

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 320

Senate Appropriations/Base Budget Committee Substitute Adopted 8/12/05

Third Edition Engrossed 8/12/05

Senate Appropriations/Base Budget Committee Substitute #2 Adopted 8/24/05

Short Title: Modify 2005 Appropriations Act.

(Public)

Sponsors:

Referred to:

February 21, 2005

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL, CLARIFYING, AND OTHER MODIFICATIONS
TO THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS
APPROPRIATIONS ACT OF 2005.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 2.1 of S.L. 2005-276 reads as rewritten:

"SECTION 2.1. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are made for the biennium ending June 30, 2007, according to the following schedule:

Current Operations – General Fund

2005-2006

2006-2007

EDUCATION

Community Colleges System Office

\$ 787,685,943

\$ 767,295,886

Department of Public Instruction

6,607,998,945

6,579,807,097

University of North Carolina – Board of Governors

Appalachian State University

97,708,514

98,114,232

East Carolina University

Academic Affairs

165,132,181

168,098,010

Health Affairs

45,624,110

45,671,394

Elizabeth City State University

28,376,210

28,173,367

Fayetteville State University

42,540,261

42,778,425

North Carolina Agricultural and

1	Technical State University	76,497,695	76,533,207
2	North Carolina Central University	59,223,437	58,883,106
3	North Carolina School of the Arts	21,173,905	20,698,614
4	North Carolina State University		
5	Academic Affairs	299,773,341	304,775,818
6	Agricultural Extension	36,389,142	35,668,328
7	Agricultural Research	45,200,460	45,281,347
8	University of North Carolina at Asheville	29,211,816	29,705,695
9	University of North Carolina at Chapel Hill		
10	Academic Affairs	212,164,735	220,475,219
11	Health Affairs	162,938,570	164,709,561
12	<u>Health Affairs</u>	<u>163,938,570</u>	<u>165,709,561</u>
13	Area Health Education Centers	44,743,422	44,743,422
14	University of North Carolina at Charlotte	125,613,588	132,319,883
15	University of North Carolina at Greensboro	112,318,841	113,459,797
16	University of North Carolina at Pembroke	41,277,854	41,754,482
17	University of North Carolina at Wilmington	74,161,294	76,371,666
18	Western Carolina University	71,404,729	71,990,778
19	Winston-Salem State University	48,726,028	48,658,641
20	General Administration	48,804,831	48,890,151
21	University Institutional Programs	24,610,415	28,278,415
22	Related Educational Programs	112,937,512	114,905,552
23	North Carolina School of Science and		
24	Mathematics	14,555,420	14,513,392
25	UNC Hospitals at Chapel Hill	44,944,579 <u>43,944,579</u>	43,944,579
26	Total University of North Carolina –		
27	Board of Governors	\$ 2,086,052,890	\$2,119,397,081
28			<u>\$2,120,397,081</u>
29			

HEALTH AND HUMAN SERVICES

30	HEALTH AND HUMAN SERVICES		
31			
32	Department of Health and Human Services		
33	Office of the Secretary	\$ 113,855,919	\$ 118,880,919
34	Division of Aging	29,975,639	29,495,139
35	Division of Blind Services/Deaf/HH	9,676,797	9,681,220
36	Division of Child Development	268,350,017	267,356,799
37	Division of Education Services	33,852,267	34,281,895
38	Division of Facility Services	13,608,838	15,959,466
39	Division of Medical Assistance	2,509,772,054	2,751,209,159
40	Division of Mental Health	603,315,155	602,556,655
41	NC Health Choice	68,169,765	51,882,902
42	Division of Public Health	152,391,232	150,814,496
43	Division of Social Services	188,512,693	190,679,285
44	Division of Vocational Rehabilitation Services	41,755,526	42,142,193

1	Total Health and Human Services	\$ 4,033,235,902	\$ 4,264,940,128
2			
3	NATURAL AND ECONOMIC RESOURCES		
4			
5	Department of Agriculture and Consumer Services	\$ 52,040,846	\$ 51,032,884
6			
7	Department of Commerce		
8	Commerce	49,686,999	36,728,265
9	Commerce State-Aid	26,512,085	11,722,085
10	NC Biotechnology Center	12,083,395	10,583,395
11	Rural Economic Development Center	25,277,607	25,052,607
12			
13	Department of Environment and Natural Resources	177,197,119	167,451,089
14			
15	Department of Labor	14,419,553	14,434,925
16			
17	JUSTICE AND PUBLIC SAFETY		
18			
19	Department of Correction	\$ 1,029,924,421	\$ 1,048,492,502
20			
21	Department of Crime Control and Public Safety	34,793,934	35,153,488
22		<u>34,843,934</u>	
23			
24	Judicial Department	342,604,760	345,726,582
25		<u>342,924,393</u>	<u>345,760,410</u>
26	Judicial Department – Indigent Defense	94,037,973	88,648,414
27			
28	Department of Justice	77,322,567	78,697,271
29			
30	Department of Juvenile Justice and		
31	Delinquency Prevention	140,377,666	138,873,166
32			
33	GENERAL GOVERNMENT		
34			
35	Department of Administration	\$ 62,039,261	\$ 58,818,473
36			
37	Office of Administrative Hearings	2,987,410	2,969,712
38			
39	Department of State Auditor	10,850,737	10,840,918
40			
41	Office of State Controller	10,043,268	10,044,511
42			
43	Department of Cultural Resources		
44	Cultural Resources	73,433,514 <u>73,458,514</u>	62,917,147

1	Roanoke Island Commission	1,783,374	1,783,374
2			
3	State Board of Elections	5,107,543	5,069,307
4			
5	General Assembly	42,934,588	46,965,432
6			
7	Office of the Governor		
8	Office of the Governor	5,324,590	5,344,528
9	Office of State Budget and Management	5,019,735	5,021,795
10	OSBM – Reserve for Special Appropriations	11,358,429	5,111,429
11	Housing Finance Agency	10,450,945	4,750,945
12			
13	Department of Insurance		
14	Insurance	28,220,714	28,110,582
15	Insurance – Volunteer Safety Workers'		
16	Compensation	2,000,000	4,500,000
17			
18	Office of Lieutenant Governor	754,737	753,037
19			
20	Department of Revenue	81,447,475	80,630,250
21		<u>81,467,175</u>	<u>80,673,250</u>
22			
23	Department of Secretary of State	8,934,063	9,269,633
24			
25	Department of State Treasurer		
26	State Treasurer	8,690,595	8,295,843
27	State Treasurer – Retirement for Fire		
28	and Rescue Squad Workers	8,651,457	8,651,457
29			
30	TRANSPORTATION		
31			
32	Department of Transportation	\$ 200,000	\$ 0
33			
34	RESERVES, ADJUSTMENTS AND DEBT SERVICE		
35			
36	Reserve for Compensation Increases	\$ 243,181,327	\$ 235,185,705
37			
38	Salary Adjustment Fund: 2005-2007 Biennium	4,500,000	4,500,000
39			
40	Salary Adjustment Fund: 2004-2005 Fiscal Year	4,500,000	4,500,000
41			
42	Reserve for Teachers' and State Employees'		
43	Retirement Contribution	13,810,800	13,810,800
44			

