GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2017

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HOUSE BILL 78 Short Title: HB2 Repeal/Equality for All. (Public) Sponsors: Representative Brockman. For a complete list of sponsors, refer to the North Carolina General Assembly web site. Referred to: Rules, Calendar, and Operations of the House February 13, 2017 A BILL TO BE ENTITLED AN ACT TO PROTECT ALL NORTH CAROLINIANS AGAINST DISCRIMINATION IN ALL WALKS OF LIFE AND TO INCREASE THE PUNISHMENT FOR CERTAIN CRIMES THAT INVOLVE SEXUAL ASSAULTS. The General Assembly of North Carolina enacts: PART I. HB2 REPEAL **SECTION 1.1.** S.L. 2016-99 and S.L. 2016-3 are repealed. PART II. HOUSING **SECTION 2.1.** G.S. 41A-3 reads as rewritten: "§ 41A-3. Definitions. For the purposes of this Chapter, the following definitions apply: "Protected status" means a person's race, color, national origin, religion, age, (5a) disability, sex, marital status, familial status, sexual orientation, gender identity, military or veteran status, or genetic information. **SECTION 2.2.** G.S. 41A-4 reads as rewritten: "§ 41A-4. Unlawful discriminatory housing practices. It is an unlawful discriminatory housing practice for any person in a real estate transaction, because of race, color, religion, sex, national origin, handicapping condition, or familial statusthe protected status of another person to: Refuse to engage in a real estate transaction; (1) Discriminate against a person in the terms, conditions, or privileges of a real (2) estate transaction or in the furnishing of facilities or services in connection therewith: (2a), (2c) Repealed by Session Laws 2009-388, s. 1, effective October 1, 2009. Refuse to receive or fail to transmit a bona fide offer to engage in a real estate (3) transaction;



to his attention, or refuse to permit him to inspect real property;

Represent to a person that real property is not available for inspection, sale, rental, or lease when in fact it is so available, or fail to bring a property listing

Refuse to negotiate for a real estate transaction;

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- (6)Make, print, circulate, post, or mail or cause to be so published a statement, advertisement, or sign, or use a form or application for a real estate transaction, or make a record or inquiry in connection with a prospective real estate transaction, which indicates directly or indirectly, an intent to make a limitation, specification, or discrimination with respect thereto;
- Offer, solicit, accept, use, or retain a listing of real property with the (7) understanding that any person may be discriminated against in a real estate transaction or in the furnishing of facilities or services in connection therewith;
- (8) Otherwise make unavailable or deny housing.
- (b1) It is an unlawful discriminatory housing practice for any person or other entity whose business includes engaging in residential real estate related transactions to discriminate against any person in making available such a transaction, or in the terms and conditions of such a transaction, because of race, color, religion, sex, national origin, handicapping condition, or familial that person's protected status. As used in this subsection, "residential real estate related transaction" means:
 - (1) The making or purchasing of loans or providing financial assistance (i) for purchasing, constructing, improving, repairing, or maintaining a dwelling, or (ii) where the security is residential real estate; or
 - The selling, brokering, or appraising of residential real estate. (2)

The provisions of this subsection shall not prohibit any financial institution from using a loan application which inquires into a person's financial and dependent obligations or from basing its actions on the income or financial abilities of any person.

- It is an unlawful discriminatory housing practice for a person to induce or attempt to induce another to enter into a real estate transaction from which such person may profit:
 - By representing that a change has occurred, or may or will occur in the (1) composition of the residents of the block, neighborhood, or area in which the real property is located with respect to race, color, religion, sex, national origin, handicapping condition, or familialthe protected status of the owners or occupants; or
 - By representing that a change has resulted, or may or will result in the lowering (2) of property values, an increase in criminal or antisocial behavior, or a decline in the quality of schools in the block, neighborhood, or area in which the real property is located.
- It is an unlawful discriminatory housing practice to deny any person who is otherwise (d) qualified by State law access to or membership or participation in any real estate brokers' organization, multiple listing service, or other service, organization, or facility relating to the business of engaging in real estate transactions, or to discriminate in the terms or conditions of such access, membership, or participation because of race, color, religion, sex, national origin, handicapping condition, or familial that person's protected status.
- It is an unlawful discriminatory housing practice to discriminate in land-use decisions or in the permitting of development based on race, color, religion, sex, national origin, handicapping condition, familiala person's protected status, or, except as otherwise provided by law, the fact that a development or proposed development contains affordable housing units for families or individuals with incomes below eighty percent (80%) of area median income. It is not a violation of this Chapter if land-use decisions or permitting of development is based on considerations of limiting high concentrations of affordable housing."

