

# **SUMMARIES OF SUBSTANTIVE RATIFIED LEGISLATION**

**2016 SESSION**



**LEGISLATIVE ANALYSIS DIVISION  
N.C. GENERAL ASSEMBLY**



# 2016 Summaries of Substantive Ratified Legislation

## Agriculture and Wildlife

See full summary documents for additional detail

### **H992 - Amend Industrial Hemp Program. (SL 2016-93)**

S.L. 2016-93 expands the membership of the Industrial Hemp Commission (Commission) from five members to nine, (ii) clarifies the powers and duties of the Commission, including granting rulemaking authority to the Commission and providing that the industrial hemp research program must be managed and coordinated by State land grant universities, (iii) sets out specific responsibilities of licensees and authorized research purposes for the industrial hemp program, including the commercial sale and marketing of industrial hemp, (iv) creates civil and criminal penalties for various violations of the industrial hemp program, and (v) amends the definition of marijuana to allow for the production of industrial hemp when the Commission adopts temporary rules to implement the industrial hemp program.

The civil and criminal penalties become effective December 1, 2016, and apply to offenses committed on or after that date. The remainder of the act became effective July 11, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 13.1: Spay/Neuter Program Eligibility. (SL 2016-94)**

Sec. 13.1 of S.L. 2016-94 provides that a local government is eligible for reimbursement from the Department of Agriculture and Consumer Services' Spay/Neuter Account if the local government offers a spay/neuter clinic operated by a non-profit organization under contract or other arrangement with the city, regardless of whether the non-profit organization contracts with a local veterinarian to perform the spay/neuter procedures. This section also amends the definition of "Low-income person" for purposes of eligibility for reimbursement from the Spay/Neuter Account to provide that an individual may meet that designation if the person qualifies for a public assistance program administered by the Department of Health and Human Services.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 13.3: Future Farmers of America Pilot Program. (SL 2016-94)**

Sec. 13.4 of S.L. 2016-94 appropriates \$60,000 to the Future Farmers of America program at Southern Guilford High School in Guilford County for a pilot program relating to animal science, and \$12,000 apiece to the Future Farmers of America programs at the following high schools for a pilot program relating to animal science and agricultural crop planting: Mountain Heritage High School in Yancey County, Madison High School in Madison County, Central Haywood High School in Haywood County, Pisgah High School in Haywood County, and Tuscola High School in Haywood County. As part of its

annual report, the Tobacco Trust Fund Commission must report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on program activities, objectives, and itemized expenditures from these funds.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 13.4: Healthy Food Small Retailer Program. (SL 2016-94)**

Sec. 13.4 of S.L. 2016-94, as amended by Sec. 6.3 of S.L. 2016-123, directs the Department of Agriculture and Consumer Services (DACS) to create a program to reimburse small food retailers for expenditures relating to enhancing access to healthy foods in food desert zones. Funds may be used to reimburse small food retailers for the purchase and installation of refrigeration equipment, display shelving, and other equipment necessary for stocking nutrient-dense foods. \$250,000 is appropriated to the program, and DACS may reimburse a single small food retailer up to \$25,000. To be eligible for the program, a small food retailer must accept or agree to accept Supplemental Nutrition Assistance Program (SNAP) and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits. DACS must report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division by October 1, 2017, on the activities, number of small food retailers receiving reimbursement, how funds were used by the small food retailers, and the gross amount of food in dollars sold to customers by participating small food retailers.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 14.14: Mattamuskeet Lodge Transfer and Advanced Planning. (SL 2016-94)**

Sec. 14.14 of S.L. 2016-94 transfers authority and management of the Mattamuskeet Lodge (Lodge) in Hyde County, which was transferred from the federal government in 2006 (P.L. 109-358), from the Department of Natural and Cultural Resources to the Wildlife Resources Commission (WRC). This section also directs WRC to undertake advanced planning for the completion of renovations to the Lodge and to explore opportunities for a public-private partnership for future operation of the Lodge to optimize the sustainability and benefit of the Lodge to the community and authorizes WRC to use \$200,000 of funds appropriated to it for the 2016-2017 fiscal year for this purpose. WRC must report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources no later than January 15, 2017, regarding its implementation of the requirements of this section.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 14A.1: Amend Membership of Outdoor Heritage Advisory Council. (SL 2016-94)**

Sec. 14A.1 of S.L. 2016-94 amends the Outdoor Heritage Advisory Council by adding two additional members to the Council, one appointed by the General Assembly upon the recommendation of the

President Pro Tempore of the Senate, and one appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives. The two new members will serve an initial term of two years, beginning October 1, 2016.

This section became effective July 1, 2016.

#### **S770 - North Carolina Farm Act of 2016.**

##### **Sec.1: Provide the Department of Agriculture and Consumer Services with Enforcement Authority for the Program Governing Bedding Improperly Made, Sanitized, or Tagged. (SL 2016-113)**

Sec. 1 of S.L. 2016-113 grants the Department of Agriculture and Consumer Services (DACS) several new powers to enforce the DACS bedding sanitation program. This section grants DACS the authority to detain or embargo bedding products suspected of being adulterated or misbranded, and allows DACS to petition for the products to be condemned. This section also authorizes the Commissioner of Agriculture (Commissioner) to petition the superior court for an injunction and assess a civil penalty of not more than \$2,500 against a person in violation of the bedding laws. This section also makes a violation of the bedding laws a Class 2 misdemeanor. If a person receives written notice of a violation from the Commissioner and continues to violate the Article, the court may determine that each day during which the violation continued or is repeated constitutes a separate violation.

This section becomes effective December 1, 2016, and applies to offenses committed on or after that date.

#### **S770 - North Carolina Farm Act of 2016.**

##### **Sec. 3: Allow Wildlife Management Agencies to Cull Feral Swine from Aircraft. (SL 2016-113)**

Sec. 3 of S.L. 2016-113 authorizes employees of the Wildlife Resources Commission and employees of federal agencies whose responsibilities include fisheries and wildlife management, such as the Animal and Plant Health Inspection Service of the United States Department of Agriculture (USDA-APHIS), to cull feral swine from aircraft with the written permission of the landowner. This activity is prohibited in coastal counties during waterfowl season.

This section became effective July 26, 2016.

#### **S770 - North Carolina Farm Act of 2016.**

##### **Sec. 4: Direct Department of Agriculture and Consumer Services to Inspect Rendering Plants. (SL 2016-113)**

Sec. 4 of S.L. 2016-113 eliminates the rendering plant inspection committee that existed under prior law, which was composed of an employee of the Department of Agriculture and Consumer Services, an employee of the Department of Health and Human Services, and a person having practical knowledge of

rendering operations, and directs the Commissioner of Agriculture or the Commissioner's designee to inspect rendering operations.

This section became effective July 26, 2016.

**S770 - North Carolina Farm Act of 2016.**

**Sec. 5: Require Training for Appointed and Elected Soil and Water District Supervisors. (SL 2016-113)**

Sec. 5 of S.L. 2016-113 requires that both elected and appointed soil and water district supervisors annually receive six hours of training in soil, water, and natural resources conservation and in the duties and responsibilities of district supervisors. The training may be provided by the School of Government at the University of North Carolina at Chapel Hill or other sources approved by the Soil and Water Conservation Commission.

This section became effective July 26, 2016.

**S770 - North Carolina Farm Act of 2016.**

**Sec. 6: Board of Agriculture Rule-Making Authority for Animal Shelter Support Fund. (SL 2016-113)**

Sec. 6 of S.L. 2016-113 directs the Board of Agriculture, rather than the Animal Welfare Section of the Department of Agriculture and Consumer Services, to adopt rules detailing eligible expenses and application guidelines for the Animal Shelter Support Fund (Fund). The Animal Welfare Section does not have rulemaking authority. This section also gives the Board of Agriculture temporary rulemaking authority to administer the Fund.

This section became effective July 26, 2016.

**S770 - North Carolina Farm Act of 2016.**

**Sec. 7: Rule-Making Exemption for Forest Management Plans. (SL 2016-113)**

Sec. 7 of S.L. 2016-113 exempts the Board of Agriculture from the rulemaking requirements of the Administrative Procedure Act with respect to the adoption of fee schedules for the preparation of forest management plans by the North Carolina Forest Service.

This section became effective July 26, 2016.

**S770 - North Carolina Farm Act of 2016.**

**Sec. 11: Establish Voluntary Assessment on Deer Feed. (SL 2016-113)**

Sec. 11 of S.L. 2016-113 creates a voluntary assessment on farmed cervid feed to be administered by the North Carolina Deer and Elk Farmers Association ("Association"), not to exceed four dollars (\$4.00) per ton of farmed cervid feed. The assessment may not be levied for a period longer than ten years. All funds paid into the assessment are refundable upon written request to the Association.

This section became effective July 26, 2016.

**S770 - North Carolina Farm Act of 2016.**

**Sec. 15: Clarify Eligibility for Expanded Gas Products Service to Agriculture Fund. (SL 2016-113)**

Sec. 15 of S.L. 2016-113 modifies the eligibility requirements for the Expanded Gas Products Service to Agriculture Fund by providing that an eligible project is a project for an agricultural operation or agricultural processing facility that requests natural gas or propane gas service. Under prior law in order to be eligible, a project would have been required to expand the agricultural or processing capabilities of the facility.

This section became effective July 26, 2016.

# Commercial Law and Consumer Protection

See full summary documents for additional detail

## **H289 - North Carolina Money Transmitters Act. (SL 2016-81)**

S.L. 2016-81 modernizes and clarifies the Money Transmitters Act (MTA) and replaces the statutes incorporating much of the existing law, as requested by the Office of the North Carolina Commissioner of Banks. The main changes to the MTA are as follows:

- It specifically addresses the transmission of virtual currency, such as Bitcoin. These payment systems are currently subject to the act, but industry has requested clarification of the law to take into account the changes that have occurred since the law was written.
- It excludes certain business-to-business money transmission activity.
- It revises the cost structure by replacing the examination fee and the annual renewal fee with an annual assessment based on North Carolina transmission volume.
- It converts the annual license into a perpetual license.

When the bill was first introduced during the 2015 Session, the effective date was October 1, 2015. The bill failed to pass during the 2015 Session and was enacted during the 2016 Session. However, the effective date was not changed and, therefore, the act became effective on October 1, 2015. It was not intended for the act to have a retroactive effective date, and the bill sponsor attempted to rectify the date in the Technical Corrections bill (Sec. 49 of S821), but that bill did not pass. The Commissioner of Banks has indicated that, with regard to any fee or assessment changes, it will not retroactively assess the industry and will treat the effective date as if it were October 1, 2016. It is anticipated that the effective will be corrected in a technical bill in the 2017 Session.

## **S124 - Assumed Business Name/Industrial Commission Contempt/Parks.**

### **Parts I and II: Assumed Business Name Act and Conforming Changes. (SL 2016-100)**

Parts I and II of S.L. 2016-100 update the law governing the use of assumed business names, as recommended by the General Statutes Commission. These parts do all of the following:

- Modernize language and style, provide guidance on "real names" for entities, and conform outdated conflicting provisions to more recent law.
- Provide for amending certificates of assumed names.
- Remove penalty provisions, but allow recovery of expenses incurred in locating true owners who fail to file.
- Remove an acknowledgment requirement.
- Create a new Class 1 misdemeanor for filing a knowingly false certificate.
- Require the creation of a statewide database that is searchable by the public.

These parts become effective July 1, 2017, and do not affect a civil action or proceeding commenced or a right accrued before July 1, 2017.



**S481 - Fund Small Businesses/Department of Revenue Rulings/City Rights of Way.  
Part I: North Carolina Providing Access to Capital for Entrepreneurs and Small Business  
Act. (SL 2016-103)**

Part I of S.L. 2016-103 enacts the North Carolina Providing Access to Capital for Entrepreneurs and Small Business Act (NC PACES) that allows North Carolina investors to buy equity or debt offerings from North Carolina issuers if the transaction meets requirements for registration, disclosure, reporting, offering limit, and investment limit. The filing fee for an exemption notice is \$150 and will be used by the Securities Division of the Department of the Secretary of State to administer and enforce the NC PACES Act.

This part became effective July 22, 2016.

**S482 - Limited Liability Company Clarifications and Employee Invention Ownership. (SL 2016-114)**

S.L. 2016-114 makes technical and clarifying changes to the Limited Liability Company Act and further defines an employer's and employee's rights to inventions invented by an employee.

This act becomes effective October 1, 2016. The provisions of this act relating to operating agreements apply to agreements entered into on or after that date.

**S770 - North Carolina Farm Act of 2016.**

**Sec. 16: Require Written Notice of Automatic Contract Renewal 15 to 45 Days Prior to the Automatic Renewal. (SL 2016-113)**

Sec. 16 of S.L. 2016-113 makes an automatic contract renewal for the sale, lease of products or services for a term exceeding 60 days void and unenforceable unless the consumer is given written notice that the contract will automatically renew if the consumer does not cancel it, and requires the notice to be given no sooner than 45 days and no later than 15 days before the renewal. This section (i) limits the notice requirement to automatic renewals for periods exceeding 60 days, (ii) provides for notice by personal delivery, electronic mail or first-class mail, and (iii) excludes entities regulated by the Federal Communications Commission under federal law, by the North Carolina Utilities Commission under State law, or doing business under authorization issued by a political subdivision of the State or any agency thereof. These exclusions are in addition to entities excluded under existing law, including insurers licensed under Chapter 58 of the General Statutes, banks, trust companies, savings and loan associations, savings banks, and credit unions licensed or organized under the laws of any state or the United States, and any foreign bank maintaining a branch or agency licensed under the laws of the United States, or any subsidiary or affiliate thereof.

This section became effective July 26, 2016, and applies to contracts entered into on or after that date.

**S807 - Conform Full-Payment Check Law to Uniform Commercial Code. (SL 2016-52)**

S.L. 2016-52 provides an option for claimants to repay monies received as full satisfaction of a claim within 90 days of receipt to maintain their claim against the debtor for full payment. This change was recommended by the General Statutes Commission and allows for North Carolina to mirror the Uniform Commercial Code (UCC).

This act becomes effective October 1, 2016, and applies to negotiable instruments tendered in full satisfaction of a claim on or after that date.

# Constitution and Elections

See full summary documents for additional detail

## **S667 - Elections Omnibus Revisions. (SL 2016-109)**

S.L. 2016-109 amends various provisions related to elections and election administration, including the following changes:

- Requiring all election canvasses to be completed by the 10th day after the election.
- Requiring the Attorney General to defend local acts against facial challenges, effective August 1, 2016, and applies to actions filed on or after that date.
- Providing for ballot ordering of candidates for judge of the Court of Appeals.
- Requiring explanatory captions for constitutional amendments on ballots.
- Authorizing a study of municipal elections in even numbered years.
- Updating the filing period for elections in the City of Reidsville.
- Providing for participation in the 2020 Census Redistricting Data Program and for return of election data.

Except as otherwise provided, this act became effective July 22, 2016, and applies to elections held on or after that date.

# Courts, Justice, and Corrections

See full summary documents for additional detail

## **H136 - Recall Retired Business Court Judge. (SL 2016-91)**

S.L. 2016-91 provides that a special superior court judge who retires from service as a business court judge before reaching mandatory retirement age, and who is commissioned by the Governor to serve as an emergency judge, can be recalled by the Chief Justice and assigned to serve as a senior business court judge if, at the time of retirement, the judge had been nominated for a successive term of office, the nomination had not yet been confirmed by the General Assembly, and the judge would have reached mandatory retirement age before completing the successive term of office.

The act also provides that an emergency superior court judge who is recalled to serve as a senior business court judge as described above, and whose commission expires upon reaching mandatory retirement age, can be recalled again by the Chief Justice to continue to serve as a senior business court judge.

With regard to any judge so recalled, the act provides that:

- The judge's eligibility to serve as a recalled senior business court judge terminates five years after being commissioned as an emergency judge.
- The judge is paid actual expenses plus \$500 per day of active service rendered as a senior business court judge, in addition to the compensation or retirement allowance to which the judge is otherwise entitled by law.
- The judge can be designated as the chief business court judge by the Chief Justice.

This act became effective July 11, 2016, and applies to judges retiring on or after that date, or whose commission to serve as an emergency judge expires upon reaching mandatory retirement age on or after that date.

## **H253 - Justice Reinvestment Act Changes. (SL 2016-77)**

S.L. 2016-77 makes changes to the authority of probation officers with respect to setting conditions of probation, post-release, and parolees, to further implement the Justice Reinvestment Act of 2011.

This act has various effective dates. Please see the full summary for more detail.

## **H817 - Enact Uniform Law on Adult Guardianship. (SL 2016-72)**

S.L. 2016-72 establishes the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act in North Carolina to clarify the ambiguity in the law concerning the proper jurisdiction in guardianship proceedings when more than one state is involved. The act expands related definitions and provides direction to courts, attorneys, guardians, and individuals in respect to multiple appointments of guardians, the transferability of guardianship, and interstate recognition of guardianship orders. This act brings North Carolina law into conformity with the law of neighboring states and provides a uniform process for interstate cooperation between courts.

This act becomes effective December 1, 2016, and applies to multistate guardianship and protective proceedings initiated on or after that date. Please see the full summary for more detail regarding proceedings that are initiated prior to December 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 17A.3: Clarify that State Bureau of Investigation Director Exercises Powers Independently . (SL 2016-94)**

Sec. 17A.3 of S.L. 2016-94 clarifies that the State Bureau of Investigation is not subject to the direction and control of the Secretary of Public Safety.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 17B.1: Require Quarterly Voice Interoperability Plan for Emergency Responders (VIPER) Reports. (SL 2016-94)**

Sec. 17B.1 of 2016-94 amends the 2015 Appropriations Act to direct the Department of Public Safety to report progress of the VIPER system quarterly rather than annually.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 17C.1: Misdemeanant Confinement Program. (SL 2016-94)**

Sec. 17C.1 of S.L. 2016-94 modifies the method by which the operating and administrative expenses of the Statewide Misdemeanor Confinement Program are paid. It does so by repealing the statute that directed they be paid as a percentage of the Statewide Misdemeanant Confinement Fund (Fund) and, instead, directing that a specific dollar amount of the appropriation to the Fund be paid to the North Carolina Sheriffs' Association (\$1 million) and to the Division of Adult Correction (\$225,000) to operate and administer the program.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 17C.2: Inmate Grievance Resolution Board Report Changes. (SL 2016-94)**

Sec. 17C.2 of S.L. 2016-94 amends the annual reporting requirement for the Department of Public Safety and the Inmate Grievance Resolution Board from the number of "grievances" to the number of "grievance appeals."

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 17C.2A: Medical Costs for Inmates and Juvenile Offenders. (SL 2016-94)**

Sec. 17C.2A of S.L. 2016-94 amends the details of the Department of Public Safety's (DPS) quarterly inmate cost containment report to the Joint Legislative Committee on Justice and Public Safety and the chairs of the Appropriations Committees on Justice and Public Safety. The requirements are amended to direct DPS to include in its report:

- The scheduled and emergent services listed by contracted and non-contracted hospitals.
- The scheduled and emergent admissions listed by contracted and non-contracted hospitals.
- The implementation status of the claims processing system and efforts to address the backlog of unpaid claims.
- Hospital utilization and the amount paid to each contracted and non-contracted hospital.
- The total cost and volume for the previous fiscal quarter for emergency room visits to UNC, Rex, and WakeMed Hospitals from Central Prison and the North Carolina Correctional Institution for Women.
- The total payments for Medicaid and non-Medicaid eligible inmates, including the number of days between when the claim was filed and when the claim was paid.
- The list of hospitals under contract.

Additionally, this section requires reports submitted on August 1 to include totals for the previous fiscal year. DPS must study whether contracts to provide inmate health services can be expanded, including a list of hospitals considered for expansion and reasons for or against expansion. Any findings will be reported to the Chairs of the House and Senate Appropriations Committees on Justice and Public Safety by February 1, 2017.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 17C.3: Study Whether Probation and Parole Officers Should Take State Vehicles Home. (SL 2016-94)**

Sec. 17C.3 of S.L. 2016-94 directs the Department of Public Safety, in consultation with the Departments of Administration and Revenue, to study whether probation and parole officers should be allowed to take State vehicles home with them and any related tax implications, and report its findings to the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2017.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 17C.4: Revision to Treatment for Effective Community Supervision Report. (SL 2016-94)**

Sec. 17C.4 of S.L. 2016-94 clarifies the reporting requirements for the Department of Public Safety, Community Corrections Section regarding initiatives funded through the Treatment for Effective Community Supervision Program. The amended reporting requirements include the following components: Recidivism Reduction Services, Community Intervention Centers, Transitional and Temporary Housing, Local Reentry Councils, and Intensive Outpatient Services.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 17C.5: Change Payment Structure for Recidivism Reduction Services. (SL 2016-94)**

Sec. 17C.5 of S.L. 2016-94 specifies the payment schedule for service providers by the Department of Health and Human Services (DHHS.) The payment schedule includes a contract base award at the initiation of services and remaining payments made as milestones are reached. In the event that a contract is terminated or canceled, the vendor must reimburse DHHS for any unearned fees from the base award.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 18.1: Creation of Social Media Training for Law Enforcement. (SL 2016-94)**

Sec. 18.1 of S.L. 2016-94 directs the Justice Academy to develop and make available an online training course for law enforcement on the use of social media and methods for officers to protect their own personal information.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 18.2: Law Enforcement Certification and Training Clarification. (SL 2016-94)**

Sec. 18.2 of S.L. 2016-94 extends the North Carolina Criminal Justice Education and Training Standards Commission's (Commission) certification authority to include criminal justice instructors and school directors who participate in programs accredited by the Commission.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 19A.3: Study Capital Case Prosecution. (SL 2016-94)**

Sec. 19A.3 of S.L. 2016-94 directs the Office of Indigent Defense Services (Office), in consultation with the Conference of District Attorneys, to study the cases that merit the cost of capital prosecution and defense, local appointment of counsel in capital cases, and procedural changes to save costs in capital cases. This section also directs the Office to study the need for satellite offices and the benefits of adding capital defenders to existing public defender offices. The Office must report findings, recommendations, and specific statistics to the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2017.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 19A.4: Uniform Fee Schedule for Indigent Defense Services Pilot Project. (SL 2016-94)**

Sec. 19A.4 of S.L. 2016-94 directs the Administrative Office of the Courts, in conjunction with the Office of Indigent Defense Services and certain judicial districts, to develop and implement a pilot project to create a uniform fee schedule for the payment of attorney fees for the representation of indigent persons. It is the intent of the General Assembly that the fee schedule provides the necessary funding to cover the cost of legal representation for indigent persons in the participating judicial districts.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 19B.3: Additional District Court Judges for Districts 19A and 27B. (SL 2016-94)**

Sec. 19B.3 of S.L. 2016-94 amends the number of district court judges as follows:

- Adds one judge to District 19A, Cabarrus County
- Adds one judge to District 27B, Cleveland County.

This section becomes effective December 1, 2016.

## **S508 - Amend Bail Bond/Collection Agency/Criminal Mediation Laws. (SL 2016-107)**

S.L. 2016-107 makes the following changes to laws relating to bail bonds, collection agencies, and mediation of misdemeanor criminal cases:

- Terminates a surety's obligation under a bail bond under specified circumstances.
- Requires a bond forfeiture judgment to be paid in full before any professional bail bondsman, runner or bail agent listed on that bond can sign any other bond elsewhere in the State.



- Expands the Commissioner of Insurance's disciplinary authority over bail bondsmen and runners.
- Updates and modernizes certain laws related to collection agencies.
- Amends procedures for mediation of certain misdemeanor criminal cases.

This act has various effective dates. Please see the full summary for more detail.

# **Criminal Law and Procedure**

**See full summary documents for additional detail**

## **H283 - Prevent Squatting in Foreclosed Real Property. (SL 2016-26)**

S.L. 2016-26 increases criminal penalties for persons who commit a trespass to real property by reentering after removal pursuant to a valid order or by knowingly creating or presenting a false document of title or possession.

This act becomes effective December 1, 2016, and applies to offenses committed on or after that date.

## **H292 - Beach Bingo Licenses. (SL 2016-27)**

S.L. 2016-27 requires a license to operate a beach bingo game. The initial application fee is \$300, and the annual renewal fee is \$300. The act also criminalizes operating a beach bingo game without a license and providing false information on a license application as Class 2 misdemeanors.

Beginning October 1, 2016, the State Bureau of Investigation may accept applications, charge and collect application fees, and issue licenses. Providing false information on an application is a Class 2 misdemeanor beginning October 1, 2016. Operating a beach bingo game without a license is a Class 2 misdemeanor beginning December 1, 2016. The remainder of this act became effective June 22, 2016.

## **H357 - Chemical Analysis Reports/District Court. (SL 2016-10)**

S.L. 2016-10 amends the procedures governing the admissibility of chemical analysis test results into evidence.

This act becomes effective October 1, 2016, and applies to trials commencing on or after that date.

## **H424 - Prohibit Unlawful Custody Transfer of Child. (SL 2016-115)**

S.L. 2016-115 creates a new law in the statutes governing the protection of minors to prohibit the unlawful transfer of custody of a minor child and provide a Class A1 misdemeanor for general violation of the offense, as well as a Class G felony for a violation that results in serious physical injury to the child. The act also makes general conforming changes, clarifies that the prohibition against advertising adoptions applies to communications via email and other internet communications, and directs the Department of Health and Human Services to develop support programs for families at risk of adoption dissolutions.

The new criminal offense and conforming statutory changes become effective December 1, 2016, and apply to offenses committed on or after that date. The clarification on advertising adoptions and the remainder of the act became effective July 28, 2016.

