

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

**SENATE BILL 382
RATIFIED BILL**

AN ACT TO MAKE MODIFICATIONS TO AND PROVIDE ADDITIONAL APPROPRIATIONS FOR DISASTER RECOVERY; TO MAKE TECHNICAL, CLARIFYING, AND OTHER MODIFICATIONS TO THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2023; AND TO MAKE VARIOUS CHANGES TO THE LAW.

The General Assembly of North Carolina enacts:

PART I. DISASTER RELIEF

SUBPART I-A. GENERAL PROVISIONS

SECTION 1A.1. Title. – This Part shall be known as "The Disaster Recovery Act of 2024 – Part III."

SECTION 1A.2. Maximum Amounts; Effectuate Savings. – The appropriations and allocations made in this Part are for maximum amounts necessary to implement this Part. Savings shall be effected where the total amounts appropriated or allocated are not required to implement this Part.

SECTION 1A.3. Scope. – Unless otherwise provided, this Part applies to the North Carolina counties in the affected area, as defined in Section 1A.4 of this Part.

SECTION 1A.4. Definitions. – Unless otherwise provided, the following definitions apply in this Part:

- (1) Affected area. – The counties designated before, on, or after the effective date of this act under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Helene.
- (2) FEMA. – The Federal Emergency Management Agency.
- (3) Helene Fund. – The Hurricane Helene Disaster Recovery Fund established in Section 4.1 of S.L. 2024-51.
- (4) OSBM. – The Office of State Budget and Management.
- (5) Recipient. – A State agency or a non-State entity, as those terms are defined in G.S. 143C-1-1.
- (6) Savings Reserve. – The Savings Reserve established in G.S. 143C-4-2.
- (7) SERDRF. – The State Emergency Response and Disaster Relief Fund established in G.S. 166A-19.42.

SECTION 1A.5. Transfer of Additional Disaster Relief Funds. – Notwithstanding G.S. 143C-4-2, the State Controller shall transfer the sum of two hundred twenty-seven million dollars (\$227,000,000) from the Savings Reserve to the Helene Fund and, except as otherwise provided in this act, the funds shall remain unspent until appropriated by an act of the General Assembly. It is the intent of the General Assembly to review funding and to consider actions needed to address remaining unmet needs.

SUBPART I-B. EDUCATION



CLARIFY EMPLOYEE COMPENSATION DURING INSTRUCTIONAL DAYS DEEMED COMPLETED IN NOVEMBER OF 2024 DUE TO HURRICANE HELENE

SECTION 1B.1. Section 8.1 of S.L. 2024-51, as amended by Section 4A.1 of S.L. 2024-53, reads as rewritten:

"**SECTION 8.1.(a)** School Calendar Flexibility. – Notwithstanding G.S. 115C-84.2(a)(1), 115C-150.12C(3), 115C-218.85(a)(1), 115C-238.53(d), 115C-238.66(1)d., 116-239.8(b)(2)c., Section 6(e) of S.L. 2018-32, and any other provision of State law to the contrary, if the governing body of a public school unit closed any school under its control due to unusual and extraordinary inclement weather conditions related to Hurricane Helene or PTC8, calendar flexibility for missed instructional time from September 2024 through November 2024 shall be provided as follows:

...

"**SECTION 8.1.(c)** Employee Compensation. – Except in the case of a charter school, all employees and contractors of a public school unit shall be deemed to have worked for any scheduled instructional days missed due to Hurricane Helene ~~during the months of~~ from September 2024 and October 2024 through November 2024 that a public school unit has deemed completed and is not required to make up. Employees and contractors shall be compensated in the same manner they would have if they had worked on the scheduled instructional days missed. The board of directors of a charter school may, but is not required to, provide such compensation for its employees and contractors.

...."

ALLOW CHANCELLOR OF THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE TO USE REMAINING TUITION GRANT FUNDS TO HELP UNCA

SECTION 1B.2. Section 4A.4 of S.L. 2024-53 is amended by adding a new subsection to read:

"**SECTION 4A.4.(f)** Remaining Grant Funds. – In the event there are funds remaining in the 2024-2025 fiscal year after providing tuition grants to all eligible students, as provided by this section, the Chancellor of UNCA may use those remaining funds in the Chancellor's discretion to help UNCA."

SUBPART I-C. HEALTH AND HUMAN SERVICES

EXTENSION OF MH/DD/SUS FACILITY LICENSES AND LICENSE RENEWAL DEADLINES

SECTION 1C.1.(a) Notwithstanding G.S. 122C-23(e) or any other law to the contrary, both of the following apply to each licensable facility located in the affected area that holds a valid, regular license for the 2024 calendar year to provide services for the care, treatment, habilitation, or rehabilitation of individuals with mental illness, intellectual or developmental disabilities, or substance use disorders:

- (1) The validity of the facility's license is extended from December 31, 2024, to March 1, 2025.
- (2) The deadline for the facility to submit a renewal application and pay the applicable fee for renewal of its license for the 2025 calendar year is March 1, 2025.

SECTION 1C.1.(b) As used in this section, "licensable facility" has the same meaning as in G.S. 122C-3.

AUTHORIZATION FOR THE DIVISION OF HEALTH SERVICE REGULATION TO TEMPORARILY WAIVE RULES PERTAINING TO LOCAL CONFINEMENT FACILITIES DURING CERTAIN EMERGENCIES

SECTION 1C.2. G.S. 153A-221 reads as rewritten:
"§ 153A-221. Minimum ~~standards~~; waiver of rules during an emergency.

...
(f) The Division of Health Service Regulation of the North Carolina Department of Health and Human Services may temporarily waive any rules applicable to local confinement facilities upon any of the following:

- (1) A declaration of a state of emergency by the Governor in accordance with Article 1A of Chapter 166A of the General Statutes.
- (2) A declaration of a national emergency by the President of the United States.
- (3) A declaration of a public health emergency by the Secretary of the United States Department of Health and Human Services.
- (4) A temporary waiver or modification issued by the Secretary of the United States Department of Health and Human Services, to the extent necessary to allow for consistency between the State and the federal government.
- (5) When the Division of Health Service Regulation determines the existence of an emergency that poses a risk to the health or safety of prisoners or local confinement facility staff."

EXTENSION OF REGISTRATIONS AND REGISTRATION RENEWAL DEADLINES FOR MULTIUNIT ASSISTED HOUSING WITH SERVICES FACILITIES

SECTION 1C.3. Notwithstanding Article 1 of Chapter 131D of the General Statutes, G.S. 143B-165(14), or any other law to the contrary, both of the following apply to each facility located in the affected area that holds a valid, current registration issued by the Department of Health and Human Services, Division of Health Service Regulation (DHSR), for multiunit assisted housing with services, as defined in G.S. 131D-2.1(10):

- (1) The validity of the facility's registration for multiunit assisted housing with services for calendar year 2024 is extended from December 31, 2024, to March 1, 2025.
- (2) The deadline for the facility to submit a registration application and pay the applicable registration fee to the DHSR to renew its registration for multiunit assisted housing with services for the 2025 calendar year is March 1, 2025.

EXTENSION OF ADULT CARE HOME AND FAMILY CARE HOME LICENSES AND LICENSE RENEWAL DEADLINES

SECTION 1C.4.(a) Notwithstanding G.S. 131D-2.4(d) or any other law to the contrary, both of the following apply to each facility located in the affected area that holds a valid adult care home or family care home license issued by the Department of Health and Human Services, Division of Health Service Regulation (DHSR), which is due to expire on December 31, 2024:

- (1) The validity of the facility's license as an adult care home or a family care home is extended to March 1, 2025.
- (2) The deadline for the facility to submit a renewal application and pay the applicable fee to the DHSR for renewal of its adult care home or a family care home license for the 2025 calendar year is March 1, 2025.

SECTION 1C.4.(b) As used in this section, the terms "adult care home" and "family care home" are as defined in G.S. 131D-2.1.

EXTENSION OF DEADLINE FOR RENEWAL OF ADULT CARE HOME ADMINISTRATOR CERTIFICATION AND COMPLETION OF CONTINUING EDUCATION REQUIREMENTS

SECTION 1C.5.(a) Notwithstanding Article 20A of Chapter 90 of the General Statutes or any other law to the contrary, all of the following apply with respect to certified administrators of adult care homes who either work as administrators or reside in the affected area:

- (1) The validity of the administrator certification is extended from December 31, 2024, to March 1, 2025.
- (2) The December 31, 2024, deadline for completing the annual continuing education requirements of G.S. 90-288.15 and any rules adopted pursuant to that section is extended to March 1, 2025.
- (3) For the 2025-2027 fiscal biennium, the deadline for certified administrators of adult care homes to submit applications for renewal and pay renewal fees is March 1, 2025.

SECTION 1C.5.(b) As used in this section, the terms "administrator" and "adult care home" are as defined in G.S. 131D-2.1.

SECTION 1C.5.(c) Consistent with G.S. 90-288.12(b), this section does not apply to administrators of family care homes, as defined in G.S. 131D-2.1.

SUBPART I-D. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

FUNDS FOR SOIL AND WATER CONSERVATION

SECTION 1D.1. Of the funds transferred pursuant to Section 1A.5 of this act, there is appropriated from the Helene Fund the sum of two million dollars (\$2,000,000) in nonrecurring funds for the 2024-2025 fiscal year to the Department of Agriculture and Consumer Services for the provision of technical support to soil and water conservation districts in the affected area, including the creation of time-limited positions.

