) reads as rewritten:

15 "(a) Returns must be filed as prescribed by the Secretary at the place prescribed by  
16 the Secretary. Returns must be in the form prescribed by the Secretary. The Secretary  
17 shall furnish forms in accordance with G.S. 105-254. shall be in such form as the  
18 Secretary of Revenue may from time to time prescribe, and shall be filed with the  
19 Secretary at his office, or at any branch office which he may establish. The Secretary  
20 shall cause to be prepared blank forms for the said returns, and shall cause them to be  
21 distributed throughout the State, and shall furnish them upon request; but failure to  
22 receive or secure the form shall not relieve any corporation from the obligation of making  
23 any return herein required."

24 Section 64.(c) G.S. 105-130.18 reads as rewritten:

25 "**§ 105-130.18. Failure to file returns; supplementary returns.**

26 If the Secretary of Revenue ~~shall be of the opinion that any~~ determines that a  
27 corporation has failed to file a return or to include in a return filed, either intentionally or  
28 through error, items of taxable ~~income he may require of such~~ income, the Secretary may  
29 require from the corporation a return or supplementary return, under affirmation, ~~in such~~  
30 form as he shall prescribe, of all the items of income ~~which that~~ the corporation received  
31 during the year for which the return is made, whether or not taxable under this Part. If  
32 from a supplementary return or otherwise the Secretary finds that any items of income,  
33 taxable under this Part, have been omitted from the original return, ~~or that~~ any items  
34 returned as taxable ~~that~~ are not taxable, or that any item of taxable income is overstated  
35 or understated, ~~he may require any such item to be disclosed to him~~ the Secretary may  
36 require that the item be disclosed under affirmation of the corporation, and ~~to be added to~~  
37 or deducted from the original return. ~~Such~~ The filing of a supplementary return and the  
38 correction of the original return ~~shall~~ does not relieve the corporation from any of the  
39 penalties ~~to which it may be liable under the provisions of~~ under G.S. 105-236. The  
40 Secretary may proceed under the provisions of G.S. 105-241.1, whether or not the  
41 Secretary ~~he~~ requires a return or a supplementary return under this section."

42 Section 65. G.S. 105-134.6(b) is amended by adding a new subdivision to  
43 read:

1       "(b) Deductions. – The following deductions from taxable income shall be made in  
2 calculating North Carolina taxable income, to the extent each item is included in taxable  
3 income:

4           ...  
5           (5b) The amount received during the taxable year from one or more State,  
6 local, or federal government retirement plans to the extent the amount is  
7 exempt from tax under this Part pursuant to a court order in settlement  
8 of the following cases: Bailey v. State, 92 CVS 10221, 94 CVS 6904,  
9 95 CVS 6625, 95 CVS 8230; Emory v. State, 98 CVS 0738; and Patton  
10 v. State, 95 CVS 04346. Amounts deducted under this subdivision may  
11 not also be deducted under subdivision (6) of this subsection."

12       Section 66. G.S. 105-163.44 is repealed.

13       Section 67.(a) G.S. 105-164.4(c) reads as rewritten:

14       "(c) Certificate of Registration. – Before a person may engage in business as a  
15 ~~Before a person may engage in business as a~~ retailer or a wholesale merchant, the  
16 person must obtain a certificate of registration from the Department. ~~To obtain a~~  
17 ~~certificate of registration, a person must register with the Department.~~

18       ~~A certificate of registration is valid unless it is revoked for failure to comply with the~~  
19 ~~provisions of this Article or becomes void. A certificate issued to a retailer who makes~~  
20 ~~taxable sales becomes void if, for a period of 18 months, the retailer files no returns or~~  
21 ~~files returns showing no sales. Department in accordance with G.S. 105-164.29."~~

22       Section 67.(b) G.S. 105-164.29 reads as rewritten:

23       "**§ 105-164.29. Application for licenses – certificate of registration by wholesale**  
24 **merchants and retailers.**

25       (a) Application. – ~~Every application for a license by a wholesale merchant or~~  
26 ~~retailer shall be made upon a form prescribed by the Secretary and shall set forth all~~  
27 ~~information the Secretary may require. To obtain a certificate of registration, a person~~  
28 must register with the Department. A wholesale merchant or retailer who has more than  
29 one business is required to obtain only one certificate of registration to cover all  
30 operations of the business throughout the State. An application for registration must The  
31 ~~application shall be signed as follows:~~

32           (1) By the owner, if the owner is an individual.

33           (2) By a manager, member, or partner, if the owner is an association, a  
34 partnership, or a limited liability company.

35           (3) By an executive officer or some other person specifically authorized by  
36 the corporation to sign the application, if the owner is a corporation. If  
37 the application is signed by a person authorized to do so by the  
38 corporation, written evidence of the person's authority must be attached  
39 to the application.

40       ~~A wholesale merchant or retailer whose business extends into more than one county is~~  
41 ~~required to secure only one license to cover all operations of the business throughout the~~  
42 ~~State.~~

1 (b) Issuance. —~~When the required application has been made the Secretary shall~~  
2 ~~issue a license to the applicant. A license~~ A certificate of registration is not assignable  
3 and is valid only for the person in whose name it is issued ~~and for the transaction of~~  
4 ~~business at the place designated in the license. The license holder shall display the license~~  
5 ~~eonspiciuously at all times at the place for which it was issued.~~ issued. A copy of the  
6 certificate of registration must be displayed at each place of business.

7 (c) Reissuance. —Term. —A certificate of registration is valid unless it is revoked  
8 for failure to comply with the provisions of this Article or becomes void. A certificate  
9 issued to a retailer who makes taxable sales becomes void if, for a period of 18 months,  
10 the retailer files no returns or files returns showing no sales. A person whose license has  
11 been previously suspended or revoked shall pay the Secretary fifteen dollars (\$15.00) for  
12 the reissuance of the license. A wholesale merchant whose annual license has been  
13 previously suspended or revoked shall pay the Secretary twenty five dollars (\$25.00) for  
14 the reissuance of the license for the remainder of the license year.

15 (d) Revocation. — Whenever a license holder ~~wholesale merchant or retailer~~ fails to  
16 comply with this Article or violates G.S. 14-401.18, the Secretary, upon hearing, after  
17 giving ~~the license holder~~ 10 days' notice in writing, specifying the time and place of  
18 hearing and requiring the ~~license holder~~ wholesale merchant or retailer to show cause  
19 why the ~~license~~ certificate of registration should not be revoked, may revoke or suspend  
20 the ~~license~~ certificate of registration. The notice may be served personally or by  
21 registered mail directed to the last known address of the ~~license holder~~ wholesale  
22 merchant or retailer. All provisions with respect to review and appeals of the Secretary's  
23 decisions as provided by G.S. 105-241.2, 105-241.3, and 105-241.4 apply to this section.

24 ~~Any wholesale merchant or retailer who engages in business as a seller in this State~~  
25 ~~without a license or after the license has been suspended or revoked, and each officer of~~  
26 ~~any corporation that so engages in business shall be guilty of a Class 3 misdemeanor and~~  
27 ~~only subject to a fine of up to five hundred dollars (\$500.00) for each offense."~~

28 Section 67.(c) G.S. 105-164.38 reads as rewritten:

29 "**§ 105-164.38. Tax shall be is a lien.**

30 (a) The tax imposed by this Article ~~shall be is~~ a lien upon all personal property of  
31 any person who is required by this Article to obtain a ~~license~~ certificate of registration to  
32 engage in business and who stops engaging in the business by transferring the business,  
33 transferring the stock of goods of the business, or going out of business. A person who  
34 stops engaging in business ~~shall~~ must file the return required by this Article within 30  
35 days after transferring the business, transferring the stock of goods of the business, or  
36 going out of business.

37 (b) Any person to whom the business or the stock of goods was transferred ~~shall~~  
38 must withhold from the consideration paid for the business or stock of goods an amount  
39 sufficient to cover the taxes due until the person selling the business or stock of goods  
40 produces a statement from the Secretary showing that the taxes have been paid or that no  
41 taxes are due. If the person who buys a business or stock of goods fails to withhold an  
42 amount sufficient to cover the taxes and the taxes remain unpaid after the 30-day period

1 allowed, the buyer is personally liable for the unpaid taxes to the extent of the greater of  
2 the following:

3 (1) The consideration paid by the buyer for the business or the stock of  
4 goods.

5 (2) The fair market value of the business or the stock of goods.

6 (c) The period of limitations for assessing liability against the buyer of a business  
7 or the stock of goods of a business and for enforcing the lien against the property ~~shall~~  
8 ~~expire~~ expires one year after the end of the period of limitations for assessment against  
9 the person who sold the business or the stock of goods. Except as otherwise provided in  
10 this section, a person who buys a business or the stock of goods of a business and that  
11 person's liability for unpaid taxes are subject to the provisions of G.S. 105-241.1, 105-  
12 241.2, 105-241.3, and 105-241.4 and to other remedies for the collection of taxes to the  
13 same extent as if the person had incurred the original tax liability."

14 Section 68. G.S. 105-187.6(b) reads as rewritten:

15 "(b) Partial Exemptions. – A maximum tax of forty dollars (\$40.00) applies when a  
16 certificate of title is issued as the result of a transfer of a motor vehicle:

17 (1) To a secured party who has a perfected security interest in the motor  
18 vehicle.

19 (2) To a partnership, limited liability company, or corporation as an  
20 incident to the formation of the partnership, limited liability company,  
21 or corporation, and no gain or loss arises on the transfer of the motor  
22 vehicle under section 351 or section 721 of the ~~Internal Revenue Code~~  
23 ~~as defined in G.S. 105-228.90, Code,~~ or to a partnership, limited  
24 liability company, or corporation by merger, conversion, or  
25 consolidation in accordance with applicable law."

26 Section 69. G.S. 105-228.90(b) is amended by adding a new subdivision to  
27 read:

28 "(2) Department. – The Department of Revenue."

29 Section 70. G.S. 105-236(10) reads as rewritten:

30 "(10) Failure to File Informational Returns. –

31 a. Repealed by Session Laws 1998-212, s. 29A.14(m).

32 b. The Secretary may request a person who fails to file timely  
33 statements of payment to another person with respect to wages,  
34 dividends, rents, or interest paid to that person to file the  
35 statements by a certain date. If the payer fails to file the  
36 statements by that date, the amounts claimed on the payer's  
37 income tax return as deductions for salaries and wages, or rents  
38 or interest shall be disallowed to the extent that the payer failed  
39 to comply with the Secretary's request with respect to the  
40 statements.

41 c. For failure to file an informational return required by Article 36C  
42 or 36D of this Chapter by the date the return is due, there shall be  
43 assessed a penalty of fifty dollars (\$50.00)."

1 Section 71. G.S. 105-275(40) reads as rewritten:

2 ~~"(40) Computer software and any documentation related to the computer~~  
3 ~~software. As used in this subdivision, the term "computer~~  
4 ~~software" means any program or routine used to cause a computer to~~  
5 ~~perform a specific task or set of tasks. The term includes system and~~  
6 ~~application programs and database storage and management programs.~~

7 ~~The exclusion established by this subdivision does not apply to~~  
8 ~~computer software and its related documentation if the computer~~  
9 ~~software meets one or more of the following descriptions:~~

10 a. ~~It is embedded software. "Embedded software" means computer~~  
11 ~~instructions, known as microcode, that reside permanently in the~~  
12 ~~internal memory of a computer system or other equipment and~~  
13 ~~are not intended to be removed without terminating the operation~~  
14 ~~of the computer system or equipment and removing a computer~~  
15 ~~chip, a circuit, or another mechanical device.~~

16 b. ~~It is purchased or licensed from a person who is unrelated to the~~  
17 ~~taxpayer and it is capitalized on the books of the taxpayer in~~  
18 ~~accordance with generally accepted accounting principles,~~  
19 ~~including financial accounting standards issued by the Financial~~  
20 ~~Accounting Standards Board. A person is unrelated to a taxpayer~~  
21 ~~if (i) the taxpayer and the person are not subject to any common~~  
22 ~~ownership, either directly or indirectly, and (ii) neither the~~  
23 ~~taxpayer nor the person has any ownership interest, either~~  
24 ~~directly or indirectly, in the other.~~

25 ~~This subdivision does not affect the value or taxable status of~~  
26 ~~any property that is otherwise subject to taxation under this~~  
27 ~~Subchapter.~~

28 ~~The provisions of the exclusion established by this~~  
29 ~~subdivision are not severable. If any provision of this subdivision~~  
30 ~~or its application is held invalid, the entire subdivision is~~  
31 ~~repealed.~~

32 (40) Computer software and any documentation related to the computer  
33 software. As used in this subdivision, the term "computer  
34 software" means any program or routine used to cause a computer to  
35 perform a specific task or set of tasks. The term includes system and  
36 application programs and database storage and management programs.

37 The exclusion established by this subdivision does not apply to  
38 computer software and its related documentation if the computer  
39 software meets one or more of the following descriptions:

40 a. It is embedded software. "Embedded software" means computer  
41 instructions, known as microcode, that reside permanently in the  
42 internal memory of a computer system or other equipment and  
43 are not intended to be removed without terminating the operation

1           of the computer system or equipment and removing a computer  
2           chip, a circuit, or another mechanical device.

- 3           b.   It is purchased or licensed from a person who is unrelated to the  
4           taxpayer and it is capitalized on the books of the taxpayer in  
5           accordance with generally accepted accounting principles,  
6           including financial accounting standards issued by the Financial  
7           Accounting Standards Board. A person is unrelated to a taxpayer  
8           if (i) the taxpayer and the person are not subject to any common  
9           ownership, either directly or indirectly, and (ii) neither the  
10           taxpayer nor the person has any ownership interest, either  
11           directly or indirectly, in the other.

12           This subdivision does not affect the value or taxable status of any  
13           property that is otherwise subject to taxation under this Subchapter.

14           The provisions of the exclusion established by this subdivision are  
15           not severable. If any provision of this subdivision or its application is  
16           held invalid, the entire subdivision is repealed."