## **H678 - Amend Innocence Commission Statutes. (SL 2016-73)**

S.L. 2016-73 amends the process to claim factual innocence and makes changes to the Innocence Inquiry Commission (Commission) proceedings in the following ways:

- Directs the Commission Director to report to the Director of the Administrative Office of the Courts (AOC), who must consult with the Commission Chair.
- Limits the types of direct claims made by prisoners to specific felonies while any other claims must be referred by counsel.
- Creates a process to address co-defendants in a pending claim of factual innocence.
- Requires a confidential case status update by the Commission Director at least every six months.
- Specifies the parties that should be served with notice at various points in the Commission investigation.
- Requires that the final, full Commission meetings be public.
- Authorizes the District Attorney and defense counsel to bypass the Commission by consenting to judicial review.
- Makes the Commission's entire file available to both the district attorney and defense counsel if the case goes forward to judicial review.
- Clarifies counsel for indigent people would be appointed by the Indigent Defense Services and requests for specific legal counsel would be taken into consideration.

This act became effective August 1, 2016, and applies to any claim filed on or after that date and any claim pending on that date. However, nothing in this act abates a claim filed prior to that date or invalidates any action taken on a claim prior to that date.

## **H958 - Felony Death Impaired Boating/Sheyenne's Law. (SL 2016-34)**

S.L. 2016-34 creates new offenses for death or serious injury resulting from impaired boating and clarifies the penalty for impaired boating. Please see the full summary for an explanation of those offenses and the penalty level for each offense.

This act becomes effective December 1, 2016, and applies to offenses committed on or after that date.

## **H1021 - Amend Sex Offender Certain Premises. (SL 2016-102)**

S.L. 2016-102 modifies the law regarding sex offenders on certain premises by limiting the application of certain portions of the law to certain sex offenders and by rewording other portions of the law to address constitutional issues noted by the ruling in *Doe v. Cooper*.

This act became effective September 1, 2016, and applies to offenses committed on or after that date.

**S770 - North Carolina Farm Act of 2016.**

**Sec. 9: Allow Chorionic Gonadotropin Injections for Veterinary Use. (SL 2016-113)**

Sec. 9 of S.L. 2016-113 exempts chorionic gonadotropin from the list of Schedule III controlled substances when administered by injection for veterinary use by a licensed veterinarian or the veterinarian's designated agent.

This section became effective July 26, 2016.

# Education

See full summary documents for additional detail

## **H242 - Various Charter School Law Changes. (SL 2016-79)**

S.L. 2016-79 makes various changes to the statutes governing charter schools and reorganizes several of the statutes pertaining to charter schools.

Review and Renewal of Charters. The act directs the State Board of Education (SBE) to review the operations of a charter school at least once prior to the expiration of its charter. The SBE may renew a charter for a period of less than ten years or not renew the charter at all if one of the following conditions applies: (i) the charter school has not provided financially sound audits for the immediately preceding three years; (ii) the charter school's student academic outcomes for the immediately preceding three years have not been comparable to the academic outcomes of students in the local school administrative unit (LEA) in which the charter school is located; or (iii) the charter school is not in substantial compliance at the time of the renewal request with State or federal law or the charter school's own bylaws or charter.

Material Revisions of Charters. The act gives the SBE the discretion to waive the requirement that the actual enrollment is within 10% of the maximum authorized enrollment when a charter school requests a material revision of its charter because of a proposed capital expansion and has not been able to meet the enrollment requirement. The charter school must provide the SBE with information that demonstrates the following:

- The requested increase in enrollment growth is within a reasonable margin of the threshold necessary to support the material revision.
- The charter school has secured financing for its proposed capital expansion conditioned on obtaining the requested material revision.

If the SBE grants a material revision for enrollment growth based on this evidence and the charter school is not able to realize the capital expansion within two years of the grant of the material revision, the charter school must reflect the maximum authorized enrollment that was in place immediately preceding the material revision.

Non-Material Revisions of Charters. The act recodifies the existing law into a new statute.

Enrollment Priority. The act provides charter two additional enrollment priorities that may be used: (i) students who were enrolled in another charter school in the State in the previous year that does not offer the students' next grade levels; and (ii) students who were enrolled in another charter school in the State in the previous year that does not offer the students' next grade level and both of the charter schools have enrollment articulation agreements to accept students or are governed by the same board of directors.

Information on Per Pupil Shares of Local Current Expense Funds. The act directs LEAs to provide the SBE with the same information they provide to charter schools to which they transfer a per pupil share of the local current expense fund. The SBE is directed to adopt a policy on the collection of this information and issue letters of non-compliance to LEAs if the information is not submitted.

Low-Performing and Continually Low-Performing Charter Schools. The act directs the SBE to identify low-performing and continually low-performing charter schools on an annual basis. Low-performing charter schools are defined as schools that receive a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth." Continually low-performing

charter schools are those that have been designated as low-performing for at least two of three consecutive years and the SBE may terminate, not renew, or seek applicants to assume the charters. However, the act provides that the SBE must not terminate or not renew the charter of a continually low-performing charter school solely because of its continually low-performing status if: (i) the charter school has met growth in each of the preceding three school years or (ii) the charter has an approved strategic improvement plan and is making measurable progress toward adequate student performance goals.

Charter School Facilities. The act specifies that a building or land owned by a local board of education is available to be leased to a charter school if it is closed, vacant, or otherwise unused for classrooms, administrative offices, or extracurricular activities. The local board of education must make a decision on the request by the charter school for the building or land within 90 days of the request. If the decision is not made within that time frame, the local board of education must provide a written explanation of its reasons for not acting within the 90 days to the North Carolina Charter Schools Advisory Board and the Joint Legislative Education Oversight Committee.

Fast-Track Charter Application Timelines. The act directs the SBE to decide whether to grant a charter through the fast-track replication process by October 15 of the year immediately preceding the year of the proposed school opening. The SBE must adopt rules and procedures within 90 days of the effective date of this act and must report to the Joint Legislative Education Oversight Committee within 120 days of the effective date of this act. These changes become effective June 30, 2016, and apply beginning with applications submitted for fast-track replication of schools opening in the 2018-2019 school year.

Except as otherwise provided, this act became effective June 30, 2016, and applies beginning with the 2016-2017 school year.

#### **H474 - Exclude Year-Round Track-Out Program/Child Care. (SL 2016-7)**

S.L. 2016-7 adds track-out programs provided to school-age children when they are out of school on a year-round school calendar to the listed exceptions to the statutory definition of "child care."

This act became effective June 1, 2016.

#### **H561 - School System Authority Re: Legal Proceedings. (SL 2016-116)**

S.L. 2016-116 permits, effective October 1, 2016, a state or federal administrative agency with a quasi-judicial function or a court of law to inspect confidential portions of a school employee's personnel file if all of the following apply:

- A current or former employee has filed a claim against the local board of education or a school official or employee for any alleged act or omission arising during the course and scope of the employee's official duties or employment.
- In the discretion of the superintendent or superintendent's designee, disclosure is necessary to adequately defend against the employee's claim.
- Disclosure is limited to that employee's records, and only to the extent necessary for the defense of the local board of education.

The act also provides, effective October 1, 2016, that local boards of education can request the chief district court judge or designee to grant approval for the local board to issue subpoenas for the production of all tangible items in matters where an employee is suspected of committing job-related misconduct and which, in the discretion of the local board, requires investigation. In making the determination to approve the subpoena, the judge must consider the following:

- Whether there is reasonable time for compliance.
- If disclosure of privileged or other protected matter is required and if any exceptions apply to the privilege or protection.
- Whether the person would be subject to undue burdens or expenses.
- Whether the subpoena is otherwise unreasonable or oppressive.

The act also directs the Program Evaluation Division to study the statutory procedures for resolving education funding disputes between local boards of education and boards of county commissioners. The study must include a historical review of funding requests and appropriations; fund balances; past use of mediation and litigation; current impacts on county budgeting procedures; dispute resolution processes in other states where local boards of education are fiscally dependent on other local governments; alternative ways for local boards of education to receive local funds; and recommendations for alternative ways to resolve education funding disputes or modifications to the current process.

Except as otherwise provided, this act became effective July 28, 2016.

### **H632 - Student Online Protection Act. (SL 2016-11)**

S.L. 2016-11 (HB 632) creates a new statute governing the privacy protection of student information held by operators of third-party online educational websites, services, or applications (operators) for K-12 students in a charter school, regional school, or school operated by a local board of education.

Operators are required to:

- Implement and maintain reasonable security procedures and practices to protect covered student information.
- Delete a student's covered information within 45 days if the school or local board of education requests the deletion, unless written consent is provided for the operator to maintain the information.

Operators may use and disclose personally identifiable information in certain circumstances.

Operators are prohibited from:

- Engaging in targeted advertising based on any information acquired because of the use of the operator's site, service, or application.
- Using information to create a profile about a student except for a K-12 school purpose.
- Renting or selling information, except under permissible circumstances.
- Disclosing covered information, except under permissible circumstances.

This act becomes effective October 1, 2016.

## **H742 - Professional Engineer Licensure/Allow School Maintenance Plumbers.**

### **Sec. 4: Allow School Maintenance Plumbers. (SL 2016-105)**

Sec. 4 of S.L. 2016-105 provides that local boards of education may employ personnel who are licensed to perform maintenance and repairs on school property for plumbing, heating, and fire sprinklers.

This section becomes effective October 1, 2016.

The summary for the sections of this act that pertain to professional engineer licensure may be found in the Occupational Boards and Licensing subject area.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 7.14: Governmental Data Analytics Center/Longitudinal Data System Board. (SL 2016-94)**

Sec. 7.14 of S.L. 2016-94 repeals the governing board for the North Carolina Longitudinal Data System and assigns the prior duties of the governing board to the Governmental Data Analytics Center.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.5: Drivers Education Program Funds. (SL 2016-94)**

Sec. 8.5 of S.L. 2016-94 repeals a December 31, 2017, sunset for the following drivers education provisions:

- The purpose of the driver education program must be making available public education to all students on driver education safety and training.
- If a local board of education charges a fee for participation, a process for reduction or waiver of the fee must be provided for students unable to pay due to economic hardship.
- A local board of education may not transfer funds into the driver education allotment category.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.7: Teacher Compensation Models and Advanced Teaching Roles. (SL 2016-94)**

Sec. 8.7 of S.L. 2016-94 establishes a three-year pilot program (Pilot) to develop advanced teaching roles and organizational models that link teacher performance and professional growth to salary increases for classroom teachers (teachers who work in the classroom providing instruction for at least 70% of the instructional day and who are not instructional support personnel) in selected local school administrative



units (LEAs). The Pilot's purpose is to (i) allow highly effective classroom teachers to be accountable for the performance of a higher number of students or by leading a school-wide effort to implement new instructional models to improve school-wide performance; (ii) enable LEAs to provide salary supplements to classroom teachers in advanced teaching roles; (iii) enable LEAs to create innovative compensation models that focus on classroom teacher professional growth and student outcomes; and (iv) utilize local plans to establish organizational changes related to compensation to sustain evidenced-based teaching practices that can be replicated.

Proposals from local boards of education must be submitted by October 15, 2016, to the State Board of Education (SBE) and the SBE must select up to 10 LEAs by December 15, 2016, as follows: up to 5 LEAs with an average daily membership (ADM) equal to or less than 4,000; up to 3 LEAs with an ADM between 4,001 and 20,000; and up to 2 LEAs with an ADM of 20,001 or more. The selected LEAs must implement their plans beginning with the 2017-2018 school year through the 2019-2020 school year. Funds awarded to the LEAs can be used for (i) salary supplements for advanced teaching roles; (ii) development of advanced teaching role plans; (iii) development of professional development courses; (iv) transition costs associated with designing and implementing advanced teaching role models; and (v) development of the design and implementation of compensation plans that focus on teacher professional growth and student outcomes.

The SBE must contract with an independent research organization to evaluate the Pilot. The independent research organization must report annually beginning October 15, 2017, to the SBE until the conclusion of the Pilot on all aspects of the implementation and evaluation of the Pilot. It must also evaluate the existing Project LIFT program in the Charlotte-Mecklenburg Public Schools and the proposed Project Advance in the Chapel Hill-Carrboro City Schools if that program is implemented. The SBE must provide the annual reports to the General Assembly.

The Department of Public Instruction may use up to \$200,000 for the SBE to contract with an independent research organization for the pilot evaluations. It is the intent of the General Assembly to appropriate \$9.8 million in the 2017-2018 fiscal year to be used for grants for the selected LEAs. LEAs that receive grants under this Pilot may exceed the maximum class size requirements for kindergarten through third grade.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.8: Advanced Placement/International Baccalaureate Teacher Bonus Pilot Program . (SL 2016-94)**

Sec. 8.8 of S.L. 2016-94 directs the State Board of Education (SBE) to establish the Advanced Placement/International Baccalaureate Pilot Program (Pilot) to reward teacher performance and encourage student learning and improvement. As part of the Pilot, the Department of Public Instruction must administer bonus pay for two school years to licensed teachers of advanced courses, beginning with data from the 2015-2016 school year, as follows:

- A bonus of \$50 for each student taught by an advanced course teacher in each advanced course who receives the following score:
- A score of three or higher on a College Board Advanced Placement Examination.
- A score of four or higher on an International Baccalaureate course examination.
- A teacher bonus awarded under this Pilot may not exceed \$2000 in any school year.

- Bonuses for advanced course scores for the 2015-2016 and 2016-2017 school years will be payable in January 2017 and January 2018 respectively to qualifying advanced course teachers who remain employed teaching advanced courses in the same local school administrative unit at least from the school year the data is collected until the corresponding school year that the bonus is paid. The bonuses are not considered compensation under the Teachers' and State Employees' Retirement System.

The SBE must report on and study the Pilot as follows:

- The amount of bonuses awarded to advanced course teachers, including the amount awarded for Advanced Placement courses and the amount awarded for International Baccalaureate Diploma Programme courses, to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Fiscal Research Division by March 15, 2017, and again by March 15, 2018.
- The effect of the Pilot on advanced course teacher performance and retention to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee by March 15, 2018.

This section became effective July 1, 2016, and expires June 30, 2018.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 8.9: Industry Certifications and Credentials Teacher Bonus Pilot Program. (SL 2016-94)**

Sec. 8.9 of S.L. 2016-94 requires the State Board of Education (SBE), in collaboration with the Department of Commerce (Commerce), to establish the Industry Certifications and Credentials Teacher Bonus Pilot Program (Pilot). Commerce, in consultation with the SBE, must assign a value ranking of \$25 or \$50 for industry certifications or credentials (certifications) based on academic rigor and employment value. The 2-year Pilot would provide bonus pay of \$25 or \$50, based on the certification value ranking, per student to those teachers providing direct instruction in courses that led to the student's attainment of certifications.

A teacher bonus awarded under this Pilot may not exceed \$2,000 in any given school year. Data from the 2015-2016 school year must be used to award bonuses in January 2017, and data from the 2016-2017 school year must be used to award bonuses in January 2018. The teacher must be employed at the time bonuses are awarded to receive the bonus, and bonuses are not compensation for purposes of the retirement system.

The SBE must study and report to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Fiscal Research Division on the Pilot as follows:

- By March 15, 2017, on the amount of bonuses awarded.
- By March 15, 2018, on the amount of bonuses awarded and the effect of the Pilot on teacher performance and retention. The Joint Legislative Education Oversight Committee must also receive this report.

This section became effective July 1, 2016, and expires June 30, 2018.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.11: Certain Cooperative Innovative High Schools Operating without Additional Funds. (SL 2016-94)**

Sec. 8.11 of S.L. 2016-94 provides that, beginning with the 2016-2017 school year and for subsequent school years thereafter, the following schools can operate as cooperative innovative high schools even though they were not provided with additional operating funds:

- Alamance Burlington Early College.
- Alexander Early College.
- Cabarrus Early College of Technology.
- Camden Early College.
- Chatham County School of Science and Engineering.
- City of Medicine Cooperative Innovative High School.
- Gaston Early College High School.
- Hillside New Tech Cooperative Innovative High School.
- Johnston County Career and Technical Academy.
- Northampton County New Tech Early College.
- Person Early College for Innovation and Leadership.
- Stanly County School of Engineering and Design.
- Wayne School of Engineering at Goldsboro High School.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.12: Report for Schools for Students with Visual and Hearing Impairments/Foreign Exchange Students. (SL 2016-94)**

Sec. 8.12 of S.L. 2016-94 directs superintendents of local school administrative units to require that parents of hearing or visually impaired children be asked for written consent to release their contact information and information regarding their child and the child's impairment to the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf so that the parents can receive more information on the services offered by those schools. The superintendents must report the names and addresses of parents who provide the written consent to the directors of each of the three schools and include information on the type of disability of each child. This report must also be submitted to the Department of Public Instruction. This information must be kept confidential by the receiving schools, however, the parents who provided written consent and whose information was in the report may be contacted by the schools receiving the reports.

This section also provides that the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf may enroll a foreign exchange student and charge the student the full, unsubsidized per capita cost of education at the school for the period of the student's attendance. If a school seeks to enroll foreign exchange students, it must first submit a plan to the State Board of Education for approval, including the proposed costs to be charged to the students for attendance and information on compliance with federal laws. Foreign exchange students on "F" student visas may only be enrolled in grades 9 through 12 for a maximum of 12 months.

This section became effective July 1, 2016, and applies beginning with the 2016-2017 school year. Local superintendents must present the consent form by October 1, 2016, and make the first report of the contact and disability information by November 30, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.13: Virtual Charter School Changes. (SL 2016-94)**

Sec. 8.13 of S.L. 2016-94 makes the following changes to the virtual charter school pilot program:

- A participating virtual charter school may administer tests to multiple grade levels at the same time and in the same location.
- A participating virtual charter school may contract with a test administrator who is not employed by the board of directors of the school and meets the following criteria:
  - Holds a valid North Carolina teaching license.
  - Passes a criminal history check performed by the school.
  - Is trained to administer a test in accordance with the North Carolina Testing Program.
- Decreases the amount of a participating virtual charter school's teaching staff that must reside in the State from 90% to 80%.
- Modifies the criteria for measuring a participating virtual charter school's student withdrawal rate to exclude the following:
  - Students who regularly failed to participate in courses who are withdrawn under the procedures adopted by the school.
  - Students no longer qualified under State law to attend a North Carolina public school, including relocation to another state.
  - Students who: (i) withdraw from school because of a family, personal, or medical reason, and (ii) notify the school of the reason for withdrawal.
  - Students who withdraw from school within the first 30 days following the date of enrollment.

This section became effective July 1, 2016, and applies beginning with the 2016-2017 school year.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.16: International Exchange Teacher Funds. (SL 2016-94)**

Sec. 8.16 of S.L. 2016-94 allows positions for classroom teachers to be converted to dollar equivalents to contract for visiting international exchange teachers (VIETs) through a VIET program approved by the State. The converted funds may only be used to provide VIETS with salaries commensurate with their experience levels, to provide any State-approved bonuses, and to cover costs associated with supporting VIETs, including programming and related activities, background checks, medical coverage, and other program administration services in accordance with federal regulations for the Exchange Visitor Program.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.19: Modify School Performance Grades Scale for Three School Years. (SL 2016-94)**

Sec. 8.19 of S.L. 2016-94 extends the use of the 15-point scale for assignment of A-F school performance grades for the 2016-2017, 2017-2018, and the 2018-2019 school years. The scale is as follows:

- A school performance score of at least 85 is a school performance grade of A.
- A school performance score of at least 70 is a school performance grade of B.
- A school performance score of at least 55 is a school performance grade of C.
- A school performance score of at least 40 is a school performance grade of D.
- A school performance score of less than 40 is a school performance grade of F.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.21: Pilot Program to Raise the High School Dropout Age from Sixteen to Eighteen. (SL 2016-94)**

Sec. 8.21 of S.L. 2016-94 directs the State Board of Education (SBE) to authorize the Hickory Public Schools, the Newton-Conover City Schools, and the Rutherford County Schools to establish and implement a pilot program to increase the high school dropout age from 16 to the completion of a school year coinciding with the calendar year in which a student reaches 18 years of age, unless the student has previously graduated from high school. However, the SBE may not authorize a pilot program in Catawba County before it receives a copy of a joint resolution adopted by the boards of education for the Hickory Public Schools and the Newton-Conover City Schools setting forth a date to begin establishment and implementation of the pilot program. Additionally, the SBE may not authorize a pilot program in Rutherford County before it receives a copy of a resolution adopted by the board of education for the Rutherford County Schools setting forth a date to begin establishment and implementation of the pilot program.

The local boards of education of these local school administrative units (LEAs) must prescribe specific rules to address when a student who is 18 years of age can be excused from attendance. An example would be enlistment in the Armed Forces. The LEAs can use any funds available to implement the pilot program to employ up to three additional teachers and fund additional student-related costs such as transportation and technology costs. The LEAs may also use any available funds to operate a night school program for students at-risk of dropping out of high school. To the extent possible, the Hickory Public Schools and Newton-Conover City Schools must partner with Catawba Valley Community College and Rutherford County Schools must partner with Isothermal Community College in administering the pilot program.

The LEAs, in collaboration with the SBE, must report to the Joint Legislative Education Oversight Committee, the House Appropriations Subcommittee on Education, and the Senate Appropriations Committee on Education/Higher Education on or before January 15, 2018, and by January 15 of each even-numbered year thereafter until the end of the pilot programs. The report must contain all of the following information:

- An analysis of the graduation rate in each LEA and the impact of the pilot program on the graduation rate.
- The teen crime statistics for Catawba County and Rutherford County.
- The number of reported cases of violations of compulsory attendance laws in Catawba County and Rutherford County and the disposition of those cases.
- Implementation of enforcement mechanisms for violations of the compulsory attendance law and the disposition of those cases.
- The number of at-risk students served in any night programs established as part of the pilot program and student graduation and performance outcomes for those students.
- All relevant data to assist in determining the effectiveness of the program and specific legislative recommendations, including the continuation, modification, or expansion of the program statewide.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 8.24: Local Board Report on School Start and Release Times. (SL 2016-94)**

Sec. 8.24 of S.L. 2016-94 requires, as part of the Uniform Education Reporting System, each local board of education to report to the State Board of Education on the start and release times for each school under control of the local board of education. Local boards of education must submit an initial report by October 1, 2016, on start and release times for the 2011-2012 through 2016-2017 school years.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 8.27: Alternative Teacher Preparation Program. (SL 2016-94)**

Sec. 8.27 of S.L. 2016-94 directs the State Board of Education (SBE) to establish a Request for Proposal (RFP) for up to five local alternative teacher preparation programs (LATP programs) administered by local boards of education to prepare, support, and recommend initially licensed lateral entry teachers for continuing licensure. The SBE must issue the RFP to local boards of education by September 15, 2016, and include the following criteria: program of study requirements; mentoring and support requirements; and minimum program size.

Proposals must be submitted to the SBE by January 6, 2017, and include detailed information on the estimated costs, including a cost per teacher participant and anticipated funding sources for the operation of the LATP program. The SBE must select up to five proposals by March 15, 2017, based on program quality, viability, and use of evidence-based principles in program design. The selected LATP programs must be implemented beginning with the 2017-2018 school year and ending with the 2021-2022 school year.

The selected LATP programs must meet prescribed annual benchmark standards and LATP programs that fail to meet any of the benchmark standards must be terminated by the SBE.

This section directs SBE to contract with an independent research organization to evaluate how the LATP programs have accomplished the following:

- Recruitment of lateral entry teachers into the classroom.
- Retention rates for lateral entry teachers beyond initial licensure.
- Quality of classroom instruction by lateral entry teachers prepared through the LATP program as compared to those prepared by traditional teacher education programs as demonstrated by multiple measures, including student performance.
- Teacher vacancy rates in local school administrative units participating in the LATP program as compared to similarly situated local school administrative units.
- Funding mechanisms used to support the LATP program, including sources and stability of funding.
- Recommendations regarding the continuation, expansion, or elimination of LATP programs.

The independent research organization must report annually to the SBE beginning October 15, 2017, on the progress of the LATP programs, with an initial evaluation report due by October 15, 2020, and a final report due by October 15, 2022, on all aspects of implementation and evaluation. The SBE must provide the report to the Joint Legislative Education Oversight Committee by December 15, 2020, and by December 15 of each year through 2022.

The Department of Public Instruction (DPI) must issue licenses to all individuals who: (i) successfully complete LATP programs, (ii) are recommended by the local board of education, and (iii) otherwise meet licensure requirements. If an initially licensed lateral entry teacher leaves a local board of education with a LATP program before completing the program and is hired by another local board of education, that teacher must receive credit for any work successfully completed in the LATP program. The DPI may use up to \$200,000 in the 2016-2017 fiscal year for the SBE to contract with the independent research organization. Any remaining funds must be used to award one-year grants to each LATP program selected for implementation purposes, with the awards being a proportional amount of the funds available.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.29: Teacher Assistant Tuition Reimbursement Pilot Program. (SL 2016-94)**

Sec. 8.29 of S.L. 2016-94 establishes a pilot program for the local boards of education of the Anson, Franklin, Moore, Richmond, and Scotland counties school administrative units to provide tuition assistance awards to part-time or full-time teacher assistants working in these local school administrative units (LEAs) to pursue a college degree that will result in teacher licensure. The tuition assistance may be provided for part-time or full-time coursework and academic leave may be granted for coursework that can only be taken during working hours. A teacher assistant who receives an award under the pilot program must fulfill the student teaching requirements of an educator preparation program by working in the teacher assistant's employing LEA.

Each local board of education participating in the pilot program may select up to 5 teacher assistants to receive an award of up \$4,500 per academic year for a period of up to 4 years to be used towards the cost of tuition and fees to attend an educator preparation program. Priority for the awards must be given to teacher assistants who received a tuition assistance award for the previous academic year and who is making satisfactory academic progress towards achieving teacher licensure.

The local board of education must (i) set the criteria for the application and selection for the tuition assistance awards and (ii) have a memorandum of understanding with the institution of higher education in which a recipient of the award is enrolled that includes specific procedures.