DEBRIS REMOVAL FUNDS

SECTION 1D.2. The State Controller shall transfer the sum of twenty-five million dollars (\$25,000,000) from the SERDRF to the Helene Fund. The funds transferred pursuant to this section are appropriated for the 2024-2025 fiscal year to the Department of Agriculture and Consumer Services for purposes in the affected area authorized under the Streamflow Rehabilitation Assistance Program created by Article 6 of Chapter 139 of the General Statutes. The Department shall not expend funds appropriated by this section on any activities that will be, or likely will be, covered by federal funds.

EXTENDING CERTAIN GOVERNMENT APPROVALS AFFECTING THE DEVELOPMENT OF REAL PROPERTY WITHIN THE AFFECTED AREA

SECTION 1D.3.(a) Definitions. – As used in this section, the following definitions apply:

- (1) Development. – The division of a parcel of land into two or more parcels; the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any building or other structure or facility; or any grading, soil removal or relocation, excavation or landfill, or any use or change in the use of any building or other structure or land or extension of the use of land.
- (2) Development approval. – Any of the following approvals issued by the State, any agency or subdivision of the State, or any unit of local government, regardless of the form of the approval, that are for the development of land or for the provision of water or wastewater services by a government entity:
 - a. Any detailed statement by a State agency under G.S. 113A-4.

- b. Any detailed statement submitted by a special purpose unit of government or a private developer of a major development project under G.S. 113A-8.
- c. Any finding of no significant impact prepared by a State agency under Article 1 of Chapter 113A of the General Statutes.
- d. Any approval of an erosion and sedimentation control plan granted by a local government or by the North Carolina Sedimentation Control Commission under Article 4 of Chapter 113A of the General Statutes.
- e. Any water or wastewater permit issued under Article 10 or Article 11 of Chapter 130A of the General Statutes.
- f. Any building permit issued under Article 9 of Chapter 143 of the General Statutes.
- g. Any nondischarge or extension permit issued under Part 1 of Article 21 of Chapter 143 of the General Statutes.
- h. Any stream origination certifications issued under Article 21 of Chapter 143 of the General Statutes.
- i. Any water quality certification issued under Article 21 of Chapter 143 of the General Statutes.
- j. Any air quality permit issued by the Environmental Management Commission under Article 21B of Chapter 143 of the General Statutes.
- k. Any approval by a local government of sketch plans, preliminary plats, plats regarding a subdivision of land, a site specific development plan or a phased development plan, a development permit, a development agreement, or a building permit under Chapter 160D of the General Statutes.
- l. Any certificate of appropriateness issued by a preservation commission of a local government under Part 4 of Article 9 of Chapter 160D of the General Statutes.

SECTION 1D.3.(b) For any development approval that is current and valid at any point during the period beginning January 1, 2024, and ending December 31, 2027, the running of the period of the development approval and any associated vested right under G.S. 160D-108 or G.S. 160D-108.1 is suspended within the affected area during the period beginning January 1, 2024, and ending December 31, 2027.

SECTION 1D.3.(c) This section shall not be construed or implemented to:

- (1) Extend any permit or approval issued by the United States or any of its agencies or instrumentalities.
- (2) Extend any permit or approval for which the term or duration of the permit or approval is specified or determined pursuant to federal law.
- (3) Shorten the duration that any development approval would have had in the absence of this section.
- (4) Prohibit the granting of such additional extensions as are provided by law.
- (5) Affect any administrative consent order issued by the Department of Environmental Quality in effect or issued at any time from the effective date of this section to December 31, 2027.
- (6) Affect the ability of a government entity to revoke or modify a development approval pursuant to law.
- (7) Modify any requirement of law that is necessary to retain federal delegation by the State of the authority to implement a federal law or program.

SECTION 1D.3.(d) When a development approval that is contingent upon connection to a water supply system or a sanitary sewer system is suspended under subsection (b) of this section and there is not sufficient supply or treatment capacity to accommodate

requests for additional allocation, the local government that granted the allocation may reallocate reserved capacity from projects whose approvals are suspended but are not ready to proceed if the local government meets all of the following requirements:

- (1) Establishes an allocation plan for existing capacity that determines actual capacity and provides for a fair and equitable process to distribute the remaining capacity.
- (2) Establishes a reallocation plan to meet requests for capacity above permitted capacity that is fair and equitable and requires the following:
 - a. That an applicant for a new or additional allocation demonstrates the ability to begin construction.
 - b. That the holder of a development permit suspended under subsection (b) of this section demonstrates the ability or intent to begin construction in no less than 120 days in order to retain the reserved capacity.
- (3) Does not reallocate capacity to exceed the amount of the reserved capacity.

SECTION 1D.3.(e) This section does not reduce the original period of a development permit.

SECTION 1D.3.(f) Within 30 days after the effective date of this section, each agency or subdivision of the State to which this section applies shall place a notice in the North Carolina Register listing the types of development approvals that the agency or subdivision issues and noting the extension provided in this section. This section does not apply to units of local government.

SECTION 1D.3.(g) The provisions of this section shall be liberally construed to effectuate the purposes of this section.

EXTEND THE VALIDITY OF CERTAIN SEPTIC SYSTEM PERMITS WITHIN THE AFFECTED AREA

SECTION 1D.4.(a) Notwithstanding any other provision of law, any Improvement Permits, Construction Authorizations, Operations Permits, or Notices of Intent submitted under G.S. 130A-336.1 or G.S. 130A-336.2 issued for on-site wastewater systems located in the affected area that would otherwise expire shall remain valid and unexpired for 10 years from the date of original permit issuance. Notwithstanding any extension granted pursuant to this section, all other provisions of Article 11 of Chapter 130A of the General Statutes and rules adopted thereunder apply, including required inspections and enforcement authority for noncompliance.

SECTION 1D.4.(b) This section is effective when it becomes law and applies to permits or authorizations valid in the affected area that were current or valid at any point during the period beginning January 1, 2024, through the effective date of this section.

TEMPORARY PUBLIC WATER SYSTEM APPROVAL IN DISASTER AREAS

SECTION 1D.5.(a) For purposes of this section, the following definitions apply:

- (1) The definitions set forth in G.S. 130A-313.
- (2) Transient non-community public water system. – As defined in 40 C.F.R. § 141.2.

SECTION 1D.5.(b) Notwithstanding any provision of Article 10 of Chapter 130A of the General Statutes to the contrary, a supplier of water may temporarily operate a transient non-community public water system in the affected area, without having been issued an operating permit by the Department of Environmental Quality, for up to 59 days if necessary to address an immediate public health or safety need.

SECTION 1D.5.(c) Prior to commencing the operation of any treatment that alters the physical, chemical, or microbiological characteristics of the water at a transient non-community public water system in the affected area without an operating permit, a supplier

of water shall submit a temporary operation notice to the Department that includes: the supplier's contact information; the location and capacity of the water system; the intended duration of operation; and information regarding the water source and the treatment techniques to be employed. The Department may conduct inspections of the public water system and any required records to verify compliance with basic public health standards. The supplier may commence operation of treatment on the next business day not sooner than 24 hours after submitting a temporary operation notice to the Department, except that the supplier shall not commence operation if the Department objects during this period.

SECTION 1D.5.(d) A supplier of water operating a transient non-community public water system pursuant to this section shall comply with the following operating standards, unless waived by the Department:

- (1) Ensure the water source is free of contamination to the extent possible.
- (2) Apply basic treatment methods.
- (3) Conduct daily testing for chlorine residuals, pH, and any other parameter as directed by the Department. Indicator test strips may be used as an alternative test method.
- (4) At a minimum, conduct weekly testing for total coliform bacteria.

SECTION 1D.5.(e) A supplier of water operating any treatment at a transient non-community public water system pursuant to this section shall notify users if any water quality risks are identified.

SECTION 1D.5.(f) A supplier of water operating any treatment at a transient non-community public water system pursuant to this section that has not been issued an operating permit by the Department pursuant to G.S. 130A-328 shall cease operations within 59 days of commencing service, or upon receiving written notice from the Department citing a public health risk, whichever is earlier. The supplier shall notify the Department within seven days of ceasing operations.

SECTION 1D.5.(g) Nothing in this section shall be construed to limit the authority of the Department to revoke a supplier's temporary authorization under this section upon determining that a public water system poses an imminent threat to public health or safety.

TEMPORARY PUMP AND HAUL WASTEWATER PERMITS

SECTION 1D.6.(a) Notwithstanding any other provision of law, wastewater pump and haul system permits issued by the Department of Environmental Quality (the Department) shall be valid for a period of 12 months if the permit holder complies with all of the following:

- (1) The permit holder is a temporary housing unit located in the affected area.
- (2) The permit holder has demonstrated that there is no feasible alternative wastewater management solution immediately available.
- (3) The permit holder contracts with one or more licensed septage management firms to pump and haul the wastewater collected by the permitted system.
- (4) The permit holder maintains compliance with all applicable public health and environmental protection standards.
- (5) The application for a temporary permit issued pursuant to this section shall include a letter from the facility accepting the wastewater, agreeing to accept both the type and quantity of wastewater from the applicant for the proposed activity.
- (6) Pump and haul facilities shall include at a minimum 24 hours storage equipped with high water alarms.
- (7) The permit holder submits quarterly reports to the Department that include the name of the licensed septage management firm or firms servicing the permitted system, the quantity of wastewater pumped and hauled from the

system, and the final disposition of the wastewater, including the name of the facility accepting the wastewater, as applicable.

