GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

HOUSE BILL 338
RATIFIED BILL

AN ACT TO MAKE TECHNICAL CORRECTIONS AND CONFORMING CHANGES TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION; AND TO MAKE VARIOUS OTHER CHANGES TO THE GENERAL STATUTES AND SESSION LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 1-17 reads as rewritten:

"**§ 1-17. Disabilities.**

(a) A person entitled to commence an action who is under a disability at the time the cause of action accrued ~~either~~

~~(1) Within the age of 18 years; or~~

~~(2) Insane; or~~

~~(3) Incompetent as defined in G.S. 35A-1101(7) or (8)~~

may bring his or her action within the time ~~herein limited,~~ limited in this Subchapter, after the disability is removed, except in an action for the recovery of real property, or to make an entry or defense founded on the title to real property, or to rents and services out of the ~~same, when he~~ real property, when the person must commence his or her action, or make ~~his~~ the entry, within three years next after the removal of the disability, and at no time thereafter.

For the purpose of this section, a person is under a disability if the person meets one or more of the following conditions:

(1) The person is within the age of 18 years.

(2) The person is insane.

(3) The person is incompetent as defined in G.S. 35A-1101(7) or (8).

(a1) For those persons under a disability on January 1, 1976, as a result of being imprisoned on a criminal charge, or in execution under sentence for a criminal offense, the statute of limitations shall commence to run and no longer be tolled from January 1, 1976.

(b) Notwithstanding the provisions of subsection (a) of this section, an action on behalf of a minor for malpractice arising out of the performance of or failure to perform professional services shall be commenced within the limitations of time specified in ~~G.S. 1-15(c): Provided, that if said~~ G.S. 1-15(c), except that if those time limitations expire before ~~such~~ the minor attains the full age of 19 years, the action may be brought before ~~said~~ the minor attains the full age of 19 years."

SECTION 2. G.S. 7B-507(b)(4) reads as rewritten:

"(4) A court of competent jurisdiction has determined that: the parent has committed murder or voluntary manslaughter of another child of the parent; has aided, abetted, attempted, conspired, or solicited to commit murder or ~~voluntarily~~ voluntary manslaughter of the child or another child of the parent; or has committed a felony assault resulting in serious bodily injury to the child or another child of the parent."

SECTION 3. G.S. 7B-1501 reads as rewritten:

"**§ 7B-1501. Definitions.**

In this Subchapter, unless the context clearly requires otherwise, the following words have the listed ~~meanings:~~meanings. The singular includes the plural, unless otherwise specified.

(1) Chief court counselor. – The person responsible for administration and supervision of juvenile intake, probation, and post-release supervision in each judicial district, operating under the supervision of the Department of Juvenile Justice and Delinquency Prevention.

(2) Clerk. – Any clerk of superior court, acting clerk, or assistant or deputy clerk.

(3) Community-based program. – A program providing nonresidential or residential treatment to a juvenile under the jurisdiction of the juvenile court in the community where the juvenile's family lives. A community-based program may include specialized foster care, family counseling, shelter care, and other appropriate treatment.

(4) Court. – The district court division of the General Court of Justice.

(5) Court counselor. – A person responsible for probation and post-release supervision to juveniles under the supervision of the chief court counselor.

(6) Custodian. – The person or agency that has been awarded legal custody of a juvenile by a court.

(7) Delinquent juvenile. – Any juvenile who, while less than 16 years of age but at least 6 years of age, commits a crime or infraction under State law or under an ordinance of local government, including violation of the motor vehicle laws.

(7a) Department. – The Department of Juvenile Justice and Delinquency Prevention created under Article 12 of Chapter 143B of the General Statutes.

(8) Detention. – The secure confinement of a juvenile under a court order.

(9) Detention facility. – A facility approved to provide secure confinement and care for juveniles. Detention facilities include both State and locally administered detention homes, centers, and facilities.

(10) District. – Any district court district as established by G.S. 7A-133.

(11) Holdover facility. – A place in a jail which has been approved by the Department of Health and Human Services as meeting the State standards for detention as required in G.S. 153A-221 providing close supervision where the juvenile cannot converse with, see, or be seen by the adult population.

(12) House arrest. – A requirement that the juvenile remain at the juvenile's residence unless the court or the juvenile court counselor authorizes the juvenile to leave for specific purposes.

(13) Intake counselor. – A person who screens and evaluates a complaint alleging that a juvenile is delinquent or undisciplined to determine whether the complaint should be filed as a petition.

(14) Interstate Compact on Juveniles. – An agreement ratified by 50 states and the District of Columbia providing a formal means of returning a juvenile, who is an absconder, escapee, or runaway, to the juvenile's home state, and codified in Article 28 of this Chapter.

(15) Judge. – Any district court judge.

(16) Judicial district. – Any district court district as established by G.S. 7A-133.

(17) Juvenile. – Except as provided in subdivisions (7) and (27) of this section, any person who has not reached the person's eighteenth birthday and is not married, emancipated, or a member of the armed forces of the United States. Wherever the term "juvenile" is used with

reference to rights and privileges, that term encompasses the attorney for the juvenile as well.

(18) Juvenile court. – Any district court exercising jurisdiction under this Chapter.

(19) Repealed by Session Laws 2000, c. 137, s. 2.

(20) Petitioner. – The individual who initiates court action by the filing of a petition or a motion for review alleging the matter for adjudication.

(21) Post-release supervision. – The supervision of a juvenile who has been returned to the community after having been committed to the Department for placement in a training school.

(22) Probation. – The status of a juvenile who has been adjudicated delinquent, is subject to specified conditions under the supervision of a court counselor, and may be returned to the court for violation of those conditions during the period of probation.

(23) Prosecutor. – The district attorney or assistant district attorney assigned by the district attorney to juvenile proceedings.

(24) Protective supervision. – The status of a juvenile who has been adjudicated undisciplined and is under the supervision of a court counselor.

(25) Teen court program. – A community resource for the diversion of cases in which a juvenile has allegedly committed certain offenses for hearing by a jury of the juvenile's peers, which may assign the juvenile to counseling, restitution, curfews, community service, or other rehabilitative measures.

(26) Training school. – A secure residential facility authorized to provide long-term treatment, education, and rehabilitative services for delinquent juveniles committed by the court to the Department.

(27) Undisciplined juvenile. –

a. A juvenile who, while less than 16 years of age but at least 6 years of age, is unlawfully absent from school; or is regularly disobedient to and beyond the disciplinary control of the juvenile's parent, guardian, or custodian; or is regularly found in places where it is unlawful for a juvenile to be; or has run away from home for a period of more than 24 hours; or

b. A juvenile who is 16 or 17 years of age and who is regularly disobedient to and beyond the disciplinary control of the juvenile's parent, guardian, or custodian; or is regularly found in places where it is unlawful for a juvenile to be; or has run away from home for a period of more than 24 hours.

(28) Wilderness program. – A rehabilitative residential treatment program in a rural or outdoor setting.

~~The singular includes the plural, unless otherwise specified.~~"

SECTION 4. Effective July 1, 2001, G.S. 7B-1808(b)(2) reads as rewritten:

"(b) At the first appearance, the court shall:

…

(2) Determine whether the juvenile has retained counsel or has been assigned ~~counsel~~ counsel;".

SECTION 5. Effective June 30, 2001, G.S. 17C-3(a)(5) reads as rewritten:

"(5) Citizens and Others. – The President of The University of North Carolina; the Director of the Institute of Government; and two citizens, one of whom shall be selected by the Governor and one of whom shall be selected by the Attorney General. The General Assembly shall appoint two persons, one upon the recommendation of the Speaker of the House of Representatives and one upon the recommendation of the President Pro Tempore of the Senate. Appointments by the General

Assembly shall be made in accordance with G.S. 120-122. Appointments by the General Assembly shall ~~serve~~ be for two-year terms to conclude on June 30th in odd-numbered years."

SECTION 6. G.S. 20-16.5(a)(4) reads as rewritten:

"(a) Definitions. – As used in this section the following words and phrases have the following meanings:

…

(4) Revocation Report. – A sworn statement by a charging officer and a chemical analyst containing facts indicating that the conditions of subsection (b) have been met, and whether the person has a pending offense for which ~~their~~ the person's license had been or is revoked under this section. When one chemical analyst analyzes a person's blood and another chemical analyst informs a person of his rights and responsibilities under G.S. 20-16.2, the report must include the statements of both analysts."

SECTION 7. G.S. 20-16.5(g) reads as rewritten:

"(g) Hearing before Magistrate or Judge if Person Contests Validity of Revocation. – A person whose license is revoked under this section may request in writing a hearing to contest the validity of the revocation. The request may be made at the time of the person's initial appearance, or within 10 days of the effective date of the revocation to the clerk or a magistrate designated by the clerk, and may specifically request that the hearing be conducted by a district court judge. The Administrative Office of the Courts must develop a hearing request form for any person requesting a hearing. Unless a district court judge is requested, the hearing must be conducted within the county by a magistrate assigned by the chief district court judge to conduct such hearings. If the person requests that a district court judge hold the hearing, the hearing must be conducted within the district court district as defined in G.S. 7A-133 by a district court judge assigned to conduct such hearings. The revocation remains in effect pending the hearing, but the hearing must be held within three working days following the request if the hearing is before a magistrate or within five working days if the hearing is before a district court judge. The request for the hearing must specify the grounds upon which the validity of the revocation is challenged and the hearing must be limited to the grounds specified in the request. A witness may submit his evidence by affidavit unless he is subpoenaed to appear. Any person who appears and testifies is subject to questioning by the judicial official conducting the hearing, and the judicial official may adjourn the hearing to seek additional evidence if he is not satisfied with the accuracy or completeness of evidence. The person contesting the validity of the revocation may, but is not required to, testify in his own behalf. Unless contested by the person requesting the hearing, the judicial official may accept as true any matter stated in the revocation report. If any relevant condition under subsection (b) is contested, the judicial official must find by the greater weight of the evidence that the condition was met in order to sustain the revocation. At the conclusion of the hearing the judicial official must enter an order sustaining or rescinding the revocation. The judicial official's findings are without prejudice to the person contesting the revocation and to any other potential party as to any other proceedings, civil or criminal, that may involve facts bearing upon the conditions in subsection (b) considered by the judicial official. The decision of the judicial official is final and may not be appealed in the General Court of Justice. If the hearing is not held and completed within three working days of the written request for a hearing before a magistrate or within five working days of the written request for a hearing before a district court judge, the judicial official must enter an order rescinding the revocation, unless the person contesting the revocation contributed to the delay in completing the hearing. If the person requesting the hearing fails to appear at the hearing or any rescheduling thereof after having been properly notified, he forfeits his right to a hearing."

SECTION 8. G.S. 20-17.8(j)(2) reads as rewritten:

"(2) The person:

a. Was driving a vehicle that was not equipped with a functioning ignition interlock system; or

b. Did not personally activate the ignition interlock system before driving the vehicle; or

c. Drove the vehicle ~~with an alcohol concentration of 0.04 or greater.~~in violation of an applicable alcohol concentration restriction prescribed by subdivision (b)(3) of this section."

SECTION 9. G.S. 20-28.3(m) reads as rewritten:

"(m) Trial Priority. – District court trials of impaired driving offenses involving forfeitures of motor vehicles pursuant to G.S. 20-28.2 shall be scheduled on the arresting officer's next court date or within 30 days of the offense, whichever comes first.

Once scheduled, the case shall not be continued unless all of the following conditions are met:

(1) A written motion for continuance is filed with notice given to the opposing party prior to the motion being heard.

(2) The judge makes a finding of a "compelling reason" for the continuance.

(3) The motion and finding are attached to the court case record.

Upon a determination of guilt, the issue of vehicle forfeiture shall be heard by the judge immediately, or as soon thereafter as feasible, and the judge shall issue the appropriate orders pursuant to G.S. 20-28.2(d).

Should a defendant appeal the conviction to superior court, any party who has not previously been heard on a petition for pretrial release under ~~subsections~~ subsection (e1) or (e3) of this section or any party whose motor vehicle has not been the subject of a forfeiture hearing held pursuant to G.S. 20-28.2(d) may be heard on a petition for pretrial release pursuant to ~~subsections~~ subsection (e1) or (e3) of this section. The provisions of subsection (e) of this section shall also apply to seized motor vehicles pending trial in superior court. Where a motor vehicle was released pursuant to subsection (e) of this section pending trial in district court, the release of the motor vehicle continues, and the terms and conditions of the original bond remain the same as those required for the initial release of the motor vehicle under subsection (e) of this section, pending the resolution of the underlying offense involving impaired driving in superior court."

SECTION 10. G.S. 20-118(c)(14) reads as rewritten:

"(c) Exceptions. – The following exceptions apply to G.S. 20-118(b) and 20-118(e).

…

(14) Subsections (b) and (e) of this section do not apply to a vehicle that meets all of the ~~following conditions:~~conditions below, but all other enforcement provisions of this Article remain applicable:

a. Is hauling aggregates from a distribution yard or a State-permitted production site within a North Carolina county contiguous to the North Carolina State border to a destination in an adjacent state as verified by a weight ticket in the driver's possession and available for inspection by enforcement personnel.

b. Does not operate on an interstate highway or posted bridge.

c. Does not exceed 69,850 pounds gross vehicle weight and 53,850 pounds per axle grouping for tri-axle vehicles. For purposes of this subsection, a tri-axle vehicle is a single unit vehicle with a three consecutive axle group on which the respective distance between any two consecutive axles of the group, measured longitudinally center to center to the nearest

foot, does not exceed eight feet. For purposes of this subsection, the tolerance provisions of subsection (h) of this section do not apply.

~~d. All other enforcement provisions of this Article remain applicable.~~"

SECTION 11. G.S. 20-146(a) reads as rewritten:

"(a) Upon all ~~roadways~~ highways of sufficient width a vehicle shall be driven upon the right half of the highway except as follows:

(1) When overtaking and passing another vehicle proceeding in the same direction under the rules governing such movement;

(2) When an obstruction exists making it necessary to drive to the left of the center of the highway; provided, any person so doing shall yield the right-of-way to all vehicles traveling in the proper direction upon the unobstructed portion of the highway within such distance as to constitute an immediate hazard;

(3) Upon a highway divided into three marked lanes for traffic under the rules applicable thereon; or

(4) Upon a highway designated and signposted for one-way traffic."

SECTION 13. Effective July 1, 2001, G.S. 23-30.1 reads as rewritten:

"**§ 23-30.1. Provisional release.**

Every person who has filed a petition under the provisions of G.S. 23-30 shall be brought before a judge within 72 hours after filing the petition and shall be provisionally released from imprisonment unless a hearing shall be held and the creditor shall establish that the prisoner has fraudulently concealed assets. If, at the time he is brought before a judge, the prisoner makes a showing of indigency, counsel shall be appointed for the prisoner in accordance with rules adopted by the Office of Indigent Defense Services. A provisional release under this section shall not constitute a discharge of the debtor, and the creditor may oppose the discharge by suggesting fraud even if he has unsuccessfully attempted to oppose the provisional release on the basis of fraudulent concealment. The debtor may be provisionally released even though actual service upon the creditor has not been accomplished if 72 hours has passed since the debtor delivered the notice to the sheriff for service upon the creditor."

SECTION 14.(a) G.S. 24-1.1E(a)(4) and (a)(6) read as rewritten:

"(a) Definitions. – The following definitions apply for the purposes of this section:

…

(4) A "high-cost home loan" means a loan other than an open-end credit plan or a reverse mortgage transaction in which:

a. The principal amount of the loan does not exceed the lesser of (i) the conforming loan size limit for a single-family dwelling as established from time to time by ~~the Federal National Mortgage Association,~~ Fannie Mae, or (ii) three hundred thousand dollars ($300,000);

b. The borrower is a natural person;

c. The debt is incurred by the borrower primarily for personal, family, or household purposes;

d. The loan is secured by either (i) a security interest in a manufactured home (as defined in G.S. 143-147(7)) which is or will be occupied by the borrower as the borrower's principal dwelling, or (ii) a mortgage or deed of trust on real estate upon which there is located or there is to be located a structure or structures designed principally for occupancy of from one to four families which is or will be occupied by the borrower as the borrower's principal dwelling; and

e. The terms of the loan exceed one or more of the thresholds as defined in subdivision (6) of this section.

…

(6) "Thresholds" means:

a. Without regard to whether the loan transaction is or may be a "residential mortgage transaction" (as the term "residential mortgage transaction" is defined in section 226.2(a)(24) of Title 12 of the Code of Federal Regulations, as amended from time to time), the annual percentage rate of the loan at the time the loan is consummated is such that the loan is considered a "mortgage" under section 152 of the Home Ownership and Equity Protection Act of 1994 (Pub. Law 103-25, [15 U.S.C. § 1602(aa)]), as the same may be amended from time to time, and regulations adopted pursuant thereto by the Federal Reserve Board, including section 226.32 of Title 12 of the Code of Federal Regulations, as the same may be amended from time to time;

b. The total points and fees payable by the borrower at or before the loan closing exceed five percent (5%) of the total loan amount if the total loan amount is twenty thousand dollars ($20,000) or more, or (ii) the lesser of eight percent (8%) of the total loan amount or one thousand dollars ($1,000), if the total loan amount is less than twenty thousand dollars ($20,000); provided, the following discount points and prepayment fees and penalties shall be excluded from the calculation of the total points and fees payable by the borrower:

1. Up to and including two bona fide loan discount points payable by the borrower in connection with the loan transaction, but only if the interest rate from which the loan's interest rate will be discounted does not exceed by more than one percentage point (1%) the required net yield for a 90-day standard mandatory delivery commitment for a reasonably comparable loan from either ~~the Federal National Mortgage Association~~ Fannie Mae or the Federal Home Loan Mortgage Corporation, whichever is greater;

2. Up to and including one bona fide loan discount point payable by the borrower in connection with the loan transaction, but only if the interest rate from which the loan's interest rate will be discounted does not exceed by more than two percentage points (2%) the required net yield for a 90-day standard mandatory delivery commitment for a reasonably comparable loan from either ~~the Federal National Mortgage Association~~ Fannie Mae or the Federal Home Loan Mortgage Corporation, whichever is greater;

3. Prepayment fees and penalties which may be charged or collected under the terms of the loan documents which do not exceed one percent (1%) of the amount prepaid, provided the loan documents do not permit the lender to charge or collect any prepayment fees or penalties more than 30 months after the loan closing; or".

SECTION 14.(b) G.S. 53-270.1(a)(3) reads as rewritten:

"(a) A lender and a borrower may agree, in writing, that in addition to the principal and any interest accruing on the outstanding balance of a reverse mortgage loan, the lender may receive:

…

(3) The shared appreciation or shared value is paid in conjunction with a loan that:

a. Is outstanding for 24 months or longer; and

b. Either (i) is guaranteed or insured by an agency of the federal government, or (ii) has been originated under a reverse mortgage program approved by ~~the Federal National Mortgage Association,~~ Fannie Mae, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, provided the loan is sold to one of those agencies or enterprises within 90 days of loan closing, or (iii) has been originated under a reverse mortgage program of a person, firm, or corporation approved as an authorized lender by the Commissioner; and

c. Provides that the borrower receives additional economic benefit in exchange for paying the shared appreciation or shared value, including, but not limited to, larger monthly payments or a larger line of credit. The specific nature of the economic benefit shall be provided to the Commissioner with the other information about the reverse mortgage program required under G.S. 53-264 for dissemination to the reverse mortgage counselors; and

d. At least 14 days prior to closing, the borrower receives a disclosure that explains the additional costs and benefits of shared appreciation or shared value and compares those costs and benefits with a comparable loan without shared appreciation or shared value. These costs and benefits shall also be included in the information required under G.S. 53-264."

SECTION 14.(c) G.S. 54-109.88(3) reads as rewritten:

"(3) Assets which are issued by, fully guaranteed as to principal and interest by, or due from the U.S. government, its agencies, ~~the Federal National Mortgage Association,~~ Fannie Mae, or the Government National Mortgage Association."

SECTION 14.(d) G.S. 54B-187 reads as rewritten:

"**§ 54B-187. ~~Federal National Mortgage Association~~ Fannie Mae obligations.**

A State association may invest in stock or other evidences of indebtedness or obligations of ~~the Federal National Mortgage Association,~~ Fannie Mae, or any successor thereto."

SECTION 14.(e) G.S. 54C-136 reads as rewritten:

"**§ 54C-136. Federal government-sponsored enterprise obligations.**

A savings bank may invest in stock or other evidences of indebtedness or obligations of ~~the Federal National Mortgage Association,~~ Fannie Mae, the Federal Home Loan Mortgage Corporation, or any other federal government sponsored enterprise, or any successor thereto."

SECTION 14.(f) G.S. 58-3-140 reads as rewritten:

"**§ 58-3-140. Temporary contracts of insurance permitted.**

A lender engaged in making or servicing real estate mortgage or deed of trust loans on one to four family residences shall accept as evidence of insurance a temporary written contract of insurance meeting the requirements of G.S. 58-44-20(4) and issued by any duly licensed insurance agent, broker, or insurance company.

Nothing herein prohibits the lender from refusing to accept a binder or from disapproving such insurer or agent provided such refusal or disapproval is reasonable.

Such lender need not accept a binder unless such binder:

(1) Includes:
a. The name and address of the insured;
b. The name and address of the mortgagee;
c. A description of the insured collateral;
d. A provision that it may not be cancelled within a term of the binder except upon 10 days' written notice to the mortgagee; and
e. The amount of insurance bound.
(2) Is accompanied by a paid receipt for one year's premium, except in the case of the renewal of a policy subsequent to the closing of a loan; and
(3) Includes an undertaking of agent to use his best efforts to have the insurance company issue a policy.

The Department may require binders to contain any additional information to permit the binders to comply with the reasonable requirements of ~~the Federal National Mortgage Association,~~ Fannie Mae, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation for purchase of mortgage loans."

SECTION 14.(g) G.S. 58-7-173(8) reads as rewritten:

"(8) Bonds, debentures, or other securities of the following agencies, whether or not those obligations are guaranteed by the U.S. Government:
a. ~~The Federal National Mortgage Association,~~ Fannie Mae, and stock thereof when acquired in connection with the sale of mortgage loans to the Association.
b. Any federal land bank, when the securities are issued under the Farm Loan Act;
c. Any federal home loan bank, when the securities are issued under the Home Loan Bank Act;
d. The Home Owners' Loan Corporation, created by the Home Owners' Loan Act of 1933;
e. Any federal intermediate credit bank, created by the Agricultural Credits Act;
f. The Central Bank for Cooperatives and regional banks for cooperatives organized under the Farm Credit Act of 1933, or by any of such banks; and any notes, bonds, debentures, or other similar obligations, consolidated or otherwise, issued by farm credit institutions under the Farm Credit Act of 1971;
g. Any other similar agency of the U.S. Government that is of similar financial quality."

SECTION 14.(h) G.S. 115C-443(c)(6) reads as rewritten:

"(c) Moneys may be invested in the following classes of securities, and no others:
…
(6) Obligations maturing no later than 18 months after the date of purchase of the Federal Intermediate Credit Banks, the Federal Home Loan Banks, ~~the Federal National Mortgage Association,~~ Fannie Mae, the Banks for Cooperatives, and the Federal Land Banks."

SECTION 14.(i) G.S. 122A-5.6(d) reads as rewritten:

"(d) The loans to mortgage lenders shall be general obligations of the respective mortgage lenders owing them. The Agency shall require that such loans shall be additionally secured as to payment of both principal and interest by a pledge and lien upon collateral security. The collateral security itself shall be in such amount as the Agency determines will assure the payment of the principal of and the interest on the bonds as they become due. Collateral security shall be deemed to be sufficient if the principal of and the interest on the collateral security, when due, will be sufficient to pay the principal of and the interest on the bonds. The collateral security shall consist of any of the following items: (i) direct obligations of, or obligations guaranteed by, the

State or the United States of America; (ii) bonds, debentures, notes or other evidences of indebtedness, satisfactory to the Agency, issued by any of the following federal agencies: Bank for Cooperatives, Federal Intermediate Credit Bank, Federal Home Loan Bank System, Export-Import Bank of Washington, Federal Land Banks, ~~the Federal National Mortgage Association~~ Fannie Mae or the Government National Mortgage Association; (iii) direct obligations of or obligations guaranteed by the State; (iv) mortgages insured or guaranteed by the United States of America or an instrumentality of it as to payment of principal and interest; (v) any other mortgages secured by real estate on which there is located a residential structure, the collateral value of which shall be determined by the regulations issued from time to time by the Agency; (vi) obligations of Federal Home Loan Banks; (vii) certificates of deposit of banks or trust companies, including the trustee, organized under the laws of the United States or any state, which have a combined capital and surplus of at least fifteen million dollars ($15,000,000); (viii) Bankers Acceptances; and (ix) commercial paper that has been classified for rating purposes by Dun & Bradstreet, Inc., as Prime-1 or by Standard & Poor's Corp. as A-1."

SECTION 14.(k) G.S. 122D-16(b)(2) reads as rewritten:

"(b) All moneys of the Authority may be invested in the following:

…

(2) Non-convertible debt securities of the following issuers:

a. The Federal Home Loan Bank Board;

b. ~~The Federal National Mortgage Association;~~Fannie Mae;

c. The Federal Farm Credit Bank; and

d. The Student Loan Marketing Association;".

SECTION 14.(l) G.S. 143B-472.8(7) reads as rewritten:

"(7) Obligations of the Federal Intermediate Credit Banks, the Federal Home Loan Banks, ~~the Federal National Mortgage Association,~~ Fannie Mae, the Banks for Cooperatives, and the Federal Land Banks, maturing no later than 18 months after the date of purchase."

SECTION 14.(m) G.S. 147-69.1(c)(2) reads as rewritten:

"(c) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (b) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

…

(2) Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, ~~the Federal National Mortgage Association,~~ Fannie Mae, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service, the Export-Import Bank, the International Bank for Reconstruction and Development, the International Finance Corporation, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, and the Student Loan Marketing Association."

SECTION 14.(n) G.S. 159B-18(b) reads as rewritten:

"(b) Any moneys received pursuant to the authority of this Chapter and any other moneys available to a joint agency for investment may be invested:

(1) As provided in subsection (a) of this section;

(2) As provided in G.S. 159-30, except that:

a. A joint agency may also invest, in addition to the obligations enumerated in G.S. 159-30(c)(2), in bonds, debentures, notes, participation certificates, or other evidences of indebtedness issued, or the principal of and the interest on which are

unconditionally guaranteed, whether directly or indirectly, by any agency or instrumentality of, or corporation wholly owned by, the United States of America.

b. For purposes of G.S. 159-30(c)(12), a joint agency may also enter into repurchase agreements with respect to, in addition to the obligations enumerated in G.S. 159-30(c)(12):

1. Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, ~~the Federal National Mortgage Association,~~ Fannie Mae, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, and the United States Postal Service;
2. Bonds, debentures, notes, participation certificates, or other evidences of indebtedness issued, or the principal of and the interest on which are unconditionally guaranteed, whether directly or indirectly, by any agency or instrumentality of, or corporation wholly owned by, the United States of America;
3. Mortgage-backed pass-through securities guaranteed by the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, or ~~the Federal National Mortgage Association;~~Fannie Mae;
4. Direct or indirect obligations which are collateralized by or represent beneficial ownership interests in mortgage-backed pass-through securities guaranteed by the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, ~~or the Federal National Mortgage Association;~~ Fannie Mae; and
5. Direct or indirect obligations, trust certificates, or other similar instruments which are both: (i) guaranteed by the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, or ~~the Federal National Mortgage Association;~~ Fannie Mae; (ii) collateralized by or represent beneficial ownership interests in mortgage-backed pass-through securities which are guaranteed by the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, or ~~the Federal National Mortgage Association,~~ Fannie Mae; including, but not limited to, Real Estate Mortgage Investment Conduit Certificates; and (iii) for purposes of the second proviso of G.S. 159-30(c)(12)a., the financial institution serving either as trustee or as fiscal agent for a joint agency holding the obligations subject to the repurchase agreement may also be the provider of the repurchase agreement if the obligations that are subject to the repurchase agreement are held in trust by the trustee or fiscal agent for the benefit of the joint agency;

(3) In mortgage-backed pass-through securities guaranteed by the Government National Mortgage Association, the Federal Home Loan

Mortgage Corporation, or ~~the Federal National Mortgage Association;~~Fannie Mae;

(4) In direct or indirect obligations which are collateralized by or represent beneficial ownership interests in mortgage-backed pass-through securities guaranteed by the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, or ~~the Federal National Mortgage Association;~~ Fannie Mae; and

(5) In direct or indirect obligations, trust certificates, or other similar instruments which are (i) guaranteed by the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, or ~~the Federal National Mortgage Association,~~ Fannie Mae, and (ii) collateralized by or represent beneficial ownership interests in mortgage-backed pass-through securities which are guaranteed by the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, or ~~the Federal National Mortgage Association,~~Fannie Mae, including, but not limited to, Real Estate Mortgage Investment Conduit Certificates."

SECTION 14.(o) G.S. 159-30(c)(2) reads as rewritten:

"(c) Moneys may be invested in the following classes of securities, and no others:

…

(2) Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, ~~the Federal National Mortgage Association,~~ Fannie Mae, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service."

SECTION 15. Effective July 1, 2001, G.S. 25-9-705(c) reads as rewritten:

"(c) Pre-effective-date filing in jurisdiction formerly governing perfection. – This act does not render ineffective an effective financing statement that, before July 1, 2001, is filed and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in G.S. 25-9-103 of former Article 9. However, except as otherwise provided in subsections (d) and (e) of this section and G.S. 25-9-706, the financing statement ceases to be effective at the earlier of:

(1) The time the financing statement would have ceased to be effective under the law of the jurisdiction in which it is filed; ~~and~~ or

(2) June 30, 2006."

SECTION 16. G.S. 30-3.2 reads as rewritten:

"**§ 30-3.2. Definitions.**

The following definitions apply in this Article:

~~(a)~~(1) "Code" means the Internal Revenue Code in effect at the time of the decedent's death.

~~(b)~~(2) "Death taxes" means any estate, inheritance, succession, and similar taxes imposed by any taxing authority, reduced by any applicable credits against those taxes.

~~(c)~~(3) "Nonadverse trustee" means a trustee who would be deemed nonadverse under section 672 of the Code.

~~(d)~~(4) "Total Net Assets" means, after the payment or provision for payment of the decedent's funeral expenses, year's allowances to persons other than to the surviving spouse, debts, claims, and administration expenses, the sum of the following:

~~(1)~~a. All property to which the decedent had legal and equitable title immediately prior to death;

~~(2)~~b. All property received by the decedent's personal representative by reason of the decedent's death, other than wrongful death proceeds;
~~(3)~~c. One-half of the value of any property held by the decedent and the surviving spouse as tenants by the entirety, or as joint tenants with rights of survivorship;
~~(4)~~d. The entire value of any interest in property held by the decedent and another person, other than the surviving spouse, as joint tenants with right of survivorship, except to the extent that contribution can be proven by clear and convincing evidence;
~~(5)~~e. The value of any property which would be included in the taxable estate of the decedent pursuant to sections 2033, 2035, 2036, 2037, 2038, 2039, or 2040 of the Code.
~~(6)~~f. Any donative transfers of property made by the decedent to donees other than the surviving spouse within six months of the decedent's death, excluding:
~~a.~~1. Any gifts within the annual exclusion provisions of section 2503 of the Code;
~~b.~~2. Any gifts to which the surviving spouse consented. A signing of a deed, or income or gift tax return reporting such gift shall be considered consent; and
~~c.~~3. Any gifts made prior to marriage;
~~(7)~~g. Any proceeds of any individual retirement account, pension or profit-sharing plan, or any private or governmental retirement plan or annuity of which the decedent controlled the designation of beneficiary, excluding any benefits under the federal social security system;
~~(8)~~h. Any other Property Passing to Surviving Spouse under G.S. 30-3.3; and
~~(9)~~i. In case of overlapping application of the same property under more than one provision, the property shall be included only once under the provision yielding the greatest value."

SECTION 17. G.S. 40A-64(c) reads as rewritten:

"(c) If the owner is to be allowed to remove any timber, building or other permanent ~~improvement of fixtures~~improvement, or fixtures from the property, the value thereof shall not be included in the compensation award, but the cost of removal shall be considered as an element to be compensated."

SECTION 18. G.S. 58-5-15 reads as rewritten:

"**§ 58-5-15. Minimum deposit required upon admission.**

Upon admission to do business in the State of North Carolina every foreign or alien fire, marine, or fire and marine, fidelity, surety or casualty company shall deposit with the Commissioner securities in the amounts required under G.S. 58-5-5 and G.S. 58-5-10."

SECTION 19. G.S. 58-31-40(b) reads as rewritten:

"(b) No agency or other person authorized or directed by law to select a plan and erect a building for the use of the State or any State institution shall receive and approve of the plan until it is submitted to and approved by the Commissioner as to the safety of the proposed building from fire, including the property's occupants or contents. No agency or person authorized or directed by law to select a plan or erect a building comprising 10,000 square feet ~~or~~ or more for the use of any county, city, or school district shall receive and approve of the plan until it is submitted to and approved by the Commissioner as to the safety of the proposed building from fire, including the property's occupants or contents."

SECTION 20. The catch line of G.S. 59-31 reads as rewritten:

"**§ 59-31. ~~Name of Article.~~North Carolina Uniform Partnership Act.**"

SECTION 21.(a) G.S. 62A-22(a)(4) reads as rewritten:

"(4) The ~~Secretary of Commerce or the Secretary's~~ State Chief Information Officer or the Chief Information Officer's designee, who shall serve as the chair."

SECTION 21.(b) G.S. 120-123(57) reads as rewritten:

"No member of the General Assembly may serve on any of the following boards or commissions:

…

(57) The Information Resource Management Commission, as established by ~~G.S. 143B-426.21.~~G.S. 147-33.78.

…."

SECTION 21.(c) Section 8 of S.L. 1997-148 is repealed.

SECTION 21.(d) G.S. 126-5(c1)(17) reads as rewritten:

"(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to:

…

(17) The executive director of the independent staff of the Information Resources Management Commission established under ~~G.S. 143B-472.41A.~~G.S. 147-33.78.

…."

SECTION 21.(e) G.S. 143-52.1 reads as rewritten:

"**§ 143-52.1. Board of Awards.**

(a) There is created the Board of Awards. The Board shall consist of three members at a time, appointed by the Chair of the Commission. Members of the Board shall be appointed on a rotating basis from the membership of the Commission and the Council of State. Two out of three members appointed for each meeting of the Board shall constitute a quorum of the Board.

(b) The Board shall meet weekly as called by the Chair of the Commission, except in weeks when no contracts have been submitted to the Board for review.

(c) When the dollar value of a contract exceeds the benchmark established either pursuant to G.S. 143-53.1 or ~~G.S. 143B-472.63,~~G.S. 147-33.101, the Board shall review and make a recommendation on action to be taken by the Secretary of Administration on contracts to be awarded under Article 3 of Chapter 143 of the General Statutes and on contracts to be awarded by the ~~Secretary of Commerce~~ Chief Information Officer under ~~Part 16 of Article 10 of Chapter 143B~~ Article 3D of Chapter 147 of the General Statutes, prior to the awarding of the contract.

(d) The State Budget Officer shall designate a secretary for the Board. The ~~Secretaries~~ Secretary of Administration and ~~Commerce~~ the State Chief Information Officer shall each submit their matters for consideration to the secretary for inclusion on the Board's agenda. Records shall be kept of each meeting and made public by the ~~applicable~~ Secretary of Administration or ~~Commerce~~ State Chief Information Officer, as applicable unless the ~~applicable~~ Secretary of Administration or State Chief Information Officer, as applicable, determines a specific record of the meeting needs to be confidential due to the nature of the contract. The ~~applicable~~ Secretary of Administration or State Chief Information Officer, as applicable, may elect to proceed with the award of a contract without a recommendation of the Board in cases of emergencies or in the event that a Board is not available. In those cases, contracts awarded without Board review shall be reported to the next meeting of the Board as a matter of record.

(e) Reports on recommendations made by the Board on matters presented by the ~~Secretary of Commerce~~ State Chief Information Officer to the Board shall be reported monthly by the Board to the chairs of the Joint Select Committee on Information Technology."

SECTION 21.(f) G.S. 143-56 reads as rewritten:

"**§ 143-56. Certain purchases excepted from provisions of Article.**

Unless as may otherwise be ordered by the Secretary of Administration, the purchase of supplies, materials and equipment through the Secretary of Administration shall be mandatory in the following cases:

(1) Published books, manuscripts, maps, pamphlets and periodicals.

(2) Perishable articles such as fresh vegetables, fresh fish, fresh meat, eggs, and others as may be classified by the Secretary of Administration.

Purchase through the Secretary of Administration shall not be mandatory for information technology purchased in accordance with ~~Part 16 of Article 10 of Chapter 143B~~ Article 3D of Chapter 147 of the General Statutes, for a purchase of supplies, materials or equipment for the General Assembly if the total expenditures is less than the expenditure benchmark established under the provisions of G.S. 143-53.1, for group purchases made by hospitals through a competitive bidding purchasing program, as defined in G.S. 143-129, by the University of North Carolina Health Care System pursuant to G.S. 116-37(h), by the University of North Carolina Hospitals at Chapel Hill pursuant to G.S. 116-37(a)(4), by the University of North Carolina at Chapel Hill on behalf of the clinical patient care programs of the School of Medicine of the University of North Carolina at Chapel Hill pursuant to G.S. 116-37(a)(4), or by East Carolina University on behalf of the Medical Faculty Practice Plan pursuant to G.S. 116-40.6(c).