The participating local boards of education must report the results of the pilot program to the Joint Legislative Education Oversight Committee by September 1, 2017, and annually thereafter, on:

- The number and amount of funds in tuition assistance awards provided to teacher assistants.
- The number of teacher assistant recipients who achieved teacher licensure, including the period of time from the issue of an initial tuition assistance award to the time of achieving licensure.
- The number of recipients who remained employed in the LEA after achieving teacher licensure.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.32: School Notification Requirements/Teacher Employment/Licensure Changes and Beginning Teacher Support. (SL 2016-94)**

Sec. 8.32 of S.L. 2016-94 makes the following changes:

- Requires the State Board of Education (SBE) to provide written notification to the General Assembly of its intent to conduct a mandatory student or parent survey, either statewide or in any local school administrative unit (LEA), and a copy of the survey. The Department of Public Instruction (DPI) must also notify superintendents of plans to conduct a parent or student survey in an LEA and give the superintendents an opportunity to provide feedback prior to administration of the survey.
- Requires local boards of education (local boards) to notify the SBE by September 1 annually of any local testing to be administered in the LEA, a calendar of those tests, and the source of funds for the local testing program. The SBE is required to report to the Joint Legislative Education Oversight Committee (JLEOC) by October 15 annually on statewide administration of the testing program and a summary of local testing programs.
- Requires the SBE to develop minimum criteria for qualifications of adjunct instructors in each career and technical education career cluster. Local boards may hire qualified individuals to serve as adjunct instructors on an annual or semester basis, subject to the following requirements for the instructor:
  - May be employed for no more than 10 hours a week.
  - Is subject to a criminal history check.
  - Is not required to hold or apply for licensure as a teacher.
  - Has completed the preservice training required for lateral entry teachers.
- For applications submitted on or after July 14, 2016, requires teachers employed by local boards to show evidence of a rating of at least proficient on the teacher's most recent annual evaluation to maintain a continuing license. A teacher who does not satisfy this requirement, but has been placed on a mandatory improvement plan, may receive an initial degree license if the teacher satisfies other licensure requirements.
- For applications submitted on or after July 14, 2016, requires applicants with an out-of-state license to provide evidence of that teacher's effectiveness, when available, as measured by the state of current licensure, including any growth measures. Out-of-state license applicants who provide this information receive priority in review of applications over out-of-state license applicants who do not provide this information. An out-of-state license applicant that does not include the information is only eligible for an initial degree license.
- Requires that mentor teachers participating in the mentor teacher training program be rated as at least "accomplished" on the North Carolina Teacher Evaluation System and have met expectations for student growth.



- Requires that students in educator preparation programs have field experiences in every semester, and that the number of hours increase in each semester prior to the student's residency or internship. All programs must also include a field experience in a low-performing school for at least one semester.
- Requires that teachers that have been licensed for less than two years must be observed at least three times annually by the principal or the principal's designee, at least once annually by a teacher, and at least once annually by a principal. At least two of those observations must be conducted in the first semester of the school year, and if practicable, at least one observation in the first grading period of the school year.

This section became effective July 14, 2016, and applies beginning with the 2016-2017 school year.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 9.3: No Pay Loss for Break in Service or for Teachers Who Become Principals. (SL 2016-94)**

Sec. 9.3 of S.L. 2016-94 provides that a teacher who becomes an assistant principal must be paid at least as much as the teacher would earn as a teacher in that local school administrative unit (LEA) even if there was a break in service between the two positions. An assistant principal who becomes a principal must also be paid at least as much as the assistant principal would earn as an assistant principal in that LEA even if there was a break in service between the two positions.

A teacher who becomes a principal must also be paid at least as much as the teacher would earn as a teacher in that LEA.

This section became effective July 1, 2016, and cannot be construed to modify the compensation of persons initially employed as principals or assistant principals prior to July 1, 2016, for work performed prior to July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 9.4: Joint Legislative Study Committee on School-Based Administrator Pay. (SL 2016-94)**

Sec. 9.4 of S.L. 2016-94 establishes the Joint Legislative Study Committee on School-Based Administrator Pay (Committee), a six-member Committee directed to study and make recommendations on:

- The feasibility of revising the school-based administrator salary schedule, and whether revisions are needed.
- The process of recruiting and retaining principals in the State as compared with the process of recruiting and retaining executives in other professions.
- Strategies for recruiting and retaining the most qualified principals in low-performing and hard-to-staff schools.

The Committee must submit a final report on the results of the study, including any proposed legislation, to the General Assembly and the Joint Legislative Education Oversight Committee, on or before

December 31, 2016. The Committee will terminate on December 31, 2016, or upon the filing of its final report, whichever occurs first.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 10.1: Update Performance Measures. (SL 2016-94)**

Sec. 10.1 of S.L. 2016-94 changes mandatory performance measures for community colleges by adding measures of the success rate of students in credit-bearing English and Math courses, and removes measures related to attainment of adult high school equivalency diplomas by students and success of developmental students in subsequent college level English and Math courses.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 10.3: Youth Apprenticeship Tuition Waiver. (SL 2016-94)**

Sec. 10.3 of S.L. 2016-94 authorizes the State Board of Community Colleges to waive tuition and registration fees for courses provided to students who are participating in an apprenticeship program that meets the following criteria:

- Is a registered apprenticeship program recognized by the United States Department of Labor.
- Has a documented plan of study with courses relating to a job-specific occupational or technical skill.
- Requires the participants in the program to be high school students when entering the program.

This section became effective July 1, 2016, and applies beginning with the 2016 fall academic term.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 10.4: Tuition Waiver/Firefighters and Emergency Medical Services Personnel on Military Installations. (SL 2016-94)**

Sec. 10.4 of S.L. 2016-94 allows the State Board of Community Colleges (SBCC) to waive tuition and registration fees for firefighters, EMS personnel, and rescue and lifesaving personnel whose duty station is located on a military installation within the State for courses that support their organizations' training needs and are approved for this purpose by the SBCC. This section also clarifies that federal law enforcement officers, firefighters, EMS personnel, and rescue and lifesaving personnel whose permanent duty station is within the State and who do not otherwise qualify for the tuition and registration fee waiver are eligible for the in-State resident community college tuition rate for courses that support their organizations' training needs and are approved for the purpose by the SBCC.

This section became effective July 1, 2016, and applies beginning with the 2016 fall academic term.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 11.1: Expand Internships and Career-Based Opportunities for Students Attending Historically Black Colleges and Universities (HBCU). (SL 2016-94)**

Sec. 11.1 of S.L. 2016-94 requires the Board of Governors, for the 2016-2017 school year, to conduct a competitive process to select historically black colleges and universities (HBCUs) to participate in the internship program linking 95 students attending HBCUs with North Carolina companies.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 11.2: Modify North Carolina Guaranteed Admissions Program (NCGAP). (SL 2016-94)**

Sec. 11.2 of S.L. 2016-94 modifies the provisions of the North Carolina Guaranteed Admissions Program (NCGAP). It directs the President of The University of North Carolina (President), in consultation with the Board of Governors of The University of North Carolina, to adopt a plan to improve student completion of baccalaureate degrees that includes specific targets for each constituent institution's completion rates and is effective for the 2017-2018 academic year. "Completion rates" may include the four and six year graduation rate of first-time, full-time freshman or other methods of measuring completion that can more accurately capture the success of each institution's undergraduate population. The plan must allow for a variety of strategies designed to meet the individual constituent institution's needs including redesigned courses, early alert systems, and tutoring. The President must report on the plan to improve the student completion rates to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of the State Budget and Management by January 1, 2017.

In addition, this section changes the implementation date for NCGAP at each constituent institution to the 2017-2018 fiscal year and applied to each constituent institution's admissions process for the 2018-2019 academic year and each subsequent year if the plan presented by the President is not implemented.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 11.4: Access to Affordable College Education. (SL 2016-94)**

Sec. 11.4 of S.L. 2016-94 establishes several different programs and directives as follows:

Fixed Tuition Payment Program. A fixed tuition payment program (Program) is established under which the rate of tuition is guaranteed for any freshman or transfer undergraduate student who is admitted to any constituent institution of The University of North Carolina (UNC) and is a North Carolina resident for tuition purposes.

The Program has the following components: (i) a guarantee that the approved rate of tuition approved will remain constant or decrease during the tuition period; (ii) prescribed tuition periods based on the length of

the student's academic program; (iii) a student's continued enrollment during the entire tuition period; and (iv) at the end of the tuition period, the cost of the tuition for any additional academic semesters reverts to the amount of the current tuition for that constituent institution and a tuition surcharge, if applicable.

The tuition period may be tolled if the student is able to show a substantial disruption or interruption in the student's pursuit of a degree. The Board of Governors (BOG) must adopt the policies needed to implement the Program and determine the fixed tuition rates and periods for undergraduate transfer students who are North Carolina residents for tuition purposes.

The Program applies beginning with the 2016 fall academic semester for the rate of tuition for freshman and transfer students who enroll at a constituent institution.

Cap on Student Fees. The BOG and the Board of Trustees at each constituent institution can increase the cumulative total of all undergraduate student fees approved by either the BOG or the Board of Trustees by no more than 3% each academic year.

The cap on student fees applies beginning with the 2017-2018 academic year and the student fees charged for the 2016-2017 academic year must be the baseline used to determine the amount of the 3% increase in student fees allowed for the 2017-2018 academic year.

NC Promise Tuition Plan and "Buy Down." The NC Promise Tuition Plan directs the BOG, beginning with the fall 2018 academic semester, to set the rate of undergraduate tuition for Elizabeth City State University, the University of North Carolina at Pembroke, and Western Carolina University at \$500 per academic semester for students who are North Carolina residents and \$2,500 per academic semester for nonresident students.

The State must "buy down" the amount of any financial obligation resulting from the lower established tuition rate that may be incurred the aforementioned constituent institutions. Beginning with the 2018-2019 fiscal year, the Director of the State Budget (Director) must determine for every fiscal year the amount required to offset the forgone tuition receipts at each of the three constituent institutions in the NC Promise Tuition Plan. The Director must authorize an increase in the base budget of UNC of up to \$40 million each fiscal year to cover the cost of the "buy down" for that fiscal year and must allocate the appropriate amount to each of the three constituent institutions. These authorized increases in the base budget of UNC will not be included in the calculation of its projected enrollment growth.

By January 16, 2017, the BOG must develop and implement a marketing strategy designed to increase enrollment at Elizabeth City State University and to effectively market the NC Promise Tuition Plan at that campus.

Evaluation of Admissions Cap on Nonresident Students. The BOG must consider what effect, if any, the elimination of or an increase in the current cap of 18% on enrollment of nonresident students entering the freshman class would have regarding student applications at Elizabeth City State University, the University of North Carolina at Pembroke, and Western Carolina University. If the BOG determines that eliminating or increasing the cap may increase the number, academic strength, and diversity of student applications at these institutions, then the BOG may adopt a policy that eliminates or establishes a different cap and the period of time for which the modification of the cap would be implemented.

Cheatham-White Scholarships. The Cheatham-White Scholarships (Scholarships) are established as merit scholarship programs at North Carolina Agricultural and Technical State University (NC A&T) and North Carolina Central University (NCCU). The Scholarships are fully funded, four-year scholarships that cover the cost of all of the following: full tuition, student fees, housing, meals, textbooks, laptop, supplies, travel, and personal expenses and also provides for four summers of fully funded enrichment and

networking opportunities that can include international travel and study. The funds appropriated each year to the Scholarships must be matched by non-State funds.

Up to 50 Scholarships may be awarded to students at each institution each academic year with 40 for North Carolina residents and 10 for nonresidents and will be selected based on academic merit, honorable character, outstanding leadership potential, and a demonstrable commitment to service. Financial need is not a consideration. All North Carolina high schools are eligible to nominate students to be considered as candidates for the Scholarships.

The University of North Carolina General Administration will administer the Scholarships, in consultation and collaboration with NC A&T and NCCU, under the policies adopted by the Boards of Trustees of both institutions, and in accordance with the criteria prescribe in this section.

Students may be nominated for the Scholarships during the 2017-2018 academic year, and recipients of the Scholarships may enroll at the constituent institution beginning with the 2018 fall academic semester.

Except as otherwise provided, this section became effective July 1, 2016, and applies to the 2016 fall academic semester and each subsequent academic semester.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 11.6: The University of North Carolina Teacher and Principal Preparation Program Lab School for K-8 Students. (SL 2016-94)**

Sec. 11.6 of S.L. 2016-94, as amended by Sec. 4.5 of S.L. 2016-123, creates The University of North Carolina Laboratory Schools (lab schools). Lab schools are public schools serving students in kindergarten through eighth grade that are established by a designated constituent institution of The University of North Carolina with an education preparation program and located in a local school administrative unit (LEA) that has 25% or more low-performing schools. The mission of the lab schools is to provide an enhanced education program for students residing in those LEAs and to provide exposure and training for teachers and principals to successfully address challenges existing in high-needs school settings.

The Board of Governors of The University of North Carolina (BOG) must select eight constituent institutions to establish lab schools based on the annual performance measures for those schools' educator preparation programs. Four of the schools must open in the 2017-2018 school year, and four must open in the 2018-2019 school year. The BOG and constituent institutions must adopt a plan for the location of the lab schools that provides geographic diversity and limits one lab school per LEA. The plan must be submitted 90 days prior to implementation to the Joint Legislative Commission on Governmental Operations. For the initial eight schools, the plan must be submitted by November 1, 2016.

The board of trustees of the constituent institution must adopt a resolution creating the lab school that includes the name of the school, location, and a term of operation of five years, which may be renewed for an additional five years under certain conditions. For the initial establishment of the lab schools, resolutions must be adopted no earlier than April 1, 2017. The resolution must be filed with and approved by the State Board of Education (SBE). A plan must also be adopted for dissolution of a lab school.

The board of trustees of the constituent institution must oversee the lab school, including establishing an advisory board, the academic program for the school, and standards of performance and conduct for the

school. Food and transportation services for the school will be provided by the LEA in which the school is located.

Students who reside in and are enrolled in a low-performing school in the LEA in which the lab school is located may apply to attend the lab school, with priority enrollment given based on certain factors. No local board of education may require a student to attend a lab school.

Employees of the lab school are appointed by the board of trustees. Principals may be contracted with for no more than three years, and must be licensed, unless waived by the SBE. Faculty members may serve simultaneously as instructional personnel for the lab school and the constituent institution. Teachers may be contracted with, and at least 50% of teachers must be licensed, unless waived by the SBE. Boards of trustees must conduct criminal history checks for members of the board of trustees, members of the advisory board, and employees and independent contractors of the lab school.

Lab schools must be provided State and local funding similar to funding for charter schools, except for the State allocation for transportation.

The BOG, in conjunction with the constituent institutions operating lab schools and the SBE, must review and evaluate the educational effectiveness of the lab schools for both public school students and students enrolled in educator preparation programs. The BOG must submit an initial report on the progress of establishing the lab schools by November 15, 2017, to the Joint Legislative Education Oversight Committee (JLEOC). The BOG must report annually beginning November 15, 2018, on the lab schools to the JLEOC, including the following information:

- Public school student enrollment in lab schools, including student demographics.
- Public school student admissions process and number of students enrolled under the priority admissions category.
- Public school student achievement data, including performance grades, achievement scores, and student growth.
- Academic progress as measured against the prior school year and against other schools in the LEA and statewide.
- Outcomes for those enrolled in the educator preparation program who obtained clinical experience in the lab schools, including performance elements for those programs.
- Best practices from lab school operations.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 11.7: Repeal Limit on Use of State Funds for The University of North Carolina Advancement Activities. (SL 2016-94)**

Sec. 11.7 of S.L. 2016-94 repeals the limit on the use of State funds for advancement programs at the constituent institutions of The University of North Carolina.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 11.8: Establish North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill . (SL 2016-94)**

Sec. 11.8 of S.L. 2016-94 directs that the \$1 million in recurring funds appropriated to the Board of Governors of The University of North Carolina (The University) for the 2016-2017 fiscal year to establish and operate a North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill must be used to create a Collaboratory that facilitates the dissemination of the policy and research expertise of The University for practical use by State and local government.

The Collaboratory:

- Must conduct research on natural resources management, including research related to the environmental and economic components of the management of the natural resources within the State and of new technologies for habitat, environmental, and water quality improvement.
- Must develop and disseminate relevant best practices to interested parties.
- May lead or participate in projects across the State related to natural resource management.
- May make recommendations to the General Assembly.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 11A.2: Modifications to the Special Education Scholarship Grant Program for Children with Disabilities. (SL 2016-94)**

Sec. 11A.2 of S.L. 2016-94 amends the special education scholarship grant program for children with disabilities (scholarships). It expands the list of eligible students to include: (i) a child that was enrolled during the previous semester in a Department of Defense Elementary and Secondary School that is located in the State; (ii) a child whose parent or legal guardian is on full-time duty status in the United States Armed Services, including members of the National Guard and Reserve on active duty orders; and (iii) a child who has been domiciled in the State for at least six months. The students must meet all of the other eligibility criteria as well.

The State Education Assistance Authority (SEAA) is directed to award the scholarships in the following priority:

- First priority must be given to eligible students who received a scholarship during the previous semester.
- Next priority are eligible students who are:
- Enrolled in a North Carolina public school or a Department of Defense Elementary and Secondary School located in the State during the previous semester;
- Received special education or related services through the North Carolina public schools as a preschool child with a disability during the previous semester;
- Identified as children with disabilities prior to the end of the year of initial enrollment in kindergarten or first grade.

- Children whose parents or legal guardians are on full-time duty status in the United States Armed Services, including members of the National Guard and Reserve on active duty orders.
- Last priority is for eligible students who have been domiciled in the state for at least six months.

The SEAA must disburse the scholarship funds awarded to eligible students for tuition at a nonpublic school based upon the method selected by the nonpublic school of either scholarship endorsement or reimbursement for tuition. For the scholarship endorsement for tuition option, the SEAA must remit twice during each school year the scholarship funds awarded to eligible students for endorsements by the students' parents or guardians. The scholarship funds must be restrictively endorsed for deposit into the account of the school and the endorsement must be made in person at the site of the school. For the reimbursement for tuition option, the parents or guardians must pay tuition directly to the school deemed eligible by the Division of Nonpublic Education in the Department of Administration. After which, SEAA must reimburse the parents or guardians no sooner than the midpoint of each semester.

Any unexpended scholarship funds at the end of each fiscal year revert to the General Fund, except that the SEAA may carry forward to the next fiscal year an amount needed to ensure that any outstanding allowable reimbursements can be disbursed. Any funds carried forward for the purpose of meeting anticipated reimbursement obligations from the prior fiscal year that are not expended cannot be used to award additional scholarships but must revert to the General Fund at the end of that fiscal year.

This section also adds a psychiatrist to the list of professionals that may assess a student's continued eligibility for the scholarship after reviewing the appropriate medical and educational records. Finally, the annual report on the scholarship grant program for children with disabilities must also include information on the number of applicants by eligibility type and total number of scholarships awarded by priority type.

This section became effective July 1, 2016, and applies beginning with the 2016-2017 school year.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 11A.4: Transforming Principal Preparation/Clarify Requests For Proposal Grants. (SL 2016-94)**

Sec. 11A.4 of S.L. 2016-94 as amended by Sec. 4.3 of S.L. 2016-123, makes the following changes to the grant program for principal preparation:

- Authorizes the nonprofit corporation administering the program to issue additional requests for proposals for grant applications as it deems necessary and subject to availability of funds.
- Requires grant recipients to annually report on the percentage of program completers who are school leaders who remained employed in a North Carolina public school for two or more years after initial placement.
- Requires the nonprofit corporation administering the program to report annually to the Joint Legislative Education Oversight Committee, as well as the State Board of Education, on data collected from grant recipients.

This section became effective July 1, 2016.



## **H1030 - 2016 Appropriations Act.**

### **Sec. 36.19: Extend Voluntary Shared Leave to Community Colleges Employees. (SL 2016-94)**

Sec. 36.19 of S.L. 2016-94 directs the State Board of Community Colleges to adopt rules and policies consistent with policies of the State Human Resources Commission to allow employees at community colleges to share leave voluntarily with a nonfamily member who is also an employee of a community college. An employee who donates sick leave to another employee who is not a family member is limited to donating no more than five days of sick leave per year to any one nonfamily community college employee. The combined total of sick leave donated to a community college employee from nonfamily community college employee donors cannot exceed 20 days per year. Donated sick leave cannot be used for retirement purposes and community college employees who donate sick leave must be notified in writing of the consequences of donating sick leave in regard to State retirement system service credit.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 10.5: Clarify Career-and College-Ready Graduation Program. (SL 2016-94)**

Sec. 10.5 of S.L. 2016-94 makes changes to the requirements regarding the Career-and College-Ready Graduate Program (Program) to include the following:

- Provides that the State Board of Community Colleges (SBCC), in consultation with the State Board of Education (SBE), must implement model programs beginning with the 2016-2017 school year.
- Requires full implementation of the Program in all high schools statewide beginning with the 2018-2019 school year.
- Requires the SBCC and the SBE to jointly report to the Joint Legislative Education Oversight Committee as follows:
- By March 15, 2017, the outcomes of model programs implemented in the 2016-2017 school year and suggested statutory changes.
- By March 15, 2018, the implementation and professional development efforts in the 2017-2018 school year and information on final changes in curriculum, policy, and rules for implementation of the Program statewide in the 2018-2019 school year.
- No later than October 15, 2019, and annually thereafter, on program outcomes, including impact on remediation rates in mathematics and reading and English for recent high school graduates entering a North Carolina community college or constituent institution of The University of North Carolina.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 11.5: Disclosure of Student Data and Records to Private Institutions of Higher Education/Liability Protection. (SL 2016-94)**

Sec. 11.5 of S.L. 2016-94 extends liability protection to private colleges and universities if there is a breach of confidentiality, disclosure, use, retention, or destruction of data or records resulting from actions or omissions by the North Carolina Independent Colleges and Universities, Inc.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 11A.3: Opportunity Scholarship Modifications/Program Forward Funding. (SL 2016-94)**

Sec. 11A.3 of S.L. 2016-94 makes the following changes, beginning with the 2016-2017, school year to awards of Opportunity Scholarship Grants (Scholarships):

- Expands the list of eligible students to include:
- Students enrolled in a Department of Defense Elementary and Secondary School located in North Carolina during the previous semester.
- Students whose parents or legal guardians are on full-time duty status in the United States Armed Forces, including the National Guard and Reserve on active duty orders.
- Clarifies that a student enrolled in a postsecondary institution in a matriculated status eligible for enrollment for 12 hours of academic credit is not eligible for the Scholarship.
- Expands from 35% to 40% the amount of funds to be used to award Scholarships to eligible students entering either kindergarten or first grade.

Beginning with the 2017-2018 school year, the section authorizes award of at least 2,000 more Scholarships annually over the prior school year.

The section also creates a new funding mechanism for the Scholarship by establishing the Opportunity Scholarship Grant Fund Reserve (Reserve). The Reserve is administered by the Board of Governors of The University of North Carolina for the purpose of allocating funds to the State Education Assistance Authority for the award of Scholarships in the fiscal year following appropriations of those funds to provide additional program stability. Effective July 1, 2017, an appropriation increase of \$10 million each fiscal year for 10 years is provided to the Reserve.

Except as otherwise provided, this section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.23: Digital Learning Plan Funds. (SL 2016-94)**

Sec. 8.23 of S.L. 2016-94 directs the State Board of Education to collaborate with the Friday Institute for Educational Innovation at North Carolina State University to continue implementing the Digital Learning Plan in North Carolina public schools by doing the following:

- Coordinate the implementation of professional development programs that support teachers and school administrators in transitioning to digital-age learning.
- Manage statewide cooperative purchasing of content, including statewide shared resources for teachers to use in lesson planning and formative student assessments.
- Develop infrastructure maintenance and support protocols.
- Modify and update State policies to provide support and flexibility for local digital learning innovation.
- Develop and maintain the continuous improvement process.
- Create assessments for technological and pedagogic skills and identify best practices from those assessments.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 8.31: Remediation Plan for Principals in Low-Performing Schools. (SL 2016-94)**

Sec. 8.31 of S.L. 2016-94 modifies the actions a superintendent may pursue concerning a principal of a school that has been identified as low-performing by the State Board of Education. A superintendent may recommend a principal be retained in the same position without a plan for remediation only if: (i) the principal has been at the same school for less than two years, or (ii) the principal has been at the school two years or more and the school has both met student growth and improved student achievement scores for the prior school year.

This section became effective July 1, 2016, and applies beginning with the 2016-2017 school year.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 9.7: Third Grade Reading Teacher Performance Pilot Program. (SL 2016-94)**

Sec. 9.7 of S.L. 2016-94 directs the State Board of Education (SBE) to establish the Third Grade Reading Teacher Performance Pilot Program (Program) to reward teacher performance and to encourage student learning and improvement. The Department of Public Instruction must administer bonus pay to licensed third grade teachers who have an Education Value-Added Assessment System (EVAAS) student growth index score for third grade reading from the previous school year, beginning with the data from the 2015-2016 school year, as follows:

- \$5 million must be allocated for bonuses to licensed third grade teachers who are in the top 25% of teachers in the State according to the EVAAS scores for third grade reading from the previous year. Funds are to be allocated equally among qualifying teachers.
- \$5 million must be allocated for bonuses to licensed third grade teachers who are in the top 25% of teachers in their respective local school administrative units (LEA) according to the EVAAS scores for third grade reading from the previous year. Funds are to be split proportionally based on average daily membership for each LEA and then distributed equally among qualifying teachers in each LEA, subject to the following conditions:
  - Teachers employed in charter schools and regional schools are not eligible to receive the bonuses.
  - Any teacher working in an LEA that employs three or fewer third grade teachers will receive a bonus if that teacher has an EVAAS score for third grade reading from the previous school year that exceeds expected growth.
  - For EVAAS data collected during the 2015-2016 school year and the 2016-2017 school year, the bonuses are payable in January of 2017 and January of 2018, respectively, to qualifying third grade teachers who remain employed teaching third grade in the same LEA at least from the school year the data is collected until the corresponding school year that the bonus is paid.
  - A teacher who is eligible to receive a qualifying bonus by being in the top 25% of EVAAS scores for third grade reading at the State level is also eligible for the bonus at the local level. Qualifying bonuses are not considered compensation under the Teachers' and State Employees' Retirement System.

The SBE must do the following:

- Study the distribution of statewide bonuses among LEAs and the distribution of bonuses within LEAs among individual schools and report to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Fiscal Research Division on March 1, 2017, and again on March 1, 2018.
- Study the effect of the Program on teacher performance and retention and report the results of its findings to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee no later than March 1, 2018.