SECTION 1D.6.(b) A holder of a wastewater pump and haul system permit issued pursuant to subsection (a) of this section may apply for a one-time extension of no more than 12 months. The Department shall grant a permit extension if the permit holder demonstrates that extraordinary circumstances prevent the establishment of permanent wastewater management within the initial permit period and the permit holder is in compliance with subsection (a) of this section at the time of the permit extension application.

SECTION 1D.6.(c) The Department may conduct inspections of temporary housing units holding wastewater pump and haul system permits issued pursuant to subsection (a) of this section and may revoke a wastewater pump and haul system permit for noncompliance with applicable statutes or rules.

SECTION 1D.6.(d) This section is effective when it becomes law and applies to permits issued on or after that date through March 1, 2025.

AUTHORIZE WAIVER OF SUBMISSION AND APPROVAL OF SEDIMENTATION POLLUTION CONTROL PLAN PRIOR TO INITIATION OF LAND-DISTURBING ACTIVITIES IN CERTAIN CIRCUMSTANCES

SECTION 1D.7.(a) Notwithstanding any requirement of Article 4 of Chapter 113A of the General Statutes or rules adopted thereunder, to the extent authorized by federal law, the Sedimentation Control Commission, Department of Environmental Quality, or a local government that administers a delegated erosion and sedimentation control program, as applicable, shall waive the requirement that persons conducting land-disturbing activity in the affected area file an erosion and sedimentation control plan (Plan) for approval of the agency with jurisdiction, and obtain a General Permit NCG01000 (NCG01), prior to initiating land-disturbing activity. If the applicable agency with jurisdiction waives the requirement for an approved Plan prior to initiation of activities, persons conducting such land-disturbing activities shall: (i) install all erosion control measures required prior to initiation of land-disturbing activities; (ii) notify the agency with jurisdiction of the date on which land disturbing activity will be initiated; and (iii) submit a Plan to the agency with jurisdiction, for the agency's approval, within 30 days of initiation of the land-disturbing activity, and apply for a NCG01 after receipt of Plan approval. Notwithstanding a waiver for a submittal and approval of a Plan authorized pursuant to this section, all other provisions of Article 4 of Chapter 113A of the General Statutes and rules adopted thereunder apply, including required inspections and enforcement authority for noncompliance. In addition to the definitions applicable to this Part, the definitions set forth in Article 4 of Chapter 113A of the General Statutes apply in this section.

SECTION 1D.7.(b) This section expires March 1, 2025.

TREE ORDINANCE RESTRICTION IN DISASTER DECLARED COUNTIES

SECTION 1D.8.(a) Notwithstanding the provisions of Chapter 160D, Article 6 of Chapter 153A, or Article 8 of Chapter 160A of the General Statutes or any local act of the General Assembly, no local government in the affected area may enforce any ordinance regulating the removal, replacement, and preservation of trees on private property, including tree removal, trimming, or maintenance activities, or require a permit for those activities, on the portion of any private property that is more than 10 feet from the property boundary.

SECTION 1D.8.(b) This section shall not apply to any of the following:

- (1) An imminent threat to public safety, as determined by a certified arborist or other local authority.
- (2) Areas where tree removal or maintenance activities are prohibited by State or federal law, including endangered species habitats, riparian buffers, and wetlands.

SECTION 1D.8.(c) This section expires March 1, 2025.

RIGHT TO CONNECT TEMPORARY HOUSING TO WASTEWATER TREATMENT SYSTEM

SECTION 1D.9.(a) No local health department shall deny a homeowner in the affected area the right to connect temporary housing to an existing subsurface wastewater treatment and dispersal system, provided that the homeowner signs an affidavit developed by the Department of Health and Human Services authorizing the use of the wastewater system with temporary housing for up to 12 months or until permanent housing is established, whichever occurs first. Any homeowner that executes an affidavit pursuant to this section, or any individual who visits, lives in, or resides at the property subject to the affidavit, shall have no cause of action of any kind in any forum of this State against the Department, its employees, agents, or contractors arising from or related to the homeowner's decision to connect to an existing subsurface wastewater treatment and dispersal system.

SECTION 1D.9.(b) This section expires June 1, 2025.

MODIFY DEQ WATER INFRASTRUCTURE BRIDGE LOAN PROGRAM

SECTION 1D.10. Section 4C.7 of S.L. 2024-53 reads as rewritten:

"SECTION 4C.7.(a) Allocation. – Of the funds appropriated from the Helene Fund to the Department of Environmental Quality by Section 2.1(a) of this act, the sum of one hundred million dollars (\$100,000,000) in nonrecurring funds shall be used by the Department of Environmental Quality, Division of Water Infrastructure, for purposes consistent with the loan program established by this ~~section~~ section and cognizant of the emergency relief related objectives underlying G.S. 159G-33(a)(4) and G.S. 159G-34(a)(4). Funds allocated by this section that have not been expended or encumbered by October 31, 2028, shall revert to the Savings Reserve established in G.S. 143C-4-2. Repayments of all loans made under the program shall be remitted by the Division of Water Infrastructure to the Office of State Budget and Management to be placed into the Savings Reserve.

"SECTION 4C.7.(b) Definitions. – The following definitions apply in this section:

- (1) Department. – The Department of Environmental Quality.
- (2) Division. – Division of Water Infrastructure.
- (3) Emergency repairs. – Repairs, including temporary measures that allow the preservation or restoration of drinking water and wastewater services, performed by or on behalf of a ~~local government unit provider~~, on public water or wastewater systems that are intended to restore those systems to operational capacity following damage incurred by Hurricane Helene.
- (4) Federal or State disaster relief. – Grant or loan funding provided by a federal or State agency to a ~~local government unit provider~~ for water or wastewater utility repairs or improvements, including emergency repairs, precipitated by Hurricane Helene.
- (5) Local government unit. – Defined in G.S. 159G-20.
- (5a) Nonprofit water corporation. – Defined in G.S. 159G-20.
- (5b) Operational capacity. – The general operative condition of a public water or wastewater system prior to damages incurred by Hurricane Helene, up to the permitted capacity for treatment plants and design flow for distribution and collection lines, with only necessary modifications to ensure that the restored system is functional and resilient against future flood events.
- (6) Program. – The loan program established by this section.
- (6a) Provider. – A local government unit or nonprofit water corporation, as those terms are defined in this section.
- (7) Public water system. – Defined in G.S. 130A-313.

(8) Wastewater system. – Defined in G.S. 159G-20.

"SECTION 4C.7.(c) Purpose. – The purpose of this section is to establish a program that enables the Division to rapidly distribute emergency financial assistance, in the form of bridge loans, to ~~local government units providers~~ located in the affected area and thereby supply those ~~units providers~~ with the short-term financial liquidity necessary to immediately conduct emergency repairs in the affected area, pending federal or State disaster relief.

"SECTION 4C.7.(d) Administration. – The Division shall be responsible for administering loans from the program.

"SECTION 4C.7.(e) Eligibility; Use. – A ~~local government unit provider~~ is eligible to apply for a loan under the program. Loans from the program may only be used by ~~local government units providers~~ for (i) temporary financial liquidity as necessary to immediately conduct emergency repairs until receipt of federal or State disaster relief and (ii) any other purpose specifically provided by an act of the General Assembly.

"SECTION 4C.7.(f) ~~Limitations. – The following limitations apply to the program.~~ Limitation. – The

- (1) ~~The amount of a loan from the program may not exceed the amount necessary to restore a public water or wastewater system to operational capacity.~~
- (2) ~~A loan from the program is available only to the extent that other funding sources for emergency repairs are not reasonably available to the local government unit.~~

"SECTION 4C.7.(g) Application. – An application for a loan from the program must be filed with, submitted on a form prescribed by, and contain the information required by, the Division. An applicant must submit any additional information requested by the Division to enable the Division to make a determination on the application.

"SECTION 4C.7.(h) Review. – The Division must review all applications filed for a loan under this section on a rolling basis and shall prioritize those applications that the Division determines demonstrate the most immediate need. The Division's determination of need is conclusive.

"SECTION 4C.7.(i) Award. – When the Division determines that an applicant is eligible for an award of a loan, the Division must send the applicant a letter of intent to award the loan. The letter of intent must set out any conditions the applicant must meet to receive the award. When the applicant satisfies the conditions set out in the letter of intent, the Division must send the applicant an offer to award the loan. The applicant must give the Division written notice of whether it accepts or rejects the offer. A loan is considered awarded when an offer to award the loan is issued.

"SECTION 4C.7.(j) Terms. – A loan from the program is subject to all of the following:

- (1) Interest rate. – The loan does not bear interest.
- (2) Maturity. – The loan matures upon the earlier of (i) receipt of federal or State disaster relief by the ~~local government unit provider~~ or (ii) June 30, 2030.