17       Section 72.(a)   G.S. 105-275(41), as amended by Section 1 of S.L. 2000-2, reads as  
18   rewritten:

19           "~~(41)~~ (42) A vehicle that is offered at retail for short-term lease or  
20           rental and is owned or leased by an entity engaged in the  
21           business of leasing or renting vehicles to the general  
22           public for short-term lease or rental. For the purposes of  
23           this subdivision, the term 'short-term lease or rental' shall  
24           have the same meaning as in ~~G.S. 105-187.1~~. G.S. 105-  
25           187.1, and the term 'vehicle' shall have the same meaning  
26           as in G.S. 153A-156(e) and G.S. 160A-215.1(e). A gross  
27           receipts tax as set forth by G.S. 153A-156 and G.S. 160A-  
28           215.1 is substituted for and replaces the ad valorem tax  
29           previously levied on these vehicles."

30       Section 72.(b)   G.S. 105-282.1(a) reads as rewritten:

31       "(a)   Every owner of property claiming exemption or exclusion from property taxes  
32       under the provisions of this Subchapter has the burden of establishing that the property is  
33       entitled thereto. Except as provided below, an owner claiming exemption or exclusion  
34       shall annually file an application for exemption or exclusion during the listing period. If  
35       the property for which the exemption or exclusion is claimed is appraised by the  
36       Department of Revenue, the application shall be filed with the Department. Otherwise,  
37       the application shall be filed with the assessor of the county in which the property is  
38       situated. An application must contain a complete and accurate statement of the facts that  
39       entitle the property to the exemption or exclusion and must indicate the municipality, if  
40       any, in which the property is located. Each application filed with the Department of  
41       Revenue or an assessor shall be submitted on a form approved by the Department.  
42       Application forms shall be made available by the assessor and the Department, as  
43       appropriate.

- 1           (1) The United States government, the State of North Carolina and the  
2 counties and municipalities of the State are exempted from the  
3 requirement that owners file applications for exemption.
- 4           (2) Owners of the special classes of property excluded from taxation under  
5 G.S. 105-275(5), (15), (16), (26), (31), (32a), (33), (34), ~~or (40)~~, or (42)  
6 or exempted under G.S. 105-278.2 are not required to file applications  
7 for the exclusion or exemption of that property.
- 8           (3) After an owner of property entitled to exemption under G.S. 105-278.3,  
9 105-278.4, 105-278.5, 105-278.6, 105-278.7, or 105-278.8 or exclusion  
10 under G.S. 105-275(3), (7), (8), (12), (17) through (19), (21) or (39),  
11 G.S. 105-277.1, or G.S. 105-278 has applied for exemption or exclusion  
12 and the exemption or exclusion has been approved, the owner is not  
13 required to file an application in subsequent years except in the  
14 following circumstances:
- 15           a. New or additional property is acquired or improvements are  
16 added or removed, necessitating a change in the valuation of the  
17 property; or
- 18           b. There is a change in the use of the property or the qualifications  
19 or eligibility of the taxpayer necessitating a review of the  
20 exemption or exclusion.
- 21           (4) After an owner of property entitled to exclusion under G.S. 105-277.10  
22 has applied for the exclusion and the exclusion has been approved, the  
23 owner is not required to apply for the exclusion in subsequent years so  
24 long as the classified property, including classified property acquired  
25 after the application is approved, is used or held for use directly in  
26 manufacturing or processing as part of industrial machinery.
- 27           (5) Upon a showing of good cause by the applicant for failure to make a  
28 timely application, an application for exemption or exclusion filed after  
29 the close of the listing period may be approved by the Department of  
30 Revenue, the board of equalization and review, the board of county  
31 commissioners, or the governing body of a municipality, as appropriate.  
32 An untimely application for exemption or exclusion approved under this  
33 subdivision applies only to property taxes levied by the county or  
34 municipality in the calendar year in which the untimely application is  
35 filed."

36           Section 73. Effective January 1, 2001, G.S. 105-369(b1) reads as rewritten:

37           "(b1) Notice to Owner. – After the governing body orders the tax collector to  
38 advertise the tax liens, the tax collector must send a notice to the listing owner and to the  
39 record owner of each affected parcel of property, as determined as of December 31 of the  
40 fiscal year for which the taxes are due. The notice must be sent to each owner's last  
41 known address by first-class mail at least 30 days before the date the advertisement is to  
42 be published. The notice must state the principal amount of unpaid taxes that are a lien on  
43 the parcel to be advertised and inform the owner that the names of the listing owner and



1 the record owner ~~listing owner that his or her name~~ will appear in a newspaper  
2 advertisement of delinquent taxes if the taxes are not paid before the publication date.  
3 Failure to mail the notice required by this section to the correct listing owner or record  
4 owner does not affect the validity of the tax lien or of any foreclosure action."

5 Section 74. G.S. 105-449.37(a)(1a) reads as rewritten:

6 "(1a) Motor vehicle. – A motor vehicle as defined in G.S. ~~105-~~  
7 ~~164.3(8e),~~ 105-164.3 other than special mobile equipment as  
8 defined in G.S. ~~105-164.3(16b),~~ 105-164.3."

9 Section 75.(a) G.S. 105-330.1(b) reads as rewritten:

10 "(b) Exceptions. – The following motor vehicles are not classified under subsection  
11 (a) of this section:

- 12 (1) Motor vehicles exempt from registration pursuant to G.S. 20-51.
- 13 (2) Manufactured homes, mobile classrooms, and mobile offices.
- 14 (3) Semitrailers or trailers registered on a multiyear basis.
- 15 (4) Motor vehicles owned or leased by a public service company and  
16 appraised under G.S. 105-335.
- 17 (5) ~~"U drive it" passenger vehicles registered under G.S. 20-87(2)."~~

18 Section 75.(b) G.S. 153A-156, as enacted by Section 2 of S.L. 2000-2, reads as  
19 rewritten:

20 "**§ 153A-156. Gross receipts tax on short-term leases or rentals.**

21 (a) As a substitute for and in replacement of the ad valorem tax, which is excluded  
22 by G.S. ~~105-275(41),~~ 105-275(42), a county may levy a gross receipts tax on the gross  
23 receipts from the short-term lease or rental of vehicles at retail to the general public. The  
24 tax rate shall not exceed one and one-half percent (1.5%) of the gross receipts from such  
25 short-term leases or rentals.

26 (b) If a county enacts the substitute and replacement gross receipts tax pursuant to  
27 this section, any entity required to collect the tax shall include a provision in each retail  
28 short-term lease or rental agreement noting that the percentage amount enacted by the  
29 county of the total lease or rental price, excluding ~~sales~~ highway use tax, is being charged  
30 as a tax on gross receipts. For purposes of this section, the transaction giving rise to the  
31 tax shall be deemed to have occurred at the location of the entity from which the  
32 customer takes delivery of the vehicle. The tax shall be collected at the time of lease or  
33 rental and placed in a segregated account until remitted to the county.

34 (c) The collection and use of taxes under this section are not subject to ~~sales~~  
35 highway use tax and are not included in the gross receipts of the entity. The proceeds  
36 collected under this section belong to the county and are not subject to creditor liens  
37 against the entity.

38 (d) A tax levied under this section shall be collected by the county but otherwise  
39 administered in the same manner as the tax levied under G.S. 105-164.4(a)(2).

40 (e) The following definitions apply in this section:

- 41 (1) Vehicle. – Any of the following:
  - 42 a. A motor vehicle of the ~~private~~ passenger type, including a  
43 passenger van, minivan, or sport utility vehicle.

1           b.     A motor vehicle of the cargo type, including cargo van, pickup  
2                   truck, or truck with a gross vehicle weight of 26,000 pounds or  
3                   less used predominantly in the transportation of property for  
4                   other than commercial freight and that does not require the  
5                   operator to possess a commercial drivers license.

6           c.     A trailer or semitrailer with a gross vehicle weight of 6,000  
7                   pounds or less.

8           (2)    Short-term lease or rental. – Defined in G.S. 105-187.1(4).

9           (f)    The penalties and remedies that apply to local sales and use taxes levied under  
10           Subchapter VIII of ~~this Chapter~~ 105 of the General Statutes apply to a tax levied under  
11           this section. The county board of commissioners may exercise any power the Secretary  
12           of Revenue may exercise in collecting local sales and use taxes."

13           Section 75.(c) G.S. 160A-215.1, as enacted by Section 3 of S.L. 2000-2, reads as  
14           rewritten:

15           "**§ 160A-215.1. Gross receipts tax on short-term leases or rentals.**

16           (a)    As a substitute for and in replacement of the ad valorem tax, which is excluded  
17           by G.S. ~~105-275(41), 105-275(42)~~, a city may levy a gross receipts tax on the gross  
18           receipts from the short-term lease or rental of vehicles at retail to the general public. The  
19           tax rate shall not exceed one and one-half percent (1.5%) of the gross receipts from such  
20           short-term leases or rentals. This tax on gross receipts is in addition to the privilege taxes  
21           authorized by G.S. 160A-211.

22           (b)    If a city enacts the substitute and replacement gross receipts tax pursuant to  
23           this section, any entity required to collect the tax shall include a provision in each retail  
24           short-term lease or rental agreement noting that the percentage amount enacted by the  
25           city of the total lease or rental price, excluding ~~sales~~ highway use tax, is being charged as  
26           a tax on gross receipts. For purposes of this section, the transaction giving rise to the tax  
27           shall be deemed to have occurred at the location of the entity from which the customer  
28           takes delivery of the vehicle. The tax shall be collected at the time of lease or rental and  
29           placed in a segregated account until remitted to the city.

30           (c)    The collection and use of taxes under this section are not subject to ~~sales~~  
31           highway use tax and are not included in the gross receipts of the entity. The proceeds  
32           collected under this section belong to the city and are not subject to creditor liens against  
33           the entity.

34           (d)    A tax levied under this section shall be collected by the city but otherwise  
35           administered in the same manner as the tax levied under G.S. 105-164.4(a)(2).

36           (e)    The following definitions apply in this section:

37           (1)    Vehicle. – Any of the following:

38                   a.     A motor vehicle of the ~~private~~-passenger type, including a  
39                   passenger van, minivan, or sport utility vehicle.

40                   b.     A motor vehicle of the cargo type, including cargo van, pickup  
41                   truck, or truck with a gross vehicle weight of 26,000 pounds or  
42                   less used predominantly in the transportation of property for

1 other than commercial freight and that does not require the  
2 operator to possess a commercial drivers license.

3 c. A trailer or semitrailer with a gross vehicle weight of 6,000  
4 pounds or less.

5 (2) Short-term lease or rental. – Defined in G.S. 105-187.1.

6 (f) The penalties and remedies that apply to local sales and use taxes levied under  
7 Subchapter VIII of ~~this Chapter~~ Chapter 105 of the General Statutes apply to a tax levied under  
8 this section. The governing body of the city may exercise any power the Secretary of  
9 Revenue may exercise in collecting local sales and use taxes."

10 Section 75.(d) This section becomes effective July 1, 2000.

11 Section 76.(a) G.S. 113B-2 reads as rewritten:

12 **"§ 113B-2. Creation of Energy Policy Council; purpose of Council.**

13 (a) There is hereby created a council to advise and make recommendations on  
14 energy policy to the Governor and the General Assembly to be known as the Energy  
15 Policy Council which shall be located within the Department of ~~Commerce~~.  
16 Administration.

17 (b) Except as otherwise provided in this Chapter, the powers, duties and functions  
18 of the Energy Policy Council shall be as prescribed by the Secretary of ~~Commerce~~.  
19 Administration.

20 (c) The Energy Policy Council shall serve as the central energy policy planning  
21 body of the State and shall communicate and cooperate with federal, State, regional and  
22 local bodies and agencies to the end of effecting a coordinated energy policy."

23 Section 76.(b) G.S. 113B-6 reads as rewritten:

24 **"§ 113B-6. General duties and responsibilities.**

25 The Energy Policy Council shall have the following general duties and  
26 responsibilities:

27 (1) To develop and recommend to the Governor a comprehensive long-  
28 range State energy policy to achieve maximum effective management  
29 and use of present and future sources of energy, such policy to include  
30 but not be limited to an energy ~~conservation plan, efficiency program,~~  
31 an energy management plan, an emergency energy program, and an  
32 energy research and development program;

33 (2) To conduct an ongoing assessment of the opportunities and constraints  
34 presented by various uses of all forms of energy and to encourage the  
35 efficient use of all such energy forms in a manner consistent with State  
36 energy policy;

37 (3) To continually review and coordinate all State government research,  
38 education and management programs relating to energy matters and to  
39 continually educate and inform the general public regarding such energy  
40 matters;

41 (4) To recommend to the Governor and to the General Assembly needed  
42 energy legislation and to recommend for implementation such

1 modifications of energy policy, plans and programs as the Council  
2 considers necessary and desirable."

3 Section 76.(c) G.S. 113B-7 reads as rewritten:

4 **"§ 113B-7. Energy Conservation Plan; Efficiency Program; components.**

5 (a) The Energy Policy Council shall prepare a recommended Energy Conservation  
6 ~~Plan-Efficiency Program~~ for transmittal to the Governor, the initial plan to be completed  
7 by January 30, 1976.

8 (b) The Energy ~~Conservation Plan-Efficiency Program~~ shall be designed to assure  
9 the public health and safety of the people of North Carolina and to encourage and  
10 promote conservation of energy through reducing wasteful, inefficient or uneconomical  
11 uses of energy resources.