This section became effective July 1, 2016, and expires June 30, 2018.

### **H1080 - Achievement School District. (SL 2016-110)**

S.L. 2016-110 establishes the Achievement School District (ASD) under the control of the State Board of Education (SBE) and headed by the ASD Superintendent. The SBE is authorized to select, upon recommendation of the ASD Superintendent, five qualifying elementary schools that meet certain performance criteria to transfer to the ASD as achievement schools.

The ASD Superintendent may waive SBE rules, regulations, policies, and procedures for achievement schools, but at a minimum, the schools must meet the statutory requirements for charter schools. An achievement school operator will be selected to operate an achievement school and have a direct role in making decisions on school finance, human capital, and curriculum and instruction.

The achievement school may remain under the supervision of the ASD for up to eight consecutive years through a contract with an AS operator.

If a local board of education transfers a qualifying school to the ASD, the local board may ask the SBE to create an innovation zone for up to three continually low-performing schools within its local school administrative unit for up to five years. The act also requires the SBE to authorize the Charlotte-Mecklenburg Board of Education to create an innovation zone that may include up to five low-performing schools among Project Lift Schools and Beacon Initiative Schools for the 2017-2022 school years.

The SBE must contract with an independent research organization (IRO) beginning in 2016-2017, to evaluate the implementation and effectiveness of the ASD and innovation zones. The IRO is directed to report its interim findings to the SBE annually beginning February 15, 2017, with a final report due by February 15, 2023. The SBE must provide the IRO report, along with recommended legislative changes, to the Joint Legislative Education Oversight Committee annually, beginning March 1, 2017, until submission of the final report in 2023.

This act became effective July 22, 2016, and applies beginning with the 2017-2018 school year. In the discretion of the SBE (i) the ASD Superintendent may not be required during the 2016-2017 school year to recommend qualifying schools for inclusion in the ASD for the 2017-2018 school year and (ii) the timeline for selection of achievement schools for the 2017-2018 school year may be varied, but in no event may the local board of education's decision to close the qualifying school or transfer it to the ASD occur later than April 1, 2017. The SBE may select up to five qualifying schools to transfer to the ASD beginning with the 2017-2018 school year, but must select at least two qualifying schools to transfer to the ASD no later than the 2018-2019 school year and must have selected five qualifying schools for transfer to the ASD no later than the 2019-2020 school year.

### **S330 - Change Orders on School Construction Projects. (SL 2016-58)**

S.L. 2016-58 requires all local boards of education to adopt a policy governing change orders to any construction or repair work for which a contract has been awarded in accordance with certain construction statutes. The policy must address, at a minimum, all of the following:

- How proposed change orders are submitted by the contractor for approval, including requests for expedited review.
- Identification of the individual(s), with responsible authority for approving change orders of a particular category of work or amount, and the corresponding descriptions and dollar limits for particular categories of work or amounts that may be approved.
- How a change order that must be approved by the local board is submitted to that board.
- How the local board is notified of all change orders submitted for approval, and the resulting actions taken.

S.L. 2016-58 becomes effective October 1, 2016, and applies to contracts awarded, extended, or renewed on or after that date.

### **S536 - Students Know Before You Go and Central Residency. (SL 2016-57)**

S.L. 2016-57 directs the North Carolina State Education Assistance Authority (NCSEAA) to provide on a Web site, under a section entitled "Know Before You Go," information to assist students and parents in selecting major and career opportunities. This information must include, as data is available, projected employment needs in the labor economy and the salary ranges for those areas of employment, college

majors which may fulfill those employment needs, and institutions of higher education that may provide those majors. This section becomes effective April 1, 2017.

The act also authorizes the NCSEAA to administer a coordinated and centralized process for determining residency for tuition and State-funded financial aid purposes that is jointly developed and implemented by The University of North Carolina (UNC), the North Carolina Community College System (NCCCS), and the NCSEAA, in consultation with the North Carolina Independent Colleges and Universities (NCICU). The NCSEAA must establish a council with representatives from UNC, NCCCS, and the NCICU to guide and assist the NCSEAA in developing and implementing any policies needed to administer the coordinated and centralized process for determining residency for tuition and State-funded financial aid purposes. This section became effective September 1, 2016, and the centralized process for residency determination applies to all undergraduate enrollments for academic quarters, terms, or semesters that begin on or after January 1, 2017, and to all graduate enrollments for academic quarters, terms, or semesters, that begin on or after January 1, 2018.

### **S770 - North Carolina Farm Act of 2016.**

#### **Sec. 8: Allow Local Preference for School Food Procurement. (SL 2016-113)**

Sec. 8 of S.L. 2016-113 allows a local board of education to develop and implement policies and procedures to facilitate and maximize purchases of food grown or raised in North Carolina. This includes policies that permit a price percentage preference for the purpose of procuring food grown or raised within the State. A price percentage preference is the percent by which a responsive bid from a responsible bidder whose product is grown or raised in the State may exceed the lowest responsive bid submitted by a responsible bidder whose product is not grown or raised in the State.

This section became effective July 26, 2016.

# Environment, Natural Resources, and Energy

See full summary documents for additional detail

## **H630 - Drinking Water Protection/Coal Ash Cleanup Act. (SL 2016-95)**

S.L. 2016-95: (1) repeals all provisions related to the Coal Ash Management Commission in the General Statutes; (2) requires a coal combustion residuals impoundment owner to provide permanent alternative water supplies for residents in areas surrounding coal combustion residuals surface impoundments; (3) allows reconsideration of risk classifications for coal combustion residuals surface impoundments based on fulfillment of certain criteria; and (4) modifies appointments and other provisions governing the Mining Commission and the Oil and Gas Commission.

This act became effective July 14, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 14.1: Mercury Switch Sunset Modification. (SL 2016-94)**

Sec. 14.1 of S.L. 2016-94 repeals, effective June 30, 2017, the statutes governing removal, collection, and recovery of mercury switches from end-of-life vehicles. Under prior law, the statutes in question would have expired December 31, 2017.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 14.3: Air and Water Quality Account Funding. (SL 2016-94)**

Sec. 14.3 of S.L. 2016-94 amends the distribution of tax revenue among various environmental funds and accounts.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 14.5: Risk-Based Management Actions Preapproval. (SL 2016-94)**

Sec. 14.5 of S.L. 2016-94 modifies the statutes governing cleanup of contamination resulting from the discharge or release of petroleum from an underground storage tank (UST), to provide that, for the purpose of completing risk-based management actions leading to no further action or closure, the Department of Environmental Quality may use up to \$500,000 annually from the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund (Commercial Fund) to preapprove and authorize a person to proceed with one or more tasks associated with the assessment or cleanup of a discharge or release from a UST regardless of: (i) the priority of the site, based on the degree of risk to human health and the environment posed by the discharge or release; and (ii) whether, based on the scope of the work to be performed and the schedule of reasonable and necessary costs, that sufficient funds will be available in the Commercial Fund to pay or reimburse the cost of that task within 90 days after the Department

determines that the owner, operator, or landowner has submitted a claim with documentation sufficient to establish that the claim is eligible for reimbursement.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 14.11: Promote Shellfish Industry. (SL 2016-94)**

Sec. 14.11 of S.L. 2016-94, as amended by Sec. 6.1 of S.L. 2016-123, amends the shellfish leasing statutes as follows:

- Changes the date on which the rent for shellfish bottom leases must be paid from April 1 to July 1 of each year.
- Allows an amendment to a shellfish bottom lease to authorize use of the water column to be transferred with the shellfish superincumbent bottom lease.
- Extends the authorized period for demonstration or research aquaculture development projects from two to five years.
- Increases the threshold for being considered commercial production from \$1,000 to \$5,000.
- Increases the period for water column leases to perpetual franchises from five to 10 years.
- Allows a water column lease to a perpetual franchise to be transferred with the superincumbent perpetual franchise.

This section also directs the Chief Sustainability Officer of the University of North Carolina at Chapel Hill to convene a stakeholder working group to study how to ecologically restore oyster populations and habitats and achieve economic stability of the shellfish aquaculture industry. The results of this study must be reported to the Fiscal Research Division, the Environmental Review Commission, and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources by December 31, 2018.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 14.12: Clarify Aquatic Weed Control Funding Eligibility . (SL 2016-94)**

Sec. 14.12 of S.L. 2016-94 makes clarifying and conforming changes to the Shallow Draft Navigation Channel Dredging and Aquatic Weed Control Funding eligibility.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 14.13: Development of New Comprehensive Nutrient Management Regulatory Framework. (SL 2016-94)**

Sec 14.13 of S.L. 2016-94 establishes the following nutrient management policies:



- Terminates the Jordan Lake Nutrient Mitigation Demonstration Project (SolarBee Project).
- Directs the Chief Sustainability Officer at the University of North Carolina at Chapel Hill to designate an entity to oversee a continuing study and analysis of nutrient management strategies for Jordan Lake and Falls Lake.
- Directs the Environmental Management Commission to modify its schedule and process for review and readoption of the existing Jordan Lake rules and Falls Lake rules to take into account the results of the study of nutrient management strategies.
- Directs the Department of Environmental Quality (DEQ) to study alternative technologies for in situ approaches to nutrient management in Jordan Lake and Falls Lake.
- Provides that impervious surface added in a city or county within the Jordan Lake watershed after July 26, 2013, and prior to December 31, 2020, will not be counted as built-upon area for purposes of a city's or county's calculation of nutrient loading targets.
- Directs DEQ to study issues related to nutrient impact fees and other water quality impact mitigation programs in Jordan Lake and Falls Lake.
- Provides that the Jordan Lake rules with effective dates between July 1, 2016, and October 15, 2019, must not become effective and provides that the Falls Lake rules with effective dates between July 1, 2016, and October 15, 2022, must not become effective.
- Provides that stormwater treatment practices that have been approved by the Chesapeake Bay Commission for Total Maximum Daily Load (TMDL) compliance in the Chesapeake Bay watershed must be allowed for TMDL compliance in the Jordan Lake and Falls Lake watersheds.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 14.15: Right of Entry Clarification. (SL 2016-94)**

Sec. 14.15 of S.L. 2016-94 creates a new law in the statutes governing the administration provisions and regulatory authority of the Marine Fisheries Commission and the Department of Environmental Quality to provide that the Secretary of Environmental Quality and a local health director has the delegable right of entry upon the premises of any place where entry is necessary to enforce rules for sanitation for the harvesting, processing and handling of scallops, shellfish, and crustacea. If consent for entry is not obtained, an administrative search and inspection warrant must be obtained in accordance with Chapter 15 of the General Statutes. However, if an imminent hazard exists, no warrant is required for entry.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 14.18: Crab Pot Removal Pilot Program. (SL 2016-94)**

Sec. 14.18 of S.L. 2016-94 provides that of the funds appropriated to the Division of Marine Fisheries of the Department of Environmental Quality for the 2016-2017 fiscal year, \$100,000, nonrecurring, will be used for a pilot program for the removal of derelict crab pots in State waters. The pilot program will be administered by North Carolina Sea Grant at North Carolina State University. Sea Grant must report on the performance of the pilot program to the chairs of the Joint Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on or before May 1, 2017.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 14.21: Catalog of Wetlands and Stream Mitigation Credits.. (SL 2016-94)**

Sec. 14.21 of S.L. 2016-94 directs the Division of Mitigation Services of the Department of Environmental Quality, with the assistance of the Department of Transportation, to catalog all wetland and stream mitigation credits in State ownership. The Division must provide the catalog to the Environmental Review Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Joint Legislative Transportation Oversight Committee by December 31, 2016.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 14.22: Beach Nourishment Studies. (SL 2016-94)**

Sec. 14.22 of S.L. 2016-94 directs three new beach nourishment studies, as follows:

- The first study requires the Division of Coastal Resources in the Department of Environmental Quality (DEQ) to study the benefits of out-of-state coastal storm damage reduction and beach nourishment projects to public infrastructure, public and private property, small business, and tourism in the State. The Division must report its results to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources (ANER Oversight Committee) by November 1, 2016.
- The second study requires each County Tax Office in Brunswick, Carteret, Currituck, Dare, Hyde, New Hanover, Onslow, and Pender counties to compile information on the ownership and mailing addresses for the property in the county and any other mailing addresses associated with the property outside of those coastal counties. Each County Tax Office must submit an electronic list of the property addresses to DEQ and the ANER Oversight Committee by November 1, 2016.
- The third study requires the Department of Commerce to compile readily available economic data that quantifies the contribution of the coastal economy to the State's economy as a whole and directs the Department of Commerce to report its results of the study to DEQ and the ANER Oversight Committee by November 1, 2016.

In addition, this section directs DEQ to include these studies as appendices to the Beach and Inlet Management Plan required by the 2015 Appropriations Act (Sec. 14.6(b)(4) of S.L. 2015-241).

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 14.23: Extend the Sunset on Allowable Term Length of Certain State Revolving Loan Funds. (SL 2016-94)**

Sec. 14.23 of S.L. 2016-94 makes conforming changes to the Water and Sewer Service Related Changes legislation (S.L. 2015-207) to reflect Water Infrastructure loan program revisions made in the 2015 Appropriations Act, effective October 1, 2016.

This section also extends by three months to October 1, 2016, the sunset provided in S.L. 2015-207 on statutory changes that permit the Local Government Commission to authorize a 30-year maturity date for certain water infrastructure loans administered by the Division of Water Infrastructure of the Department of Environmental Quality.

Except as otherwise provided, this section became effective July 14, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 16.7: Parks and Recreation Trust Fund Eligibility. (SL 2016-94)**

Sec. 16.7 of S.L. 2016-94 modifies the permissible uses of moneys in the Parks and Recreation Trust Fund to allow a portion of those funds to be allocated for capital projects, repair and renovations of facilities, and land acquisition at State recreational forests (in addition to use of the moneys for such projects and activities for the State Parks System).

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 35.3: Eliminate Portion of Division of Motor Vehicles Transaction Fees Set Aside for Mercury Switch Removal Account. (SL 2016-94)**

Sec. 35.3 of S.L. 2016-94 eliminates the portion of fees allocated to the Mercury Switch Removal Account (\$0.50) from fees imposed on certain Division of Motor Vehicle transactions (fees concerning certificate of title, a registration card, or a registration plate for a motor vehicle), and allocates those funds to the North Carolina Highway Trust Fund.

This section became effective July 1, 2016, and applies to fees paid on or after that date.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 37.2: Water Resources Development Projects. (SL 2016-94)**

Sec. 37.2 of S.L. 2016-94 allocates \$11.8 million in funds appropriated to the Department of Environmental Quality for various water resources development projects. The \$11.8 million includes \$6.3 million in new funding for 2016-2017, and \$5.5 million in funding carried forward from prior fiscal years.

This section also provides for reporting and matching requirements for the funding, an earmark to the town of Kings Mountain of funds allocated in the provision for various repairs and upgrades to the John H. Moss Reservoir, and a clarification that water resources development funding may be used for 100% of the non-federal share for projects that are a part of the Environmental Quality Incentives Program administered by the Natural Resources Conservation Service of the United States Department of Agriculture.

This section became effective July 1, 2016.

## **S770 - North Carolina Farm Act of 2016.**

### **Sec. 14: Exempt Horticultural Uses From the Sedimentation Pollution Control Act. (SL 2016-113)**

Sec. 14 of S.L. 2016-113 exempts production and activities relating or incidental to the production of crops, grains, fruits, vegetables, ornamental and flowering plants, dairy, livestock, poultry, and all other forms of agriculture, including the production of mulch, ornamental plants, sod, and other horticultural products, from the Sedimentation Pollution Control Act.

This section became effective July 26, 2016.

# Finance

See full summary documents for additional detail

## **H533 - Modify Present Use Value Exceptions to Disqualification.**

### **Sec. 1: Modify Present Use Value Exceptions to Disqualification. (SL 2016-76)**

Sec. 1 of S.L. 2016-76 pro rates deferred taxes when real property is transferred for less than its fair market value to a nonprofit entity for conservation or historical preservation, the State or a political subdivision of the State, or the United States.

This section became effective for taxes imposed for taxable years beginning on or after July 1, 2016

## **H533 - Modify Present Use Value Exceptions to Disqualification.**

### **Sec. 2: Administrative Review of Statute of Limitations Determinations by Department of Revenue. (SL 2016-76)**

Sec. 2 of S.L. 2016-76 allows a taxpayer to contest before the Office of Administrative Hearings the determination by the Department of Revenue that the taxpayer's amended return or claim for refund were filed outside the statute of limitations.

Sec. 2 of this act became effective June 30, 2016, and the act allows a taxpayer to appeal a past denial of an amended return or claim for refund due to the statute of limitations if the taxpayer appeals the denial within 60 days of June 30, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 38.1: Increase Zero Tax Bracket. (SL 2016-94)**

Sec. 38.1 of S.L. 2016-94 increases the standard deduction by \$2,000 over two years, beginning in 2016:

- \$1,000 to \$16,500 (married, filing jointly) for tax year 2016.
- \$1,000 to \$17,500 (married, filing jointly) for tax year 2017, and subsequent years.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 38.2: Expand Taxation of Mill Machinery. (SL 2016-94)**

Sec. 38.2 of S.L. 2016-94, as amended by Secs. 11.1 and 11.3 of S.L. 2016-123, expands the preferential tax treatment of certain machinery and equipment subject to the 1% / \$80 tax by adding provisions for the following:

- Parts, accessories, or attachments for equipment that is currently eligible for a company located at a ports facility. This provision became effective July 14, 2016, and applies retroactively to purchases made on or after July 1, 2013.
- Secondary metal recyclers, effective for purchases made on or after July 1, 2016. The equipment must be used in a process that converts ferrous or nonferrous metals or other items that have served their original purpose into new or different products for sale.
- Precious metal processors, effective for purchases made on or after July 1, 2016. This provision applies to a company that processes tangible personal property for the purpose of extracting precious metals regardless of whether the company owns the property being processed.
- Metal fabricators that derive more than \$8 million annually from the fabrication or manufacture of metal products, effective for purchases made on or after July 1, 2016. This provision applies regardless of whether the products manufactured are for sale or for the company's own use.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 38.4: Market-Based Sourcing. (SL 2016-94)**

Beginning in 2018, North Carolina will use a single sales factor apportionment formula for apportioning the corporate income and franchise tax liability of multistate corporations. Single sales factor apportionment provides an incentive for multistate corporations to select North Carolina as their primary state to conduct business activities, unless the corporation provides a service instead of a product. Single sales factor apportionment does not provide the same incentive to a multistate company that provides services, because its sales factor is not based on the percentage of income derived from consumption of the company's services in the North Carolina marketplace. Consequently, states that adopt a single sales factor apportionment incentive usually adopt a market-based calculation of the sales factor for all multistate corporations, including those that provide services. This section does not enact market-based sourcing however; it does direct the Department of Revenue to adopt rules to implement market-based sourcing by January 1, 2017. The rules, if approved by the Rules Review Commission, cannot be entered into the Administrative Code until the General Assembly enacts market-based sourcing legislation and directs the Codifier of Rules to do so. The provision ensures that the General Assembly, and the public, will know what the rules pertaining to market-based sourcing would be if the General Assembly decides to enact market-based sourcing legislation in the future.

This section became effective July 14, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 38.5: Sales Tax Changes. (SL 2016-94)**

Sec. 38.5 of S.L. 2016-94, as amended by Part XI of S.L. 2016-123, does the following:

- Provides a grace period for retailers who provide repair, maintenance, and installation services. This part of the section became effective July 14, 2016, and the relief provided for related transactions applies retroactively to January 1, 2015.
- Amends the sales tax on repair, maintenance, and installation services to treat similar transactions the same and to identify taxable transactions more clearly. In treating similar transactions the same, the act expands the sales tax base to include repair and maintenance of real property. This part of the section becomes effective January 1, 2017.

- Allows a use tax exemption equal to the amount of the installation charges and sales price of, or gross receipts derived from, the repair, maintenance, and installation services that exceed \$25,000 for a boat, aircraft, or qualified jet engine. This part of the section became effective July 1, 2016.
- Repeals the \$17.6 million State contribution to local sales and use tax revenue distributed to counties and cities, effective for fiscal years beginning on or after July 1, 2016. The contribution would have become effective July 1, 2016; thus, the repeal nullifies the contribution before it became effective.
- Allows a sales tax exemption for products made of more than 75% recycled material by weight if the products are sold for use in an accepted wastewater dispersal system. The exemption becomes effective October 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 38.6: Property Tax Exclusion Extension. (SL 2016-94)**

Sec. 38.6 of S.L. 2016-94 continues to allow a property tax exemption for contiguous tracts of land donated to a nonprofit that were previously used for commercial or industrial purposes and significantly damaged by fire or explosion. The exemption was enacted in 2011 in response to the explosion of the ConAgra plant in June 2009.

This section became effective July 14, 2016. The property tax exemption is effective for taxable years beginning on or after July 1, 2011, and expires for taxable years beginning on or after July 1, 2021. Prior to the enactment of this section, the exemption would have expired for taxable years beginning on or after July 1, 2016.

### **S105 - Report Number of Veterans Filing Tax Returns. (SL 2016-112)**

S.L. 2016-112 requires the Secretary of Revenue to provide a space on the individual income tax form D-400 for the voluntary disclosure of veteran status by persons filing State income tax returns, to use the information so disclosed to compile aggregate summary information on the number of veterans filing tax returns in North Carolina annually, and to provide this information to the Department of Military and Veterans Affairs.

This act became effective July 26, 2016

## **S481 - Fund Small Businesses/Department of Revenue Rulings/City Rights of Way.**

### **Part II: Public Disclosure of Written Determinations Made by the Department of Revenue. (SL 2016-103)**

Part II of S.L. 2016-103 requires the Department of Revenue publish on its Web site redacted versions of written determinations responding to taxpayer questions within 90 days after the determination was issued.

This Part II became effective July 22, 2016, and the Department of Revenue must publish redacted versions of determinations issued on or after January 1, 2010, within 120 days of that date.

## **S726 - Internal Revenue Code (IRC) Update. (SL 2016-6)**

S.L. 2016-6, as amended by Sec. 1.2 of S.L. 2016-92, updates from January 1, 2015, to January 1, 2016, the reference to the Internal Revenue Code used in determining certain State tax provisions. The act does not conform to the extensions listed below under the federal Protecting Americans from Tax Hikes Act of 2015 (PATH Act), but it does conform to the \$250 teacher expense deduction and to the income exclusion for amounts received by wrongfully incarcerated individuals.

The act does not conform to the following two provisions that were made permanent at the federal level:

- Enhanced Section 179 expensing.
- Tax-free distribution from IRAs to public charities.

The act does not conform to the following three provisions that were extended at the federal level through the 2016 taxable year:

- Deduction for higher education tuition expenses.
- Exclusion from income for forgiveness of debt on principal residence.
- Deduction for mortgage insurance premiums.

This act became effective on June 1, 2016. North Carolina has decoupled from the above-named provisions for taxable years beginning on or after 2013.

## **S729 - Various Changes to the Revenue Laws. (SL 2016-5)**

S.L. 2016-5 makes various changes to the Revenue Laws including the following changes with broader impact:

- Limits the qualified interest expense deduction for interest paid to a related corporation to 15% (from 30%) of corporate taxpayer's adjusted taxable income and allows an unlimited qualified interest expense deduction if the corporate taxpayer can trace the interest expense to a unrelated lender.
- Restores a miscellaneous itemized deduction applicable when individual taxpayers restores a substantial amount held under claim of right that the taxpayer included in gross income for a prior taxable year because it appeared that taxpayer had an unrestricted right to that item.
- Adds a deduction for individual taxpayers who report business income on a Schedule C to equalize treatment of individual taxpayers and corporate taxpayers reporting ordinary and necessary business expenses where the expense was taken as a tax credit for federal purposes.
- Provides that individual taxpayers must adjust federal adjusted gross income to prevent a double benefit of the federal net operating loss (NOL) carryover.
- Repeals the sales tax exemption for items sold by a nonprofit organization when the receipts from the sale of the items will be directly or indirectly contributed to the State or school.
- Creates a new sales tax exemption for food, prepared food, soft drinks, and other items of tangible personal property sold not for profit for or at an event that is sponsored by an elementary or secondary school when the net proceeds will be given to the school.



- Disallows the State government sales tax exemption and sales tax refund of local taxes paid on indirect purchases for occupational licensing boards and State governmental entities that are specifically designated to apply for a sales tax refund under G.S. 105-164.14.

This act became effective May 11, 2016; however, most sections have an effective date based on the tax reporting period for the type of tax. Please see the full summary for additional detail.

### **S770 - North Carolina Farm Act of 2016.**

#### **Sec. 10: Extend Sunset for Constructing Certain Renewable Fuel Facilities. (SL 2016-113)**

Sec. 10 of S.L. 2016-113 extends for three years the sunset for the tax credit for constructing a commercial facility that processes renewable fuel but only for a taxpayer that signed a letter of commitment with the Department of Commerce to that effect prior to September 1, 2013, and that began construction of the facility prior to January 1, 2014.

This section became effective July 26, 2016.

### **S803 - Revenue Laws Technical, Clarifying, and Administrative Changes. (SL 2016-92)**

S.L. 2016-92 makes technical changes to tax statutes, including the following, that amend the result from prior law: (i) allows local governments to share confidential taxpayer information necessary to administer a tax; (ii) limits the look back period to determine the amount of a bond for a Non-Participating Manufacturer under the Master Settlement Agreement to the preceding three calendar years; and (iii) moves the date to calculate employers' tax rate for unemployment insurance taxes to September 1 to include tax payments made in the second quarter of the year.

S.L. 2016-92 generally became effective July 11, 2016; however, several provisions had other effective dates due to reporting periods. Please see the full summary for additional detail.

# Health and Human Services

See full summary documents for additional detail

## **H667 - Mental Health, Developmental Disability, Substance Abuse, and Adult Care Facility Penalties and Remedies/Electronic Supervision Devices. (SL 2016-50)**

S.L. 2016-50 amends penalties and remedies for facilities that provide services to the mentally ill, developmentally disabled, and substance abusers, and for adult care home facilities; defines the term "substantial risk;" allows flexibility in assessing an administrative penalty when the facility has provided training and has corrected the violation and remains in compliance; eliminates the penalty review committee for adult care homes; and repeals the June 30, 2016, sunset on the Department of Health and Human Services pilot program for electronic supervision devices as an alternative means of supervision during sleep hours at facilities for children and adolescents who have a primary diagnosis of mental illness and/or emotional disturbance.