"SECTION 4C.7.(k) Report. – The Division shall provide ~~an initial~~ report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division no later than April 1, ~~2025, and 2025.~~ The Division shall provide a report annually thereafter until all funds have been allocated, at which time the Division shall report annually until all allocated funds have been repaid or otherwise accounted for by the Division. The annual report required by this subsection shall be included in the report published by the Department on November 1 of each year, as required by G.S. 159G-26. The report required by this subsection shall contain, at a minimum, the following information concerning loans made under the program:

- (1) The total amount of loans awarded from the program.
- (2) The recipient of each loan awarded, and the total amount awarded to each recipient.

(3) The total amount of loan funding that has been repaid.

"**SECTION 4C.7.(I)** Rulemaking Exemption. – The Department ~~shall~~may adopt emergency rules to implement the provisions of this section. Temporary and permanent rules adopted to replace emergency rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes."

SUBPART I-E. JUSTICE AND PUBLIC SAFETY

EXTEND CERTAIN CONCEALED HANDGUN PERMITS

SECTION 1E.1. Any concealed handgun permit issued pursuant to Article 54B of Chapter 14 of the General Statutes to a resident of the affected area with an expiration date on or after September 25, 2024, but no later than December 31, 2024, shall remain valid until March 1, 2025.

SUBPART I-F. GENERAL GOVERNMENT

MODIFY CASHFLOW LOAN PROGRAM

SECTION 1F.1. Section 4E.5 of S.L. 2024-53 reads as rewritten:

"**SECTION 4E.5.(a)** Of the funds appropriated to the Department of State Treasurer (~~Department~~) from the Helene Fund, the sum of one hundred million dollars (\$100,000,000) shall be used by the ~~Local Government Commission~~Department to provide cashflow loans to local governments in the affected area. The following shall apply to the loans made under this section:

- (1) The ~~Local Government Commission~~Department is authorized to administer the loan program and to develop an application process for the loans.
- (1a) Notwithstanding any other provision of law, in applying for a cashflow loan under this section, local governments are not required to get approval from the Local Government Commission.
- (2) Loans shall be used for disaster response activities only.
- (3) Loan recipients will not be assessed any interest on the loans.
- (4) Repayment of each loan made under this section begins one year after that loan's initiation.
- (5) Loans must be repaid within five years of initiation or by June 30, 2030, whichever is earlier.

"...

"**SECTION 4E.5.(c)** The Department of State Treasurer ~~and the Local Government Commission~~ shall be exempt from the rulemaking requirements in administering this section."

OFFICE OF RECOVERY AND RESILIENCY FUNDS, AUDIT, FINANCIAL MONITORING, AND SUBRECIPIENT AGREEMENTS

SECTION 1F.2.(a) Transfer, Appropriation. – The State Controller shall transfer the sum of fifty million dollars (\$50,000,000) from the SERDRF to the OSBM Disaster Relief Reserve (Budget Code 23009) for allocation to the Office of Recovery and Resiliency (Office) to support homeowner recovery projects under the Rebuild NC program for the 2024-2025 fiscal year. Funds are hereby appropriated for this purpose.

SECTION 1F.2.(b) Audit. – The State Auditor shall conduct a financial and performance audit of the Office no later than July 1, 2025. The State Auditor shall conduct additional periodic financial and performance audits of the Office and additional financial and performance audits as requested by the Director of the Budget and the General Assembly. The audits shall include, at a minimum, all areas of examination as prescribed by G.S. 147-64.6.

SECTION 1F.2.(c) OSBM Monitoring. – OSBM shall perform ongoing financial monitoring of the Office for the duration of the Office's operations, including funding for

previous, current, and future storm recovery programs. OSBM shall oversee and track the Office's budget, expenditures, and obligations through OSBM's Office of Internal Audit or appropriate combination of OSBM staff.

SECTION 1F.2.(d) Reporting. – In addition to the requirements of G.S. 147-64.5(a), the State Auditor shall furnish copies of any and all audits performed under this section to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division within 30 days of the completion of each audit. OSBM shall submit a quarterly report on the ongoing financial monitoring of the Office to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division in each quarter that the Office is expending State or federal funds for storm recovery efforts.

SECTION 1F.2.(e) Subrecipient Agreements. – By December 31, 2024, the Office shall enter into and sign the Subrecipient Agreements and proceed with the associated projects obligated in Round 3 of the Affordable Housing Development Fund program to (i) the Lumbee Tribe of North Carolina, (ii) Pamlico County, (iii) Scotland County, (iv) the Town of Maysville, and (v) the Town of Beulaville.

DELAY 2024 NORTH CAROLINA STATE BUILDING CODE EFFECTIVE DATE

SECTION 1F.3.(a) Definitions. – For purposes of this section, "2024 North Carolina State Building Code" means the North Carolina State Building Code collection, and amendments to the Code, as adopted by the Council, effective January 1, 2025. As used in this section, "Council" means the Building Code Council. On or after January 1, 2025, "Council" means the Building Code Council and Residential Code Council.

SECTION 1F.3.(b) Effective Date Delay. – Notwithstanding G.S. 143-138(d), Section 2 of S.L. 2013-118, or any rule to the contrary, the 2024 North Carolina State Building Code shall become effective July 1, 2025. Nothing in this section should be construed to abrogate the duties of the Council during this delay, including finalizing its publication, providing technical assistance, and educating the public regarding changes to the North Carolina State Building Code.

SECTION 1F.3.(c) Expiration. – This section expires July 1, 2025.

AUTHORIZE THE OFFICE OF THE STATE FIRE MARSHAL TO PROMULGATE RULES FOR TEMPORARY MANUFACTURED AND MODULAR DWELLINGS

SECTION 1F.4.(a) Notwithstanding G.S. 143-139.1, G.S. 160D-911, or any other law to the contrary, the Office of the State Fire Marshal may adopt rules, and prepare guidance for local governments enforcing the North Carolina State Building Code and the State of North Carolina Regulations for Manufactured Homes, that relate to the placement, construction, installation, and connection of temporary manufactured and modular dwellings. Approval of temporary manufactured and modular dwellings shall be evidenced by labels or seals acceptable to the Office of the State Fire Marshal. All temporary manufactured and modular dwellings bearing labels or seals shall be deemed to meet the requirements of the North Carolina State Building Code, except as may be required for the enforcement of the Code relative to utility service connections to temporary manufactured and modular dwellings and enforcement of local ordinances governing zoning, utility service connections, and foundation permits. The Office of the State Fire Marshal may also adopt rules to ensure that any person that places, constructs, installs, and connects a temporary manufactured and modular dwelling meets the manufacturer's installation instructions and applicable provisions of the North Carolina State Building Code and the State of North Carolina Regulations for Manufactured Homes. For the purposes of this section, a "temporary manufactured and modular dwelling" is a manufactured housing unit that is designed for utilization as a temporary dwelling in the affected area.

SECTION 1F.4.(b) Rulemaking. – The Office of the State Fire Marshal shall adopt emergency rules to implement the provisions of this section.

SECTION 1F.4.(c) Expiration. – This section expires on March 1, 2025.

SUBPART I-G. STATEWIDE

DACS CAPITAL PROJECT ACCOUNTS CONSOLIDATION

SECTION 1G.1. Notwithstanding any provision of law to the contrary, the Department of Agriculture and Consumer Services may consolidate old capital project accounts into a single fund totaling no more than two hundred ten thousand dollars (\$210,000) to be used for facility repairs located in the affected area and the funds are hereby appropriated for that purpose.

SUBPART I-H. TRANSPORTATION

SUSPENSION OF TRANSFER OF FUNDS TO TRANSPORTATION EMERGENCY RESERVE

SECTION 1H.1. Of the funds appropriated to the Department of Transportation, the sum of one hundred twenty-five million dollars (\$125,000,000) from the Transportation Emergency Reserve shall be used for repair and reconstruction of transportation infrastructure in the affected area. Notwithstanding G.S. 136-44.2E(b), in the discretion of the Secretary of Transportation, the required transfer of funds from the Highway Fund to the Transportation Reserve may be delayed or suspended until July 30, 2027. No other provision of G.S. 136-44.2E is affected by this section.

PART II. BUDGET AND VARIOUS TECHNICAL CORRECTIONS

SUBPART II-A. EDUCATION

FUNDS FOR LEGAL AND ADMINISTRATIVE SERVICES FOR THE NORTH CAROLINA SCHOOL FOR THE DEAF

SECTION 2A.1. There is appropriated from the General Fund to the Department of Public Instruction the sum of one hundred twenty thousand dollars (\$120,000) in recurring funds for the 2024-2025 fiscal year to be allocated to the North Carolina School for the Deaf for legal and administrative services.

UNC PERFORMANCE FUNDING

SECTION 2A.2. There is appropriated from the General Fund to the Board of Governors of The University of North Carolina for the 2024-2025 fiscal year the sum of thirteen million sixty-eight thousand two hundred sixty-seven dollars (\$13,068,267) in nonrecurring funds to adjust funds provided to constituent institutions, as determined by the enrollment funding model for performance outcomes related to student success, affordability, and productivity.

UNC STUDENT CREDIT HOUR ENROLLMENT CHANGES

SECTION 2A.3. There is appropriated from the General Fund to the Board of Governors of The University of North Carolina for the 2024-2025 fiscal year the sum of five hundred seventy-four thousand five hundred seventy-eight dollars (\$574,578) in recurring funds to adjust funds provided to constituent institutions, as determined by the enrollment funding model for changes in resident student credit hours.