All purchases of the above articles made directly by the departments, institutions and agencies of the State government shall, whenever possible, be based on competitive bids. Whenever an order is placed or contract awarded for such articles by any of the departments, institutions and agencies of the State government, a copy of such order or contract shall be forwarded to the Secretary of Administration and a record of the competitive bids upon which it was based shall be retained for inspection and review."

SECTION 21.(g) G.S. 150B-21.1(a4) reads as rewritten:

"(a4) Notwithstanding the provisions of subsection (a) of this section, the ~~Secretary of Commerce~~ State Chief Information Officer may adopt temporary rules to implement the information technology procurement provisions of ~~Part 16 of Article 10 of Chapter 143B~~ Article 3D of Chapter 147 of the General Statutes. After having the proposed temporary rule published in the North Carolina Register and at least 30 days prior to adopting a temporary rule pursuant to this subsection, the ~~Secretary~~ Officer shall:

(1) Notify persons on its mailing list maintained pursuant to G.S. 150B-21.2(d) and any other interested parties of its intent to adopt a temporary rule;

(2) Accept oral and written comments on the proposed temporary rule; and

(3) Hold at least one public hearing on the proposed temporary rule.

When the ~~Secretary~~ Officer adopts a temporary rule pursuant to this subsection, the ~~Secretary~~ Officer must submit a reference to this subsection as the ~~Secretary's~~Officer's statement of need to the Codifier of Rules.

Notwithstanding any other provision of this Chapter, the Codifer of Rules shall publish in the North Carolina Register a proposed temporary rule received from the ~~Secretary~~ Officer in accordance with this subsection."

SECTION 21.(h) G.S. 150B-38(a), as rewritten by Section 8 of S.L. 2001-141 and by Section 12 of S.L. 2001-193, reads as rewritten:

"(a) The provisions of this Article shall apply ~~to the following agencies:~~to:

(1) Occupational licensing agencies.

(2) The State Banking Commission, the Commissioner of Banks, and the Credit Union Division of the Department of Commerce.

(3) The Department of Insurance and the Commissioner of Insurance.

(4) The ~~Department of Commerce~~ State Chief Information Officer in the administration of the provisions of ~~Part 16 of Article 10 of Chapter 143B~~ Article 3D of Chapter 147 of the General Statutes.

(5) The North Carolina State Building Code Council."

SECTION 22. G.S. 90-88(d) reads as rewritten:

"(d) If any substance is designated, rescheduled or deleted as a controlled substance under federal law, the Commission shall similarly control or cease control of, the substance under this Article unless the Commission objects to such inclusion. The Commission, at its next regularly scheduled meeting that takes place 30 days after publication in the Federal Register of a final order scheduling a substance, shall determine either to adopt a rule to similarly control the substance under this Article or to object to such action. No rule-making notice or hearing as specified by Chapter 150B ~~150B~~ of the General Statutes is required if the Commission makes a decision to similarly control a substance. However, if the Commission makes a decision to object to adoption of the federal action, it shall initiate rule-making procedures pursuant to Chapter 150B of the General Statutes within 180 days of its decision to object."

SECTION 23.(a) G.S. 93A-2 reads as rewritten:

"**§ 93A-2. Definitions and exceptions.**

(a) A real estate broker within the meaning of this Chapter is any person, partnership, corporation, limited liability company, association, or other business entity who for a compensation or valuable consideration or promise thereof lists or offers to list, sells or offers to sell, buys or offers to buy, auctions or offers to auction (specifically not including a mere crier of sales), or negotiates the purchase or sale or exchange of real estate, or who leases or offers to lease, or who sells or offers to sell leases of whatever character, or rents or offers to rent any real estate or the improvement thereon, for others.

(a1) The term broker-in-charge within the meaning of this Chapter ~~shall mean~~ means a real estate broker who has been designated as the broker having responsibility for the supervision of real estate ~~salesperson~~ salespersons engaged in real estate brokerage at a particular real estate office and for other administrative and supervisory duties as the Commission shall prescribe by rule.

(b) The term real estate salesperson within the meaning of this Chapter shall mean and include any person who under the supervision of a real estate broker designated as broker-in-charge of a real estate office, for a compensation or valuable consideration is associated with or engaged by or on behalf of a licensed real estate broker to do, perform or deal in any act, acts or transactions set out or comprehended by the foregoing definition of real estate broker.

(c) The provisions of this Chapter ~~shall~~ do not apply to and ~~shall~~ do not include:

(1) Any person, partnership, corporation, limited liability company, association, or other business entity who, as owner or lessor, shall perform any of the acts aforesaid with reference to property owned or leased by them, where the acts are performed in the regular course of or as incident to the management of that property and the investment therein.

(2) Any person acting as an attorney-in-fact under a duly executed power of attorney from the owner authorizing the final consummation of performance of any contract for the sale, lease or exchange of real estate.

(3) The acts or services of an attorney-at-law.

(4) Any person, while acting as a receiver, trustee in bankruptcy, guardian, administrator or executor or any person acting under order of any court.

(5) Any person, while acting as a trustee under a trust agreement, deed of trust or will, or ~~his~~ that person's regular salaried employees.

(6) Any salaried person employed by a licensed real estate broker, for and on behalf of the owner of any real estate or the improvements thereon, which the licensed broker has contracted to manage for the owner, if the salaried ~~employee~~ employee's employment is limited ~~in his employment~~ to: exhibiting units on the real estate to prospective

tenants; providing the prospective tenants with information about the lease of the units; accepting applications for lease of the units; completing and executing preprinted form leases; and accepting security deposits and rental payments for the units only when the deposits and rental payments are made payable to the owner or the broker employed by the owner. The salaried employee shall not negotiate the amount of security deposits or rental payments and shall not negotiate leases or any rental agreements on behalf of the owner or broker.

(7) Any owner who personally leases or sells ~~his~~ the owner's own property.

(8) Any housing authority organized in accordance with the provisions of Chapter 157 of the General Statutes and any regular salaried employees of the housing authority when performing acts authorized in this Chapter as to any property owned or leased by the housing authority. This exception shall not apply to any person, partnership, corporation, limited liability company, association, or other business entity that contracts with a housing authority to sell or manage property owned or leased by the housing authority."

SECTION 23.(b) G.S. 93A-6 reads as rewritten:

"**§ 93A-6. Disciplinary action by Commission.**

(a) The Commission ~~shall have~~ has power to take disciplinary action. Upon its own initiative, or on the complaint of any person, the Commission may investigate the actions of any person or entity licensed under this Chapter, or any other person or entity who shall assume to act in such capacity. If the Commission finds probable cause that a licensee has violated any of the provisions of this Chapter, the Commission may hold a hearing on the allegations of misconduct.

The Commission ~~shall have~~ has power to suspend or revoke at any time a license issued under the provisions of this Chapter, or to reprimand or censure any licensee, if, following a hearing, the Commission adjudges the licensee to be guilty of:

(1) Making any willful or negligent misrepresentation or any willful or negligent omission of material fact.

(2) Making any false promises of a character likely to influence, persuade, or induce.

(3) Pursuing a course of misrepresentation or making of false promises through agents, salespersons, advertising or otherwise.

(4) Acting for more than one party in a transaction without the knowledge of all parties for whom he or she acts.

(5) Accepting a commission or valuable consideration as a real estate salesperson for the performance of any of the acts specified in this Article or Article 4 of this Chapter, from any person except his or her broker-in-charge or licensed broker by whom he or she is employed.

(6) Representing or attempting to represent a real estate broker other than the broker by whom he or she is engaged or associated, without the express knowledge and consent of the broker with whom he or she is associated.

(7) Failing, within a reasonable time, to account for or to remit any ~~moneys~~ monies coming into his or her possession which belong to others.

(8) Being unworthy or incompetent to act as a real estate broker or salesperson in a manner as to endanger the interest of the public.

(9) Paying a commission or valuable consideration to any person for acts or services performed in violation of this Chapter.

(10) Any other conduct which constitutes improper, fraudulent or dishonest dealing.

(11) Performing or undertaking to perform any legal service, as set forth in G.S. 84-2.1, or any other acts constituting the practice of law.
(12) Commingling the money or other property of his or her principals with his or her own or failure to maintain and deposit in a trust or escrow account in an insured bank or savings and loan association in North Carolina all money received by him or her as a real estate licensee acting in that capacity, or an escrow agent, or the temporary custodian of the funds of others, in a real estate transaction; provided, these accounts shall not bear interest unless the principals authorize in writing the deposit be made in an interest bearing account and also provide for the disbursement of the interest accrued.
(13) Failing to deliver, within a reasonable time, a completed copy of any purchase agreement or offer to buy and sell real estate to the buyer and to the seller.
(14) Failing, at the time the transaction is consummated, to deliver to the seller in every real estate transaction, a complete detailed closing statement showing all of the receipts and disbursements handled by him or her for the seller or failing to deliver to the buyer a complete statement showing all money received in the transaction from the buyer and how and for what it was disbursed.
(15) Violating any rule or regulation promulgated by the Commission.

The Executive Director shall transmit a certified copy of all final orders of the Commission suspending or revoking licenses issued under this Chapter to the clerk of superior court of the county in which the licensee maintains his or her principal place of business. The clerk shall enter these orders upon the judgment docket of the county.

(b) Following a hearing, the Commission shall also have power to suspend or revoke any license issued under the provisions of this Chapter or to reprimand or censure any licensee when:

(1) The licensee has obtained a license by false or fraudulent representation;
(2) The licensee has been convicted or has entered a plea of guilty or no contest upon which final judgment is entered by a court of competent jurisdiction in this State, or any other state, of the criminal offenses of: embezzlement, obtaining money under false pretense, fraud, forgery, conspiracy to defraud, or any other offense involving moral turpitude which would reasonably affect the licensee's performance in the real estate business;
(3) The licensee has violated any of the provisions of G.S. 93A-6(a) when selling, leasing, or buying ~~his~~ the licensee's own property;
(4) The broker's unlicensed employee, who is exempt from the provisions of this Chapter under G.S. 93A-2(c)(6), has committed, in the regular course of business, any act which, if committed by the broker, would constitute a violation of G.S. 93A-6(a) for which the broker could be disciplined; or
(5) The licensee, who is also a State-licensed or State-certified real estate appraiser pursuant to Chapter 93E of the General Statutes, has violated any provisions of Chapter 93E of the General Statutes and has been reprimanded or has had ~~his~~ an appraiser license or certificate suspended or revoked by the Appraisal Board.

(c) The Commission may appear in its own name in superior court in actions for injunctive relief to prevent any person from violating the provisions of this Chapter or rules promulgated by the Commission. The superior court shall have the power to grant these injunctions even if criminal prosecution has been or may be instituted as a result of the violations, or whether the person is a licensee of the Commission.

(d) Each broker shall maintain complete records showing the deposit, maintenance, and withdrawal of money or other property owned by ~~his~~ the broker's principals or held in escrow or in trust for ~~his~~ the broker's principals. The Commission may inspect these records periodically, without prior notice and may also inspect these records whenever the Commission determines that they are pertinent to an investigation of any specific complaint against a licensee.

(e) When a person or entity licensed under this Chapter is accused of any act, omission, or misconduct which would subject the licensee to disciplinary action, the licensee, with the consent and approval of the Commission, may surrender ~~his or its~~ the license and all the rights and privileges pertaining to it for a period of time established by the Commission. A person or entity who surrenders ~~his or its~~ a license shall not thereafter be eligible for or submit any application for licensure as a real estate broker or salesperson during the period of license surrender."

SECTION 23.(c) G.S. 93A-16 reads as rewritten:

"**§ 93A-16. Real Estate Recovery Fund created; payment to fund; management.**

(a) There is hereby created a special fund to be known as the "Real Estate Recovery Fund" which shall be set aside and maintained by the North Carolina Real Estate Commission. ~~Said~~ The fund shall be used in the manner provided under this Article for the payment of unsatisfied judgments where the aggrieved person has suffered a direct monetary loss by reason of certain acts committed by any real estate broker or salesperson licensed under this Chapter.

(b) On September 1, 1979, the Commission shall transfer the sum of one hundred thousand dollars ($100,000) from its expense reserve fund to the Real Estate Recovery Fund. Thereafter, the Commission may transfer to the Real Estate Recovery Fund additional sums of money from whatever funds the Commission may have, provided that, if on December 31 of any year the amount remaining in the fund is less than fifty thousand dollars ($50,000), the Commission may determine that each person or entity licensed under this Chapter, when renewing ~~his or its~~ a license, shall pay in addition to ~~his~~ the license renewal fee, a fee not to exceed ten dollars ($10.00) per broker and five dollars ($5.00) per salesperson as shall be determined by the Commission for the purpose of replenishing the fund.

(c) The Commission shall invest and reinvest the ~~moneys~~ monies in the Real Estate Recovery Fund in the same manner as provided by law for the investment of funds by the clerk of superior court. The proceeds from such investments shall be deposited to the credit of the fund.

(d) The Commission shall have the authority to adopt reasonable rules and procedures not inconsistent with the provisions of this Article, to provide for the orderly, fair and efficient administration and payment of monies held in the Real Estate Recovery Fund."

SECTION 23.(d) G.S. 93A-18 reads as rewritten:

"**§ 93A-18. Hearing; required showing.**

Upon ~~such~~ application by an aggrieved person, the Commission shall conduct a hearing and the aggrieved person shall be required to ~~show:~~show that the aggrieved person:

(1) ~~He is~~ Is not a spouse of the judgment debtor or a person representing ~~such~~ the spouse; ~~and~~

(2) ~~He is~~ Is making application not more than one year after termination of all judicial proceedings, including appeals, in connection with the judgment;

(3) ~~He has~~ Has complied with all requirements of this Article;

(4) ~~He has~~ Has obtained a judgment as described in G.S. 93A-17, stating the amount owing thereon at the date of application;

(5) ~~He has~~ Has made all reasonable searches and inquiries to ascertain whether the judgment debtor is possessed of real or personal property

or other assets liable to be sold or applied in satisfaction of the judgment;

(6) ~~That by such search he~~ After searching as described in subdivision (5) of this section, has discovered no real or personal property or other assets liable to be sold or applied, or ~~that he~~ has discovered certain of them, describing them, but ~~that~~ the amount so realized was insufficient to satisfy the judgment, stating the amount realized and the balance remaining due on the judgment after application of the amount realized; ~~and~~

(7) ~~He has~~ Has diligently pursued ~~his remedies including attempted~~ the aggrieved person's remedies, which include attempting execution on the judgment against all the judgment ~~debtors~~ debtors, which execution has been returned unsatisfied. ~~In addition to that, he knows~~ Knows of no assets of the judgment debtor and ~~that he~~ has attempted collection from all other persons who may be liable ~~to him in~~ for the transaction for which ~~he~~ the aggrieved person seeks payment from the Real Estate Recovery Fund if there be any such other persons."

SECTION 23.(e) G.S. 93A-19 reads as rewritten:

"**§ 93A-19. Response and defense by Commission and judgment debtor; proof of conversion.**

(a) Whenever the Commission proceeds upon an application as set forth in this Article, counsel for the Commission may defend such action on behalf of the fund and shall have recourse to all appropriate means of defense, including the examination of witnesses. The judgment debtor may defend such action on his or her own behalf and shall have recourse to all appropriate means of defense, including the examination of witnesses. Counsel for the Commission and the judgment debtor may file responses to the application, setting forth answers and defenses. Responses shall be filed with the Commission and copies shall be served upon every party by the filing party. If at any time it appears there are no triable issues of fact and the application for payment from the fund is without merit, the Commission shall dismiss the application. A motion to dismiss may be supported by affidavit of any person or persons having knowledge of the facts and may be made on the basis that the application or the judgment referred to therein do not form a basis for meritorious recovery within the purview of G.S. 93A-17, that the applicant has not complied with the provisions of this Article, or that the liability of the fund with regard to the particular licensee or transaction has been exhausted; provided, however, notice of ~~such~~ the motion shall be given at least 10 days prior to the time fixed for hearing. If the applicant or judgment debtor fails to appear at the hearing after receiving notice of the hearing, the applicant or judgment debtor ~~shall waive his or her rights~~ waives the person's rights unless the absence is excused by the Commission.

(b) Whenever the judgment obtained by an applicant is by default, stipulation, or consent, or whenever the action against the licensee was defended by a trustee in bankruptcy, the applicant, for purposes of this Article, shall have the burden of proving ~~his~~ the cause of action for conversion of trust funds. Otherwise, the judgment shall create a rebuttable presumption of the conversion of trust funds. This presumption is a presumption affecting the burden of producing evidence."

SECTION 23.(f) G.S. 93A-22 reads as rewritten:

"**§ 93A-22. Repayment to fund; automatic suspension of license.**

Should the Commission pay from the Real Estate Recovery Fund any amount in settlement of a claim or toward satisfaction of a judgment against a licensed real estate broker or salesperson, the license of the broker or salesperson shall be automatically suspended upon the effective date of the order authorizing payment from the fund. No such broker or salesperson shall be granted a reinstatement until ~~he has~~ the fund has been repaid in full, ~~plus~~ including interest at the legal rate as provided for in ~~G.S. 24-1, the amount paid from the Real Estate Recovery Fund.~~G.S. 24-1."

SECTION 23.(g) G.S. 93A-23 reads as rewritten:

"**§ 93A-23. Subrogation of rights.**

When the Commission has paid from the Real Estate Recovery Fund any sum to the judgment creditor, the Commission shall be subrogated to all of the rights of the judgment creditor to the extent of the amount so paid and the judgment creditor shall assign all ~~his~~ right, title, and interest in the judgment to the extent of the amount so paid to the Commission and any amount and interest so recovered by the Commission on the judgment shall be deposited in the Real Estate Recovery Fund."

SECTION 23.(h) G.S. 93A-25 reads as rewritten:

"**§ 93A-25. Persons ineligible to recover from fund.**

No real estate broker or real estate salesperson who suffers the loss of any commission from any transaction in which he or she was acting in the capacity of a real estate broker or real estate salesperson shall be entitled to make application for payment from the Real Estate Recovery Fund for ~~such~~ the loss."

SECTION 23.(i) G.S. 93A-42 reads as rewritten:

"**§ 93A-42. Time shares deemed real estate.**

(a) A time share is deemed to be an interest in real estate, and shall be governed by the law of this State relating to real estate.

(b) A purchaser of a time share may in accordance with G.S. 47-18 register the time share instrument by which ~~he~~ the purchaser acquired ~~his~~ the interest and upon such registration shall be entitled to the protection provided by Chapter 47 of the General Statutes for the recordation of other real property instruments. A time share instrument transferring or encumbering a time share shall not be rejected for recordation because of the nature or duration of that estate, provided all other requirements necessary to make an instrument recordable are complied with.

(c) The developer shall record or cause to be recorded a time share instrument:

(1) Not less than six days nor more than 45 days following the execution of the contract of sale by the purchaser; or

(2) Not later than 180 days following the execution of the contract of sale by the purchaser, provided that all payments made by the purchaser shall be placed by the developer with an independent escrow agent upon the expiration of the 10-day escrow period provided by G.S. 93A-45(c).

(d) The independent escrow agent provided by G.S. 93A-42(c)(2) shall deposit and maintain the purchaser's payments in an insured trust or escrow account in a bank or savings and loan association located in this State. The trust or escrow account may be interest-bearing and the interest earned shall belong to the developer, if agreed upon in writing by the purchaser; Provided, however, if the time share instrument is not recorded within the time periods specified in this section, then the interest earned shall belong to the purchaser. The independent escrow agent shall return all payments to the purchaser at the expiration of 180 days following the execution of the contract of sale by the purchaser, unless prior to that time the time share instrument has been recorded. However, if prior to the expiration of 180 days following the execution of the contract of sale, the developer and the purchaser provide their written consent to the independent escrow agent, the developer's obligation to record the time share instrument and the escrow period may be extended for an additional period of 120 days. Upon recordation of the time share instrument, the independent escrow agent shall pay the purchaser's funds to the developer. Upon request by the Commission, the independent escrow agent shall promptly make available to the Commission inspection of records of money held by ~~him.~~the independent escrow agent.

(e) In no event shall the developer be required to record a time share instrument if the purchaser is in default of ~~his~~ the purchaser's obligations.

(f) Recordation under the provisions of this section of the time share instrument shall constitute delivery of that instrument from the developer to the purchaser."

SECTION 23.(j) G.S. 93A-45(d) reads as rewritten:

"(d) If a developer fails to provide a purchaser to whom a time share is transferred with the statement as required by subsection (a), the purchaser, in addition to any rights to damages or other relief, is entitled to receive from the developer an amount equal to ten percent (10%) of the sales price of the time share not to exceed three thousand dollars ($3,000). A receipt signed by the purchaser stating that ~~he~~ the purchaser has received the statement required by subsection (a) is prima facie evidence of delivery of ~~such~~ the statement."

SECTION 23.(k) G.S. 93A-48 reads as rewritten:

"**§ 93A-48. Exchange programs.**

(a) If a purchaser is offered the opportunity to subscribe to any exchange program, the developer shall, except as provided in subsection (b), deliver to the purchaser, prior to the execution of (i) any contract between the purchaser and the exchange company, and (ii) the sales contract, at least the following information regarding ~~such~~ the exchange program:

(1) The name and address of the exchange company;

(2) The names of all officers, directors, and shareholders owning five percent (5%) or more of the outstanding stock of the exchange company;

(3) Whether the exchange company or any of its officers or directors has any legal or beneficial interest in any developer or managing agent for any time share project participating in the exchange program and, if so, the name and location of the time share project and the nature of the interest;

(4) Unless the exchange company is also the developer a statement that the purchaser's contract with the exchange company is a contract separate and distinct from the sales contract;

(5) Whether the purchaser's participation in the exchange program is dependent upon the continued affiliation of the time share project with the exchange program;

(6) Whether the purchaser's membership or participation, or both, in the exchange program is voluntary or mandatory;

(7) A complete and accurate description of the terms and conditions of the purchaser's contractual relationship with the exchange company and the procedure by which changes thereto may be made;

(8) A complete and accurate description of the procedure to qualify for and effectuate exchanges;

(9) A complete and accurate description of all limitations, restrictions, or priorities employed in the operation of the exchange program, including, but not limited to, limitations on exchanges based on seasonality, unit size, or levels of occupancy, expressed in boldfaced type, and, in the event that such limitations, restrictions, or priorities are not uniformly applied by the exchange program, a clear description of the manner in which they are applied;

(10) Whether exchanges are arranged on a space available basis and whether any guarantees of fulfillment of specific requests for exchanges are made by the exchange program;

(11) Whether and under what circumstances an owner, in dealing with the exchange company, may lose the use and occupancy of ~~his~~ the owner's time share in any properly applied for exchange without ~~his~~ being provided with substitute accommodations by the exchange company;

(12) The expenses, fees or range of fees for participation by owners in the exchange program, a statement whether any such fees may be altered by the exchange company, and the circumstances under which alterations may be made;

(13) The name and address of the site of each time share project or other property which is participating in the exchange program;

(14) The number of units in each project or other property participating in the exchange program which are available for occupancy and which qualify for participation in the exchange program, expressed within the following numerical groupings, 1-5, 6-10, 11-20, 21-50 and 51, and over;

(15) The number of owners with respect to each time share project or other property which are eligible to participate in the exchange program expressed within the following numerical groupings, 1-100, 101-249, 250-499, 500-999, and 1,000 and over, and a statement of the criteria used to determine those owners who are currently eligible to participate in the exchange program;

(16) The disposition made by the exchange company of time shares deposited with the exchange program by owners eligible to participate in the exchange program and not used by the exchange company in effecting exchanges;

(17) The following information which, except as provided in subsection (b) below, shall be independently audited by a certified public accountant in accordance with the standards of the Accounting Standards Board of the American Institute of Certified Public Accountants and reported for each year no later than July 1, of the succeeding year:

a. The number of owners enrolled in the exchange program and such numbers shall disclose the relationship between the exchange company and owners as being either fee paying or gratuitous in nature;

b. The number of time share projects or other properties eligible to participate in the exchange program categorized by those having a contractual relationship between the developer or the association and the exchange company and those having solely a contractual relationship between the exchange company and owners directly;

c. The percentage of confirmed exchanges, which shall be the number of exchanges confirmed by the exchange company divided by the number of exchanges properly applied for, together with a complete and accurate statement of the criteria used to determine whether an exchange requested was properly applied for;

d. The number of time shares or other intervals for which the exchange company has an outstanding obligation to provide an exchange to an owner who relinquished a time share or interval during the year in exchange for a time share or interval in any future year; and

e. The number of exchanges confirmed by the exchange company during the year; and

(18) A statement in boldfaced type to the effect that the percentage described in ~~subparagraph (17)c. of subsection (a)~~sub-subdivision c. of subdivision (17) of this subsection is a summary of the exchange requests entered with the exchange company in the period reported and that the percentage does not indicate a purchaser's/owner's probabilities of being confirmed to any specific choice or range of choices, since availability at individual locations may vary.

The purchaser shall certify in writing to the receipt of the information required by this subsection and any other information which the ~~Commissioners~~ Commission may by rule require.

(b) The information required by subdivisions (a), (2), (3), (13), (14), (15), and (17) shall be accurate as of December 31 of the year preceding the year in which the information is delivered, except for information delivered within the first 180 days of any calendar year which shall be accurate as of December 31 of the year two years preceding the year in which the information is delivered to the purchaser. The remaining information required by subsection (a) shall be accurate as of a date which is no more than 30 days prior to the date on which the information is delivered to the purchaser.

(c) In the event an exchange company offers an exchange program directly to the purchaser or owner, the exchange company shall deliver to each purchaser or owner, concurrently with the offering and prior to the execution of any contract between the purchaser or owner and the exchange company the information set forth in subsection (a) above. The requirements of this paragraph shall not apply to any renewal of a contract between an owner and an exchange company.

(d) All promotional brochures, pamphlets, advertisements, or other materials disseminated by the exchange company to purchasers in this State which contain the percentage of confirmed exchanges described in (a)(17)c. must include the statement set forth in (a)(18)."

SECTION 23.(l) G.S. 93A-54 reads as rewritten:

"**§ 93A-54. Disciplinary action by Commission.**

(a) The Commission ~~shall have~~has power to take disciplinary action. Upon its own motion, or on the verified complaint of any person, the Commission may investigate the actions of any time share salesperson, developer, or project broker of a time share project registered under this Article, or any other person or entity who shall assume to act in such capacity. If the Commission finds probable cause that a time share salesperson, developer, or project broker has violated any of the provisions of this Article, the Commission may hold a hearing on the allegations of misconduct.

The Commission ~~shall have~~has the power to suspend or revoke at any time a real estate license issued to a time share salesperson or project broker, or a certificate of registration of a time share project issued to a developer; or to reprimand or censure such salesperson, developer, or project broker; or to fine such developer in the amount of five hundred dollars ($500.00) for each violation of this Article, if, after a hearing, the Commission adjudges either the salesperson, developer, or project broker to be guilty of:

(1) Making any willful or negligent misrepresentation or any willful or negligent omission of material fact about any time share or time share project;

(2) Making any false promises of a character likely to influence, persuade, or induce;

(3) Pursuing a course of misrepresentation or making of false promises through agents, salesperson, advertising or otherwise;

(4) Failing, within a reasonable time, to account for all money received from others in a time share transaction, and failing to remit such monies as may be required in G.S. 93A-45 of this Article;

(5) Acting as a time share salesperson or time share developer in a manner as to endanger the interest of the public;

(6) Paying a commission, salary, or other valuable consideration to any person for acts or services performed in violation of this Article;

(7) Any other conduct which constitutes improper, fraudulent, or dishonest dealing;

(8) Performing or undertaking to perform any legal service as set forth in G.S. 84-2.1, or any other acts not specifically set forth in that section;

(9) Failing to deposit and maintain in a trust or escrow account in an insured bank or savings and loan association in North Carolina all money received from others in a time share transaction as may be required in G.S. 93A-45 of this Article or failing to place with an

independent escrow agent the funds of a time share purchaser when required by G.S. 93A-42(c);

(10) Failing to deliver to a purchaser a public offering statement containing the information required by G.S. 93A-44 and any other disclosures that the Commission may by regulation require;

(11) Failing to comply with the provisions of Chapter 75 of the General Statutes in the advertising or promotion of time shares for sale, or failing to assure such compliance by persons engaged on behalf of a developer;

(12) Failing to comply with the provisions of G.S. 93A-48 in furnishing complete and accurate information to purchasers concerning any exchange program which may be offered to such purchaser;

(13) Making any false or fraudulent representation on an application for registration;

(14) Violating any rule or regulation promulgated by the Commission;

(15) Failing to record or cause to be recorded a time share instrument as required by G.S. 93A-42(c), or failing to provide a purchaser the protection against liens required by G.S. 93A-57(a); or

(16) Failing as a time share project broker to exercise reasonable and adequate supervision of the conduct of sales at ~~his~~ a project or location by the brokers and salespersons under ~~his~~ the time share project broker's control.

(a1) The clear proceeds of fines collected pursuant to subsection (a) of this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(b) Following a hearing, the Commission shall also have power to suspend or revoke any certificate of registration issued under the provisions of this Article or to reprimand or censure any developer when the registrant has been convicted or has entered a plea of guilty or no contest upon which final judgment is entered by a court of competent jurisdiction in this State, or any other state, of the criminal offenses of: embezzlement, obtaining money under false pretense, fraud, forgery, conspiracy to defraud, or any other offense involving moral turpitude which would reasonably affect the developer's performance in the time share business.

(c) The Commission may appear in its own name in superior court in actions for injunctive relief to prevent any person or entity from violating the provisions of this Article or rules promulgated by the Commission. The superior court shall have the power to grant these injunctions even if criminal prosecution has been or may be instituted as a result of the violations, or regardless of whether the person or entity has been registered by the Commission.

(d) Each developer shall maintain or cause to be maintained complete records of every time share transaction including records pertaining to the deposit, maintenance, and withdrawal of money required to be held in a trust or escrow account, or as otherwise required by the Commission, under G.S. 93A-45 of this Article. The Commission may inspect these records periodically without prior notice and may also inspect these records whenever the Commission determines that they are pertinent to an investigation of any specific complaint against a registrant.

(e) When a licensee is accused of any act, omission, or misconduct under this Article which would subject the licensee to disciplinary action, the licensee may, with the consent and approval of the Commission, surrender ~~his or its~~the licensee's license and all the rights and privileges pertaining to it for a period of time to be established by the Commission. A licensee who surrenders ~~his or its~~a license shall not be eligible for, or submit any application for, licensure as a real estate broker or salesperson or registration of a time share project during the period of license surrender. For the purposes of this section, the term licensee shall include a time share developer."

SECTION 23.(m) G.S. 93A-58 reads as rewritten:

"**§ 93A-58. Registrar required; criminal penalties; project broker.**

(a) Every developer of a registered project shall, by affidavit filed with the Commission, designate a natural person to serve as time share registrar for its registered projects. The registrar shall be responsible for the recordation of time share instruments and the release of liens required by G.S. 93A-42(c) and G.S. 93A-57(a). A developer may, from time to time, change the designated time share registrar by proper filing with the Commission and by otherwise complying with this subsection. No sales or offers to sell shall be made until the registrar is designated for a time share project.

The registrar has the duty to ensure that the provisions of this Article are complied with in a time share project for which ~~he~~ the person is registrar. No registrar shall record a time share instrument except as provided by this Article.

(b) A time share registrar ~~shall be~~ is guilty of a Class I felony if he or she knowingly or recklessly fails to record or cause to be recorded a time share instrument as required by this Article.

A person responsible as general partner, corporate officer, joint venturer or sole proprietor of the developer of a time share project ~~shall be~~ is guilty of a Class I felony if ~~he~~ the person intentionally allows the offering for sale or the sale of time share to purchasers without first designating a time share registrar.

(c) The developer shall designate for each project and other locations where time shares are sold or offered for sale a project broker. The project broker shall act as supervising broker for all persons licensed as salespersons at the project or other location and shall directly, personally, and actively supervise all persons licensed as brokers or salespersons at the project or other location in a manner to reasonably ensure that the sale of time shares will be conducted in accordance with the provisions of this Chapter."

SECTION 25. G.S. 105-357(b)(2) reads as rewritten:

"(2) Penalty. – In addition to interest for nonpayment of taxes provided by G.S. 105-360 and in addition to any criminal penalties provided by law for the giving of worthless checks, the penalty for giving in payment of taxes a check that is returned because of insufficient funds or nonexistence of an account of the drawer is ten percent (10%) of the amount of the check, subject to a minimum of one dollar ($1.00) and a maximum of one thousand dollars ($1,000). This penalty does not apply if the tax collector finds that, when the check was presented for payment, the drawer of the check had sufficient funds in an account at a financial institution in this State to pay the check and, by ~~inadvertance,~~ inadvertence, the drawer of the check failed to draw the check on the account that had sufficient funds. This penalty shall be added to and collected in the same manner as the taxes for which the check was given."

SECTION 26. G.S. 116D-4(b) reads as rewritten:

"(b) ~~Participation in providing professional services.~~Participation in Providing Professional Services. – The Department of State Treasurer shall provide contracting opportunities for historically underutilized businesses in providing professional services in connection with the issuance of bonds and notes authorized by this section. As used in this subsection, the term `historically underutilized business' means a business described in G.S. 143-48. The Department of State Treasurer shall strive to increase the amount of legal, financial, and other professional services acquired by it from historically underutilized businesses. With the assistance of the Office for Historically Underutilized Businesses in the Department of Administration, the Department of State Treasurer shall set objectives for contracting with these businesses, identify and eliminate barriers or constraints that may restrict these businesses from contracting with the Department, and develop a plan for meeting its objectives. The Department of State Treasurer shall report quarterly to the Office for Historically Underutilized Businesses on its progress in carrying out the requirements of this subsection."

SECTION 29. Effective July 1, 2001, G.S. 122C-269(b) reads as rewritten:

"(b) An official of the facility shall immediately notify the clerk of superior court of the county in which the facility is located of a determination to hold the respondent pending hearing. That clerk shall request transmittal of all documents pertinent to the proceedings from the clerk of superior court where the proceedings were initiated. The requesting clerk shall assume all duties set forth in G.S. 122C-264. The counsel ~~for indigent respondents the counsel~~ provided for in G.S. 122C-268(d) shall be appointed in accordance with rules adopted by the Office of Indigent Defense Services."

SECTION 30.(a) G.S. 126-5(a)(2) reads as rewritten:

"(2) ~~To all~~ All employees of the following local entities:

a. Area mental health, developmental disabilities, and substance abuse authorities.
b. Local social services departments.
c. Local public health departments.
d. Local emergency management agencies that receive federal grant-in-aid funds.

An employee of a consolidated county human services agency created pursuant to G.S. 153A-77(b) is not considered an employee of an entity listed in this subdivision."

SECTION 30.(b) G.S. 126-5(c1) reads as rewritten:

"(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to:

(1) Constitutional officers of the State.
(2) Officers and employees of the Judicial Department.
(3) Officers and employees of the General Assembly.
(4) Members of boards, committees, commissions, councils, and advisory councils compensated on a per diem basis.
(5) Officials or employees whose salaries are fixed by the General Assembly, or by the Governor, or by the Governor and Council of State, or by the Governor subject to the approval of the Council of State.
(6) Employees of the Office of the Governor that the Governor, at any time, in ~~his~~ the Governor's discretion, exempts from the application of the provisions of this Chapter by means of a letter to the State Personnel Director designating these employees.
(7) Employees of the Office of the Lieutenant Governor, that the Lieutenant Governor, at any time, in ~~his~~ the Lieutenant Governor's discretion, exempts from the application of the provisions of this Chapter by means of a letter to the State Personnel Director designating these employees.
(8) Instructional and research staff, physicians, and dentists of The University of North Carolina.
(9) Employees whose salaries are fixed under the authority vested in the Board of Governors of The University of North Carolina by the provisions of G.S. 116-11(4), 116-11(5), and 116-14.
(10) Repealed by Session Laws 1991, c. 84, s. 1.
(11) North Carolina School of Science and Mathematics' employees whose salaries are fixed in accordance with the provisions of G.S. 116-235(c)(1) and G.S. 116-235(c)(2).
(12) Employees of the North Carolina Low-Level Radioactive Waste Management Authority whose salaries are fixed pursuant to G.S. 104G-5(g)(1) and G.S. 104G-5(g)(2).
(13) Employees of the North Carolina Hazardous Waste Management Commission whose salaries are fixed pursuant to G.S. 130B-6(g)(1) and G.S. 130B-6(g)(2).

(14) Employees of the North Carolina State Ports Authority.
(15) Employees of the North Carolina Global TransPark Authority.
(16) The executive director and one associate director of the North Carolina Center for Nursing established under Article 9F of Chapter 90 of the General Statutes.
(17) The executive director of the independent staff of the Information Resources Management Commission established under G.S. 143B-472.41A.
(18) Employees of the Tobacco Trust Fund Commission established in Article 75 of Chapter 143 of the General Statutes.
(19) Employees of the Health and Wellness Trust Fund Commission established in Article 21 of Chapter 130A of the General Statutes.
(20) Employees of the North Carolina Rural Redevelopment Authority created in Part 2D of Article 10 of Chapter 143B of the General Statutes."