This act became effective June 30, 2016.

## **H805 - Measurability Assessments/Budget Technical Corrections.**

### **Sec. 5.8: Amend Secretary's Responsibility to Refer Parents to Early Intervention Services. (SL 2016-123)**

Sec. 5.8 of S.L. 2016-123 amends the statute that directs the Secretary of the Department of Health and Human Services to ensure all types of early intervention services funded by the General Assembly and specified in the federal Individuals with Disabilities Act are available to all eligible families to require that any permission to refer release form provided to parents for contact regarding services include: the Governor Morehead School for the Blind; the Eastern North Carolina School for the Deaf; and the North Carolina School for the Deaf.

This section became effective July 1, 2016.

## **H842 - Medicaid Waiver Protections/Military Families. (SL 2016-71)**

Effective January 1, 2017, S.L. 2016-71 directs the Department of Health and Human Services (DHHS) to ensure that the eligibility criteria for Medicaid home and community-based waivers allow a dependent of a member of the Armed Forces to maintain the dependent's waiver status upon transfer of the service member to an assignment outside of North Carolina, so long as the member maintains North Carolina as the legal residence to which the member intends to return upon completion of military service.

Effective June 30, 2016, DHHS must submit any Medicaid State Plan Amendments or waiver amendments necessary to accomplish the requirements of this act.

## **H1014 - NC Pre-K Conforming Change/Taylor's Law. (SL 2016-30)**

S.L. 2016-30 makes technical and conforming changes to replace references to "More at Four" with "NC Pre-K" in the General Statutes and renames Part 6 of Article 1B of Chapter 130A of the General Statutes to "Taylor's Law Establishing the Advisory Council on Rare Diseases."

This act became effective June 22, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12A.2: Elimination of North Carolina TRACKS ICD-10 Implementation Report. (SL 2016-94)**

Sec. 12A.2 of S.L. 2016-94 repeals a provision in the Appropriations Act of 2015 that requires the Department of Health and Human Services to submit a monthly report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the status of the implementation of the International Statistical Classification of Diseases and Related Health Problems 10th Revision (ICD-10).

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12A.3: Final Report on Community Paramedicine Pilot Program. (SL 2016-94)**

Sec. 12A.3 of S.L. 2016-94 amends a provision in the 2015 Appropriations Act that directs the Division of Central Management and Support of the Department of Health and Human Services to report on the implementation a community paramedicine pilot program by extending the final reporting date from November 1, 2016, to March 1, 2017.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12A.4: Contracting Specialist Training Program. (SL 2016-94)**

Sec. 12A.4 of S.L. 2016-94 directs the School of Government, University of North Carolina at Chapel Hill (SOG) and the Director of Procurement, Contracts, and Grants for the Department of Health and Human Services (DHHS) to prepare two proposals for:

- The design of a contracting specialist training program for management level personnel within DHHS that must be submitted by August 1, 2016, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The design must be based on both the Certified Local Government Purchasing Officer Program and national standards.

- The implementation and administration of the program within DHHS including budget estimates based on program design requirements. The SOG and DHHS must submit the proposal for consideration during the 2017 Regular Session to the House and Senate Appropriations Committees on Health and Human Services and the Fiscal Research Division.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12A.5: Revisions of Competitive Grants for Nonprofit Organizations. (SL 2016-94)**

Sec. 12A.5 of S.L. 2016-94, as amended by Sec. 5.9 of S.L. 2016-123, amends a provision in the 2015 Appropriations Act that pertains to the plan for administering a competitive grants process for nonprofit funding to (1) effective beginning the 2017-2018 fiscal year, extending the award of grants to programs providing year-round sports training and athletic competition for children and adults with disabilities and (2) requiring that the initial disbursement of the grants be awarded no later than 30 days after certification of the State budget for the respective fiscal year. Effective June 30, 2016, funds awarded but not disbursed or encumbered at the end of each fiscal year must remain available for expenditure and will not revert.

Except as otherwise provided, this section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12A.7: Funds for Continued Development of Health Analytics Pilot Program. (SL 2016-94)**

Sec. 12A.7 of S.L. 2016-94 amends the implementation of the 2015 pilot program for Medicaid claims analytics and population health management as follows:

- Allocates \$250,000 in recurring funds to the program for each year of the 2015-2017 fiscal biennium, and \$1.25 million in nonrecurring funds is allocated for the 2016-2017 fiscal year to be used for the phased development, implementation, and operation of the pilot program.
- Directs the Department of Health and Human Services (DHHS) to provide access to Medicaid beneficiary files and local management entity/managed care organization encounter data for the pilot program.
- Expands the scope of the pilot program to include:
  - The integration of new data sources, such as patient level Healthcare Effectiveness Data and Information Set quality measures.
  - Customized reporting and analytics capabilities.
  - A tool to construct and analyze claims as clinical episodes of care.
  - Operationalization of the pilot program.
- Directs DHHS and the Government Data Analytics Center to submit a final report to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division of the findings and recommendations on the pilot program by May 31, 2017.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12A.8: Graduate Medical Education Funding/Cape Fear Valley Medical Center. (SL 2016-94)**

Sec. 12A.8 of S.L. 2016-94, as amended by Sec. 5.1 of S.L. 2016-123, directs up to \$7.7 million of the funds allocated to the Department of Health and Human Resources, Division of Central Management and Support for graduate medical education to support the establishment of residency programs at the Cape Fear Medical Center (Center) affiliated with Campbell University School of Medicine.

The recurring amount of funds allocated to the Center must not exceed the lesser of the total amount of actual lost Medicare payments attributed to the Center's reclassification as a rural hospital, less \$3 million in private donations for the residency programs, or \$7.7 million.

No funds will be paid to the Center until the Office of State Budget and Management (OSMB) has certified that the Center has received at least \$3 million in private donations, the Center obtains permission from the federal Centers for Medicare and Medicaid Services (CMS) to be reclassified as a rural hospital, and the Center obtains approval from the Accreditation Council for Graduate Medical Education or the American Osteopathic Association for residency programs with at least 130 additional residency slots. All of these criteria must be met by June 30, 2017.

Once CMS approves the Center's reclassification as a rural hospital, the Center must provide documentation of its lost Medicare payments to OSMB, which will certify the Center's computations to determine whether any payment is due the Center. The Center must report by April 1 of each year on its progress in establishing residency programs to the House and Senate Appropriations Committees on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12A.9: Qualifications of Director of Office of Program Evaluation, Reporting, and Accountability. (SL 2016-94)**

Sec. 12A.9 of S.L. 2016-94 amends the statute pertaining to the Office of Program Evaluation Reporting and Accountability in the Department of Health and Human Services, to remove the requirement that the Director have a minimum of ten years of experience in program evaluation and to specify that the required three years of experience at the management level must demonstrate increasing levels of responsibility within the field of program evaluation.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12A.10: Data Analytics and Performance Enhancement. (SL 2016-94)**

Sec. 12A.10 of S.L. 2016-94 requires any enhancement of the State's Data Analytics capabilities to be subject to laws requiring those analytics be developed and implemented in collaboration with the Government Data Analytics Center.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12B.1: NC Pre-K/Clarify Building Standards. (SL 2016-94)**

Sec. 12B.1 of S.L. 2016-94 amends a provision enacted in the 2015 Appropriations Act that directed the Division of Child Development and Early Education in the Department of Health and Human Services to continue implementation of the NC Pre-K program to serve four year olds. This section clarifies that private child care centers and public schools operating prekindergarten classrooms must meet the building standards for preschool students rather than building standards for licensed child care facilities.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12B.2: Study Child Care Subsidy Rate Setting. (SL 2016-94)**

Sec. 12B.2 of S.L. 2016-94 directs the Division of Child Development and Early Education (DCDEE) in the Department of Health and Human Services to study how rates are set for child care subsidy. In its study, DCDEE must review market rate studies and other methodologies for establishing rates and report any recommendations, including suggested methodologies and timeframes for setting and implementing rates, to the House and Senate Appropriations Committees on Health and Human Services and the Fiscal Research Division by March 1, 2017.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12B.3: Additional Child Care Subsidy Market Rate Increase/Certain Age Groups and Counties. (SL 2016-94)**

Sec. 12B.3 of S.L. 2016-94 directs the Division of Child Development and Early Education (DCDEE) in the Department of Health and Human Services, beginning on October 1, 2016, to increase the child care subsidy market rates to the rates recommended by the 2015 Child Care Market Rate Study from age 3 to 5 years in 3-, 4-, and 5-star rated child care facilities in tier 1 and tier 2 counties. Section 12B.2A of S.L. 2015-241 directed DCDEE, beginning on January 1, 2016, to increase the child care subsidy market rates

to the rates recommended by the 2015 Child Care Market Rate Study for birth through 2 years of age in 3-, 4-, and 5-star rated child care facilities in tier 1 and tier 2 counties.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12B.4: Study Costs and Effectiveness Associated with NC Pre-K Slots. (SL 2016-94)**

Sec. 12B.4 of S.L. 2016-94, as amended by Sec. 5.4 of S.L. 2016-123, directs the Division of Child Development and Early Education (DCDEE) in the Department of Health and Human Services, in consultation with the Department of Public Instruction, to study the costs and effectiveness associated with funding slots for the NC Pre-K program (Program) and to review and determine the following:

- The total cost to fund a NC Pre-K slot, including administration and local costs.
- The Program's anticipated effectiveness in preparing eligible four year olds in the five developmental domains outlined in the North Carolina Foundations for Early Learning and Development.
- Whether the Program's effectiveness justifies the costs associated with funding NC Pre-K slots or whether alternatives may achieve the same objectives.
- The State share needed to fund a NC Pre-K slot by each setting.
- The amount of funds needed to maintain the current number of NC Pre-K slots if the cost per slot was increased to the amount recommended in the study.
- Recommendations on how often NC Pre-K slots should be evaluated and reported to the General Assembly.

DCDEE must report its findings and recommendations, including legislative proposals, to the chairs of the House and Senate Appropriations Committees on Health and Human Services, and the Fiscal Research Division by February 1, 2017.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12B.5: State Agency Collaboration on Early Childhood Education/Transition from Preschool to Kindergarten. (SL 2016-94)**

Sec. 12B.5 of S.L. 2016-94 directs three initiatives pertaining to a child's transition from preschool to kindergarten as follows:

1. Directs the Department of Health and Human Services (DHHS), in consultation with the Department of Public Instruction (DPI) and other agencies or organizations that administer, support, or study early childhood education, to collaborate on an ongoing basis, to develop and implement a statewide vision for early childhood education. The agencies must develop a comprehensive approach to early childhood education, birth through 3rd grade, create cross agency accountability, and consider the NC Pathways to Grade-Level Reading to monitor and measure success of early childhood education systems. The agencies and organizations must report their findings and recommendations, including any legislative proposals resulting from the

initiative, to the Joint Legislative Oversight Committee on Health and Human Services (HHS Oversight) and the Joint Legislative Education Oversight Committee (Ed Oversight) as follows: an initial report must be made by January 1, 2017; a follow up report must be made by January 1, 2018; and subsequent reports may be made annually, on or before January 1, as needed.

2. Directs DHHS, in consultation with DPI, to recommend that both NC Pre-K teachers and preschool teachers in 4- and 5-star rated facility classrooms prepare a preschool-to-kindergarten transition plan for each child who receives assistance through the NC Pre-K program or the Child Care Subsidy Assistance Program transitioning to kindergarten. The transition plan must document the child's strengths and needs based on the 5 Goals and Developmental Indicator domains for children's developmental and learning progress. DHHS must report on the implementation of the transition plan, including findings, recommendations, and any legislative proposals, to the HHS Oversight and Ed Oversight committees on or before December 15, 2016. It is the intent of the General Assembly that this plan be utilized until such time as the standardized program to transition children from preschool to kindergarten is developed and implemented.
3. Directs DHHS, in consultation with DPI, to develop a standardized program to transition children from preschool to kindergarten that incorporates criteria set out in the section. DHHS must report on its development of the standardized transition program to the HHS Oversight and Ed Oversight committees on or before January 1, 2017.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12C.1: Child Welfare System Changes. (SL 2016-94)**

Sec. 12C.1 of S.L. 2016-94 directs the Department of Health and Human Services (DHHS), Division of Social Services to implement the requirements of the federal Program Improvement Plan (Plan) to bring North Carolina into compliance with national standards for child welfare policy and practices and to report on the implementation and outcomes of the Plan to the Joint Legislative Oversight Committee on Health and Human Services (HHS Oversight Committee), beginning on August 1, 2016, and semiannually thereafter until February 1, 2019. The Division of Social Services must develop a statewide strategic plan for child welfare services that complements the required federal Plan and addresses the findings of the North Carolina Statewide Child Protective Services Evaluation in the areas of county performance, caseload sizes, administrative structure, adequacy of funding, social worker turnover, and monitoring and oversight. The State plan must also address measures for ensuring Native American children are served in a culturally appropriate manner, including in placements for adoption and foster care. The Division must submit the plan to the HHS Oversight Committee by December 1, 2016, for consideration by the 2017 General Assembly.

The Division must continue toward completion of the child welfare component of the North Carolina Families Accessing Services through Technology (NC FAST) system. It is the intent of the General Assembly that the child welfare component of the NC FAST system be operational by December 31, 2017. The Division must report on the development, implementation, and outcomes of the child welfare component of the NC FAST system to the HHS Oversight Committee quarterly beginning October 1, 2016, and ending with a final report on February 1, 2018. Each report must include the following:

- The current timeline for development and implementation of the child welfare component to NC FAST.
- Any adjustments and justifications for adjustments to the timeline.
- Progress on the development and implementation of the system.



- Any identified issues in developing or implementing the child welfare component of NC FAST and solutions to address those issues.
- The level of county participation and involvement in each phase of the project.
- Any budget and expenditure reports, including overall project budget and expenditures, and current fiscal year budget and expenditures.

This section also amends various laws governing the juvenile code (Chapter 7B of the General Statutes) as follows:

- The definition of "caretaker" is amended to include a potential adoptive parent during a visit or trial placement with a juvenile in the custody of DHHS.
- Adds any private child placing or adoption agency licensed by DHHS to the list of entities DHHS is required to disclose confidential information to in order to protect a juvenile from abuse or neglect.
- Removes caretakers as interested parties who may intervene in a proceeding on an abuse, neglect, or dependency action
- Clarifies the requirement that the director of the county department of social services must receive authorization from a juvenile's parent, guardian, or custodian to consent to care.
- Authorizes a court to order reunification if there is compelling evidence warranting continued reunification efforts.
- Authorizes a court to consider a juvenile's health, in addition to the juvenile's safety, when reviewing custody.
- Provides that concurrent planning must continue until a permanent plan has been achieved.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12C.2: Revise Report Date/Eastern Band of Cherokee Indians Assumption of Services. (SL 2016-94)**

Sec. 12C.2 of S.L. 2016-94 delays from October 1, 2016, to April 1, 2017, the effective date of all Medicaid State Plan Amendments and waivers related to the Eastern Band of Cherokee Indians (EBCI)'s assumption of administration of the Medicaid program as permitted under 2015 Appropriations Act. This section also clarifies the requirement for the Department of Health and Human Services to submit an Advanced Planning Document Update to the Centers for Medicare and Medicaid Services. Lastly, this section also delays from October 1, 2016, to April 1, 2017, the date by which EBCI may assume responsibility for certain other social services programs described in statute.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12C.3: Pilot Program/Increase Access to Public Benefits for Older Dual Eligible Seniors. (SL 2016-94)**

Sec. 12C.3 of S.L. 2016-94 directs the Division of Social Services (DSS), Department of Health and Human Services, to establish a pilot program to increase public benefits for individuals 65 years of age

and older who are dually enrolled in Medicare and Medicaid in an effort to improve health and independence and reduce health care costs. On or before January 1, 2017, DSS must partner with a not-for-profit to accomplish the following:

- Identify individuals aged 65 and older who qualify for, but are not currently enrolled in, the Supplemental Nutrition and Assistance Program (SNAP).
- Conduct an outreach program to enroll those seniors in SNAP.
- Utilize outreach specialists to provide assistance with completing public benefits applications.
- Evaluate project effectiveness and explore how data can be utilized to achieve optimal outcomes.
- Make recommendations regarding policy options available to the State to streamline access to benefits.

DSS must to make a progress report to the Office of the Governor and the Joint Legislative Oversight Committee on Health and Human Services by February 1 following each year the pilot program is in place. The report must include the following:

- The number of dual eligible seniors aged 65 and older who are not enrolled in SNAP.
- The number of those identified that would be included in the sample population.
- The methods of outreach directed toward the seniors in the sample population.
- The number of enrollments in SNAP as a direct result of the pilot program outreach.
- The SNAP participation rate of the seniors in the sample population.
- Other relevant findings.

The pilot program may be expanded to include other public benefit programs if funding and capacity exist.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12C.6: Reporting Requirements/Eckerd Kids and Caring for Children Angel Watch Program. (SL 2016-94)**

SUMMARY: Sec. 12C.6 of S.L. 2016-94 requires the Division of Social Services, Department of Health and Human Services, to report on the use of funds provided by the Appropriations Act to expand the Eckerd Kids and Caring for Children's Angel Watch program. This foster care program serves children ages 0 to 6, with siblings up to age 10, who are not in the custody of a county department of social services and whose families are temporarily unable to care for them due to a crisis. The report must include the following:

- The number of families and children served by the program, including the counties in which the services are provided.
- The number of children who enter foster care within six months after their family participates in the program.
- A comparison of children with similar needs that do not participate in the program and the number of those children who enter into foster care.
- Any other matters deemed relevant.

On or before March 1, 2017, the Division is required to make an interim report to the House and Senate Appropriations Committees on Health and Human Services and the Fiscal Research Division. By

September 1, 2017, the Division must submit a final report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12C.7: Temporary Financial Assistance for Facilities Licensed to Accept State-County Special Assistance Payments. (SL 2016-94)**

Sec. 12C.7 of S.L. 2016-94, as amended by Sec. 5.3 of S.L. 2016-123, provides temporary financial assistance on behalf of each resident who is a recipient of State-County Special Assistance (SA) and issued in the form of a monthly payment to facilities licensed to accept State-County SA payments. Counties must pay to the State 50% of the cost to provide these monthly payments to these facilities. The payments are provided by the Department of Health and Human Services (DHHS), Division of Social Services (DSS), and are subject to the following requirements and limitations:

- The amount of the monthly payments is equal to \$34 per month for each resident who is a recipient of State-County SA.
- A facility that receives the monthly payments must not, under any circumstances, use the payments for any purpose other than to offset the cost of serving residents who are recipients of State-County SA.
- DSS must to make monthly payments to a facility on behalf of a resident only for the period commencing October 1, 2016, and ending June 30, 2017.
- DSS must make monthly payments only to the extent sufficient State and county funds allocated to the DSS for the 2016-2017 fiscal year are available for this purpose.
- DSS is prohibited from making monthly payments to a facility on behalf of a resident whose eligibility determination for State-County SA is pending.
- DSS must terminate all monthly payments pursuant to this section on the earlier of the following: June 30, 201, or upon depletion of the State and county funds allocated to the DSS for the 2016-2017 fiscal year for this purpose.

No later than April 1, 2017, DHHS must submit to the House Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division, a detailed plan for a long-term solution to ensure adequate reimbursement to facilities serving State-County SA recipients. The solution may not include increasing the Medicaid eligibility income limit for State-County SA recipients.

This section became effective July 1, 2016, and expires June 30, 2017.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12E.1: Use of AIDS Drug Assistance Program Funds to Purchase Health Insurance. (SL 2016-94)**

Sec. 12E.1 of S.L. 2016-94 creates a program within the NC AIDS Drug Assistance Program to provide eligible beneficiaries with premium and cost-sharing assistance for private health insurance coverage. The

assistance program must comply with federal Health Resources and Services Administration guidelines. The Department of Health and Human Services is directed to report to the House Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division on the operation of this program by March 1, 2017.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12E.2: Healthy Out of School Time (HOST) Recognition Program. (SL 2016-94)**

Sec. 12E.2 of S.L. 2016-94, as amended by Sec. 5.10 S.L. 2016-123, established the "Healthy Out-of-School Time (HOST) Recognition Program" to be administered by the Division of Public Health (DPH) in the Department of Health and Human Services, and in collaboration with the North Carolina Center for After School Programs based in the Public School Forum. This section directs DPH to develop a process, through its Web site, for an out-of-school time program that meets the National Institute on Out-of-School Time Healthy Eating and Physical Activity Standards (HEPA Standards) and provide all resources and links that a program may employ to implement and provide verification of self-assessments for programs applying for recognition. DPH must review and, as necessary, update the program standards to reflect advancements in nutrition science, dietary data, and physical activity that are consistent with nationally recognized guidelines for out-of-school time programs.

DPH is authorized to certify out-of-school time programs that meet HEPA standards; certificates are valid for one calendar year. DPH must have information about the program available for review by a parent at both the physical school and on the program's Web site, if applicable. Any out-of-school time program must maintain records of documents signed by all parents acknowledging that they are aware of the HOST Recognition Program requirements.

This section directs DPH to maintain and update a list of qualified out-of-school time programs on the Division's Web site that includes the date of qualification for each program.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12E.4: Vector Surveillance Program. (SL 2016-94)**

Sec. 12E.4 of S.L. 2016-94 (1) defines the term "vector" to mean a living transporter and transmitter of the causative agent of a disease and (2) directs the Division of Public Health in the Department of Health and Human Services to establish and administer a vector surveillance program to protect the public health that includes:

- Conducting vector surveillance.
- Characterizing vector-borne disease risk.
- Recommending appropriate vector control measures.
- Evaluating the effectiveness of vector control measures.
- Providing comprehensive vector-borne disease consultation, communication, and education.

The Commission for Public Health is authorized to adopt rules necessary to implement the vector surveillance program.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12E.6: Allocation of Funds for Shortfalls in Local Health Departments. (SL 2016-94)**

Sec. 12E.6 of S.L. 2016-94 directs the Division of Public Health in the Department of Health and Human Services to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on its proposal for resolving the shortfall of funds in local health departments attributed to their adjustment to new Medicaid reimbursement rates by February 1, 2017.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12F.1: Medication-Assisted Opioid Use Disorder Treatment Pilot Program. (SL 2016-94)**

Sec. 12F.1 of S.L. 2016-94 creates a three-year pilot program conducted by designated federally qualified health centers located in North Carolina and overseen by the Department of Health and Human Services to study the effectiveness of combining behavioral therapy with the utilization of a nonnarcotic, nonaddictive, extended-release injectable formulation of opioid antagonist approved by the United States Food and Drug Administration, for the prevention of relapse to opioid dependence.

This section became effective July 14, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12F.3: Reserve Fund For Governor's Mental Health and Substance Abuse Task Force Recommendations. (SL 2016-94)**

Sec. 12F.3 of S.L. 2016-94 creates a reserve fund for the funds appropriated in the budget to the Department of Health and Human Services (DHHS), Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to implement the recommendations of the Governor's Task Force on Mental Health and Substance Use.

Monies in this reserve fund do not revert at the end of the fiscal year and remain available until expended. Expenditures may only be made to implement recommendations of the Governor's Task Force, provided that DHHS (i) obtains the prior approval of the Office of State Budget and Management on a detailed implementation plan with key milestone and due dates, and (ii) reports to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division within 10 days of obtaining the approval providing an explanation of the specific amounts and uses of the funds and a detailed implementation plan with key milestones, due dates, and expected outcomes.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12F.4: Use of Dorothea Dix Hospital Property Funds. (SL 2016-94)**

Sec. 12F.4 of S.L. 2016-94 allocates funds from the Dorothea Dix Hospital Property Fund to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to be used in rural areas of the State to renovate or construct new licensed short-term inpatient behavioral health beds, or convert existing inpatient acute care beds into licensed short-term inpatient behavioral health beds, and also to award grants for the establishment of up to two new facility-based crisis centers for children and adolescents.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12F.5: Traumatic Brain Injury Funding. (SL 2016-94)**

Sec. 12F.5 of S.L. 2016-94 extends funding that was appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to support traumatic brain injury services appropriated under the fiscal year 2015-2016 budget at the same levels through each year of the 2015-2017 fiscal biennium.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12F.6: Improve Controlled Substances Reporting System Access and Utilization. (SL 2016-94)**

Sec. 12F.6 of S.L. 2016-94 clarifies that the Department of Health and Human Services must conduct the purge of information older than six years from the Controlled Substances Reporting System (CSRS) every quarter as required by statute and requires DHHS to maintain all information purged from CSRS in a separate database that may be released only as provided in statute.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12F.7: Controlled Substances Reporting System Improvements. (SL 2016-94)**

Sec. 12F.7 of 2016-94 establishes a new section in the North Carolina Controlled Substances Reporting System Act (Article 5E of Chapter 90 of the General Statutes) that requires recipients of an initial or renewal license conferring the authority to prescribe a controlled substance for the purpose of providing

medical care for a patient to demonstrate to the satisfaction of the licensing board that he or she is registered for access to the controlled substances reporting system (CSRS) within 30 days of obtaining the initial or renewal license.

This section becomes effective on the date the State Chief Information Officer notifies the Revisor of Statutes that the upgrades to CSRS required pursuant to this Act are completed and is fully operational, and applies to acts committed on or after that date.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12F.9: Expanded Use of Funds for Inpatient Psychiatric Beds or Bed Days. (SL 2016-94)**

Sec. 12F.9 of S.L. 2016-94 expands the use of funds appropriated to the Department of Health and Human Services (DHHS) in the 2015 Appropriations Act to purchase additional new or existing inpatient psychiatric beds or bed days not currently funded by or through LME/MCOs. This section authorizes DHHS to use up to 10% of the funds allocated for the 2016-2017 fiscal year for the State's three-way contracts to pay for facility-based crisis services and non-hospital detoxification services for individuals in need of those services regardless of whether the individuals are medically indigent.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12F.10: Strategic Plan for Improvement of Behavioral Health Services. (SL 2016-94)**

Sec. 12F.10 of S.L. 2016-94 directs the Department of Health and Human Services to develop and submit, no later than January 1, 2018, a strategic statewide plan to improve the efficiency and effectiveness of State-funded behavioral health services to the Joint Legislative Oversight Committee on Health and Human Services (HHS Oversight Committee), the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and the Fiscal Research Division.