1	Savings Reserve Account	(199,125,000)	0
2	Repairs and Renovations	(125,000,000)	0
3	Beginning Unreserved Credit Balance	\$472,375,000	\$114,345,875
4			<u>\$113,079,042</u>
5			
6	Revenues Based on Existing Tax Structure	\$15,417,300,000	\$ 16,993,257,284
7			<u>\$ 16,077,600,000</u>
8			
9	Nontax Revenues		
10	Investment Income	74,800,000	78,700,000
11	Judicial Fees	144,800,000	148,300,000
12	Disproportionate Share	100,000,000	100,000,000
13	Insurance	49,500,000	51,300,000
14	Other Nontax Revenues	138,000,000	151,300,000
15	Highway Trust Fund/Use Tax		
16	Reimbursement Transfer	252,558,117	252,663,009
17	Highway Fund Transfer	16,166,400	16,166,400
18	Subtotal Nontax Revenues	\$ 775,824,517	\$ 798,429,409
19			
20	Total General Fund Availability	\$ 16,665,499,517	\$ 16,990,375,284
21			<u>\$ 16,989,108,451</u>
22			
23	Adjustments to Availability: 2005 Session		
24	Streamlined Sales Tax Changes	40,000,000	61,700,000
25	Maintain 4.5% Sales Tax Rate	417,100,000	462,700,000
26	Other Sales Tax Changes		
27	Apply Sales Tax to Candy	9,800,000	15,800,000
28	Apply General Sales Tax Rate to Cable	10,900,000	26,100,000
29	Exempt Potting Soil for Farmers	(200,000)	(300,000)
30	Tobacco Tax Rate Changes	118,800,000	189,400,000
31	Extend 8.25% Individual Income		
32	Tax Rate for 2 years	39,800,000	89,700,000
33	Continue Use Tax Line on Individual Returns	3,200,000	3,200,000
34	<u>Increase Contribution to NC Political Parties</u>		
35	<u>Financing Fund – Tax Return Designation</u>	<u>0</u>	<u>(1,000,000)</u>
36	Conform Estate Tax to Federal Sunset	29,100,000	115,600,000
37	Film Industry Jobs Incentives	(3,500,000)	(3,500,000)
38	IRC Update – Partial Conformance	(8,000,000)	(10,700,000)
39	Adjust Rates for Health Maintenance		
40	Organizations	0	14,300,000
41	<u>SL 2005-241 Extend JDIG and Bill Lee Act</u>	<u>0</u>	<u>(2,030,000)</u>
42	Increase Earmarking for		
43	NC Grape Growers Council	(150,000)	(150,000)
44	Proceeds from the Sale of the Polk Building	4,977,781	0

1	Justice and Public Safety Fees	17,028,271	16,868,771	20,428,271
2	Transfer from Tobacco Trust Fund		34,000,000	30,000,000
3	Transfers from Special Revenue and Other Funds		5,453,950	0
4	Reimburse Debt Service for			
5	Certain Capital Facilities and			
6	Land Acquisition per S.L. 2004-179		5,958,723	21,060,827
7	Transfer to Civil Penalty and Forfeiture Fund	(80,000,000)		(85,000,000)
8	Suspend Highway Fund Transfer	(16,166,400)		(16,166,400)
9	Adjust Transfer from Insurance Regulatory Fund	389,013		243,813
10	Adjust Transfer from Treasurer's Office	468,478		67,478
11	<u>Reimbursement for Property Tax Commission</u>			
12	<u>Expenses</u>		0	<u>168,616</u>
13				
14	Subtotal Adjustments to Availability:			
15	2005 Session		\$ 628,959,816	\$ 934,483,989
16			\$ 628,800,316	\$ 931,622,605
17	Revised General Fund Availability		\$ 17,294,459,333	\$ 17,927,741,273
18			\$ 17,294,299,833	\$ 17,920,731,056
19				
20	Less: General Fund Appropriations			
21	SB 622 (2005 Appropriations Act)	(17,077,231,458)	(17,293,127,963)	
22		(17,081,220,791)	(17,294,204,791)	
23	G.S. 143-15.3B: Clean Water			
24	Management Trust Fund	(100,000,000)		(100,000,000)
25				
26	Total General Fund Appropriations			
27	2005-2007 Biennium		(\$17,177,231,458)	(\$17,393,127,963)
28			(\$17,181,220,791)	(\$17,394,204,791)
29				
30	Unappropriated Balance Remaining		\$117,227,875	\$534,613,310
31			\$113,079,042	\$526,526,265"

SECTION 2.(a) Section 6.12.(b) of S.L. 2005-276 reads as rewritten:

"SECTION 6.12.(b) If this section, or any portion of the amendment made to G.S. 66-291(b)(2) by this section, is held by a court of competent jurisdiction to be unconstitutional, then G.S. 66-291(b)(2) shall be deemed to be repealed in its entirety. If G.S. ~~66-291(b)(2)~~ 66-291(b) shall thereafter be held by a court of competent jurisdiction to be unconstitutional, then this section shall be repealed, and G.S. 66-291(b)(2) shall be restored as if no amendments had been made by this section. Neither any judicial holding of unconstitutionality nor the repeal of G.S. 66-291(b)(2) shall affect, impair, or invalidate any other portion of Part 1 of Article 37 of Chapter 66 of the General Statutes or the application of Part 1 of Article 37 of Chapter 66 of the General Statutes to any other person or circumstance, and the remaining portions of Part 1 of Article 37 of Chapter 66 of the General Statutes shall at all times continue in full force and effect."

SECTION 2.(b) This section becomes effective January 1, 2006.

1 **SECTION 3.(a)** Effective July 1, 2005, Section 6.29 of S.L. 2005-276 is
2 repealed.

3 **SECTION 3.(b)** Effective March 1, 2006, G.S. 58-50-30(a3) reads as
4 rewritten:

5 "(a3) Whenever any health benefit plan, subscriber contract, or policy of insurance
6 issued by a health maintenance organization, hospital or medical service corporation, or
7 insurer governed by Articles 1 through 67 of this Chapter provides coverage for
8 medically necessary treatment, the insurer shall not impose any limitation on treatment
9 or levels of coverage if performed by a duly licensed chiropractor acting within the
10 scope of the chiropractor's practice as defined in G.S. 90-151 unless a comparable
11 limitation is imposed on the medically necessary treatment if performed or authorized
12 by any other duly licensed physician. An insurer shall not impose as a limitation on
13 treatment or level of coverage a co-payment amount charged to the insured for
14 chiropractic services that is higher than the co-payment amount charged to the insured
15 for the services of a duly licensed primary care physician for a comparable medically
16 necessary treatment or condition."

17 **SECTION 3.(c)** This sections applies to policies issued, renewed, or
18 amended on or after March 1, 2006.

19 **SECTION 4.** Section 6.36.(a) of S.L. 2005-276 reads as rewritten:

20 "**SECTION 6.36.(a)** The Office of State Budget and Management shall develop a
21 plan to consolidate all State-funded laboratories. This plan will augment capital and
22 space-allocation plans already developed for the new laboratories.

23 The State-funded laboratories to be considered for consolidation include the Public
24 Health State Laboratory within the Department of Health and Human Services, the
25 Agricultural Laboratory within the Department of Agriculture and Consumer Services,
26 Veterinary Division, and the State Bureau of Investigation Crime Laboratories within
27 the Department of Justice. The Office of State Budget and Management shall use up to
28 two hundred fifty thousand dollars (\$250,000) of funds available to hire an independent
29 consultant who shall conduct the study and develop the consolidation plan. ~~The Office~~
30 ~~of State Budget and Management shall hire an independent consultant to conduct the~~
31 ~~study and develop the consolidation plan.~~ The study shall include the feasibility of
32 consolidating these laboratory functions and the identification of any duplicative
33 functions."

34 **SECTION 5.** Section 7.5 of S.L. 2005-276 reads as rewritten:

35 "**SECTION 7.5.** Effective July 1, 2005, any permanent certified personnel
36 employed on ~~July 1, 2003,~~ July 1, 2005, and paid on the teacher salary schedule with
37 29+ years of experience shall receive a one-time bonus equivalent to the average
38 increase of the 26 to 29 year steps. Effective July 1, 2005, any permanent personnel
39 employed on ~~July 1, 2004,~~ July 1, 2005, and paid at the top of the principal and assistant
40 principal salary schedule shall receive a one-time bonus equivalent to two percent (2%).

41 For permanent part-time personnel, the one-time bonus shall be adjusted pro rata.
42 Personnel defined under G.S. 115C-325(a)(5a) are not eligible to receive the bonus."

43 **SECTION 6.(a)** Section 7.32.(b) of S.L. 2005-276 reads as rewritten:

1 **"SECTION 7.32.(b)** These funds shall be used to establish new high schools in
2 which a local school administrative unit, two- and four-year colleges and universities,
3 and local employers work together to ensure that high school and postsecondary college
4 curricula operate seamlessly and meet the needs of participating employers.

5 Funds shall not be allotted until Learn and Earn high schools and planning sites are
6 ~~certified as operational.~~ approved by the State Board of Education. Within funds
7 available, the State Board of Education may approve additional planning sites. Learn
8 and Earn planning sites are expected to complete the planning process by the end of the
9 fiscal year for which the planning funds are awarded."