12 (c) The Energy ~~Conservation Plan-Efficiency Program~~ shall include but not be  
13 limited to the following recommendations:

- 14 (1) Recommendations to the Building Code Council for lighting, insulation,  
15 climate control systems and other building design and construction  
16 standards which increase the efficient use of energy and are  
17 economically feasible to implement;
- 18 (2) Recommendations to the Building Code Council for per unit energy  
19 requirement allotments based upon square footage for various classes of  
20 buildings which would reduce energy consumption, yet are both  
21 technically and economically feasible and not injurious to public health  
22 and safety;
- 23 (3) Recommendations for minimum levels of operating efficiency for all  
24 appliances whose use requires a significant amount of energy based  
25 upon both technical and economic feasibility considerations;
- 26 (4) Recommendations for State government purchases of supplies, vehicles  
27 and equipment and such operating practices as will make possible more  
28 efficient use of energy;
- 29 (5) Recommendations on energy conservation policies, programs and  
30 procedures for local units of government;
- 31 (6) Any other recommendations which the Energy Policy Council considers  
32 to be a significant part of a statewide conservation effort and which  
33 include provisions for sufficient incentives to further energy  
34 conservation;
- 35 (7) An economic and environmental impact analysis of the recommended  
36 ~~plan-program.~~

37 (d) In addition to specific conservation recommendations, the Energy  
38 ~~Conservation Plan-Efficiency Program~~ shall contain proposals for implementation of such  
39 recommendations as can be carried out by executive order. Upon completion of a draft  
40 recommended ~~plan-program~~, the Council shall arrange for its distribution to interested  
41 parties and shall make ~~such plan-the program~~ available to the public and the Council  
42 further shall set a date for public hearing on said ~~plan-program.~~

1 (e) Upon completion of the Energy ~~Conservation Plan, Efficiency Program~~, the  
2 Council shall transmit said ~~plan, program~~, to be known as the State Energy ~~Conservation~~  
3 ~~Plan, Efficiency Program~~, to the Governor for approval or disapproval. Upon approval,  
4 the Governor shall assign administrative responsibility for such implementation as can be  
5 carried out by executive order to appropriate agencies of State government, and submit to  
6 the General Assembly such proposals which require legislative action for  
7 implementation. The Governor shall have the authority to accept, administer, and enforce  
8 federal programs, program measures and permissive delegations of authority delegated to  
9 the Governor by the President of the United States, Congress, or the United States  
10 Department of Energy, on behalf of the State of North Carolina, which pertain to the  
11 conservation of energy resources.

12 (f) The Governor shall transmit the approved Energy ~~Conservation Plan~~  
13 ~~Efficiency Program~~ to the President of the Senate, to the Speaker of the House of  
14 Representatives, to the heads of all State agencies and shall further seek to publicize such  
15 plan and make it available to all units of local government and to the public at large.

16 (g) At least every two years and whenever such changes take place as would  
17 significantly affect energy supply or demand in North Carolina, the Energy Policy  
18 Council shall review and, if necessary, revise the Energy ~~Conservation Plan, Efficiency~~  
19 ~~Program~~, transmitting such revised plan to the Governor pursuant to the procedures  
20 contained in subsections (e) and (f) of this section."

21 Section 76.(d) G.S. 113B-11 reads as rewritten:

22 "**§ 113B-11. Powers and authority.**

23 (a) The Energy Policy Council is authorized to secure directly from any officer,  
24 office, department, commission, board, bureau, institution and other agency of the State  
25 and its political subdivisions any information it deems necessary to carry out its  
26 functions; and all such officers and agencies shall cooperate with the Council and, to the  
27 extent permitted by law, furnish such information to the Council as it may request.

28 (b) To assure the adequate development of relevant energy information, as  
29 provided in G.S. 113B-10, the Council may require all energy producers and major  
30 energy consumers, as determined by the Council, to file such reports and forecasts and at  
31 such dates as the Council may request; provided, however, that the Council may request  
32 only specific energy-related information which it deems necessary to carry out its duties  
33 as defined in Articles 1 and 2 of this Chapter.

34 (c) The Council shall have authority to apply for and utilize grants, contributions  
35 and appropriations in order to carry out its duties as defined in Articles 1 and 2 of this  
36 Chapter, provided, however, that all such applications and requests are made through and  
37 administered by the Department of ~~Commerce Administration~~.

38 (d) The Council shall have authority to request said Department to allocate and  
39 dispense any funds made available to the Council for energy research and related work  
40 efforts in such a manner as the Council desires subject only to the stipulation that said  
41 funds be reasonably used in furtherance of the purposes of this Article.

42 (e) The ~~Energy Division of the Department of Commerce Administration~~ shall  
43 provide the staffing capability to the Energy Policy Council so as to fully and effectively

1 develop recommendations for a comprehensive State energy policy as contained in the  
2 provisions of this Article. The Utilities Commission is hereby authorized to make its staff  
3 available to the Council to assist in the development of a State energy policy."

4 Section 76.(e) G.S. 114-4.2D reads as rewritten:

5 "**§ 114-4.2D. Employment of attorney for ~~Energy Division~~ Energy Policy Council  
6 and Energy Efficiency Program of Department of ~~Commerce~~.  
7 Administration.**

8 The Attorney General shall assign an attorney on his staff to work full time with the  
9 ~~Energy Division~~ Policy Council and Energy Efficiency Program of the Department of  
10 ~~Commerce~~ Administration. Such attorney shall be subject to all provisions of Chapter  
11 126 of the General Statutes relating to the State Personnel System. Such attorney shall  
12 also perform such additional duties as may be assigned to him by the Attorney General."

13 Section 76.(f) G.S. 143-64.12 reads as rewritten:

14 "**§ 143-64.12. Authority and duties of State agencies.**

15 (a) The General Assembly authorizes and directs that State agencies shall carry  
16 out the construction and renovation of State facilities, under their jurisdiction in such a  
17 manner as to further the policy declared herein, insuring that life-cycle cost analyses and  
18 energy-conservation practices are considered and are employed whenever feasible and  
19 practicable.

20 (b) ~~The Department of Administration, in consultation with the Energy Division,~~  
21 Department of Administration shall, to the extent feasible and practicable, develop and  
22 implement policies, procedures, and standards to ensure that State purchasing practices  
23 improve energy efficiency and take the cost of the product over the economic life of the  
24 product into consideration. ~~The Department of Administration, in consultation with the~~  
25 ~~Energy Division,~~ Department of Administration shall adopt and implement Building  
26 Energy Design Guidelines. These guidelines shall include energy-use goals and  
27 standards, economic assumptions for life-cycle cost analysis, and other criteria on  
28 building systems and technologies. The Department of Administration shall modify the  
29 design criteria for construction and renovation of facilities to require that a life-cycle cost  
30 analysis be conducted pursuant to G.S. 143-64.15. The Department of Administration, as  
31 part of the Facilities Condition and Assessment Program, shall identify and recommend  
32 energy conservation maintenance and operating procedures that are designed to reduce  
33 energy consumption within the facility and that require no significant expenditure of  
34 funds. State departments, institutions, or agencies shall implement these  
35 recommendations. Where energy management equipment is proposed for State facilities,  
36 the maximum interchangeability and compatibility of equipment components shall be  
37 required.

38 The ~~Energy Division~~ Department of Administration shall develop a comprehensive  
39 energy management program for State government. Each State agency shall develop and  
40 implement an energy management plan that is consistent with the State's comprehensive  
41 energy management program.

42 (c)-(g) Repealed by Session Laws 1993, c. 334, s. 4."

43 Section 76.(g) G.S. 143-341 reads as rewritten:

1 **"§ 143-341. Powers and duties of Department.**

2 The Department of Administration has the following powers and duties:

3 ...  
4 (11) Energy-related matters. – To exercise those powers and perform those  
5 duties prescribed in Article 1 of Chapter 113B and Part 1 of Article 3B  
6 of Chapter 143 of the General Statutes and Parts 2 and 3 of this Article."

7 Section 76.(h) G.S. 143-334 through G.S. 143-345.9 are designated "Part 1.  
8 General Provisions."of Article 36 of Chapter 143 of the General Statutes.

9 Section 76.(i) Article 36 of Chapter 143 of the General Statutes, as amended  
10 by subsection (a) of this section, is further amended by adding new Parts to read:

11 **"PART 2. STOCKS OF COAL AND PETROLEUM FUELS.**

12 **"§ 143-345.13. Reporting of stocks of coal and petroleum fuels.**

13 The Department of Administration may, with the prior express approval of the  
14 Energy Policy Council and the Governor, require that all coal and petroleum suppliers in  
15 North Carolina supplying coal, motor gasoline, middle distillates, residual oils, and  
16 propane for resale within the State, file with the Department of Administration, on forms  
17 prepared by the Department, accurate reports as to the stocks of coal and petroleum  
18 products and storage capacities maintained by the supplier, including the supplier's  
19 current inventory and stock of coal, motor gasoline, middle distillates, residual oils and  
20 propane, the expected time such supplies will last under ordinary distribution demand and  
21 the schedule for receiving additional or replacement stocks. The reports and the  
22 information contained therein shall be proprietary information available only to regular  
23 employees of the Department of Administration, except that aggregate tables or schedules  
24 consolidating information from the reports may be released if they do not reveal  
25 individual report data for any named supplier. It is further the intent of this section that no  
26 information shall be required from coal and petroleum suppliers, that is, at the time the  
27 reports are requested, already on file with any agency, commission, or department of  
28 State government.

29 It is the intent of this section that the reports be filed only at such times as the Energy  
30 Policy Council and the Governor determine that an energy crisis as defined in G.S. 113B-  
31 20 exists or may be imminent.

32 If any petroleum or coal supplier fails to file the accurate reports as may be required  
33 by this section for more than 10 days after the date on which any such report is due, the  
34 Secretary of Administration is authorized and empowered to petition the district court,  
35 Division of the General Court of Justice, in the county in which the principal office or  
36 place of business of the supplier is located, for a mandatory injunction compelling the  
37 supplier to file the report.

38 **"§ 143-345.14. Authority to collect data; administration and enforcement;**  
39 **confidentiality.**

40 (a) The Department of Administration shall have the authority to obtain from  
41 prime suppliers of petroleum products specific petroleum supply data concerning State-  
42 level sales and projected sales by month for North Carolina that is currently reported on  
43 the federal Form EIA-782C, 'Monthly Report of Petroleum Products Sold in States for

1 Consumption' or its successor, at such time that these data requirements are not being met  
2 through any federal reporting procedure. The petroleum products subject to this  
3 reporting requirement are: finished gasoline (all grades), #1 distillate, kerosene, #2 fuel  
4 oil, #2 diesel fuel, aviation gasoline (finished), kerosene-type jet fuel, naphtha-type jet  
5 fuel, #4 fuel, residual fuel oil (less than or equal to one percent sulfur), residual fuel oil  
6 (greater than one percent sulfur), propane (consumer grade). The authority to collect  
7 energy data from suppliers of petroleum products into North Carolina, that is granted to  
8 the Department of Administration in this section, shall be limited to the petroleum  
9 volume data that is reported on the Form EIA-782C or its successor.

10 (b) 'Prime suppliers' shall be defined as those suppliers which make the first sale of  
11 the named product into North Carolina, excluding jobbers, distributors, and retail dealers.

12 (c) The Department of Administration shall adopt rules and regulations for the  
13 administration of this data collection program and the Attorney General and the law  
14 enforcement authorities of the State and its political subdivisions shall enforce the  
15 provisions of this section and all orders, rules, and regulations promulgated thereunder.  
16 Any enforcement action may be brought upon the relation of the Department of  
17 Administration or the direction of the Attorney General.

18 (d) Any person or corporation who willfully refuses to provide the petroleum  
19 supply data in accordance with the conditions described herein, or who knowingly or  
20 willfully submits false information in any reports required herein or refuses to file any  
21 reports shall be guilty of a Class 1 misdemeanor.

22 (e) Any civil action brought to enforce the provisions of this section shall be  
23 brought in the Superior Court of Wake County or in the superior court of the county in  
24 which the acts or practices constituting a violation occurred or are occurring.

25 (f) The Department of Administration shall keep confidential any individually  
26 identifiable energy information to the extent necessary to comply with the confidentiality  
27 requirements of the reporting agency, and any such information shall not be subject to the  
28 public disclosure requirements of G.S. 132-6. 'Individually identifiable energy  
29 information' shall be defined as any individual record or portion of a record or aggregated  
30 data containing energy information about a person or persons obtained from any source,  
31 the disclosure of which could reasonably be expected to reveal information about a  
32 specific person.

### 33 **'PART 3. BUSINESS ENERGY IMPROVEMENT PROGRAM.'**

#### 34 **"§ 143-345.16. Short title.**

35 This Part shall be known as the Business Energy Improvement Program.

#### 36 **"§ 143-345.17. Legislative findings and purpose.**

37 The General Assembly finds and declares that it is in the best interest of the citizens  
38 of North Carolina to promote and encourage energy efficiency within the State's  
39 industrial and commercial base in order to conserve energy, promote economic  
40 competitiveness, and expand employment in the State.

#### 41 **"§ 143-345.18. Lead agency; powers and duties.**



1 (a) For the purposes of this Part, the Department of Administration is designated  
2 as the lead State agency in matters pertaining to industrial and commercial energy  
3 conservation.

4 (b) The Department shall have the following powers and duties with respect to this  
5 Part:

6 (1) To provide industrial and commercial concerns doing business in North  
7 Carolina with information and assistance in undertaking energy  
8 conserving capital improvement projects to enhance industrial and  
9 commercial capacity.

10 (2) To establish a revolving fund within the Department for the purpose of  
11 providing secured loans in amounts not greater than five hundred  
12 thousand dollars (\$500,000) per business entity to install energy-  
13 efficient capital improvements within businesses located within or  
14 translocating to North Carolina. In providing these loans, priority shall  
15 be given to businesses already located in the State.

16 (3) To work with appropriate State and federal agencies to develop and  
17 implement rules and regulations to facilitate this program.

18 (c) The annual interest rate charged for the use of the funds from the revolving  
19 fund established pursuant to subdivision (b)(2) of this section shall be one-half of the 90-  
20 day rate for United States Treasury Bills, not to exceed five percent (5%) per annum,  
21 excluding other fees required for loan application review and origination. The term of any  
22 loan originated under this section may not be greater than seven years.

23 (d) In accordance with the terms of the Stripper Well Settlement, administrative  
24 expenses for activities under this section shall be limited to five percent (5%) of funds  
25 appropriated for this purpose."