The HHS Oversight Committee and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice are each required to establish a joint subcommittee on Behavioral Health Services to make recommendations about areas of oversight and review, as described in the act, and report their findings to their respective committees.

This section became effective July 14, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12G.1: Moratorium on Home Care Agency Licenses for In-Home Aide Services. (SL 2016-94)**

Sec. 12G.1 of S.L. 2016-94 amends a provision in the 2014 Appropriations Act to extend until June 30, 2019, the moratorium on issuing licenses to home care agencies that intend to offer in-home aide services.

The moratorium continues to not apply to companion, sitter, or respite services, or to other specified licensing situations.

This section became effective July 14, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12G.2: Adult Care Home Cost Reporting. (SL 2016-94)**

Sec. 12G.2 of S.L. 2016-94 amends the statutes governing the inspection and licensing of adult care homes to require adult care homes with a licensed capacity of 21 beds or more to submit audited reports of actual costs at least every 2 years, instead of annually, to the Department of Health and Human Services (DHHS). The reports must be submitted in accordance with specific reporting deadlines established by DHHS for each type of facility. This section also makes a conforming change to provide that the report documentation will be used to adjust the adult care home rate at least every two years. The law continues to exempt from the reporting requirements, those facilities that do not receive State-County Special Assistance or Medicaid personal care.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12G.3: Facilities Included Under Single Hospital License. (SL 2016-94)**

Sec. 12G.3 of S.L. 2016-94 amends hospital licensure requirements by requiring hospital licenses granted by the Department of Health and Human Services to include only facilities, premises, buildings, outpatient clinics, and other locations operated by the licensee in a single county and adjoining counties, if certain conditions are met. Facilities, premises, buildings, outpatient clinics, and other locations operated by the licensee in an immediately adjoining county must be covered under the license only if the licensee demonstrates there was previously only one hospital in the immediately adjoining county and that hospital stopped providing services no more than three years prior to the licensee requesting a license.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 12G.4: Repeal of Certificate of Public Advantage Laws. (SL 2016-94)**

Sec. 12G.4 of S.L. 2016-94, as amended by Sec. 5.7 of S.L. 2016-123, repeals North Carolina's Certificate of Public Advantage laws effective September 30, 2016, and requires any party issued a certificate of public advantage prior to September 30, 2016, to issue a final report on its activities to the Department of Health and Human Services (DHHS) and the Attorney General by December 30, 2017. The report must include a description of the activities conducted, price and cost information, the nature and scope of activities conducted, the likely effect of those activities, a summary of activities and market impact of those activities through September 30, 2017, and any additional information requested by DHHS or the Attorney General.



This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12H.2: Medicaid Recovery and Achieving a Better Life Experience (ABLE) Accounts. (SL 2016-94)**

Sec. 12H.2 of S.L. 2016-94 repeals the statutory notice requirement related to Medicaid recovery from Achieving a Better Life Experience (ABLE) Act accounts, and establishes a more technically correct notice requirement, which requires that notice of Medicaid recovery provisions be given at the time of application for the ABLE account.

This section became effective July 14, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12H.3: Medicaid and NC Health Choice Provider Screening. (SL 2016-94)**

Sec. 12H.3 of S.L. 2016-94 amends the statute governing Medicaid and Health Choice Provider Screening (G.S. 108C-3) to add to the list of designated high risk Medicaid providers those providers who have been excluded by the Medicare program and other states' Children's Health Insurance Programs within the past ten years.

This section became effective July 14, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12H.3A: Contract to Recover Certain Overpayments and Reporting on Prepayment Fraud. (SL 2016-94)**

Sec. 12H.3A of S.L. 2016-94, as amended by Sec. 5.5 of S.L. 2016-123, requires the Department of Health and Human Services, Division of Medical Assistance (DMA), to issue a request for proposals by December 31, 2016, to recover overpayments to providers of less than \$150 and to pay for the contract on a contingent fee that is a percentage of the State share of the final overpayment that is recovered. This section also requires DMA to report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by October 1, 2016, on a strategy for identifying and addressing prepayment fraud.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12H.5: Expand Support for Patients With Alzheimer's Disease and Their Families Through Community Alternatives Program for Disabled Adults Waiver Slots. (SL 2016-94)**

Sec. 12H.5 of S.L. 2016-94 requires the Department of Health and Human Services, Division of Medical Assistance to amend the Community Alternatives Program for Disabled Adults (CAP/DA) waiver to increase the number of slots available under the waiver by a maximum of 320 slots. The additional slots must be made available on January 1, 2017.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12H.7: Remove Sunset on Medicaid Eligibility/COLA Disregard. (SL 2016-94)**

Sec. 12H.7 of S.L. 2016-94 repeals the sunset provision on the statute governing income disregard for federal cost-of-living adjustments (G.S. 108A-54.4), which provides that additional income resulting from a Social Security cost-of-living adjustment will be disregarded for purposes of determining Medicaid eligibility, thereby allowing Medicaid beneficiaries to retain Medicaid eligibility despite the additional Social Security income. The statute was enacted in 2012 and was scheduled to sunset on December 31, 2017.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 12H.8: Studies to be Conducted by the Division of Medical Assistance. (SL 2016-94)**

Sec. 12H.8 of S.L. 2016-94 directs the Department of Health and Human Services (DHHS) to conduct two studies as follows:

- The Division of Medical Assistance in DHHS must study the impact of covering certain adult preventative services in order to qualify for a one percentage point increase in the State's federal Medicaid match rate, including what additional services would have to be added, whether any cost-sharing would have to be eliminated, the cost of any changes that would be needed, the benefit to receiving the enhanced match rate, and whether or not DHHS plans to implement the changes that would be needed. If DHHS adjusts any rates, makes any changes to services provided or cost-sharing requirements, or submits any State Plan Amendments as a result of this study, then DHHS must submit a report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division within 30 days after implementation.
- The Division of Medical Assistance in DHHS must study the adequacy of existing Medicaid rates paid for residential treatment services, considering data collected in concert with residential treatment providers and other sources of information available to DHHS, including rates paid for certain services described in rule, certain services currently covered by Medicaid, rates paid for

other publicly-funded services that compliment residential treatment services, and increased costs due to recent changes to home and community-based waiver requirements.

This section is effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12H.9: Study Medicaid Coverage for School-Based Health Services. (SL 2016-94)**

Sec. 12H.9 of S.L. 2016-94 directs the Department of Health and Human Services (DHHS), Division of Medical Assistance (DMA), to conduct a study to identify all school-based health services that are eligible for Medicaid federal matching funds which are not reimbursable under the current Medicaid State Plan. DMA must report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by November 1, 2016, and identify the school-based health services for which Medicaid coverage could be added, the fiscal impact to both DHHS and local education agencies of adding coverage, and whether DHHS plans to add any coverage that has been studied.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12H.11: Study Innovations Waiver to Address the Waitlist and Federal Changes. (SL 2016-94)**

Sec. 12H.11 of S.L. 2016-94 directs the Joint Legislative Oversight Committee on Medicaid and NC Health Choice to study policy issues pertaining to the delivery of services for people with intellectual and developmental disabilities, including causes and potential solutions for the growing waitlist for services provided through the NC Innovations waiver, issues surrounding single-stream funding, federal mandates that are expected to impact services to this population, and coverage of services for the treatment of autism. The Committee must report its findings and any proposals to the 2017 General Assembly.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12H.12: Medicaid Graduate Medical Education Payments. (SL 2016-94)**

Sec. 12H.12 of S.L. 2016-94 provides that it the intent of the General Assembly to explore all funding options to maintain or expand reimbursement for Graduate Medical Education.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12H.15: Evaluate Medicaid and NC Health Choice Behavioral Health Provider Classification. (SL 2016-94)**

Sec. 12H.15 of S.L. 2016-94 directs the Department of Health and Human Services, Division of Medical Assistance (DMA), in collaboration with statewide behavioral health stakeholders, to evaluate the classification of behavioral health providers, other than critical access behavioral health providers, as high categorical risk for purposes of provider enrollment. This section further requires DMA to propose an evaluation tool to be used to classify the categorical risk of different categories of behavioral health providers and to propose any recommended legislative changes in a report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by December 1, 2016.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12H.16: Completion of Performance Audit of County Departments of Social Services' Administration of Medicaid Program. (SL 2016-94)**

Sec. 12H.16 of S.L. 2016-94 extends the completion date for the State Auditor's performance audit of county Medicaid eligibility determinations from February 1, 2016, to December 31, 2016.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12H.17: Medicaid Eligibility Determination Timeliness. (SL 2016-94)**

Sec. 12H.17 of S.L. 2016-94 directs the Department of Health and Human Services (DHHS) to report on the timeliness of Medicaid eligibility determinations performed by county departments of social services (DSS) at the end of the next two fiscal years and creates a new part in the statutes governing social services that establish a framework for DHHS to temporarily assume Medicaid eligibility administration when a county DSS is not meeting timely processing standards and corrective action efforts have been unsuccessful.

The statutes created by this section become effective January 1, 2017, and apply to monthly timely processing standards beginning on that date. The remainder of this section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 12I.1: Study Establishment of Optometry School at Wingate University. (SL 2016-94)**

Sec. 12I.1 of S.L. 2016-94 encourages Wingate University to study and report on the feasibility of establishing an affiliated school of Optometry in North Carolina by May 1, 2017, to the House

Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division. The report must include:

- A breakdown of any projected capital, operational, or other expenditures necessary for establishing and operating an affiliated school of optometry.
- A breakdown of all funds available to assist the university with these expenses.
- A projected number of applicants for the affiliated school of optometry.
- A projection of how a State appropriation in the amount of \$800,000 would impact tuition reimbursement for students.

This section became effective July 14, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 22.2: Achieving a Better Life Experience (ABLE) Program Trust Report. (SL 2016-94)**

Sec. 22.2 of S.L. 2016-94 requires, that no later than December 1, 2016, the Department of State Treasurer must report to the Joint Legislative Oversight Committee on General Government on the status of the Achieving a Better Life Experience (ABLE) Program Trust. The report must include the following:

- A description of various organizational structures and approaches that may be utilized to implement the ABLE Program Trust.
- A comparison of the advantages and disadvantages of the various organizational structures.
- Information regarding implementation discussions and plans of the multistate ABLE consortium.
- Information about plan design and implementation in other states, including Virginia, South Carolina, and Tennessee.
- Detailed costs of implementing and operating the ABLE Program Trust as a single-state program operated within North Carolina as compared to entering into an agreement with another state or states for operation.
- A detailed plan for implementation in North Carolina and the status of that implementation. The cost of the detailed plan for implementation must be within the Department of State Treasurer's current appropriation for the ABLE Program Trust.

This section became effective July 1, 2016.

### **H1145 - Disapprove Dental Examiners Rule. (SL 2016-31)**

S.L. 2016-31 disapproves the General Anesthesia and Sedation Definitions Rule (21 NCAC 16Q .0101) as adopted by the North Carolina Board of Dental Examiners and approved by the Rules Review Commission, changes the effective dates of other related rules, and directs the Board not to enforce certain rules.

This act became effective June 22, 2016.

**S734 - Statewide Standing Order/Opioid Antagonist. (SL 2016-17)**

S.L. 2016-17 increases accessibility to opioid overdose treatment by authorizing the State Health Director to prescribe the opioid antagonist naloxone hydrochloride by means of a statewide standing order. The act also specifically lists the State Health Director among those individuals who are statutorily granted immunity from civil or criminal liability for authorized actions.

This act became effective June 20, 2016.

**S838 - Medicaid Transformation Modifications. (SL 2016-121)**

S.L. 2016-121 requires the Department of Health and Human Services to provide additional reporting on the status of Medicaid transformation planning and implementation and modifies certain provisions of the 2015 Medicaid transformation legislation.

This act has various effective dates. Please see the full summary for more detail.

# Information Technology

See full summary documents for additional detail

## **H1030 - 2016 Appropriations Act.**

### **Sec. 7.7: Apprenticeships and Career-Based Opportunities in Cybersecurity for Disabled Veterans. (SL 2016-94)**

Sec. 7.7 of S.L. 2016-94, as amended by Sec. 3.1 of S.L. 2016-123, requires the Department of Information Technology to create a cybersecurity apprenticeship program to provide training, apprenticeships, and career-based opportunities for disabled veterans who have at least a 10% disability rating as established by the United States Department of Veterans Affairs. The State Chief Information Officer must conduct a competitive process to select up to five disabled veterans to participate in the apprenticeship program using funds allocated by the 2016 Appropriations Act, however the Department is permitted to use funds generated from receipts for continuation or expansion of the program beyond the 2016-2017 fiscal year.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 7.10: Enterprise Resource Planning Design and Implementation. (SL 2016-94)**

Sec. 7.10 of S.L. 2016-94 directs the Department of Information Technology (Department), in coordination with the Office of the State Controller and the Office of State Budget and Management, to plan and design an enterprise resource planning system (ERP) for State agencies by utilizing business process reengineering to identify and organize processes and workflow in order to prioritize and link work activities to realize efficiencies and organize around outcomes. The ERP system must address at least core financial management, grants, assets and inventory, fleet management, and human resource management with a request for proposal for a replacement system implementation prepared for release no later than July 1, 2017.

The Department must report to the Joint Legislative Oversight Committee on Information Technology on or before January 15, 2017, the results from the business process reengineering efforts, including minimum criteria specified in the section.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 7.10A: Community Colleges System Enterprise Resource Planning (ERP) Design and Implementation. (SL 2016-94)**

Sec. 7.10A of S.L. 2016-94 directs the North Carolina Community Colleges System Office (NCCCSO), in consultation with the Department of Information Technology, to begin planning and design of a modernized enterprise resource planning system (ERP) for the State's 58 community colleges. The ERP system must address student information systems, core financial management, grants, human resource

management, and payroll. A request for proposal for a replacement system implementation must be prepared for release no later than October 1, 2017, and the NCCCSO may use up to \$1 million of funds from the North Carolina Community College IT Systems Budget Code 26802 to support planning and request for proposal development efforts. The NCCCSO must submit a report on the results of the planning and design effort to the Joint Legislative Oversight Committee on Information Technology by January 15, 2017.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 7.11: Agency Exemptions From Department of Information Technology Oversight. (SL 2016-94)**

Sec. 7.11 of S.L. 2016-94 amends the statute which requires certain State agencies to, during the 2015-2016 fiscal year, transfer information technology personnel, operations, projects, assets, and appropriate funding to the Department of Information Technology (Department) for the State Chief Information Officer (CIO) to prepare plans to transition each participating agency to the Department.

Sec. 7.11 of S.L. 2016-94 removes the Office of the State Controller from the list of participating agencies and adds the Department of Public Safety, with the exception of the: (i) State Bureau of Investigation; (ii) State Highway Patrol; and (iii) Division of Emergency Management. Accordingly, this section releases the Department of Public Safety from its requirement to work with the State CIO to plan its transition to the Department of Information Technology and report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by October 1, 2018 on its plans.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 7.6: Information Technology Spending Transparency. (SL 2016-94)**

Sec. 7.6 of S.L. 2016-94 requires State agencies that have transferred their information technology personnel, operations, projects, assets, and appropriate funding to the Department of Information Technology, and other State entities for which such agencies have budgetary authority, to realign their information technology budgets and expenditures to provide transparency for their information technology, program, and division budgets, and to do so in time for these changes to be included in the 2017-2019 biennial budget.

This section also requires the Office of State Budget and Management to submit to the Fiscal Research Division, along with its submittal of the Governor's proposed budget for the 2017-2019 biennium, a report identifying each State agency's line-item budgeted information technology expenditure requirements, actual information technology expenditures, and sources of any funds transferred from other line items to cover information technology expenditures exceeding budgeted requirements.

This section became effective July 1, 2016.



## **H1030 - 2016 Appropriations Act.**

### **Sec. 7.9: Data Center Consolidation Exemption for Cloud-Based Solutions. (SL 2016-94)**

Sec. 7.9 of S.L. 2016-94 provides that a State agency may, with the advance approval of the State Chief Information Officer, use applications that are natively and commercially sold and delivered as cloud-based applications without using the State infrastructure to host them.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 7.12: Exempt Public Safety Divisions from Enterprise Active Directory. (SL 2016-94)**

Sec. 7.12 of S.L. 2016-94 provides that the State Bureau of Investigation, the State Highway Patrol, and the Division of Emergency Management within the Department of Public Safety are not required to transfer management of their information technology resources to the Department of Information Technology by participating in the Enterprise Active Directory.

This section became effective July 1, 2016.

## **S792 - State Information Technology Contracts/Contractor Liability. (SL 2016-85)**

S.L. 2016-85 requires limits of contractor liability for damages under State information technology procurement contracts. The act sets a presumption of liability of two times the value of the contract, with authorization for the amount to be raised to three times the value of the contract under certain circumstances.

This act became effective June 30, 2016, and applies to contracts entered into, extended via the exercise of options or otherwise, renewed, or amended on or after that date.

## **S814 - Designate State Chief Information Office as Secretary of Department. (SL 2016-96)**

S.L. 2016-96 amends the State Chief Information Officer's title to include "Secretary of the Department of Information Technology."

This act became effective July 18, 2016.

# Insurance

**See full summary documents for additional detail**

## **H19 - Modify Definition of Firefighter. (SL 2016-51)**

S.L. 2016-51 changes the name of the North Carolina State Fireman's Association to the North Carolina State Firefighters' Association, amends the definition of "Firefighter" to include firefighters employed by county fire marshal offices, modifies the appointment process for the board of trustees of local Firefighters' Relief funds, provides that the board of trustees of local Firefighters' Relief funds may disburse funds to cover necessary management and investment costs, and clarifies that fire alarms that are unintentional and result in no damage would not be considered in calculating minimum response requirements for initial rating or classification.

This act became effective July 1, 2016.

## **H287 - Amend Insurance Laws. (SL 2016-78)**

SUMMARY: S.L. 2016-78 amends various insurance laws as follows:

- Increases property damage thresholds under the State's Safe Driver Incentive Plan. This provision becomes effective on October 1, 2017, and applies to accidents that occur on or after that date.
- Places a 25% cap on annual premium increases on long-term care insurance policies. This provision becomes effective October 1, 2017, and applies to policies issued, renewed, or amended on or after that date.
- Adds notice requirements to North Carolina's consent to rate laws for homeowner's insurance and allows the use of catastrophe models in rate filings under certain circumstances. These provisions become effective on October 1, 2017, and apply to policies issued, renewed, or amended on or after that date and filings submitted on or after that date.
- Makes various updates to the fire and rescue provisions in North Carolina's insurance statutes.
- Directs the Office of the State Fire Marshal in the Department of Insurance (DOI) to study the reduction in recruitment and retention of volunteer firefighters in North Carolina.
- Effective December 1, 2016, increases penalties for fraudulent and criminal acts involving insurance.
- Makes technical and substantive changes to North Carolina's captive insurance laws
- Authorizes the DOI to plan for and establish a private flood insurance market.
- Effective December 1, 2016, enables third parties, including insurers, to recover restitution from convicted defendants.
- Exempts accountable care organizations participating in Medicare programs from DOI regulation.
- Makes various other changes to insurance laws, as recommended by the DOI.

Except as otherwise provided, this act became effective June 30, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 23.1: Insurance Regulatory Charge. (SL 2016-94)**

G.S. 58-6-25 requires an annual insurance regulatory charge be levied on each insurance company, other than a captive insurance company. Sec. 23.1 of S.L. 2016-94 sets the percentage rate to be used in calculating the insurance regulatory charge at 6.5% for the 2017 calendar year.

This section became effective July 1, 2016.

### **S815 - Charter School in State Health Plan. (SL 2016-106)**

S.L. 2016-106 authorizes another opportunity for the Board of Directors of Longleaf School of the Arts, a charter school located in Raleigh, to elect to participate in the State Health Plan for Teachers and State Employees.

This act became effective July 22, 2016.

### **S865 - State Health Plan/Administrative Changes/Local Governments. (SL 2016-104)**

S.L. 2016-104 makes several changes to the statutes governing the State Health Plan for Teachers and State Employees (the Plan) including:

- What information and at what frequency claims processors must provide information to the Plan.
- The purposes for which the Plan may use information obtained from claims processors.
- When information obtained by the Plan may be shared with a third party.
- Under what circumstances a claims processor, who discloses information, is exempt from civil liability.

This act also increases the number of local government employees and local government employees' dependents that may participate in the Plan from 10,000 to 16,000. The act prohibits local governments from charging employees more for their coverage than allowed under the structure set by the Plan and allows local governments to determine premiums for employees' dependents, but those premiums must not be greater than those set by the Plan. The act also sets a schedule for the increase in membership and allows local governments to withdraw from the Plan under certain circumstances.

In addition, the act clarifies when the Plan or an employer is responsible for federal filing requirements under certain sections of the Internal Revenue Code for retirees, direct bill members, and other individuals. Lastly, the act amends the definition of "health benefit plan" in the statutes governing Insurance (Chapter 58 of the General Statutes).

The provision of the act pertaining to local governments' participation in the Plan becomes effective on January 1, 2017, and applies to premiums paid on or after that date. The remainder of this act became effective July 22, 2016, and applies to contracts entered into on or after that date.



# Labor and Employment

See full summary documents for additional detail

## **H169 - Restore State Claim for Wrongful Discharge. (SL 2016-99)**

S.L. 2016-99 repeals, effective March 23, 2016, the prohibition on construing the Equal Employment Practices Act (EEPA) to create or support a statutory or common law private right of action, and prohibiting bringing a civil action based upon the public policy expressed in the EEPA. The act also creates a one year statute of limitations on claims of wrongful discharge in violation of the public policy in the EEPA.

Except as otherwise provided, this act became effective July 18, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 22.1: Line of Duty Death Benefits to Include Cancer as Occupational Disease. (SL 2016-94)**

Sec. 22.1 of S.L. 2016-94 amends the Law-Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Act to provide that when a firefighter dies as a direct and proximate result of: (1) mesothelioma, (2) testicular cancer, or (3) intestinal cancer, the firefighter is presumed to have been killed in the line of duty.

This section becomes effective October 1, 2016, and applies to deaths occurring on or after that date.

## **S124 - Assumed Business Name/Industrial Commission Contempt/Parks.**

### **Part III: Clarify Industrial Commission Referral of Indirect Contempt. (SL 2016-100)**

Part III of S.L. 2016-100 clarifies how the Industrial Commission refers matters of indirect criminal contempt to the district court. It provides that to initiate plenary proceedings, the Industrial Commission must issue and file with the clerk of court an order to appear and show cause. It also provides that, if appropriate, the Commission must enter an order for arrest if it believes that the person ordered to appear will not appear in response to the order.

This Part becomes effective October 1, 2016, and applies to proceedings for indirect criminal contempt filed on or after that date.

## **S725 - Unemployment Insurance Technical Changes. (SL 2016-4)**

S.L. 2016-4 makes two technical changes to the unemployment insurance laws as follows:

- Clarifies G.S. 96-11.7(c) that treats a new employer as the same employer as an existing business enterprise if continuity of control exists between the businesses.

- Amends G.S. 96-4(q) by adding the phrase "have the power to" to clarify that the Board of Review has the authority to independently select a hearing officer.

This act became effective May 11, 2016.

# Local Government

See full summary documents for additional detail

## **H464 - Regional Transportation Authority Revisions. (SL 2016-54)**

S.L. 2016-54 makes changes to the regional transportation authority statute governing PART, the Piedmont Authority for Regional Transportation.

This act became effective August 1, 2016.

## **H483 - Land-Use Regulatory Changes. (SL 2016-111)**

S.L. 2016-111 provides that amendments in city and county zoning ordinances, subdivision ordinances, and unified development ordinances must not be applicable or enforceable without the written consent of the owner with regard to a multi-phased development. A multi-phased development is vested for the entire development with the zoning ordinances, subdivision ordinances, and unified development ordinances then in place at the time a site plan approval is granted for the initial phase. A right which has been vested under these provisions remains vested for a period of seven years from the time a site plan approval is granted for the initial phase of the multi-phased development.

This act became effective July 22, 2016, and applies to multi-phased developments with approved site plans which are valid and unexpired on the effective date of this act and to multi-phased developments approved on or after the effective date of this act.

## **H805 - Measurability Assessments/Budget Technical Corrections.**

### **Sec. 2.4: County Services Provided to Tribal Lands. (SL 2016-123)**

Sec. 2.4 of S.L. 2016-123 requires counties to provide, on lands held in trust by the United States for the Eastern Band of Cherokee Indians ("tribal lands"), public health or human services traditionally provided by county agencies and not otherwise assumed by the Eastern Band of Cherokee Indians, regardless of whether the county has entered into an agreement with the Eastern Band of Cherokee Indians to provide such services.

This section also provides that any agreement between the Eastern Band of Cherokee Indians and a county for provision of county services on tribal lands:

- Need not describe any compensation for services provided;
- Must be approved by the Principal Chief of the Eastern Band of Cherokee Indians, rather than by the Tribal Council; and
- Must be signed by the county manager or delegated department head, rather than by the chair of the board of county commissioners on behalf of the county manager.

This section became effective August 1, 2016.

### **H1023 - Municipal Service Districts/Statutory Changes. (SL 2016-8)**

S.L. 2016-8 requires additional accounting of certain contractors of cities with respect to municipal service districts, requires that an ordinance to establish a municipal service district be adopted at two separate meetings of the city council, and establishes a process by which property owners may petition for creation or reduction of a municipal service district. This act was recommended by the Legislative Research Commission Committee on Municipal Service Districts.

This act became effective June 1, 2016, and applies to contracts entered into on or after that date.