SECTION 2.3. G.S. 41A-5(a) reads as rewritten:

"§ 41A-5. Proof of violation.

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(a) It is a violation of this Chapter if:

- A person by his act or failure to act intends to discriminate against a person. A person intends to discriminate if, in committing an unlawful discriminatory housing practice described in G.S. 41A-4 he was motivated in full, or in any part at all, by race, color, religion, sex, national origin, handicapping condition, or familial a person's protected status. An intent to discriminate may be established by direct or circumstantial evidence.
- (2) A person's act or failure to act has the effect, regardless of intent, of discriminating, as set forth in G.S. 41A-4, against a person of a particular race, color, religion, sex, national origin, handicapping condition, or familial of a protected status. However, it is not a violation of this Chapter if a person whose action or inaction has an unintended discriminatory effect, proves that his action or inaction was motivated and justified by business necessity.

SECTION 2.4. G.S. 41A-6(a) reads as rewritten:

"§ 41A-6. Exemptions.

- The provisions of G.S. 41A-4, except for subdivision (a)(6), do not apply to the following:
 - (3) Religious institutions or organizations or charitable or educational organizations operated, supervised, or controlled by religious institutions or organizations which give preference to members of the same religion in a real estate transaction, as long as membership in such religion is not restricted by race, color, sex, national origin, handicapping condition, or familial status; a protected status, other than religion;

PART III. EMPLOYMENT

SECTION 3.1. G.S. 143-422.2, as amended by this act, reads as rewritten:

"§ 143-422.2. Legislative declaration.

It is the public policy of this State to protect and safeguard the right and opportunity of all persons to seek, obtain and hold employment without discrimination or abridgement on account of race, religion, color, national origin, age, sex or handicap sex, sexual orientation, gender identity, disability, marital status, familial status, military or veteran status, or genetic information by employers which regularly employ 15 one or more employees. It is recognized that the practice of denying employment opportunity and discriminating in the terms of employment foments domestic strife and unrest, deprives the State of the fullest utilization of its capacities for advancement and development, and substantially and adversely affects the interests of employees, employers, and the public in general."

SECTION 3.2. G.S. 126-16 reads as rewritten:

"§ 126-16. Equal opportunity for employment and compensation by State departments and agencies and local political subdivisions.

All State agencies, departments, and institutions and all local political subdivisions of North Carolina shall give equal opportunity for employment and compensation, without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, marital status, familial status, military or veteran status, age, disability, or genetic information to all persons otherwise qualified."

SECTION 3.3. G.S. 126-34.02(b) reads as rewritten:

The following issues may be heard as contested cases after completion of the agency grievance procedure and the Office of State Human Resources review:

PART IV. PUBLIC ACCOMMODATIONS

SECTION 4.1. Chapter 143 of the General Statutes is amended by adding a new Article to read:

"Article 49B.

"Access to Public Accommodations.

"§ 143-422.10. Short title.