UNC ENROLLMENT LOSS MITIGATION

SECTION 2A.4. There is appropriated from the General Fund to the Board of Governors of The University of North Carolina for the 2024-2025 fiscal year the sum of seven million eight hundred thirty-seven thousand six hundred forty-six dollars (\$7,837,646) in nonrecurring funds to be allocated to offset enrollment-related funding losses experienced by certain constituent institutions of The University of North Carolina, as follows:

Allocation	Constituent Institution
\$1,364,971	East Carolina University
\$1,500,000	University of North Carolina at Asheville
\$19,687	University of North Carolina at Greensboro
\$3,701,653	University of North Carolina at Pembroke
\$1,251,335	Winston-Salem State University

UNC BUILDING RESERVES

SECTION 2A.5.(a) Notwithstanding any provision of law or the Committee Report described in Section 43.2 of S.L. 2023-134 to the contrary, the sum of two million seven hundred eighty-six thousand six hundred seventy-three dollars (\$2,786,673) in recurring funds for the 2024-2025 fiscal year and the sum of four hundred seventy thousand four hundred four dollars (\$470,404) in nonrecurring funds for the 2024-2025 fiscal year for the Future Building Reserves are reduced.

SECTION 2A.5.(b) There is appropriated from the General Fund to the Board of Governors of The University of North Carolina for the 2024-2025 fiscal year the sum of two million seven hundred eighty-six thousand six hundred seventy-three dollars (\$2,786,673) in recurring funds and the sum of four hundred seventy thousand four hundred four dollars (\$470,404) in nonrecurring funds to operate and maintain Randall Library at the University of North Carolina at Wilmington and Joiner Hall and other buildings at the North Carolina School of Science and Mathematics Morganton campus.

PERMIT CHAIR OF BOARD OF GOVERNORS TO DESIGNATE A MEMBER OF BOARD OF DIRECTORS FOR PROJECT KITTY HAWK

SECTION 2A.6. Section 8.24(c) of S.L. 2021-180 reads as rewritten:

"SECTION 8.24.(c) Project Kitty Hawk shall be conducted by a nonprofit corporation created in accordance with this section and G.S. 116-30.20. The nonprofit corporation shall include in its corporate bylaws that the organization will be governed by a board of directors consisting of nine members, as follows:

- (1) Two ex officio voting members as follows:
 - a. The President of The University of North Carolina.
 - b. The Chair of the Board of Governors of The University of North ~~Carolina~~Carolina, or the Chair's designee.
- (2) Seven voting members appointed by the Board of Governors, in consultation with the President of The University of North Carolina, as follows:
 - a. Three members who shall be chancellors or chief academic officers of constituent institutions of The University of North Carolina.
 - b. Four members who shall be individuals having experience in business management, higher education, or both."

CAMPUS LAW ENFORCEMENT TEACHING HOSPITAL CLARIFICATION

SECTION 2A.7. G.S. 116-40.5 reads as rewritten:

"§ 116-40.5. Campus law enforcement agencies.

(a) The Board of Trustees of any constituent institution of The University of North Carolina, the governing board of any teaching hospital affiliated with but not part of any constituent institution of The University of North Carolina, the Board of Directors of the

University of North Carolina Health Care System, or the Board of Directors of the North Carolina Arboretum, may establish a campus law enforcement agency and employ campus police officers. Such officers shall meet the requirements of Article 1 of Chapter 17C of the General Statutes, shall take the oath of office prescribed by Article VI, Section 7 of the Constitution, and shall have all the powers of law enforcement officers generally. The territorial jurisdiction of a campus police officer shall include all property owned, leased to, managed, or controlled by the institution employing the campus police officer and that portion of any public road or highway passing through such property or immediately adjoining it, wherever located.

(a1) ~~The~~ Any teaching hospital or the Board of Directors of the University of North Carolina Health Care System, having established a campus law enforcement agency pursuant to subsection (a) of this section, may assign its campus police officers to any other facility within ~~the System's~~ its healthcare system's network. Campus police officers assigned to any other facility within ~~the System's~~ its healthcare system's network pursuant to this subsection shall have the same authority and jurisdiction exclusively upon the premises of the assigned facility, but not upon any portion of any public road or highway passing through the property of the facility or immediately adjoining it, as a campus police officer assigned under subsection (a) of this section.

(b) The Board of Trustees of any constituent institution of The University of North Carolina, the governing board of any teaching hospital affiliated with but not part of any constituent institution of The University of North Carolina, the Board of Directors of the University of North Carolina Health Care System, or the Board of Directors of the North Carolina Arboretum, having established a campus law enforcement agency pursuant to subsection (a) of this section, may enter into joint agreements with the governing board of any municipality to extend the law enforcement authority of campus police officers into any or all of the municipality's jurisdiction and to determine the circumstances in which this extension of authority may be granted.

(c) The Board of Trustees of any constituent institution of The University of North Carolina, the governing board of any teaching hospital affiliated with but not part of any constituent institution of The University of North Carolina, the Board of Directors of the University of North Carolina Health Care System, or the Board of Directors of the North Carolina Arboretum, having established a campus law enforcement agency pursuant to subsection (a) of this section, may enter into joint agreements with the governing board of any county, and with the consent of the sheriff, to extend the law enforcement authority of campus police officers into any or all of the county's jurisdiction and to determine the circumstances in which this extension of authority may be granted.

(d) The Board of Trustees of any constituent institution of The University of North Carolina, the Board of Directors of the University of North Carolina Health Care System, or the Board of Directors of the North Carolina Arboretum, having established a campus law enforcement agency pursuant to subsection (a) of this section, may enter into joint agreements with the governing board of any other constituent institution of The University of North Carolina to extend the law enforcement authority of its campus police officers into any or all of the other institution's jurisdiction and to determine the circumstances in which this extension of authority may be granted."

NORTH CAROLINA COLLABORATORY TO ESTABLISH AND OPERATE THE OFFICE OF LEARNING RESEARCH

SECTION 2A.8.(a) OLR Established. – There is appropriated from the General Fund to the Board of Governors of The University of North Carolina the sum of one million five hundred thousand dollars (\$1,500,000) in recurring funds for the 2024-2025 fiscal year to be allocated to the North Carolina Collaboratory to establish and operate the Office of Learning Research (OLR), beginning in the 2024-2025 fiscal year. The purpose of OLR is to identify and

evaluate the efficacy and efficiency of programs, activities, initiatives, procedures, and any other factors related to elementary and secondary education in the State.

SECTION 2A.8.(b) Funding and Duties of OLR. – Funding allocated to the Collaboratory for OLR shall be administered by the Collaboratory pursuant to the provisions of G.S. 116-255(c). These funds shall be used to do at least the following:

- (1) Provide information and support needed by elementary and secondary public schools, university leaders, and elected officials to make evidence-based decisions.
- (2) Collaborate with constituent institutions of The University of North Carolina and other stakeholders to implement innovative policies and programs to accelerate learning for all students.
- (3) Work with external research resources and partners to evaluate local, State, and federal programs in order to establish metrics and assess return on investment.
- (4) Support the operations of OLR.

SECTION 2A.8.(c) Collaboratory May Relocate OLR. – After the Collaboratory establishes OLR, the Collaboratory may, in consultation with The University of North Carolina System Office and the Provost at the University of North Carolina at Chapel Hill, relocate OLR within the University of North Carolina at Chapel Hill. If the Collaboratory relocates OLR pursuant to this section, the Collaboratory shall do the following:

- (1) Continue to administer funds appropriated in this act for OLR for the operations of OLR, as described in subsection (b) of this section.
- (2) Continue to determine, fund, manage, and oversee the research portfolio of OLR. The entity to which OLR is relocated shall otherwise oversee the operations of OLR.
- (3) Within 60 days of the relocation, report to the Joint Legislative Education Oversight Committee on where OLR was relocated and any other information the Collaboratory deems relevant to the relocation.

SECTION 2A.8.(d) Access to Information. – All units of State and local government, including the State Board of Education, the Department of Public Instruction, and public school units, shall provide reasonable access to records, data, processes, personnel, and any other information deemed relevant by the Office or the Collaboratory, to the extent otherwise permitted under State and federal law, to carry out the provisions of this section.

SECTION 2A.8.(e) Report. – No later than July 1, 2025, the Collaboratory shall report to the Joint Legislative Education Oversight Committee on the progress made in establishing and operating OLR pursuant to this section. For each fiscal year OLR is in operation, the Collaboratory shall include in the annual report required by G.S. 116-256 information on the activities of OLR from the prior fiscal year.

REVISE STATE EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS MEMBER REQUIREMENTS

SECTION 2A.9.(a) G.S. 116-203(b) reads as rewritten:

"(b) Membership. – The Authority shall be governed by a board of directors consisting of nine members, seven of whom shall be appointed and two of whom shall be ex officio as follows:

- (1) Seven members appointed according to the following:
 - a. The Board of Governors of The University of North Carolina shall appoint the following members:
 1. One member who shall have expertise in secondary or higher education.
 2. One member who shall be or have experience as a chief financial officer or chief administrative officer from a

nonpublic school that enrolls students receiving scholarship funds pursuant to Part 2A of Article 39 of Chapter 115C of the General Statutes.