### **H1035 - Local Government Commission/Training for Local Government Finance Officers. (SL 2016-84)**

S.L. 2016-84 authorizes the Local Government Commission to require certain local government and public authority finance officers, or other employees who perform the duties of a finance officer, to attend training as to the powers, duties and responsibilities of a finance officer, and to charge a fee for the training.

This act became effective June 30, 2016.

### **S326 - Local Governments / Buildings / Structures / Inspections. (SL 2016-122)**

S.L. 2016-122 amends the law governing county and city inspection of residential structures to provide that:

- If an inspection department determines that a safety hazard exists in one of the dwelling units within a multifamily building, then the inspection department may inspect additional dwelling units in the multifamily building to determine if the same hazard exists, regardless of whether it has received a specific complaint or has actual knowledge of an unsafe condition in those units.
- The number of verified violations of housing codes or ordinances that constitute "reasonable cause" supporting an inspection is increased from 2 to 4 within a rolling 12-month period.
- Inspection departments are prohibited from discriminating between owner-occupied and tenant-occupied buildings in conducting residential inspections.
- Residential inspections conducted as part of a targeted effort in a designated area must be in response to blighted or potentially blighted conditions, and the total targeted areas may not exceed one square mile or 5% of the county, whichever is greater.
- Counties and cities may not require registration of rental property, except for individual rental units with more than 4 verified violations in a rolling 12-month period, with 2 or more verified violations in a rolling 30-day period, or property identified in the top 10% of property with crime and disorder problems.
- The general prohibition on any requirement for a residential rental property permit, other than for those units with specified and verified code or crime problems, also includes a prohibition of a registration requirement.
- Registration fee requirements must be justified and imposed on a per-unit basis and may not exceed \$500, violation of registration requirements may not be criminalized, and the counties and



cities may not condition provision of utility service upon a rental property submitting to an inspection.

- "Verified violation" is defined to mean the aggregate of all violations in a unit during a 72-hour period that are not corrected within 21 days of receipt of written notice of the violation, except that if the same violation occurs more than twice in a 12-month period, it will be counted as a verified violation regardless of whether it is corrected within 21 days.
- If the violation results from prohibited tenant behavior that, under the housing code or ordinance, constitutes a violation by the property owner or manager, the violation will be deemed corrected if the owner or manager brings a summary ejectment action to remove the tenant within 30 days of written notice of the tenant-related violation.
- If a property is identified by the county or city as being in the top 10% of properties with crime or disorder problems, the county or city is required to notify the landlord and allow the landlord an opportunity to correct the issue.
- The applicable county sheriff's department or city police must assist the landlord in addressing any criminal activity. If the applicable county sheriff or city police does not cooperate in evicting a tenant, the tenant's behavior or activity shall not be counted as a crime or disorder problem.
- If the county or city takes action against an individual rental unit, the owner of the individual rental unit may appeal the decision to the housing appeals board or the planning board, or if neither is created, to the county or city manager, as applicable.

This act becomes effective January 1, 2017.

## **S770 - North Carolina Farm Act of 2016.**

### **Sec. 13: Exclude Certain Minor Repairs From Building Permit Requirements. (SL 2016-113)**

Sec. 13 of S.L. 2016-113 provides that no permit is required to conduct any construction, installation, repair, replacement, or alteration activities costing \$15,000 or less in residential and farm structures if the work is performed in accordance with the current edition of the North Carolina State Building Code and involves:

- Replacements of windows; doors; exterior siding; or pickets, railings, stair treads, and decking of porches and exterior decks.
- Plumbing replacements that do not change size or capacity.
- Replacement of roofing.

This section further provides that no permit is required for:

- Replacement of water heaters in one- or two-family dwellings, if (1) the energy use or thermal input does not exceed that of the water heater being replaced and there is no change in fuel, energy source, location, or routing or sizing of venting and piping, and (2) the work is performed by a person or employee of a company licensed by the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors.
- Repair or replacement of dishwashers, disposals, electrical devices, or lighting fixtures in residential or commercial structures, if (1) the repair or replacement does not require addition or relocation of additional electrical wiring, and (2) the work is performed by a person or employee of a company licensed by the State Board of Examiners of Electrical Contractors.

This section also provides that no permit is required, either under the State Building Code or any local variant, for routine maintenance of fuel dispensing pumps and other dispensing devices.

This section becomes effective October 1, 2016.

# **Military, Veterans, and Indian Affairs**

**See full summary documents for additional detail**

## **H1030 - 2016 Appropriations Act.**

### **Sec. 20.2: Study Creation of North Military Hall of Fame.. (SL 2016-94)**

Sec. 20.2 of S.L. 2016-94 directs the Department of Military and Veterans Affairs to study the feasibility of creating a North Carolina Military Hall of Fame, and to report its findings to the chairs of the Joint Legislative Oversight Committee on General Government by November 1, 2016.

This section became effective July 1, 2016.

# Occupational Boards and Licensing

See full summary documents for additional detail

## **H436 - Unauthorized Practice of Law Changes. (SL 2016-60)**

S.L. 2016-60 exempts certain acts from the definition of the practice of law, including: operation of a Web site that offers consumers the ability to generate legal documents based on the consumer's answers to questions; completion of certain pre-printed documents by licensed real estate brokers; and completion of documents related to the sale or lease of a motor vehicle by a licensed motor vehicle dealer.

This act became effective June 30, 2016.

## **H728 - Amend Various Licensing Board Laws/Fees. (SL 2016-117)**

S.L. 2016-117 makes various changes to several occupational licensing boards' statutes and fees, as follows:

- Extends the period after employment for a chiropractic clinical assistant to obtain a certificate of competency from the State Board of Chiropractic Examiners and raises the maximum allowable annual renewal fee for a chiropractic license from \$150 to \$300.
- Makes several changes to the statutes governing the North Carolina Medical Board, including increasing the application fee payable to the Medical Board for each applicant for a license to practice medicine and surgery in the State and the annual registration fee for every person licensed to practice medicine by the Board. These provisions also amend the peer review agreement to provide that the Medical Board may enter into agreements with the North Carolina Medical Society, the North Carolina Academy of Physician Assistants, and the North Carolina Physicians Health Program (Program) to identify, review, and evaluate licensees of the Board who have been referred to the Program, with regard to their ability to function in their professional capacity and to coordinate regimens for treatment and rehabilitation. Any information acquired, created, or used in good faith by the Program under this health program is privileged, confidential, and not subject to discovery, subpoena, or other means of legal compulsion for release.
- Creates a new apprenticeship requirement option for opticians and a six-month intern requirement for licensure, and lowers apprenticeship requirements for licensure from 3.5 to 2.5 years. These provisions also increase the Board of Opticians' fees and create four new fees.
- Increases the Real Estate Commission's application fee for new licensees from \$30 to \$100, and allows the Commission to increase the application fee from \$100 to \$120 by rule, but provides that the Commission may not increase the application fee by more than \$5 during a 12-month period. This section also increases the Commission's license renewal fee from \$30 to \$45, and allows the Commission to increase the renewal fee from \$45 to \$60 by rule, but provides that the Commission may not increase the application fee by more than \$5 during a 12-month period. This section also allows the postlicensing education requirements for real estate brokers to be satisfied by online instruction. These provisions become effective July 1, 2017.

Except as otherwise provided, this act becomes effective October 1, 2016.

## **H742 - Professional Engineer Licensure/Allow School Maintenance Plumbers.**

### **Sec. 1: Clarify the Requirements for Initial Licensure as a Professional Engineer. (SL 2016-105)**

Sec. 1 of S.L. 2016-105 rewrites the provision related to licensure as a professional engineer to clarify the requirements. This section also eliminates the requirement that the applicant must meet the education, experience, and examination requirements in a particular order.

Additionally, this section clarifies the process for obtaining an engineer intern certificate and provides that an applicant for a professional engineer's license must meet stated requirements for education, examination, and experience. This section retains the existing authority for licensure by comity, long-established practice, faculty members, and doctors of engineering.

This section becomes effective October 1, 2016.

The summary for the section of this act that pertains to school maintenance plumbers may be found in the Education subject area.

## **H742 - Professional Engineer Licensure/Allow School Maintenance Plumbers.**

### **Secs. 2 and 3: Allow Employment of School Maintenance Plumbers. (SL 2016-105)**

Sections 2 and 3 of S.L. 2016-105:

- Direct the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors to establish and issue State and local government plumbing and heating technician licenses for persons who wish to engage in the installation, repair, or replacement of plumbing or heating groups numbers one, two, and three as an employee of a State or local government agency.
- Clarify that a licensee who is regularly employed by a local board of education may maintain an individual license and contract to perform work during the hours that the licensee is off-duty from the licensee's regular employer.

These sections become effective October 1, 2016.

#### **BILL ANALYSIS:**

Section 2 of S.L. 2016-105 directs the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors to establish and issue State and local government plumbing, heating group number one, heating group number two, or heating group number three technician licenses.

These would be issued to (i) persons who do not possess the required contractor license but desire to engage in the installation, repair, or replacement of plumbing, heating group number one, heating group number two, or heating group number three solely as an employee of a State or local government agency, and (ii) persons who do possess the required contractor license but who also desire to engage in the installation, repair or replacement of plumbing, heating group number one, heating group number two, or heating group number three as an employee of a State or local government agency without listing their contractor license in the name of the State or local government agency.

Section 3 clarifies that a licensee who is regularly employed by a local board of education may maintain an individual license and contract to perform work during the hours that the licensee is off-duty from the licensee's regular employer.

EFFECTIVE DATE: These sections become effective October 1, 2016.

**S481 - Fund Small Businesses/Department of Revenue Rulings/City Rights of Way.**

**Part III: Prohibit Cities from Charging Fees for Utility Use of Right-of-Way. (SL 2016-103)**

Part III of S.L. 2016-103 prohibits a city from imposing a fee on telecommunications, video programming, electricity, or gas utilities for activities conducted in the city's right-of-way, unless the city's right-of-way management expenses related to these activities exceed distributions to the city of sales tax from the utilities' customers. Payments under G.S. 62-350 for pole attachments are not affected.

The prohibition on cities charging fees for utilities' use of right-of-way becomes effective July 1, 2017, and during the period July 22, 2016, through July 1, 2017, cities may charge fees not exceeding fees in effect as of June 1, 2016.

**S770 - North Carolina Farm Act of 2016.**

**Sec. 17: Authorize Certified Well Drillers to Install Certain Water Pipes and Electrical Wiring in a Single Ditch. (SL 2016-113)**

Sec. 17 of S.L. 2016-113 authorizes certified well contractors to install both water pipes and electrical wiring in a single ditch when running electrical wires from a well pump to the pressure switch and water pipes from the well to the water tank. The ditch must be as deep as the deepest applicable minimum cover requirement for the electrical wiring or water pipes. This section also directs the Building Code Council to amend the State Electrical Code and the State Plumbing Code consistent with this section.

This section becomes effective October 1, 2016.

# Property, Trusts, and Estates

See full summary documents for additional detail

## **H151 - Vacation Rentals/Orange County Jail Construction.**

### **Part I: Changes to the Vacation Rental Act/Summary Ejectment/Residential Rental Agreements. (SL 2016-98)**

Part I of S.L. 2016-98 makes changes to the Vacation Rental Act and amends provisions of law related to summary ejectment and residential rental agreements as follows:

- Amends the Vacation Rental Act by adding definitions of terms used in the Act, clarifying when a real estate broker may deduct management fees from advanced payments, requiring landlords to provide carbon monoxide detectors in rental properties, setting out responsibilities of real estate brokers managing rental properties, and providing for early termination of vacation rental agreements when a member of the Armed Forces is deployed or relocated.
- Provides that a real estate broker or firm is not personally liable in a civil action between landlord and tenant solely because he or she fails to identify the landlord in a rental agreement.
- Provides that a landlord may charge a court-appearance fee in a successfully prosecuted summary ejectment action, but the fee is vacated if the tenant appeals the judgment.

This part became effective July 1, 2016, but does not affect any litigation pending on that date.

## **H567 - North Carolina Cemetery Act Changes. (SL 2016-83)**

S.L. 2016-83 authorizes certain cemeteries to transfer or encumber a portion of the minimum acreage required to be held by licensed cemeteries for use as a cemetery.

This act became effective June 30, 2016.

## **S19 - Uniform Recording Fees - Register of Deeds. (SL 2016-86)**

S.L. 2016-86 adjusts the uniform fee for recording deeds of trust with the Register of Deeds from \$56 for 15 pages to \$64 for 35 pages. Each additional page remains \$4.

This act becomes effective October 1, 2016

## **S600 - Appraiser Compensation/Judge Perform Marriage. (SL 2016-61)**

S.L. 2016-61 amends the law as follows:

- Requires appraisal management companies to pay appraisers customary and reasonable fees in a manner consistent with federal law.

- Authorized a Justice of the United States Supreme Court or a Judge of the United States Court of Appeals to perform a marriage in North Carolina between July 2, 2016, and July 5, 2016.

The provisions related to appraisal management companies, become effective January 1, 2017. The provisions related to solemnization of marriage, became effective July 2, 2016, and expired July 5, 2016.

### **S805 - Fiduciary Access to Digital Assets. (SL 2016-53)**

S.L. 2016-53 enacts a new Chapter in the General Statutes establishing the Revised Uniform Fiduciary Access to Digital Assets Act. This Act creates a process for disclosure of a user's digital assets to a fiduciary, personal representative, guardian or trustee.

This act became effective June 30, 2016.



# Retirement

See full summary documents for additional detail

## **H960 - Retirement Creditable Service Charter Schools. (SL 2016-82)**

S.L. 2016-82 allows a member of the Teachers' and State Employees' Retirement System (TSERS) to purchase up to five years of creditable service for employment in a charter school operated by a private nonprofit corporation and requires cost estimates for statutory changes to service purchase provisions.

The act became effective June 30, 2016.

## **H1011 - Retirement Technical Corrections Act of 2016. (SL 2016-56)**

S.L. 2016-56 makes technical changes to the laws pertaining to the following: NC Firefighters and Rescue Squad Workers' Pension Fund (FRSWPF); Local Governmental Employees' Retirement System (LGERs); Teachers' and State Employees' Retirement System (TSERS); State Health Plan; and the Achieving a Better Life Experience (ABLE) Program. A detailed description of the changes may be found in the full bill analysis.

This act became effective June 30, 2016, except for the conforming changes related to the Uniformed Services Employment and Reemployment Rights Act (USERRA), and the educational leave changes, which become effective January 1, 2017.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 36.21: Provide One-Time Cost-of-Living Supplement for Retirees of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System. (SL 2016-94)**

Sec. 36.21 of S.L. 2016-94 amends the statutes pertaining to the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System, to provide a one-time cost-of-living supplement payment in the amount of 1.6% of the beneficiary's annual retirement allowance to beneficiaries who are living as of September 1, 2016, and whose retirement commenced on or before September 1, 2016. In the event the beneficiary dies before the payment is made, the payment is payable to the member's legal representative. The supplement will be paid on or before October 31, 2016.

No beneficiary will acquire a vested right to any future supplemental payments. In order to pay costs associated with the supplement, the Retirement Systems Division, Department of State Treasurer, is authorized to increase receipts from the retirement assets of the corresponding system or to pay costs associated with the administration of the payment directly from the retirement assets.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 36.23: Qualified Excess Benefit Arrangement (QEBA). (SL 2016-94)**

Sec. 36.23 of S.L. 2016-94 amends the Qualified Excess Benefit Arrangement (QEBA) laws for the Teachers' and State Employees' Retirement System (TSERS) and the Local Governmental Employees' Retirement System (LGERS) to provide that the last employer of a payee who retires on or after August 1, 2016, and who receives any supplemental benefit payment under the QEBA arrangement, is required to reimburse the QEBA in the amount of any supplemental payment made to the payee. The reimbursement will be calculated on an annual basis every calendar year and the Board of Trustees is permitted to include a pro rata share of direct costs attributable to the administration of the QEBA. The employer has 60 days from the date of notification to pay the amount owed and will be assessed a penalty of 1% per month, or fraction thereof, when the payment is made beyond the due date. The sunset of eligibility to participate in the QEBA is amended to provide that no member of TSERS and LGERS who became a member of the Retirement System on or after January 1, 2015, is eligible to participate in the QEBA and prohibits both Retirement Systems from paying any new member more retirement benefits than allowed under the limitations of section 415(b) of the Internal Revenue code.

This section became effective July 1, 2016.

## **H1137 - Treasurer's 2016 Investment Administrative Changes. (SL 2016-55)**

S.L. 2016-55 modernizes and updates the statutes governing the Department of the State Treasurer's office hours and scope of authority for investment programs, codifies key departmental policies, and consolidates statutory reporting requirements.

The sections of this act involving reporting requirements became effective July 1, 2016, and apply to all reporting periods beginning on or after that date. Except as otherwise provided, this act becomes effective January 31, 2017.

## **S886 - Retirement Amendments. (SL 2016-108)**

S.L. 2016-108 does the following:

- Honors firefighter Captain Bradley Long, who was killed in the line of duty.
- Adds language providing survivorship benefits for a member killed in the line of duty for the NC Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF).
- Clarifies the retirement information that is subject to the Public Records Law.
- Allows certain forms to be transmitted electronically to Teachers' and State Employees' Retirement System (TSERS) members and Local Governmental Employees' Retirement System (LGERS) members.
- Allows letters of credit issued by a Federal Home Loan Bank to be used to collateralize deposits.
- Requires the LGERS Board of Trustees to develop a State Contribution Rate Stabilization Policy for the FRSWPF.
- Amends the law pertaining to the Retirement System for Teachers and State Employees to: (i) add the Director of the Office of State Human Resources as an ex officio member of the TSERS

Board of Trustees, replacing a representative of higher education; (ii) provide for the TSERS and LGERS that the State Treasurer is the ex officio chair of the Board and has authority to appoint the director of the Retirement System; and (iii) require the annual valuation to TSERS and LGERS Board to include a section providing an analysis of assets on a market basis using the 30-year treasury rate as the discount rate.

- Makes references to the Supplemental Retirement Board of Trustees consistent across statutes and provides that the 403(b) uses the same procurement procedures as the 401(k) and 457 plans; and amends the reporting of earnings requirements under the Disability Income Plan.

This act became effective July 22, 2016, except for the provision that pertains to the survivorship benefits for a FRSWPF member killed in the line of duty. The aforementioned provision has various effective dates. Please see the full summary for more detail.

# State Government

See full summary documents for additional detail

## **H550 - Raleigh Apodaca Service Dog Retirement Act. (SL 2016-101)**

S.L. 2016-101 allows ownership of retired State and local government service animals to be transferred to the service animal's handler or other designated persons, organizations, or programs under certain stated conditions.

This act becomes effective October 1, 2016.

## **H805 - Measurability Assessments/Budget Technical Corrections.**

### **Sec. 1: Measurability Assessment. (SL 2016-123)**

Sec. 1 of S.L. 2016-123 creates the "North Carolina Measurability Assessment Act of 2016"(Act), which provides that the General Assembly may require a measurability assessment of any proposed or existing State program to determine whether the program is or will be capable or reporting performance and return on investment. The Act prescribes the required components of a measurability assessment for State programs under review. The Program Evaluation Division (Division) must use a competitive process to prequalify independent measurability assessors and must also establish standards for assessor qualifications, independence, and conducting and reporting assessments. When a measurability assessment is required by the General Assembly, the Act directs the Division to select the assessor and require the agency or institution to reimburse the Division for assessor's costs and for a share of the Division's costs for administering the program under the Act.

This section becomes effective October 1, 2016.

## **H805 - Measurability Assessments/Budget Technical Corrections.**

### **Sec. 10.2: Third Party Leasing. (SL 2016-123)**

Sec. 10.2 of S.L. 2016-123 authorizes the Department of Administration to lease the 1.7 acre Personnel Training Center property located on Peace Street in Wake County to a third party for a term of up to 99 years.

This section became effective July 1, 2016.

## **H970 - State Controller/Criminal Record Checks. (SL 2016-28)**

S.L. 2016-28 authorizes criminal record checks for any current or prospective employees, volunteers, or contractors of the Office of State Controller.

This act became effective June 22, 2016.

### **H971 - Motor Fleet Clarification. (SL 2016-29)**

S.L. 2016-29 provides that the Department of Administration may contract with private vendors for short-term rental vehicles for use by officers and employees of State agencies for State business.

This act became effective June 22, 2016.

### **H972 - Law Enforcement Recordings/No Public Record. (SL 2016-88)**

S.L. 2016-88 does the following with respect to recordings made by law enforcement agencies:

- Provides that they are not public records.
- Establishes whether, to whom, and what portions of a recording may be disclosed or a copy released.
- Establishes the procedure for contesting a refusal to disclose a recording or to obtain a copy of a recording.
- Directs State or local law enforcement agencies to provide, upon request, access to a method to view and analyze recordings to the State Bureau of Investigation (SBI) and the North Carolina State Crime Laboratory (State Crime Lab).

Effective July 11, 2016, the act authorizes governmental and nongovernmental organizations to establish and operate hypodermic syringe and needle exchange programs and provides limited immunity from criminal prosecution to employees, volunteers, and participants of authorized hypodermic syringe and needle exchange programs.

The provisions of the act related to the disclosure and release of recordings made by law enforcement agencies become effective October 1, 2016, and apply to all requests made on or after that date for the disclosure or release of a recording.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 6.1: Establishing or Increasing Fees. (SL 2016-94)**

Sec. 6.1 of S.L. 2016-94 provides that:

- An agency is not required to consult with the Joint Legislative Commission on Governmental Operations prior to establishing or increasing a fee to the level authorized or anticipated in the Appropriations Act of 2016.
- An agency may adopt an emergency rule to establish or increase a fee as authorized by the Appropriations Act of 2016, if the adoption of a rule would otherwise be required by law.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 6.3: Budget Stability and Continuity. (SL 2016-94)**

Sec. 6.3 of S.L. 2016-94, as amended by Sec. 2.2 of S.L. 2016-123, provides authority for the Director of the Budget to continue to spend State funds in the event that a fiscal year begins for which no budget has yet become law. This section authorizes the Director to continue to spend State funds at the recurring amount authorized to be spent during the prior fiscal year, freezes State employee salaries, and halts statutory transfers to certain statewide reserves. This section provides that once a budget becomes law, total expenditures must be adjusted to give effect to the enacted budget.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 6.6: Exempt Golden L.E.A.F. (Long Term Economic Advancement Foundation) From Certain Grant Requirements. (SL 2016-94)**

Sec. 6.6 of S.L. 2016-94 exempts certain funds annually appropriated to the Golden L.E.A.F (Long Term Economic Advancement Foundation), Inc. from provisions of the State Budget Act that govern the administration of grants, in order to eliminate duplicative or nearly-duplicative administrative obligations on the use of these funds.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 15.1: Use of Deobligated Community Development Block Grant and Federal Funds. (SL 2016-94)**

Sec. 15.1 of S.L. 2016-94 directs the Department of Commerce to report:

- Its proposed broadband initiative and its proposed use of deobligated Community Development Block Grant (CDBG) funds to support that initiative.
- On the feasibility of using CDBG funds, including deobligated CDBG funds, to establish a program to assist with economic development of commercial oyster fisheries in coastal communities.
- On the feasibility of using CDBG funds, including deobligated CDBG funds, to create a program to provide a source of funding and assistance for small food retailers operating in the State in low-income areas to improve access to healthy foods.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 15.2: Modify Disbursement Process from Economic Development Reserves. (SL 2016-94)**

Sec. 15.2 of S.L. 2016-94 eliminates the reserve accounts at the Office of State Management and Budget from which the Job Development Investment Grant Program and One North Carolina Fund obligations were paid, in favor of having the accounting of those obligations housed directly in the Department of Commerce. This section provides that funds remaining in the respective reserves as of June 30, 2016, are transferred to the Department of Commerce for the corresponding economic development program.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 15.5: Extend Reporting Deadline for Broughton Hospital Study. (SL 2016-94)**

Sec. 15.5 of S.L. 2016-94:

- Extends the deadline for the final report of the Broughton Hospital Study from June 30, 2015, to June 30, 2016.
- Designates the Department of Commerce as the lead agency with respect to the study, as well as the site control and disposition strategies, working closely with the Department of Health and Human Services, the Department of Administration, the City of Morganton, and the County of Burke.
- Directs the Department of Commerce to submit a report detailing the expenditures associated with funds appropriated by the General Assembly for the Broughton Hospital campus economic development project, from the inception of the project.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 15.6: Travel and Tourism Board Changes. (SL 2016-94)**

Sec. 15.6 of S.L. 2016-94 changes the composition of the North Carolina Travel and Tourism Board from 29 to 19 members, alters the qualifications for several of the members, and makes conforming changes to appointment and term expiration dates.

This section became effective July 1, 2016. The changes to the composition and qualifications of the Board became effective July 1, 2016, and apply to appointments made on or after that date.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 15.7: Encourage Inter-Tier Cooperation for Job Development Investment Grants. (SL 2016-94)**

Sec. 15.7 of S.L. 2016-94 modifies the general rule for Job Development Investment Grant projects that are located in multiple tiers, by providing that instead of using the standards applicable to the highest tier, the standards applicable to the lowest tier apply for purposes of the Industrial Development Fund Utility Account award percentage, if: (i) at least one location of the project is in a tier 1 or 2 area; (ii) at least one location of the project is in a tier 3 area; and (iii) at least 66% of the total jobs or benefits of the project go to the location in the lowest tier area.

This section becomes effective January 1, 2017, and applies to awards made on or after that date.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 15.8: Community Planners and Prosperity Zones. (SL 2016-94)**

Sec. 15.8 of S.L. 2016-94 requires the Department of Commerce to add to the personnel co-located at the Collaboration for Prosperity Zones an additional employee at each zone responsible for assisting communities with economic and community development projects.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 15.10: International Recruiting Coordination Office. (SL 2016-94)**

Sec. 15.10 of S.L. 2016-94 creates the International Recruiting Coordination Office (Office) within the Department of Commerce that is responsible for:

- Entertaining and providing for the hosting of international visitors to the State.
- Procuring customary and appropriate cultural gifts.
- Screening potential foreign investments.
- Coordinating with the Economic Development Partnership of North Carolina on international and domestic business marketing and advertising of the State.