- (1) Discrimination or harassment. An applicant for State employment, a State employee, or former State employee may allege discrimination or harassment based on race, religion, color, national origin, sex, sexual orientation, gender identity, marital status, familial status, military or veteran status, age, disability, genetic information, or political affiliation if the employee believes that he or she has been discriminated against in his or her application for employment or in the terms and conditions of the employee's employment, or in the termination of his or her employment.
- (2) Retaliation. An applicant for State employment, a State employee, or former State employee may allege retaliation for protesting discrimination based on race, religion, color, national origin, sex, sexual orientation, gender identity, marital status, familial status, military or veteran status, age, disability, political affiliation, or genetic information if the employee believes that he or she has been retaliated against in his or her application for employment or in the terms and conditions of the employee's employment, or in the termination of the employee's employment.
- Just cause for dismissal, demotion, or suspension. A career State employee (3) may allege that he or she was dismissed, demoted, or suspended for disciplinary reasons without just cause. A dismissal, demotion, or suspension which is not imposed for disciplinary reasons shall not be considered a disciplinary action within the meaning of this section. However, in contested cases conducted pursuant to this section, an employee may appeal an involuntary nondisciplinary separation due to an employee's unavailability in the same fashion as if it were a disciplinary action, but the agency shall only have the burden to prove that the employee was unavailable. In cases of such disciplinary action the employee shall, before the action is taken, be furnished with a statement in writing setting forth the specific acts or omissions that are the reasons for the disciplinary action and the employee's appeal rights. The employee shall be permitted 15 days from the date the statement is delivered to appeal under the agency grievance procedure. However, an employee may be suspended without warning pending the giving of written reasons in order to avoid undue disruption of work, to protect the safety of persons or property, or for other serious reasons.
- Veteran's preference. An applicant for State employment or a State employee may allege that he or she was denied veteran's preference in violation of the law.
- (5) Failure to post or give priority consideration. An applicant for State employment or a State employee may allege that he or she was denied hiring or promotion because a position was not posted in accordance with this Chapter; or a career State employee may allege that he or she was denied a promotion as a result of a failure to give priority consideration for promotion as required by G.S. 126-7.1; or a career State employee may allege that he or she was denied hiring as a result of the failure to give him or her a reduction-in-force priority.
- (6) Whistleblower. A whistleblower grievance as provided for in this Chapter."

1 This Article shall be known and may be cited as the "Equal Access to Public Accommodations Act."

"§ 143-422.11. Legislative declaration.

(a) It is the public policy of this State to protect and safeguard the right and opportunity of all individuals within the State to enjoy fully and equally the goods, services, facilities, privileges, advantages, and accommodations of places of public accommodation free of discrimination because of race, religion, color, national origin, sex, sexual orientation, gender identity, disability, marital status, familial status, military or veteran status, or genetic information. It shall not be deemed to constitute discrimination on the basis of sexual orientation or gender identity for a public accommodation to provide separate bathrooms or changing facilities based on gender, but a place of public accommodation shall provide access to such facilities based on a person's gender identity.

"§ 143-422.12. Places of public accommodation defined.

For purposes of this Article, places of public accommodation has the same meaning as defined in G.S. 168A-3(8) but shall exclude any private club or other establishment not, in fact, open to the public.

"§ 143-422.13. Investigations; conciliations.

- (a) The Human Relations Commission in the Department of Administration shall have the authority to receive, investigate, and conciliate complaints of discrimination in public accommodations. Throughout this process, the Human Relations Commission shall use its good offices to effect an amicable resolution of the complaints of discrimination.
- (b) If the Commission is unable to effect an amicable resolution of the charges of discrimination, the complainant and the Commission may proceed with an enforcement action using the procedures provided in G.S. 41A-7."

PART V. CREDIT

SECTION 5.1. Article 1 of Chapter 75 of the General Statutes is amended by adding a new section to read:

"§ 75-43. Discrimination by lenders prohibited.

- (a) <u>Discrimination Prohibited. No person engaged in any form of lending money in this State, or to residents of this State, shall discriminate in the extension of credit on the basis of race, color, national origin, religion, age, disability, sex, marital status, familial status, sexual orientation, gender identity, military or veteran status, or genetic information.</u>
- (b) Filing of Complaint With Human Relations Commission. Any person who claims to have been injured by a violation of subsection (a) of this section or who reasonably believes that he or she will be irrevocably injured by a violation of that subsection may file a complaint with the North Carolina Human Relations Commission established under G.S. 143B-391. Upon receipt of a complaint, the Commission shall work with the relevant parties to develop an amicable resolution to the charge of discrimination. If the Commission is unable to effect an amicable resolution of the charges of discrimination, the complainant and the Commission may proceed with an enforcement action using the procedures provided in G.S. 41A-7. Filing of a complaint pursuant to this subsection shall not preclude the filing of an action pursuant to subsection (c) of this section.
- (c) <u>Violation an Unfair and Deceptive Trade Practice. A violation of subsection (a) of this section shall constitute an unfair trade practice in violation of G.S. 75-1.1."</u>

PART VI. INSURANCE

SECTION 6.1. G.S. 58-3-25 reads as rewritten:

"§ 58-3-25. Discriminatory practices prohibited.