SECTION 31. G.S. 131D-2(b)(1) reads as rewritten:

"(b) Licensure; inspections. –

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

a. The licensee has substantially failed to comply with the provisions of Articles 1 and 3 of Chapter 131D of the General Statutes and the rules adopted pursuant to these Articles;
b. There is a reasonable probability that the licensee can remedy the licensure deficiencies within a reasonable length of time; and
c. There is a reasonable probability that the licensee will be able thereafter to remain in compliance with the licensure rules for the foreseeable future.

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

The Department may revoke a license whenever:

a. The Department finds that:
1. The licensee has substantially failed to comply with the provisions of Articles 1 and 3 of Chapter 131D of the General Statutes and the rules adopted pursuant to these Articles; and

2. It is not reasonably probable that the licensee can remedy the licensure deficiencies within a reasonable length of time; or

b. The Department finds that:

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

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

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

SECTION 32. G.S. 143B-434(b) reads as rewritten:

"(b) Membership. – The Economic Development Board shall consist of 36 members. The Secretary of Commerce shall serve ex officio as a member and as the secretary of the Economic Development Board. Four members of the House of Representatives appointed by the Speaker of the House of Representatives, four members of the Senate appointed by the President Pro Tempore of the Senate, the President of The University of North Carolina, or designee, the President of the North Carolina Community College System, or designee, the Secretary of State, and the President of the Senate (or the designee of the President of the Senate), shall serve as members of the Board. The Governor shall appoint the remaining 23 members of the ~~Board, provided that effective~~ Board. Effective with the terms beginning July 1, 1997, one of ~~those~~ the Governor's appointees shall be a representative of a nonprofit organization involved in economic development and two of ~~those~~ the Governor's appointees shall be county economic development representatives. The Governor shall designate a chair and a vice-chair from among the members of the Board. Appointments to the Board made by the Governor for terms beginning July 1, 1997, and appointments to the Board made by the Speaker of the House of Representatives and the President Pro Tempore of the Senate for terms beginning July 9, 1993, should reflect the ethnic and gender diversity of the State as nearly as practical.

The initial appointments to the Board shall be for terms beginning on July 9, 1993. Of the initial appointments made by the Governor, the terms shall expire July 1, 1997. Of the initial appointments made by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate two appointments of each shall be designated to expire on July 1, 1995; the remaining terms shall expire July 1, 1997. Thereafter, all appointments shall be for a term of four years.

The appointing officer shall make a replacement appointment to serve for the unexpired term in the case of a vacancy.

The members of the Economic Development Board shall receive per diem and necessary travel and subsistence expenses payable to members of State Boards and agencies generally pursuant to G.S. 138-5 and ~~[G.S.]~~ G.S. 138-6, as the case may be. The members of the Economic Development Board who are members of the General Assembly shall not receive per diem but shall receive necessary travel and subsistence expenses at rates prescribed by G.S. 120-3.1."

SECTION 33. G.S. 143B-456.1(e) reads as rewritten:

"(e) Notwithstanding any other provision of law, the Authority may agree that all contracts relating to the acquisition, construction, installation and equipping of the special user project shall be solicited, negotiated, awarded and executed by the private party or parties for which the Authority is financing the special user project or their agents subject only to such approvals by the Authority as the Authority may require. The Authority may, out of the proceeds of bonds or notes, make advances to or reimburse such private parties or such agents for all or a portion of the costs incurred in connection with such contracts. The provisions of ~~Section~~ G.S. 143B-463 of this Part shall have no application to funds and moneys derived pursuant to this section."

SECTION 34. G.S. 147-33.85(b) reads as rewritten:

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

SECTION 35. Effective July 1, 2001, G.S. 159D-23 reads as rewritten:

"**§ 159D-23. Application of Article 9 of Chapter 25.**

Article 9 of Chapter 25 of the General Statutes applies to transactions under this Chapter.

~~G.S. Article as if G.S.~~".

SECTION 36. G.S. 160A-37(f1) and (f2) read as rewritten:

"(f1) Property Subject to Present-Use Value Appraisal. – If an area described in an annexation ordinance includes agricultural land, horticultural land, or forestland that meets either of the conditions listed below on the effective date of ~~annexation is:~~ annexation, then the annexation becomes effective as to that property pursuant to subsection (f2) of this section:

(1) The land is being taxed at present-use value pursuant to G.S. ~~105-277.4; or~~ 105-277.4.

(2) The land meets both of the following conditions:

a. ~~Was on~~ On the date of the resolution of intent for annexation it was being used for actual production and is eligible for present-use value taxation under G.S. 105-277.4, but had not been in use for actual production for the required time under G.S. ~~105-277.3; and~~ 105-277.3.

b. The assessor for the county where the land subject to annexation is located has certified to the city that the land meets the requirements of this ~~subdivision~~ subdivision.

~~the annexation becomes effective as to that property pursuant to subsection (f2) of this section.~~

(f2) Effective Date of Annexation for Certain Property. – Annexation of property subject to annexation under subsection (f1) of this section ~~shall become effective:~~ becomes effective as provided in this subsection.

(1) Upon the effective date of the annexation ordinance, the property is considered part of the city only (i) for the purpose of establishing city boundaries for additional annexations pursuant to this Article and (ii) for the exercise of city authority pursuant to Article 19 of this Chapter.

(2) For all other purposes, the annexation becomes effective as to each tract of the property or part thereof on the last day of the month in which that tract or part thereof becomes ineligible for classification pursuant to G.S. ~~105-227.4~~ 105-277.4 or no longer meets the requirements of subdivision (f1)(2) of this section. Until annexation of a tract or a part of a tract becomes effective pursuant to this subdivision, the tract or part of a tract is not subject to taxation by the city under Article 12 of Chapter 105 of the General Statutes nor is the tract or part of a tract entitled to services provided by the city."

SECTION 37. G.S. 160A-300.1(d) reads as rewritten:

"(d) This act applies to the Cities of Charlotte, Fayetteville, Greensboro, ~~High Point, Rocky Mount, Wilmington, Greenville, and Lumberton,~~ Greenville, High Point, Lumberton, Rocky Mount, and Wilmington and the Towns of Chapel Hill, Cornelius, Huntersville, Matthews, and Pineville only."

SECTION 38.(a) G.S. 1-209.1 reads as rewritten:

"**§ 1-209.1. Petitioner who abandons condemnation proceeding taxed with fee for respondent's attorney.**

In all condemnation proceedings authorized by ~~G.S. 40-2~~ G.S. 40A-3 or by any other statute, the clerks of the superior courts are authorized to fix and tax the petitioner with a reasonable fee for respondent's attorney in cases in which the petitioner takes or submits to a voluntary nonsuit or otherwise abandons the proceeding."

SECTION 38.(b) G.S. 1-209.2 reads as rewritten:

"**§ 1-209.2. Voluntary nonsuit by petitioner in condemnation proceeding.**

The petitioner in all condemnation proceedings authorized by ~~G.S. 40-2~~ G.S. 40A-3 or by any other statute is authorized and allowed to take a voluntary nonsuit."

SECTION 38.(c) G.S. 54-166(c) reads as rewritten:

"(c) If within the 30-day period mentioned in subsection (b) of this section the member and the association do not agree as to the fair market value of ~~such~~ the stock or other property rights or interests, the member may, within 60 days after the expiration of the 30-day period, file a petition in the superior court of the county in which the association has its registered office or principal place of business asking for the appointment by the clerk of the superior court of that county of three qualified and disinterested appraisers to appraise the fair market value of ~~such~~ the stock or other property rights or interests. A summons as in other cases of special proceedings, together with a copy of the petition, shall be served on the association at least 10 days prior to the hearing of the petition by the court. The award of the appraisers, or a majority of them, if no exceptions ~~be~~ are filed thereto within 10 days after the award ~~shall have been~~ is filed in court, shall be confirmed by the court, and when confirmed shall be final and ~~conclusive, and the~~conclusive. The member, upon depositing with the court the proper stock certificates or other evidence of ~~such~~ property rights or interests, shall be entitled to judgment against the association for the appraised value thereof as of the day prior to the date on which the vote was taken, together with interest thereon to the date of ~~such~~ the confirmation. If either party files exceptions to ~~such~~ the award within 10 days after the award ~~shall have been~~is filed in court, the case shall be transferred to the civil issue docket of the superior court for trial during term and shall be there tried in the same manner, as near as may be practicable, as is provided in Chapter ~~40~~ 40A of the General Statutes for the trial of cases under the eminent domain law of this State, and with the same right of appeal to the appellate division as is permitted in that Chapter. The court shall assess the cost of the proceedings as it shall deem equitable. Upon payment of the ~~judgment~~ judgment, the owner of ~~such~~ the stock or other property rights or interests shall cease to have any interest in the association and the association shall be entitled to have ~~said~~ the stock certificates or other evidence of ~~such~~ the property rights or interests surrendered to the association by the clerk of court. Unless the member ~~shall file such~~ files a petition within the time herein prescribed, ~~he~~ the member and all persons claiming under ~~him~~ the member shall have

no right of payment hereunder, but in that event nothing herein shall impair ~~his~~ the member's status as a member."

SECTION 38.(d) G.S. 104-20 reads as rewritten:

"**§ 104-20. Utilities Commission to secure right-of-way; condemnation by United States.**

If the title to any part of the lands required by the United States government for the construction of ~~such~~ an inland waterway from Beaufort Inlet to the Cape Fear River ~~shall be in any~~ is owned by a private person, company or corporation, railroad company, street railway company, telephone or telegraph company, or other public service corporation, or ~~shall have~~ has been donated or condemned for any public use by any political subdivision of the State or if it may be necessary, for the purpose of obtaining the proper title to any lands, the title to which has heretofore been vested in the State Board of Education, then the Utilities ~~Commission~~ Commission, in the name of the State of North Carolina, ~~is hereby authorized and empowered, acting for and in behalf of the State of North Carolina, to~~ may secure a right-of-way 1,000 feet wide for ~~said~~ the inland waterway across and through ~~such~~ the lands or any part thereof, if possible by purchase, donation or otherwise, through agreement with the owner or owners, and when any ~~such~~ property is thus acquired, the Governor and Secretary of State shall execute a deed for the same to the United States; and if for any reason the ~~said~~ Commission ~~shall be~~ is unable to secure ~~such~~ a right-of-way across ~~any such~~ the property by voluntary agreement with the owner or owners as aforesaid, the ~~said~~ Commission acting for and in behalf of the State of North Carolina, is hereby vested with the power to condemn the same, and in so doing, the ways, means, methods and procedure of Chapter ~~40~~ 40A of the General Statutes of North Carolina, entitled "Eminent Domain," shall be used by it as near as the same is suitable for the purposes of this law, and in all instances, the general and the special benefits to the owner thereof shall be assessed as offsets against the damages to ~~such~~ the property or lands.

As ~~such~~ condemnation proceedings might result in delay in the acquiring of title to all parts of the right-of-way and in the construction of the ~~said~~ inland waterway by the United States, ~~said~~ the Utilities Commission is authorized to enter any of ~~said~~ the lands and property and take possession of the same at the time hereinafter provided as needed for this use in behalf of the State or the United States government for the purposes herein set out prior to the bringing of the proceeding for condemnation and prior to the payment of the money for ~~such~~ the land or property under any judgment in condemnation. In the event the owner or owners shall appeal from the report of the commissioners appointed in the condemnation proceeding it shall not be necessary for ~~said Commission~~ the Commission, acting in behalf of the State of North Carolina, the State of North Carolina, or the United States government, to deposit the money assessed by ~~said~~ the commissioners with the clerk.

Whenever proceedings in condemnation are instituted ~~in pursuance of~~ under the provisions of this section, the ~~said~~ Commission upon the filing of the petition or petitions in ~~such~~ the proceedings, ~~shall have the right to~~may take immediate possession on behalf of the State of ~~such~~ the lands or property to the extent of the interest to be acquired and the Governor and Secretary of State shall thereupon execute a deed to the United States and ~~said~~ the lands or property may then be appropriated and used by the United States for the purposes ~~aforesaid.~~ described in this section. Provided, that in every case the proceedings in condemnation shall be diligently prosecuted to final judgment in order that the just compensation to which the owners of the property are entitled may be ascertained and when so ascertained and determined ~~such~~ the compensation shall be promptly paid as hereinafter in this law provided.

If the United States government shall so determine, it is hereby authorized to condemn and use all lands and property ~~which~~ that may be needed for the purposes herein set out and which is specifically described and set out in the preceding paragraphs, under the authority of ~~said~~ the United States government, and according to the provisions existing in the federal statutes for condemning lands and property for the

use of the United States government. In case the United States government shall so condemn ~~said~~ the land and property, the ~~said~~ Utilities Commission is hereby authorized to pay all expenses of the condemnation proceedings and any award that may be made thereunder, out of the money ~~which~~ that may be appropriated for ~~said~~ these purposes."

SECTION 38.(e) G.S. 113-34 reads as rewritten:

"**§ 113-34. Power to acquire lands as State forests, parks, etc.; donations or leases by United States; leases for recreational purposes; rules governing public use.**

(a) The Governor of the State is authorized upon recommendation of the Department to accept gifts of land to the State, the same to be held, protected, and administered by ~~said~~ the Department as State forests, and to be used so as to demonstrate the practical utility of timber culture and water conservation, and as refuges for game. ~~Such gifts~~ The gifts of land must be absolute except in ~~such~~ cases ~~as~~ where the mineral interest on the land has previously been sold. The Department shall have the power to purchase lands in the name of the State, suitable chiefly for the production of timber, as State forests, for experimental, demonstration, educational, park, and protection purposes, using for such purposes any special appropriations or funds available. The Department shall also have the power to acquire by condemnation under the provisions of Chapter ~~40, such~~ 40A of the General Statutes, areas of land in different sections of the State as may in the opinion of the Department be necessary for the purpose of establishing ~~and/or developing~~ or developing, or both, State forests, State parks and other areas and developments essential to the effective operation of the State forestry and State park activities with which the Department has been or may be entrusted. ~~Such condemnation~~Condemnation proceedings shall be instituted and prosecuted in the name of the State of North Carolina, and any property so acquired shall be administered, developed and used for experiment and demonstration in forest management, for public recreation and for ~~such~~ other purposes authorized or required by law: Provided, that before any action or proceeding under this section can be exercised, the approval of the Governor and Council of State shall be obtained and filed with the clerk of the superior court in the county or counties where ~~such~~ the property may be ~~situate,~~situated, and until ~~such~~ approval is obtained, the rights and powers conferred by this section shall not be exercised. The Attorney General of the State is directed to see that all deeds to the State for land mentioned in this section are properly executed before the gift is accepted or payment of the purchase money is made.

(b) The Department ~~is further authorized and empowered to~~ may accept as gifts to the State of North Carolina ~~such~~ any forest and submarginal farmland acquired by ~~said~~ the federal government as may be suitable for the purpose of creating and maintaining State-controlled forests, game refuges, public shooting grounds, State parks, State lakes, and other recreational areas, or to enter into longtime leases with the federal government for such areas and administer them with ~~such~~ funds as may be secured from their administration in the best interest of longtime public use, supplemented by ~~such~~ any necessary appropriations as may be made by the General Assembly. The Department ~~is further empowered to~~ may segregate State hunting and fishing licenses, use permits, and concessions and other proper revenue secured through the administration of such forests, game refuges, public shooting grounds, State parks, State lakes, and other recreational areas to be deposited in the State treasury to the credit of the Department to be used for the administration of these areas.

(c) The Department, with the approval of the Governor and Council of State, ~~is further authorized and empowered to~~ may enter into leases of lands and waters for State parks, State lakes and recreational purposes; and the Department may construct, ~~operate~~ operate, and maintain on ~~said~~ the lands and waters suitable public service facilities and conveniences and may charge and collect reasonable fees for each of the following:

(1) The erection, maintenance and use of docks, piers and ~~such~~ other structures as may be permitted in or on ~~said~~ the waters under its own ~~rules;~~ rules.

(2) Fishing privileges in ~~said~~ the waters, provided that ~~such~~ the privileges shall be extended only to holders of bona fide North Carolina fishing licenses, and provided further that all State fishing laws and rules are complied with.

(d) The Department may make reasonable rules for the operation and use of boats or other craft on the surface of the ~~said~~ waters but shall not ~~be authorized to~~ charge or collect fees for ~~such~~ the operation or ~~use.~~use of boats or other craft.

(e) The Department may make reasonable rules for the regulation of the ~~use by the public of said~~ public use of the lands and waters and of public service facilities and conveniences constructed thereon, and ~~said~~ the rules shall have the force and effect of law and any violation of ~~such~~ the rules shall constitute a Class 3 misdemeanor.

(f) The authority herein granted is in addition to other authority now held and exercised by the Department."

SECTION 38.(f) G.S. 117-18(6) reads as rewritten:

"(6) The right to apply to the North Carolina Rural Electrification Authority for permission to construct or place any parts of its system or lines in and along any State highway or over any lands ~~which~~ that are now, or may be, the property of this State, or any political subdivision thereof. In all questions involving the right-of-way, or the right of eminent domain, the rulings of the North Carolina Rural Electrification Authority ~~shall be~~ are final. Notwithstanding the foregoing sentence and notwithstanding subdivision (7) of G.S. 117-2, electric membership corporations ~~are hereby empowered,~~ may, without necessity of the Authority's rulings or participation, ~~to~~ exercise the right of eminent domain for the purposes of constructing, operating and maintaining electric generating, transmission, distribution and related facilities, individually and solely in their own names, pursuant to the provisions of Chapter ~~40~~ 40A of the General Statutes; provided, that notwithstanding G.S. 117-30, the foregoing grant of the power of eminent domain to electric membership corporations shall not apply to telephone membership corporations; and, provided further, that ~~such~~ the grant of the power ~~shall be~~ of eminent domain is supplementary to the power of eminent domain already devolved upon the Authority."

SECTION 38.(g) G.S. 121-16 reads as rewritten:

"**§ 121-16. Acquiring lands by purchase or condemnation.**

The Department of Cultural Resources, within the limits and amounts appropriated by the General Assembly and ~~such~~ any funds ~~as may be~~ available from donations or otherwise, when the conditions set forth in G.S. 121-15 of this Article have been met, is hereby granted the power and authority to purchase sufficient lands for the restoration of ~~said~~ the Palace, and the ~~said~~ Department is hereby authorized to accept title to ~~said~~ lands in the name of the State of North Carolina.

The Department of Cultural Resources shall also have the authority to acquire, by condemnation, under the provisions of Chapter ~~40~~ 40A of the General Statutes of North Carolina, including the provisions of the Public Works Eminent Domain Law, which is hereby made applicable to such proceedings, ~~such~~ any areas of land in New Bern, North Carolina, as it may find ~~to be~~ necessary for the restoration of ~~said~~ the Palace."

SECTION 38.(h) G.S. 156-138.1 reads as rewritten:

"**§ 156-138.1. Acquisition and disposition of lands; lease to or from federal or State government or agency thereof.**

The district may acquire ~~such~~ any lands ~~as may be~~ necessary or convenient to enable it to accomplish the purposes for which the district was established. If the lands cannot be acquired by agreement as to the purchase price, then ~~and in such event,~~ the power of eminent domain is hereby conferred and the ~~same~~ lands may be condemned by the procedure set out in G.S. 156-67 and ~~Article 2,~~ Chapter ~~40~~ 40A of the General Statutes. The land so acquired may be used in ~~such~~ a manner and for ~~such~~ the purposes ~~as~~ the

commissioners of the district ~~may~~ deem best. If, in the opinion of the drainage commission of the district ~~such~~ the lands should be sold, leased or rented, the board may do so, subject to the approval of the clerk of the superior court.

The commissioners of the district ~~are hereby authorized and empowered,~~ may, in their discretion, ~~to~~ convey or lease to the State or federal governments, or any of their agencies, with or without consideration, any properties, real or personal, belonging to ~~said~~ the district, if in their opinion ~~such~~ it is necessary to enable the district to receive State or federal funds available to ~~it.~~the district. The terms of ~~such~~ a conveyance or lease shall be subject to the approval of the clerk of the superior court of the county in which the district was established.

The commissioners of the district ~~are authorized and empowered to~~ may lease from the State or federal governments ~~such~~ any real or personal property ~~as may be~~ needed by the district to enable it to efficiently operate and maintain the district for the purposes for which it was established. The terms of ~~such~~ a lease shall be subject to the approval of the clerk of the superior court of the county in which the district was established."

SECTION 38.(i) G.S. 160A-349.10 reads as rewritten:

"**§ 160A-349.10. Power to condemn land; procedure for condemnation; board incorporated.**

If it becomes necessary to acquire additional lands for cemetery purposes and the ~~said~~ board cannot agree with the owners upon the price thereof, the ~~said~~ board shall have the power to condemn the ~~said~~ lands for cemetery purposes, and in so doing the provisions of Chapter ~~40~~ 40A of the General Statutes shall be followed as nearly as possible, and to that end, and for that purpose, the board of trustees of any cemetery acquired under this Article shall be deemed and considered a corporation and a body politic."

SECTION 39. G.S. 7A-38.4A(j), as enacted by Section 2 of S.L. 2001-320, reads as rewritten:

"(j) Evidence of statements made and conduct occurring in a settlement proceeding conducted under this section shall not be subject to discovery and shall be inadmissible in any proceeding in the action or other actions on the same claim, except in proceedings for sanctions or proceedings to enforce a settlement of the action. No settlement ~~proceeding~~ agreement reached at a settlement conference or settlement proceeding conducted under this section shall be enforceable unless it has been reduced to writing and signed by the parties and in all other respects complies with the requirements of Chapter 50 of the General Statutes. No evidence otherwise discoverable shall be inadmissible merely because it is presented or discussed in a settlement proceeding.

No mediator, or other neutral conducting a settlement procedure under this section, shall be compelled to testify or produce evidence concerning statements made and conduct occurring in a mediated settlement conference or other settlement procedure in any civil proceeding for any purpose, including proceedings to enforce a settlement of the action, except to attest to the signing of any of these agreements, and except proceedings for sanctions under this section, disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators, and proceedings to enforce laws concerning juvenile or elder abuse."

SECTION 40.(a) G.S. 8-53.5 reads as rewritten:

"**§ 8-53.5. Communications between licensed marriage and family therapist and client(s).**

No person, duly ~~authorized~~ licensed as a ~~certified marital~~ licensed marriage and family therapist, nor any of ~~his~~ the person's employees or associates, shall be required to disclose any information which ~~he~~ the person may have acquired in rendering professional ~~marital~~ marriage and family therapy services, and which information was necessary to enable ~~him~~ the person to render professional ~~marital~~ marriage and family therapy services. Any resident or presiding judge in the district in which the action is pending may, subject to G.S. 8-53.6, compel disclosure, either at the trial or prior

thereto, if in ~~his~~ the court's opinion disclosure is necessary to a proper administration of justice. If the case is in district court the judge shall be a district court judge, and if the case is in superior court the judge shall be a superior court judge."

SECTION 40.(b) G.S. 8-53.7, as amended by Section 2 of S.L. 2001-152, reads as rewritten:

"**§ 8-53.7. Social worker privilege.**

No person engaged in delivery of private social work services, duly licensed or certified pursuant to Chapter 90B of the General Statutes shall be required to disclose any information ~~which~~ that he or she may have acquired in rendering professional social services, and which information was necessary to enable him or her to render professional social services: provided, that the presiding judge of a superior or district court may compel such disclosure, if in the court's opinion the same is necessary to a proper administration of justice and such disclosure is not prohibited by G.S. 8-53.6 or any other statute or regulation."

SECTION 40.(c) G.S. 48-10-103(a)(3) reads as rewritten:

"(3) Counseling services for a parent or the adoptee that are directly related to the adoption and are provided by a licensed psychiatrist, licensed psychologist, ~~marital~~ licensed marriage and family therapist, ~~registered practicing~~ licensed professional counselor, licensed or certified social worker, fee-based practicing pastoral counselor or other licensed professional counselor, or an employee of an agency;".

SECTION 40.(d) G.S. 55B-2(6) reads as rewritten:

"(6) The term "professional service" means any type of personal or professional service of the public which requires as a condition precedent to the rendering of such service the obtaining of a license from a licensing board as herein defined, and pursuant to the following provisions of the General Statutes: Chapter 83A, "Architects"; Chapter 84, "Attorneys-at-Law"; Chapter 93, "Public Accountants"; and Article 1, "Practice of Medicine," Article 2, "Dentistry," Article 6, "Optometry," Article 7, "Osteopathy," Article 8, "Chiropractic," Article 9A, "Nursing Practice Act," with regard to registered nurses, Article 11, "Veterinarians," Article 12A, "Podiatrists," Article 18A, "Practicing Psychologists," Article 18D, "Occupational Therapy," and Article 24, "Licensed Professional Counselors," of Chapter 90; Chapter 89C, "Engineering and Land Surveying"; Chapter 89A, "Landscape Architects"; Chapter 90B, "Social Worker Certification and Licensure Act" with regard to Licensed Clinical Social Workers as defined by G.S. 90B-3; Chapter 89E, "Geologists"; Chapter 89B, "Foresters"; and Chapter 89F, "North Carolina Soil Scientist Licensing Act."

SECTION 40.(e) G.S. 55B-14(c)(4) reads as rewritten:

"(4) A physician, or a licensed psychologist, or both, and a certified clinical specialist in psychiatric and mental health nursing, a ~~certified~~ licensed clinical social worker, a licensed professional counselor, or each of them, to render psychotherapeutic and related services that the respective stockholders are licensed, certified, or otherwise approved to provide."

SECTION 40.(f) G.S. 58-39-15(17) reads as rewritten:

"(17) "Medical professional" means any person licensed or certified to provide health care services to natural persons, including but not limited to, a physician, dentist, nurse, chiropractor, optometrist, physical or occupational therapist, ~~certified~~ licensed clinical social worker, clinical dietitian, clinical psychologist, pharmacist, or speech therapist."

SECTION 40.(g) G.S. 58-50-30(a) through (c), as amended by Section 1 of S.L. 2001-297 and by Section 1.7 of S.L. 2001-446, reads as rewritten:

"**§ 58-50-30. Right to choose services of optometrist, podiatrist, ~~certified~~ licensed clinical social worker, certified substance abuse professional, licensed professional counselor, dentist, chiropractor, psychologist, pharmacist, certified fee-based practicing pastoral counselor, advanced practice nurse, or physician assistant.**

(a1) Whenever any health benefit plan, subscriber contract, or policy of insurance issued by a health maintenance organization, hospital or medical service corporation, or insurer governed by Articles 1 through 67 of this Chapter provides for coverage for, payment of, or reimbursement for any service rendered in connection with a condition or complaint that is within the scope of practice of a duly licensed optometrist, a duly licensed podiatrist, a duly licensed dentist, a duly licensed chiropractor, a duly ~~certified~~ licensed clinical social worker, a duly certified substance abuse professional, a duly licensed professional counselor, a duly licensed psychologist, a duly licensed pharmacist, a duly certified fee-based practicing pastoral counselor, a duly licensed physician assistant, or an advanced practice registered nurse, the insured or other persons entitled to benefits under the policy shall be entitled to coverage of, payment of, or reimbursement for the services, whether the services be performed by a duly licensed physician, or a provider listed in this subsection, notwithstanding any provision contained in the plan or policy limiting access to the providers. The policyholder, insured, or beneficiary shall have the right to choose the provider of services notwithstanding any provision to the contrary in any other statute, subject to the utilization review, referral, and prior approval requirements of the plan that apply to all providers for that service; provided that:

(1) In the case of plans that require the use of network providers as a condition of obtaining benefits under the plan or policy, the policyholder, insured, or beneficiary must choose a provider of the services within the network; and

(2) In the case of plans that require the use of network providers as a condition of obtaining a higher level of benefits under the plan or policy, the policyholder, insured, or beneficiary must choose a provider of the services within the network in order to obtain the higher level of benefits.

(a2) Whenever any policy of insurance governed by Articles 1 through 65 of this Chapter provides for certification of disability that is within the scope of practice of a duly licensed physician, a duly licensed physician assistant, a duly licensed optometrist, a duly licensed podiatrist, a duly licensed dentist, a duly licensed chiropractor, a duly ~~certified~~ licensed clinical social worker, a duly certified substance abuse professional, a duly licensed professional counselor, a duly licensed psychologist, a duly certified fee-based practicing pastoral counselor, or an advanced practice registered nurse, the insured or other persons entitled to benefits under the policy shall be entitled to payment of or reimbursement for the disability whether the disability be certified by a duly licensed physician, or a provider listed in this subsection, notwithstanding any provisions contained in the policy. The policyholder, insured, or beneficiary shall have the right to choose the provider of the services notwithstanding any provision to the contrary in any other statute; provided that for plans that require the use of network providers either as a condition of obtaining benefits under the plan or policy or to access a higher level of benefits under the plan or policy, the policyholder, insured, or beneficiary must choose a provider of the services within the network, subject to the requirements of the plan or policy.

(a3) Whenever any health benefit plan, subscriber contract, or policy of insurance issued by a health maintenance organization, hospital or medical service corporation, or insurer governed by Articles 1 through 67 of this Chapter provides coverage for medically necessary treatment, the insurer shall not impose any limitation on treatment

or levels of coverage if performed by a duly licensed chiropractor acting within the scope of the chiropractor's practice as defined in G.S. 90-151 unless a comparable limitation is imposed on the medically necessary treatment if performed or authorized by any other duly licensed physician.

(b) For the purposes of this section, a "duly licensed psychologist" is a licensed psychologist who holds permanent licensure and certification as a health services provider psychologist issued by the North Carolina Psychology Board.

(c) For the purposes of this section, a "duly ~~certified~~ licensed clinical social worker" is a "~~certified~~ licensed clinical social worker" as defined in G.S. 90B-3(2) and licensed by the North Carolina Social Work Certification and Licensure Board ~~for Social Work~~ pursuant to Chapter 90B of the General Statutes.

…."

SECTION 40.(h) G.S. 58-65-1(a) and (c) read as rewritten:

"**§ 58-65-1. Regulation and definitions; application of other laws; profit and foreign corporations prohibited.**

(a) Any corporation heretofore or hereafter organized under the general corporation laws of the State of North Carolina for the purpose of maintaining and operating a nonprofit hospital and/or medical and/or dental service plan whereby hospital care and/or medical and/or dental service may be provided in whole or in part by said corporation or by hospitals and/or physicians and/or dentists participating in such plan, or plans, shall be governed by this Article and Article 66 of this Chapter and shall be exempt from all other provisions of the insurance laws of this State, heretofore enacted, unless specifically designated herein, and no laws hereafter enacted shall apply to them unless they be expressly designated therein.

The term "hospital service plan" as used in this Article and Article 66 of this Chapter includes the contracting for certain fees for, or furnishing of, hospital care, laboratory facilities, X-ray facilities, drugs, appliances, anesthesia, nursing care, operating and obstetrical equipment, accommodations and/or any and all other services authorized or permitted to be furnished by a hospital under the laws of the State of North Carolina and approved by the North Carolina Hospital Association and/or the American Medical Association.

The term "medical service plan" as used in this Article and Article 66 of this Chapter includes the contracting for the payment of fees toward, or furnishing of, medical, obstetrical, surgical and/or any other professional services authorized or permitted to be furnished by a duly licensed physician, except that in any plan in any policy of insurance governed by this Article and Article 66 of this Chapter that includes services which are within the scope of practice of a duly licensed optometrist, a duly licensed chiropractor, a duly licensed psychologist, a duly licensed pharmacist, an advanced practice registered nurse, a duly ~~certified~~ licensed clinical social worker, a duly certified substance abuse professional, a duly certified fee-based practicing pastoral counselor, a duly licensed physician assistant, and a duly licensed physician, then the insured or beneficiary shall have the right to choose the provider of the care or service, and shall be entitled to payment of or reimbursement for such care or service, whether the provider be a duly licensed optometrist, a duly licensed chiropractor, a duly licensed psychologist, a duly licensed pharmacist, an advanced practice registered nurse, a duly ~~certified~~ licensed clinical social worker, a duly certified substance abuse professional, a duly certified fee-based practicing pastoral counselor, a duly licensed physician assistant, or a duly licensed physician notwithstanding any provision to the contrary contained in such policy. The term "medical services plan" also includes the contracting for the payment of fees toward, or furnishing of, professional medical services authorized or permitted to be furnished by a duly licensed provider of health services licensed under Chapter 90 of the General Statutes.

…

(c) For purposes of this section, an "advanced practice registered nurse" means only a registered nurse who is duly licensed or certified as a nurse practitioner, clinical specialist in psychiatric and mental health nursing, or nurse midwife.

For the purposes of this section, a "duly ~~certified~~ licensed clinical social worker" is a "~~certified~~ licensed clinical social worker" as defined in G.S. 90B-3(2) and ~~certified~~ licensed by the North Carolina Social Work Certification and Licensure Board ~~for Social Work~~ pursuant to Chapter 90B of the General Statutes.

For purposes of this section, a "duly certified fee-based practicing pastoral counselor" shall be defined only to include fee-based practicing pastoral counselors certified by the North Carolina State Board of Examiners of Fee-Based Practicing Pastoral Counselors pursuant to Article 26 of Chapter 90 of the General Statutes.

For the purposes of this section, a "duly licensed psychologist" shall be defined only to include a psychologist who is duly licensed in the State of North Carolina and has a doctorate degree in psychology and at least two years clinical experience in a recognized health setting, or has met the standards of the National Register of Health Providers in Psychology. After January 1, 1995, a duly licensed psychologist shall be defined as a licensed psychologist who holds permanent licensure and certification as a health services provider psychologist issued by the North Carolina Psychology Board.

For purposes of this section, a "duly certified substance abuse professional" is a person certified by the North Carolina Substance Abuse Professional Certification Board pursuant to Article 5C of Chapter 90 of the General Statutes.

The term "dental service plan" as used in this Article and Article 66 of this Chapter includes contracting for the payment of fees toward, or furnishing of dental and/or any other professional services authorized or permitted to be furnished by a duly licensed dentist.

The insured or beneficiary of every "medical service plan" and of every "dental service plan," as those terms are used in this Article and Article 66 of this Chapter, or of any policy of insurance issued thereunder, that includes services which are within the scope of practice of both a duly licensed physician and a duly licensed dentist shall have the right to choose the provider of such care or service, and shall be entitled to payment of or reimbursement for such care or service, whether the provider be a duly licensed physician or a duly licensed dentist notwithstanding any provision to the contrary contained in any such plan or policy.

The term "hospital service corporation" as used in this Article and Article 66 of this Chapter is intended to mean any nonprofit corporation operating a hospital and/or medical and/or dental service plan, as herein defined. Any corporation heretofore or hereafter organized and coming within the provisions of this Article and Article 66 of this Chapter, the certificate of incorporation of which authorizes the operation of either a hospital or medical and/or dental service plan, or any or all of them, may, with the approval of the Commissioner of Insurance, issue subscribers' contracts or certificates approved by the Commissioner of Insurance, for the payment of either hospital or medical and/or dental fees, or the furnishing of such services, or any or all of them, and may enter into contracts with hospitals for physicians and/or dentists, or any or all of them, for the furnishing of fees or services respectively under a hospital or medical and/or dental service plan, or any or all of them.

The term "preferred provider" as used in this Article and Article 66 of this Chapter with respect to contracts, organizations, policies or otherwise means a health care service provider who has agreed to accept, from a corporation organized for the purposes authorized by this Article and Article 66 of this Chapter or other applicable law, special reimbursement terms in exchange for providing services to beneficiaries of a plan administered pursuant to this Article and Article 66 of this Chapter. Except to the extent prohibited either by G.S. 58-65-140 or by regulations promulgated by the Department of Insurance not inconsistent with this Article and Article 66 of this Chapter, the contractual terms and conditions for special reimbursement shall be those which the corporation and preferred provider find to be mutually agreeable.

…"

SECTION 40.(i) G.S. 90-270.48A(a) reads as rewritten:

"(a) This Article does not prevent members of the clergy or licensed, certified, or registered members of professional groups recognized by the Board from advertising or performing services consistent with their own profession. Members of the clergy include, but are not limited to, persons who are ordained, consecrated, commissioned, or endorsed by a recognized denomination, church, faith group, or synagogue. Professional groups the Board shall recognize include, but are not limited to, licensed or certified social workers, licensed professional counselors, fee-based pastoral counselors, licensed practicing psychologists, psychological associates, physicians, and attorneys-at-law. However, in no event may a person use the title "Licensed Marriage and Family Therapist," use the letters "LMFT," or in any way imply that the person is a licensed marriage and family therapist unless the person is licensed as such under this Article."

SECTION 40.(j) G.S. 90-330(c) reads as rewritten:

"(c) Practice of Marriage and Family Therapy, Psychology, or Social Work. – No person licensed as a licensed professional counselor under the provisions of this Article shall be allowed to hold himself or herself out to the public as a ~~certified~~ licensed marriage and family therapist, licensed practicing psychologist, psychological associate, or ~~certified~~ licensed clinical social worker unless specifically authorized by other provisions of law."

SECTION 40.(k) The statutory catch line for G.S. 90-331 reads as rewritten:

"**§ 90-331. ~~Unlawful use of title "licensed professional counselor".~~Prohibitions.**"

SECTION 40.(l) G.S. 90-332.1(a)(8) reads as rewritten:

"(8) Any person performing counseling solely as an employee of an area facility, as defined in G.S. 122C-3(14)a., if both of the following apply:

a. The services are provided by (i) a qualified professional as defined in G.S. 122C-3(31) and subject to the rules adopted by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services, or (ii) an employee supervised by a qualified professional as defined in G.S. 122C-3(31);

b. The area facility has obtained written verification from the following boards that the employee has not had his or her license, registration, or certification revoked, rescinded, or suspended: the North Carolina Board of Licensed Professional Counselors, the North Carolina State Board of Examiners of Practicing Psychologists, the North Carolina Social Work Certification ~~Board for Social Work,~~and Licensure Board, and the North Carolina ~~Marital~~ Marriage and Family Therapy ~~Certification~~ Licensure Board;".