The Office is directed to report on its expenditures and activities to several legislative committees by October 1 of each year.

This section became effective July 1, 2016.



## **H1030 - 2016 Appropriations Act.**

### **Sec. 16.3: Umstead Act Conforming Changes. (SL 2016-94)**

Sec. 16.3 of S.L. 2016-94 adds an exception to the Umstead Act's prohibition on State agencies providing goods or services that compete with the private sector for the Department of Natural and Cultural Resources. The exception, which broadens an existing exception for the Department, allows the North Carolina Zoological Park to lease a portion of its property to a private entity to construct and operate a hotel and related facilities.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 16.4: Clarify Vending Facilities Exemption. (SL 2016-94)**

Sec. 16.4 of S.L. 2016-94 adds State Parks to an existing exemption for museums and historic sites operated by the Department of Natural and Cultural Resources from the requirement that the operation of food and vending services by State agencies be offered preferentially to blind persons. The provision also grandfathers from the exemption, any existing contract at a Department facility entered into prior to July 1, 2016.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 16.5: Grassroots Science Amendments. (SL 2016-94)**

Sec. 16.5 of S.L. 2016-94 makes the following changes to the grassroots science museum grant program:

- Renames the program the "North Carolina Science Museums Grant Program."
- Provides that, for the 2016-2017 fiscal year, any museum receiving a grant in the prior fiscal year must be funded, assuming it continues to meet general eligibility criteria for the program.
- Allows any funds remaining at the end of the competitive grant funding process to be distributed equally to all museum applicants funded during that cycle without regard to the economic development tier-based funding caps.
- Grandfathers from the requirement that all applicants be a 501(c)(3) nonprofit, certain museums owned by local government entities that received funding in the 2015-2016 fiscal year.
- Includes in the eligibility criteria a requirement that applicants provide a proposal for use of the funds and the measures that will be used to demonstrate that the use of the funds has had the projected results.
- Authorizes the Department of Natural and Cultural Resources to create one new position to administer the grant program, provide assistance to grant applicants, and foster collaboration between the Museum of Natural Sciences and grant recipients.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 16.6: Modify Zoo and Aquarium Special Funds. (SL 2016-94)**

Sec. 16.6 of S.L. 2016-94 makes the following changes to the budgetary special funds for the North Carolina Zoo and Aquariums:

- Clarifies that only receipts from admissions and facility rentals or leases must be credited to the facility's General Fund operating budget.
- Increases the amount that the Department of Natural and Cultural Resources (Department) may transfer from General Fund operating budget back to the special funds from \$1 million to \$1.5 million.
- Adds the following to the criteria for repair and renovation projects paid for from the special funds: (i) the funding must be appropriated by the General Assembly and (ii) the project does not require increased recurring funding for operations of the facilities.
- Amends the reporting requirements for the Aquariums to conform with the reporting requirements for other Department attractions.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 16.9: Update Symphony Contract. (SL 2016-94)**

Sec. 16.9 of S.L. 2016-94 directs the North Carolina Symphony to review and update the contractual language used for contracts with nonsymphony performers and to report the changes made to the language as a result of the review to the Joint Legislative Commission on Government Operations by November 1, 2016.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 25.1: School Construction Needs Study. (SL 2016-94)**

Sec. 25.1 of S.L. 2016-94 directs the Joint Legislative Program Evaluation Oversight Committee to amend the 2016-2017 Program Evaluation Division (PED) work plan to direct PED to contract with an outside entity to (i) perform an independent assessment of school construction needs and (ii) determine which of the local school administrative units have the highest facility needs in relation to their capacity to raise revenue to meet those needs. The section directs PED to report the results of this study to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Economic Development and Global Engagement Oversight Committee by March 15, 2017.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 32.1: Study E-Procurement Service. (SL 2016-94)**

Sec. 32.1 of S.L. 2016-94 directs the Joint Legislative Oversight Committee on General Government to study the management of North Carolina's E-Procurement Service, including the amount of the vendor transaction fee charged to suppliers and the delay in implementation of an e-bidding module within the system. The Committee must report its findings, including any recommendations for proposed legislation, to the 2017 General Assembly.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 32.5: Transfer Functions of Youth Advocacy and Involvement Office to Council for Women/Transfer Youth Legislative Assembly. (SL 2016-94)**

Sec. 32.5 of S.L. 2016-94, as amended by Sec. 8.3 of S.L. 2016-123, consolidates the North Carolina Council for Women and the Youth Advocacy and Involvement Office of the Department of Administration as the North Carolina Council for Women and Youth Involvement.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 32.6: Domestic Violence Center Fund/Develop New Grant Formula. (SL 2016-94)**

Sec. 32.6 of S.L. 2016-94:

- Directs the North Carolina Council for Women (Council) in the Department of Administration, in consultation with the Domestic Violence Commission, to develop a new formula for awarding grants from the Domestic Violence Center Fund to eligible centers for victims of domestic violence.
- Requires the Council, by November 1, 2016, to report its findings and recommendations to the Joint Legislative Oversight Committee on General Government.
- Places a moratorium on grant awards to new grantees from the Domestic Violence Center Fund for the 2016-2017 fiscal year.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 37.5: Allow Repairs and Renovations Funds to Be Used for Building Demolition and Installation of Electrical, Plumbing, and Related Systems. (SL 2016-94)**

Sec. 37.5 of S.L. 2016-94 clarifies that allocations of funds from the Reserve for Repairs and Renovations may be used for the installation of new electrical, plumbing, and related systems, and also authorizes funds allocated from that Reserve to be used for building demolition.

This section became effective July 1, 2016.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 37.7: Enhance Oversight of Certain Capital Projects. (SL 2016-94)**

Sec. 37.7 of S.L. 2016-94:

- Prohibits State agencies from entering into leases of real property, either as lessor or lessee, for a period of more than 30 years unless the General Assembly has authorized the lease or unless certain exceptions apply.
- Prohibits State agencies from entering most leases as lessor that would require relocation of State functions or personnel if the agency to which the property is currently allocated possesses insufficient operating funds to cover the cost of both the relocation and the ongoing provision of State functions affected by the relocation.
- Imposes various reporting requirements related to the requirements of the section, and requires greater visibility for estimated operating costs of capital projects requested by State agencies.

This section became effective July 14, 2016, and applies to leases entered into or renewed, and to budgets recommended by the Director of the Budget, on or after that date.

## **H1030 - 2016 Appropriations Act.**

### **Sec. 37.8: Limit the Ability of State Agencies or State Entities to Enter Into Debt or Debt-Like Arrangements Outside of the Purview of the General Assembly. (SL 2016-94)**

Sec. 37.8 of S.L. 2016-94, as amended by Sec. 10.1 of S.L. 2016-123, prohibits State agencies from entering into any State-supported financing arrangement with respect to the acquisition of a capital asset having a value of \$5 million or more, unless the General Assembly has enacted legislation expressly approving (i) the acquisition, project, or undertaking to be financed and (ii) the use of the State supported financing arrangement.

This section became effective July 1, 2016.

## **H1044 - Law Enforcement Omnibus Bill. (SL 2016-87)**

S.L. 2016-87 does all of the following:

- Creates a "Blue Alert System" to aid in the apprehension of a person suspected of killing or inflicting serious bodily injury upon a law enforcement officer.
- Permits the designee of the head or chief of a law enforcement agency to request confiscated firearms to be turned over to the law enforcement agency for official use, sale, trade, or exchange.
- Modifies the description of cognitive impairments that trigger a Silver Alert for missing persons.
- Authorizes the Division of Motor Vehicles to refuse vehicle registration for failure to pay civil penalties and fees incurred for violating size, weight, construction, and equipment restrictions. This provision becomes effective October 1, 2016, and applies to violations committed on or after that date.
- Expands the definition of "emergency" under the North Carolina Emergency Management Act.
- Permits the Samarcand Academy to sell merchandise and services to the public.
- Provides that persons hired by a State agency, department or university in a forensic scientist position and who are required to complete formal training before assuming their forensic scientist duties must be employed for 24 consecutive months in order to become career State employees.

Except as otherwise provided, this act became effective July 11, 2016.

## **S124 - Assumed Business Name/Industrial Commission Contempt/Parks.**

### **Part IV: Remove Property From State Nature and Historic Preserve and Authorize Deletion of Properties from State Park System. (SL 2016-100)**

Part IV of S.L. 2016-100 removes several small tracts from the State Nature and Historic Preserve and from the State Parks System to resolve deed overlaps, to allow for minor road relocations and utility easements, and to improve park management.

This part became effective July 18, 2016.

## **S160 - Official State Veterans Day Parade. (SL 2016-33)**

S.L. 2016-33 amends State law to provide that the Veterans Day Parade held in the Town of Warsaw is the official Veterans Day Parade of the State.

This act became effective June 24, 2016.

## **S575 - North Carolina/South Carolina Original Boundary Confirmation. (SL 2016-23)**

S.L. 2016-23 addresses several legal and tax issues related to the reestablishment of the original boundary line existing between North Carolina and South Carolina. North Carolina and South Carolina created a

Joint Boundary Commission to relocate and reestablish their 334-mile common boundary. The Commission began its work in 1995 and completed the technical part of its work by May of 2013. For the last three years, efforts have been underway to reduce or eliminate the impact of the work on property owners whose residency or business would be moved from South Carolina to North Carolina, or vice versa, because of the reestablished boundary line. This act addresses not only the tax consequences of the reestablished boundary line but also other issues, such as public education enrollment and drivers licenses. South Carolina enacted similar legislation in June 2016: Act 270, Ratified 292, and Senate Bill 667.

This act became effective June 22, 2016. It is anticipated that the process to complete the reestablishment of the boundary line will be completed by the end of this calendar year. The boundary must be approved by the Governor and the Council of State before the Governor may issue a proclamation declaring the reestablished line as the true boundary line between North Carolina and South Carolina.

### **S747 - State-Owned Real Property Management/Program Evaluation Division. (SL 2016-119)**

S.L. 2016-119 requires more active management of State-owned real property by the Department of Administration (DOA), as recommended by the Program Evaluation Division of the General Assembly, including:

- Ongoing identification and disposal of surplus State-owned real property.
- Ongoing measurement and reporting of utilization of State-owned real property.
- Ongoing updating of State-owned real property inventories.
- Ensuring that State-owned property is not available before leases are approved or renewed.

The provisions of this act that require DOA to review utilization data in the State-owned real property database to determine whether the property can meet the needs of a requesting State agency, will become effective July 1, 2018. The remainder of this act became effective July 28, 2016.

### **S748 - Change Report - Building and Infrastructure Commission. (SL 2016-24)**

S.L. 2016-24 provides that the Blue Ribbon Commission to Study the Building and Infrastructure Needs of the State must submit its final report to the 2017 General Assembly, on or before December 31, 2016.

This act became effective June 22, 2016.

### **S770 - North Carolina Farm Act of 2016.**

#### **Sec. 2: Authorize the Department of Agriculture and Consumer Services to Appoint and Deploy Agricultural Emergency Response Teams in Agricultural Emergencies. (SL 2016-113)**

Sec. 2 of S.L. 2016-113 authorizes the Department of Agriculture and Consumer Services (DACS) to appoint and deploy agricultural emergency response teams (AERTs) to respond to agricultural

emergencies. AERTs are employees of DACS and personnel operating with DACS as a contracted service, whom the Commissioner of Agriculture designates to respond to agricultural emergencies. AERTs have the same immunity from liability in responding to agricultural emergencies as other emergency response agencies covered by the North Carolina Emergency Management Act. DACS is authorized to use any unrestricted funds available to it that have been allocated by the General Assembly from the General Fund.

This section became effective July 26, 2016.

# Transportation

See full summary documents for additional detail

## **H256 - Handicapped Parking/Veterans Plate. (SL 2016-25)**

S.L. 2016-25 allows a vehicle displaying a partially disabled veteran plate to park in designated handicapped parking spaces. It also allows a person to meet the certification and recertification requirements for a handicapped license plate or placard with a disability determination from the U.S. Department of Veterans Affairs.

This act became effective June 22, 2106.

## **H523 - Drivers License Designation/American Indian. (SL 2016-75)**

S.L. 2016-75 directs the Division of Motor Vehicles to use the specific designation "AI" for American Indian driver's license applicants who request to have race designated on their drivers' licenses.

This act becomes effective October 1, 2016, and applies to drivers' licenses issued or renewed on or after that date.

## **H594 - Motor Vehicle Dealer Document Retention/Inspection/Format. (SL 2016-74)**

S.L. 2016-74 makes changes to the law governing motor vehicle dealer record retention.

This act became effective June 30, 2016.

## **H870 - Certificate of Title/Manufactured Home Changes. (SL 2016-59)**

S.L. 2016-59 clarifies the procedure for renewing, releasing, and canceling security interests on the certificate of title for a manufactured home, and revises the cost calculation used in determining whether a lien agent must be appointed for leased real property being improved by the installation of a manufactured home.

This act has various effective dates. Please see the full summary for more detail.

## **H959 - Department of Transportation Proposed Legislative Changes. (SL 2016-90)**

S.L. 2016-90, as amended by Secs. 35.20(g) and 35.21(c) of S.L. 2016-94, makes various changes to the transportation and motor vehicles laws of the State, as follows:



### Department of Transportation (DOT) Related Changes

- Exempts small DOT projects with a cost of \$250,000 or less from the local consultation requirement.
- Authorizes DOT to also allow placement of non-utility owned or operated communications or data transmission infrastructure on DOT right-of-way, and directs DOT to study the issue of administrative fees for encroachments.
- Modifies weight limits applicable to metal commodities and steel coils, and extends certain federal weight exemptions to the State's highways.
- Delays the sunset of a law authorizing DOT to participate, in limited circumstances, in private developer contracts for State highway system engineering, design, or construction of improvements.

### Turnpike Authority Related Changes

- Authorizes the Turnpike Authority to send bills for tolls via electronic mail, if the registered owner consents.
- Requires the Authority to report the number of one-time toll facility users who are charged more than \$50 in penalties and fees to the Joint Legislative Transportation Oversight Committee by January 31, 2017, and in its annual report thereafter.

### Bicycle Related Changes

- Repeals a requirement for DOT to maintain certain off-road cycling records.
- Requires bicycles to have a red rear light or that the operator wear reflective clothing when operating at night.
- Authorizes the passing of a slower moving bicycle or moped, even where passing is otherwise prohibited, in certain circumstances.
- Increases the penalties for unsafe traffic movements that cause injury to bicycles.
- Clarifies the required hand signals for bicycle turning and stopping.

### Division of Motor Vehicles (DMV) Related Changes

- Amends State commercial driver's license laws to conform with federal requirements.
- Provides that the registration of a motor vehicle renewed by means other than a renewal sticker expires at midnight on February 15 of each year.
- Sets the period of validity for all temporary driving certificates at 60 days, and allows a certificate to be used for identification purposes when conducting business with the DMV.
- Eliminates the requirement for sign and symbol and vision testing when a person is renewing a driver's license remotely via the internet or at a DMV kiosk.
- Makes changes to the law governing DMV notices sent by e-mail.
- Requires DMV to provide an option for indicating ownership by joint tenancy with right of survivorship on applications for registration and certificate of title.
- Amends the applicability of the requirement for DMV to inspect out-of-state vehicles such that the requirements applies only to 1980 model year or older vehicles.
- Repeals the requirement for the owner of a registered motor vehicle to sign their vehicle registration card.
- Revises the definition of an auticycle to include vehicles without an airbag, and with partially enclosed seating within the definition.
- Authorizes moped liability insurers to cede moped liability insurance coverage to the North Carolina Reinsurance Facility.
- Defines "electric assisted bicycles," and exempts them from the definition of motor vehicles.

- Clarifies the definition of moped to include mopeds powered by electricity or alternative fuel, but does not include motor-driven bicycles or electric assisted bicycles.
- Allows use of dealer plates by employees of independent dealers, and by immediate family members of independent dealers and their employees.
- Provides that law enforcement may provide an uncertified copy of an accident report to an insurance agent or driver upon being provided with evidence that a certified copy of the accident report has been requested from DMV and the applicable fee has been paid.

#### Unmanned Aircraft Change

- Changes the authorized minimum age for operation of a commercial unmanned aircraft system from age 17 to age 16, the same age as authorized under recently adopted federal rules.

#### Map Act Related Changes

- Clarifies how Map Act-related litigation damages and costs will be funded.
- Places a one-year moratorium on the filing of any new transportation corridor official maps.
- Rescinds all adopted transportation corridor official maps.
- Changes the rate of interest that DOT must pay on condemnation-related judgments, from 8%, to the prime lending rate at the time of the taking, not to exceed 8%.
- Directs DOT to study the development of a process that equitably balances the interest of the State in protecting proposed transportation corridors from development, the property rights of affected landowners, and the taxpayers of the State.

This act became effective July 11, 2106, and several provisions have different effective dates. Please see the full summary for more detail.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 24.1: State Board of Elections/Access to Division of Motor Vehicles Records. (SL 2016-94)**

Sec. 24.1 of S.L. 2016-94 authorizes the Division of Motor Vehicles to release signatures from driver's license or special identification card records to the State Chief Information Officer or the State Board of Elections, and to release photographs to the State Board of Elections.

This section became effective July 1, 2016.

### **H1030 - 2016 Appropriations Act.**

#### **Sec. 35.1: Stabilization of Funding for the Ferry System/Priority Boarding. (SL 2016-94)**

Sec. 35.1 of S.L. 2016-94 continues ferry tolling on currently tolled routes and, except for the new Hatteras-Ocracoke passenger route, prohibits future tolling of currently untolled routes. In addition, this section establishes recurring funding for vessel replacements and funds the initiation of the Hatteras-Ocracoke passenger service. Lastly, this section authorizes the Ferry Division to charge \$150 for priority boarding for vehicles providing commercial goods and services.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.5: Increase Department of Transportation Bid Threshold and Report. (SL 2016-94)**

Sec. 35.5 of S.L. 2016-94 increases the amount that a project can be let after advertising from \$2.5 million to \$5 million. In addition, this section requires the Department of Transportation to report to the House and Senate Transportation Appropriations Committees on the impact to small businesses.

This section became effective July 1, 2016, and applies to bids solicited on or after that date.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.6: Revise Bidding Process. (SL 2016-94)**

Sec. 35.6 of S.L. 2016-94 increases the transparency of the Department of Transportation (DOT) bidding process and provides for uniform timeframes across DOT divisions to post bids, publish bid results, and disclose bid cost estimates.

This section became effective July 1, 2016, and applies to bids solicited on or after that date.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.7: Adjust Unpaved Roads Funding Expenditures. (SL 2016-94)**

Sec. 35.7 of S.L. 2016-94 adjusts the unpaved roads funding program by directing the Department of Transportation to expend 50% of the funds equally across the 14 Highway Divisions for the paving of unpaved secondary roads within the respective Division based on the prioritized scores within the Division. The remaining 50% will continue to be awarded based on the statewide prioritization program.

This section became effective July 1, 2016, and applies to funds allocated on or after that date.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.9: Study/Off-Highway Parking for Tractor-Trailers and Semi-Trailers. (SL 2016-94)**

Sec. 35.9 of S.L. 2016-94 requires The Department of Transportation, the Department of Public Safety, and the Department of Commerce, in consultation with the North Carolina Trucking Association, to study ways to provide additional off-highway parking to tractor-trailers and semi-trailers.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.11: Department of Transportation/Report on Recommendations for Revising Method for Measuring Outsourcing of Preconstruction Activities . (SL 2016-94)**

Sec. 35.11 of S.L. 2016-94 directs the Department of Transportation to report on how it will measure the amount of preconstruction activities outsourced once these functions are consolidated into construction projects led by the 14 Highway Divisions.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.12: Repeal Light Rail Funding Cap. (SL 2016-94)**

Sec. 35.12 of S.L. 2016-94 removes a \$500,000 cap on State expenditures for Strategic Transportation Investments Act-eligible light rail projects, requires previously submitted light rail projects to be resubmitted under the next round of prioritization (Prioritization 5.0), and sets maximum State funding for light rail and commuter rail transit projects at 10% of the total project cost.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.13: Repeal Sunset on Late Fee for Motor Vehicle Registrations. (SL 2016-94)**

Sec. 35.13 of S.L. 2016-94 eliminates the December 31, 2017, repeal date of the late fee for motor vehicle registrations.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.16: Permanent Registration Plates for Certain Transit Providers. (SL 2016-94)**

Sec. 35.16 of S.L. 2016-94 authorizes the Division of Motor Vehicles to issue permanent registration plates for public transportation services that are recipients of the Federal Transit Administration's formula grant funds.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.18: Lease and Conveyance of Murphy Branch Rail Line. (SL 2016-94)**

Sec. 35.18 of S.L. 2016-94 authorizes the disposal or revitalization of the rail-banked corridor between the Towns of Andrews and Murphy, North Carolina, according to certain determinations and financial participation.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.20: Revisions to Division of Motor Vehicles Medical Review Program. (SL 2016-94)**

Sec. 35.20 of S.L. 2016-94 modifies the Division of Motor Vehicles (DMV) Medical Review Program to (i) allow for driver's license issuance in advance of the submission of a signed certificate of physical examination by a health care provider, (ii) stay a restriction upon receipt of a hearing request if DMV concludes that continuance of unrestricted driving doesn't constitute a threat to public safety, and (iii) make conforming changes.

This section became effective July 1, 2016, and applies to drivers licenses issued or renewed on or after that date and hearings requested on or after that date.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.21: Revisions/Freight Rail and Rail Crossing Safety Improvement Fund and Short-Line Railroad Assistance. (SL 2016-94)**

Sec. 35.21 of S.L. 2016-94 authorizes grant funding for projects on short-line railroad corridors without active freight rail service, and clarifies that State-funded improvements to rail lines and corridors may span bordering State boundaries to connect to the national system.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.22: Department of Transportation/Implementation of Reduction Plan. (SL 2016-94)**

Sec. 35.22 of S.L. 2016-94 directs the Department of Transportation to enact its Restructuring Plan as scheduled.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.23: Prohibit Chip Seal Treatment on Subdivision Streets. (SL 2016-94)**

Sec. 35.23 of S.L. 2016-94 allows the Department of Transportation the option of using a chip seal with a fog seal top coat in lieu of resurfacing on subdivision streets.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.24: Consolidate Maintenance Accounts. (SL 2016-94)**

Sec. 35.24 of S.L. 2016-94 consolidates the following Department of Transportation-related accounts into one account: the Primary Maintenance Account, the Secondary Maintenance Account, and the Reserve for General Maintenance.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.25: Crash Reporting Program Maintenance. (SL 2016-94)**

Sec. 35.25 of S.L. 2016-94 directs the Division of Motor Vehicles (DMV) to procure an information technology system for its Crash Reporting Program by October 31, 2016, and requires DMV to report in subsequent years on the implementation and resulting impacts.

This section became effective July 1, 2016.

**H1030 - 2016 Appropriations Act.**

**Sec. 35.26: Department of Transportation/Clarify Authority of Chief and Division Engineers. (SL 2016-94)**

Sec. 35.26 of S.L. 2016-94 consolidates responsibility and oversight over all stages of a Department of Transportation construction project under the Chief Engineer, and directs the Chief Engineer to develop and implement a policy for delegating certain authority to the 14 Highway Division Engineers. The Chief Engineer must report a detailed summary of the policy developed pursuant to this section to the Joint Legislative Transportation Oversight Committee by December 15, 2016.

This section became effective July 1, 2016.

### **H1033 - Identification Card Fee Waiver/Disability. (SL 2016-80)**

S.L. 2016-80 adds persons who have developmental disabilities to the list of persons for whom the \$13 application fee to obtain a special identification card is waived.

This act becomes effective October 1, 2016, and applies to special identification cards issued on or after that date.

### **S791 - License Plate Agency Commission Contractor Rate Revision and Study. (SL 2016-120)**

S.L. 2016-120 does the following:

- Effective October 1, 2016, directs the Division of Motor Vehicles (DMV) to study the issues with incorrect inspection stops on vehicles and the cumbersome process by which data on federal vehicle inspections is entered into the system. DMV must submit its findings and recommendations to the Joint Legislative Transportation Oversight Committee by December 1, 2017.
- Effective October 1, 2016, compensates a license plate agency commission contractor for the removal of an incorrect inspection stop on a vehicle at a rate of \$1.30 per transaction.
- Provides that the \$1.30 transaction fee is subject to quadrennial increase for inflation.

Except as otherwise provided, this act became effective July 28, 2016.

# Utilities

See full summary documents for additional detail

## **H1030 - 2016 Appropriations Act.**

### **Sec.12J.2: Clarifying Changes/Telecommunications Relay Service. (SL 2016-94)**

Sec. 12J.2 of S.L. 2016-94 updates terms used in the definition of "exchange access facility" to remove references to outdated telecommunications terms and replace them with terms currently used in the industry; and clarifies the timeframe by which the Department of Health and Human Services may use the surcharge collected for providing telecommunications devices for persons who are hearing, speech, and or visually impaired.

This section became effective July 1, 2016.

## **S673 - Natural Gas Economic Development Infrastructure. (SL 2016-118)**

S.L. 2016-118 allows natural gas local distribution companies to recover the infeasible portion of a line extension through its rates for line extensions to companies that will invest at least \$200 million in improvements and employ at least 1,500 employees.

This act became effective July 28, 2016, and expires July 1, 2021.

## **S770 - North Carolina Farm Act of 2016.**

### **Sec. 18: Prioritize Swine and Poultry Renewable Energy Facilities in the Interconnection Queue. (SL 2016-113)**

Sec. 18 of S.L. 2016-113 gives priority to swine and poultry waste renewable energy facilities in the public utility's interconnection queue, provided that prior to May 21, 2016, the facility has (i) entered into the interconnection queue and (ii) either obtained a certificate of public convenience and necessity (CPCN) or reported to the Utilities Commission that it proposes to construct the facility pursuant to statutory exemptions from having to obtain a CPCN. Any such facility cannot be moved ahead of an interconnection request that has either (i) initiated the system impact study process, or (ii) received a system impact study report and is continuing through the interconnection process.

This section became effective July 26, 2016, and expires January 1, 2017.