10 **SECTION 6.(b)** G.S. 115C-238.51(c), as rewritten by Section 7.33.(a) of
11 S.L. 2005-276, reads as rewritten:

12 "(c) The application shall be submitted to the State Board of Education and the
13 applicable governing ~~Boards by November 1 of each year.~~ Boards. The Boards shall
14 appoint a joint advisory committee to review the applications and to recommend to the
15 Boards those programs that meet the requirements of this Part and that achieve the
16 purposes set out in G.S. 115C-238.50."

17 **SECTION 6.(c)** G.S. 115C-238.51(d), as rewritten by Section 7.33.(a) of
18 S.L. 2005-276, reads as rewritten:

19 "(d) The Boards may approve programs recommended by the joint advisory
20 committee or may approve other programs that were not recommended. The Boards
21 shall approve all applications by ~~March 15~~ June 30 of each year. No application shall be
22 approved unless the State Board of Education and the applicable governing Board find
23 that the application meets the requirements set out in this Part and that granting the
24 application would achieve the purposes set out in G.S. 115C-238.50. Priority shall be
25 given to applications that are most likely to further State education policies, to address
26 the economic development needs of the economic development regions in which they
27 are located, and to strengthen the educational programs offered in the local school
28 administrative units in which they are located."

29 **SECTION 7.** Section 7.51(c) of S.L. 2005-276 reads as rewritten:

30 **"SECTION 7.51.(c)** Subsection (b) of this section becomes effective July 1, 2006.
31 Notwithstanding the provisions of G.S. 105-164.44H, for the 2006-2007 fiscal year, the
32 amount transferred to the State Public School Fund each quarter shall equal one-fourth
33 of the amount refunded under ~~G.S. 105-164.4(c)(2b) and (2c)~~ G.S. 105-164.14(c)(2b)
34 and (2c) during the 2005-2006 fiscal year plus or minus the percentage of that amount
35 by which the total collection of State sales and use tax increased or decreased during the
36 preceding fiscal year. The remainder of this section becomes effective July 1, 2005, and
37 applies to sales made on or after that date."

38 **SECTION 8.** Section 7.57 of S.L. 2005-276 reads as rewritten:

39 **"SECTION 7.57.** Of the funds appropriated for Student Transportation for the
40 2005-2006 fiscal year, the Department of Public Instruction shall use up to one hundred
41 fifty thousand dollars (\$150,000) for a study of the current allotment formula for school
42 transportation. The study shall be conducted by an independent consultant.

43 In the course of the study, the consultant shall consider whether (i) the current
44 formula sufficiently encourages the efficient and effective use of school transportation

1 funds by urban and rural school systems, (ii) the formula is adequately and equitably
2 meeting the needs of school systems, and (iii) the formula is appropriate in light of the
3 Leandro litigation. The consultant shall also propose options for reducing the severe and
4 growing disparity in funding that exists under the formula among local school
5 administrative units.

6 The consultant shall report the results of its study to the State Board of Education by
7 ~~December 1, 2005.~~March 1, 2006. The State Board of Education shall submit a plan for
8 the implementation of the consultant's report to the Joint Legislative Education
9 Oversight Committee by ~~March 15, 2006.~~April 15, 2006."

10 **SECTION 9.** S.L. 2005-276 is amended by adding a new section to read:

11 "**SECTION 7.62.** Notwithstanding any other provision of law, of the funds
12 appropriated in S.L. 2005-1 to the Disaster Relief Reserve Fund, the sum of seven
13 hundred fifty thousand dollars (\$750,000) is hereby transferred from the Disaster Relief
14 Reserve Fund to Hyde County for the 2005-2006 fiscal year to be used to repair
15 Ocracoke School which was damaged as a result of Hurricane Isabel and Hurricane
16 Alex."

17 **SECTION 10.** Section 8.11 of S.L. 2005-276 reads as rewritten:

18 "**SECTION 8.11.** ~~Funds appropriated in this act for North Carolina Electronics and~~
19 ~~Information Technologies Association's Defense Technology Innovation Center~~ Of the
20 funds appropriated in this act to the Community Colleges System Office, the sum of two
21 million dollars (\$2,000,000) for the 2005-2006 fiscal year shall be allocated to the
22 Partnership for Defense Innovation for the establishment of the Defense Technology
23 Innovation Center. These funds shall be used for the following:

- 24 (1) Site selection and acquisition, including the purchase or lease of real
25 property to house the Center; the construction of buildings or other site
26 structures; the improvement or refurbishment of existing structures to
27 provide appropriate laboratory and administrative space; and the
28 improvement of existing infrastructure at the facility, including
29 improvements to utility, telecommunications, and Internet
30 infrastructure.
- 31 (2) Equipment acquisition, including acquisition of laboratory equipment
32 and supplies and office furniture, equipment, and supplies.
- 33 (3) Employment of staff to support the mission of the Center and to
34 oversee day-to-day operations of the Center.
- 35 (4) ~~Implementation of a comprehensive business and marketing plan for~~
36 ~~the Center.~~ Implementation of the business and marketing plan
37 delivered to the General Assembly in 2005 by the North Carolina
38 Electronics and Information Technologies Association (NCEITA) as
39 directed by Section 8.17 of S.L. 2004-124, including contracting with
40 an experienced incubator development team to develop the Center and
41 implement the business plan.
- 42 (5) Development of a tenant screening process and the recruitment of
43 appropriate tenants for the Center.

1 (6) Administration and operation of the Center and the development of a
2 sustainable business plan for the Center."

3 **SECTION 11.** Section 9.6.(d) of S.L. 2005-276 reads as rewritten:

4 "**SECTION 9.6.(d)** All obligations to students for uses of the funds ~~set out in~~
5 ~~sections~~ that were made before the date this act becomes law shall be fulfilled as to
6 students who remain eligible under the provisions of the respective programs."

7 **SECTION 12.** Section 9.16 of S.L. 2005-276 reads as rewritten:

8 "**SECTION 9.16.** Of the funds appropriated by this act to the Board of Governors of
9 The University of North Carolina for the 2005-2006 fiscal year the sum of ~~one million~~
10 ~~eighty eight thousand nine hundred forty one dollars (\$1,088,941)~~ one million
11 eighty-nine thousand dollars (\$1,089,000) shall be allocated to North Carolina
12 Agricultural and Technical State University for agricultural and research extension
13 programs. It is the intent of the General Assembly to fully fund these programs for the
14 2006-2007 fiscal year."

15 **SECTION 13.** S.L. 2005-276 is amended by adding a new section to read:

16 "**SECTION 9.38.** Of the funds appropriated by this act to the Board of Governors of
17 The University of North Carolina for the University of North Carolina at Chapel Hill –
18 Health Affairs, the sum of one million dollars (\$1,000,000) for the 2005-2006 fiscal
19 year and the sum of one million dollars (\$1,000,000) for the 2006-2007 fiscal year shall
20 be used by the University of North Carolina at Chapel Hill School of Medicine to
21 establish and operate a translational medicine program."

22 **SECTION 14.** S.L. 2005-276 is amended by adding a new section to read:

23 "**SECTION 9.38.** G.S. 116-143.3 reads as rewritten:

24 "**§ 116-143.3. Tuition of active duty personnel in the armed services.**

25 (a) Definitions. – The following definitions apply in this section:

- 26 (1) The term "abode" shall mean the place where a person actually lives,
27 whether temporarily or permanently; the term "abide" shall mean to
28 live in a given place.
- 29 (2) The term "armed services" shall mean the United States Air Force,
30 Army, Coast Guard, Marine Corps, and Navy; the North Carolina
31 National Guard; and any Reserve Component of the foregoing.
- 32 (3) The term "tuition assistance" shall be used as defined in the United
33 States Department of Defense Directive 1322.8, implementing 10
34 U.S.C. § 2007.