SECTION 40.(m) G.S. 135-40.1(17a) reads as rewritten:

"(17a) Skilled Care. – Medically necessary services that can only be rendered under State law or regulation by licensed health professionals such as a medical doctor, physician's assistant, physical therapist, occupational therapist, speech therapist, certified clinical social worker, licensed clinical social worker, certified nurse midwife, licensed practical nurse, or registered nurse."

SECTION 40.(n) G.S. 135-40.7B(c) and (c1), as amended by Section 1 of S.L. 2001-258, read as rewritten:

"**§ 135-40.7B. Special provisions for chemical dependency and mental health benefits.**

…

(c) Notwithstanding any other provisions of this Part, the following providers and no others may provide necessary care and treatment for mental health under this section:

(1) Psychiatrists who have completed a residency in psychiatry approved by the American Council for Graduate Medical Education and who are licensed as medical doctors or doctors of osteopathy in the state in which they perform and services covered by the Plan;
(2) Licensed or certified doctors of psychology;
(3) Certified clinical social ~~workers;~~workers and licensed clinical social workers;
(3a) Licensed professional counselors;
(4) Certified clinical specialists in psychiatric and mental health nursing;
(4a) Nurses working under the employment and direct supervision of such physicians, psychologists, or psychiatrists;
(5) Repealed by Session Laws 1997-512, s. 14.
(6) Psychological associates with a masters degree in psychology under the direct employment and supervision of a licensed psychiatrist or licensed or certified doctor of psychology;
(7), (8) Repealed by Session Laws 1997-512, s. 14.
(9) Certified fee-based practicing pastoral counselors;
(10) Licensed physician assistants under the supervision of a licensed psychiatrist and acting pursuant to G.S. 90-18.1 or the applicable laws and rules of the area in which the physician assistant is licensed or certified; and
(11) Licensed marriage and family therapists.

(c1) Notwithstanding any other provisions of this Part, the following providers and no others may provide necessary care and treatment for chemical dependency under this section:

(1) The following providers with appropriate substance abuse training and experience in the field of alcohol and other drug abuse as determined by the mental health case manager, in facilities described in subdivision (b)(2) of this section, in day/night programs or outpatient treatment facilities licensed after July 1, 1984, under Article 2 of Chapter 122C of the General Statutes or in North Carolina area programs in substance abuse services are authorized to provide treatment for chemical dependency under this section:
a. Licensed physicians including, but not limited to, physicians who are certified in substance abuse by the American Society of Addiction Medicine (ASAM);
b. Licensed or certified psychologists;
c. Psychiatrists;
d. Certified substance abuse counselors working under the direct supervision of such physicians, psychologists, or psychiatrists;
e. Psychological associates with a masters degree in psychology working under the direct supervision of such physicians, psychologists, or psychiatrists;
f. Nurses working under the direct supervision of such physicians, psychologists, or psychiatrists;
g. Certified clinical social ~~workers;~~workers and licensed clinical social workers;
h. Certified clinical specialists in psychiatric and mental health nursing;
i. Licensed professional counselors;
j. Certified fee-based practicing pastoral counselors;
k. Substance abuse professionals certified under Article 5C of Chapter 90 of the General Statutes; and
l. Licensed marriage and family therapists.

(2) The following providers with appropriate substance abuse training and experience in the field of alcohol and other drug abuse as determined by the mental health case manager are authorized to provide treatment for chemical dependency in outpatient practice settings:

a. Licensed physicians who are certified in substance abuse by the American Society of Addiction Medicine (ASAM);
b. Licensed or certified psychologists;
c. Psychiatrists;
d. Certified substance abuse counselors working under the employment and direct supervision of such physicians, psychologists, or psychiatrists;
e. Psychological associates with a masters degree in psychology working under the employment and direct supervision of such physicians, psychologists, or psychiatrists;
f. Nurses working under the employment and direct supervision of such physicians, psychologists, or psychiatrists;
g. Certified clinical social ~~workers;~~workers and licensed clinical social workers;
h. Certified clinical specialists in psychiatric and mental health nursing;
i. Licensed professional counselors;
j. Certified fee-based practicing pastoral counselors;
1. Substance abuse professionals certified under Article 5C of Chapter 90 of the General Statutes;

j1. Licensed marriage and family therapists; and
k. In the absence of meeting one of the criteria above, the Mental Health Case Manager could consider, on a case-by-case basis, a provider who supplies:
1. Evidence of graduate education in the diagnosis and treatment of chemical dependency, and
2. Supervised work experience in the diagnosis and treatment of chemical dependency (with supervision by an appropriately credentialed provider), and
3. Substantive past and current continuing education in the diagnosis and treatment of chemical dependency commensurate with one's profession.

Provided, however, that nothing in this subsection shall prohibit the Plan from requiring the most cost-effective treatment setting to be utilized by the person undergoing necessary care and treatment for chemical dependency.

…."

SECTION 41. The catch line for G.S. 14-34.7 reads as rewritten:

"**§ 14-34.7. Assault inflicting serious injury on a law enforcement, probation, or parole officer or on a person employed at a State or local detention facility.**"

SECTION 42.(a) G.S. 14-100.1, as enacted by Section 1 of S.L. 2001-461, reads as rewritten:

"**§ 14-100.1. Possession or manufacture of certain fraudulent forms of identification.**

(a) Except as otherwise made unlawful by G.S. 20-30, it shall be unlawful for any person to knowingly possess or manufacture a false or fraudulent form of identification as defined in this section for the purpose of deception, fraud, or other criminal conduct.

(b) Except as otherwise made unlawful by G.S. 20-30, it shall be unlawful for any person to knowingly obtain a form of identification by the use of false, fictitious, or fraudulent information.

(c) Possession of a form of identification obtained in violation of subsection (b) of this section shall constitute a violation of subsection (a) of this section.

(d) For purposes of this section, a "form of identification" means any of the following or any replica thereof:

(1) An identification card containing a picture, issued by any department, agency, or subdivision of the State of North Carolina, the federal government, or any other state.

(2) A military identification card containing a picture.

(3) A passport.

(4) An alien registration card containing a picture.

~~(c)~~(e) A violation of this section shall be punished as a Class 1 misdemeanor."

SECTION 42.(b) G.S. 18B-302(f), as rewritten by Section 3 of S.L. 2001-461, reads as rewritten:

"(f) Allowing Use of Identification. – It shall be unlawful for any person to permit the use of the person's drivers license or any other form of identification of any kind issued or given to the ~~person,~~person by any other person who violates or attempts to violate subsection (b) of this section."

SECTION 42.(c) G.S. 20-37.01, as enacted by Section 4 of S.L. 2001-461, reads as rewritten:

"**§ 20-37.01. Drivers ~~license technology fund.~~License Technology Fund.**

The Drivers License Technology Fund is established in the Department of Transportation as a nonreverting, interest-bearing special revenue account. The revenue in the Fund at the end of a fiscal year does not revert, and earnings on the Fund shall be credited to the Fund annually. All money collected by the Commissioner pursuant to G.S. 20-37.02 shall be remitted to the State Treasurer and held in the Fund. Money held in the Fund shall be used to supplement funds otherwise available to the Division for information technology and office automation needs. The Commissioner shall report by February 1 and August 1 of each year to the Joint Legislative Commission on Governmental Operations, the chairs of the Senate and House of Representatives Appropriation Committees, and the chairs of the Senate and House of Representatives Appropriations ~~Subcommittee~~ Subcommittees on Transportation on all money collected and deposited in the Fund and on the proposed expenditure of funds collected during the preceding six months."

SECTION 43.(a) Effective December 1, 2001, G.S. 14-129, as amended by Section 1 of S.L. 2001-93, reads as rewritten:

"**§ 14-129. Taking, etc., of certain wild plants from land of another.**

No person, firm or corporation shall dig up, pull up or take from the land of another or from any public domain, the whole or any part of any Venus flytrap (Dionaea muscipula), trailing arbutus, Aaron's Rod (Thermopsis caroliniana), Bird-foot Violet (Viola pedata), Bloodroot (Sanguinaria canadensis), Blue Dogbane (Amsonia tabernaemontana), Cardinal-flower (Lobelia cardinalis), Columbine (Aquilegia canadensis), Dutchman's Breeches (Dicentra cucullaria), Maidenhair Fern (Adiantum pedatum), Walking Fern (Camptosorus rhizophyllus), Gentians (Gentiana), ~~Ginseng (Panax quinquefolium),~~ Ground Cedar, Running Cedar, Hepatica (Hepatica americana and acutiloba), Jack-in-the-Pulpit (Arisaema triphyllum), Lily (Lilium), Lupine (Lupinus), Monkshood (Aconitum uncinatum and reclinatum), May Apple (Podophyllum peltatum), Orchids (all species), Pitcher Plant (Sarracenia), Shooting Star (Dodecatheon meadia), Oconee Bells (Shortia galacifolia), Solomon's Seal (Polygonatum), Trailing Christmas (Greens-Lycopodium), Trillium (Trillium), Virginia Bluebells (Mertensia virginica), and Fringe Tree (Chionanthus virginicus), American holly, white pine, red cedar, hemlock or other coniferous trees, or any flowering dogwood, any mountain laurel, any rhododendron, or any ground pine, or any Christmas greens, or any Judas tree, or any leucothea, or any azalea, without having in his possession a permit to dig up, pull up or take such plants, signed by the owner of such land, or by his duly authorized agent. Any person convicted of violating the provisions

of this section shall be guilty of a Class 3 misdemeanor only punished by a fine of not less than ten dollars ($10.00) nor more than fifty dollars ($50.00) for each offense. The provisions of this section shall not apply to the Counties of Cabarrus, Carteret, Catawba, Cherokee, Chowan, Cumberland, Currituck, Dare, Duplin, Edgecombe, Franklin, Gaston, Granville, Hertford, McDowell, Pamlico, Pender, Person, Richmond, Rockingham, Rowan and Swain."

SECTION 43.(b) G.S. 106-202.19(a) reads as rewritten:

"(a) ~~It~~ Unless the conduct is covered under some other provision of law providing greater punishment, it is unlawful:

(1) To uproot, dig, take or otherwise disturb or remove for any purpose from the lands of another, any plant on a protected plant list without a written permit from the owner which is dated and valid for no more than 180 days and which indicates the species or higher taxon of plants for which permission is granted; except that the incidental disturbance of protected plants during agricultural, forestry or development operations is not illegal so long as the plants are not collected for sale or commercial use;

(2) To sell, barter, trade, exchange, export, offer for sale, barter, trade, exchange or export or give away for any purpose including advertising or other promotional purpose any plant on a protected plant list, except as authorized according to the rules and regulations of the Board;

(3) To violate any rule of the Board promulgated under this Article;

(4) To dig ginseng on another person's land, except for the purpose of replanting, between the first day of April and the first day of September;

(5) To buy ginseng outside of a buying season as provided by the Board without obtaining the required documents from the person selling the ginseng;

(6) To buy ginseng for the purpose of resale or trade without holding a currently valid permit as a ginseng dealer;

(7) To fail to keep records as required under this Article, to refuse to make records available for inspection by the Board or its agent, or to use forms other than those provided for the current year or harvest season by the Department of Agriculture and Consumer Services;

(8) To provide false information on any record or form required under this Article;

(9) To make false statements or provide false information in connection with any investigation conducted under this Article;

(10) To possess any protected plant, or part thereof, which was obtained in violation of this Article or any rule adopted hereunder; or

(11) To violate a stop sale order issued by the Board or its agent."

SECTION 44.(a) Effective April 1, 2002, G.S. 14-234(d1), as rewritten by Section 1 of S.L. 2001-409, reads as rewritten:

"(d1) ~~Subdivision (a)(1) of this section does~~ The first sentence of subsection (a) shall not apply to (i) any elected official or person appointed to fill an elective office of a village, town, or city having a population of no more than 15,000 according to the most recent official federal census, (ii) any elected official or person appointed to fill an elective office of a county within which there is located no village, town, or city with a population of more than 15,000 according to the most recent official federal census, (iii) any elected official or person appointed to fill an elective office on a city board of education in a city having a population of no more than 15,000 according to the most recent official federal census, (iv) any elected official or person appointed to fill an elective office as a member of a county board of education in a county within which there is located no village, town or city with a population of more than 15,000 according to the most recent official federal census, (v) any physician, pharmacist, dentist,

optometrist, veterinarian, or nurse appointed to a county social services board, local health board, or area mental health, developmental disabilities, and substance abuse board serving one or more counties within which there is located no village, town, or city with a population of more than 15,000 according to the most recent official federal census, and (vi) any member of the board of directors of a public hospital if all of the following apply:".

SECTION 44.(b) Effective July 1, 2002, G.S. 14-234(d1), as rewritten by Section 1 of S.L. 2001-409 and by Section 44(a) of this act, reads as rewritten:

"(d1) ~~The first sentence of subsection (a) shall~~ Subdivision (a)(1) of this section does not apply to (i) any elected official or person appointed to fill an elective office of a village, town, or city having a population of no more than 15,000 according to the most recent official federal census, (ii) any elected official or person appointed to fill an elective office of a county within which there is located no village, town, or city with a population of more than 15,000 according to the most recent official federal census, (iii) any elected official or person appointed to fill an elective office on a city board of education in a city having a population of no more than 15,000 according to the most recent official federal census, (iv) any elected official or person appointed to fill an elective office as a member of a county board of education in a county within which there is located no village, town or city with a population of more than 15,000 according to the most recent official federal census, (v) any physician, pharmacist, dentist, optometrist, veterinarian, or nurse appointed to a county social services board, local health board, or area mental health, developmental disabilities, and substance abuse board serving one or more counties within which there is located no village, town, or city with a population of more than 15,000 according to the most recent official federal census, and (vi) any member of the board of directors of a public hospital if all of the following apply:".

SECTION 45. G.S. 14-234(f), as enacted by Section 1 of S.L. 2001-409, reads as rewritten:

"(f) A contract entered into in violation of this section is void. A contract that is void under this section may continue in effect until an alternative can be arranged when; (i) immediate termination would result in harm to the public health or welfare, and (ii) the continuation is approved as provided in this subsection. A public agency that is a party to the contract may request approval to continue contracts under this subsection as follows:

(1) Local governments, as defined in G.S. 159-7(15), public authorities, as defined in G.S. 159-7(10), local school administrative units, and community colleges may request approval from the ~~chairman~~ chair of the Local Government Commission.

(2) All other public agencies may request approval from the State Director of the Budget.

Approval of continuation of contracts under this subsection shall be given for the minimum period necessary to protect the public health or welfare."

SECTION 46. G.S. 15A-266.4(b) reads as rewritten:

"(b) Crimes covered by this Article include:

G.S. 14-17	- Murder in the first and second degree.
G.S. 14-27.2	- First degree rape.
G.S. 14-27.3	- Second degree rape.
G.S. 14-27.4	- First degree sexual offense.
G.S. 14-27.5	- Second degree sexual offense.
G.S. 14-28	- Malicious castration.
G.S. 14-29	- Castration or other maiming.
G.S. 14-30	- Malicious maiming.
G.S. 14-30.1	- Malicious throwing of corrosive acid or alkali.
G.S. 14-31	- Malicious assault in secret manner.

G.S. 14-32 - Felonious assault with deadly weapon with intent to kill.
G.S. 14-32.1 - Assaults on handicapped persons.
G.S. 14-34.1 - Discharging barreled weapon or firearm into occupied property.
G.S. 14-34.2 - Assault with firearm or other deadly weapon upon law enforcement officer, fireman, or EMS personnel.
G.S. 14-39(a)(3) - Kidnapping for the purpose of doing serious bodily harm to the person.
G.S. 14-49 - Malicious use of explosive or incendiary.
G.S. 14-58.2 - Burning of mobile home, manufactured-type house, or recreational trailer home.
G.S. 14-202.1 - Taking indecent liberties with children.
G.S. 14-87 - Robbery with a dangerous weapon.
G.S. 14-277.3 - Stalking.
G.S. 14-87.1 - Common law robbery.
G.S. 14-58 - First degree arson."

SECTION 46.5.(a) G.S. 15A-540(c) reads as rewritten:

"(c) New Conditions of Pretrial Release. – When a defendant is surrendered by a surety under subsection (b) of this section, the sheriff shall without unnecessary delay take the defendant before a judicial official, along with a copy of the undertaking received from the surety and a copy of the receipt provided to the surety. The judicial official shall then determine whether the defendant is again entitled to release and, if so, upon what conditions. ~~The judicial official determining conditions of pretrial release under this subsection shall impose any conditions set by the court in any order for arrest issued for the defendant's failure to appear. If no conditions have been set, the judicial official shall require the execution of a secured appearance bond in an amount at least double the amount of the previous bond, and shall impose such restrictions on the travel, associations, conduct, or place of abode of the defendant as will assure that the defendant will not again fail to appear. The magistrate shall also indicate on the release order that the defendant was surrendered after failing to appear as required under a prior release order.~~"

SECTION 46.5.(b) G.S. 15A-534 is amended by adding the following new subsection to read:

"(d1) When conditions of pretrial release are being imposed on a defendant who has failed on one or more prior occasions to appear to answer one or more of the charges to which the conditions apply, the judicial official shall at a minimum impose the conditions of pretrial release that are recommended in any order for the arrest of the defendant that was issued for the defendant's most recent failure to appear. If no conditions are recommended in that order for arrest, the judicial official shall require the execution of a secured appearance bond in an amount at least double the amount of the most recent previous secured or unsecured bond for the charges or, if no bond has yet been required for the charges, in the amount of at least five hundred dollars ($500.00). The judicial official shall also impose such restrictions on the travel, associations, conduct, or place of abode of the defendant as will assure that the defendant will not again fail to appear. The judicial official shall indicate on the release order that the defendant was arrested or surrendered after failing to appear as required under a prior release order. If the information available to the judicial official indicates that the defendant has failed on two or more prior occasions to appear to answer the charges, the judicial official shall indicate that fact on the release order."

SECTION 47.(a) G.S. 15A-837 reads as rewritten:

"**§ 15A-837. Responsibilities of Division of ~~Adult Probation and Parole.~~Community Corrections.**

(a) The Division of ~~Adult Probation and Parole~~ Community Corrections shall notify the victim of:

(1) The defendant's regular conditions of probation or post-release supervision, special or added conditions, supervision requirements, and any subsequent changes.

(2) The date of a hearing to determine whether the defendant's supervision should be revoked, continued, modified, or terminated.

(3) The final disposition of any hearing referred to in subdivision (2) of this ~~section.~~subsection.

(4) Any restitution modification.

(5) The defendant's movement into or out of any intermediate sanction as defined in G.S. 15A-1340.11(6).

(6) The defendant's absconding supervision, within 72 hours.

(7) The capture of a defendant described in subdivision (6) of this ~~section,~~subsection, within 72 hours.

(8) The date when the defendant is terminated or discharged.

(9) The defendant's death.

(b) Notifications required in this section shall be provided within 30 days of the event requiring notification, or as otherwise specified in subsection (a) of this section."

SECTION 47.(b) G.S. 15A-1343.2 reads as rewritten:

"**§ 15A-1343.2. Special probation rules for persons sentenced under Article 81B.**

(a) Applicability. – This section applies only to persons sentenced under Article 81B of this Chapter.

(b) Purposes of Probation for Community and Intermediate Punishments. – The Department of Correction shall develop a plan to handle offenders sentenced to community and intermediate punishments. The probation program designed to handle these offenders shall have the following principal purposes: to hold offenders accountable for making restitution, to ensure compliance with the court's judgment, to effectively rehabilitate offenders by directing them to specialized treatment or education programs, and to protect the public safety.

(c) Probation Caseload Goals. – It is the goal of the General Assembly that, subject to the availability of funds, caseloads for probation officers supervising persons sentenced to community punishment should not exceed an average of 90 offenders per officer, and caseloads for offenders sentenced to intermediate punishments should not exceed an average of 60 offenders per officer by July 1, 1998.

(d) Lengths of Probation Terms Under Structured Sentencing. – Unless the court makes specific findings that longer or shorter periods of probation are necessary, the length of the original period of probation for offenders sentenced under Article 81B shall be as follows:

(1) For misdemeanants sentenced to community punishment, not less than six nor more than 18 months;

(2) For misdemeanants sentenced to intermediate punishment, not less than 12 nor more than 24 months;

(3) For felons sentenced to community punishment, not less than 12 nor more than 30 months; and

(4) For felons sentenced to intermediate punishment, not less than 18 nor more than 36 months.

If the court finds at the time of sentencing that a longer period of probation is necessary, that period may not exceed a maximum of five years, as specified in G.S. 15A-1342 and G.S. 15A-1351.

Extension. – The court may with the consent of the offender extend the original period of the probation if necessary to complete a program of restitution or to complete medical or psychiatric treatment ordered as a condition of probation. This extension may be for no more than three years, and may only be ordered in the last six months of the original period of probation.

(e) Delegation to Probation Officer in Community Punishment. – Unless the presiding judge specifically finds in the judgment of the court that delegation is not appropriate, the Division of ~~Adult Probation and Parole~~ Community Corrections in the Department of Correction may require an offender sentenced to community punishment to:

(1) Perform up to 20 hours of community service, and pay the fee prescribed by law for this supervision;
(2) Report to the offender's probation officer on a frequency to be determined by the officer; or
(3) Submit to substance abuse assessment, monitoring or treatment.

If the Division imposes any of the above requirements, then it may subsequently reduce or remove those same requirements.

If the probation officer exercises authority delegated by the court pursuant to this subsection, the offender may file a motion with the court to review the action taken by the probation officer. The offender shall be given notice of the right to seek such a court review. The Division may exercise any authority delegated to it under this subsection only if it first determines that the offender has failed to comply with one or more of the conditions of probation imposed by the court.

(f) Delegation to Probation Officer in Intermediate Punishments. – Unless the presiding judge specifically finds in the judgment of the court that delegation is not appropriate, the Division of ~~Adult Probation and Parole~~ Community Corrections in the Department of Correction may require an offender sentenced to intermediate punishment to:

(1) Perform up to 50 hours of community service, and pay the fee prescribed by law for this supervision;
(2) Submit to a curfew which requires the offender to remain in a specified place for a specified period each day and wear a device that permits the offender's compliance with the condition to be monitored electronically;
(3) Submit to substance abuse assessment, monitoring or treatment; or
(4) Participate in an educational or vocational skills development program.

If the Division imposes any of the above requirements, then it may subsequently reduce or remove those same requirements.

If the probation officer exercises authority delegated to him or her by the court pursuant to this subsection, the offender may file a motion with the court to review the action taken by the probation officer. The offender shall be given notice of the right to seek such a court review. The Division may exercise any authority delegated to it under this subsection only if it first determines that the offender has failed to comply with one or more of the conditions of probation imposed by the court.

(g) Repealed by Session Laws 1993 (Reg. Sess., 1994), c. 19, s. 3.

(h) Definitions. – For purposes of this section, the definitions in G.S. 15A-1340.11 apply."

SECTION 47.(c) G.S. 15A-1368.4(c) reads as rewritten:

"(c) Discretionary Conditions. – The Commission, in consultation with the Division of ~~Adult Probation and Parole,~~Community Corrections, may impose conditions on a supervisee it believes reasonably necessary to ensure that the supervisee will lead a law-abiding life or to assist the supervisee to do so."

SECTION 47.(d) G.S. 105-259(b)(15) reads as rewritten:

" (15) To exchange information concerning a tax imposed by Articles 2A, 2C, or 2D of this Chapter with one of the following agencies when the information is needed to fulfill a duty imposed on the Department or the agency:
a. The North Carolina Alcoholic Beverage Control Commission.
b. The Division of Alcohol Law Enforcement of the Department of Crime Control and Public Safety.

c. The Bureau of Alcohol, Tobacco, and Firearms of the United States Treasury Department.
d. Law enforcement agencies.
e. The Division of ~~Adult Probation and Parole~~ Community Corrections of the Department of Correction."

SECTION 47.(e) G.S. 115D-5(b) reads as rewritten:

"(b) In order to make instruction as accessible as possible to all citizens, the teaching of curricular courses and of noncurricular extension courses at convenient locations away from institution campuses as well as on campuses is authorized and shall be encouraged. A pro rata portion of the established regular tuition rate charged a full-time student shall be charged a part-time student taking any curriculum course. In lieu of any tuition charge, the State Board of Community Colleges shall establish a uniform registration fee, or a schedule of uniform registration fees, to be charged students enrolling in extension courses for which instruction is financed primarily from State funds; provided, however, that the State Board of Community Colleges may provide by general and uniform regulations for waiver of tuition and registration fees for persons not enrolled in elementary or secondary schools taking courses leading to a high school diploma or equivalent certificate, for training courses for volunteer firemen, local fire department personnel, volunteer rescue and lifesaving department personnel, local rescue and lifesaving department personnel, Radio Emergency Associated Citizens Team (REACT) members when the REACT team is under contract to a county as an emergency response agency, local law-enforcement officers, patients in State alcoholic rehabilitation centers, all full-time custodial employees of the Department of Correction, employees of the Department's Division of ~~Adult Probation and Parole~~ Community Corrections and employees of the Department of Juvenile Justice and Delinquency Prevention required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission, trainees enrolled in courses conducted under the New and Expanding Industry Program, clients of sheltered workshops, clients of adult developmental activity programs, students in Health and Human Services Development Programs, juveniles of any age committed to the Department of Juvenile Justice and Delinquency Prevention by a court of competent jurisdiction, prison inmates, and members of the North Carolina State Defense Militia as defined in G.S. 127A-5 and as administered under Article 5 of Chapter 127A of the General Statutes. Provided further, tuition shall be waived for senior citizens attending institutions operating under this Chapter as set forth in Chapter 115B of the General Statutes, Tuition Waiver for Senior Citizens. Provided further, tuition shall also be waived for all courses taken by high school students at community colleges in accordance with G.S. 115D-20(4) and this section."

SECTION 47.(f) G.S. 143B-262(c) reads as rewritten:

"(c) The Department shall establish within the Division of ~~Adult Probation and Parole~~ Community Corrections a program of Intensive Supervision. This program shall provide intensive supervision for probationers, post-release supervisees, and parolees who require close supervision in order to remain in the community pursuant to a community penalties plan, community work plan, community restitution plan, or other plan of rehabilitation. The intensive supervision program shall be available to both felons and misdemeanants. Each offender shall be required to comply with the rules adopted for the Program as well as the requirements specified in G.S. 15A-1340.11(5)."

SECTION 47.(g) G.S. 143B-478, as rewritten by Section 6 of S.L. 2001-95, reads as rewritten:

"**§ 143B-478. Governor's Crime Commission – creation; composition; terms; meetings, etc.**

(a) There is hereby created the Governor's Crime Commission of the Department of Crime Control and Public Safety. The Commission shall consist of 36 voting members and six nonvoting members. The composition of the Commission shall be as follows:

(1) The voting members shall be:
   a. The Governor, the Chief Justice of the Supreme Court of North Carolina (or his alternate), the Attorney General, the Director of the Administrative Office of the Courts, the Secretary of the Department of Health and Human Services, the Secretary of the Department of Correction, the Secretary of the Department of Juvenile Justice and Delinquency Prevention, and the Superintendent of Public Instruction;
   b. A judge of superior court, a judge of district court specializing in juvenile matters, a chief district court judge, a clerk of superior court, and a district attorney;
   c. A defense attorney, three sheriffs (one of whom shall be from a "high crime area"), three police executives (one of whom shall be from a "high crime area"), six citizens (two with knowledge of juvenile delinquency and the public school system, two of whom shall be under the age of 21 at the time of their appointment, one representative of a "private juvenile delinquency program," and one in the discretion of the Governor), three county commissioners or county officials, and three mayors or municipal officials;
   d. Two members of the North Carolina House of Representatives and two members of the North Carolina Senate.

(2) The nonvoting members shall be the Director of the State Bureau of Investigation, the Secretary of the Department of Crime Control and Public Safety, the Assistant Secretary of Intervention/Prevention of the Department of Juvenile Justice and Delinquency Prevention, the Assistant Secretary of Youth Development of the Department of Juvenile Justice and Delinquency Prevention, the Director of the Division of Prisons and the Director of the Division of ~~Adult Probation and Paroles.~~Community Corrections.

(b) The membership of the Commission shall be selected as follows:

(1) The following members shall serve by virtue of their office: the Governor, the Chief Justice of the Supreme Court, the Attorney General, the Director of the Administrative Office of the Courts, the Secretary of the Department of Health and Human Services, the Secretary of the Department of Correction, the Director of the State Bureau of Investigation, the Secretary of the Department of Crime Control and Public Safety, the Director of the Division of Prisons, the Director of the Division of ~~Adult Probation and Parole,~~Community Corrections, the Secretary of the Department of Juvenile Justice and Delinquency Prevention, the Assistant Secretary of Intervention/Prevention of the Department of Juvenile Justice and Delinquency Prevention, the Assistant Secretary of Youth Development of the Department of Juvenile Justice and Delinquency Prevention, and the Superintendent of Public Instruction. Should the Chief Justice of the Supreme Court choose not to serve, his alternate shall be selected by the Governor from a list submitted by the Chief Justice which list must contain no less than three nominees from the membership of the Supreme Court.

(2) The following members shall be appointed by the Governor: the district attorney, the defense attorney, the three sheriffs, the three police executives, the six citizens, the three county commissioners or county officials, the three mayors or municipal officials.

(3) The following members shall be appointed by the Governor from a list submitted by the Chief Justice of the Supreme Court, which list shall

contain no less than three nominees for each position and which list must be submitted within 30 days after the occurrence of any vacancy in the judicial membership: the judge of superior court, the clerk of superior court, the judge of district court specializing in juvenile matters, and the chief district court judge.

(4) The two members of the House of Representatives provided by subdivision (a)(1)d. of this section shall be appointed by the Speaker of the House of Representatives and the two members of the Senate provided by subdivision (a)(1)d. of this section shall be appointed by the President Pro Tempore of the Senate. These members shall perform the advisory review of the State plan for the General Assembly as permitted by section 206 of the Crime Control Act of 1976 (Public Law 94-503).

(5) The Governor may serve as chairman, designating a vice-chairman to serve at his pleasure, or he may designate a chairman and vice-chairman both of whom shall serve at his pleasure.

(c) The initial members of the Commission shall be those appointed under subsection (b) above, which appointments shall be made by March 1, 1977. The terms of the present members of the Governor's Commission on Law and Order shall expire on February 28, 1977. Effective March 1, 1977, the Governor shall appoint members, other than those serving by virtue of their office, to serve staggered terms; seven shall be appointed for one-year terms, seven for two-year terms, and seven for three-year terms. At the end of their respective terms of office their successors shall be appointed for terms of three years and until their successors are appointed and qualified. The Commission members from the House and Senate shall serve two-year terms effective March 1, of each odd-numbered year; and they shall not be disqualified from Commission membership because of failure to seek or attain reelection to the General Assembly, but resignation or removal from office as a member of the General Assembly shall constitute resignation or removal from the Commission. Any other Commission member no longer serving in the office from which he qualified for appointment shall be disqualified from membership on the Commission. Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, disability, or disqualification of a member shall be for the balance of the unexpired term.

(d) The Governor shall have the power to remove any member from the Commission for misfeasance, malfeasance or nonfeasance.

(e) The Commission shall meet quarterly and at other times at the call of the chairman or upon written request of at least eight of the members. A majority of the voting members shall constitute a quorum for the transaction of business."

SECTION 49.(a) G.S. 18B-1001(15), as enacted by Section 1 of S.L. 2001-262, reads as rewritten:

"(15) Wine-Tasting Permit. – A wine-tasting permit authorizes wine tastings on the premises conducted and supervised by the permittee. A wine tasting consists of the offering of a sample of one or more unfortified wine products, in amounts of no more than one ounce for each sample, without charge, to customers of the business. Representatives of the winery, which produced the wine, or the ~~grape grower~~ wine producer may assist with the tastings in a manner consistent with existing law. The Commission shall adopt rules to assure that the tastings are limited to samplings and not a subterfuge for the unlawful sale or distribution of wine, and that the tastings are not used by industry members for unlawful inducements to retail permit holders, and do not violate existing rules. Except for purposes of this subsection, the holder of a wine-tasting permit shall not be construed to hold a permit for the

on-premises sale or consumption of alcoholic beverages. Any food business is eligible for a wine-tasting permit."

SECTION 49.(b) G.S. 18B-1101(2a), as enacted by Section 2 of S.L. 2001-262, reads as rewritten:

"(2a) Receive, in closed containers, unfortified wine produced outside North Carolina under the winery's label from ~~grapes~~ grapes, berries, or other fruits owned by the winery, and sell, deliver, and ship that wine to wholesalers, exporters, and nonresident wholesalers in the same manner as its wine manufactured in North Carolina. This provision may be used only by a winery during its first three years of operation or when there is substantial damage to its ~~grapes~~ grapes, berries, or other fruits from catastrophic ~~grape~~ crop loss. This provision may be used only three years out of every 10 years and notice must be given to the Commission each time this provision is used;".

SECTION 49.(c) G.S. 18B-1114.3, as enacted by Section 4 of S.L. 2001-262, reads as rewritten:

"**§ 18B-1114.3. Authorization of wine ~~grower~~ producer permit.**

(a) Authorization. – The holder of a wine ~~grower~~ producer permit may:

(1) Ship ~~grapes~~ crops on land owned by it in North Carolina to a winery, inside or outside the State, for the manufacture and bottling of unfortified wine from those ~~grapes~~ crops and may receive that wine back in closed containers.

(2) Sell, deliver, and ship the unfortified wine manufactured from its ~~grapes~~ crops in closed containers to wholesalers and retailers licensed under this Chapter as authorized by the ABC laws and also sell to exporters and nonresident wholesalers when the purchase is not for resale in this State.

(3) Regardless of the results of any local wine election, sell the wine manufactured from its ~~grapes~~ crops for on- or off-premise consumption upon obtaining the appropriate permit under G.S. 18B-1001.

(b) Limitation on Sales. – The holder of a wine ~~grower~~ producer permit may not sell, in total, annually, more than 20,000 gallons of wine manufactured off its premises from ~~grapes~~ crops it has grown."

SECTION 49.(d) G.S. 18B-1000(10), as enacted by Section 7 of S.L. 2001-262, reads as rewritten:

"(10) Wine ~~grower.~~ producer. – A farming establishment of at least five acres committed to the production of ~~grapes~~ grapes, berries, or other fruits for the manufacture of unfortified wine."

SECTION 49.(e) G.S. 18B-1114.1 as amended by Section 3 of S.L. 2001-262, reads as rewritten:

"(a) Authorization. – The holder of an unfortified ~~winery,~~ winery permit, a limited winery permit, or a wine ~~grower~~ producer permit may obtain a winery special permit allowing the winery or wine producer to give free tastings of its wine, and to sell its wine by the glass or in closed containers, at trade shows, conventions, shopping malls, wine festivals, street festivals, holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other similar events approved by the Commission."

SECTION 49.(f) G.S. 18B-902(d) as amended by Section 6 of S.L 2001-262, reads as rewritten:

"(d) Fees. – An application for an ABC permit shall be accompanied by payment of the following application fee:

…

(34) Wine ~~grower~~ producer permit – $300.00.

(35) Wine tasting permit – $100.00."

SECTION 49.(g) G.S. 18B-1100(19) as enacted by Section 8 of S.L. 2001-262, reads as rewritten:

"(19) Wine ~~grower~~ producer permit."

SECTION 50.(a) G.S. 20-4.01(12b), as amended by Section 1 of S.L. 2001-356, reads as rewritten:

"(12b) Gross Vehicle Weight Rating (GVWR). – The value specified by the manufacturer as the maximum loaded weight ~~of a vehicle.~~ a vehicle is capable of safely hauling. The GVWR of a combination vehicle is the GVWR of the power unit plus the GVWR of the towed unit or units. When a vehicle is determined by an enforcement officer to be structurally altered in any way from the manufacturer's original ~~design,~~ design in an attempt to increase the hauling capacity of the vehicle, the GVWR of that vehicle shall be deemed to be the greater of the license weight or the total weight of the vehicle or combination of vehicles ~~may be deemed as the GVWR~~ for the purpose of enforcing this Chapter."

SECTION 50.(b) G.S. 20-30(6) reads as rewritten:

"(6) ~~To photostat or otherwise reproduce a driver's license or learner's permit or to possess a driver's license or learner's permit which has been photostated or otherwise reproduced, unless such photostat or other reproduction was authorized by the Commissioner.~~ To make a color photocopy or otherwise make a color reproduction of a drivers license, learner's permit, or special identification card which has been color-photocopied or otherwise reproduced in color, unless such color photocopy or other color reproduction was authorized by the Commissioner. It shall be lawful to make a black and white photocopy of a drivers license, learner's permit, or special identification card or otherwise make a black and white reproduction of a drivers license, learner's permit, or special identification card."

SECTION 50.(c) G.S. 20-63(b) reads as rewritten:

"(b) Every license plate shall have displayed upon it the registration number assigned to the vehicle for which it is issued, the name of the State of North Carolina, which may be abbreviated, and the year number for which it is issued or the date of expiration. A plate issued for a commercial vehicle, as defined in G.S. 20-4.2(1), and weighing 26,001 pounds or more, must bear the word "commercial," unless the plate is a special registration plate authorized in G.S. 20-79.4 or the commercial vehicle is a trailer or is licensed for 6,000 pounds or less. The plate issued for vehicles licensed for 7,000 pounds through 26,000 pounds must bear the word "weighted".