26 Section 76.(j) G.S. 143B-433 reads as rewritten:

27 "**§ 143B-433. Department of Commerce – organization.**

28 The Department of Commerce shall be organized to include:

29 (1) The following agencies:

- 30 a. The North Carolina Alcoholic Beverage Control Commission.
- 31 b. The North Carolina Utilities Commission.
- 32 c. The Employment Security Commission.
- 33 d. The North Carolina Industrial Commission.
- 34 e. State Banking Commission.
- 35 f. Savings and Loan Association Division.
- 36 g. The State Savings Institutions Commission.
- 37 h. Credit Union Commission.
- 38 i. The North Carolina Milk Commission.
- 39 j. The North Carolina Mutual Burial Association Commission.
- 40 k. North Carolina Cemetery Commission.
- 41 l. The North Carolina Rural Electrification Authority.
- 42 m. Repealed by Session Laws 1985, c. 757, s. 179(d).
- 43 n. North Carolina Science and Technology Research Center.

- 1 o. The North Carolina State Ports Authority.  
2 p. North Carolina National Park, Parkway and Forests Development  
3 Council.  
4 q. Economic Development Board.  
5 r. Labor Force Development Council.  
6 ~~s. Energy Policy Council.~~  
7 ~~t. Energy Division.~~  
8 u. Navigation and Pilotage Commissions established by Chapter 76  
9 of the General Statutes.  
10 v. Repealed by Session Laws 1993, c. 321, s. 313b.  
11 (2) Those agencies which are transferred to the Department of Commerce  
12 including the:  
13 a. Community Assistance Division.  
14 b. Community Development Council.  
15 c. Employment and Training Division.  
16 d. Job Training Coordinating Council.  
17 (3) Such divisions as may be established pursuant to Article 1 of this  
18 Chapter."

19 Section 76.(k) Parts 8 and 14 of Article 10 of Chapter 143B of the General  
20 Statutes are repealed.

21 Section 76.(l) This section becomes effective September 30, 2000.

22 Section 77. G.S. 115C-47(18), as amended by Section 8.18(b) of S.L. 2000-  
23 67, reads as rewritten:

24 "(18) To Make Rules Concerning the Conduct and Duties of Personnel.  
25 – Local boards of education, upon the recommendation of the  
26 superintendent, shall have full power to make all just and needful  
27 rules and regulations governing the conduct of teachers,  
28 principals, and supervisors, the kind of reports they shall make,  
29 and their duties in the care of school property.

30 Prior to the beginning of each school year, each local board of  
31 education shall identify all reports, including local school  
32 required reports, that are required at the local level for the school  
33 year and shall, to the maximum extent possible, eliminate any  
34 duplicate or obsolete reporting requirements. No additional  
35 reports shall be required at the local level after the beginning of  
36 the school year without the prior approval of the local board of  
37 education.

38 Each local board of education shall appoint a person or  
39 establish a paperwork control committee to monitor all reports  
40 and other paperwork ~~produced by or required of teachers~~ by the  
41 central office."

42 Section 78. Part 3 of Article 2 of Chapter 143B of the General Statutes is  
43 repealed.

1 Section 79.(a) G.S. 143B-434.1 reads as rewritten:

2 **"§ 143B-434.1. The North Carolina Travel and Tourism Board – creation, duties,**  
3 **membership.**

4 (a) There is created within the Department of Commerce the North Carolina  
5 Travel and Tourism Board. The Secretary of Commerce and the Director of the Division  
6 of ~~Travel and Tourism~~ Tourism, Film, and Sports Development will work with the Board  
7 to fulfill the duties and requirements set forth in this section, and to promote the sound  
8 development of the travel and tourism industry in North Carolina.

9 (b) The function and duties of the Board shall be:

10 (1) To advise the Secretary of Commerce in the formulation of policy and  
11 priorities for the promotion and development of travel and tourism in  
12 the State.

13 (2) To advise the Secretary of Commerce in the development of a budget  
14 for the Division of ~~Travel and Tourism~~ Tourism, Film, and Sports  
15 Development.

16 (3) To recommend programs to the Secretary of Commerce that will  
17 promote the State as a travel and tourism destination and that will  
18 develop travel and tourism opportunities throughout the State.

19 (4) To advise the Secretary of Commerce every three months as to the  
20 effectiveness of agencies with which the Department has contracted for  
21 advertising and regarding the selection of an advertising agency that  
22 will assist the Department in the promotion of the State as a travel and  
23 tourism destination.

24 (5) To name a three-member subcommittee, with one member from each of  
25 the eastern, central, and western regions of the State, to make  
26 recommendations to the Secretary of Commerce regarding any revisions  
27 in the matching funds tourism grants program, project applications, and  
28 criteria for projects that qualify for participation in the program.

29 (6) To advise the Secretary of Commerce from time to time as to the  
30 effectiveness of the overall operations of the Division of ~~Travel and~~  
31 ~~Tourism~~ Tourism, Film, and Sports Development.

32 (7) To promote the exchange of ideas and information on travel and tourism  
33 between State and local governmental agencies, and private  
34 organizations and individuals.

35 (8) To advise the Secretary of Commerce upon any matter that the  
36 Secretary, Governor, or Director of the Division of ~~Travel and Tourism~~  
37 Tourism, Film, and Sports Development may refer to it.

38 (c) The Board shall consist of 27 members as follows:

39 (1) The Secretary of Commerce, who shall not be a voting member.

40 (2) The Director of the Division of ~~Travel and Tourism~~ Tourism, Film, and  
41 Sports Development, who shall not be a voting member.

42 (3) Two members designated by the Board of Directors of the North  
43 Carolina Hotel and Motel Association.

- 1 (4) Two members designated by the Board of Directors of the North  
2 Carolina Restaurant Association.
- 3 (5) Three Directors of Convention and Visitor Bureaus designated by the  
4 Board of Directors of the North Carolina Association of Convention and  
5 Visitor Bureaus.
- 6 (6) The Chairperson of the Travel and Tourism Coalition.
- 7 (7) The President of the Travel Council of North Carolina.
- 8 (8) A member designated by the Board of Directors of the Travel Council  
9 of North Carolina.
- 10 (9) The President of North Carolina Citizens for Business and Industry.
- 11 (10) One member designated by the North Carolina Petroleum Marketers  
12 Association.
- 13 (11) One person associated with tourism attractions in North Carolina,  
14 appointed by the Speaker of the House of Representatives. One person  
15 who is not a member of the General Assembly, appointed by the  
16 Speaker of the House of Representatives.
- 17 (12) One person associated with the tourism-related transportation industry,  
18 appointed by the President Pro Tempore of the Senate. One person who  
19 is not a member of the General Assembly, appointed by the President  
20 Pro Tempore of the Senate.
- 21 (13) Four public members each interested in matters relating to travel and  
22 tourism, two appointed by the Governor (one from a rural area and one  
23 from an urban area), one appointed by the Speaker of the House, and  
24 one appointed by the President Pro Tempore of the Senate.
- 25 (14) One member associated with the major cultural resources and activities  
26 of the State in North Carolina, appointed by the Governor.
- 27 (15) Two members of the House of Representatives, appointed by the  
28 Speaker of the House of Representatives.
- 29 (16) Two members of the Senate, appointed by the President Pro Tempore of  
30 the Senate.

31 (d) The members of the Board shall serve the following terms: the Secretary of  
32 Commerce, the Director of the Division of ~~Travel and Tourism~~, Tourism, Film, and  
33 Sports Development, the Chairperson of the Travel and Tourism Coalition, the President  
34 of the Travel Council of North Carolina, and the President of North Carolina Citizens for  
35 Business and Industry shall serve on the Board while they hold their respective offices.  
36 Each member of the Board appointed by the Governor shall serve during his or her term  
37 of office. The members of the Board appointed by the General Assembly shall serve two-  
38 year terms beginning on January 1 of odd-numbered years and ending on December 31 of  
39 the following year. The first such term shall begin on January 1, 1991, or as soon  
40 thereafter as the member is appointed to the Board, and end on December 31, 1992. All  
41 other members of the Board shall serve a term which consists of the portion of calendar  
42 year 1991 that remains following their appointment or designation and, thereafter, two-  
43 year terms which shall begin on January 1 of an even-numbered year and end on

1 December 31 of the following year. The first such two-year term shall begin on January  
2 1, 1992, and end on December 31, 1994.

3 (e) No member of the Board, except a member serving by virtue of his or her  
4 office, shall serve during more than five consecutive calendar years, except that a  
5 member shall continue to serve until his or her successor is appointed.

6 (f) Appointments to fill vacancies in the membership of the Board that occur due  
7 to resignation, dismissal, death, or disability of a member shall be for the balance of the  
8 unexpired term and shall be made by the same appointing authority that made the initial  
9 appointment.

10 (g) Board members who are employees of the State shall receive travel allowances  
11 at the rate set forth in G.S. 138-6. Board members who are legislators shall be reimbursed  
12 for travel and subsistence in accordance with G.S. 120-3.1. All other Board members,  
13 except those serving pursuant to subdivisions (3) through (10) of subsection (c) of this  
14 section, shall receive per diem, subsistence, and travel expenses at the rate set forth in  
15 G.S. 138-5. Board members serving pursuant to subdivisions (3) through (10) of  
16 subsection (c) of this section shall not receive per diem, subsistence, or travel expenses.  
17 The expenses set forth in this section shall be paid by the Division of ~~Travel and Tourism~~  
18 Tourism, Film, and Sports Development of the Department of Commerce.

19 (h) At its first meeting in 1991, the Board shall elect one of its voting members to  
20 serve as Chairperson during calendar year 1991. At its last regularly scheduled meeting in  
21 1991, and at its last regularly scheduled meeting in each year thereafter, the Board shall  
22 elect one of its voting members to serve as Chairperson for the coming calendar year. No  
23 person shall serve as Chairperson during more than three consecutive calendar years. The  
24 Chairperson shall continue to serve until his or her successor is elected.

25 (i) A majority of the current voting membership shall constitute a quorum.

26 (j) The Secretary of Commerce shall provide clerical and other services as  
27 required by the Board."

28 Section 79.(b) G.S. 143B-434.2(d) reads as rewritten:

29 "(d) The Department of Commerce, and the Division of ~~Travel and Tourism~~  
30 Tourism, Film, and Sports Development within that Department, shall implement the  
31 policies set forth in this section. The Division of ~~Travel and Tourism~~ Tourism, Film, and  
32 Sports Development shall make an annual report to the General Assembly regarding the  
33 status of the travel and tourism industry in North Carolina; the report shall be submitted  
34 to the General Assembly by January 15 of each year beginning January 15, 1992. The  
35 duties and responsibilities of the Department of Commerce through the Division of  
36 ~~Travel and Tourism~~ Tourism, Film, and Sports Development shall be to:

37 (1) Organize and coordinate programs designed to promote tourism within  
38 the State and to the State from other states and foreign countries.

39 (2) Measure and forecast tourist volume, receipts, and impact, both social  
40 and economic.

41 (3) Develop a comprehensive plan to promote tourism to the State.

42 (4) Encourage the development of the State's tourism infrastructure,  
43 facilities, services, and attractions.

- 1 (5) Cooperate with neighboring states and the federal government to  
2 promote tourism to the State from other countries.
- 3 (6) Develop opportunities for professional education and training in the  
4 tourism industry.
- 5 (7) Provide advice and technical assistance to local public and private  
6 tourism organizations in promoting tourism to the State.
- 7 (8) Encourage cooperation between State agencies and private individuals  
8 and organizations to advance the State's tourist interests and seek the  
9 views of these agencies and the private sector in the development of  
10 State tourism programs and policies.
- 11 (9) Give leadership to all concerned with tourism in the State.
- 12 (10) Perform other functions necessary to the orderly growth and  
13 development of tourism.
- 14 (11) Develop informational materials for visitors which, among other things,  
15 shall:
- 16 a. Describe the State's travel and tourism resources and the State's  
17 history, economy, political institutions, cultural resources,  
18 outdoor recreational facilities, and principal festivals.
- 19 b. Urge visitors to protect endangered species, natural resources,  
20 archaeological artifacts, and cultural treasures.
- 21 c. Instill the ethic of stewardship of the State's natural resources.
- 22 (12) Foster an understanding among State residents and civil servants of the  
23 economic importance of hospitality and tourism to the State.
- 24 (13) Work with local businesses, including banks and hotels, with  
25 educational institutions, and with the United States Travel and Tourism  
26 Administration, to provide special services for international visitors,  
27 such as currency exchange facilities.
- 28 (14) Encourage the reduction of architectural and other barriers which  
29 impede travel by physically handicapped persons."

30 Section 79.(c) The Revisor of Statutes shall change the term "Division of  
31 Travel and Tourism"to "Division of Tourism, Film, and Sports Development"wherever it  
32 appears in the General Statutes.

33 Section 80. G.S. 159-13(b)(6) reads as rewritten:

34 "(6) The estimated percentage of collection of property taxes shall not be  
35 greater than the percentage of the levy actually realized in cash as of  
36 June 30 during the preceding fiscal year. For purposes of the calculation  
37 under this subdivision only, the levy for the registered motor vehicle tax  
38 under Article ~~22C~~22A of Chapter 105 of the General Statutes shall be  
39 based on the nine-month period ending March 31 of the preceding fiscal  
40 year, and the collections realized in cash with respect to this levy shall  
41 be based on the ~~twelve month~~12-month period ending June 30 of the  
42 preceding fiscal year."

43 Section 81. G.S. 163-132.1(d) reads as rewritten:

1           "(d)       Freezing of Precincts. –

2           (1)       Notwithstanding the provisions of G.S. 163-132.3, after the Executive  
3           Secretary-Director approves the precincts in accordance with subsection  
4           (c) of this section and before January 2, 2002, no county board of  
5           elections may establish, alter, discontinue, or create any precinct except  
6           by division of one precinct into two or more precincts using lines that  
7           the Census Bureau has indicated it will use as 2000 Census block  
8           boundaries for that division. Provided that, whenever an annexation  
9           ordinance adopted under Parts 1, 2, or 3 of Article 4A of Chapter 160A  
10          of the General Statutes, or a local act of the General Assembly annexing  
11          property to a municipality, becomes effective during the period  
12          beginning with the date of the annexation as reported through the U.S.  
13          Census Bureau's 1998 Boundary and Annexation Survey or a  
14          subsequent edition of that survey and ending January 2, 2002, and any  
15          part of the boundary of the area being annexed which is actually  
16          contiguous to the city is also a precinct boundary for elections  
17          administered by the county board of elections then the county board of  
18          elections may exercise one of the following options:

19          ~~(1)~~       a.       Direct by resolution that the annexed area is automatically moved  
20          into the 'city precinct', provided that if the annexed area is adjacent to  
21          more than one city precinct, the board of elections shall place the area in  
22          any one or more of the adjacent city precincts.