3. One member who shall have expertise in finance.
- b. The Governor shall appoint the following members:
 1. One member who shall have expertise in finance.
 2. One member who shall have expertise in secondary or higher education.
 3. One member who shall be a member of the public at large with an interest in higher education.
 4. One member who shall be a chief financial officer from a college or university that is a member of North Carolina Independent Colleges and Universities, Inc., appointed upon the recommendation of North Carolina Independent Colleges and Universities, Inc.
- (2) The chief financial officer of The University of North Carolina shall serve as an ex officio member.
- (3) The chief financial officer of the North Carolina Community College System shall serve as an ex officio member."

SECTION 2A.9.(b) Any current member of the board of directors of the State Education Assistance Authority holding a seat pursuant to G.S. 116-203(b)(1)a.2. may continue to serve the remainder of that member's unexpired term as long as the member meets the qualifications of G.S. 116-203(b)(1)a.2., as amended by subsection (a) of this section.

SECTION 2A.9.(c) This section is effective July 1, 2024.

EXTEND CERTAIN OPPORTUNITY SCHOLARSHIP DOMICILE VERIFICATION REQUIREMENTS

SECTION 2A.10. Section 8A.6(h) of S.L. 2023-134 reads as rewritten:

"**SECTION 8A.6.(h)** Notwithstanding G.S. 115C-562.3(a), as enacted by this act, as part of a student's application for a scholarship grant pursuant to Part 2A of Article 39 of Chapter 115C of the General Statutes for the 2024-2025 school year, and 2025-2026 school years, a parent shall certify to the State Education Assistance Authority that the domicile requirements of G.S. 115C-562.1(3a), as enacted by this act, are met for eligibility purposes in lieu of submitting evidence electronically to the State Education Assistance Authority through a domicile determination system. The State Education Assistance Authority shall select six percent (6%) of the applications for the 2024-2025 school year and 2025-2026 school years to verify the domicile requirements are met for the award of a scholarship grant to an eligible student. As evidence of domicile, the State Education Assistance Authority may accept the submission of any of the documents set forth under G.S. 115C-562.3(a). If a parent fails to cooperate with verification efforts under this section, the State Education Assistance Authority shall revoke the award of the scholarship grant to the eligible student. In addition, if the State Education Assistance Authority determines that the certification of the parent contains falsified information, the parent may be subject to administrative, civil, or criminal penalties. The State Education Assistance Authority shall include a notice of the potential for the imposition of penalties when requesting certification as part of the application process."

SUBPART II-B. HEALTH AND HUMAN SERVICES

CONTINUE FUNDING FOR CHILD CARE STABILIZATION GRANTS

SECTION 2B.1. There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education (Division), the

sum of thirty-three million seven hundred fifty thousand dollars (\$33,750,000) in nonrecurring funds for the 2024-2025 fiscal year to continue the compensation grants portion of the child care stabilization grants. The Division shall continue the compensation grants portion of the child care stabilization grants through the third quarter at the current 2024-2025 fiscal year level.

SIX-MONTH EXTENSION FOR FULL IMPLEMENTATION OF CHILD FATALITY PREVENTION SYSTEM CHANGES

SECTION 2B.2.(a) Section 9H.15(e)(2) of S.L. 2023-134 reads as rewritten:

"(2) Not later than ~~January 1, 2025~~, July 1, 2025, the Department shall ensure all of the following:

- a. That the State Office of Child Fatality Prevention is sufficiently staffed and prepared to carry out the powers and duties of the State Office, as described in G.S. 143B-150.27, to support a restructured Child Fatality Prevention System as set forth in subsections (f) through (i) of this section.
- b. That any contractual agreements and interagency data sharing agreements necessary for participation in the NFR-CRS, as required in G.S. 7B-1413.5, have been executed."

SECTION 2B.2.(b) Section 9H.15(e)(3) of S.L. 2023-134 reads as rewritten:

"(3) Not later than ~~July 1, 2025~~, January 1, 2026, the Department shall ensure through its State Office of Child Fatality Prevention that all Local Teams have been provided guidelines and training addressing their participation in the NFR-CRS, and Local Teams shall begin utilizing the System for case reporting as specified in G.S. 7B-1413.5."

SECTION 2B.2.(c) Section 9H.15(h) of S.L. 2023-134 reads as rewritten:

"**SECTION 9H.15.(h)** Effective ~~January 1, 2025~~, July 1, 2025, G.S. 7B-1404, 7B-1405, 7B-1406, 7B-1408, 7B-1409, 7B-1411, and 143B-150.20 are repealed."

SECTION 2B.2.(d) Section 9H.15(i) of S.L. 2023-134, as amended by Section 3.6(a) of S.L. 2024-1, reads as rewritten:

"**SECTION 9H.15.(i)** G.S. 7B-1413.5, as enacted by subsection (f) of this section, becomes effective ~~July 1, 2025~~, January 1, 2026. The remainder of subsection (f) and subsection (g) of this section become effective ~~January 1, 2025~~, July 1, 2025."

SECTION 2B.2.(e) Section 9H.15(k) of S.L. 2023-134 reads as rewritten:

"**SECTION 9H.15.(k)** Subsection (j) of this section becomes effective ~~January 1, 2025~~, July 1, 2025."

FOSTER CARE TRAUMA-INFORMED ASSESSMENT

SECTION 2B.3.(a) Section 9J.12(c) of S.L. 2023-134 reads as rewritten:

"**SECTION 9J.12.(c)** Plan Development. – In developing the trauma-informed, standardized assessment, the partnership shall develop a rollout plan with a goal of implementing the trauma-informed, standardized assessment statewide in all 100 counties. The rollout plan shall include all of the following:

- (1) The development of the trauma-informed, standardized assessment template by March 31, 2024.
- (2) The finalized trauma-informed, standardized assessment template by ~~September 30, 2024~~, August 30, 2025, including the standardized training curriculum, methodology for training, the selection of a vendor to manage and conduct the training and determine the process for the statewide rollout, and coordination with tribal jurisdictions.

- (3) The phased-in approach of the trauma-informed, standardized assessment beginning on ~~October 1, 2024~~, January 30, 2026, and operating statewide by ~~September 30, 2025~~ December 31, 2026.

...."

SECTION 2B.3.(b) The funds appropriated for trauma-informed standardized assessments under Section 9J.12(a) of S.L. 2023-134 shall not revert at the end of the 2023-2025 fiscal biennium but instead shall remain available to expend for the same purpose until June 30, 2026.

SUBPART II-C. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

WATER AND SEWER INFRASTRUCTURE CORRECTIONS AND CLARIFICATIONS

SECTION 2C.1.(a) Three million dollars (\$3,000,000) of the funds allocated to the Town of Midland by Section 12.13(f)(39) of S.L. 2021-180 shall, notwithstanding that subdivision, instead be allocated to the Town of Mount Pleasant for water and wastewater infrastructure projects.

SECTION 2C.1.(b) Funds allocated to Union County by Section 12.13(f)(63) of S.L. 2021-180 may, notwithstanding that subdivision, also be used by the county for an expansion of the 12-Mile Creek water reclamation facility.

SECTION 2C.1.(c) Section 12.9(e)(87) of S.L. 2022-74 reads as rewritten:

"(87) Seven million five hundred thousand dollars (\$7,500,000) to the Town of ~~Warsaw for wastewater capacity expansion~~ Warsaw."

SECTION 2C.1.(d) Funds allocated to the Town of Connelly Springs by Section 12.2(e)(45) of S.L. 2023-134 shall, notwithstanding that subdivision, instead be allocated to Burke County for any water or wastewater project.

SECTION 2C.1.(e) Section 4.2(j) of S.L. 2024-1 reads as rewritten:

"**SECTION 4.2.(j)** Funds provided to Rockingham County and to the Town of Stoneville by Section 12.2(e) of S.L. 2023-134 shall, notwithstanding any provision of law to the contrary, be transferred to the Office of State Budget and Management to provide grants to those local governments for the following water and wastewater projects:

...

(2) ~~Twenty three million five hundred fifty thousand dollars (\$23,550,000)~~ Forty-four million five hundred fifty thousand dollars (\$44,550,000) to Rockingham County for water and wastewater projects.

(3) ~~Twenty one million dollars (\$21,000,000) to Rockingham County for the extension of water services from Reidsville toward the unincorporated community of Ruffin.~~

...."

SECTION 2C.1.(f) Funds allocated to the City of Saluda and the Towns of Columbus and Tryon (the recipients) by Section 4.2(h) of S.L. 2024-1, as amended by Section 3 of S.L. 2024-38, shall, notwithstanding any provision of those acts to the contrary, be used by the recipients for either of the following purposes, apportioned among those purposes as the recipients may specify:

- (1) The repayment of debt incurred by any of the recipients for the construction of a water or wastewater project.
- (2) Any water or wastewater infrastructure project.

INCREASE ADMINISTRATIVE CAP FOR THE TOBACCO TRUST FUND

SECTION 2C.2. G.S. 143-717(i) reads as rewritten:

"(i) Limit on Operating and Administrative Expenses. – All administrative expenses of the Commission shall be paid from the Fund. No more than ~~three hundred seventy five thousand dollars (\$375,000)~~ four hundred eighty-five thousand dollars (\$485,000) may be used each fiscal year for administrative and operating expenses of the Commission and its staff, provided that the Commission may annually adjust the administrative expense cap imposed by this subsection, so long as that any cap increase does not exceed the amount necessary to provide for statewide salary and benefit adjustments enacted by the General Assembly."