A registration plate issued by the Division for a private passenger vehicle or for a private hauler vehicle licensed for 6,000 pounds or less, other than a Friends of the Great Smoky Mountains National Park special registration plate, shall be a "First in Flight" plate. A "First in Flight" plate shall have the words "First in Flight" printed at the top of the plate above all other letters and numerals. The background of the plate shall depict the Wright Brothers biplane flying over Kitty Hawk Beach, with the plane flying slightly upward and to the right."

SECTION 50.(d) G.S. 20-101 reads as rewritten:

"**§ 20-101. Certain business vehicles to be marked.**

A motor vehicle that is subject to 49 C.F.R. Part 390, the federal motor carrier safety regulations, shall be marked as required by that Part.

A motor vehicle that is not subject to those regulations, has a gross vehicle weight rating of more than 10,000 pounds, but less than 26,001 pounds, and is used in intrastate commerce, and is not a farm vehicle, as further described in G.S. 20-118 (c)(4), (c)(5), or (c)(12), shall have the name of the owner printed on the side of the vehicle in letters not less than three inches in height.

A motor vehicle that is subject to regulation by the North Carolina Utilities Commission shall be marked as required by that Commission and as otherwise required by this section."

SECTION 50.(e) G.S. 20-118(c)(14) reads as rewritten:

"(14) Subsections (b) and (e) of this section do not apply to a vehicle that meets all of the following conditions:

a. Is hauling aggregates from a distribution yard or a State-permitted production site within a North Carolina county contiguous to the North Carolina State border to a destination in ~~an adjacent state~~ another state adjacent to that county as verified by a weight ticket in the driver's possession and available for inspection by enforcement personnel.

b. Does not operate on an interstate highway or posted bridge.

c. Does not exceed 69,850 pounds gross vehicle weight and 53,850 pounds per axle grouping for tri-axle vehicles. For purposes of this subsection, a tri-axle vehicle is a single power unit vehicle with a three consecutive axle group on which the respective distance between any two consecutive axles of the group, measured longitudinally center to center to the nearest foot, does not exceed eight feet. For purposes of this subsection, the tolerance provisions of subsection (h) of this section do not ~~apply.~~ apply, and vehicles must be licensed in accordance with G.S. 20-88.

d. All other enforcement provisions of this Article remain applicable."

SECTION 50.(f) G.S. 20-118.1 reads as rewritten:

"**§ 20-118.1. Officers may weigh vehicles and require overloads to be removed.**

A law enforcement officer may stop and weigh a vehicle to determine if the vehicle's weight is in compliance with the vehicle's declared gross weight and the weight limits set in this Part. The officer may require the driver of the vehicle to drive to a scale located within five miles of where the officer stopped the vehicle.

Any person operating a vehicle or a combination of vehicles having a GVWR of 10,001 pounds or more or any vehicle transporting hazardous materials that is required to be placarded under 49 C.F.R. § 171-180 must enter a permanent weigh station or temporary inspection or weigh site as directed by duly erected signs or an electronic transponder for the purpose of being electronically screened for compliance, or weighed, or inspected.

If the vehicle's weight exceeds the amount allowable, the officer may detain the vehicle until the overload has been removed. Any property removed from a vehicle because the vehicle was overloaded is the responsibility of the owner or operator of the vehicle. The State is not liable for damage to or loss of the removed property.

Failure to permit a vehicle to be weighed or to remove an overload is a misdemeanor of the Class set in G.S. 20-176. An officer must weigh a vehicle with a scale that has been approved by the Department of Agriculture and Consumer Services."

SECTION 50.(g) G.S. 20-142.3 reads as rewritten:

"**§ 20-142.3. Certain vehicles must stop at railroad grade ~~crossing; placarding certain vehicles.~~ crossing.**

(a) Before crossing at grade any track or tracks of a railroad, the driver of any school bus, any activity bus, any motor vehicle carrying passengers for compensation, ~~any property-hauling motor vehicle carrying hazardous materials,~~ any commercial motor vehicle listed in 49 C.F.R. § 392.10, and any motor vehicle with a capacity of 16 or more persons shall stop the vehicle within 50 feet but not less than 15 feet from the nearest rail of the railroad. While stopped, the driver shall listen and look in both directions along the track for any approaching train and shall not proceed until ~~he~~ the driver can do so safely. Upon proceeding, the driver of the vehicle shall cross the track

in a gear that allows the driver to cross the track without changing gears and the driver shall not change gears while crossing the track or tracks.

(b) Except for school buses and activity buses, the provisions of this section shall not require the driver of a vehicle to stop:

(1) At railroad tracks used exclusively for industrial switching purposes within a business district.

(2) At a railroad grade crossing which a police officer or crossing flagman directs traffic to proceed.

(3) At a railroad grade crossing protected by a gate or flashing signal designed to stop traffic upon the approach of a train, when the gate or flashing signal does not indicate the approach of a train.

(4) At an abandoned railroad grade crossing which is marked with a sign indicating that the rail line is abandoned.

(5) At an industrial or spur line railroad grade crossing marked with a sign reading "Exempt" erected by or with the consent of the appropriate State or local authority.

(c) ~~It shall be unlawful to transport by motor vehicle upon the highways of this State any hazardous material without conspicuously marking or placarding the motor vehicle on each side and on the rear with the word "DANGEROUS" or the common or generic name of the article transported or its principal hazard. Additionally, the rear of any such vehicle shall be conspicuously marked with the words "THIS VEHICLE STOPS AT RAILROAD CROSSINGS" or "WE STOP AT RR CROSSINGS."~~ A person violating the provisions of this ~~subsection~~ section shall be guilty of an infraction and punished in accordance with G.S. 20-176. Violation of this section shall not constitute negligence per se.

~~(d) "Hazardous materials," for purposes of this section only, means any hazardous material required to be placarded under 49 C.F.R. § 171-180.~~

~~(e) The provisions of this section shall not apply to vehicles subject to Federal Motor Carrier Safety rules adopted by the Division of Motor Vehicles.~~"

SECTION 51. G.S. 20-4.01(49) reads as rewritten:

"(49) Vehicle. – Every device in, upon, or by which any person or property is or may be transported or drawn upon a highway, excepting devices moved by human power or used exclusively upon fixed rails or tracks; provided, that for the purposes of this Chapter bicycles shall be deemed vehicles and every rider of a bicycle upon a highway shall be subject to the provisions of this Chapter applicable to the driver of a vehicle except those which by their nature can have no application. This term shall not include a device which is designed for and intended to be used as a means of transportation for a person with a mobility impairment, or who uses the device for mobility enhancement, is suitable for use both inside and outside a building, including on sidewalks, and ~~whose maximum speed does not exceed 12~~ is limited by design to 15 miles per hour when the device is being operated by a person with a mobility ~~impairment.~~impairment, or who uses the device for mobility enhancement."

SECTION 51.5(a) G.S. 20-11(h) is amended by adding a new subdivision to read:

"(2a) A full provisional license, if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction, has held both a learner's permit and a restricted license from another state for at least six months each, the Commissioner finds that the requirements for the learner's permit and restricted license are comparable to the requirements for a learner's permit and restricted license in this State, and the person has not been convicted during the preceding six months of a motor vehicle moving

violation, a seat belt infraction, or an offense committed in another jurisdiction that would be a moving violation or a seat belt infraction if committed in this State."

SECTION 51.5(b) This section becomes effective May 1, 2002.

SECTION 52. G.S. 20-17(a)(15) reads as rewritten:

"(15) A conviction of malicious use of an explosive or incendiary device to damage property (G.S. 14-49(b) and (b1)); ~~conspiracy to injure or damage by use of an explosive or incendiary device (G.S. 14-50);~~ making a false report concerning a destructive device in a public building (G.S. 14-69.1(c)); perpetrating a hoax concerning a destructive device in a public building (G.S. 14-69.2(c)); possessing or carrying a dynamite cartridge, bomb, grenade, mine, or powerful explosive on educational property (G.S. 14-269.2(b1)); or causing, encouraging, or aiding a minor to possess or carry a dynamite cartridge, bomb, grenade, mine, or powerful explosive on educational property (G.S. 14-269.2(c1))."

SECTION 53. G.S. 20-39.1(e), as enacted by Section 6.14(a) of S.L. 2001-424, reads as rewritten:

"(e) Upon approval and request of the Director of the State Bureau of Investigation, the Commissioner shall issue confidential license plates to local, State, or federal law enforcement ~~agencies~~ agencies, the Department of Crime Control and Public Safety, and agents of the Internal Revenue Service in accordance with the provisions of this subsection. Applicants in these categories shall provide satisfactory evidence to the Director of the State Bureau of Investigation of the following:

(1) The confidential license plate requested is to be used on a publicly owned or leased vehicle that is primarily used for transporting, apprehending, or arresting persons charged with violations of the laws of the United States or the State of North Carolina;

(2) The use of a confidential license plate is necessary to protect the personal safety of an officer or for placement on a vehicle used primarily for surveillance or undercover operations; and

(3) The application contains an original signature of the head of the requesting agency or department or, in the case of a federal agency, the signature of the senior ranking officer for that agency in this State.

Confidential license plates issued under this subsection shall be issued on an annual basis and the Division shall maintain a separate registration file for vehicles bearing confidential license plates. That file shall be confidential for the use of the Division and is not a public record within the meaning of Chapter 132 of the General Statutes. Upon the annual renewal of the registration of a vehicle for which a confidential status has been established under this section, the registration shall lose its confidential status unless the agency or department supplies the Director of the State Bureau of Investigation with information demonstrating that an officer's personal safety remains at risk or that the vehicle is still primarily used for surveillance or undercover operations at the time of renewal."

SECTION 54. G.S. 20-39.1(i), as enacted by Section 6.14 of S.L. 2001-424, reads as rewritten:

"(i) The Commissioner shall administer the issuance of private plates for ~~State-owned~~ publicly owned vehicles under the provisions of this section to ensure strict compliance with those provisions. The Division shall report to the Joint Legislative Commission on Governmental Operations by January 1 and July 1 of each year on the total number of private plates issued to each agency, and the total number of fictitious licenses and plates issued by the Division."

SECTION 55. G.S. 20-179.3(e) reads as rewritten:

"(e) Limited Basis for and Effect of Privilege. – A limited driving privilege issued under this section authorizes a person to drive if his license is revoked solely under ~~G.S.~~

~~20-17(2)~~ G.S. 20-17(a)(2) or as a result of a conviction in another jurisdiction substantially similar to impaired driving under G.S. 20-138.1; if the person's license is revoked under any other statute, the limited privilege is invalid."

SECTION 56. Effective July 1, 2002, G.S. 24-1.1A(a1), as enacted by Section 1 of S.L. 2001-340, reads as rewritten:

"(a1) Subject to federal requirements, ~~at the time a~~ when a natural person applies ~~with a lender~~ for a home ~~loan,~~loan primarily for personal, family, or household purposes, the lender shall comply with the provisions of this subsection.

(1) Not later than the date of the home loan closing or three business days after the lender receives an application for a home loan, whichever is earlier, the lender shall ~~provide~~ deliver or mail to the applicant ~~with~~ information and examples of amortization of home loans reflecting various terms in a form made available by the Commissioner of ~~Banks~~ Banks. ~~and, for fixed rate home loans only, shall provide the person an amortization schedule for the person's home loan at closing.~~ The Commissioner of Banks shall develop and make available to home loan lenders materials necessary to satisfy the provisions of this subsection.

(2) Not later than three business days after the home loan closing, the lender shall deliver or mail to the borrower an amortization schedule for the borrower's home loan. Provided, however, that a lender shall not be required to provide an amortization schedule unless the loan is a fixed rate home loan that requires the borrower to make regularly scheduled periodic amortizing payments of principal and interest; and provided further that, with respect to a construction/permanent home loan, the amortization schedule must be provided only with respect to the permanent portion of the home loan during which amortization occurs.

(3) If the home loan transaction involves more than one natural person, the lender may deliver or mail the materials required by this subsection to any one or more of such persons.

(4) This subsection does not apply if the home loan applicant is not a natural person or if the home loan is for a purpose other than a personal, family, or household purpose."

SECTION 57. G.S. 25-9-310(b), as rewritten by Section 3 of S.L. 2001-218, reads as rewritten:

"(b) Exceptions: filing not necessary. – The filing of a financing statement is not necessary to perfect a security interest:

(1) That is perfected under G.S. 25-9-308(d), (e), or (g);
(2) That is perfected under G.S. 25-9-309 when it attaches;
(3) In property subject to a statute, regulation, or treaty described in G.S. 25-9-311(a);
(4) In goods in possession of a bailee which is perfected under G.S. 25-9-312(d)(1) or (2);
(5) In certificated securities, documents, goods, or instruments which is perfected without filing or possession under G.S. 25-9-312(e), (f), or (g);
(6) In collateral in the secured party's possession under G.S. 25-9-313;
(7) In a certificated security which is perfected by delivery of the security certificate to the secured party under G.S. 25-9-313;
(8) In deposit accounts, electronic chattel paper, investment property, or letter-of-credit rights which is perfected by control under G.S. 25-9-314;
(9) In proceeds which is perfected under G.S. 25-9-315; or
(10) That is perfected under ~~G.S. 25-9-316; or~~ G.S. 25-9-316."

SECTION 58. G.S. 40A-3(c) reads as rewritten:

"(c) Other Public Condemnors. – For the public use or benefit, the following political entities shall possess the power of eminent domain and may acquire property by purchase, gift, or condemnation for the stated purposes.

…

(8) An authority created under the provisions of Article 1 of Chapter 162A for the purposes of that ~~Article, provided, however the provisions of G.S. 162A-7 shall continue to apply.~~Article.

…

(13) A regional public transportation authority established under Article 26 of Chapter 160A of the General Statutes for the purposes of that Article."

SECTION 59. Effective March 1, 2002, G.S. 44-49, as rewritten by Section 1 of S.L. 2001-377, reads as rewritten:

"**§ 44-49. Lien created; applicable to persons non sui juris.**

(a) From and after March 26, 1935, there is hereby created a lien upon any sums recovered as damages for personal injury in any civil action in this State. This lien is in favor of any person, corporation, State entity, municipal corporation or county to whom the person so recovering, or the person in whose behalf the recovery has been made, may be indebted for any drugs, medical supplies, ambulance services, services rendered by any physician, dentist, nurse, or hospital, or hospital attention or services rendered in connection with the injury in compensation for which the damages have been recovered. Where damages are recovered for and in behalf of minors or persons non compos mentis, the liens shall attach to the sum recovered as fully as if the person were sui juris.

(b) Notwithstanding subsection (a) of this section, no lien provided for under subsection (a) of this section is valid with respect to any claims whatsoever unless the physician, dentist, nurse, hospital, corporation, or other person entitled to the lien furnishes, without charge to the attorney as a condition precedent to the creation of the lien, upon request to the attorney representing the person in whose behalf the claim for personal injury is made, an itemized statement, hospital record, or medical report for the use of the attorney in the negotiation, settlement, or trial of the claim arising by reason of the personal injury, and a written notice to the attorney of the lien claimed.

(c) No action shall lie against any clerk of court or any surety on any clerk's bond to recover any claims based upon any lien or liens created under subsection (a) of this section when recovery has been had by the person injured, and no claims against the recovery were filed with the clerk by any person or corporation, and the clerk has otherwise disbursed according to law the money recovered in the action for personal injuries."

SECTION 60. G.S. 51-2(a1), as enacted by Section 2 of S.L. 2001-62, reads as rewritten:

"(a1) Persons over 16 years of age and under 18 years of age may marry, and the register of deeds may issue a license for the marriage, only after there shall have been filed with the register of deeds a written consent to the marriage, said consent having been signed by the appropriate person as follows:

(1) By a parent having full or joint legal custody of the underage party; or

(2) By a person, agency, or institution having legal custody or serving as a guardian of the underage party.

~~The written consent required by this subsection shall be either acknowledged before a notary public or signed in the presence of the register of deeds.~~ Such written consent shall not be required for an emancipated minor if a certificate of emancipation issued pursuant to Article 35 of Chapter 7B of the General Statutes or a certified copy of a final decree or certificate of emancipation from this or any other jurisdiction is filed with the register of deeds."

SECTION 61.(a) G.S. 54-109.57(a), as rewritten by Section 2 of S.L. 2001-267, reads as rewritten:

"(a) Shares may be issued to and deposits received from any person or persons establishing an account who shall execute a written agreement with the credit union containing a statement that it is executed pursuant to the provisions of this section and providing for the account to be held in the name of the person or persons as owner or owners for one or more persons designated as beneficiaries, the account and any balance thereof shall be held as a Payable on Death account, with the following incidents:

(1) Any owner during the owner's lifetime may change any designated beneficiary by a written direction to the credit union.

(1a) If there are two or more owners of a Payable on Death account, the owners shall own the account as joint tenants with right of survivorship and, except as otherwise provided in this section, the account shall have the incidents set forth in G.S. 54-109.58.

(2) Any owner may withdraw funds by writing checks or otherwise, as set forth in the account contract, and receive payment in cash or check payable to the owner's personal order.

(3) If only one beneficiary is living and of legal age at the death of the last surviving trustee, the beneficiary shall be the holder of the account, and payment by the credit union to the holder shall be a total discharge of the credit union's obligation as to the amount paid. If two or more beneficiaries are living at the death of the last surviving owner, they shall be owners of the account as joint tenants with right of survivorship as provided in G.S. 54-109.58, and payment by the credit union to the owners or to any of the owners shall be a total discharge of the credit union's obligation as to the amount paid.

(4) If one or more owners survive the last surviving beneficiary, the account shall become an individual account of the owner, or a joint account with right of survivorship of the owners and shall have the legal incidents of an individual account in the case of a single owner or a joint account with right of survivorship, as provided in G.S. 54-109.58, in the case of multiple owners.

(5) If only one beneficiary is living and that beneficiary is not of legal age at the death of the last surviving owner, the credit union shall transfer the funds in the account to the general guardian or guardian of the estate, if any, of the minor beneficiary. If no guardian of the minor beneficiary has been appointed, the credit union shall hold the funds in a similar interest bearing account in the name of the minor until the minor reaches the age of majority or until a duly appointed guardian withdraws the funds.

(6) Prior to the death of the last surviving owner, no beneficiary shall have any ownership interest in a Payable on Death account. Funds in a Payable on Death account established pursuant to this subsection shall belong to the beneficiary or beneficiaries upon the death of the last surviving owner and the funds shall be subject only to the personal representative's right of collection as set forth in G.S. 28A-15-10(a)(1). Payment by the credit union of funds in the Payable on Death account to the beneficiary shall terminate the personal representative's authority under G.S. 28A-15-10(a)(1) to collect against the credit union for the funds so paid, but the personal representative's authority to collect such funds from the beneficiary or beneficiaries is not terminated.

The person or persons establishing an account under this subsection shall sign a statement containing language set forth in a conspicuous manner and substantially similar to the following:

"CREDIT UNION (OR NAME OF INSTITUTION)

PAYABLE ON DEATH ACCOUNT
G.S. 54-109.57

I (or we) understand that by establishing a Payable on Death account under the provisions of North Carolina General Statute 54-109.57 that:

1. During my (or our) lifetime I (or ~~we)~~ we), individually or jointly, may withdraw the money in the account; and
2. By written direction to the credit union (or name of institution) I (or we), individually or jointly, may change the beneficiary or beneficiaries; and
3. Upon my (or our) death the money remaining in the account will belong to the beneficiary or beneficiaries, and the money will not be inherited by my (or our) heirs or be controlled by will.

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SECTION 61.(b) G.S. 54C-166(a), as rewritten by Section 4 of S.L. 2001-267, reads as rewritten:

"(a) If a person or persons establishing a withdrawable account executes a written agreement with the savings bank containing a statement that it is executed under this section and providing for the account to be held in the name of the person or persons as owner or owners for one or more persons designated as beneficiaries, the account and any balance of the account is held as a Payable on Death account with the following incidents:

(1) Any owner during the owner's lifetime may change any designated beneficiary by a written direction to the savings bank.

(1a) If there are two or more owners of a Payable on Death account, the owners shall own the account as joint tenants with right of survivorship and, except as otherwise provided in this section, the account shall have the incidents set forth in G.S. 54C-165.

(2) Any owner may withdraw funds by writing checks or otherwise, as set forth in the account contract, and receive payment in cash or check payable to the owner's personal order.

(3) If only one beneficiary is living and of legal age at the death of the last surviving owner, the beneficiary is the holder of the account, and payment by the savings bank to the holder is a total discharge of the savings bank's obligation as to the amount paid. If two or more beneficiaries are living at the death of the last surviving owner, they shall be owners of the account as joint tenants with right of survivorship as provided in G.S. 54C-165, and payment by the savings bank to the owners or to any of the owners shall be a total discharge of the savings bank's obligation as to the amount paid.

(4) If one or more owners survive the last surviving beneficiary, the account shall become an individual account of the owner, or a joint account with right of survivorship of the owners, and shall have the legal incidents of an individual account in the case of a single owner or a joint account with right of survivorship, as provided in G.S. 54C-165, in the case of multiple owners.

(5) If only one beneficiary is living and that beneficiary is not of legal age at the death of the last surviving owner, the savings bank shall transfer the funds in the account to the general guardian or guardian of the estate, if any, of the minor beneficiary. If no guardian of the minor beneficiary has been appointed, the savings bank shall hold the funds in a similar interest-bearing account in the name of the minor until the minor reaches the age of majority or until a duly appointed guardian withdraws the funds.

(6) Prior to the death of the last surviving owner, no beneficiary shall have any ownership interest in a Payable on Death account. Funds in a Payable on Death account established under this subsection shall belong to the beneficiary or beneficiaries upon the death of the last surviving owner and the funds shall be subject only to the personal representative's right of collection as set forth in G.S. 28A-15-10(a)(1). Payment by the savings bank of funds in the Payable on Death account to the beneficiary or beneficiaries shall terminate the personal representative's authority under G.S. 28A-15-10(a)(1) to collect against the savings bank for the funds so paid, but the personal representative's authority to collect the funds from the beneficiary or beneficiaries is not terminated.

The person or persons establishing an account under this subsection shall sign a statement containing language set forth in a conspicuous manner and substantially similar to the following:

"SAVINGS BANK (OR NAME OF INSTITUTION) PAYABLE ON DEATH ACCOUNT
G.S. 54C-166(A)

I (or we) understand that by establishing a Payable on Death account under G.S. 54C-166(a) that:

1. During my (or our) lifetime, I (or ~~we)~~ we), individually or jointly, may withdraw the money in the account; and
2. By written direction to the savings bank (or name of institution) I (or we), individually or jointly, may change the beneficiary; and
3. Upon my (or our) death the money remaining in the account will belong to the beneficiary or beneficiaries and the money will not be inherited by my (or our) heirs or be controlled by will.

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SECTION 62.(a) G.S. 55-1-40(2a), as enacted by Section 3 of S.L. 2001-387, reads as rewritten:

"(2a) 'Business entity,' as used in G.S. 55-11-10 and Article 11A of this Chapter, means a domestic corporation (including a professional corporation as defined in G.S. 55B-2), a foreign corporation, a domestic or foreign nonprofit corporation, a domestic or foreign limited liability company, a domestic or foreign limited ~~partnership as defined in G.S. 59-102,~~partnership, a registered limited liability partnership or foreign limited liability partnership as defined in G.S. 59-32, or any other partnership as defined in G.S. 59-36 whether or not formed under the laws of this State."

SECTION 62.(b) G.S. 55-7-04(a1)(2), as enacted by Section 11 of S.L. 2001-387, reads as rewritten:

"(2) If cumulative voting is authorized, the election of directors and the removal of a director unless the entire board of directors is to be removed, and if G.S. 55-7-28(e) applies to the corporation, an amendment to the articles of incorporation to deny or limit the right of shareholders to vote cumulatively and an amendment to the articles of incorporation or bylaws to decrease the number of directors."

SECTION 62.(c) G.S. 55-7-04(b), as amended by Section 11 of S.L. 2001-387, reads as rewritten:

"(b) A shareholder's written consent to action to be taken without a meeting shall cease to be effective on the sixty-first day after the date of signature appearing on the consent unless prior to the sixty-first day the corporation has received written consents sufficient under subsection (a) of this section to take the action without meeting. If not

otherwise fixed under G.S. 55-7-03 or G.S. 55-7-07, the record date for determining shareholders entitled to take action without a meeting is the earliest date ~~the first shareholder signs the consent under subsection (a).~~of signature appearing on any consent that is to be counted in satisfying the requirements of subsection (a) of this section. ~~No written consent shall be effective to evidence the action referred to therein unless, within 60 days after the earliest date appearing on a written consent delivered to the corporation in the manner required by this section, the corporation receives written consents signed by shareholders sufficient to take the action without a meeting.~~"

SECTION 62.(d) G.S. 55-11A-12, as enacted by Section 17 of S.L. 2001-387, reads as rewritten:

"**§ 55-11A-12. Articles of conversion.**

(a) After a plan of conversion has been approved by the converting domestic corporation as provided in G.S. 55-11A-11, the converting domestic corporation shall deliver articles of conversion to the Secretary of State for filing. The articles of conversion shall state:

(1) The name of the converting domestic corporation;

(2) The name of the resulting business entity, its type of business entity, the state or country whose laws govern its organization and internal affairs, and, if the resulting business entity is not authorized to transact business or conduct affairs in this State, a designation of its mailing address and a commitment to file with the Secretary of State a statement of any subsequent change in its mailing address; and

(3) That a plan of conversion has been approved by the domestic corporation as required by law.

(b) If the domestic corporation is converting to a business entity whose ~~formation~~ formation, or whose status as a registered limited liability ~~partnership,~~partnership as defined in G.S. 59-32, ~~or limited liability limited partnership, as defined in G.S. 59-102,~~ requires the filing of a document with the Secretary of State, then notwithstanding subsection (a) of this section, the articles of conversion shall be included as part of that document ~~instead of separately filing the articles of conversion.~~and shall contain the information required by the laws governing the organization and internal affairs of the resulting business entity.

(c) If the plan of conversion is abandoned after the articles of conversion have been filed with the Secretary of State but before the articles of conversion become effective, the converting domestic corporation shall deliver to the Secretary of State for filing prior to the time the articles of conversion become effective an amendment to the articles of conversion withdrawing the articles of conversion.

~~(b)~~(d) The conversion takes effect when the articles of conversion become effective.

~~(c)~~(e) Certificates of conversion shall also be registered as provided in G.S. 47-18.1."

SECTION 62.(e) G.S. 55A-1-40(20), as amended by Section 33 of S.L. 2001-387, reads as rewritten:

"(20) 'Principal office' means the office (in or out of this State) ~~so designated in the articles of incorporation, the Designation of Principal Office Address form, or in any subsequent Corporation's Statement of Change of Principal Office Address form filed with the Secretary of State~~ where the principal offices of a domestic or foreign corporation are located, as most recently designated by the domestic or foreign corporation in its articles of incorporation, a Designation of Principal Office Address form, a Corporation's Statement of Change of Principal Office Address form, or in the case of a foreign corporation, its application for a certificate of authority."

SECTION 62.(f) G.S. 55A-11-09(c) reads as rewritten:

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

(1) For each merging business entity, its name, type of business entity, and the state or country whose laws govern its organization and internal affairs;
(2) The name of the merging business entity that shall survive the merger;
(3) The terms and conditions of the merger;
(4) The manner and basis for converting the interests in each merging business entity into interests, obligations, or securities of the surviving business entity or into cash or other property in whole or in part; and
(5) If the surviving business entity is a domestic nonprofit corporation, any amendments to its articles of incorporation that are to be made in connection with the merger.

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

In the case of a merging domestic nonprofit corporation, approval of the plan of merger requires that the plan of merger be adopted as provided in G.S. 55A-11-03. If any member of a merging domestic nonprofit corporation has or will have personal liability for any existing or future obligation of the surviving business entity solely as a result of holding an interest in the surviving business entity, then in addition to the requirements of G.S. 55A-11-03, approval of the plan of merger by the domestic nonprofit corporation shall require the affirmative vote or written consent of the member. In the case of each other merging business entity, the plan of merger must be approved in accordance with the laws of the state or country governing the organization and internal affairs of such merging business entity.

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

SECTION 62.(g) G.S. 55A-15-21(a), as amended by Section 46 of S.L. 2001-387, reads as rewritten:

"(a) Whenever a foreign corporation authorized to conduct affairs in this State ceases its separate existence as a result of a statutory merger or consolidation permitted by the laws of the state or country under which it was incorporated, or converts into another entity as permitted by those laws, the surviving or resulting entity shall apply for a certificate of withdrawal for the foreign corporation by delivering to the Secretary of State for filing a copy of the articles of merger, consolidation, or conversion or a certificate reciting the facts of the merger, consolidation, or conversion duly authenticated by the secretary of state or other official having custody of corporate records in the state or country under the laws of which the foreign corporation was incorporated. If the surviving or resulting entity is not authorized to conduct affairs or transact business in this State, the articles or certificate shall be accompanied by an application which must set forth:

(1) The name of the foreign corporation authorized to conduct affairs in this State, the type of entity and the name of the surviving or resulting entity, and a statement that the surviving or resulting entity is not authorized to conduct affairs or transact business in this State;
(2) A statement that the surviving or resulting entity consents that service of process based upon any cause of action arising in this State, or arising out of affairs conducted in this State, during the time the foreign corporation was authorized to conduct affairs in this State may thereafter be made by service thereof on the Secretary of State;
(3) A mailing address to which the Secretary of State may mail a copy of any process served on the Secretary of State under subdivision (a)(2) of this section; and
(4) A commitment to file with the Secretary of State a statement of any subsequent change in its mailing address."

SECTION 62.(h) G.S. 55D-21(d), as amended by Section 163 of S.L. 2001-387, reads as rewritten:

"(d) Except as otherwise provided in this subsection, the name of a corporation dissolved under Article 14 of Chapter 55 of the General Statutes, of a nonprofit corporation dissolved under Article 14 of Chapter 55A of the General Statutes, of a limited liability company dissolved under Article 6 of Chapter 57C of the General Statutes, of a limited partnership dissolved under Part 8 of Article 5 of Chapter 59 of the General Statutes, or of a limited liability partnership whose registration as a limited liability partnership has been cancelled under G.S. 59-84.2 or revoked under G.S. 59-84.4, may not be used by another entity until:

(1) In the case of a nonjudicial dissolution other than an administrative dissolution or cancellation of registration as a limited liability partnership, 120 days after the effective date of the dissolution or cancellation.

(2) In the case of an administrative dissolution or revocation of registration as a limited liability partnership, the expiration of the period within which the entity or its registration may be reinstated.

(3) In the case of a judicial dissolution, 120 days after the later of the date the judgment has become final or the effective date of the dissolution. The person applying for the name must certify to the Secretary of State that no appeal or other judicial review of the judgment directing dissolution is pending.

The name of a dissolved entity may be used at any time if the entity changes its name to a name that is distinguishable upon the records of the Secretary of State from the names of other domestic corporations, nonprofit corporations, limited liability companies, limited partnerships, or registered limited liability partnerships or foreign corporations, foreign nonprofit corporations, foreign limited liability companies, or foreign limited partnerships authorized to transact business or conduct affairs in this State, or foreign limited liability partnerships maintaining a statement of foreign ~~registration,~~registration in this State."

SECTION 62.(i) G.S. 57C-3-04(e), as amended by Section 66 of S.L. 2001-387, reads as rewritten:

"(e) The managers ~~or directors~~ shall have the right to keep confidential from members who are not ~~managers or directors,~~managers, for such period of time as the managers ~~or directors~~ deem reasonable, any information which the managers ~~or directors~~ reasonably believe to be in the nature of trade secrets or other information the disclosure of which the managers ~~or directors~~ in good faith believe is not in the best interest of the limited liability company. The authority authorized in this subsection may be vested in directors instead of managers to the extent provided in the articles of organization or a written operating agreement."

SECTION 62.(j) G.S. 57C-3-21(3) reads as rewritten:

"(3) Upon designation as manager ~~in a written operating agreement~~ and the person's consent to such designation, the designated person shall serve as manager until the earliest to occur of (i) the person's resignation, (ii) any event described in G.S. 57C-3-02 with respect to the manager, (iii) any event specified in the articles of organization or written operating agreement that results in a manager ceasing to be a manager, or (iv) in the case of a person designated as a manager in a written operating agreement, the amendment of the written operating agreement removing the person's designation as a manager."

SECTION 62.(k) G.S. 57C-7-12(a), as amended by Section 88 of S.L. 2001-387, reads as rewritten:

"(a) Whenever a foreign limited liability company authorized to transact business in this State ceases its separate existence as a result of a statutory merger, consolidation, or conversion permitted by the laws of the state or country under which it was formed,

or converts into another type of entity as permitted by those laws, the surviving or resulting entity shall apply for a certificate of withdrawal for the foreign limited liability company by delivering to the Secretary of State for filing a copy of the articles of merger, consolidation, or conversion or a certificate reciting the facts of the merger, consolidation, or conversion, duly authenticated by the Secretary of State or other official having custody of limited liability company records in the state or country under the laws of which the foreign limited liability company was formed. If the surviving or resulting entity is not authorized to transact business or conduct affairs in this State, the articles or certificate must be accompanied by an application which must set forth:

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

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

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

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

SECTION 62.(l) G.S. 57C-3-23 reads as rewritten:

"**§ 57C-3-23. Agency power of managers.**

Every manager is an agent of the limited liability company for the purpose of its business, and the act of every manager, including execution in the name of the limited liability company of any instrument, for apparently carrying on in the usual way the business of the limited liability company of which he is a manager, binds the limited liability company, unless the manager so acting has in fact no authority to act for the limited liability company in the particular matter and the person with whom the manager is dealing has knowledge of the fact that the manager has no authority. An act of a manager that is not apparently for carrying on the usual course of the business of the limited liability company does not bind the limited liability company unless authorized in fact or ratified by ~~the managers of~~ the limited liability company."

SECTION 62.(m) G.S. 57C-3-25(b) reads as rewritten:

"(b) The documents, if any, constituting the operating agreement of a limited liability company or a foreign limited liability company authorized to transact business in this State, and records of the actions of its ~~members or~~ members, managers, directors, or executives may be authenticated by any manager of the domestic or foreign limited liability company. Any person dealing with the domestic or foreign limited liability company may rely conclusively upon the certificate or written statement of a manager authenticating the documents and records except to the extent the person has actual knowledge that the certificate or written statement is false."

SECTION 62.(n) G.S. 57C-9A-11(c), as enacted by Section 96 of S.L. 2001-387, reads as rewritten:

"(c) After a plan of conversion has been approved by a domestic limited liability company but before the articles of conversion become effective, the plan of conversion (i) may be amended as provided in the plan of ~~conversion~~ conversion, or (ii) may be abandoned, subject to any contractual rights, as provided in the plan of conversion, articles of organization, or written operating agreement or, if not so provided, as determined by the managers or directors of the domestic limited liability company in accordance with G.S. 57C-3-20(b)."

SECTION 62.(o) G.S. 57C-9A-12, as enacted by Section 96 of S.L. 2001-387, reads as rewritten:

"**§ 57C-9A-12. Articles of conversion.**

(a) After a plan of conversion has been approved by the converting domestic limited liability company as provided in G.S. 57C-9A-11, the converting domestic limited liability company shall deliver articles of conversion to the Secretary of State for filing. The articles of conversion shall state:

(1) The name of the converting domestic limited liability company;

(2) The name of the resulting business entity, its type of business entity, the state or country whose laws govern its organization and internal affairs, and, if the resulting business entity is not authorized to transact business or conduct affairs in this State, a designation of its mailing address and a commitment to file with the Secretary of State a statement of any subsequent change in its mailing address; and

(3) That a plan of conversion has been approved by the domestic limited liability company as required by law.

(b) If the domestic limited liability company is converting to a business entity whose ~~formation~~ formation, or whose status as a registered limited liability ~~partnership,~~partnership as defined in G.S. 59-32, ~~or limited liability limited partnership, as defined in G.S. 59-102,~~ requires the filing of a document with the Secretary of State, then notwithstanding subsection (a) of this section the articles of conversion shall be included as part of that document ~~instead of separately filing the articles of conversion.~~and shall contain the information required by the laws governing the organization and internal affairs of the resulting business entity.

(c) If the plan of conversion is abandoned after the articles of conversion have been filed with the Secretary of State but before the articles of conversion become effective, the converting domestic limited liability company shall deliver to the Secretary of State for filing prior to the time the articles of conversion become effective an amendment of the articles of conversion withdrawing the articles of conversion.

~~(b)~~(d) The conversion takes effect when the articles of conversion become effective.

~~(c)~~(e) Certificates of conversion shall also be registered as provided in G.S. 47-18.1."

SECTION 62.(p) G.S. 57C-9A-21(b), as amended by Section 97 of S.L. 2001-387, reads as rewritten:

"(b) In the case of a merging domestic limited liability company, the plan of merger must be approved in the manner provided in its articles of organization or a written operating agreement for approval of a merger with the type of business entity contemplated in the plan of merger, or, if there is no provision, by the unanimous consent of its members. If any member of a merging domestic limited liability company has or will have personal liability for any existing or future obligation of the surviving business entity solely as a result of holding an interest in the surviving business entity, then in addition to the requirements of the preceding sentence, approval of the plan of merger by the domestic limited liability company shall require the consent of each such member. In the case of each other merging business entity, the plan of merger must be approved in accordance with the laws of the state or country governing the organization and internal affairs of the merging business entity."