23          ~~(2)~~       b.       Adopt a resolution moving the precinct boundary to a ~~visible feature~~  
24          line that the Census Bureau has indicated it will use as a 2000 block  
25          boundary.

26          ~~(2)~~       The Executive Secretary-Director of the State Board of Elections may  
27          permit during the freeze a correction to a county's precincts as they were  
28          approved pursuant to subsection (c) of this section where one of the  
29          following sets of conditions is present:

30          a.       A precinct was designated pursuant to subsection (c)  
31          inaccurately, and the United States Bureau of the Census agrees  
32          to include the corrected precinct on its database for the 2000  
33          Census.

34          b.       The boundary of a precinct designated pursuant to subsection (c)  
35          of this section was subsequently removed by the United States  
36          Bureau of the Census as an acceptable feature for a precinct line  
37          based upon a determination by the Bureau that the feature did not  
38          exist as shown, and the county board of elections agrees by  
39          resolution to an alternative boundary for the precinct on a feature  
40          the Bureau does find acceptable.

41          ~~(3)~~       The county board of elections may move a precinct line from a  
42          township line to another line the Census Bureau has indicated will be a  
43          2000 block boundary if a Boundary and Annexation Survey issued

1           during the freeze shows that the township line has moved to a location  
2           the county board of elections considers unsuitable. This subdivision  
3           does not apply if local legislation enacted by the General Assembly  
4           governs the relationship between a county's township lines and precinct  
5           lines.

- 6           (4) The county board of elections shall submit any proposed change made  
7           during the freeze under this subsection to the Legislative Services  
8           Office, which shall review the proposal and write a letter advising the  
9           Executive Secretary-Director of its opinion as to the legal compliance of  
10          the proposal. If the proposal complies with the law, the Executive  
11          Secretary-Director shall approve the proposal. No newly created or  
12          altered precinct boundary is effective until approved by the Executive  
13          Secretary-Director as being in compliance with the provisions of this  
14          subsection."

15          Section 82. G.S. 163-278.5 reads as rewritten:

16        "**§ 163-278.5. Scope of Article; severability.**

17          The provisions of this Article apply to primaries and elections for North Carolina  
18          offices and to North Carolina referenda and do not apply to primaries and elections for  
19          federal offices or offices in other ~~States.~~ States or to non-North Carolina referenda. Any  
20          provision in this Article that regulates a non-North Carolina entity does so only to the  
21          extent that the entity's actions affect elections for North Carolina ~~offices.~~ offices or North  
22          Carolina referenda.

23          The provisions of this Article are severable. If any provision is held invalid by a court  
24          of competent jurisdiction, the invalidity does not affect other provisions of the Article  
25          that can be given effect without the invalid provision."

26          Section 83. G.S. 163-278.39A(a) reads as rewritten:

27          "(a) Expanded Disclosure Requirements. ~~—In addition to the basic disclosure~~  
28          ~~requirements in G.S. 163-278.39, any~~ Any political campaign advertisement on radio or  
29          television shall comply with the expanded disclosure requirements set forth in this  
30          section. To the extent that it provides the same information required by G.S. 163-278.39,  
31          a statement made pursuant to this section satisfies the requirements of G.S. 163-278.39  
32          for the same advertisement."

33          Section 84. G.S. 163-278.39A(i) reads as rewritten:

34          "(i) No Criminal Liability. — Nothing in this section regarding the disclosure  
35          requirements in subsections (b) and (c) of this section shall be relied upon or otherwise  
36          interpreted to create criminal ~~liability for any person.~~ liability."

37          Section 85. Section 14 of S.L. 1998-22 reads as rewritten:

38          "Section 14. (a) Notwithstanding G.S. 105-187.44(b), as enacted by this act, the  
39          amount distributed to a city under G.S. 105-187.44(b) for taxes collected for each of the  
40          quarters in the ~~fiscal year 1999-2000~~ and 2000-2001 fiscal years may not exceed its  
41          benchmark amount until each city receives an amount equal to its benchmark amount.  
42          Each quarter, the Secretary of Revenue shall determine a city's benchmark amount and  
43          the amount it would receive under G.S. 105-187.44(b) if not for the redistribution



1 required by this section. The Secretary shall identify those cities whose distribution  
2 amounts under G.S. 105-187.44(b) are less than their benchmark amounts and shall  
3 determine the total dollar amount of the shortfall. The Secretary shall reduce the amount  
4 to be distributed to those cities whose distribution amount under G.S. 105-187.44(b)  
5 exceeds their benchmark amount by the total dollar amount of the shortfall determined  
6 for that quarter in proportion to each city's excess. However, in no event may a city's  
7 distribution amount be reduced below its benchmark amount. The Secretary will  
8 redistribute these monies to the cities whose distribution amounts under G.S. 105-  
9 187.44(b) are less than their benchmark amounts in proportion to each city's shortfall. In  
10 any quarter that a city does not have a prior year's distribution for the corresponding  
11 quarter in fiscal year 1998-99, that city is excluded from the redistribution required under  
12 this section for that quarter. In that case, the city will receive the amount it is entitled to  
13 receive under G.S. 105-187.44(b), as enacted by this act.

14 For the purposes of this subsection, the term 'benchmark amount' means the amount a  
15 city received under G.S. 105-116.1 attributable to piped natural gas for the corresponding  
16 quarter during the fiscal year 1998-99.

17 (b) The Department of Revenue must calculate the amount a city received for  
18 taxes collected for each of the ~~first three~~ quarters in fiscal year 1998-99 under G.S. 105-  
19 116.1 that was attributable to piped natural gas. The Department must also calculate the  
20 amount each city would have received under G.S. 105-187.44(b), as enacted by this act,  
21 for taxes collected for each of the ~~first three~~ quarters in fiscal year 1999-2000. The  
22 Department shall give this information to the Revenue Laws Study Committee. The  
23 Revenue Laws Study Committee shall study the impact of this act on the distribution of  
24 part of the proceeds of the excise tax on piped natural gas to the cities and report its  
25 findings, and any recommendation, to the ~~2000 Session of the 1999-2001~~ General  
26 Assembly."

27 Section 86. Subsection 17.12(c) of S.L. 1999-237 reads as rewritten:

28 "Section 17.12.(c) The Governor shall appoint a superior court judge for the  
29 additional judgeship in Superior Court District 22 as authorized by subsection (b) of this  
30 section. The successor to that judge shall be elected in the 2000 general election to serve  
31 the ~~remainder of the unexpired term~~ expiring December 31, ~~2002, in order to provide for~~  
32 ~~unstaggered terms for multiple judgeships in the same district.~~ 2008."

33 Section 87. Section 3 of S.L. 1999-321 is repealed.

34 Section 88. Section 33 of S.L. 1999-360 reads as rewritten:

35 "Section 33. Affordable Housing Credit. – Part III of this act is effective for taxable  
36 years beginning on or after January 1, ~~2000, and applies 2000.~~ Sections 10 through 15 of  
37 Part III apply to buildings to which federal credits are allocated on or after January 1,  
38 2000."

39 Section 89. Section 1 of S.L. 2000-64 reads as rewritten:

40 "Section 1. ~~S.L. 1993-205, Chapter 205 of the 1993 Session Laws, as amended by~~  
41 ~~S.L. 1999-285, is repealed.~~"

42 Section 90.(a) Section 21 of S.L. 2000-67 reads as rewritten:

1 "Requested by: Representatives Jeffus, Wainwright, Easterling, Redwine, Edwards,  
2 Senators Warren, Lucas, Rand, Albertson, Robinson, Plyler, Perdue, Odom, Kerr

3 **NATIONAL WORLD WAR II MEMORIAL FUNDS**

4 Section 21. Of the funds appropriated in this act to the Department of  
5 Administration for the 2000-2001 fiscal year, the sum of three hundred ninety-two  
6 thousand dollars (\$392,000) shall be used by the Division of Veterans Affairs to fund the  
7 voluntary contribution of the State toward the construction of the National World War II  
8 Memorial in Washington, D.C."

9 Section 90.(b) Section 26.12A(a)(2) of S.L. 2000-67 reads as rewritten:

10 "(2) Who was, on or before April 1, 2000, a permanent officer or permanent  
11 employee and who was in service on October 1, 2000, shall receive,  
12 payable for the last pay date in October 2000, a compensation bonus of  
13 five hundred dollars (\$500.00) except that:

14 a. The compensation bonus for persons subject to Section 26.10 of  
15 this act shall be an average of five hundred dollars (\$500.00) and  
16 shall be allocated in accordance with guidelines adopted by the  
17 State Board of Community Colleges, ~~except for teaching faculty~~  
18 ~~at the community colleges. Colleges.~~

19 b. The compensation bonus for persons subject to Section 26.11 of  
20 this act shall be an average of five hundred dollars (\$500.00) and  
21 shall be allocated to individuals according to the rules adopted by  
22 the Board of Governors, or the Board of Trustees of the North  
23 Carolina School of Science and Mathematics, ~~except for teaching~~  
24 ~~faculty of the UNC System as appropriate. Mathematics.~~

25 e. ~~The guidelines and rules adopted under sub-subdivisions a. and~~  
26 ~~b. of this subdivision may cover employees of those institutions~~  
27 ~~whose first day of employment for the 2000-2001 academic year~~  
28 ~~came after January 1, 2000."~~

29 Section 90.(c) Section 11.6.(b) of S.L. 2000-67 reads as rewritten:

30 "Section 11.6.(b) Section 11.22(g) of S.L. 1999-237 is repealed."

31 Section 90.(d) The introductory language of Section 11.8.(a) of S.L. 2000-67 reads  
32 as rewritten:

33 "Section 11.8.(a) ~~G.S. 108A-70.18(8)~~ G.S. 108A-70.18 reads as rewritten:"

34 Section 90.(d1) The introductory language of Section 11.33(b) of S.L. 2000-  
35 67 reads as rewritten:

36 "Section 11.33.(b) Subsection (m) of Section ~~4532-15.32~~ of S.L. 1997-443, as  
37 amended by subsection (c) of Section 11.58 of S.L. 1999-237, reads as rewritten:"

38 Section 90.(e) Section 15.11(a) of S.L. 1997-443, as amended by Section 15.3  
39 of S.L. 1999-237 and Section 13.5 of S.L. 2000-67, reads as rewritten:

40 "(a) The funds placed in a reserve account in the Department of ~~Health and Human~~  
41 ~~Services-Environment, Health, and Natural Resources~~ pursuant to Section 26.3(c) of  
42 Chapter 507 of the 1995 Session Laws shall not revert until June 30, 2001. Those funds  
43 are reallocated as follows:

- 1 (1) Five hundred four thousand five hundred sixty dollars (\$504,560) to the  
2 Stokes County Water and Sewer Authority, Inc., for the Germanton  
3 Water Project.
- 4 (2) Nine hundred thirty thousand six hundred eighty dollars (\$930,680) to  
5 the Stokes County Water and Sewer Authority, Inc., for the Walnut  
6 Cove/Industrial Site Connection Project.
- 7 (3) Eighty thousand dollars (\$80,000) to the Stokes County Water and  
8 Sewer Authority, Inc., for the Dan River Project.
- 9 (4) Thirty thousand dollars (\$30,000) to the Department of Environment,  
10 Health, and Natural Resources for the Limestone Creek small watershed  
11 project in Duplin County.
- 12 (5) Three hundred forty thousand six hundred forty dollars (\$340,640) to  
13 the Department of Environment, Health, and Natural Resources for the  
14 Deep Creek small watershed project in Yadkin County."

15 Section 90.(f) Section 11.20(b) of S.L. 2000-67 reads as rewritten:

16 "Section 11.20.(b) Of the funds appropriated in this act to the Department of  
17 Health and Human Services, Division of Mental Health, Developmental Disabilities, and  
18 Substance Abuse Services, the sum of three hundred twenty-six thousand dollars  
19 (\$326,000) for the 2000-2001 fiscal year shall be used to provide funds for a grant-in-aid  
20 to Residential Services, Inc., for residential services for children with autism."

21 Section 91. If House Bill 813, 1999 General Assembly, becomes law, the  
22 introductory language of Section 1 of the bill reads as rewritten:

23 "Section 1. ~~Article 35~~ Article 26 of Chapter 14 is amended by adding a new section  
24 to read:"

25 Section 92. If House Bill 979, 1999 General Assembly, becomes law, G.S. 30-  
26 3.2(d)(5) as enacted by House Bill 979 reads as rewritten:

27 "(5) The value of any property which would be included in the taxable estate  
28 of the decedent pursuant to sections 2033, 2035, 2036, 2037, 2038,  
29 2039, ~~2040, or 2042 or 2040~~ of the Code."

30 Section 92.A.(a) If House Bill 1560, 1999 General Assembly, becomes law, the  
31 introductory language of subsection (c) of Section 5 of that bill reads as rewritten:

32 "Section 5.(c) G.S. 105-129.4(a) through (b1), as amended by Section ~~44~~8 of this  
33 act, read as rewritten:"

34 Section 92.A.(b) If House Bill 1560, 1999 General Assembly, becomes law,  
35 subsection (g) of Section 10 of that bill reads as rewritten:

36 "Section 10.(g) Modify Credit and Expiration Provisions. – Section ~~44~~8 of this act  
37 is effective for taxable years beginning on or after January 1, 2000."

38 Section 92.A.(c) If House Bill 1560, 1999 General Assembly, becomes law,  
39 subsection (h) of Section 10 of that bill reads as rewritten:

40 "Section 10.(h) Technical Correction. – Section ~~42~~9 of this act becomes effective  
41 May 1, 1999, and applies to taxes paid on or after that date. Section 12 is repealed for  
42 taxes paid on or after January 1, 2008."