(c) No insurer shall refuse to insure or refuse to continue to insure an individual; limit the amount, extent, or kind of coverage available to an individual; or charge an individual a different

rate for the same coverage, because of the race, color, or national or ethnic origin, religion, sex, marital status, familial status, sexual orientation, gender identity, disability, military or veteran status, or genetic information of that individual. This subsection supplements the provisions of G.S. 58-3-120, 58-33-80, 58-58-35, and 58-63-15(7)."

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PART VII. EDUCATION

SECTION 7.1. G.S. 115C-47 is amended by adding a new subdivision to read:

"(64) To Adopt a Policy on Nondiscrimination in Schools. - Each local board of

education shall adopt a policy to establish that the local board of education and school personnel employed by the local board shall not discriminate on the basis of race, color, national origin, religion, age, disability, sex, marital status, familial status, sexual orientation, gender identity, military or veteran status, or genetic information. The policy shall include that any person who claims to have been injured by an unlawful discriminatory practice or who reasonably believes that he or she will be irrevocably injured by an unlawful discriminatory practice may file a complaint with the North Carolina Human Relations Commission established under G.S. 143B-391. Upon receipt of a complaint, the Commission shall work with the relevant parties to develop an amicable resolution to the charge of discrimination. If the Commission is unable to effect an amicable resolution of the charges of discrimination, the complainant and the Commission may proceed with an enforcement action

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using the procedures provided in G.S. 41A-7." **SECTION 7.2.(a)** G.S. 115C-218.45(e) reads as rewritten:

Except as otherwise provided by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, or disability. A charter school shall not limit admission to students on the basis of race, ereed, color, national origin, religion, or ancestry.age, sex, marital status, familial status, sexual orientation, gender identity, military or veteran status, or genetic information. A charter school whose mission is single-sex education may limit admission on the basis of sex. A charter school that serves only certain grade levels may limit admission based on age. Within one year after the charter school begins operation, the charter school shall make efforts for the population of the school to reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit."

SECTION 7.2.(b) G.S. 115C-218.55 reads as rewritten:

"§ 115C-218.55. Nondiscrimination in charter schools.

A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, race, color, religion, age, sex, marital status, familial status, sexual orientation, gender identity, military or veteran status, genetic information, or disability. Any person who claims to have been injured by an unlawful discriminatory practice or who reasonably believes that he or she will be irrevocably injured by an unlawful discriminatory practice may file a complaint with the North Carolina Human Relations Commission established under G.S. 143B-391. Upon receipt of a complaint, the Commission shall work with the relevant parties to develop an amicable resolution to the charge of discrimination. If the Commission is unable to effect an amicable resolution of the charges of discrimination, the complainant and the Commission may proceed with an enforcement action using the procedures provided in G.S. 41A-7."

SECTION 7.3. G.S. 115C-521.2 is repealed.

SECTION 7.4. G.S. 115C-562.5(c1) reads as rewritten:

"(c1) A nonpublic school shall not discriminate with respect to the categories listed in 42 U.S.C. § 2000d, as that statute read on January 1, 2014. on the basis of race, color, national origin, religion, age, disability, sex, marital status, familial status, sexual orientation, gender identity, military or veteran status, or genetic information. Any person who claims to have been injured by an unlawful discriminatory practice or who reasonably believes that he or she will be irrevocably injured by an unlawful discriminatory practice may file a complaint with the North Carolina Human Relations Commission established under G.S. 143B-391. Upon receipt of a complaint, the Commission shall work with the relevant parties to develop an amicable resolution to the charge of discrimination. If the Commission is unable to effect an amicable resolution of the charges of discrimination, the complainant and the Commission may proceed with an enforcement action using the procedures provided in G.S. 41A-7."

SECTION 7.5. G.S. 115D-77 reads as rewritten:

"§ 115D-77. Nondiscrimination policy.