SECTION 62.(q) G.S. 59-35.2(b), as enacted in Section 170(b) of S.L. 2001-387, reads as rewritten:

"(b) Whenever the Secretary of State is deemed appointed as a ~~resisted~~ registered agent under this act or under Chapter 55D of the General Statutes, the Secretary of State shall collect a fee of ten dollars ($10.00) each time process is served on the Secretary of State under this act. The party to the proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding."

SECTION 62.(r) G.S. 59-73.11(c), as enacted by Section 108 of S.L. 2001-387, reads as rewritten:

"(c) After a plan of conversion has been approved as provided in subsection (b) of this section but before the articles of conversion ~~to domestic partnership~~ become effective, the plan of conversion may be amended or abandoned to the extent permitted by the laws that govern the organization and internal affairs of the converting business entity."

SECTION 62.(s) G.S. 59-73.12(a), as enacted by Section 108 of S.L. 2001-387, reads as rewritten:

"(a) After a plan of conversion has been approved by the converting business entity as provided in G.S. 59-73.11, the converting business entity shall deliver articles of conversion to the Secretary of State for filing. The articles of conversion shall state:

(1) That the domestic partnership is being formed pursuant to a conversion of another business entity;
(2) The name of the resulting domestic partnership, a designation of its mailing address, and a commitment to file with the Secretary of State a statement of any subsequent change in its mailing address;
(3) The name of the converting business entity, its type of business entity, and the state or country whose laws govern its organization and internal affairs; and
(4) That a plan of conversion has been approved by the converting business entity as required by law.

If the resulting domestic partnership is to be a registered limited liability partnership when the conversion takes effect, then instead of separately filing the articles of conversion, the articles of conversion shall be included as part of the application for registration filed pursuant to G.S. 59-84.2 in addition to the matters otherwise required or permitted by law.

If the plan of conversion is abandoned after the articles of conversion have been filed with the Secretary of State but before the articles of conversion become effective, the converting business entity shall deliver to the Secretary of State for filing prior to the time the articles of conversion become effective an amendment to the articles of conversion withdrawing the articles of ~~conversion to domestic partnership.~~conversion."

SECTION 62.(t) G.S. 59-73.21(c), as enacted by Section 111 of S.L. 2001-387, reads as rewritten:

"(c) After a plan of conversion has been approved by a domestic partnership but before the articles of conversion become effective, the plan of conversion (i) may be amended as provided in the plan of ~~conversion~~ conversion, or (ii) may be abandoned, subject to any contractual rights, as provided in the plan of conversion or written partnership agreement or, if not so provided, as determined in the manner necessary for approval of the plan of conversion."

SECTION 62.(u) G.S. 59-73.22, as enacted by Section 111 of S.L. 2001-387, reads as rewritten:

"**§ 59-73.22. Articles of conversion.**

(a) After a plan of conversion has been approved by the converting domestic partnership as provided in G.S. 59-73.21, the converting domestic partnership shall deliver articles of conversion to the Secretary of State for filing. The articles of conversion shall state:

(1) The name of the converting domestic partnership;
(2) The name of the resulting business entity, its type of business entity, the state or country whose laws govern its organization and internal affairs, and, if the resulting business entity is not authorized to transact business or conduct affairs in this State, a designation of its mailing address and a commitment to file with the Secretary of State a statement of any subsequent change in its mailing address; and
(3) That a plan of conversion has been approved by the domestic partnership as required by law.

(b) If the domestic partnership is converting to a business entity whose formation ~~or whose status as a limited liability limited partnership, as defined in G.S. 59-102,~~ requires the filing of a document with the Secretary of State, then notwithstanding subsection (a) of this section the articles of conversion shall be included as part of that document ~~instead of separately filing the articles of conversion.~~and shall contain the information required by the laws governing the organization and internal affairs of the resulting business entity.

(c) If the plan of conversion is abandoned after the articles of conversion have been filed with the Secretary of State but before the articles of conversion become effective, the converting domestic partnership shall deliver to the Secretary of State for filing prior to the time the articles of conversion become effective an amendment of the articles of conversion withdrawing the articles of conversion.

~~(b)~~(d) The conversion takes effect when the articles of conversion become effective.

~~(c)~~(e) Certificates of conversion shall also be registered as provided in G.S. 47-18.1."

SECTION 62.(v) G.S. 59-73.23(b)(2), as enacted by Section 111 of S.L. 2001-387, reads as rewritten:

"(2) To have appointed the Secretary of State as its agent for service of process in any such proceeding. Service on the Secretary of State of any such process shall be made by delivering to and leaving with the Secretary of State, or with any clerk authorized by the Secretary of State to accept service of process, duplicate copies of the process and the fee required by G.S. 59-35.1(f). Upon receipt of service of process on behalf of a resulting business entity in the manner provided for in this section, the Secretary of State shall immediately mail a copy of the process by registered or certified mail, return receipt requested, to the resulting business entity. If the resulting business entity is authorized to transact business or conduct affairs in this State, the address for mailing shall be its principal office designated in the latest document filed with the Secretary of State that is authorized by law to designate the principal office or, if there is no principal office on file, its registered office. If the resulting business entity is not authorized to transact business or conduct affairs in this State, the address for mailing shall be the mailing address designated pursuant to ~~G.S. 59-73.12(a)(2).~~G.S. 59-73.22(a)(2)."

SECTION 62.(w) G.S. 59-102(12), as amended by Section 121 of S.L. 2001-387, reads as rewritten:

"(12) "Person" means a natural person, domestic or foreign partnership, domestic or foreign limited partnership, domestic or foreign limited liability company, trust, estate, unincorporated association, domestic or foreign corporation, domestic or foreign nonprofit corporation, or another entity."

SECTION 62.(x) G.S. 59-102(12a), as enacted by Section 121 of S.L. 2001-387, reads as rewritten:

"(12a) "Principal office" means the office (in or out of this State) where the principal executive offices of a limited liability limited partnership or foreign limited partnership are located, in the case of a limited liability limited partnership as designated in its most recent annual report filed with the Secretary of State or, if no annual report has yet been filed, in its application for registration as a limited liability limited ~~partnership.~~partnership, or in the case of a foreign limited partnership as most recently designated in its application for registration as a foreign limited partnership or a certificate filed pursuant to G.S. 59-905."

SECTION 62.(y) G.S. 59-902, as amended by Section 159.(b) of S.L. 2001-387, reads as rewritten:

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

(1) The name of the foreign limited partnership and, if different, the name under which it proposes to register and transact business in this State;

(2) The jurisdiction and date of its formation;

(3) The date of formation and the period of duration;

(4) The street ~~address~~ address, and the mailing address if different from the street address, of the principal office of the foreign limited ~~partnership;~~partnership, and the county in which the principal office is located;

(5) The street address, and the mailing address if different from the street address, of the registered office of the foreign limited partnership in this State, the county in which the registered office is located, and the name of its proposed registered agent in this State;

(6) If the certificate of limited partnership filed in the foreign limited partnership's state of organization is not required to include the names and addresses of the partners, a list of the names and addresses or, at the election of the foreign limited partnership, a list of the names and addresses of the general partners and the address, including county and city or town, and street and number, of the office at which is kept a list of the names and addresses of the limited partners and their capital contributions, together with an undertaking by the foreign limited partnership to keep such records until such foreign limited partnership's registration in this State is cancelled;

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

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

(8a) Whether the foreign limited partnership is a foreign limited liability partnership; and

(9) The effective date and time of the registration if it is not to be effective at the time of filing of the application."

SECTION 62.(z) G.S. 59-909(a), as amended by Section 136 of S.L. 2001-387, reads as rewritten:

"(a) Whenever a foreign limited partnership authorized to transact business in this State ceases its separate existence as a result of a statutory merger or consolidation permitted by the laws of the state or country under which it was organized, or converts into another type of entity as permitted by those laws, the surviving or resulting entity shall apply for a certificate of withdrawal for the foreign limited partnership by delivering to the Secretary of State for filing a copy of the articles of merger, consolidation, or conversion or a certificate reciting the facts of the merger, consolidation, or conversion, duly authenticated by the Secretary of State or other official having custody of limited partnership records in the state or country under the

laws of which the foreign limited partnership was organized. If the surviving or resulting entity is not authorized to transact business or conduct affairs in this State, the articles or certificate must be accompanied by an application which must set forth:

(1) The name of the foreign limited partnership authorized to transact business in this State, the type of entity and name of the surviving or resulting entity, and a statement that the surviving or resulting entity is not authorized to transact business or conduct affairs in this State;

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

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

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

SECTION 62.(aa) G.S. 59-1061(b), as enacted by Section 142 of S.L. 2001-387, reads as rewritten:

"(b) The plan of conversion shall be approved by the domestic limited partnership in the manner provided for the approval of the conversion in a written partnership agreement or, if there is no provision, by the unanimous consent of its partners. If any partner of the converting domestic limited partnership has or will have personal liability for any existing or future obligation of the resulting business entity solely as a result of holding an interest in the resulting business entity, then in addition to the requirements of the preceding sentence, approval of the plan of conversion by the domestic limited partnership shall require the consent of each such partner. The converting domestic limited partnership shall provide a copy of the plan of conversion to each partner of the converting domestic limited partnership at the time provided in a written partnership agreement or, if there is no such provision, prior to its approval of the plan of conversion."

SECTION 62.(bb) G.S. 59-1062, as enacted by Section 142 of S.L. 2001-387, reads as rewritten:

"**§ 59-1062. Articles of conversion.**

(a) After a plan of conversion has been approved by the converting domestic limited partnership as provided in G.S. 59-1061, the converting domestic limited partnership shall deliver articles of conversion to the Secretary of State for filing. The articles of conversion shall state:

(1) The name of the converting domestic limited partnership;

(2) The name of the resulting business entity, its type of business entity, the state or country whose laws govern its organization and internal affairs, and, if the resulting business entity is not authorized to transact business or conduct affairs in this State, a designation of its mailing address and a commitment to file with the Secretary of State a statement of any subsequent change in its mailing address; and

(3) That a plan of conversion has been approved by the domestic limited partnership as required by law.

(b) If the domestic limited partnership is converting to a business entity whose ~~formation~~ formation, or whose status as a registered limited liability ~~partnership,~~partnership as defined in G.S. 59-32, requires the filing of a document with the Secretary of State, ~~then~~ then, notwithstanding subsection (a) of this section, the articles of conversion shall be included as part of that document ~~instead of separately filing the articles of conversion.~~and shall contain the information required by the laws governing the organization and internal affairs of the resulting business entity.

(c) If the plan of conversion is abandoned after the articles of conversion have been filed with the Secretary of State but before the articles of conversion become effective, the converting domestic limited partnership shall deliver to the Secretary of State for filing prior to the time the articles of conversion become effective an amendment of the articles of conversion withdrawing the articles of conversion.

~~(b)~~(d) The conversion takes effect when the articles of conversion become effective.

~~(c)~~(e) Certificates of conversion shall also be registered as provided in G.S. 47-18.1."

SECTION 62.(cc) G.S. 59-1072(a), as amended by Section 146 of S.L. 2001-387, reads as rewritten:

"(a) After a plan of merger has been approved by each merging domestic limited partnership and each other merging business entity as provided in G.S. 59-1071, the surviving business entity shall deliver articles of merger to the Secretary of State for filing. The articles of merger shall set forth:

(1) The plan of merger;

(2) For each merging business entity, its name, type of business entity, and the state or country whose laws govern its organization and internal affairs;

(3) The name of the surviving business entity and, if the surviving business entity is not authorized to transact business or conduct affairs in this State, a designation of its mailing address and a commitment to file with the Secretary of State a statement of any subsequent change in its mailing address;

(4) A statement that the plan of merger has been approved by each merging business entity in the manner required by law; and

(5) The effective date and time of the merger if it is not to be effective at the time of filing of the articles of merger.

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

SECTION 62.(dd) G.S. 105-232(a), as amended by Section 153 of S.L. 2001-387, reads as rewritten:

"(a) Any corporation or limited liability company whose articles of incorporation, articles of organization, or certificate of authority to do business in this State has been suspended by the Secretary of State under G.S. 105-230, that complies with all the requirements of this Subchapter and pays all State taxes, fees, or penalties due from it (which total amount due may be computed, for years prior and subsequent to the suspension, in the same manner as if the suspension had not taken place), and pays to the Secretary of Revenue a fee of twenty-five dollars ($25.00) to cover the cost of reinstatement, is entitled to exercise again its rights, privileges, and franchises in this State. The Secretary of Revenue shall notify the Secretary of State of this compliance and the Secretary of State shall reinstate the corporation or limited liability company by appropriate entry upon the records of the office of the Secretary of State. Upon entry of reinstatement, it relates back to and takes effect as of the date of the suspension by the Secretary of ~~State,~~State and the corporation or limited liability company resumes carrying on its business as if the suspension had never occurred, subject to the rights of any person who reasonably ~~relied~~ relied, ~~on~~ to that person's ~~prejudice~~ prejudice, ~~on~~ upon the suspension. The Secretary of State shall immediately notify by mail the corporation or limited liability company of the reinstatement."

SECTION 62.(ee) Section 74 of S.L. 2001-387 is repealed.

SECTION 62.(ff) Section 175(b) of S.L. 2001-387, reads as rewritten:

"**SECTION 175.(b)** The amendment to G.S. 105-232 set forth in Section 153 of this act is intended to be retroactive. Accordingly, any act performed or attempted to be

performed during the period of suspension of any corporation or limited liability company reinstated pursuant to G.S. 105-232(a) prior to January 1, 2002, shall not be deemed to be invalid and of no effect under G.S. 105-230, subject to the rights of any person who reasonably ~~relied~~ relied, ~~on~~ to that person's ~~prejudice~~ prejudice,on the suspension."

SECTION 62.(gg) This section becomes effective January 1, 2002.

SECTION 63. Effective January 1, 2002, G.S. 58-21-40(a)(4), as amended by Section 28 of S.L. 2001-203 and by Section 2.2 of S.L. 2001-451, reads as rewritten:

"(4) Countersign nonresident produced surplus lines coverages and remit premium taxes for those coverages under G.S. 58-21-70 by means satisfactory to the Commissioner; and charge the nonresident surplus lines licensee a fee for the certification and countersignature as approved by the Commissioner."

SECTION 64.(a) G.S. 74C-3(4) reads as rewritten:

"(4) "Courier service profession" means any person, firm, association, or corporation which transports or offers to transport from one place or point to another place or point documents, papers, maps, stocks, bonds, checks, or other small items of value which require expeditious service for a fee or other valuable consideration. ~~This definition does not include a person operating a courier service pursuant to a motor carrier certificate or permit issued by the North Carolina Utilities Commission which grants operating rights for such service; however, armed~~ Armed courier service guards shall be subject to the provisions of G.S. 74C-13."

SECTION 64.(b) G.S. 74C-6 reads as rewritten:

"**§ 74C-6. Position of ~~Administrator~~ Director created.**

The position of ~~Administrator~~ Director of the Private Protective Services Board is hereby created within the Department of Justice. The Attorney General shall appoint a person to fill this full-time position. The ~~Administrator's~~ Director's duties shall be to administer the directives contained in this Chapter and the rules promulgated by the Board to implement this Chapter and to carry out the administrative duties incident to the functioning of the Board in order to actively police the private protective services industry to ensure compliance with the law in all aspects."

SECTION 64.(c) G.S. 74C-8 reads as rewritten:

"**§ 74C-8. Applications for an issuance of license.**

(a) Any person, firm, association, or corporation desiring to carry on or engage in the private protective services profession in this State shall make a verified application in writing to the Board.

(b) The application shall include:

(1) Full name, home address, post office box, and the actual street address of the business of the applicant;

(2) The name under which the applicant intends to do business;

(3) A statement as to the general nature of the business in which the applicant intends to engage;

(4) The full name and address of any partners in the business and the principal officers, directors and business manager, if any;

(5) The names of not less than three unrelated and disinterested persons as references of whom inquiry can be made as to the character, standing, and reputation of the persons making the application;

(6) Such other information, evidence, statements, or documents as may be required by the Board; and

(7) Accompanying trainee permit applications only, a notarized statement signed by the applicant and his employer stating that the trainee applicant will at all times work with and under the direct supervision of a licensed private detective.

(c) (1) A business entity other than a sole proprietorship shall not do business under this Chapter unless the business entity has in its employ a designated resident qualifying agent who meets the requirements for a license issued under this Chapter and who is, in fact, licensed under the provisions of this Chapter, unless otherwise approved by the Board. Provided however, that this approval shall not be given unless the business entity has and continuously maintains in this State a registered agent who shall be an individual resident in this State. Service upon the registered agent appointed by the business entity of any process, notice, or demand required by or permitted to be served upon the business entity by the Private Protective Services Board shall be binding upon the business entity and the licensee. Nothing herein contained shall limit or affect the right to serve any process, notice, or demand required or permitted by law to be served upon a business entity in any other manner now or hereafter permitted by law.

(2) For the purposes of the Chapter a qualifying agent means an individual in a management position who is licensed under this Chapter and whose name and address have been registered with the ~~Administrator.~~Director.

(3) In the event that the qualifying agent upon whom the business entity relies in order to do business ceases to perform his duties as qualifying agent, the business entity shall notify the ~~Administrator~~ Director within 10 working days. The business entity must obtain a substitute qualifying agent within 30 days after the original qualifying agent ceases to serve as qualifying agent unless the Board, in its discretion, extends this period, for good cause, for a period of time not to exceed three months.

(4) The certificate authorizing the business entity to engage in a private protective services profession shall list the name of at least one designated qualifying agent. No licensee shall serve as the qualifying agent for more than one business entity without prior approval of the ~~Administrator,~~Director, subject to the approval of the Board.

(d) Upon receipt of an application, the Board shall conduct a background investigation during the course of which the applicant shall be required to show that he meets all the following requirements and qualifications hereby made prerequisite to obtaining a license:

(1) That he is at least 18 years of age;

(2) That he is of good moral character and temperate habits. The following shall be prima facie evidence that the applicant does not have good moral character or temperate habits: conviction by any local, State, federal, or military court of any crime involving the illegal use, carrying, or possession of a firearm; conviction of any crime involving the illegal use, possession, sale, manufacture, distribution, or transportation of a controlled substance, drug, narcotic, or alcoholic beverage; conviction of a crime involving felonious assault or an act of violence; conviction of a crime involving unlawful breaking or entering, burglary, larceny, or any offense involving moral turpitude; or a history of addiction to alcohol or a narcotic drug; provided that, for purposes of this subsection, "conviction" means and includes the entry of a plea of guilty or no contest or a verdict rendered in open court by a judge or jury;

(3) Repealed by Session Laws 1989, c. 759, s. 6.

(4) That he has the necessary training, qualifications, and experience in order to determine the applicant's competency and fitness as the Board may determine by rule for all licenses to be issued by the Board.

(e) The Board may require the applicant to demonstrate his qualifications by oral or written examination or by successful completion of a Board-approved training program, or all three.

(f) Upon a finding that the application is in proper form, the completion of the background investigation, and the completion of an examination required by the Board, the ~~Administrator~~ Director shall submit to the Board the application and his recommendations. Upon completion of the background investigation, the Director may in his discretion issue a temporary license pending approval of the application by the Board at the next regularly scheduled meeting. The Board shall determine whether to approve or deny the application for a license. Upon approval by the Board, a license will be issued to the applicant upon payment by the applicant of the initial license fee and the required contribution to the Private Protective Services Recovery Fund, and certificate of liability insurance.

(1) through (5) Repealed by Session Laws 1989, c. 759, s. 6.

(g) Except for purposes of administering the provisions of this section and for law enforcement purposes, the home address or telephone number of an applicant, licensee, or the spouse, children, or parents of an applicant or licensee is confidential under G.S. 132-1.2, and the Board shall not disclose this information unless the applicant or licensee consents to such disclosure. The provisions of this subsection shall not apply when a licensee's home address or telephone number is also his or her business address and telephone number. Violation of this subsection shall constitute a Class 3 misdemeanor."

SECTION 64.(d) G.S. 74C-9 reads as rewritten:

"**§ 74C-9. Form of license; term; renewal; posting; branch offices; not assignable; late renewal fee.**

(a) The license when issued shall be in such form as may be determined by the Board and shall state:

(1) The name of the licensee,

(2) The name under which the licensee is to operate, and

(3) The number and expiration date of the license.

(b) The license shall be issued for a term of one year. A trainee permit shall be issued for a term of one year. All licenses must be renewed prior to the expiration of the term of the license. Following issuance, the license shall at all times be posted in a conspicuous place in the licensee's principal place of business, in North Carolina, unless for good cause exempted by the ~~Administrator.~~Director. A license issued under this Chapter is not assignable.

(c) Repealed by Session Laws 1989, c. 759, s. 7.

(d) The operator or manager of any branch office shall be properly licensed or registered. The license shall be posted at all times in a conspicuous place in the branch office. This license shall be issued for a term of one year. Every business covered under the provisions of this Chapter shall file in writing with the Board the addresses of each of its branch offices, if any, within 10 working days after the establishment, closing, or changing of the location of any branch office. The ~~Administrator~~ Director may, upon the successful completion of an investigation of the application, issue a temporary branch office license pending approval of the application by the Board.

(e) The Board is authorized to charge reasonable application and license fees as follows:

(1) A nonrefundable initial application fee in an amount not to exceed one hundred fifty dollars ($150.00);

(2) A new or renewal license fee in an amount not to exceed two hundred fifty dollars ($250.00);

(3) A new or renewal trainee permit fee in an amount not to exceed two hundred fifty dollars ($250.00);

(4) A new or renewal fee for each license or duplicate license in addition to the basic license referred to in subsection (2) in an amount not to exceed fifty dollars ($50.00);
(5) A late renewal fee to be paid in addition to the renewal fee due in an amount not to exceed one hundred dollars ($100.00), if the license has not been renewed on or before the expiration date of the licensee;
(6) A new, renewal, replacement or reissuance fee for an unarmed registration identification card in an amount not to exceed thirty dollars ($30.00);
(7) An application fee for an armed security guard firearm registration permit not to exceed fifty dollars ($50.00);
(8) A new, renewal, replacement, or reissuance fee for an armed security guard firearm registration permit not to exceed thirty dollars ($30.00);
(9) An application fee for certification as a certified trainer not to exceed fifty dollars ($50.00);
(10) A renewal or replacement fee for certified trainer certification not to exceed twenty-five dollars ($25.00);
(11) A new nonresident temporary permit fee not to exceed one hundred dollars ($100.00);
(12) An unarmed registration transfer fee not to exceed fifteen dollars ($15.00);
(13) A branch office license fee not to exceed fifty dollars ($50.00); and
(14) A special limited guard and patrol license fee not to exceed one hundred dollars ($100.00).

Except as provided in G.S. 74C-13(k), all fees collected pursuant to this section shall be expended, under the direction of the Board, for the purpose of defraying the expenses of administering this Chapter.

(f) A license or trainee permit granted under the provisions of this Chapter may be renewed by the Private Protective Services Board upon notification by the licensee or permit holder to the ~~Administrator~~ Director of intended renewal, the payment of the proper fee, and evidence of a policy of liability insurance as prescribed in G.S. 74C-10(e).

The renewal shall be finalized before the expiration date of the license. In no event will renewal be granted more than three months after the date of expiration of a license or trainee permit.

(g) Upon notification of approval of his application by the Board, an applicant must furnish evidence that he has obtained the necessary liability insurance required by G.S. 74C-10 and obtain the license applied for or his application shall lapse.

(h) Trainee permits shall not be issued to applicants that qualify for a private detective license. A licensed private detective may supervise no more than five trainees at any given time."

SECTION 64.(e) G.S. 74C-10(h) reads as rewritten:

"(h) Every licensee shall at all times maintain on file with the Board the certificate of insurance required by this Chapter in full force and effect and upon failure to do so, the license of such licensee shall be automatically suspended and shall not be reinstated until an application therefor, in the form prescribed by the Board, is filed together with a proper insurance certificate.

No cancellation or refusal to renew by an insurer of a licensee under this Chapter shall be effective unless the insurer has given the insured licensee notice of the cancellation or refusal to renew. Upon termination of insurance coverage for said licensee, the insurer shall give notice to the ~~Administrator~~ Director of the Board."

SECTION 64.(f) G.S. 74C-11 reads as rewritten:

"**§ 74C-11. Registration of permanent and temporary employees; unarmed security guard required to have registration card.**

(a) All licensees shall register their employees who will be engaged in providing private protective services covered by this Chapter with the Board within 20 days after the employment begins, unless the ~~Administrator,~~Director, in his discretion, extends the time period, for good cause. To register an employee, a licensee must give the Board the following:

(1) Set(s) of classifiable fingerprints on standard F.B.I. applicant cards; recent photograph(s) of acceptable quality for identification; and

(2) Statements of any criminal records obtained from the appropriate authority in each area where the employee has resided within the immediately preceding 48 months.

(b) A security guard and patrol company may not employ an unarmed security guard unless the guard has a registration card issued under subsection (d) of this section. A person engaged in a private protective services profession may not employ an armed security guard unless the guard has a firearm registration permit issued under G.S. 74C-13.

(c) The ~~Administrator~~ Director shall be notified in writing of the termination of any employee registered under subsection (a) within 10 days after said termination.

(d) An unarmed security guard shall make application to the ~~Administrator~~ Director for an unarmed registration card which the ~~Administrator~~ Director shall issue to said applicant after receipt of the information required to be submitted by his employer pursuant to subsection (a), and after meeting any additional requirements which the Board, in its discretion, deems to be necessary. The unarmed security guard registration card shall be in the form of a pocket card designed by the Board, shall be issued in the name of the applicant, and may have the applicant's photograph affixed thereto. The unarmed security guard registration card shall expire one year after its date of issuance and shall be renewed every year. If an unarmed registered security guard is terminated by a licensee and changes employment to another security guard and patrol company, the security guard's registration card shall remain valid, provided the security guard pays the unarmed guard registration transfer fee to the Board and a new unarmed security guard registration card is issued. An unarmed security guard whose transfer registration application and transfer fee have been sent to the Board may work with a copy of the transfer application until the registration card is issued.

(e) Notwithstanding the provisions of this section, a licensee may employ a person properly registered or licensed as an unarmed security guard in another state for a period not to exceed 10 days in any given month; provided the licensee, prior to employing the unarmed security guard, submits to the ~~Administrator~~ Director the name, address, and social security number of the unarmed guard and the name of the state of current registration or licensing, and the ~~Administrator~~ Director approves the employment of the unarmed guard in this State.

(f) Notwithstanding the provisions of this section, a licensee may employ a person as an unarmed security guard for a period not to exceed 30 days in any given calendar year without registering that employee in accordance with this section; provided that the licensee submits to the ~~Administrator~~ Director a quarterly report, within 30 days after the end of the quarter in which the temporary employee worked, which provides the ~~Administrator~~ Director with the name, address, social security number, and dates of employment of such employee."

SECTION 64.(g) G.S. 74C-12 reads as rewritten:

"**§ 74C-12. Denial, suspension, or revocation of license, registration, or permit.**

(a) The Board may, after compliance with Chapter 150B of the General Statutes, deny, suspend or revoke a license, registration, or permit issued under this Chapter if it is determined that the applicant, licensee, registrant, or permit holder has:

(1) Made any false statement or given any false information in connection with any application for a license, registration, or permit or for the renewal or reinstatement of a license, registration, or permit;

(2) Violated any provision of this Chapter;

(3) Violated any rule promulgated by the Board pursuant to the authority contained in this Chapter;
(4) Repealed by Session Laws 1989, c. 759, s. 10.
(5) Impersonated or permitted or aided and abetted any other person to impersonate a law enforcement officer of the United States, this State, any other state, or any political subdivision of a state;
(6) Engaged in or permitted any employee to engage in a private protective services profession when not lawfully in possession of a valid license issued under the provisions of this Chapter;
(7) Willfully failed or refused to render to a client service as agreed between the parties and for which compensation has been paid or tendered in accordance with the agreement of the parties;
(8) Knowingly made any false report to the employer or client for whom information is being obtained;
(9) Committed an unlawful breaking or entering, assault, battery, or kidnapping;
(10) Knowingly violated or advised, encouraged, or assisted the violation of any court order or injunction in the course of business as a licensee;
(11) Repealed by Session Laws 1989, c. 759, s. 10.
(12) Undertaken to give legal advice or counsel or to in any way falsely represent that he is representing any attorney or he is appearing or will appear as an attorney in any legal proceeding;
(13) Issued, delivered, or uttered any simulation of process of any nature which might lead a person or persons to believe that such simulation – written, printed, or typed – may be a summons, warrant, writ or court process, or any pleading in any court proceeding;
(14) Failed to make the required contribution to the Private Protective Services Recovery Fund or failed to maintain the certificate of liability insurance required by this Chapter;
(15) Violated the firearm provisions set forth in this Chapter;
(16) Repealed by Session Laws 1989, c. 759, s. 10.
(17) Failed to notify the ~~Administrator~~ Director by a business entity other than a sole proprietorship licensed pursuant to this Chapter of the cessation of employment of the business entity's qualifying agent within the time set forth in this Chapter;
(18) Failed to obtain a substitute qualifying agent by a business entity within 30 days after its qualifying agent has ceased to serve as the business entity's qualifying agent;
(19) Been judged incompetent by a court having jurisdiction under Chapter 35A or former Chapter 35 of the General Statutes or committed to a mental health facility for treatment of mental illness, as defined in G.S. 122C-3, by a court under G.S. 122C-271;
(20) Failed or refused to offer a report to a client within 30 days of the client's written request;
(21) Been previously denied a license, registration, or permit under this Chapter or previously had a license, registration, or permit revoked for cause;
(22) Engaged in a private protective services profession under a name other than the name under which the license was obtained under the provisions of this Chapter;
(23) Divulged to any person, except as required by law, any information acquired by him except at the direction of the employer or client for whom the information was obtained. A licensee may divulge to any law enforcement officer or district attorney or his representative any

information the law enforcement officer may require to investigate a criminal offense with the prior approval and consent of the client;

(24) Fraudulently held himself out as employed by or licensed by the State Bureau of Investigation or any other governmental authority;

(25) Intemperate habits or lacks good moral character. The acts that are prima facie evidence of intemperate habits or lack of good moral character under G.S. 74C-8(d)(2) are prima facie evidence of the same under this subdivision;

(26) Advertised or solicited business using a name other than that in which the license was issued;

(27) Worn, carried, or accepted any badge or shield purporting to indicate that the person is a private detective or private investigator while licensed under the provisions of this Chapter as a private investigator.

(b) The denial, revocation, or suspension of a license, registration, or permit by the Board shall be in writing, be signed by the ~~Administrator~~ Director of the Board, and state the grounds upon which the Board decision is based. The aggrieved person shall have the right to appeal from this decision as provided in Chapter 150B of the General Statutes.

(c) The following persons may not be issued a license, registration, or permit under this Chapter:

(1) A sworn court official.

(2) A holder of a company police commission under Chapter 74E of the General Statutes."

SECTION 64.(h) G.S. 74C-13 reads as rewritten:

"**§ 74C-13. Armed security guard required to have firearm registration permit; security guard training.**

(a) It shall be unlawful for any person performing the duties of an armed security guard to carry a firearm in the performance of those duties without first having met the qualifications as set forth in this section and having been issued a firearm registration permit by the Board. For the purposes of this section, the following terms are defined:

(1) "Armed security guard" means an individual employed by a contract security company or a proprietary security organization whose principal duty is that of an armed security watchman; armed armored car service guard; armed alarm system company responder; private detective; or armed courier service guard who at any time wears, carries, or possesses a firearm in the performance of duty.

(2) "Contract security company" means any person, firm, association, or corporation engaging in a private protective services profession that provides services on a contractual basis for a fee or other valuable consideration to any other person, firm, association, or corporation.

(3) "Proprietary security organization" means any person, firm, association, or corporation or department thereof which employs security guards, alarm responders, armored car personnel, or couriers who are employed regularly and exclusively as an employee by an employer in connection with the business affairs of such employer.

(b) It shall be unlawful for any person, firm, association, or corporation and its agents and employees to employ an armed security guard and knowingly authorize or permit him to carry a firearm during the course of performing his duties as an armed security guard if the Board has not issued him a firearm registration permit under this section or if the person, firm, association, or corporation permits an armed security guard to carry a firearm during the course of performing his duties whose firearm registration permit has been suspended, revoked, or has otherwise expired:

(1) An armed security guard firearm registration permit grants authority to the armed security guard, while in the performance of his duties or ~~travelling~~ traveling directly to and from work, to carry a standard .38

caliber or .32 caliber revolver or any other firearm approved by the Board and not otherwise prohibited by law. The use of any firearm not approved by the Board is prohibited.

(2) All firearms carried by authorized armed security guards in the performance of their duties shall be owned or leased by the employer. Personally owned firearms shall not be carried by an armed security guard in the performance of his duties.

(c) The applicant for an armed security guard firearm registration permit shall submit an application to the Board on a form provided by the Board.

(d) Each armed security guard firearm registration permit issued under this section shall be in the form of a pocket card designed by the Board and shall identify the contract security company or proprietary security organization by whom the holder of the firearm registration permit is employed. An armed security guard firearm registration permit expires one year after the date of its issuance and must be renewed annually unless the permit holder's employment terminates before the expiration of the permit.

(e) If the holder of an armed security guard firearm registration permit terminates his employment with the contract security company or proprietary security organization, the firearm registration permit expires and must be returned to the Board within 15 working days of the date of termination of the employee.

(f) A contract security company or proprietary security organization shall be allowed to employ an individual for 30 days as an armed security guard pending completion of the firearms training required by this Chapter, if the contract security company or proprietary security organization obtains prior approval from the ~~Administrator.~~Director. The Board and the Attorney General shall provide by rule the procedure by which a contract security company or a proprietary security organization applicant may be issued a temporary firearm registration permit by the ~~Administrator~~ Director of the Board pending a determination by the Board of whether to grant or deny an applicant a firearm registration permit.

(g) The Board may suspend, revoke, or deny an armed security guard firearm registration permit if the holder or applicant has been convicted of any crime involving moral turpitude or any crime involving the illegal use, carrying, or possession of a deadly weapon or for violation of this section or rules promulgated by the Board to implement this section. The ~~Administrator~~ Director may summarily suspend an armed security guard firearm registration permit pending resolution of charges involving the illegal use, carrying, or possession of a firearm lodged against the holder of the permit.

(h) The Board and the Attorney General shall establish a training program for armed security guards to be conducted by agencies and institutions approved by the Board and the Attorney General. The Board and the Attorney General may approve training programs conducted by a contract security company and the security department of a proprietary security organization, if the contract security company or security department of a proprietary security organization offers the courses listed in subdivision (1) of this subsection and if the instructors of the training program are certified trainers approved by the Board and the Attorney General:

(1) The basic training course approved by the Board and the Attorney General shall consist of a minimum of four hours of classroom training which shall include:

a. Legal limitations on the use of hand guns and on the powers and authority of an armed security guard,

b. Familiarity with this section,

c. Range firing and procedure and hand gun safety and maintenance, and

d. Any other topics of armed security guard training curriculum which the Board deems necessary.

(2) An applicant for an armed security guard firearm registration permit must fire a minimum qualifying score to be determined by the Board and the Attorney General on any approved target course approved by the Board and the Attorney General.

(3) An armed security guard must complete a refresher course and shall requalify on the prescribed target course prior to the renewal of his firearm registration permit.

(4) The Board and the Attorney General shall have the authority to promulgate all rules necessary to administer the provisions of this section concerning the training requirements of this section.

(i) The Board may not issue an armed security guard firearm registration permit to an applicant until the applicant's employer submits evidence satisfactory to the Board that the applicant:

(1) Has satisfactorily completed an approved training course.

(2) Meets all the qualifications established by this section and by the rules promulgated to implement this section.

(3) Is mentally and physically capable of handling a firearm within the guidelines set forth by the Board and the Attorney General.

(j) The Board and the Attorney General are authorized to prescribe reasonable rules to implement this section, including rules for periodic requalification with the firearm and for the maintenance of records relating to persons issued an armed security guard firearm registration permit by the Board.

(k) All fees collected pursuant to G.S. 74C-9(e)(7) and (8) shall be expended, under the direction of the Board, for the purpose of defraying the expense of administering the firearms provisions of this Chapter.

(l) The Board and the Attorney General shall establish a training program for certified trainers to be conducted by agencies and institutions approved by the Board and the Attorney General. The Board or the Attorney General shall have the authority to promulgate all rules necessary to administer the provisions of this subsection.

(1) The Board and the Attorney General shall also establish renewal requirements for certified trainers.

(2) No certified trainer shall certify an armed security guard unless the armed security guard has successfully completed the training requirements set out above in subsection (h) of this section.

(m) The Board and the Attorney General shall establish a training program for unarmed security guards to be conducted by agencies and institutions approved by the Board and the Attorney General. The Board and the Attorney General shall have the authority to promulgate all rules necessary to administer the provisions of this subsection."

SECTION 64.(i) G.S. 74C-15(a) reads as rewritten:

"(a) Upon the issuance of a license or trainee permit, a pocket identification card of design, size, and content approved by the Board shall be issued by the Board without charge to each licensee or trainee. The holder must have this card in his possession at all times when he is on duty and working within the scope of his employment. When a licensee or trainee to whom a card has been issued terminates his position as a licensee or trainee, the card must be surrendered to the ~~Administrator~~ Director of the Board within 10 working days thereafter."