35 (b) Any active duty member of the armed services qualifying for admission to an
36 institution of higher education as defined in G.S. 116-143.1(a)(3) but not qualifying as a
37 resident for tuition purposes under G.S. 116-143.1 shall be charged the in-State tuition
38 rate and applicable mandatory fees for enrollments while the member of the armed
39 services is abiding in this State incident to active military duty in this State. In the event
40 the active duty member of the armed services is reassigned outside of North Carolina,
41 the member shall continue to be eligible for the in-State tuition rate and applicable
42 mandatory fees so long as the member is continuously enrolled in the degree or other
43 program in which the member was enrolled at the time the member is reassigned. In the
44 event the active duty member of the armed services receives an Honorable Discharge

1 from military service, the member shall continue to be eligible for the in-State tuition
2 rate and applicable mandatory fees so long as the member establishes residency in
3 North Carolina within 30 days after the discharge and is continuously enrolled in the
4 degree or other program in which the member was enrolled at the time the member is
5 discharged.

6 (b1), (b2) Repealed by Session Laws 2004-130, s. 1, effective August 1, 2004.

7 (c) Any dependent relative of a member of the armed services who is abiding in
8 this State incident to active military duty, as defined by the Board of Governors of The
9 University of North Carolina and by the State Board of Community Colleges while
10 sharing the abode of that member shall be eligible to be charged the in-State tuition rate,
11 if the dependent relative qualifies for admission to an institution of higher education as
12 defined in G.S. 116-143.1(a)(3). The dependent relatives shall comply with the
13 requirements of the Selective Service System, if applicable, in order to be accorded this
14 benefit. In the event the member of the armed services is reassigned outside of North
15 Carolina, the dependent relative shall continue to be eligible for the in-State tuition rate
16 and applicable mandatory fees so long as the dependent relative is continuously enrolled
17 in the degree or other program in which the dependent relative was enrolled at the time
18 the member is reassigned. In the event the member of the armed services receives an
19 Honorable Discharge from military service, the dependent relative shall continue to be
20 eligible for the in-State tuition rate and applicable mandatory fees so long as the
21 dependent relative establishes residency within North Carolina within 30 days after the
22 discharge and is continuously enrolled in the degree or other program in which the
23 dependent relative was enrolled at the time the member is discharged.

24 (d) The burden of proving entitlement to the benefit of this section shall lie with
25 the applicant therefor.

26 (e) A person charged less than the out-of-state tuition rate solely by reason of this
27 section shall not, during the period of receiving that benefit, qualify for or be the basis
28 of conferring the benefit of G.S. 116-143.1(g), (h), (i), (j), (k), or (l)."

29 **SECTION 15.** Section 5.1.(v) of S.L. 2005-276 reads as rewritten:

30 "**SECTION 5.1.(v)** The sum of one million seven hundred six thousand sixty-three
31 dollars (\$1,706,063) appropriated in this section in the ~~TANF~~ Social Services Block
32 Grant for child caring agencies for the 2005-2006 fiscal year shall be allocated to the
33 State Private Child Caring Agencies Fund."

34 **SECTION 16.** Section 10.21C(c) of S.L. 2005-276 reads as rewritten:

35 "**SECTION 10.21C.(c)** This section becomes effective ~~January 1, 2006,~~ July 1,
36 2006, and applies to recipients of medical assistance on or after that date."

37 **SECTION 17.** G.S. 90-113.63(b), as enacted by Section 10.36 of S.L.
38 2005-276, reads as rewritten:

39 "(b) The Commission ~~for Health Services~~ shall adopt rules requiring dispensers to
40 report the following information. The Commission may modify these requirements as
41 necessary to carry out the purposes of this Article. The dispenser shall report:

42 (1) The dispenser's DEA number.

43 (2) The name of the patient for whom the controlled substance is being
44 dispensed, and the patient's:

- a. Full address, including city, state, and zip code,
 - b. Telephone number, and
 - c. Date of birth.
- (3) The date the prescription was written.
 - (4) The date the prescription was filled.
 - (5) The prescription number.
 - (6) Whether the prescription is new or a refill.
 - (7) Metric quantity of the dispensed drug.
 - (8) Estimated days of supply of dispensed drug, if provided to the dispenser.
 - (9) National Drug Code of dispensed drug.
 - (10) Prescriber's DEA number."

SECTION 18. Section 10.39 of S.L. 2005-276 is amended by adding the following new subsection to read:

"**SECTION 10.39.(d)** Subsection (a) of this section becomes effective October 1, 2005."

SECTION 19. Section 10.59E of S.L. 2005-276 reads as rewritten:

"**SECTION 10.59E.** Of funds appropriated in this act to the Department of Health and Human Services for the 2005-2006 fiscal year, the sum of two million dollars (\$2,000,000) shall be allocated for the Community-Focused Eliminating Health Disparities Initiative (CFEHDI) to build capacity of local public health departments, American Indian tribes, and faith-based and community-based organizations to close the gap in the health status of African-Americans, Hispanics/Latinos, and American Indians as compared to white persons. The areas of focus on health status shall be infant mortality, HIV-AIDS and sexually transmitted infections, cancer, diabetes, and homicides and motor vehicle deaths. These funds shall also be used to support one FTE in the Department of Health and Human Services to monitor, track, and evaluate grantees' progress in meeting performance-based standards and outcomes established by the Department."

SECTION 20.(a) Section 10.59F(a) of S.L. 2005-276 reads as rewritten:

"**SECTION 10.59F.(a)** Program established. – There is established in the Department of Health and Human Services, Division of Public Health, the Governor's Vision Care Program. The purpose of the Program is to provide funds for early detection and correction of vision problems in children enrolling or enrolled in grades K through 3 who are eligible for services under the Program. These funds shall be allocated to reimburse optometrists and ophthalmologists licensed to practice in this State for the comprehensive eye examination, including necessary spectacles, provided to meet the requirements of G.S. 130A-440.1."

SECTION 20.(b) Section 10.59F(b) of S.L. 2005-276 reads as rewritten:

"**SECTION 10.59F.(b)** Eligibility. – Children eligible for services under this section shall be those with a family income not exceeding two hundred fifty percent (250%) of the federal poverty level, who do not ~~have~~ receive comparable services through private health insurance coverage, and are not eligible for services under NC Health Choice,

1 Medicaid, the Department of Health and Human Services' Commission for the Blind
2 programs, VSP's Sight for Students, or the Lions Club Foundation."

3 **SECTION 20.(c)** Section 10.59F(f) of S.L. 2005-276 reads as rewritten:

4 "**SECTION 10.59F.(f)** Not later than ~~May 1, 2006,~~ January 15, 2006, the
5 Department of Health and Human Services shall report to the House of Representatives
6 Appropriations Subcommittee on Health and Human Services, the Senate
7 Appropriations Committee on Health and Human Services, and the Fiscal Research
8 Division on the implementation of this section. ~~The report shall include the number of~~
9 ~~children who were exempt from the comprehensive eye examination requirement under~~
10 ~~G.S. 130A-440.1(a)."~~

11 **SECTION 20.(d)** Section 10.59F(h) of S.L. 2005-276 reads as rewritten:

12 "**SECTION 10.59F.(h)** ~~This Subsection (g) of this section~~ becomes effective
13 beginning with the 2006-2007 school year. The remainder of this section is effective
14 July 1, 2005."

15 **SECTION 21.** S.L. 2005-276 is amended by adding a new section to read:

16 "**SECTION 10.37A.** Funds appropriated in this act to the Department of Health and
17 Human Services for the Jewish Community Center of Charlotte, Inc. shall be paid to
18 Senior Activities and Services, Inc. to support activities of the Levine Senior Center of
19 Matthews."

20 **SECTION 22.** G.S. 19A-24(5), as enacted by Section 11.5.(b) of S.L.
21 2005-276, reads as rewritten:

22 "(5) Adopt rules on the euthanasia of animals in the possession or custody
23 of any person ~~licensed~~ required to obtain a certificate of registration
24 under this Article. An animal shall only be put to death by a method
25 and delivery of method approved by the American Veterinary Medical
26 Association, the Humane Society of the United States, or the American
27 Humane Association. The Department shall establish rules for the
28 euthanasia process using any one or combination of methods and
29 standards prescribed by the three aforementioned organizations. The
30 rules shall address the equipment, the process, and the separation of
31 animals, in addition to the animals' age and condition. If the gas
32 method of euthanasia is approved, rules shall require (i) that only
33 commercially compressed carbon monoxide gas is approved for use,
34 and (ii) that the gas must be delivered in a commercially manufactured
35 chamber that allows for the individual separation of animals. Rules
36 shall also mandate training for any person who participates in the
37 euthanasia process."