43 Section 92.1.(a) G.S. 113A-120.2 reads as rewritten:

1 **"§ 113A-120.2. Permits for urban waterfront redevelopment in historically urban**  
2 **~~areas.~~ areas; certain nonwater dependent uses allowed.**

3 (a) Notwithstanding any other provision of law, any person may apply to the  
4 Commission for a permit for major development granting permission to use the person's  
5 land for a nonwater dependent use that is otherwise prohibited by rules, standards, or  
6 limitations prescribed by the Commission, or orders issued by the Commission, pursuant  
7 to this Article. The procedure to apply for the permit shall be as provided by G.S. 113A-  
8 119.

9 (b) Notwithstanding G.S. 113A-120(a), the Commission shall grant a permit for  
10 nonwater dependent development in public trust areas designated pursuant to G.S. 113A-  
11 113(b)(5) if the following criteria are met:

12 (1) The land is waterfront property located in a municipality.

13 (2) The land has a history of urban-level development as evidenced by any  
14 of the following:

15 a. The land is a historic place that is listed, or has been approved for  
16 listing by the North Carolina Historical Commission, in the  
17 National Register of Historic Places pursuant to the National  
18 Historic Preservation Act of 1966.

19 b. The land is a historical, archaeological, and other site owned,  
20 managed, or assisted by the State of North Carolina pursuant to  
21 Chapter 121 of the General Statutes.

22 c. The land has a central business district zoning classification, or  
23 any other classification that may be designated as acceptable by  
24 the Commission.

25 (3) The proposed development is sponsored in part or in whole by the local  
26 jurisdiction in which the development would be located for the purpose  
27 of significantly increasing public access consistent with the Coastal  
28 Area Management guidelines.

29 (4) The municipality in which the activity would occur has determined that  
30 the development will not have a significant adverse impact on the  
31 environment.

32 (5) The development as requested is consistent with a local urban  
33 waterfront development plan, local development regulations, public  
34 access plans, and other applicable local authority.

35 (c) Except as otherwise provided by this section, all other provisions of this  
36 Article apply to a permit applied for under this section, including the provisions of G.S.  
37 113A-120(b1) and (b2).

38 (d) A structure constructed over coastal wetlands, estuarine waters, or public trust  
39 areas prior to 1 July 2000 may be used to serve to the public food and drink that is  
40 prepared at a food services establishment that began operation on or before 1 July 2000."

41 Section 92.1.(b) If House Bill 1218, 1999 General Assembly, becomes law, Section  
42 2.2 of House Bill 1218, 1999 General Assembly, reads as rewritten:

1 "Section 2.2. ~~The Notwithstanding G.S. 150B-21.3(a) and 26 NCAC~~  
2 ~~2C.0102(11), the Coastal Resources Commission shall adopt a temporary rule providing~~  
3 ~~for and governing urban to establish use standards for waterfront redevelopment in~~  
4 ~~historically development in urban areas. areas to replace G.S. 113A-120.2 when it~~  
5 ~~expires. The temporary rule shall become effective 1 April 2001 and shall remain in~~  
6 ~~effect until a permanent rule that replaces the temporary rule becomes effective."~~

7 Section 92.2.(a) G.S. 90-89(4) reads as rewritten:

8 "(4) Any material compound, mixture, or preparation which contains any  
9 quantity of the following substances having a depressant effect on the  
10 central nervous system, including its salts, isomers, and salts of isomers  
11 whenever the existence of such salts, isomers, and salts of isomers is  
12 possible within the specific chemical designation, unless specifically  
13 excepted or unless listed in another schedule:

- 14 a. Mecloqualone.  
15 b. Methaqualone.  
16 c. Gamma hydroxybutyric acid; Some other names: GHB, gamma-  
17 hydroxybutyrate, 4-hydroxybutyrate, 4-hydroxybutanoic acid;  
18 sodium oxybate; sodium oxybutyrate."

19 Section 92.2.(b) G.S. 90-91 is amended by adding a new subsection to read:

20 "(m) Any drug product containing gamma hydroxybutyric acid, including its salts,  
21 isomers, and salts of isomers, for which an application is approved under section 505 of  
22 the Federal Food, Drug, and Cosmetic Act."

23 Section 92.2.(c) G.S. 90-92(a) reads as rewritten:

24 "(a) This schedule includes the controlled substances listed or to be listed  
25 by whatever official name, common or usual name, chemical name, or trade name  
26 designated. In determining that a substance comes within this schedule, the Commission  
27 shall find: a low potential for abuse relative to the substances listed in Schedule III of this  
28 Article; currently accepted medical use in the United States; and limited physical or  
29 psychological dependence relative to the substances listed in Schedule III of this Article.  
30 The following controlled substances are included in this schedule:

31 (1) Depressants. – Unless specifically excepted or unless listed in another  
32 schedule, any material, compound, mixture, or preparation which  
33 contains any quantity of the following substances, including its salts,  
34 isomers, and salts of isomers whenever the existence of such salts,  
35 isomers, and salts of isomers is possible within the specific chemical  
36 designation:

- 37 a. Alprazolam.  
38 b. Barbitol.  
39 c. Bromazepam.  
40 d. Camazepam.  
41 e. Chloral betaine.  
42 f. Chloral hydrate.  
43 g. Chlordiazepoxide.

1	h.	Clobazam.
2	i.	Clonazepam.
3	j.	Clorazepate.
4	k.	Clotiazepam.
5	l.	Cloxazolam.
6	m.	Delorazepam.
7	n.	Diazepam.
8	o.	Estazolam.
9	p.	Ethchlorvynol.
10	q.	Ethinamate.
11	r.	Ethyl loflazepate.
12	s.	Fludiazepam.
13	t.	Flunitrazepam.
14	u.	Flurazepam.
15	v.	<del>Gamma Hydroxybutyric Acid.</del>
16	w.	Halazepam.
17	x.	Haloxazolam.
18	y.	Ketazolam.
19	z.	Loprazolam.
20	aa.	Lorazepam.
21	bb.	Lormetazepam.
22	cc.	Mebutamate.
23	dd.	Medazepam.
24	ee.	Meprobamate.
25	ff.	Methohexital.
26	gg.	Methylphenobarbital (mephobarbital).
27	hh.	Midazolam.
28	ii.	Nimetazepam.
29	jj.	Nitrazepam.
30	kk.	Nordiazepam.
31	ll.	Oxazepam.
32	mm.	Oxazolam.
33	nn.	Paraldehyde.
34	oo.	Petrichloral.
35	pp.	Phenobarbital.
36	qq.	Pinazepam.
37	rr.	Prazepam.
38	ss.	Quazepam.
39	tt.	Temazepam.
40	uu.	Tetrazepam.
41	vv.	Triazolam.
42	ww.	Zolpidem.

- 1 (2) Any material, compound, mixture, or preparation which contains any of  
2 the following substances, including its salts, or isomers and salts of such  
3 isomers, whenever the existence of such salts, isomers, and salts of  
4 isomers is possible:  
5 a. Fenfluramine.  
6 b. Pentazocine.
- 7 (3) Stimulants. – Unless specifically excepted or unless listed in another  
8 schedule, any material, compound, mixture, or preparation which  
9 contains any quantity of the following substances having a stimulant  
10 effect on the central nervous system, including its salts, isomers  
11 (whether optical, position, or geometric), and salts of such isomers  
12 whenever the existence of such salts, isomers, and salts of isomers is  
13 possible within the specific chemical designation:  
14 a. Diethylpropion.  
15 b. Mazindol.  
16 c. Pemoline (including organometallic complexes and chelates  
17 thereof).  
18 d. Phentermine.  
19 e. Cathine.  
20 f. Fencamfamin.  
21 g. Fenproporex.  
22 h. Mefenorex.  
23 i. Sibutramine.
- 24 (4) Other Substances. – Unless specifically excepted or unless listed in  
25 another schedule, any material, compound, mixture or preparation  
26 which contains any quantity of the following substances, including its  
27 salts:  
28 a. Dextropropoxyphene (Alpha-(plus)-4-dimethylamino-1, 2-  
29 diphenyl-3-methyl-2-propionoxybutane).  
30 b. Pipradrol.  
31 c. SPA ((-)-1-dimethylamino-1, 2-diphenylethane).  
32 d. Butorphanol.
- 33 (5) Narcotic Drugs. – Unless specifically excepted or unless listed in  
34 another schedule, any material, compound, mixture, or preparation  
35 containing limited quantities of any of the following narcotic drugs, or  
36 any salts thereof:  
37 a. Not more than 1 milligram of difenoxin and not less than 25  
38 micrograms of atropine sulfate per dosage unit.  
39 b. Buprenorphine."

40 Section 92.2.(d) G.S. 90-95(d2) reads as rewritten:

41 "(d2) The immediate precursor chemicals to which subsection (d1) of this section  
42 applies are those immediate precursor chemicals designated by the Commission pursuant

1 to its authority under G.S. 90-88, and the following (until otherwise specified by the  
2 Commission):

- 3 (1) Anhydrous ammonia.
- 4 (1a) Anthranilic acid.
- 5 (2) Benzyl cyanide.
- 6 (3) Chloroephedrine.
- 7 (4) Chloropseudoephedrine.
- 8 (5) D-lysergic acid.
- 9 (6) Ephedrine.
- 10 (7) Ergonovine maleate.
- 11 (8) Ergotamine tartrate.
- 12 (9) Ethyl Malonate.
- 13 (10) Ethylamine.
- 14 (10a) Iodine.
- 15 (11) Isosafrole.
- 16 (11a) Lithium.
- 17 (12) Malonic acid.
- 18 (13) Methylamine.
- 19 (14) N-acetylanthranilic acid.
- 20 (15) N-ethylephedrine.
- 21 (16) N-ethylepseudoephedrine.
- 22 (17) N-methylephedrine.
- 23 (18) N-methylpseudoephedrine.
- 24 (19) Norpseudoephedrine.
- 25 (20) Phenyl-2-propane.
- 26 (21) Phenylacetic acid.
- 27 (22) Phenylpropanolamine.
- 28 (23) Piperidine.
- 29 (24) Piperonal.
- 30 (25) Propionic anhydride.
- 31 (26) Pseudoephedrine.
- 32 (27) Pyrrolidine.
- 33 (27a) Red phosphorous.
- 34 (28) Safrole.
- 35 (28a) Sodium.
- 36 (29) Thionylchloride.
- 37 (30) Gamma-butyrolactone."

38 Section 92.2.(e) This section becomes effective December 1, 2000, and applies  
39 to offenses committed on or after that date. Prosecutions for offenses occurring before  
40 the effective date of this act are not abated or affected by this act, and the statutes that  
41 would be applicable for this act remain applicable to those prosecutions.

42 Section 93. G.S. 90-624 is amended by adding a new subdivision to read:



1           "(8) A person employed by or contracting with a not-for-profit community  
2           service organization to perform massage and bodywork therapy on  
3           persons who are members of the not-for-profit community service  
4           organization and are of the same gender as the person giving the  
5           massage or bodywork therapy."

6           Section 93.1.(a) Effective July 1, 2000, the phrase "Office of State Budget and  
7 Management" is deleted and replaced by the phrase "Office of State Budget, Planning,  
8 and Management" wherever it occurs in each of the following General Statutes:

9           7A-113. Bookkeeping and accounting systems equipment.

10          18B-1009. In-stand sales.

11          20-7. Issuance and renewal of drivers licenses.

12          58-6-25. Insurance regulatory charge.

13          58-85A-1. Creation of Fund; allocation to local fire districts and political  
14 subdivisions of the State.

15          96-4. Administration.

16          96-35. Reports on common follow-up system activities.

17          97-80. Rules and regulations; subpoena of witnesses; examination of  
18 books and records; depositions; costs.

19          105-130.5. Adjustments to federal taxable income in determining  
20 State net income.

21          105-134.6. Adjustments to taxable income.

22          105-262. Rules.

23          108A-27.8. Standard Program Counties – Duties of Department.

24          115C-457.1. Creation of Fund; administration.

25          115C-457.2. Remittance of moneys to the Fund.

26          115C-457.3. Transfer of funds to the State School Technology  
27 Fund.

28          115C-546.1. Creation of Fund; administration.

29          115D-31. State financial support of institutions.

30          116-220. Establishment and administration of self-insurance trust  
31 funds; rules and regulations; defense of actions against covered  
32 persons; application of § 143-300.6.

33          120-30.45. Fiscal note on legislation.

34          120-30.49. Compiling federal mandates; annual report.

35          120-36.8. Certification of legislation required by federal law.

36          120-131.1. Requests from legislative employees for assistance in  
37 the preparation of fiscal notes.

38          120-166. Additional criteria; nearness to another municipality.

39          122A-16. Oversight by committees of General Assembly; annual  
40 reports.

41          122C-112. Powers and duties of the Secretary.

42          122C-185. Application of funds belonging to State facilities.

- 1 131D-4.2. Adult care homes; family care homes; annual cost reports;  
2 exemptions; enforcement.
- 3 131E-13. Lease or sale of hospital facilities to or from for-profit or  
4 nonprofit corporations or other business entities by municipalities  
5 and hospital authorities.
- 6 135-39.3. Oversight team.
- 7 138-6. Travel allowances of State officers and employees.
- 8 138-8. Moving expenses of State employees.
- 9 143-1. Scope and definitions.
- 10 143-2. Purposes.
- 11 143-4. (For applicability see note) Advisory Budget Commission.
- 12 143-6. Information from departments and agencies asking State aid.
- 13 143-6.1. Report on use of State funds by non-State entities.
- 14 143-10.1A. Same – Continuation and expansion costs.
- 15 143-10.2. Limit on number of State employees.
- 16 143-10.3. Strategic planning process.
- 17 143-10.4. Departmental operations plans.
- 18 143-10.5. Development of performance measures for major programs.
- 19 143-10.7. Review of department forms and reports.
- 20 143-12.1. Vending facilities.
- 21 143-15.4. General Fund operating budget size limited.
- 22 143-19. Help for Director.
- 23 143-20.1. Annual financial statements.
- 24 143-27. Appropriations to educational, charitable and correctional  
25 institutions are in addition to receipts by them.
- 26 143-28.1. Highway Fund appropriation.
- 27 143-31.1. Study and review of plans and specifications for building,  
28 improvement, etc., projects.
- 29 143-34.2. Information as to requests for nonstate funds for projects  
30 imposing obligation on State; statement of participation in  
31 contracts, etc., for nonstate funds; limiting clause required in  
32 certain contracts or grants.
- 33 143-34.41. Legislative intent; purpose.
- 34 143-34.43. Capital improvement needs criteria.
- 35 143-34.44. Agency capital improvement needs estimates.
- 36 143-138. North Carolina State Building Code.
- 37 143-215.94P. Groundwater Protection Loan Fund.
- 38 143-345.24. Incentive Bonus Review Committee.
- 39 143B-133.1. Powers of Commission.
- 40 143B-336.1. Special Zoo Fund.
- 41 143B-426.39. Powers and duties of the State Controller.
- 42 143B-472.41. Information Resource Management Commission.