SECTION 64.(j) G.S. 74C-18(b) reads as rewritten:

"(b) The ~~Administrator,~~Director, in his discretion and subject to the approval of the Board, may issue a temporary permit to a nonresident who has complied with the provisions of G.S. 74C-10 and who is validly licensed in another state to engage in a private protective service activity incidental to a specific case originating in another state. A temporary permit may be issued for a period of no more than 30 days and may be renewed. A temporary permit may contain such restrictions which the Board, in its discretion, deems appropriate."

SECTION 65.(a) G.S. 74D-5.1 reads as rewritten:

"**§ 74D-5.1. Position of ~~Administrator~~ Director created.**

The position of ~~Administrator~~ Director of the Alarm Systems Licensing Board is hereby created within the Department of Justice. The Attorney General shall appoint a person to fill this full-time position. The ~~Administrator's~~ Director's duties shall be to administer the directives contained in this Chapter and the rules promulgated by the Board to implement this Chapter and to carry out the administrative duties incident to the functioning of the Board in order to actively police the alarm systems industry to insure compliance with the law in all aspects. The ~~Administrator~~ Director may issue a temporary grant or denial of a request for registration subject to final action by the Board at its next regularly scheduled meeting."

SECTION 65.(b) G.S. 74D-7(d) reads as rewritten:

"(d) Any branch office of an alarm systems business shall obtain a branch office certificate. A separate certificate stating the location and licensed qualifying agent shall be posted at all times in a conspicuous place in each branch office. Every business covered under the provisions of this Chapter shall file in writing with the Board the addresses of each of its branch offices. All licensees of a branch office shall notify the Board in writing, within 10 working days after the establishment, closing, or changing of the location of any branch office. A licensed qualifying agent may be responsible for more than one branch office of an alarm systems business with the prior approval of the Board. Temporary approval may be granted by the ~~Administrator,~~Director, upon application of the qualifying agent, for a period of time not to exceed 10 working days after the adjournment of the next regularly scheduled meeting of the Board unless the Board determines that the application should be denied."

SECTION 65.(c) G.S. 74D-8 reads as rewritten:

"**§ 74D-8. Registration of persons employed.**

(a) (1) All licensees of an alarm systems business shall register with the Board within 20 days after the employment begins, all of the licensee's employees that are within the State, unless in the discretion of the ~~Administrator,~~Director, the time period is extended for good cause. To register an employee, a licensee shall submit to the Board as to the employee: set(s) of classifiable fingerprints on standard F.B.I. applicant cards; recent color photograph(s) of acceptable quality for identification; and statements of any criminal records obtained from the appropriate authority in each area where the employee has resided within the immediately preceding 48 months.

(2) Except during the period allowed for registration in subdivision (a)(1) of this section, no alarm systems business may employ any employee unless the employee's registration has been approved by the Board as set forth in this section.

(b) The ~~Administrator~~ Director shall be notified in writing of the termination of any employee registered under this Chapter within 20 days after the termination.

(c) The Board shall issue a registration card to each employee of a licensee who is registered under this Chapter. The registration card shall expire two years after its date of issuance and shall be renewed before the expiration of the term of the registration. If a registered person changes employment to another licensee, the registration card may remain valid; however, persons changing employment must pay the fee authorized by G.S. 74D-7(e)(5).

(d) If all required documents, properly completed, have been submitted to the Board no later than 20 days after an employee begins employment, the employer of each applicant for registration shall give the applicant a copy of the complete application which the employee can use until a registration card issued by the Board is received."

SECTION 66.(a) G.S. 95-230 reads as rewritten:

"**§ 95-230. Purpose.**

The General Assembly finds that individuals should be protected from unreliable and inadequate examinations and screening for controlled substances. The General Assembly also finds that employers who test employees for controlled substances shall use reliable and minimally invasive examinations and screenings and be afforded the opportunity to select from a range of cost-effective and advanced drug testing technologies. The purpose of this Article is to establish procedural and other requirements for the administration of controlled substance examinations."

SECTION 66.(b) The Commissioner of Labor shall adopt, within 30 days of the effective date of this act, temporary rules allowing employers who are subject to Article 20 of Chapter 95 of the General Statutes to collect the oral fluids of examinees as samples in connection with examinations and screenings for controlled substances.

SECTION 67.(a) G.S. 105-164.4B, as enacted by Section 6 of S.L. 2001-430, is recodified as G.S. 105-164.4C.

SECTION 67.(b) G.S. 105-164.4(a)(4c), as rewritten by Section 4 of S.L. 2001-430, reads as rewritten:

"(4c) The rate of four and one-half percent (4.5%) applies to the gross receipts derived from providing telecommunications service. A person who provides telecommunications service is considered a retailer under this Article. Telecommunications service is taxed in accordance with ~~G.S. 105-164.4B.~~G.S. 105-164.4C."

SECTION 67.(c) G.S. 105-164.4C(f), as enacted by S.L. 2001-430 and recodified by Section 67.(a) of this act, reads as rewritten:

"(f) Call Center Cap. – The gross receipts tax on interstate telecommunications service that originates outside this State, terminates in this State, and is provided to a call center that has a direct pay ~~certificate~~ permit issued by the Department under G.S. 105-164.27A may not exceed fifty thousand dollars ($50,000) a calendar year. This cap applies separately to each legal entity."

SECTION 67.(d) G.S. 105-164.44F, as enacted by S.L. 2001-430, is amended by renumbering subsection (d) as subsection (e) and by adding a new subsection to read:

"(d) Share of Cities Served by a Telephone Membership Corporation. – The share of a city served by a telephone membership corporation, as described in Chapter 117 of the General Statutes, is computed as if the city was incorporated on or after January 1, 2001, under subsection (b) of this section. If a city is served by a telephone membership corporation and another provider, then its per capita share under this subsection applies only to the population of the area served by the telephone membership corporation."

SECTION 67.(e) The introductory language to Section 13 of S.L. 2001-430 reads as rewritten:

"**SECTION 13.** ~~G.S. 105-467~~ G.S. 105-467(a), as amended by S.L. 2001-347, is amended by adding a new subdivision to read:"

SECTION 67.(f) This section becomes effective January 1, 2002.

SECTION 68. G.S. 105-187.6(a), as amended by Section 34.24 of S.L. 2001-424, reads as rewritten:

"(a) Full Exemptions. – The tax imposed by this Article does not apply when a certificate of title is issued as the result of a transfer of a motor vehicle:

(1) To the insurer of the motor vehicle under G.S. 20-109.1 because the vehicle is a salvage vehicle.

(2) To either a manufacturer, as defined in G.S. 20-286, or a motor vehicle retailer for the purpose of resale.

(3) To the same owner to reflect a change or correction in the owner's name.

(3a) To one or more of the same co-owners to reflect the removal of one or more other co-owners, when there is no consideration for the transfer.

(4) By will or intestacy.

(5) By a gift between a husband and wife, a parent and child, or a stepparent and a stepchild.
(6) By a distribution of marital or divisible property incident to a marital separation or divorce.
(7) To a handicapped person from the Department of Health and Human Services after the vehicle has been equipped by the Department for use by the handicapped.
(8) To a local board of education for use in the driver education program of a public school when the motor vehicle is transferred:
a. By a retailer and is to be transferred back to the retailer within 300 days after the transfer to the local board.
b. By a local board of education.
(9) To a volunteer fire department or volunteer rescue squad that is not part of a unit of local government, has no more than two paid employees, and is exempt from State income tax under G.S. 105-130.11, when the motor vehicle is one of the following:
a. A fire truck, a pump truck, a tanker truck, or a ladder truck used to suppress fire.
b. A four-wheel drive vehicle intended to be mounted with a water tank and hose and used for forest fire fighting.
c. An emergency services vehicle."

SECTION 69.(a) G.S. 105-228.5(e), as amended by Section 34.22(a) of S.L. 2001-424, reads as rewritten:

"(e) Report and Payment. – Each taxpayer doing business in this State shall, within the first 15 days of March, file with the Secretary of Revenue a full and accurate report of the total gross premiums as defined in this section, the payroll and other information required by the Secretary in the case of a self-insurer, or the total gross collections from membership dues exclusive of receipts from cost plus plans collected in this State during the preceding calendar year. ~~The report shall be verified by the oath of the official or other representative responsible for transmitting it; the~~The taxes imposed by this section shall be remitted to the Secretary with the report."

SECTION 69.(b) G.S. 105-164.4B(c), as enacted by S.L. 2001-430, and as recodified as G.S. 105-164.4C(c), is amended by adding a new subdivision to read:

"(16) Charges to a State agency or to a local unit of government for the North Carolina Information Highway and other data networks owned or leased by the State or unit of local government."

SECTION 69.(c) This section becomes effective January 1, 2002.

SECTION 70. G.S. 105-311, as rewritten by Section 3 of S.L. 2001-279, reads as rewritten:

"(b) Any abstract submitted by mail may be accepted or rejected by the assessor in ~~his~~ the assessor's discretion. However, the board of county commissioners, with the approval of the Department of Revenue, may by resolution provide for the general acceptance of completed abstracts submitted by mail or submitted electronically. In no event shall an abstract submitted by mail be accepted unless the affirmation on the abstract is signed by the individual prescribed in subsection (a) of this section. An electronic listing may be signed electronically in accordance with the Electronic Commerce Act, Article 11A of Chapter 66 of the General Statutes.

For the purpose of this Subchapter, abstracts submitted by mail are considered filed as of the date shown on the postmark affixed by the United States Postal Service. If no date is shown on the postmark, or if the postmark is not affixed by the United States Postal Service, the abstract is considered filed when received in the office of the assessor. Abstracts submitted by electronic listing are considered filed when received in the office of the assessor. In any dispute arising under this Subchapter, the burden of proof is on the taxpayer to show that the abstract was timely filed."

SECTION 71. G.S. 106-503.1(b) reads as rewritten:

"(b) Contracts and Leases; Pledge of Gate Receipts, etc. – For the further purpose of acquiring, constructing, operating and financing said properties and facilities on the North Carolina State fairgrounds, the Board of Agriculture may enter into such agreements, contracts and leases as may be necessary for the purpose of this section, and may pledge, appropriate, and pay such sums out of the gate receipts or other revenues coming to the State Board of Agriculture from the operation of any facilities of the State fair as may be required to secure, repay, or meet the principal and interest charges on the loan herein authorized. Prior to execution, the Board of Agriculture shall consult with the Joint Legislative Commission on Governmental Operations on all agreements, contracts, and leases authorized under this subsection. The preceding sentence applies only to agreements, contracts, and leases with an estimated revenue to the State of one hundred thousand dollars ($100,000) or more."

SECTION 72. G.S. 110-136.5(d) reads as rewritten:

"(d) Notice to payor and obligor. If an order for income withholding is entered, a notice of obligation to withhold shall be served on the payor as required by G.S. 1A-1, ~~Rule 4,~~Rule 5, Rules of Civil Procedure. Copies of such notice shall be filed with the clerk of court and served upon the obligor by first class mail."

SECTION 73. G.S. 113-44.15(b), as amended by Section 1 of S.L. 2001-114, reads as rewritten:

"(b) Funds in the Trust Fund are annually appropriated to the North Carolina Parks and Recreation Authority and, unless otherwise specified by the General Assembly or the terms or conditions of a gift or grant, shall be allocated and used as follows:

(1) Sixty-five percent (65%) for the State Parks System for capital projects, repairs and renovations of park facilities, and land acquisition.

(2) Thirty percent (30%) to provide matching funds to local governmental units or public authorities as defined in G.S. 159-7 on a dollar-for-dollar basis for local park and recreation purposes. The ~~approved~~ appraised value of land that is donated to a local government unit or public authority may be applied to the matching requirement of this subdivision. These funds shall be allocated by the North Carolina Parks and Recreation Authority based on criteria patterned after the Open Project Selection Process established for the Land and Water Conservation Fund administered by the National Park Service of the United States Department of the Interior.

(3) Five percent (5%) for the Coastal and Estuarine Water Beach Access Program.

In allocating funds in the Trust Fund under this subsection, the North Carolina Parks and Recreation Authority shall consider geographic distribution across the State to the extent practicable. Of the funds appropriated to the North Carolina Parks and Recreation Authority from the Trust Fund each year, no more than three percent (3%) may be used by the Department for operating expenses associated with managing capital improvements projects, acquiring land, and administration of local grants programs."

SECTION 74.(a) G.S. 115C-290.6, as rewritten by Section 28.25(e) of S.L. 2001-424, reads as rewritten:

"**§ 115C-290.6. Application to the State Board of Education.**

An individual who seeks ~~to be recommended by the Standards Board for~~ certification by the State Board of ~~Education,~~Education shall file a written application on a form provided by the State Board of Education. The application shall be accompanied by the required application and exam fees and shall include any information required by the Board."

SECTION 74.(b) G.S. 115C-290.8(c), as rewritten by Section 28.25(g) of S.L. 2001-424, reads as rewritten:

"(c) A person who is exempt from the requirements of this Article but applies for certification under this Article shall be subject to the Article."

SECTION 74.(c) G.S. 115C-325(a)(5a), as enacted by Section 28.24(b) of S.L. 1998-212 and rewritten by Section 67.1(a) of S.L. 1998-217 and by Section 32.25(b) of S.L. 2001-424, reads as rewritten:

"(a) Definition of Terms. – As used in this section unless the context requires otherwise:

…

(5a) **(Effective until June 30, 2003)** "Retired teacher" means a beneficiary of the Teachers' and State Employees' Retirement System of North Carolina who has been retired at least six months, has not been employed in any capacity, other than as a substitute ~~teacher,~~teacher or a part-time tutor, with a local board of education for at least six months, immediately preceding the effective date of reemployment, is determined by a local board of education to have had satisfactory performance during the last year of employment by a local board of education, and who is employed to teach as provided in G.S. 135-3(8)c. A retired teacher shall be treated the same as a probationary teacher except that a retired teacher is not eligible for career status."

SECTION 75. G.S. 115C-391(d3) reads as rewritten:

"(d3) A local board of education or superintendent shall suspend for 365 calendar days any student who, by any means of communication to any person or group of persons, makes a report, knowing or having reason to know the report is false, that there is located on educational property or at a school-sponsored curricular or extracurricular activity off educational property any device designed to destroy or damage property by explosion, blasting, or burning, or who, with intent to perpetrate a hoax, conceals, places, or displays any device, machine, instrument, or artifact on educational property or at a school-sponsored curricular or extracurricular activity off educational property, so as to cause any person reasonably to believe the same to be a bomb or other device capable of causing injury to persons or property. The local board upon recommendation by the superintendent may modify either suspension requirement on a case-by-case basis that includes, but is not limited to, the procedures established for the discipline of students with disabilities and may also provide, or contract for the provision of, educational services to any student suspended under this subsection in an alternative school setting or in another setting that provides educational and other services. For purposes of this subsection and subsection (d1) of this section, the term "educational property" has the same definition as in G.S. 14-269.2(a)(1)."

SECTION 76. G.S. 115D-1.1(a)(2)a., as enacted by Section 2 of S.L. 2001-312, reads as rewritten:

"a. The local board of education, or the board's designee, for the ~~public~~ local school administrative unit in which the student is enrolled."

SECTION 77. G.S. 120-2(d), as rewritten by S.L. 2001-459, reads as rewritten:

"(d) If any precinct boundary is changed, that change shall not change the boundary of a ~~senatorial~~ house district, which shall remain the same."

SECTION 78. G.S. 120-20.1(a) reads as rewritten:

"(a) Whenever in any act:

(1) It is stated ~~that a~~ that:

a. A law "reads as rewritten:"; or

b. Laws "read as rewritten:"; and

(2) The law is set out showing material struck through or underlined, or both

the material struck through is being deleted from the existing law, and the material underlined is being added to the existing law."

SECTION 79. G.S. 120-36.8 is transferred to a new Article 7B of Chapter 120 of the General Statutes and reads as rewritten:

"Article 7B.

"Research Division.

"**§ 120-36.8. Certification of legislation required by federal law.**

(a) Every bill and resolution introduced in the General Assembly proposing any change in the law which purports to implement federal law or to be required or necessary for compliance with federal law, or on which is conditioned the receipt of federal funds shall have attached to it at the time of its consideration by the General Assembly a certification prepared by the ~~Fiscal~~ Research Division, in consultation with the Bill Drafting and Fiscal Research Divisions, identifying the federal law requiring passage of the bill or resolution. The certification shall contain a statement setting forth the reasons why the bill or resolution is required by federal law. If the bill or resolution is not required by federal law or exceeds the requirements of federal law, then the certification shall state the reasons for that opinion. No comment or opinion shall be included in the certification with regard to the merits of the measure for which the certification is prepared. However, technical and mechanical defects may be noted.

(b) The sponsor of each bill or resolution to which this section applies shall present a copy of the bill or resolution with the request for certification to the ~~Fiscal~~ Research Division. Upon receipt of the request and the copy of the bill or resolution, the ~~Fiscal~~ Research Division shall consult with the Bill Drafting and Fiscal Research Divisions, and may consult with the Office of State Budget, Planning, and Management or any State agency on preparation of the certification as promptly as possible. The ~~Fiscal~~ Research Division shall prepare the certification and transmit it to the sponsor within two weeks after the request is made, unless the sponsor agrees to an extension of time.

(c) This certification shall be attached to the original of each proposed bill or resolution that is reported favorably by any committee of the General Assembly, but shall be separate from the bill or resolution and shall be clearly designated as a certification. A certification attached to a bill or resolution pursuant to this section is not a part of the bill or resolution and is not an expression of legislative intent proposed by the bill or resolution.

(d) If a committee of the General Assembly reports favorably a proposed bill or resolution with an amendment proposing any change in the law which purports to implement federal law or to be required or necessary for compliance with federal law, the chair of the committee shall obtain from the ~~Fiscal~~ Research Division and attach to the amended bill or resolution a certification as provided in this section."

SECTION 79.5. G.S. 122C-117(a), as amended by Section 1.10 of S.L. 2001-437, is amended by adding the following new subdivision to read:

"(13) Coordinate with Treatment Accountability for Safer Communities for the provision of services to criminal justice clients."

SECTION 80.(a) G.S. 122C-181(c), as enacted by Section 1.19 of S.L. 2001-437, reads as rewritten:

"(c) Closure of a State facility under subsection (b) of this section becomes effective on the earlier of the 31st legislative day or the day of adjournment of the next regular session of the General Assembly that begins at least 10 days after the date the closure is approved, unless a different effective date applies under this subsection. If a bill that specifically disapproves the State facility closure is introduced in either house of the General Assembly before the thirty-first legislative day of that session, the closure becomes effective on the earlier of either the day an unfavorable final action is taken on the bill or the day that session of the General Assembly adjourns without ratifying a bill that specifically disapproves the State facility closure. If the Secretary specifies a later effective date for closure than the date that would otherwise apply under this subsection, the later date applies. Closure of a State facility does not become effective if the closure is specifically disapproved by a bill ~~ratified by the General~~

~~Assembly~~ enacted into law before it becomes effective. Notwithstanding any rule of either house of the General Assembly, any member of the General Assembly may introduce a bill during the first 30 legislative days of any regular session to disapprove closure of a facility that has been approved by the Governor and Council of State as provided in subsection (b) of this section. Nothing in this subsection shall be construed to impair the Secretary's power or duty otherwise imposed by law to close a State facility temporarily for the protection of health and safety."

SECTION 80.(b) G.S. 150B-21.3 reads as rewritten:

"**§ 150B-21.3. Effective date of rules.**

(a) Temporary Rule. – A temporary rule becomes effective on the date the Codifier of Rules enters the rule in the North Carolina Administrative Code.

(b) Permanent Rule. – A permanent rule approved by the Commission becomes effective on the earlier of the thirty-first legislative day or the day of adjournment of the next regular session of the General Assembly that begins at least 25 days after the date the Commission approved the rule, unless a different effective date applies under this section. If a bill that specifically disapproves the rule is introduced in either house of the General Assembly before the thirty-first legislative day of that session, the rule becomes effective on the earlier of either the day an unfavorable final action is taken on the bill or the day that session of the General Assembly adjourns without ratifying a bill that specifically disapproves the rule. If the agency adopting the rule specifies a later effective date than the date that would otherwise apply under this subsection, the later date applies. A permanent rule that is not approved by the Commission or that is specifically disapproved by a bill ~~ratified by the General Assembly~~ enacted into law before it becomes effective does not become effective.

A bill specifically disapproves a rule if it contains a provision that refers to the rule by appropriate North Carolina Administrative Code citation and states that the rule is disapproved. Notwithstanding any rule of either house of the General Assembly, any member of the General Assembly may introduce a bill during the first 30 legislative days of any regular session to disapprove a rule that has been approved by the Commission and that either has not become effective or has become effective by executive order under subsection (c) of this section.

(c) Executive Order Exception. – The Governor may, by executive order, make effective a permanent rule that has been approved by the Commission and has not become effective under subsection (b) of this section upon finding that it is necessary that the rule become effective in order to protect public health, safety, or welfare. A rule made effective by executive order becomes effective on the date the order is issued or at a later date specified in the order. When the Codifier of Rules enters in the North Carolina Administrative Code a rule made effective by executive order, the entry must reflect this action.

A rule that is made effective by executive order remains in effect unless it is specifically disapproved by the General Assembly in a bill ~~ratified~~ enacted into law on or before the day of adjournment of the regular session of the General Assembly that begins at least 25 days after the date the executive order is issued. A rule that is made effective by executive order and that is specifically disapproved by a bill ~~ratified by the General Assembly~~ enacted into law is repealed as of the date specified in the bill. If a rule that is made effective by executive order is not specifically disapproved by a bill ~~ratified by the General Assembly~~ enacted into law within the time set by this subsection, the Codifier of Rules must note this in the North Carolina Administrative Code.

(d) Legislative Day and Day of Adjournment. – As used in this section:

(1) A "legislative day" is a day on which either house of the General Assembly convenes in regular session.

(2) The "day of adjournment" of a regular session held in an odd-numbered year is the day the General Assembly adjourns by joint resolution for more than 10 days.

(3) The "day of adjournment" of a regular session held in an even-numbered year is the day the General Assembly adjourns sine die.

(e) OSHA Standard. – A permanent rule concerning an occupational safety and health standard that is adopted by the Occupational Safety and Health Division of the Department of Labor and is identical to a federal regulation promulgated by the Secretary of the United States Department of Labor becomes effective on the date the Division delivers the rule to the Codifier of Rules, unless the Division specifies a later effective date. If the Division specifies a later effective date, the rule becomes effective on that date.

(f) Technical Change. – A permanent rule for which no notice or hearing is required under G.S. 150B-21.5(a)(1) through (a)(5) or G.S. 150B-21.5(b) becomes effective on the first day of the month following the month the rule is approved by the Rules Review Commission."

SECTION 82. Effective January 1, 2002, G.S. 128-26(e) reads as rewritten:

"(e) Creditable service at retirement on which the retirement allowance of a member shall be based shall consist of the membership service rendered by him since he last became a member, and also if he has a prior service certificate which is in full force and effect, the amount of the service certified on his prior service certificate; and if he has sick leave standing to his credit upon retirement on or after July 1, 1971, one month of credit for each 20 days or portion ~~thereof not to exceed 12 days of credit for each year of prior and membership service or fraction~~ thereof, but sick leave shall not be counted in computing creditable service for the purpose of determining eligibility for disability retirement or for a vested deferred allowance.

On and after July 1, 1971, a member whose account was closed on account of absence from service under the provisions of G.S. 128-24(1a) and who subsequently returns to service for a period of five years, may thereafter repay the amount withdrawn plus regular interest thereon from the date of withdrawal through the year of repayment and thereby increase his creditable service by the amount of creditable service lost when this account was closed.

On and after July 1, 1973, a member whose account in the Teachers' and State Employees' Retirement System was closed on account of absence from service under the provisions of G.S. 135-3(3) and who subsequently became or becomes a member of this System with credit for five years of service, may thereafter repay in a lump sum the amount withdrawn from the Teachers' and State Employees' Retirement System plus regular interest thereon from the date of withdrawal through the year of repayment and thereby increase his creditable service in this System by the amount of creditable service lost when his account was closed.

Notwithstanding any other provision of this Chapter, any member who entered service or was restored to service prior to July 1, 1982, and was excluded from membership service solely on account of having attained the age of 62 years, in accordance with former G.S. 128-24(3a), may purchase membership service credits for such excluded service by making a lump-sum payment equal to the contributions that would have been deducted pursuant to G.S. 128-30(b) had he been a member of the Retirement System, increased by interest calculated at a rate of seven percent (7%) per annum. Creditable service for unused sick leave shall be allowed only for sick leave accrued monthly during employment under a duly adopted sick leave policy and for which the member may be able to take credits and be paid for sick leave without restriction.

On and after January 1, 1986, the creditable service of a member who was a member of the Law Enforcement Officers' Retirement System at the time of the transfer of law enforcement officers employed by participating employers from that System to this Retirement System and whose accumulated contributions are transferred from that System to this Retirement System, includes service that was creditable in the Law Enforcement Officers' Retirement System; and membership service with that System is

membership service with this Retirement System; provided, notwithstanding any provisions of this Article to the contrary, any inchoate or accrued rights of such a member to purchase creditable service for military service, withdrawn service and prior service under the rules and regulations of the Law Enforcement Officers' Retirement System may not be diminished and may be purchased as creditable service with this Retirement System under the same conditions that would have otherwise applied."

SECTION 83. G.S. 130A-110(a), as amended by Section 15 of S.L. 2001-62, reads as rewritten:

"(a) On or before the fifteenth day of the month, the register of deeds shall transmit to the State Registrar a record of each marriage ceremony performed ~~in the county~~ during the preceding calendar ~~month.~~month for which a license was issued by the register of deeds. The State Registrar shall prescribe a form containing the information required by G.S. 51-16 and additional information to conform with the requirements of the federal agency responsible for national vital statistics. The form shall be the official form of a marriage license, certificate of marriage and application for marriage license."

SECTION 84.(a) G.S. 130A-235(a), as amended by S.L. 2001-109, reads as rewritten:

"(a) For protection of the public health, the Commission shall adopt rules to establish sanitation requirements for all institutions and facilities at which individuals are provided room or board and for which a license to operate is required to be obtained or a certificate for payment is obtained from the Department. The rules shall also apply to facilities that provide room and board to individuals but are exempt from licensure under G.S. 131D-10.4(1). No other State agency may adopt rules to establish sanitation requirements for these institutions and facilities. The Department shall issue a license to operate or a certificate for payment to such an institution or facility only upon compliance with all applicable sanitation rules of the Commission, and the Department may suspend or revoke a license or a certificate for payment for violation of these rules. In adopting rules pursuant to this section, the Commission shall define categories of standards to which such institutions and facilities shall be subject and shall establish criteria for the placement of any such institution or facility into one of the categories. This section shall not apply to State institutions and facilities subject to inspection under G.S. 130A-5(10). This section shall not apply to a single-family dwelling that is used for a family foster home or a therapeutic foster home, as those terms are defined in ~~G.S. 131D-10.2, or a therapeutic home. For purposes of this section, "therapeutic home" means a 24 hour residential facility located in a private residence that provides professionally trained parent substitutes who work intensively with children and adolescents who are emotionally disturbed or who have a substance abuse problem.~~G.S. 131D-10.2."

SECTION 84.(b) G.S. 131D-10.2 is amended by adding a new subdivision to read:

"(14) "Therapeutic Foster Home" means a family foster home where, in addition to the provision of foster care, foster parents who receive appropriate training provide a child with behavioral health treatment services under the supervision of a county department of social services, an area mental health program, or a licensed private agency and in compliance with licensing rules adopted by the Commission."

SECTION 85.(a) G.S. 131D-4.3(a)(5), as amended by Section 1 of S.L. 2001-85, reads as rewritten:

"(5) Adult care homes shall comply with all of the following staffing requirements:

a. First shift (morning): 0.4 hours of aide duty for each resident (licensed capacity or resident census), or 8.0 hours of aide duty per each 20 residents (licensed capacity or resident

census) plus 3.0 hours for all other residents, whichever is greater;

b. Second shift (afternoon): 0.4 hours of aid duty for each resident (licensed capacity or resident census), or 8.0 hours of aide duty per each 20 residents plus 3.0 hours for all other residents (licensed capacity or resident census), whichever is greater;

c. Third shift (evening): 8.0 hours of aide duty per 30 or fewer residents (licensed capacity or resident census).

In addition to these requirements, the facility shall provide staff to meet the needs of the facility's heavy care residents equal to the amount of time reimbursed by Medicaid. As used in this subdivision, the term "heavy care resident" means an individual residing in an adult care home who is defined "heavy care" by Medicaid and for which the facility is receiving enhanced Medicaid payments for such needs. Each facility shall post in a conspicuous place information about required staffing that enables residents and their families to ascertain each day the number of direct care staff and supervisors that are required by law to be on duty for each shift for that day."

SECTION 85.(b) G.S. 131E-114.1, as enacted by Section 2 of S.L. 2001-85, reads as rewritten:

"**§ 131E-114.1. Posting of information indicating number of staff on duty.**

Every nursing home subject to licensure under this Part shall post in a conspicuous place in the nursing home information about required staffing that enables residents and their families to readily ascertain each day the number of direct care staff and supervisors that are required by law to be on duty ~~for each shift~~ for that day."

SECTION 85.5. G.S. 135-39.5 is amended by adding a new subdivision to read:

"(27) The Executive Administrator may establish pilot programs to measure potential cost savings and improvements in patient care available through local, provider-driven medical management."

SECTION 86.(a) G.S. 135-40.2(b)(12) reads as rewritten:

"(12) Notwithstanding the provisions of G.S. 135-40.11, former employees covered by the provisions of G.S. 135-40.2(a)(6), and their spouses and eligible dependent children who were covered by the Plan at the time of the former employees' separation from service pursuant to G.S. 135-40.2(a)(6), following expiration of the former employees' coverage provided by G.S. 135-40.2(a)(6). Election of coverage under this subdivision shall be made within 90 days after the termination of coverage provided under G.S. 135-40.2(a)(6)."

SECTION 86.(b) G.S. 135-40.6(8)b. reads as rewritten:

"b. Private Duty Nursing: Services of licensed nurses (not immediate relatives or members of the participant's household or private duty nursing used in lieu of or as a substitute for hospital staff nurses) ordered by the attending doctor for a condition requiring skilled nursing services. Private Duty Nursing ordered must be approved in advance by the Claims Processor as medically necessary. Allowances for Private Duty Nursing shall not exceed the lesser of the Plan's usual, customary and reasonable allowances or ninety percent (90%) of the daily semiprivate rate at skilled nursing facilities as determined by the Plan."

SECTION 87. G.S. 143-64.60, as enacted by Section 1 of S.L. 2001-256, reads as rewritten:

"**§143-64.60. State Privacy Act.**

(a) It is unlawful for any State or local government agency to deny to any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose his social security account number.

The provisions of this ~~section~~ subsection shall not apply with respect to:

(1) Any disclosure which is required or permitted by federal statute, or

(2) The disclosure of a social security number to any State or local agency maintaining a system of records in existence and operating before January 1, 1975, if such disclosure was required under statute or regulation adopted prior to such date to verify the identity of an individual.

(b) Any State or local government agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it."

SECTION 88. G.S. 143-129(e), as rewritten by Section 1 of S.L. 2001-328, reads as rewritten:

"(e) Exceptions. – The requirements of this Article do not apply to:

(1) The purchase, lease, or other acquisition of any apparatus, supplies, materials, or equipment from: (i) the United States of America or any agency thereof; or (ii) any other government unit or agency thereof within the United States. The Secretary of Administration or the governing board of any political subdivision of the State may designate any officer or employee of the State or political subdivision to enter a bid or bids in its behalf at any sale of apparatus, supplies, materials, equipment, or other property owned by: (i) the United States of America or any agency thereof; or (ii) any other governmental unit or agency thereof within the United States. The Secretary of Administration or the governing board of any political subdivision of the State may authorize the officer or employee to make any partial or down payment or payment in full that may be required by regulations of the governmental unit or agency disposing of the property.

(2) Cases of special emergency involving the health and safety of the people or their property.

(3) Purchases made through a competitive bidding group purchasing program, which is a formally organized program that offers competitively ~~bid~~ obtained purchasing services at discount prices to two or more public agencies.

(4) Construction or repair work undertaken during the progress of a construction or repair project initially begun pursuant to this section.

(5) Purchase of gasoline, diesel fuel, alcohol fuel, motor oil, fuel oil, or natural gas. These purchases are subject to G.S. 143-131.

(6) Purchases of apparatus, supplies, materials, or equipment when: (i) performance or price competition for a product are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration. Notwithstanding any other provision of this section, the governing board of a political subdivision of the State shall approve the purchases listed in the preceding sentence prior to the award of the contract.

In the case of purchases by hospitals, in addition to the other exceptions in this subsection, the provisions of this Article shall not apply when: (i) a particular medical item or prosthetic appliance is needed; (ii) a particular product is ordered by an attending physician for his patients; (iii) additional products are needed to complete an ongoing job or task; (iv) products are purchased for "over-the-counter"

resale; (v) a particular product is needed or desired for experimental, developmental, or research work; or (vi) equipment is already installed, connected, and in service under a lease or other agreement and the governing body of the hospital determines that the equipment should be purchased. The governing body of a hospital shall keep a record of all purchases made pursuant to this ~~subsection.~~subdivision. These records are subject to public inspection.

(7) Purchases of information technology through contracts established by the State Office of Information Technology Services as provided in G.S. 147-33.82(b) and G.S. 147-33.92(b).

(8) Guaranteed energy savings contracts, which are governed by Article 3B of Chapter 143 of the General Statutes.

(9) Purchases from contracts established by the State or any agency of the State, if the contractor is willing to extend to a political subdivision of the State the same or more favorable prices, terms, ~~or~~ and conditions as established in the State contract.

(10) Purchase of used apparatus, supplies, materials, or equipment. For purposes of this subdivision, ~~remanufactured or refabricated~~ remanufactured, refabricated or demo apparatus, supplies, materials, or equipment are not included in the exception. A demo item is one that is used for demonstration and is sold by the manufacturer or retailer at a discount."

SECTION 89. G.S. 143-166.13(a) reads as rewritten:

"(a) The following persons who are subject to the Criminal Justice Training and Standards Act are entitled to benefits under this Article:

(1) State Government Security Officers, Department of Administration;
(2) State Correctional Officers, Department of Corrections;
(3) State Probation and Parole Officers, Department of Corrections;
(4) Sworn State Law-Enforcement Officers with the power of arrest, Department of Corrections;
(5) Alcohol Law-Enforcement Agents, Department of Crime Control and Public Safety;
(6) State Highway Patrol Officers, Department of Crime Control and Public Safety;
(7) State Legislative Building Special Police, General Assembly;
(8) Sworn State Law-Enforcement Officers with the power of arrest, Department of Health and Human Services;
(9) ~~Youth Correctional Officers, Department of Health and Human Services;~~ Juvenile Justice Officers, Department of Juvenile Justice and Delinquency Prevention;
(10) Insurance Investigators, Department of Insurance;
(11) State Bureau of Investigation Officers and Agents, Department of Justice;
(12) Director and Assistant Director, License and Theft Enforcement Section, Division of Motor Vehicles, Department of Transportation;
(13) Members of License and Theft Enforcement Section, Division of Motor Vehicles, Department of Transportation, designated by the Commissioner of Motor Vehicles as either "inspectors" or uniformed weigh station personnel;
(14) Utilities Commission Transportation Inspectors and Special Investigators;
(15) North Carolina Ports Authority Police, Department of Commerce;
(16) Sworn State Law-Enforcement Officers with the power of arrest, Department of Environment and Natural Resources;

(17) Sworn State Law-Enforcement Officers with the power of arrest, Department of Crime Control and Public Safety.
(18) Sworn State Law-Enforcement Officers with the power of arrest, Department of Revenue.
(19) Sworn State Law-Enforcement Officers with the power of arrest, University System."

SECTION 90. G.S. 143-661(b), as rewritten by Section 23.6.(b) of S.L. 2001-424, reads as rewritten:

"(b) The Board shall consist of ~~20~~ 21 members, appointed as follows:

(1) ~~Four~~ Five members appointed by the Governor, including one member who is a director or employee of a State correction agency for a term to begin September 1, 1996 and to expire on June 30, 1997, one member who is an employee of the North Carolina Department of Crime Control and Public Safety for a term beginning September 1, 1996 and to expire on June 30, 1997, and one member selected from the North Carolina Association of Chiefs of Police for a term to begin September 1, 1996 and to expire on June 30, 1999, ~~and~~ one member who is an employee of the Department of Juvenile Justice and Delinquency ~~Prevention.~~Prevention, and one member who represents the Division of Motor Vehicles.