DELAY EFFECTIVE DATE OF ENTERTAINMENT EVENT TICKET SALE/RESALE TRANSPARENCY

SECTION 2C.3. Section 24(b) of S.L. 2024-45 reads as rewritten:

"**SECTION 24.(b)** This section becomes effective ~~January 1, 2025,~~ April 1, 2025, and applies to tickets listed for sale or resale on or after that date."

EXPEDITE EFFECTIVE DATES FOR CAMA PROVISIONS REQUIRING NOAA APPROVAL

SECTION 2C.4.(a) Section 4C.11(d) of S.L. 2024-53 reads as rewritten:

"**SECTION 4C.11.(d)** ~~Subsection (b) of this section becomes effective on the later of the following dates and applies to applications for permits pending or filed on or after that date:~~

~~(1) January 1, 2025.~~

~~(2) The first day of the month following the date the Secretary of the Department of Environmental Quality certifies to the Revisor of Statutes that the National Oceanic and Atmospheric Administration has approved the change made to G.S. 113A-118, as enacted by subsection (b) of this section, as required by subsection (c) of this section. The Secretary shall provide this notice along with the effective date of this act on its website. This section is effective when it becomes law.~~

SECTION 2C.4.(b) Section 4C.12(d) of S.L. 2024-53 reads as rewritten:

"**SECTION 4C.12.(d)** ~~Subsection (b) of this section becomes effective on the later of the following dates and applies to applications for permits pending or filed on or after that date:~~

~~(1) January 1, 2025.~~

~~(2) The first day of the month following the date that the Secretary of the Department of Environmental Quality certifies to the Revisor of Statutes that the National Oceanic and Atmospheric Administration has approved the change made to G.S. 113A-115.1, as enacted by subsection (b) of this section, as required by subsection (c) of this section. The Secretary shall provide this notice along with the effective date of this act on its website. This section is effective when it becomes law.~~

SECTION 2C.4.(c) This section is retroactively effective October 25, 2024.

REPURPOSE CERTAIN FUNDS FROM COLUMBUS COUNTY TO TOWN OF LAKE WACCAMAW

SECTION 2C.5. Notwithstanding any provision of S.L. 2021-180, of the Committee Report referenced in Section 43.2 of that act, and of S.L. 2022-6 to the contrary, funds reallocated from the Town of Lake Waccamaw to Columbus County for pedestrian and bike trails by Section 18.1 of S.L. 2022-6 shall instead be provided to the Town of Lake Waccamaw for dam construction and associated activities.

SUBPART II-D. JUSTICE AND PUBLIC SAFETY

MODIFY STATUTE SHIELDING INDIVIDUALS FROM PROSECUTION RELATED TO CERTAIN LOCAL ORDINANCES

SECTION 2D.1.(a) G.S. 14-4(c) reads as rewritten:

"(c) A person may not be found responsible or guilty of a local ordinance violation punishable pursuant to subsection (a) of this section if, when tried for that violation, the person produces proof of compliance with the local ordinance through any of the following:

- (1) No new alleged violations of the local ordinance within ~~30 days~~ 12 months from the date of the initial alleged violation.
- (2) The person provides documented proof of a good-faith effort to seek assistance to address any underlying factors related to unemployment, homelessness, mental health, or substance abuse that might relate to the person's ability to comply with the local ordinance."

SECTION 2D.1.(b) This section becomes effective January 1, 2025, and applies to offenses committed on or after that date.

FUNDING TO MAKE TIME-LIMITED ECOURTS TECHNOLOGY POSITIONS INTO PERMANENT POSITIONS

SECTION 2D.2.(a) Notwithstanding any law to the contrary, the funds appropriated to the Administrative Office of the Courts for the 2024-2025 fiscal year in Section 2.2(d) of S.L. 2023-134 shall be reduced by two million five hundred thousand dollars (\$2,500,000). Funds reduced pursuant to this subsection shall revert to the Information Technology Reserve established in Section 2.2(h) of S.L. 2021-180 and shall remain unspent until appropriated by an act of the General Assembly.

SECTION 2D.2.(b) There is appropriated from the General Fund to the Administrative Office of the Courts the sum of two million five hundred thousand dollars (\$2,500,000) in recurring funds for the 2024-2025 fiscal year to be used to convert time-limited eCourts technology positions into permanent positions.

FUNDING FOR TIMELY PAYMENTS TO PRIVATE ASSIGNED COUNSEL REPRESENTING INDIGENT DEFENDANTS

SECTION 2D.3. There is appropriated from the General Fund to the Administrative Office of the Courts, Office of Indigent Defense Services, Budget Code 12001, Budget Fund 100151, the sum of eight million two hundred thousand dollars (\$8,200,000) in nonrecurring funds for the 2024-2025 fiscal year to be used to provide timely payments to private assigned counsel representing indigent defendants.

CREATE TWO SPECIAL SUPERIOR COURT JUDGE POSITIONS

SECTION 2D.4.(a) G.S. 7A-45.1 is amended by adding a new subsection to read:

"(a13) In addition to any other special superior court judges authorized by law, effective January 1, 2025, the General Assembly may appoint by enactment of a bill two special superior court judges to serve terms expiring at the earlier of (i) eight years from the date that each judge takes office or (ii) the date of the judge's death, retirement, resignation, or removal from office. A bill appointing a special superior court judge under this subsection shall state the name of the person being appointed, the office to which the appointment is being made, and the judicial division of residence of the appointee. One of the judges shall be nominated by the Speaker of the House of Representatives and one shall be nominated by the President Pro Tempore of the Senate.

Upon the natural expiration of the term of a special superior court judge appointed pursuant to this subsection, or upon the expiration of a term due to a judge's death, retirement, resignation, or removal from office, a successor shall be appointed to a new term in the same manner and for the same length as other judges appointed pursuant to this subsection. The legislative officer who

nominated the special superior court judge whose term has ended shall nominate the new special superior court judge.

A special superior court judge takes the same oath of office and is subject to the same requirements and disabilities as are or may be prescribed by law for regular judges of the superior court, save the requirement of residence in a particular district."

SECTION 2D.4.(b) There is appropriated from the General Fund to the Administrative Office of the Courts the sum of two hundred eighty-seven thousand eight hundred forty-six dollars (\$287,846) in recurring funds and fourteen thousand four hundred fifty-two dollars (\$14,452) in nonrecurring funds for the 2024-2025 fiscal year to be used to hire two full-time special superior court judge positions pursuant to the judgeships created by subsection (a) of this section.

REPEAL VARIOUS SUPERIOR COURT DISTRICTS

SECTION 2D.5.(a) G.S. 7A-41 reads as rewritten:

"§ 7A-41. Superior court divisions and districts; judges.

(a) The counties of the State are organized into judicial divisions and superior court districts, and each superior court district has the counties, and the number of regular resident superior court judges set forth in the following table, and for districts of less than a whole county, as set out in subsection (b) of this section:

Judicial Division	Superior Court District	Counties	No. of Resident Judges
...			
Third	10E	(part of Wake, see subsection (b))	1
...			
Fourth	31D	(part of Forsyth, see subsection (b))	1
...			

(b) For superior court districts of less than a whole county, or with part of one county with part of another, the composition of the district and the number of judges is as follows:

...

(10) ~~Superior Court District 10E consists of Wake County Precincts: VTD: 01-28, VTD: 01-42, VTD: 01-44, VTD: 01-47, VTD: 09-01, VTD: 09-02, VTD: 09-03, VTD: 10-01, VTD: 10-02, VTD: 10-03, VTD: 10-04, VTD: 13-01; Block(s) — 1830541041000, — 1830541041001, — 1830541041002, 1830541041003, — 1830541041004, — 1830541041005, — 1830541041006, 1830541041007, — 1830541041008, — 1830541041009, — 1830541041010, 1830541041011, — 1830541041012, — 1830541041013, — 1830541041014, 1830541041015, — 1830541041016, — 1830541041017, — 1830541041018, 1830541041019, 1830541041020, 1830541041021, 1830541042028; VTD: 13-02, VTD: 13-06, VTD: 13-08, VTD: 13-09, VTD: 15-01, VTD: 15-03, VTD: 15-04, VTD: 16-01, VTD: 16-04, VTD: 16-05, VTD: 16-07, VTD: 16-09, VTD: 17-01, VTD: 17-02, VTD: 17-03, VTD: 17-04, VTD: 17-05, VTD: 19-16, VTD: 19-17. It has one judge.~~

...

(25) ~~District 31D: Forsyth County: VTD: 081, VTD: 082, VTD: 083, VTD: 201, VTD: 203, VTD: 204, VTD: 205, VTD: 206, VTD: 207, VTD: 301, VTD: 302, VTD: 303, VTD: 304, VTD: 305, VTD: 306, VTD: 401, VTD: 402, VTD: 403, VTD: 404, VTD: 405. It has one judge.~~

...."

SECTION 2D.5.(b) In a future act of the General Assembly, the voters assigned to superior court districts repealed by this section will be reassigned to other superior court districts located within the same county, respectively, of the repealed districts.