It is the policy of the State Board of Community Colleges and of local boards of trustees of the State of North Carolina not to discriminate among students on the basis of race, gender, color, national origin, religion, age, sex, marital status, familial status, sexual orientation, gender identity, military or veteran status, genetic information, or disability.

The State Board and each board of trustees shall give equal opportunity for employment and compensation of personnel at community colleges, without regard to race, religion, color, creed, national origin, sex, age, marital status, familial status, sexual orientation, gender identity, military or veteran status, genetic information, or disability, except where specific age, sex or physical or mental requirements constitute bona fide occupational qualifications.

Any person who claims to have been injured by an unlawful discriminatory practice or who reasonably believes that he or she will be irrevocably injured by an unlawful discriminatory practice may file a complaint with the North Carolina Human Relations Commission established under G.S. 143B-391. Upon receipt of a complaint, the Commission shall work with the relevant parties to develop an amicable resolution to the charge of discrimination. If the Commission is unable to effect an amicable resolution of the charges of discrimination, the complainant and the Commission may proceed with an enforcement action using the procedures provided in G.S. 41A-7."

SECTION 7.6. G.S. 116-11 is amended by adding a new subdivision to read:

The Board of Governors shall adopt a policy to provide that The University of North Carolina and its affiliates and personnel employed by The University of North Carolina and its affiliates shall not discriminate on the basis of race, color, national origin, religion, age, disability, sex, marital status, familial status, sexual orientation, gender identity, military or veteran status, or genetic information. The policy shall include that any person who claims to have been injured by an unlawful discriminatory practice or who reasonably believes that he or she will be irrevocably injured by an unlawful discriminatory practice may file a complaint with the North Carolina Human Relations Commission established under G.S. 143B-391. Upon receipt of a complaint, the Commission shall work with the relevant parties to develop an amicable resolution to the charge of discrimination. If the Commission is unable to effect an amicable resolution of the charges of discrimination, the complainant and the Commission may proceed with an enforcement action using the procedures provided in G.S. 41A-7."

PART VIII. HUMAN RELATIONS COMMISSION

SECTION 8.1. G.S. 143B-391 reads as rewritten:

"§ 143B-391. North Carolina Human Relations Commission – Creation; powers and duties.

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50 51 There is hereby created the North Carolina Human Relations Commission of the Department of Administration. The North Carolina Human Relations Commission shall have the following functions and duties:

- (1) To study problems concerning human relations;
- (2) To promote equality of opportunity for all citizens;
- (3) To promote understanding, respect, and goodwill among all citizens;
- (4) To provide channels of communication among the races;
- (5) To encourage the employment of qualified people without regard to race;
- (6) To encourage youths to become better trained and qualified for employment;
- (7) To receive on behalf of the Department of Administration and to recommend expenditure of gifts and grants from public and private donors;
- (8) To enlist the cooperation and assistance of all State and local government officials in the attainment of the objectives of the Commission;
- (9) To assist local good neighborhood councils and biracial human relations committees in promoting activities related to the functions of the Commission enumerated above;
- (10) To advise the Secretary of Administration upon any matter the Secretary may refer to it:
- (11) To administer the provisions of the State Fair Housing Act as outlined in Chapter 41A of the General Statutes;
- (12) To administer the provisions of Chapter 99D of the General Statutes.
- (13) To administer the provisions of the Equal Access to Public Accommodations Act as outlined in Article 49B of Chapter 143 of the General Statutes.
- (14) To administer the provisions of G.S. 143-422.3.
- (15) To administer the provisions of G.S. 143-422.13.
- (16) To administer the provisions of G.S. 75-43.
 - (17) To administer the provisions of G.S. 115C-47(64).
 - (18) To administer the provisions of G.S. 115C-218.55.
- (19) To administer the provisions of G.S. 115C-562.5.
- (20) To administer the provisions of G.S. 115D-77.
- (21) To administer the provisions of G.S. 116-11."

PART IX. APPROPRIATION

SECTION 9.1. There is appropriated from the General Fund to the Department of Administration, Human Relations Commission, the sum of seven hundred eighty-eight thousand seventy-six dollars (\$788,076) in recurring funds for the 2017-2018 fiscal year. Of the funds appropriated by this section, the sum of five hundred forty-five thousand four hundred seven dollars (\$545,407) shall be used for operating expenses, and the sum of two hundred forty-two thousand six hundred sixty-nine dollars (\$242,669) shall be used to fund the following new positions:

- (1) Program Assistant IV.
- (2) Human Relations Specialist I.
- (3) Human Relations Specialist I.
- (4) Administrative Assistant.