38 **SECTION 23.** Section 12.5(a) of S.L. 2005-276 reads as rewritten:

39 "**SECTION 12.5.(a)** Of the funds appropriated in this act to the Department of
40 Environment and Natural Resources for the Grassroots Science Program, the sum of
41 three million one hundred ninety-seven thousand seven hundred sixty-two dollars
42 (\$3,197,762) for the 2005-2006 fiscal year is allocated as grants-in-aid for each fiscal
43 year as follows:

2005-2006

1		
2	Aurora Fossil Museum	\$59,057
3	Cape Fear Museum	\$161,007
4	Carolina Raptor Center	\$112,174
5	Catawba Science Center	\$133,429
6	Colburn Gem and Mineral Museum, Inc.	\$74,545
7	Discovery Place	\$662,865
8	Eastern NC Regional Science Center	\$50,000
9	Elizabeth City Science Center	\$50,000
10	<u>Port Discover: Northeastern North Carolina's</u>	
11	<u>Center for Hands-On Science, Inc.</u>	
12	Fascinate-U	\$80,742
13	Granville County Museum Commission,	
14	Inc.–Harris Gallery	\$56,422
15	Greensboro Children's Museum	\$135,076
16	The Health Adventure Museum of Pack	
17	Place Education, Arts and	
18	Science Center, Inc.	\$134,499
19	Highlands Nature Center	\$79,268
20	Imagination Station	\$86,034
21	Kidsenses	\$50,000
22	Museum of Coastal Carolina	\$74,192
23	Natural Science Center of Greensboro	\$186,354
24	North Carolina Museum of Life	
25	and Science	\$379,826
26	Rocky Mount Children's Museum	\$72,254
27	Schiele Museum of Natural History	\$229,547
28	Sci Works Science Center and	
29	Environmental Park of Forsyth County	\$146,499
30	Western North Carolina Nature Center	\$112,879
31	Wilmington Children's Museum	\$71,093
32		
33	Total	\$3,197,762"

34 **SECTION 24.** Section 13.4.(a) of S.L. 2005-276 reads as rewritten:

35 "**SECTION 13.4.(a)** Funds from the Employment Security Commission Reserve
 36 Fund shall be available to the Employment Security Commission to use as collateral to
 37 secure federal funds and to pay the administrative costs associated with the collection of
 38 the Employment Security Commission Reserve Fund surcharge. ~~The total~~
 39 ~~administrative costs paid with funds from the Reserve shall not exceed the total~~
 40 ~~administrative costs paid in fiscal year 2004-2005.~~ The total administrative costs paid
 41 with funds from the Reserve in the 2005-2006 fiscal year shall not exceed two million
 42 dollars (\$2,000,000)."

43 **SECTION 25.** S.L. 2005-276 is amended by adding a new section to read:

1 "SECTION 13.15. G.S. 143B-472.80 is amended by adding a new subdivision to
2 read:

3 "(5) To prepare a biennial report by county on the status of trends that
4 reflect the impact of education on economic growth for the twenty-first
5 century. This report shall contain information about the status of each
6 county with regard to education and economic growth. The Board shall
7 provide the report to the General Assembly prior to February 1, 2007,
8 and biennially thereafter."

9 SECTION 26. S.L. 2005-276 is amended by adding a new section to read:

10 "SECTION 13.16. Of the funds appropriated in this act to the Department of
11 Commerce for the 2005-2006 fiscal year to promote the North Carolina furniture
12 industry, the sum of seven hundred fifty thousand dollars (\$750,000) shall be allocated
13 to the High Point International Home Furnishings Market Authority Corporation to
14 promote the International Home Furnishings Market."

15 SECTION 27.(a) S.L. 2005-276 is amended by adding a new subsection to
16 read:

17 "SECTION 14.2.(f1) G.S. 7A-133(a) as amended by Section 14.2.(f) of this act,
18 reads as rewritten:

19 "(a) Each district court district shall have the numbers of judges as set forth in the
20 following table:

District	Judges	County
1	5	Camden
		Chowan
		Currituck
		Dare
		Gates
		Pasquotank
		Perquimans
2	4	Martin
		Beaufort
		Tyrrell
		Hyde
		Washington
3A	5	Pitt
3B	5	Craven
		Pamlico
		Carteret
4	8	Sampson
		Duplin
		Jones
		Onslow
5	8	New Hanover
		Pender
6A	2	Halifax

1	6B	3	Northampton
2			Bertie
3			Hertford
4	7	7	Nash
5			Edgecombe
6			Wilson
7	8	6	Wayne
8			Greene
9			Lenoir
10	9	4	Granville
11			(part of Vance
12			see subsection (b))
13			Franklin
14	9A	2	Person
15			Caswell
16	9B	2	Warren
17			(part of Vance
18			see subsection (b))
19	10	15	Wake
20	11	8	Harnett
21			Johnston
22			Lee
23	12	9	Cumberland
24	13	6	Bladen
25			Brunswick
26			Columbus
27	14	6	Durham
28	15A	4	Alamance
29	15B	4	Orange
30			Chatham
31	16A	3	Scotland
32			Hoke
33	16B	5	Robeson
34	17A	2	Rockingham
35	17B	4	Stokes
36			Surry
37	18	12	Guilford
38	19A	4	Cabarrus
39	19B	6	Montgomery
40			Moore
41			Randolph
42	19C	4	Rowan
43	20A	4	Stanly
44			

1			Anson
2			Richmond
3	20B	3	Union
4	<u>20B</u>	<u>1</u>	<u>(part of Union</u>
5			<u>see subsection (b))</u>
6	<u>20C</u>	<u>2</u>	<u>(part of Union</u>
7			<u>see subsection (b))</u>
8	21	9	Forsyth
9	22	9	Alexander
10			Davidson
11			Davie
12			Iredell
13	23	4	Alleghany
14			Ashe
15			Wilkes
16			Yadkin
17	24	4	Avery
18			Madison
19			Mitchell
20			Watauga
21			Yancey
22	25	8	Burke
23			Caldwell
24			Catawba
25	26	17	Mecklenburg
26	27A	6	Gaston
27	27B	4	Cleveland
28			Lincoln
29	28	6	Buncombe
30			
31			
32			
33	29A	3	McDowell
34			Rutherford
35	29B	4	Henderson
36			Polk
37			Transylvania
38	30	5	Cherokee
39			Clay
40			Graham
41			Haywood
42			Jackson
43			Macon
44			Swain.""

1 **SECTION 27.(b)** A new subsection is added to S.L. 2005-276 to read:

2 **"SECTION 14.2.(f2)** G.S. 7A-133(b) reads as rewritten:

3 "(b) For district court districts of less than a whole county, or with part or all of
4 one county with part of another, the composition of the district is as follows:

5 (1) District Court District 9 consists of Franklin and Granville Counties
6 and the remainder of Vance County not in District Court District 9B.

7 (2) District Court District 9B consists of Warren County and East
8 Henderson I, North Henderson I, North Henderson II, Middleburg,
9 Townsville, and Williamsboro Precincts of Vance County.

10 (3) District Court District 20B consists of the remainder of Union County
11 not in District Court District 20C.