…"

SECTION 90.5. G.S. 143B-148, as amended by Section 1.21(b) of S.L. 2001-437, reads as rewritten:

"**§ 143B-148. Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services – members; selection; quorum; compensation.**

(a) The Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services shall consist of ~~26~~29 members:

(1) ~~Four~~Six of whom shall be appointed by the General Assembly, ~~two~~three upon the recommendation of the Speaker of the House of Representatives, and ~~two~~three upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. These members shall be individuals who are concerned about the needs of individuals for mental health, developmental disabilities, and substance abuse services. Members shall serve for two-year terms beginning July 1 of odd-numbered years. A member shall serve not more than three consecutive two-year terms. Vacancies in appointments made by the General Assembly shall be filled in accordance with G.S. 120-122;

(2) ~~Twenty-two~~Twenty-three of whom shall be appointed by the Governor, one from each congressional district in the State in accordance with G.S. 147-12(3)b, and ~~10~~the remainder at-large members.

a. Of these ~~22~~23 members, three shall have a special interest in mental health, three shall have a special interest in mental retardation, three shall have a special interest in developmental disabilities other than mental retardation, three shall have a special interest in alcohol abuse and alcoholism and three shall have a special interest in drug abuse. Each group of three shall be made up of one member who is a consumer representative; one other who is a representative of a local or State citizen organization or association; and one other who is a professional in the field.

b. The remaining ~~seven~~eight members shall be appointed from the general public, other citizen groups, area mental health,

developmental disabilities, and substance abuse authorities, or from other related agencies.

c. Of these ~~22~~23 appointments, at least one shall be a licensed physician and at least one other shall be a licensed attorney.

d. ~~The Governor shall appoint members to the Commission in accordance with the foregoing provisions.~~ The terms of all Commission members appointed or reappointed by the Governor on or after July 1, 2002, shall be ~~four~~ two years. ~~The initial term of the person representing the 12th Congressional District shall begin January 3, 1993, and expire June 30, 1996.~~ All Commission members shall serve their designated terms and until their successors are duly appointed and qualified. All Commission members may succeed themselves. A member shall serve not more than three consecutive terms.

(3) All appointments shall be made pursuant to current federal rules and regulations, when not inconsistent with State law, which prescribe the selection process and demographic characteristics as a necessary condition to the receipt of federal aid.

(b) Except as otherwise provided in this section, the provisions of G.S. 143B-13 through 143B-20 relating to appointment, qualifications, terms and removal of members shall apply to all members of the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services.

(c) Commission members shall receive per diem, travel and subsistence allowances in accordance with G.S. 138-5 and G.S. 138-6, as appropriate.

(d) A majority of the Commission shall constitute a quorum for the transaction of business.

(e) All clerical and other services required by the Commission shall be supplied by the Secretary of the Department of Health and Human Services."

SECTION 91.(a) G.S. 143B-475.1 is recodified as G.S. 143B-262.4.

SECTION 91.(b) G.S. 143B-262.4, as recodified by Section 91(a) of this act, reads as rewritten:

"**§ ~~143B-475.1.~~143B-262.4. Deferred prosecution, community service restitution, and volunteer program.**

(a) The Department of ~~Crime Control and Public Safety~~ Correction may conduct a deferred prosecution, community service restitution, and volunteer program for youthful and adult offenders. The Secretary of ~~Crime Control and Public Safety~~ Correction may assign one or more coordinators to each district court district as defined in G.S. 7A-133 to assure and report to the Court the offender's compliance with the requirements of the program. The appointment of each coordinator shall be made in consultation with the chief district court judge in the district to which the coordinator is assigned. Each county shall provide office space in the courthouse or other convenient place, for the use of each coordinator assigned to that county.

(b) Unless a fee is assessed pursuant to G.S. 20-179.4 or G.S. 15A-1371(i), a fee of one hundred dollars ($100.00) shall be paid by all persons who participate in the program or receive services from the program staff. If the person is convicted in a court in this State, the fee shall be paid to the clerk of court in the county in which he is convicted. If the person is participating in the program as a result of a deferred prosecution or similar program, the fee shall be paid to the clerk of court in the county in which the agreement is filed. Persons participating in the program for any other reason shall pay the fee to the clerk of court in the county in which the services are provided by the program staff. The fee shall be paid in full within two weeks from the date the person is ordered to perform the community service, and before he begins his community service, except that:

(1) A person convicted in a court in this State may be given an extension of time or allowed to begin the community service before he pays the fee by the court in which he is convicted; or

(2) A person performing community service pursuant to a deferred prosecution or similar agreement may be given an extension of time or allowed to begin his community service before the fee is paid by the official or agency representing the State in the agreement.

Fees collected pursuant to this subsection shall be deposited in the General Fund.

(c) The Secretary may designate the same person to serve as a coordinator under this section and under G.S. 20-179.4.

(d) A person is not liable for damages for any injury or loss sustained by an individual performing community or reparation service under this section unless the injury is caused by the person's gross negligence or intentional wrongdoing. As used in this subsection, "person" includes any governmental unit or agency, nonprofit corporation, or other nonprofit agency that is supervising the individual, or for whom the individual is performing community service work, as well as any person employed by the agency or corporation while acting in the scope and course of the person's employment. This subsection does not affect the immunity from civil liability in tort available to local governmental units or agencies. Notice of the provisions of this subsection shall be furnished to the individual at the time of assignment of community service work by the community service coordinator.

(e) In order to maximize the efficiency and effectiveness of the community service program, (i) beginning September 1, 1995, community service program districts shall have the same boundaries as the district court districts established in G.S. 7A-133 and (ii) beginning with persons hired on or after September 1, 1995, all community service program district supervisors employed by the Department of ~~Crime Control and Public Safety~~ Correction to supervise each of the community service program districts shall reside in the district in which the supervisor works.

(f) The community service staff shall report to the court in which the community service was ordered, a significant violation of the terms of the probation, or deferred prosecution, related to community service. The community service staff shall give notice of the hearing to determine if there is a willful failure to comply to the person who was ordered to perform the community service. This notice shall be given by either personal delivery to the person to be notified or by depositing the notice in the United States mail in an envelope with postage prepaid, addressed to the person at the address shown on the records of the community service staff. The notice shall be mailed at least 10 days prior to any hearing and shall state the basis of the alleged willful failure to comply. The court shall then conduct a hearing, even if the person ordered to perform the community service fails to appear, to determine if there is a willful failure to complete the work as ordered by the community service staff within the applicable time limits. If the court determines there is a willful failure to comply, it shall revoke any drivers [driver's] license issued to the person and notify the Division of Motor Vehicles to revoke any drivers [driver's] license issued to the person until the community service requirement has been met. In addition, if the person is present, the court may take any further action authorized by Article 82 of Chapter 15A of the General Statutes for violation of a condition of probation."

SECTION 92. G.S. 147-12(13) reads as rewritten:

"(13) To oversee and approve all memoranda of understanding and agreements between the State and foreign governments, as defined in ~~G.S. 66-275(c),~~G.S. 66-280(c), and international organizations. Any memoranda of understanding or agreements under this subsection to be signed on behalf of the State must first be approved by the Governor after review by the Attorney General, and after execution filed with the Secretary of State in accordance with ~~G.S. 66-275.~~G.S. 66-280."

SECTION 93. G.S. 147-49 reads as rewritten:

"**§ 147-49. Disposition of damaged and unsaleable publications.**

The Secretary of State is hereby authorized and empowered to dispose of damaged and unsaleable House and Senate Journals and ~~Public~~ Session Laws of various years at a price to be determined by the Secretary of State."

SECTION 94. G.S. 159C-5 reads as rewritten:

"**§ 159C-5. General powers.**

Each authority shall have all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this Chapter, including, but without limiting the generality of the foregoing, the powers:

(1) To adopt bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules, regulations and policies in connection with the performance of its functions and duties;

(2) To adopt an official seal and alter the same at pleasure;

(3) To maintain an office at such place or places within the boundaries of the county for which it was created as it may determine;

(4) To sue and be sued in its own name, plead and be impleaded;

(5) To receive, administer and comply with the conditions and requirements respecting any gift, grant or donation of any property or money;

(6) To make and execute financing agreements, security documents and other contracts and instruments necessary or convenient in the exercise of the powers and functions of the authority under this Chapter;

(7) To acquire by purchase, lease, gift or otherwise, but not by eminent domain, or to obtain options for the acquisition of, any property, real or personal, improved or unimproved, and interests in land less than the fee ~~thereof,~~interest, for the construction, operation or maintenance of any project;

~~(7a) To acquire by purchase, lease, gift, or otherwise, but not by eminent domain, or to obtain options for the acquisition of, any property, real or personal, improved or unimproved, and interests in land less than the fee interest, for the construction, operation, or maintenance of any project;~~

(8) To sell, lease, exchange, transfer or otherwise dispose of, or to grant options for any such purposes with respect to, any real or personal property or interest therein;

(9) To pledge or assign revenues of the authority;

(10) To construct, acquire, own, repair, maintain, extend, improve, rehabilitate, renovate, furnish and equip one or more projects and to pay all or any part of the costs thereof from the proceeds of bonds of the authority or from any contribution, gift or donation or other funds made available to the authority for such purpose;

(11) To fix, charge and collect revenues with respect to any project;

(12) To employ consulting engineers, architects, attorneys, real estate counselors, appraisers and such other consultants and employees as may be required in the judgment of the authority and to fix and pay their compensation from funds available to the authority therefor and to select and retain subject to approval of the Local Government Commission the financial consultants, underwriters and bond attorneys to be associated with the issuance of any bonds and to pay for services rendered by underwriters, financial consultants or bond attorneys out of the proceeds of any such issue with regard to which the services were performed; and

(13) To do all acts and things necessary, convenient or desirable to carry out the purposes, and to exercise the powers herein granted."

SECTION 95. G.S. 162-33 reads as rewritten:

"**§ 162-33. Prisoner may furnish necessaries.**

~~Prisoners~~ With the sheriff's approval, prisoners shall be allowed to purchase and procure such necessaries, in addition to the diet furnished by the jailer, as they may think ~~proper; and to provide their own bedding, linen and clothing, without paying any perquisite to the jailer for such indulgence.~~proper."

SECTION 96. G.S. 163-132.3(d)(1)a., as enacted by Section 10.1 of S.L. 2001-319, reads as rewritten:

"a. Is likely to be designated by the Census Bureau as a block boundary in the next federal decennial ~~Census~~ Census."

SECTION 97.(a) G.S. 163-278.19(e) reads as rewritten:

"(e) Notwithstanding the prohibitions specified in this Article and Article 22 of this Chapter, a political committee organized under provisions of this Article shall be entitled to receive and the corporation, business entity, labor union, professional association, or insurance company designated on the committee's organizational report as the parent entity of the employees or members who organized the committee is authorized to give reasonable administrative support that shall include, but not be limited to, record keeping, computer services, billings, mailings to members of the committee, and such other support as is reasonably necessary for the administration of the committee.

The approximate cost of any record keeping, computer services, billings, mailings, office supplies, and office space provided on a continuing basis shall be submitted to the committee, in writing, and the committee shall include that cost on the ~~annual~~ report required by G.S. 163-278.9(a)(6). Also included in the report shall be the approximate allocable portion of the compensation of any officer or employee of the corporation, business entity, labor union, professional association, or insurance company who has devoted more than thirty-five percent (35%) of his time during normal business hours of the corporation, business entity, labor union, professional association, or insurance company during the period covered by the required report. The approximate cost submitted by the parent corporation, business entity, labor union, professional association, or insurance company shall be entered on the committee's ~~annual~~ report as the final entry on its list of "contributions" and a copy of the written approximate cost received by it shall be attached.

The administrative support given by a corporation, business entity, labor union, professional association, or insurance company shall be designated on the books of the corporation, business entity, labor union, professional association, or insurance company as such and may not be treated by it as a business deduction for State income tax purposes."

SECTION 97.(b) The prefatory clause of G.S. 163-278.9(a) reads as rewritten:

"(a) Except as provided in G.S. 163-278.10A, the treasurer of each candidate and of each political committee shall file with the Board under ~~verification~~ certification of the treasurer as true and correct to the best of the knowledge of that officer ~~with the Board~~ the following reports:"

SECTION 98. G.S. 166A-6A(b)(2), as enacted by Section 4 of S.L. 2001-214, reads as rewritten:

"(2) Public ~~Assistance.~~assistance. – State disaster assistance in the form of public assistance grants may be made available to eligible entities located within the disaster area on the following terms and conditions:

a. Eligible entities shall meet the following qualifications:

1. The eligible entity suffers a minimum of ten thousand dollars ($10,000) in uninsurable losses;
2. The eligible entity suffers uninsurable losses in an amount equal to or exceeding one-half percent (0.5%) of the annual operating budget;

3. For a state of disaster proclaimed pursuant to G.S. 166A-6(a) after August 1, 2002, the eligible entity shall have a hazard mitigation plan approved pursuant to the Stafford Act; and
4. For a state of disaster proclaimed pursuant to G.S. 166A-6(a) after August 1, 2002, the eligible entity shall be participating in the National Flood Insurance Program in order to receive public assistance for flooding damage.

b. Eligible entities shall be required to provide non-State matching funds equal to twenty-five percent (25%) of the eligible costs of the public assistance grant.

c. An eligible entity that receives a public assistance grant pursuant to this subsection may use the grant for the following purposes only:
1. Debris clearance.
2. Emergency protective measures.
3. Roads and bridges.
4. Crisis counseling.
5. Assistance with public transportation needs."

SECTION 99. Section 2 of S.L. 1998-106, as rewritten by Section 1 of S.L. 2001-354, reads as rewritten:

"Sec. 2. The Cabarrus County demonstration Work Over Welfare Program for certain Work First and Food Stamp recipients shall:

(1) Provide job opportunities to all able-bodied Work First and Food Stamp recipients who are required to participate in the Work First employment program;

(2) Create job opportunities in the public, the private, nonprofit, and the private, for-profit sector, primarily in the human services areas by allowing Cabarrus County to use grant diversions, consisting of the Work First benefits and the cash value of Food Stamps that would be paid to otherwise eligible recipients to match employer funds, to subsidize the employment of these recipients. Human service area jobs will meet such socially necessary needs as day care work, nursing home aide work, and in-home aide work;

(3) Allow wages paid to these recipients, which contain grant-diverted funds, to be exempt from income for purposes of determining eligibility for assistance;

(4) Structure payment of wages to these recipients such that they will be considered income, in order to make recipients eligible for the federal earned income tax credit;

(5) Create work experience opportunities in the private sector more realistically to reflect the world of work;

(6) Require these recipients to participate in the development of an opportunity agreement outlining the responsibilities of the recipient and agency, as well as the incentives for compliance and the sanctions for noncompliance;

(7) Require all these recipients who participate in the program to pursue and accept employment, full or part time, subsidized or unsubsidized, as a condition for continued eligibility for Work First and Food Stamp assistance;

(8) Require job search training of all participants;

(9) Require monitored job search of all participants until employment is found or until other work activities of up to 40 hours per week are in place;

(10) Create a positive work incentive by providing wage incentives to participants who are in compliance with the program by using the job bonus as outlined in the Work First Policy Manual for both Work First and Food Stamp benefits;

(11) Provide for a system in which the Work First cash assistance case is terminated following the first month of noncompliance, with restoration of assistance after the client agrees to comply with requirements and files a new application. To ensure that children in terminated households are not harmed, provide social worker monitoring and the use of direct vendor payments or assistance from other community resources for rent, utilities, or other basic needs of children as necessary, during the period in which assistance for the household is terminated. This period of social worker monitoring shall coincide with the period of time that the household would have been, as a Work First case, under a three-month pay-for-performance sanction system and shall not exceed three months from the date of ~~termination.~~termination;

(12) Provide for all individuals to be evaluated for ongoing Medicaid and children to be evaluated for Health Choice eligibility any time Work First terminates. This act shall not alter any individual's eligibility for Medicaid or Health Choice as set out in State and Federal law or ~~regulation.~~regulation;

(13) Require that a recipient who voluntarily terminates employment without good cause be ineligible for Work First until the individual returns to work, provided work opportunities are available. Provide employment services for 30 days to assist the individual in obtaining employment;

(14) Require applicants for Work First to meet with child support staff within 10 days of application. Failure or refusal to pursue child support without good cause is grounds for denial of benefits;

(15) Provide that an applicant may be eligible for a one-time Work First diversion payment in an amount not exceeding one thousand two hundred dollars ($1,200). Applicants receiving the diversion payment shall not be eligible for ongoing Work First benefits for a period of three months from the date of receipt of the diversion payment. Individuals receiving a diversion payment must attend budgetary counseling and may be required to have a protective payee for the diversion payment;

(16) Provide that the period of exemption from participation in employment services for a parent of a newborn child is three months. If a recipient returns to work within six weeks of childbirth, the recipient may reclaim the remainder of the three-month exemption if the recipient chooses not to continue working during the initial six-week period;

(17) In ongoing Work First cases, require family reassessment of service needs when the family circumstance changes due to an able-bodied, financially responsible adult moving into the home. Family reassessment may result in benefit diversion, change in services, or termination from Work First program participation;

(18) Not sanction individuals who demonstrate that they cannot meet program requirements because necessary child care is not available."

SECTION 100. Section 2 of S.L. 2001-177 reads as rewritten:

"**SECTION 2.** This act becomes effective October 1, 2001, and applies to ~~actions on payment bonds filed~~ labor and materials furnished on or after that date."

SECTION 101. Section 29 of S.L. 2001-208 reads as rewritten:

"**SECTION 29.** ~~This~~ Section 15 of this act becomes effective January 1, 2002, and applies to relinquishments executed on or after that date. The remainder of this act becomes effective January 1, 2002, and applies to actions pending or filed on or after that date."

SECTION 102.(a) S.L. 2001-216 is amended by adding a new section to read:

"**SECTION 6.1.** In the event that a court of competent jurisdiction holds that any provision of this act is unconstitutional or otherwise invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of each section of this act are severable one from the other and from the remainder of this act."

SECTION 102.(b) Section 7 of S.L. 2001-216 reads as rewritten:

"**SECTION 7.** This act is effective when it becomes ~~law.~~law and applies to all cases pending on or after the effective date except those cases in which a health benefit plan has intervened before the Industrial Commission prior to the effective date."

SECTION 102.(c) This section becomes effective June 15, 2001.

SECTION 103.(a) Section 24.5 of S.L. 2001-223 reads as rewritten:

"**SECTION 24.5.** This ~~section~~ Part applies to estates that are pending."

SECTION 103.(b) G.S. 58-7-178(a), as rewritten by Section 8.11 of S.L. 2001-223, reads as rewritten:

"(a) An insurer authorized to transact insurance in a foreign country or any U.S. territory may have funds invested in securities that may be required for that authority and for the transaction of that business, provided the funds and securities are substantially of the same kinds, classes, and investment grades as those otherwise eligible for investment under this Chapter. ~~ercent (5%) of admitted assets.~~ The aggregate amount of investments under this subsection shall not exceed the amount that the insurer is required by law to invest in the foreign country or United States territory, or one and one-half times the amount of reserves and other obligations under the contracts, whichever is greater."

SECTION 104. The prefatory language of Section 2 of S.L. 2001-281 reads as rewritten:

"**SECTION 2.** ~~G.S. 20-182(c)~~ G.S. 90-182(c) reads as rewritten:"

SECTION 105.(a) The prefatory language of Section 2 of S.L. 2001-297 is rewritten to read:

"**SECTION 2.** G.S. 58-65-1 reads as rewritten:"

SECTION 105.(b) The statutory catch line in Section 2 of S.L. 2001-297 is rewritten to read:

"**§58-65-1. Regulation and definitions; application of other laws; profit and foreign corporations prohibited.**"

SECTION 106.(a) Effective October 1, 2001, Section 17.4 of S.L. 2001-334 is repealed.

SECTION 106.(b) Effective October 1, 2001, G.S. 58-67-50(b), as rewritten by Section 8.1 of S.L. 2001-334, reads as rewritten:

"(b) (1) Premium approval. – No schedule of premiums for coverage for health care services, or any amendment to the schedule, shall be used in conjunction with any health care plan until a copy of the schedule or amendment has been filed with and approved by the Commissioner.

(2) Individual coverage. – Premiums shall be established in accordance with actuarial principles for various categories of enrollees. Premiums applicable to an enrollee shall not be individually determined based on the status of the enrollee's health. Premiums shall not be excessive, inadequate or unfairly discriminatory; and shall exhibit a reasonable relationship to the benefits provided by the evidence of coverage. The premiums or any premium revisions

~~to the premiums with respect to~~ for nongroup enrollee coverage shall be guaranteed, as to every enrollee covered under the same category of enrollee coverage, for a period of not less than 12 months. As an alternative to giving this guarantee for nongroup enrollee coverage, the premium or premium revisions may be made applicable to all similar ~~category~~ categories of enrollee coverage at one time if the health maintenance organization chooses to apply for the premium revision with respect to ~~such~~ the categories of coverages no more frequently than once in any 12-month period. The premium revision shall be applicable to all categories of nongroup enrollee coverage of the same type; provided that no premium revision may become effective for any category of enrollee coverage unless the HMO has given written notice of the premium revision to the enrollee 45 days before the effective date of the revision. The enrollee ~~thereafter~~ must then pay the revised premium in order to continue the contract in force. The Commissioner may adopt reasonable rules, after notice and hearing, to require the submittal of supporting data and such information as the Commissioner considers necessary to determine whether the rate revisions meet the standards in this subdivision. In adopting the rules under this subsection, the Commissioner may require identification of the types of rating methodologies used by filers and may also address standards for data in HMO rate filings for initial filings, filings by recently licensed HMOs, and rate revision filings; data requirements for service area expansion requests; policy reserves used in rating; incurred loss ratio standards; and other recognized actuarial principles of the NAIC, the American Academy of Actuaries, and the Society of Actuaries.

(3) Group coverage. – Employer group premiums shall be established in accordance with actuarial principles for various categories of enrollees, provided that premiums applicable to an enrollee shall not be individually determined based on the status of the enrollee's health. Premiums shall not be excessive, inadequate, or unfairly discriminatory, and shall exhibit a reasonable relationship to the benefits provided by the evidence of coverage. The premiums or any revisions to the premiums for employer group coverage shall be guaranteed for a period of not less than 12 months. No premium revision shall become effective for any category of group coverage unless the HMO has given written notice of the premium revision to the master group contract holder upon receipt of the group's finalized benefits or 45 days before the effective date of the revision, whichever is earlier. The master group contract holder thereafter must pay the revised premium in order to continue the contract in force. The Commissioner may adopt reasonable rules, after notice and hearing, to require the submittal of supporting data and such information as the Commissioner considers necessary to determine whether the rate revisions meet the standards in this subdivision."

SECTION 107.(a) Section 14.(b) of S.L. 2001-358 reads as rewritten:

"**SECTION 14.(b)** G.S. 55-4-02, 55-4-03, 55-4-04, and 55-4-05 are recodified as G.S. 55D-23, 55D-24, 55D-25, and 55D-26, ~~and 55D-27,~~ respectively, in Article 3 of Chapter 55D of the General Statutes."

SECTION 107.(b) G.S. 59-62(c), as enacted by Section 41 of S.L. 2001-358, reads as rewritten:

"(c) The name of a registered limited liability ~~company~~ partnership becomes available for use by another entity as provided in G.S. 55D-21."

SECTION 107.5.(a) Section 9 of S.L. 2001-379 reads as rewritten:

"**SECTION 9.** Section 3 of this act becomes effective October 1, 2001 and applies to actions filed before, on or after that date. Section 7 of this act is effective when it becomes law and applies to actions pending on or after that date. The remainder of this act becomes effective October 1, 2001, and applies to actions filed on or after that date."

SECTION 107.5.(b) This section is effective October 1, 2001.

SECTION 109. Section 6.20(c) of S.L. 2001-424 reads as rewritten:

"**SECTION 6.20.(c)** The provisions of S.L. 2001-250, S.L. 2001-287, S.L. 2001-322, and ~~S.L. 2001-395, S.L. 2001-~~ S.L. 2001-395 remain in effect for the 2001-2002 fiscal year except to the extent that:

(1) Those provisions are expressly repealed or amended in this act or

(2) Those provisions conflict with the provisions of this act. To the extent of such a conflict, the provisions of this act shall prevail.

(3) Those provisions expire or expired pursuant to the provisions of those acts."

SECTION 110. Section 21.14(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.14.(b)** Under the direction of the Secretary of Health and Human Services, the Director of the Office of Policy and Planning shall have the authority to direct Divisions, offices, and programs within the Department to conduct periodic reviews of policies, plans, and rules and shall advise the Secretary when it is determined to be appropriate or necessary to modify, amend, and repeal departmental policies, plans, and rules. All professional and supervisory employees in policy and management positions within the Office of Policy and Planning are exempt from Chapter 126 of the General Statutes except for Articles 6, 7, and 14 of that Chapter. ~~positions as that term is defined in G.S. 126-5.~~Exempt positions within the Office of Policy and Planning shall not count toward the exempt position totals authorized by G.S. 126-5(d)(1)."

SECTION 112. Section 21.76B(b) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.76B.(b)** The Department of Health and Human Services and the Department of Public Instruction shall establish the "More at Four" Pre-K Task Force to oversee development and implementation of the pilot program. The membership shall include:

(1) Parents of at-risk children.

(2) Representatives with expertise in early childhood development.

(3) Classroom teachers who are certified in early childhood education.

(4) Representatives of the private not-for-profit and for-profit child care providers in North Carolina.

(5) Employees of the Department of Health and Human Services who are knowledgeable in the areas of early childhood development, current State and federally funded efforts in child development, and providing child care.

(6) Representatives of the North Carolina Partnership for Children, Inc., and of local Smart Start partnerships.

(7) Representatives of local school administrative units.

(8) Representatives of Head Start prekindergarten programs in North Carolina.

(9) Employees of the Department of Public Instruction."

SECTION 113. Section 21.84(a) of S.L. 2001-424 reads as rewritten:

"**SECTION 21.84.(a)** The Department of Health and Human Services, Division of Public Health shall not expand the ~~Student Information Management System~~ interagency database system pilot program statewide during the 2001-2002 fiscal year. The Department shall maintain, evaluate, and improve the three pilot projects implemented in the 2000-2001 fiscal year, and provide a report on the status of the system to the Senate Appropriations Committee on Health and Human Services, the

House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division by October 1, 2001. The report shall include the status of the operations of the database, a plan for statewide expansion, and the costs associated with the expansion."

SECTION 114.(a) The heading of Section 22.8 of S.L. 2001-424 reads as rewritten:

"**AUTHORIZE FAMILY DRUG TREATMENT COURTS TO SERVE ADDICTED PARENTS OF ABUSED AND NEGLECTED CHILDREN AND TO SERVE SUBSTANCE-ABUSING JUVENILE OFFENDERS WHO COME UNDER THE COURTS' JURISDICTION/DRUG TREATMENT COURT PROGRAM FOR JUDICIAL ~~DISTRICT~~ DISTRICTS 3B AND 28.**"

SECTION 114.(b) Subsection (h) of Section 22.8 of S.L. 2001-424 reads as rewritten:

"**SECTION 22.8.(h)** The Judicial Department may seek non-State funds and provide technical assistance to the local drug treatment court planning committee for the purpose of implementing a drug treatment court program in ~~the 28th Judicial District.~~Judicial Districts 3B and 28."

SECTION 114.6. Section 28.45 of S.L. 2001-424 reads as rewritten:

"**SECTION 28.45.** The State Auditor shall audit ExplorNet, Incorporated, for fiscal year 1999-2000 and fiscal year 2000-2001, under G.S. 143-6.1(f). No State funds appropriated for distribution to ExplorNet, Incorporated, shall be disbursed until the State Auditor and the Office of State Budget and Management certify that ExplorNet, Incorporated, is capable of managing the funds in accordance with law and has established adequate financial procedures and controls. If the State Auditor does not complete the audit prior to March 15, 2002, the Office of State Budget and Management shall authorize the State Board of Education to disburse funds only for grants to local school administrative units. The State Board of Education shall consult with ExplorNet, Incorporated, prior to the disbursal of these funds.

A copy of the State Auditor's report shall be sent to the Joint Legislative Education Oversight Committee and to the Joint Legislative Commission on Governmental Operations.

Eighty percent (80%) of any funds disbursed pursuant to this section shall be distributed in the form of grants to local school administrative units."

SECTION 115.(a) The heading of Section 27.29 of S.L. 2001-424 reads as rewritten:

"**RAIL DIVISION FUNDS FOR~~ RAILROAD BRIDGE REPLACEMENT PROJECT PLANNING AND PRELIMINARY ENGINEERING~~ MAINTENANCE OF RAILROAD TRACK AND SIGNAL IMPROVEMENT**"

SECTION 115.(b) Section 27.29 of S.L. 2001-424 reads as rewritten:

"**SECTION 27.29.** Of funds appropriated to the Department of Transportation Rail Division, ~~up to~~ eight hundred thousand dollars ($800,000) shall be ~~used for planning and preliminary engineering of the Neuse Railroad Bridge east of Kinston replacement project and the Highway 54 Railroad bridge in Research Triangle Park replacement project.~~used for maintenance of track, signals and equipment."

SECTION 116. Section 28.17(h) of S.L. 2001-424 reads as rewritten:

"**SECTION 28.17.(h)** Students in a local school shall not be subject to field tests or national tests during the two-week period preceding the administration of the end-of-grade tests, end-of-course tests, or the school's regularly scheduled final exams. No school shall participate in more than two field tests at any one grade level during a school year ~~unless that:~~unless:

(1) That school volunteers, through a vote of its school improvement team, to participate in an expanded number of field ~~tests.~~tests; or

(2) The State Board of Education makes written findings, based on information provided by the Department of Public Instruction, that an

additional field test must be administered at that school to ensure the reliability and validity of a specific test."

SECTION 118.(a) Section 6(e) of S.L. 2001-427 is repealed.

SECTION 118.(b) The introductory language of Section 13(a) of S.L. 2001-427 reads as rewritten:

"**SECTION 13.(a)** G.S. 105-472(a) and (b) ~~reads~~ read as rewritten:"

SECTION 119. Section 18 of S.L. 2001-430 reads as rewritten:

"**SECTION 18.** Pursuant to G.S. 62-31 and G.S. 62-32, the Utilities Commission must lower the ~~rate set for local telecommunications services~~ rates set for telecommunications services to reflect the repeal of G.S. 105-120 and the resulting liability of local telecommunications companies for the tax imposed under G.S. 105-122."

SECTION 120. Section 11 of S.L. 2001-433 reads as rewritten:

"**SECTION 11.** This act becomes effective ~~October 1, 2001.~~December 1, 2001."

SECTION 121. The prefatory language of Section 2 of S.L. 2001-450 reads as rewritten:

"**SECTION 2.** ~~G.S. 10-9~~ G.S. 10A-9 is amended by adding the following subsections to read:"

SECTION 121.5. District 36 as described in Section 1 of S.L. 2001-458 reads as rewritten:

"District 36: Franklin County: Precinct WEST YOUNGSVILLE, Precinct EAST HARRIS, Precinct PEARCES, Precinct EAST YOUNGSVILLE, Precinct WEST HARRIS; Wake County: Precinct 01-42, Precinct 01-45, Precinct 01-47, Precinct 02-01, Precinct 02-02, Precinct 02-03, Precinct 02-04, Precinct 02-05, Precinct 02-06, Precinct 05-00, Precinct 07-02, Precinct 07-03, Precinct 07-04, Precinct 07-05, Precinct 07-06, Precinct 07-07, Precinct 07-10, Precinct 07-11, Precinct 07-12, Precinct 08-01, Precinct 08-02, Precinct 08-03, Precinct 08-04, Precinct 08-05, Precinct 08-06, Precinct 08-08, Precinct 13-02: Tract 540.09: Block Group 2: Block 2000, Block 2001, Block 2002, Block 2004, Block 2005, Block 2006, Block 2007, Block 2008, Block 2009, Block 2010, Block 2011, Block 2012, Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2023, Block 2024, Block 2025, Block 2026, Block 2027, Block 2028, Block 2029, Block 2030, Block 2031, Block 2032, Block 2033, Block 2034, Block 2035, Block 2036, Block 2037, Block 2038, Block 2039, Block 2040, Block 2041, Block 2042, Block 2043, Block 2044, Block 2045, Block 2046, Block 2047, Block 2048, Block 2049, Block 2050, Block 2051, Block 2052, Block 2053, Block 2054, Block 2055, Block 2056, Block 2057, Block 2058, Block 2059, Block 2060, Block 2061, Block 2079, Block 2080, Block 2081, Block 2999; Tract 540.10: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1003, Block 1004, Block 1005, Block 1006, Block 1007, Block 1008, Block 1009, Block 1010, Block 1011, Block 1012, Block 1013, Block 1014, Block 1015, Block 1016, Block 1017, Block 1018, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1032, Block 1033, Block 1034, Block 1035, Block 1036, Block 1037, Block 1038, Block 1039, Block 1040, Block 1041, Block 1042, Block 1043, Block 1044, Block 1045, Block 1048, Block 1049, Block 1051, Block 1054, Block 1055, Block 1058, Block 1059; Tract 542.01: Block Group 5: Block 5999; Precinct 14-01, Precinct 14-02, Precinct 19-01, Precinct 19-02, Precinct 19-03, Precinct 19-04, Precinct 19-05, Precinct 19-06, Precinct 19-07, Precinct 19-08."

SECTION 122.(a) G.S. 105-164.4(a)(1g)b., as enacted by S.L. 2001-476, reads as rewritten:

"b. Rates. – A single tax rate applies to all of the qualified electricity received by an industry or a plant in each fiscal year beginning July 1. That tax rate is determined based on the megawatt-hour volume of

qualified electricity received by the industry or plant during the previous calendar year, in accordance with the following table. The rates set based on the table are subject to adjustment as provided in sub-subdivision f. of this subdivision.

Previous Year's Megawatt-Hours Received	**Rate for Fiscal Year**
~~1,200,000~~ 900,000 or Less	2.83%
Over ~~1,200,000~~ 900,000	0.17%".

SECTION 122.(b) Section 17(f) of S.L. 2001-476 is amended as follows:

(1) By deleting the phrase "~~1,200,000~~" and substituting the phrase "~~900,000~~"; and

(2) By deleting the phrase "up to 1,200,000" and substituting the phrase "up to 900,000".

SECTION 122.(c) Section 17(g) of S.L. 2001-476 reads as rewritten:

"**SECTION 17.(g)** Subsections (b) and (c) of this section become effective ~~July~~ January 1, 2002, and apply to sales made on or after that date. Subsection (f) of this section becomes effective July 1, 2005, and applies to sales made on or after that date. The remainder of this section is effective when it becomes law."

SECTION 122.(d) This section is effective when it becomes law and applies to sales made on or after January 1, 2002.

SECTION 123. Section 8(c) of S.L. 2001-476 reads as rewritten:

"**SECTION 8.(c)** This section is effective for ~~taxable years beginning~~ business activities occurring on or after January 1, 2002. In addition, this section applies to business activities occurring before January 1, 2002, for which no application has been filed with the Department of Commerce as of January 1, 2003. For business activities occurring before January 1, 2002, for which no application for certification has been filed as of January 1, 2002, the taxpayer must file an application pursuant to G.S. 105-129.6, accompanied by any required fee, with the Department of Commerce. The Department of Commerce shall not make a determination regarding eligibility for credits under Article 3A of Chapter 105 of the General Statutes based on the application and shall not issue a certification, but shall instead mark on the application that the fee has been paid and return the application to the taxpayer. The taxpayer must then submit the application along with the relevant tax return. The relevant tax return is the first return on which the credit is claimed if that return is an amended return. In all other cases, the relevant return is the next return filed by the taxpayer. The Department of Commerce shall retain one-fourth of these fees collected during the 2002 calendar year for the costs of administering Article 3A of Chapter 105 of the General Statutes and shall credit the remaining proceeds of these fees to the Department of Revenue for the costs of auditing and administering Article 3A of Chapter 105 of the General Statutes. The proceeds of these fees are receipts of the Department to which they are credited."

SECTION 123.5. If Senate Bill 649, 2001 General Assembly, becomes law, Section 6 reads as rewritten:

"**SECTION 6.** Sections 1, 2, and 3 of this act become effective December ~~1,~~ 31 2001. Section 5 of this act becomes effective upon ~~ratification and expires November 1, 2001.~~ ratification. Section 4 of this act becomes effective December 31, 2001. Section 6 becomes effective when it becomes law."

SECTION 124. Notwithstanding G.S. 150B-21.1(a)(2), the Health and Wellness Trust Fund Commission and the Tobacco Trust Fund Commission shall have the authority to adopt temporary rules as a recent act of the General Assembly through June 30, 2002, in order to adopt rules as authorized in S.L. 2000-147.

SECTION 125.1. G.S. 136-44 reads as rewritten:

"**§ 136-44. Maintenance of ~~grounds at home of Nathaniel Macon and grave of Anne Carter Lee.~~ grounds.**

The Department of Transportation is hereby authorized and directed through the highway supervisor of the district that includes Warren County ~~District,~~ to clean off and keep clean the premises and grounds at the old home of Nathaniel Macon, known as "Buck Springs," which are owned by the County of Warren, and also to look after the care and keeping the grounds surrounding the grave of Miss Anne Carter Lee, daughter of General Robert E. Lee, in Warren County.

The Department of Transportation is authorized and directed through the highway supervisor of the district that includes Pender County to maintain the grounds surrounding the grave of Governor Samuel Ashe in Pender County."

SECTION 125.5. If Senate Bill 571, 2001 General Assembly, becomes law, the prefatory language of Section 2.24 of that act reads as rewritten:

"**SECTION 2.24.** ~~G.S. 143B-344.30~~ G.S. 143B-344.32 reads as rewritten:"

SECTION 126. Except as otherwise provided herein, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 6th day of December, 2001.

_____
Marc Basnight
President Pro Tempore of the Senate

_____
James B. Black
Speaker of the House of Representatives

_____
Michael F. Easley
Governor

Approved _____.m. this _____ day of _____, 2001