- 1 143B-472.64. Financial reporting and accountability for information  
2 technology investments and expenditures.  
3 146-30. Application of net proceeds.  
4 147-86.22. Statewide accounts receivable program.  
5 150B-21. Agency must designate rule-making coordinator; duties of  
6 coordinator.  
7 150B-21.4. Fiscal notes on rules.  
8 150B-21.9. Standards and timetable for review by Commission.  
9 150B-21.28. Role of the Office of State Budget and Management.  
10 153A-230.1. Definitions.  
11 153A-230.2. Creation of Satellite Jail/Work Release Unit Fund.  
12 153A-230.5. Satellite jails/work release units built with non-State  
13 funds.  
14 159I-25. Disbursement.  
15 159I-28. Rules.  
16 159I-29. Annual reports to Joint Legislative Commission on  
17 Governmental Operations.  
18 160A-486. Estimates of population.

19 Section 93.1.(b) Effective July 1, 2000, the phrase "Office of State Planning" is  
20 deleted and replaced by the phrase "Office of State Budget, Planning, and  
21 Management" wherever it occurs in each of the following General Statutes:

- 22 7A-101. Compensation.  
23 47-30. Plats and subdivisions; mapping requirements.  
24 62A-25. Use of funds.

25 Section 93.1.(c) Effective July 1, 2000, the phrase "State Budget Office" is deleted  
26 and replaced by the phrase "Office of State Budget, Planning, and Management" wherever  
27 it occurs in each of the following General Statutes:

- 28 143B-472.41. Information Resource Management Commission.  
29 163-132.5. Cooperation of State and local agencies.

30 Section 93.1.(d) G.S. 96-31 reads as rewritten:

31 **"§ 96-31. Definitions.**

32 As used in this Article, unless the context clearly requires otherwise, the term:

- 33 (1) "CFS" means the common follow-up information management system  
34 developed by the Employment Security Commission of North Carolina  
35 as authorized under this Article.  
36 (2) "ESC" means the Employment Security Commission of North Carolina.  
37 ~~(3) "OSBM" means the Office of State Budget and Management.~~  
38 (4) "State job training, education, and placement program" or "State-funded  
39 program" means a program operated by a State or local government  
40 agency or entity and supported in whole or in part by State or federal  
41 funds, that provides job training and education or job placement services  
42 to program participants. The term does not include on-the-job training

1 provided to current employees of the agency or entity for the purposes  
2 of professional development."

3 Section 93.1.(e) G.S. 96-32 reads as rewritten:

4 **"§ 96-32. Common follow-up information management system created.**

5 (a) The Employment Security Commission of North Carolina shall develop,  
6 implement, and maintain a common follow-up information management system for  
7 tracking the employment status of current and former participants in State job training,  
8 education, and placement programs. The system shall provide for the automated  
9 collection, organization, dissemination, and analysis of data obtained from State-funded  
10 programs that provide job training and education and job placement services to program  
11 participants. In developing the system, the ESC shall ensure that data and information  
12 collected from State agencies is confidential, not open for general public inspection, and  
13 maintained and disseminated in a manner that protects the identity of individual persons  
14 from general public disclosure.

15 (b) The ESC in consultation with ~~OSBM~~the Office of State Budget, Planning, and  
16 Management shall adopt procedures and guidelines for the development and  
17 implementation of the CFS authorized under this section.

18 (c) Based on data collected under the CFS, the ~~Office of State Budget and~~  
19 ~~Management~~Office of State Budget, Planning, and Management shall evaluate the  
20 effectiveness of job training, education, and placement programs to determine if specific  
21 program goals and objectives are attained, to determine placement and completion rates  
22 for each program, and to make recommendations regarding the continuation of State  
23 funding for programs evaluated. The ESC shall provide to ~~OSBM~~the Office of State  
24 Budget, Planning, and Management data collected under the CFS in a manner and with  
25 the frequency necessary for the ~~Office of State Budget and Management~~Office of State  
26 Budget, Planning, and Management to conduct the evaluation required under this  
27 subsection. The ESC shall consult with ~~OSBM~~the Office of State Budget, Planning, and  
28 Management to determine the most efficient and effective method for providing to  
29 ~~OSBM~~the Office of State Budget, Planning, and Management data collected under the  
30 CFS. The ~~OSBM~~Office of State Budget, Planning, and Management shall maintain the  
31 same levels of confidentiality with respect to CFS data received from the ESC as is  
32 required of the ESC under this Article. ~~OSBM shall coordinate with the Office of State~~  
33 ~~Planning to determine what data will be collected to support the State planning and~~  
34 ~~budgetary process."~~

35 Section 93.1.(f) G.S. 143-3.5(a) reads as rewritten:

36 "(a) It shall be the duty of the Director, through the ~~Office of State Budget and~~  
37 ~~Management and the Office of State Planning~~Office of State Budget, Planning, and  
38 Management to coordinate the efforts of governmental agencies in the collection,  
39 development, dissemination and analysis of official economic, demographic and social  
40 statistics pertinent to State budgeting. The Director shall:

41 (1) Prepare and release the official demographic and economic estimates  
42 and projections for the State;

- 1 (2) Conduct special economic and demographic analyses and studies to  
2 support statewide budgeting;
- 3 (3) Develop and coordinate cooperative arrangements with federal, State  
4 and local governmental agencies to facilitate the exchange of data to  
5 support State budgeting;
- 6 (4) Compile, maintain, and disseminate information about State programs  
7 which involve the distribution of State aid funds to local governments  
8 including those variables used in their allocation;
- 9 (5) Develop and maintain in cooperation with other State and local  
10 governmental agencies, an information system providing comparative  
11 data on resources and expenditures of local governments; and
- 12 (6) Report major trends that influence revenues and expenditures in the  
13 State budget in the current fiscal year and that may influence revenues  
14 and expenditures over the next five fiscal years.

15 Every fiscal analysis prepared by the Director or the ~~Office of State Budget and~~  
16 ~~Management-Office of State Budget, Planning, and Management~~ addressing the State  
17 budget outlook shall encompass the upcoming five-year period. Every fiscal analysis  
18 prepared by the Director or the ~~Office of State Budget and Management-Office of State~~  
19 ~~Budget, Planning, and Management~~ addressing the impact of proposed legislation on the  
20 State budget shall estimate the impact for the first five fiscal years the legislation would  
21 be in effect. To minimize duplication of effort in collecting or developing new statistical  
22 series pertinent to State planning and budgeting, including contractual arrangements,  
23 State agencies must submit to the Director proposed procedures and funding  
24 requirements."

25 Section 93.1.(g) G.S. 143B-372.3(b) reads as rewritten:

26 "(b) ~~The Office of State Budget and Management and the Office of State Planning~~  
27 ~~Office of State Budget, Planning, and Management~~ shall also provide support,  
28 information, reports, and other assistance to the North Carolina Progress Board as  
29 requested."

30 Section 93.1.(h) G.S. 143B-472.52(b) reads as rewritten:

31 "(b) The Office shall coordinate with ~~the Office of State Budget and Management~~  
32 ~~and the Office of State Planning~~ the Office of State Budget, Planning, and Management  
33 to integrate agency strategic and business planning, technology planning and budgeting,  
34 and project expenditure processes into the Office's information technology portfolio-  
35 based management. The Office shall provide recommendations for agency annual budget  
36 requests for information technology investments, projects, and initiatives to the ~~Office of~~  
37 ~~State Budget and Management-Office of State Budget, Planning, and Management.~~"

38 Section 93.1.(i) The Revisor of Statutes shall change the term "Office of State  
39 Budget and Management" to "Office of State Budget, Planning, and  
40 Management" wherever it occurs in the General Statutes, except in G.S. 143-3.1.

41 Section 93.1.(j) The Revisor of Statutes shall change the term "OSBM" to  
42 "Office of State Budget, Planning, and Management" wherever it occurs in the General  
43 Statutes.

1 Section 93.1.(k) The Revisor of Statutes shall change the term "Office of State  
2 Planning"to "Office of State Budget, Planning, and Management"wherever it occurs in  
3 the General Statutes.

4 Section 93.1.(l) The Revisor of Statutes shall change the term "State Budget  
5 Office"to "Office of State Budget, Planning, and Management"wherever it occurs in the  
6 General Statutes, except in G.S. 143-31.5.

7 Section 93.1.(m) This section becomes effective July 1, 2000.

8 Section 94. If House Bill 968, 1999 General Assembly, becomes law, G.S.  
9 150B-52, as amended by House Bill 968, 1999 General Assembly, reads as rewritten:

10 **"§ 150B-52. Appeal; stay of court's decision.**

11 A party to a review proceeding in a superior court may appeal to the appellate  
12 division from the final judgment of the superior court as provided in G.S. 7A-27. The  
13 scope of review to be applied by the appellate court under this section is the same as it is  
14 for other civil cases. In cases reviewed under ~~G.S. 150B-51(a1)(3)~~, G.S. 150B-51(c), the  
15 court's findings of fact shall be upheld if supported by substantial evidence. Pending the  
16 outcome of an appeal, an appealing party may apply to the court that issued the judgment  
17 under appeal for a stay of that judgment or a stay of the administrative decision that is the  
18 subject of the appeal, as appropriate."

19 Section 95.(a) G.S. 143B-472.70, as enacted by Section 7.8 of S.L. 2000-67, is  
20 recodified as G.S. 143-48.3.

21 Section 95.(b) Part 17 of Article 10 of Chapter 143B of the General Statutes, as  
22 enacted by Section 7.8 of S.L. 2000-67, is repealed.

23 Section 96. Section 4 of S.L. 2000-24 reads as rewritten:

24 "Section 4. No portion of the Riverbend Steam Station Property as described in  
25 Section 3 of this act and no portion of the Mountain Island Power House and Dam  
26 described in Section 3 of this act shall be subject to involuntary ~~annexation, or~~  
27 ~~designation as an urban tax district or otherwise subjected to the power of a municipal~~  
28 ~~taxing authority~~ annexation by the City of Mount Holly or any other town or municipality  
29 or consolidated government, if provided under the terms of said agreement as referred to  
30 in Section 1 of this act. The City of Mount Holly shall not impose any tax on the said  
31 portion of the Riverbend Steam Station as described in Section 3 of this act or on the said  
32 portion of the Mountain Island Power House and Dam described in Section 3 of this act  
33 until the effective date of the involuntary annexation, if provided under the terms of said  
34 agreement as referred to in Section 1 of this act."

35 Section 97. If Senate Bill 1305, 1999 General Assembly, and Senate Bill  
36 1266, 1999 General Assembly, both become law, then when Part 1 of Senate Bill 1305,  
37 1999 General Assembly, becomes effective, G.S. 66-308.15(d), as enacted by Senate Bill  
38 1266, 1999 General Assembly, reads as rewritten:

39 "(d) Except as otherwise agreed, a person having control of a transferable record is  
40 the holder, as defined in G.S. 25-1-201(20), of the transferable record and has the same  
41 rights and defenses as a holder of an equivalent record or writing under Chapter 25 of the  
42 General Statutes, including, if the applicable statutory requirements under G.S. 25-3-  
43 302(a), 25-7-501, or ~~25-9-308~~ 25-9-330 are satisfied, the rights and defenses of a holder

1 in due course, a holder to which a negotiable document of title has been duly negotiated,  
2 or a purchaser, respectively. Delivery, possession, and endorsement are not required to  
3 obtain or exercise any of the rights under this subsection."

4 Section 98. If Senate Bill 897, 1999 General Assembly, becomes law, then  
5 Article 37, as enacted by Senate Bill 897, 1999 General Assembly, is recodified as  
6 Article 39, and G.S. 90-646 through G.S. 90-649, as enacted by Senate Bill 897, 1999  
7 General Assembly, are recodified as G.S. 90-671 through G.S. 90-674, respectively. The  
8 Revisor of Statutes shall make conforming corrections to the internal citations of statutes  
9 affected by this section.

10 Section 99.(a) If Senate Bill 1215, 1999 General Assembly, and House Bill 1804,  
11 1999 General Assembly, both become law, G.S. 143B-253(2), as amended by Senate Bill  
12 1215, 1999 General Assembly, reads as rewritten:

13 "(2) The Social Services Commission shall have the power and duty to  
14 establish standards and adopt rules and regulations:

- 15 a. For the programs of public assistance established by federal  
16 legislation and by Article 2 of Chapter 108A of the General  
17 Statutes of the State of North Carolina with the exception of the  
18 program of medical assistance established by G.S. 108A-25(b);
- 19 b. To achieve maximum cooperation with other agencies of the  
20 State and with agencies of other states and of the federal  
21 government in rendering services to strengthen and maintain  
22 family life and to help recipients of public assistance obtain self-  
23 support and self-care;
- 24 c. For the placement and supervision of dependent juveniles and of  
25 delinquent juveniles who are placed in the custody of the ~~Office~~  
26 ~~of Juvenile Justice,~~ Department of Juvenile Justice and  
27 Delinquency Prevention, and payment of necessary costs of  
28 foster home care for needy and homeless children as provided by  
29 G.S. 108A-48;
- 30 d. For the payment of State funds to private child-placing agencies  
31 as defined in G.S. 131D-10.2(4) and residential child care  
32 facilities as defined in G.S. 131D-10.2(13) for care and services  
33 provided to children who are in the custody or placement  
34 responsibility of a county department of social services; and
- 35 e. For client assessment and independent case management  
36 pertaining to the functions of county departments of social  
37 services for public assistance programs authorized under  
38 paragraph a. of this subdivision."