12 (4) District Court District 20C consists of Precinct 01: Tract 204.01:
13 Block Group 2: Block 2040, Block 2057, Block 2058, Block 2060,
14 Block 2061, Block 2062, Block 2064, Block 2065; Tract 204.02:
15 Block Group 2: Block 2001, Block 2002, Block 2003, Block 2004,
16 Block 2005, Block 2006, Block 2007, Block 2008, Block 2009,
17 Block 2010, Block 2011, Block 2012, Block 2013, Block 2014,
18 Block 2015, Block 2016, Block 2017, Block 2018, Block 2023,
19 Block 2024, Block 2025, Block 2026, Block 2027, Block 2028,
20 Block 2029, Block 2030, Block 2031, Block 2032, Block 2033,
21 Block 2034; Block Group 3: Block 3000, Block 3003, Block 3004,
22 Block 3005, Block 3006, Block 3007, Block 3008, Block 3009,
23 Block 3010, Block 3011, Block 3012, Block 3013, Block 3014,
24 Block 3015, Block 3016, Block 3017, Block 3018, Block 3019,
25 Block 3020, Block 3021, Block 3022, Block 3023, Block 3024,
26 Block 3025, Block 3026, Block 3027, Block 3028, Block 3029,
27 Block 3030, Block 3031, Block 3032, Block 3033, Block 3034,
28 Block 3035, Block 3036, Block 3037, Block 3038, Block 3039,
29 Block 3040, Block 3041, Block 3042, Block 3043, Block 3044,
30 Block 3045, Block 3046, Block 3047; Block Group 4: Block 4035,
31 Block 4054, Block 4055; Precinct 02: Tract 205: Block Group 1:
32 Block 1000, Block 1001, Block 1002, Block 1003, Block 1004,
33 Block 1005, Block 1006, Block 1007, Block 1009, Block 1010,
34 Block 1011, Block 1012, Block 1013, Block 1014, Block 1015,
35 Block 1016, Block 1017, Block 1018, Block 1019, Block 1020,
36 Block 1021, Block 1022, Block 1023, Block 1037, Block 1038;
37 Block Group 2: Block 2081, Block 2082, Block 2092, Block 2099,
38 Block 2100, Block 2101, Block 2102; Tract 206: Block Group 3:
39 Block 3036, Block 3038, Block 3039, Block 3040, Block 3048;
40 Block Group 4: Block 4053; Precinct 03, Precinct 04, Precinct 06:
41 Tract 202.02: Block Group 1: Block 1012, Block 1013, Block 1014,
42 Block 1015, Block 1017, Block 1018, Block 1021, Block 1022,
43 Block 1023; Tract 204.01: Block Group 2: Block 2000, Block 2001,
44 Block 2002, Block 2003, Block 2004, Block 2005, Block 2033,

1 Block 2034, Block 2035, Block 2036, Block 2041, Block 2042,
2 Block 2043, Block 2044, Block 2045, Block 2056, Block 2063,
3 Block 2999; Precinct 08, Precinct 09, Precinct 10, Precinct 13,
4 Precinct 23; Tract 206: Block Group 4: Block 4051; Precinct 25:
5 Tract 206: Block Group 4: Block 4036; Precinct 34, Precinct 36,
6 Precinct 43 of Union County.

7 Precinct boundaries as used in this section for Vance County are those shown on
8 maps on file with the Legislative Services Office on May 1, 1991, for Union County,
9 are those shown on the Legislative Services Office's redistricting computer database on
10 January 1, 2005; and for other counties are those reported by the United States Bureau
11 of the Census under Public Law 94-171 for the 1990 Census in the IVTD Version of the
12 TIGER files.""

13 **SECTION 27.(c)** Section 14.2.(h) of S.L. 2005-276 reads as rewritten:

14 "**SECTION 14.2.(h)** ~~The three district court judgeships for District 20B under~~
15 ~~subsection (f) of this section shall be filled by the district court judges from current~~
16 ~~District 20 who reside in Union County. The terms of the three judges living in Union~~
17 ~~County expire the first Monday in December 2008. Those judges' successors~~ The
18 district court judgeship for District 20B under subsection (f) of this section shall be
19 filled by the district court judge from current District 20 who resides in that portion of
20 Union County included in District 20B. The term of that judge expires the first Monday
21 in December 2008. That judge's successor shall be elected in the 2008 general election.
22 The two district court judgeships for District 20C under subsection (f) of this section
23 shall be filled by the other two district court judges from current District 20 who reside
24 in Union County. The terms of those judges expire the first Monday in December 2008.
25 Those judges' successors shall be elected in the 2008 general election."

26 **SECTION 28.** Section 14.11 of S.L. 2005-276 reads as rewritten:

27 "**SECTION 14.11.** The Judicial Department, Office of Indigent Defense Services,
28 may use up to the sum of one million sixty-nine thousand six hundred forty-five dollars
29 (\$1,069,645) in appropriated funds during the 2005-2006 fiscal year and up to the sum
30 of one million twenty-three thousand one hundred thirty-five dollars (\$1,023,135) in
31 appropriated funds during the 2006-2007 fiscal year (i) for the expansion of existing
32 offices currently providing legal services to the indigent population under the oversight
33 of the Office of Indigent Defense Services by creating up to 10 new attorney positions
34 and five new support staff positions; and (ii) to create up to two new assistant
35 public defender positions and one new support staff position in the First Defender
36 District and up to one new assistant public defender position in Defender District 3A,
37 for the purpose of representing indigent persons eligible for the appointment of counsel
38 in Superior Court District 2 and District Court District 2. These funds may be used for
39 salaries, benefits, equipment, and related expenses. Prior to using funds for this purpose,
40 the Office of Indigent Defense Services shall report to the Chairs of the House and the
41 Senate Appropriations Subcommittees on Justice and Public Safety on the proposed
42 expansion."

43 **SECTION 29.(a)** Section 14.22 of S.L. 2005-276 reads as rewritten:

1 **"SECTION 14.22.** ~~Funds~~—Except as otherwise provided in this act, funds
2 appropriated to the Judicial Department in this act for the adult Drug Treatment Court
3 program shall be used only to provide treatment and case coordination to offenders
4 sentenced to intermediate punishment and to offenders sentenced to community
5 punishment who are at risk of revocation."

6 **SECTION 29.(b)** S.L. 2005-276 is amended by adding a new section to
7 read:

8 **"SECTION 14.23.** Notwithstanding the provisions of Section 14.22 of this act, of
9 the funds appropriated to the Judicial Department in this act, the sum of three hundred
10 thousand dollars (\$300,000) for the 2005-2006 fiscal year shall be used to fund the
11 operations of the Mecklenburg Drug Treatment Court to provide treatment to DWI
12 offenders and pretrial offenders."

13 **SECTION 30.** S.L. 2005-276 is amended by adding a new section to read:

14 **"SECTION 14.24.(a)** Of the funds appropriated to the Judicial Department in this
15 act, the Department shall use the sum of nineteen thousand six hundred thirty-three
16 dollars (\$19,633) for the 2005-2006 fiscal year and the sum of thirty-three thousand
17 eight hundred twenty-eight dollars (\$33,828) for the 2006-2007 fiscal year to establish a
18 new deputy clerk of court position in Hyde County.

19 **SECTION 14.24.(b)** This section becomes effective January 1, 2006."

20 **SECTION 31.** S.L. 2005-276 is amended by adding a new section to read:

21 **"SECTION 17.31.** G.S. 14-309.15(d) reads as rewritten:

22 "(d) The maximum cash prize that may be offered or paid for any one raffle is ~~ten~~
23 ~~thousand dollars (\$10,000)~~ fifty thousand dollars (\$50,000) and if merchandise is used
24 as a prize, and it is not redeemable for cash, the maximum fair market value of that
25 prize may be fifty thousand dollars (\$50,000). No real property may be offered as a
26 prize in a raffle. The total cash prizes offered or paid by any nonprofit organization or
27 association may not exceed ~~ten thousand dollars (\$10,000)~~ fifty thousand dollars
28 (\$50,000) in any calendar year. The total fair market value of all prizes offered by any
29 nonprofit organization or association, either in cash or in merchandise that is not
30 redeemable for cash, may not exceed fifty thousand dollars (\$50,000) in any calendar
31 year.""

32 **SECTION 32.** S.L. 2005-276 is amended by adding a new section to read:

33 **"SECTION 18.3.** Of the funds appropriated in this act to the Department of Crime
34 Control and Public Safety, the sum of fifty thousand dollars (\$50,000) for the
35 2005-2006 fiscal year shall be used for the Warrenton National Guard Armory to be
36 used for asbestos and lead paint abatement and other capital improvements."

37 **SECTION 33.** S.L. 2005-276 is amended by adding a new section to read:

38 **"SECTION 19A.2.** Of the funds appropriated to the Department of Cultural
39 Resources in this act, the sum of twenty five thousand dollars (\$25,000) for the
40 2005-2006 fiscal year shall be used as a grant-in-aid to the Carolinas Concert
41 Association to provide disadvantaged youth with opportunities for education
42 enrichment."