PART X. INCREASE PUNISHMENT FOR CERTAIN CRIMES THAT INVOLVE SEXUAL ASSAULTS

SECTION 10.1. Article 81B of Chapter 15A of the General Statutes is amended by adding a new section to read:

"§ 15A-1340.16E. Enhanced sentence if defendant committed certain offenses in a changing facility.

- (a) For purposes of this section, the term "changing facility" means a facility designed or designated to be used by a person in various states of undress and that is open to the public or located in a place of public accommodation as defined in G.S. 168A-3(8). The term includes, but is not limited to, a restroom, locker room, changing room, or shower room.

 (b) If a person is convicted of any of the felonies set out in subdivisions (1) through (3) of
- (b) If a person is convicted of any of the felonies set out in subdivisions (1) through (3) of this subsection and it is found as provided in this section that the felony was committed in a changing facility that is designated for the opposite sex, then the person shall have the minimum term of imprisonment to which the person is sentenced for that felony increased as follows:
 - (1) If the felony is a violation of G.S. 14-27.21 (first degree forcible rape) or a violation of G.S. 14-27.26 (first degree forcible sexual offense), the minimum term of imprisonment to which the person is sentenced for that felony shall be increased by 84 months. The maximum term of imprisonment shall be the maximum term that corresponds to the minimum term after it is increased by 84 months, as specified in G.S. 15A-1340.17(f).
 - (2) If the felony is a violation of G.S. 14-27.22 (Second degree forcible rape) or a violation of G.S. 14-27.27 (Second degree forcible sexual offense), the minimum term of imprisonment to which the person is sentenced for that felony shall be increased by 60 months. The maximum term of imprisonment shall be the maximum term that corresponds to the minimum term after it is increased by 60 months, as specified in G.S. 15A-1340.17(f).
 - (3) If the felony is a violation of G.S. 14-202.1 (Taking indecent liberties with children) or G.S. 14-202.4 (Taking indecent liberties with a student), the minimum term of imprisonment to which the person is sentenced for that felony shall be increased by 36 months. The maximum term of imprisonment shall be the maximum term that corresponds to the minimum term after it is increased by 36 months, as specified in G.S. 15A-1340.17(d).
- (c) An indictment or information for the felony shall allege in that indictment or information or in a separate indictment or information the facts set out in subsection (b) of this section. The pleading is sufficient if it alleges that the defendant committed the felony in a changing facility. One pleading is sufficient for all felonies that are tried at a single trial.
- (d) The State shall prove the issue set out in subsection (b) of this section beyond a reasonable doubt during the same trial in which the defendant is tried for the felony unless the defendant pleads guilty or no contest to that issue. If the defendant pleads guilty or no contest to the felony but pleads not guilty to the issue set out in subsection (b) of this section, then a jury shall be impaneled to determine that issue."

SECTION 10.2. G.S. 14-27.33 reads as rewritten:

"§ 14-27.33. Sexual battery.

- (a) A person is guilty of sexual battery if the person, for the purpose of sexual arousal, sexual gratification, or sexual abuse, engages in sexual contact with another person:
 - (1) By force and against the will of the other person; or
 - (2) Who is mentally disabled, mentally incapacitated, or physically helpless, and the person performing the act knows or should reasonably know that the other person is mentally disabled, mentally incapacitated, or physically helpless.
- (b) Any Except as provided in subsection (c) of this section, a person who commits the offense defined in this section is guilty of a Class A1 misdemeanor.
- (c) Any person who commits the offense defined in this section while in a changing facility as defined in G.S. 15A-1340.16E(a) that is designated for the opposite sex is guilty of a Class I felony."

PART XI. EFFECTIVE DATES

SECTION 11.1. Section 9.1 of this act becomes effective July 1, 2017. Section 10.1 and Section 10.2 of this act become effective December 1, 2017. The remainder of this act is effective when it becomes law and applies to causes of action arising on or after that date.