39 Section 99.(b) If Senate Bill 1215, 1999 General Assembly, and House Bill 1804,  
40 1999 General Assembly, both become law, Section 4(dd) of House Bill 1804, 1999  
41 General Assembly, is repealed.

42 Section 100.(a) G.S. 20-309(a) reads as rewritten:

1           "(a) No motor vehicle shall be registered in this State unless the owner at  
2 the time of registration has financial responsibility for the operation of such motor  
3 vehicle, as provided in this Article. The owner of each motor vehicle registered in this  
4 State shall maintain financial responsibility continuously throughout the period of  
5 registration.

6           (a1) An owner of a commercial motor vehicle, as defined in G.S. 20-4.01(3d), shall  
7 have financial responsibility for the operation of the motor vehicle ~~as required by this~~  
8 ~~section. The financial responsibility for a commercial motor vehicle shall be in an amount~~  
9 ~~equal to that required for for-hire carriers transporting nonhazardous property in interstate~~  
10 ~~or foreign commerce in 49 C.F.R. §§ 387.3, 387.5, 387.7, and 387.11 for for-hire or~~  
11 ~~private motor vehicles transporting property in interstate or intrastate commerce. 49~~  
12 ~~C.F.R. § 387.9."~~

13           Section 100.(b) This section becomes effective September 1, 2000, and applies to  
14 new or renewal policies written to become effective on or after that date.

15           Section 101.(a) G.S. 55-5-01(a)(2) reads as rewritten:

16           "(2) A registered agent, who shall be (i) an individual who resides in this  
17 State and whose business office is identical with the registered office;  
18 (ii) a domestic ~~corporation or corporation,~~ nonprofit domestic  
19 corporation corporation, or limited liability company whose business  
20 office is identical with the registered office; or (iii) a foreign ~~corporation~~  
21 ~~or corporation,~~ nonprofit foreign corporation corporation, or limited  
22 liability company authorized to transact business or conduct affairs in  
23 this State whose business office is identical with the registered office."

24           Section 101.(b) G.S. 55-10-03(d) reads as rewritten:

25           "(d) The corporation shall notify each ~~shareholder shareholder, whether or not the~~  
26 ~~shareholder is entitled to vote-vote,~~ of the proposed shareholders' meeting in accordance  
27 with G.S. 55-7-05. The notice of meeting must state that the purpose, or one of the  
28 purposes, of the meeting is to consider the proposed amendment and the notice must  
29 contain or be accompanied by a copy or summary of the amendment."

30           Section 101.(c) G.S. 55-15-07(a)(2) reads as rewritten:

31           "(2) A registered agent, who shall be (i) an individual who resides in this  
32 State and whose business office is identical with the registered office;  
33 (ii) a domestic ~~corporation corporation, or nonprofit domestic~~  
34 ~~corporation corporation, or limited liability company~~ whose business  
35 office is identical with the registered office; or (iii) a foreign ~~corporation~~  
36 ~~corporation, or foreign nonprofit corporation corporation, or limited~~  
37 liability company authorized to transact business or conduct affairs in  
38 this State whose business office is identical with the registered office."

39           Section 101.(d) G.S. 55A-5-01(a)(2) reads as rewritten:

40           "(2) A registered agent, who shall be:

- 41           a. An individual who resides in this State and whose office is  
42 identical with the registered office;



- 1           b.     A domestic business corporation, or—nonprofit ~~corporation~~  
2               corporation, or limited liability company whose office is identical  
3               with the registered office; or  
4           c.     A foreign business corporation, or—nonprofit ~~corporation~~  
5               corporation, or limited liability company authorized to transact  
6               business or conduct affairs in this State whose office is identical  
7               with the registered office."

8           Section 101.(e) G.S. 55A-15-07(a)(2) reads as rewritten:

- 9           "(2)   A registered ~~agent; agent,~~ agent, who shall be: (i) an individual who resides in  
10            this State and whose office is identical with the registered office; (ii) a  
11            domestic business corporation, or—nonprofit ~~corporation~~—corporation, or  
12            limited liability company whose office is identical with the registered  
13            office; or (iii) a foreign business corporation, or—nonprofit ~~corporation~~  
14            corporation, or limited liability company authorized to transact business  
15            or conduct affairs in this State whose office is identical with the  
16            registered office."

17           Section 101.(f) G.S. 55B-9(b) reads as rewritten:

18           "(b)   Liability. – A shareholder, a director, or an officer of a professional  
19            corporation is not individually liable, directly or indirectly, including by indemnification,  
20            contribution, assessment, or otherwise, for the debts, obligations, and liabilities of, or  
21            chargeable to, the professional corporation that arise from errors, omissions, negligence,  
22            malpractice, incompetence, or malfeasance committed by another shareholder, director,  
23            or officer or by a representative of the professional corporation; provided, however,  
24            nothing in this Chapter shall affect the liability of a shareholder, director, or officer of a  
25            professional corporation for his or her own errors, omissions, negligence, malpractice,  
26            incompetence, or malfeasance committed in the rendering of professional services. ~~This~~  
27            ~~subsection does not affect the joint and several liability of a shareholder, a director, or an~~  
28            ~~officer of a professional corporation for any taxes owed by the professional corporation~~  
29            ~~under Chapter 105 of the General Statutes or Article 3 of Chapter 119 of the General~~  
30            ~~Statutes."~~

31           Section 101.(g) G.S. 57C-2-40(a) reads as rewritten:

- 32           "(a)   Each limited liability company must continuously maintain in this State:  
33            (1)     A registered office that may be the same as any of its places of business;  
34                and  
35            (2)     A registered agent, who shall be (i) an individual who resides in this  
36                State and whose business office is identical with the registered office;  
37                (ii) a domestic corporation, nonprofit corporation, or limited liability  
38                company whose business office is identical with the registered office; or  
39                (iii) a foreign corporation, nonprofit corporation, or limited liability  
40                company authorized to transact business or conduct affairs in this State  
41                whose business office is identical with the registered office."

42           Section 101.(h) G.S. 57C-7-07(a) reads as rewritten:

1       "(a) Each foreign limited liability company authorized to transact business in this  
2 State must continuously maintain in this State:

3           (1) A registered office that may be the same as any of its places of business;  
4           and

5           (2) A registered agent, who shall be (i) an individual who resides in this  
6 State and whose business office is identical with the registered office;  
7 (ii) a domestic corporation, nonprofit corporation, or limited liability  
8 company whose business office is identical with the registered office; or  
9 (iii) a foreign corporation, nonprofit corporation, or limited liability  
10 company authorized to transact business or conduct affairs in this State  
11 whose business office is identical with the registered office."

12       Section 101.(i) G.S. 57C-7-12(a) reads as rewritten:

13       "(a) Whenever a foreign limited liability company authorized to transact  
14 business in this State ceases its separate existence as a result of a statutory ~~merger,~~  
15 ~~consolidation, or conversion~~ merger or consolidation permitted by the laws of the state or  
16 country under which it was organized, or converts into another type of entity as permitted  
17 by those laws, the surviving or resulting entity shall apply for a certificate of withdrawal  
18 for the foreign limited liability company by delivering to the Secretary of State for filing  
19 a copy of the articles of merger, consolidation, or conversion or a certificate reciting the  
20 facts of the merger, consolidation, or conversion, duly authenticated by the Secretary of  
21 State or other official having custody of limited liability company records in the state or  
22 country under the laws of which the foreign limited liability company was organized. If  
23 the surviving or resulting entity is not authorized to transact business in this State, the  
24 articles or certificate must be accompanied by an application which must set forth:

25           (1) The name of the foreign limited liability company authorized to transact  
26 business in this State, the type of entity and name of the surviving or  
27 resulting entity, and a statement that the surviving or resulting entity is  
28 not authorized to transact business in this State;

29           (2) A statement that the surviving or resulting entity consents that service of  
30 process based upon any cause of action arising in this State, or arising  
31 out of business transacted in this State, during the time the foreign  
32 limited liability company was authorized to transact business in this  
33 State, may thereafter be made by service thereof on the Secretary of  
34 State;

35           (3) A mailing address to which the Secretary of State may mail a copy of  
36 any process served on him under subdivision (a)(2) of this section; and

37           (4) A commitment to ~~notify~~ file with the Secretary of State ~~in the future~~ a  
38 statement of any change in its subsequent mailing address."

39       Section 101.(j) G.S. 59-31 reads as rewritten:

40       "**§ 59-31. Name of Article.**

41       ~~This Article~~ Articles 2 through 4A, inclusive, of this Chapter shall be known and may  
42 be cited as the North Carolina Uniform Partnership Act."

43       Section 101.(k) G.S. 59-32 is amended by adding a new subdivision to read:

1 **"§ 59-32. Definition of terms.**

2 As used in this Chapter, except as otherwise defined in Article 5 of this Chapter for  
3 purposes of that Article, unless the context otherwise requires:

4 (01) 'Act' means the North Carolina Uniform Partnership Act and refers to all  
5 provisions therein."

6 Section 101.(l) G.S. 59-34 reads as rewritten:

7 **"§ 59-34. Rules of construction.**

8 (a) The rule that statutes in derogation of the common law are to be strictly  
9 construed shall have no application to this ~~Article.~~ Act.

10 (b) The law of estoppel shall apply under this ~~Article.~~ Act.

11 (c) The law of agency shall apply under this ~~Article.~~ Act.

12 (d) This Article shall be so interpreted and construed as to effect its general  
13 purpose to make uniform the law of those states which enact it.

14 (e) This Article and the other provisions of this Act shall not be construed so as to  
15 impair the obligations of any contract existing when the Article or any other provision of  
16 this Act, as applicable, goes into effect, nor to affect any action or proceedings begun or  
17 right accrued before this Article or any other provision of this Act, as applicable, takes  
18 effect."

19 Section 101.(m) G.S. 59-35 reads as rewritten:

20 **"§ 59-35. Rules for cases not provided for in this ~~Article.~~ Act.**

21 In any case not provided for in this ~~Article.~~ Act, the rules of law and equity, including  
22 the law merchant, shall govern."

23 Section 101.(n) The Revisor of Statutes shall change the term "Article"to  
24 "Act"wherever it occurs in G.S. 59-33, 59-41, 59-55, and 59-58.

25 Section 101.(o) G.S. 59-77 reads as rewritten:

26 **"§ 59-77. When personal representative may take inventory; receiver.**

27 If the surviving partner should neglect or refuse to have such inventory made, the  
28 personal representative of the deceased partner may have the same made in accordance  
29 with the provisions of G.S. 59-76. Should any surviving partner fail to take such an  
30 inventory or refuse to allow the personal representative of the deceased partner's estate to  
31 do so, such personal representative of the deceased partner's estate may forthwith apply  
32 to a court of competent jurisdiction for the appointment of a receiver for such partnership,  
33 who shall thereupon proceed to wind up the same and dispose of the assets thereof in  
34 accordance with law."

35 Section 101.(p) G.S. 59-84.2 is amended by adding a new subsection to read:

36 "(i) The registered agent of a registered limited liability partnership for service of  
37 process must be (i) an individual who is a resident of this State and whose business office  
38 is identical with the registered office; (ii) a domestic corporation, nonprofit corporation,  
39 or limited liability company whose business office is identical with the registered office;  
40 or (iii) a foreign corporation, nonprofit corporation, or limited liability company  
41 authorized to transact business or conduct affairs in this State whose business office is  
42 identical with the registered office. The sole duty of the registered agent to the registered  
43 limited liability partnership is to forward to the registered limited liability partnership at

1 its last known address any notice, process, or demand that is served on the registered  
2 agent."

3 Section 101.(q) G.S. 59-105(a) reads as rewritten:

4 **"§ 59-105. Registered office and registered agent.**

5 (a) Each limited partnership shall have and continuously maintain in this State:

6 (1) A registered ~~office, which office that may be, but need not be,~~ be the  
7 same as any of its place-places of business;

8 (2) A registered agent, ~~which agent may who shall be either~~ (i) an  
9 individual resident of this State whose business office is identical with  
10 such registered office, or, office; (ii) a domestic corporation, nonprofit  
11 corporation, or limited liability company whose business office is  
12 identical with such registered office; or or (iii) a foreign corporation  
13 corporation, nonprofit corporation, or limited liability company  
14 authorized to transact business or conduct affairs in this State, having a  
15 whose business office is identical with such registered office.

16 The sole duty of the registered agent to the limited partnership is to forward to the  
17 limited partnership at its last known address any notice, process, or demand that is served  
18 on the registered agent."

19 Section 101.(r) G.S. 59-907(b) reads as rewritten:

20 "(b) The failure of a foreign limited partnership to obtain a certificate of authority  
21 to transact business in this State shall not impair the validity of any contract or act of the  
22 foreign limited partnership and shall not prevent the foreign limited partnership from  
23 defending any action or proceeding in any court of this State."

24 Section 101.(s) G.S. 59-1053(5) reads as rewritten:

25 "(5) The interests in the converting business entity that are to be converted  
26 into interests, obligations, or securities of the resulting domestic limited  
27 partnership or into the right to receive cash or other property are  
28 thereupon so converted, and the former holders of interests in the  
29 converting business entity are entitled only to the rights provided in the  
30 plan of conversion."

31 Section 101.(t) Section 7 of S.L. 1999-189 reads as rewritten:

32 "Section 7. This act is effective when it becomes law, applies to limited liability  
33 companies in existence or formed on or after ~~January 1, 1999,~~ the date the act becomes  
34 law, and applies to actions commenced on or after October 1, 1999."

35 Section 102. G.S. 136-18(15) reads as rewritten:

36 "(15) The Department of Transportation shall have authority to provide  
37 facilities for the use of waterborne traffic and recreational uses by  
38 establishing connections between the highway system and the navigable  
39 and nonnavigable waters of the State by means of connecting roads and  
40 piers."

41 Section 103. If House Bill 1508, 1999 General Assembly, becomes law, then  
42 Section 6 of House Bill 1508, 1999 General Assembly, is rewritten to read:

1       "Section 6. Section 5 of this act applies to permits issued or renewed on or after  
2 August 1, 2000. The remainder of this act becomes effective August 1, 2000."  
3           Section 104. Except as otherwise specified, this act is effective when it  
4 becomes law.