43 **SECTION 34.** S.L. 2005-276 is amended by adding a new section to read:

1 "SECTION 19A.3. Funds appropriated in this act to the Department of Cultural
 2 Resources for the 2005-2006 fiscal year for the Bethel Public Library shall be
 3 transferred to the Town of Bethel to be used for repairs and upgrades."

4 "SECTION 35. S.L. 2005-276 is amended by adding a new section to read:

5 "SECTION 21.3. Funds appropriated in this act to the Department of Insurance for
 6 the 2005-2006 fiscal year for the Ansonville Volunteer Fire Department shall be
 7 allocated in equal shares to all volunteer fire departments in Anson County. Funds
 8 appropriated in this act to the Department of Insurance for the 2005-2006 fiscal year for
 9 the Union Volunteer Fire Department shall be allocated in equal shares to all volunteer
 10 fire departments in Union County."

11 "SECTION 36. S.L. 2005-276 is amended by adding a new section to read:

12 "SECTION 22.5A. Of the funds appropriated in this act to the Department of
 13 Revenue, the sum of nineteen thousand seven hundred dollars (\$19,700) for the
 14 2005-2006 fiscal year and the sum of forty-three thousand dollars (\$43,000) for the
 15 2006-2007 fiscal year shall be used to pay the increased salaries of Property Tax
 16 Commission members."

17 "SECTION 37. Section 22.6 of S.L. 2005-276 is repealed.

18 "SECTION 38. Section 28.16 of S.L. 2005-276 is amended by adding a new
 19 subsection to read:

20 "SECTION 28.16(b). All funds appropriated by this act to the visitor center located
 21 on Staton Road in Transylvania County, including those funds designated as operating
 22 funds pursuant to G.S. 20-79.7(c)(2)j, may be used for capital improvements during the
 23 2005-2007 fiscal biennium."

24 "SECTION 39. Section 29.3 of S.L. 2005-276 reads as rewritten:

25 "SECTION 29.3. The annual salaries, payable monthly, for the 2005-2006 and
 26 2006-2007 fiscal years for the following executive branch officials are:

<u>Executive Branch Officials</u>	<u>Annual Salary</u>
Chairman, Alcoholic Beverage Control Commission	\$97,175
State Controller	135,997
Commissioner of Motor Vehicles	97,175
Commissioner of Banks	109,279
Chairman, Employment Security Commission	133,161
State Personnel Director	106,765
Chairman, Parole Commission	88,733
<u>Members of the Parole Commission (effective 7/1/05-8/31/05)</u>	<u>81,921</u>
<u>Members of the Parole Commission (effective 9/1/05)</u>	<u>40,960</u>
Chairman, Utilities Commission	121,701
Members of the Utilities Commission	109,279
Executive Director, Agency for Public Telecommunications	81,921
Director, Museum of Art	99,573
Executive Director, North Carolina Agricultural Finance Authority	94,587
State Chief Information Officer	135,915"

1 **SECTION 40.** G.S. 120-37(c), as amended by Section 19B.1 and Section
2 29.8 of S.L. 2005-276, reads as rewritten:

3 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
4 entitled to other benefits available to permanent legislative employees and shall be paid
5 an annual salary of ninety-two thousand three hundred twenty-four dollars (\$92,324)
6 payable monthly. Each principal clerk shall also receive such additional compensation
7 as approved by the Speaker of the House of Representatives ~~and~~or the President Pro
8 Tempore of the ~~Senate~~Senate, respectively, for additional employment duties beyond
9 those provided by the rules of their House. The Legislative Services Commission shall
10 review the salary of the principal clerks prior to submission of the proposed operating
11 budget of the General Assembly to the Governor and Advisory Budget Commission and
12 shall make appropriate recommendations for changes in those salaries. Any changes
13 enacted by the General Assembly shall be by amendment to this paragraph."

14 **SECTION 41.** Section 29.20.(a) of S.L. 2005-276 reads as rewritten:

15 "**SECTION 29.20.(a)** Of the revenue generated by implementing a fee for the
16 required review of Form 21 and Form 26 Agreements, the Industrial Commission ~~may~~
17 shall use ~~up to~~ at least one hundred seventy-one thousand nine hundred dollars
18 (\$171,900) in each year of the 2005-2007 biennium to provide the full salary
19 adjustments authorized by subsection (b) of this section and in-range salary adjustments
20 for Industrial Commission staff."

21 **SECTION 42.** Subsections (a) through (h) of Section 29.30A of S.L.
22 2005-276 are repealed.

23 **SECTION 43.** G.S. 135-3(8)c., as amended by Section 29.28(a) of the S.L.
24 2005-276, reads as rewritten:

25 "c. Should a beneficiary who retired on an early or service retirement
26 allowance under this Chapter be reemployed, or otherwise engaged to
27 perform services, by an employer participating in the Retirement
28 System on a part-time, temporary, interim, or on a fee-for-service
29 basis, whether contractual or otherwise, and if such beneficiary earns
30 an amount during the 12-month period immediately following the
31 effective date of retirement or in any calendar year which exceeds fifty
32 percent (50%) of the reported compensation, excluding terminal
33 payments, during the 12 months of service preceding the effective date
34 of retirement, or twenty thousand dollars (\$20,000), whichever is
35 greater, as hereinafter indexed, then the retirement allowance shall be
36 suspended as of the first day of the month following the month in
37 which the reemployment earnings exceed the amount above, for the
38 balance of the calendar year. The retirement allowance of the
39 beneficiary shall be reinstated as of January 1 of each year following
40 suspension. The amount that may be earned before suspension shall be
41 increased on January 1 of each year by the ratio of the Consumer Price
42 Index to the Index one year earlier, calculated to the nearest tenth of a
43 percent (1/10 of 1%).

The computation of postretirement earnings of a beneficiary under this sub-subdivision, G.S. 135-3(8)c., who has been retired at least six months and has not been employed in any capacity with a public school for at least six months immediately preceding the effective date of reemployment, shall not include earnings while the beneficiary is employed to teach ~~on a permanent, full-time basis~~ in a permanent full-time or part-time capacity that exceeds fifty percent (50%) of the applicable workweek in a public school. The Department of Public Instruction shall certify to the Retirement System that a beneficiary is employed to teach by a local school administrative unit under the provisions of this sub-subdivision and as a retired teacher as the term is defined under the provisions of G.S. 115C-325(a)(5a).

Beneficiaries employed under this sub-subdivision are not entitled to any benefits otherwise provided under this Chapter as a result of this period of employment."

SECTION 44. Section 30.2 of S.L. 2005-276 reads as rewritten:

"SECTION 30.2. There is appropriated from the General Fund for the 2005-2006 fiscal year the following amount for capital improvements:

Capital Improvements – General Fund	2005-2006
Department of Commerce – State Ports Authority	
Ports of Wilmington and Morehead City	\$ 9,000,000
Department of Cultural Resources	
Capitol Area Visitor's Center	250,000
NC Museum of Art	10,000,000
Department of Environment and Natural Resources	
Division of Forest Resources – District 9	300,000
Water Resources Development Projects	15,260,000 <u>18,860,000</u>
University of North Carolina System – Board of Governors	
North Carolina Agricultural and Technical State University –	
Visual and Performance Arts Building	25,000
North Carolina State University – Engineering Complex III	8,700,000
University of North Carolina at Chapel Hill –	
Renaissance Computing Institute	500,000
University of North Carolina at Chapel Hill –	
School of Dentistry	2,000,000

1	University of North Carolina at Greensboro	
2	and North Carolina Agricultural and	
3	Technical State University – Joint Millennium Campus	2,000,000
4		
5	University of North Carolina at Wilmington –	
6	School of Nursing	2,600,000
7		
8	Winston-Salem State University –	
9	Laboratory Facility Planning Funds	750,000

10
 11 **TOTAL CAPITAL IMPROVEMENTS –**
 12 **GENERAL FUND** **\$51,385,000** **54,960,000"**

13 **SECTION 45.** Section 30.3.(a) of S.L. 2005-276 reads as rewritten:
 14 **"SECTION 30.3.(a)** The Department of Environment and Natural Resources shall
 15 allocate the funds appropriated in this act for water resources development projects to
 16 the following projects whose costs are as indicated:

17	Name of Project	2005-2006
18		
19		
20	(1) Wilmington Harbor Deepening	\$1,300,000
21	(2) Manteo (Shallowbag) Bay Channel Maintenance	50,000
22	(3) Wilmington Harbor Maintenance Dredging	500,000
23	(4) B. Everett Jordan Water Supply Storage	100,000
24	(5) John H. Kerr Reservoir Operations Evaluation	600,000
25	(6) Bogue Banks Shore Protection Study (Carteret County)	75,000
26	(7) Surf City/North Topsail Beach Protection Study	250,000
27	(8) West Onslow Beach (Topsail)	100,000
28	(9) Wrightsville Beach Nourishment	580,000
29	(10) Hurricane Stream Restoration – Western North Carolina	2,000,000
30	(11) Swan Quarter (Hyde County) Flood Control Dikes	100,000
31	(12) Ocracoke NCCAT Estuarine Shoreline Protection	1,500,000
32	(13) Far Creek Maintenance Dredging	120,000
33	(14) Belhaven Harbor Environmental Improvements	250,000
34	(15) Lower Lockwoods Folly River	286,000
35	(16) Walters Slough Maintenance Dredging	122,000
36	(17) Hurricane Isabel Emergency Stream	
37	Cleanup – Northeastern North Carolina	1,370,000
38	(18) State-Local Projects	2,000,000
39	(19) Princeville Flood Control	250,000
40	(20) Currituck Sound Water Management Study	300,000
41	(21) Aquatic Weed Control, Lake Gaston and Statewide	375,000
42	(22) Tar River and Pamlico Sound Feasibility Study	100,000
43	(23) State Sponsored Dredging Contingency	2,500,000
44	(24) North Carolina Oyster Habitat Restoration	50,000

1	(25) Emergency Flood Control Projects	187,000
2	(26) Projected Feasibility Studies	100,000
3	(27) Planning Assistance to Communities	95,000
4	<u>(28) Neuse Regional Water & Sewer Authority</u>	<u>3,600,000</u>
5	TOTALS	<u>\$15,260,000</u><u>18,860,000"</u>

6 **SECTION 46.** S.L. 2005-276 is amended by adding a new section to read:

7 **"SECTION 36.2.(a)** G.S. 105-159.1(a) reads as rewritten:

8 "(a) Every individual whose income tax liability for the taxable year is ~~one dollar~~
 9 ~~(\$1.00)~~ three dollars (\$3.00) or more may designate on his or her income tax return that
 10 ~~one dollar (\$1.00)~~ three dollars (\$3.00) of the tax shall be credited to the North Carolina
 11 Political Parties Financing Fund for the use of the political party designated by the
 12 taxpayer. In the case of a married couple filing a joint return whose income tax liability
 13 for the taxable year is ~~two dollars (\$2.00)~~ six dollars (\$6.00) or more, each spouse may
 14 designate on the income tax return that ~~one dollar (\$1.00)~~ three dollars (\$3.00) of the
 15 tax shall be credited to the North Carolina Political Parties Financing Fund for the use
 16 of the political party designated by the taxpayer. Amounts credited to the Fund shall be
 17 allocated among the political parties according to the designation of the taxpayer.
 18 Where any taxpayer elects to designate but does not specify a particular political party,
 19 those funds shall be distributed among the political parties on a pro rata basis according
 20 to their respective party voter registrations as determined by the most recent
 21 certification of the State Board of Elections. As used in this section, the term "political
 22 party" means one of the following that has at least one percent (1%) of the total number
 23 of registered voters in the State:

- 24 (1) A political party that at the last preceding general State election
 25 received at least ten percent (10%) of the entire vote cast in the State
 26 for Governor or for presidential electors.
- 27 (2) A group of voters who by July 1 of the preceding calendar year, by
 28 virtue of a petition as a new political party, had duly qualified as a new
 29 political party within the meaning of Chapter 163 of the General
 30 Statutes."

31 **SECTION 36.2.(b)** This section is effective for taxable years beginning on or after
 32 January 1, 2006."

33 **SECTION 47.(a)** G.S. 105-130.47(a), as enacted by Section 39.1 of S.L.
 34 2005-276, is amended by adding a new subdivision to read:

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

- 36 ...
- 37 (2a) Live sporting event. – A scheduled sporting competition, game, or race
 38 that is not originated by a production company, but originated solely
 39 by an amateur, collegiate, or professional organization, institution, or
 40 association for live or tape-delayed television or satellite broadcast. A
 41 live sporting event shall not include commercial advertising, an
 42 episodic television series, a television pilot, music video, motion
 43 picture, or documentary production where any sporting events are
 44 presented through archived historical footage or similar footage

1 depicting earlier live sporting events that originated more than thirty
2 days before the time of such usage."

3 **SECTION 47.(b)** G.S. 105-130.47(f), as enacted by Section 39.1 of S.L.
4 2005-276, reads as rewritten:

5 "(f) Limitations. – The amount of credit allowed under this section with respect to
6 a production that is a feature film may not exceed seven million five hundred thousand
7 dollars (\$7,500,000). No credit is allowed under this section for any production that
8 satisfies one of the following conditions:

- 9 (1) It is political advertising.
- 10 (2) It is a television production of a news program or live sporting event.
- 11 (3) It contains material that is obscene, as defined in G.S. 14-190.1.
- 12 (4) It is a radio production."

13 **SECTION 47.(c)** G.S. 105-151.29(a), as enacted by Section 39.1 of S.L.
14 2005-276, is amended by adding a new subdivision to read:

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

16 ...

- 17 (2a) Live sporting event. – A scheduled sporting competition, game, or race
18 that is not originated by a production company, but originated solely
19 by an amateur, collegiate, or professional organization, institution, or
20 association for live or tape-delayed television or satellite broadcast. A
21 live sporting event shall not include commercial advertising, an
22 episodic television series, a television pilot, music video, motion
23 picture, or documentary production where any sporting events are
24 presented through archived historical footage or similar footage
25 depicting earlier live sporting events that originated more than thirty
26 days before the time of such usage."

27 **SECTION 47.(d)** G.S. 105-151.29(f), as enacted by Section 39.1 of S.L.
28 2005-276, reads as rewritten:

29 "(f) Limitations. – The amount of credit allowed under this section with respect to
30 a production that is a feature film may not exceed seven million five hundred thousand
31 dollars (\$7,500,000). No credit is allowed under this section for any production that
32 satisfies one of the following conditions:

- 33 (1) It is political advertising.
- 34 (2) It is a television production of a news program or live sporting event.
- 35 (3) It contains material that is obscene, as defined in G.S. 14-190.1.
- 36 (4) It is a radio production."

37 **SECTION 47.(e)** This section is effective for taxable years beginning on or
38 after January 1, 2005, and applies to qualifying expenses incurred on or after July 1,
39 2005.

40 **SECTION 48.(a)** G.S. 74-24.16(d), as enacted by Section 42.2.(a) of S.L.
41 2005-276, reads as rewritten:

42 "(d) The Commissioner may establish fees not to exceed fifty dollars (\$50.00) for
43 each person participating in education and training programs provided by the

1 Department of Labor ~~to increase the number and competence of personnel engaged in~~
2 ~~the field of occupational safety and health, pursuant to this section."~~

3 **SECTION 48.(b)** This section becomes effective September 1, 2005.

4 **SECTION 49.** Section 43.3.(b) of S.L. 2005-276 reads as rewritten:

5 **"SECTION 43.3.(b)** This section is effective for taxes imposed for taxable years
6 beginning on or after ~~July 1, 2005.~~ July 1, 2006."

7 **SECTION 50.** Notwithstanding the provisions of G.S. 143-23, the Director
8 of the Budget may transfer funds appropriated to non-State entities in S.L. 2005-276
9 between programs and purposes within a department, institution, or other spending
10 agency for purposes of achieving efficient fiscal management. This section shall apply
11 only to appropriations that were set out in the Joint Conference Committee Report on
12 the Continuation, Expansion, and Capital Budgets, dated August 8, 2005, but not set out
13 in either the Senate Appropriations Committee Report on the Continuation, Expansion,
14 and Capital Budgets, dated May 3, 2005 or the House Appropriations Committee Report
15 on the Continuation, Expansion, and Capital Budgets, dated June 15, 2005.

16 **SECTION 51.** Except as otherwise provided in this act, this act becomes
17 effective July 1, 2005.