SECTION 2D.5.(c) Subsection (a) of this section becomes effective January 1, 2029, and elections conducted in 2028 shall be held accordingly.

SUBPART II-E. GENERAL GOVERNMENT

OSBM GRANT CHANGES

SECTION 2E.1.(a) Section 6.1(a) of S.L. 2024-1 reads as rewritten:

"SECTION 6.1.(a) Notwithstanding any provision of S.L. 2023-134 or the Committee Report referenced in Section 43.2 of that act to the contrary, the following directed grants to be allocated by the Office of State Budget and Management – Special Appropriations for the 2023-2024 fiscal year are amended as follows:

- ...
- (38) The directed grant to the Town of Yanceyville in the sum of two hundred fifty thousand dollars (\$250,000) in nonrecurring funds for the fire department to construct a substation at the municipal airport shall instead be used for general water and sewer needs.
 - (39) The directed grant to the Town of Waxhaw in the sum of one hundred fifty thousand dollars (\$150,000) in nonrecurring funds for crosswalk construction and related equipment needs for Cuthbertson High and Middle Schools may also be used for sidewalk construction on Kensington Drive between the new town hall and Kensington Elementary School.
 - (40) The directed grant to Place of Refuge of Gaston County, Inc., in the sum of one hundred thousand dollars (\$100,000) in nonrecurring funds shall instead be provided to the Gaston County Sheriff's Office.
 - (41) The directed grant to the North American Mission Board of the Southern Baptist Convention, Inc., in the sum of fifty thousand dollars (\$50,000) in nonrecurring funds shall instead be provided to The Oar Foundation, Inc.
 - (42) The budgeted receipts from the ARPA Temporary Savings Fund to provide funds to the Lincoln Community Health Center, Incorporated, in the sum of five hundred thousand dollars (\$500,000) in nonrecurring funds to be used for operational needs, including staff.
 - (43) The directed grant to The Salvation Army in the sum of fifty thousand dollars (\$50,000) in nonrecurring funds shall be provided to the location in Winston-Salem.
 - (44) Funding provided to Fayetteville State University in the sum of two million five hundred thousand dollars (\$2,500,000) in nonrecurring funds for a risk management school shall not revert on December 31, 2024, but shall remain available until June 30, 2026.
 - (45) The directed grant to Life Choices Rowan in the sum of two hundred fifty thousand dollars (\$250,000) in nonrecurring funds for the 2023-2024 fiscal year for medical equipment and products for clients may also be used for renovation.
 - (46) The directed grant to the Town of Red Springs in the sum of two million dollars (\$2,000,000) in nonrecurring funds to support the Emerging Technology Institute shall instead be provided to the Emerging Technologies Institute.

- (47) The directed grant to The Arc/Alamance County, Inc., in the sum of twenty-thousand dollars (\$20,000) in nonrecurring funds for playground equipment shall instead be provided to the City of Burlington."

SECTION 2E.1.(b) Section 24.7 of S.L. 2023-134 reads as rewritten:

"SECTION 24.7. Of the funds appropriated in this act to the Office of State Budget and Management, Special Appropriations, from the Regional Economic Development Reserve (Reserve), the sum of two hundred fifty thousand dollars (\$250,000) in nonrecurring funds for the 2023-2024 fiscal year shall be used to provide a directed grant to ~~Person County~~ Person-Caswell Lake Authority for the treatment and removal of native and noxious aquatic weeds in Hyco Lake, including Brittle Naiad, Creeping Water Primrose, Nitella, Hydrilla, Alligator Weed, Watermilfoil, Salvinia, and Chara. Any unexpended funds in the Reserve after the effective treatment of native and noxious aquatic weeds in Hyco Lake may be used for other surface bodies in Person County, including Mayo Lake. Funds appropriated for the purposes authorized in this section shall not revert to the Reserve on June 30, 2024, but shall remain available to Person County to use as provided in this section. For purposes of this section, native and noxious aquatic weeds in Hyco Lake, including Brittle Naiad, Creeping Water Primrose, Nitella, Hydrilla, Alligator Weed, Watermilfoil, Salvinia, and Chara shall be considered a "noxious aquatic weed" under Article 15 of Chapter 113A of the General Statutes."

APPROPRIATION FOR RRC LITIGATION EXPENSES

SECTION 2E.2 There is appropriated from the General Fund to the Office of Administrative Hearings the sum of two hundred fifty thousand dollars (\$250,000) in nonrecurring funds for the 2024-2025 fiscal year to offset litigation expenses incurred by the Rules Review Commission, created by G.S. 143B-30.1, in the Commission's retention of private counsel.

BURKE COUNTY BUSINESS PARK SITE DEVELOPMENT

SECTION 2E.3.(a) Appropriation. – Notwithstanding any provision of S.L. 2023-134 or the Committee Report referenced in Section 43.2 of that act to the contrary, of the twenty-three million five hundred twenty thousand dollars (\$23,520,000) in nonrecurring funds for the 2023-2024 fiscal year appropriated to the Office of State Budget and Management – Special Appropriations to provide a directed grant to Burke Partnership for Economic Development, Inc. (Burke Partnership), a nonprofit corporation, for acquisition and capital costs associated with constructing a megasite in western North Carolina, the sum of twenty million dollars (\$20,000,000) shall not be used for that purpose but shall instead be used for purposes consistent with this section.

SECTION 2E.3.(b) Purpose. – The purpose of this section is to establish a framework whereby the State may provide funding to Burke Partnership, who shall, in consultation with the Department of Commerce (Commerce), use that funding for site development and pre-construction and construction activities at the Burke Business Park located in Burke County. All funds provided to Burke Partnership under this section shall be recouped by Burke Partnership, in their entirety, in accordance with the provisions of this section.

SECTION 2E.3.(c) Contract Required. – As a necessary precondition to using funds for construction activities as provided by this section, Burke Partnership shall execute a project design and management agreement with Burke County Government and a contract with the Department that, at a minimum, provides for (i) acceptable uses of funds, which shall only include site development and pre-construction and construction activities at the Burke Business Park, (ii) fund recoupment requirements, in accordance with subsection (d) of this section, (iii) Burke Partnership's liability in the event of any fund recoupment deficiencies, (iv) acceptable contract termination provisions in the event Burke Partnership no longer requires funding under

this section, and (v) clawback provisions in the event Burke Partnership does not fulfill its responsibilities under this section.

SECTION 2E.3.(d) Recoupment of Funds/Liability. – Burke Partnership shall recoup all funds used by it under this section within 36 months of the date that the funds are used or otherwise obligated. No funds shall be used or obligated by Burke Partnership after December 31, 2027, and all funds shall be recouped upon the occurrence of the earlier of (i) December 31, 2027, or (ii) termination by Burke Partnership of the contract required by section (c) of this section. Proceeds derived from the sale or lease of any buildings created with funds provided by this section shall first be used to recoup State funds provided by this section. Burke Partnership shall maintain financial and accounting records detailing the use of all funds used by it under this section in accordance with generally accepted accounting principles. Burke Partnership shall be liable for any deficiency in the recoupment of funds used or otherwise obligated by it under this section.

SECTION 2E.3.(e) Reporting. – No later than December 1, 2024, and quarterly thereafter until December 31, 2027, Burke Partnership shall report on the use of funds provided to it under this section to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Joint Legislative Economic Development and Global Engagement Oversight Committee and to the Fiscal Research Division. In the event a clawback is triggered under this section, the Department shall report in the manner provided by G.S. 143B-435.1.

SECTION 2E.3.(f) Repurposing/Reversion. – Upon the occurrence of the earlier of (i) December 31, 2027, or (ii) termination by Burke Partnership of the contract required by subsection (c) of this section, the twenty million dollars (\$20,000,000) repurposed under subsection (a) of this section shall no longer be available for purposes consistent with this section but shall instead be used by Burke Partnership for acquisition and capital costs associated with constructing a megasite in western North Carolina. Funds repurposed by this subsection that are not expended or encumbered by December 31, 2030, shall revert to the Regional Economic Development Reserve. This subsection supersedes the reversion dates for directed grants specified elsewhere, including in Section 5.3(b)(4) of S.L. 2023-134, but nothing in this section shall be construed or is intended to waive or supersede any other requirement for directed grants set forth in Section 5.3 of S.L. 2023-134.

CLARIFY AUTHORITY TO MODIFY LOAN AND TECHNICAL CORRECTION TO CONSUMER FINANCE ACT

SECTION 2E.4.(a) G.S. 53-180 is amended by adding a new subsection to read:

"(l) **Loan Modification or Restructuring.** – A loan contract may be modified or restructured so long as the interest rate after the original maturity date does not exceed the eight percent (8%) per annum limitation set forth in G.S. 53-173(d). A modification or restructuring may provide for a reduction of interest rate, reduction of principal, reduction in the amount of accrued interest, suspension of or modification of payment amounts, extension of the term of the loan, or any combination of these terms. A modification of payment amounts for the term of a loan modification or restructuring is not subject to subsection (a) of this section but shall not provide for a balloon payment. A licensee shall document the terms of any agreement to modify or restructure an existing loan contract by setting forth the terms of the modified or restructured loan in its loan records and shall provide to the borrower a written notice of the changes. A licensee shall not charge a borrower a fee to modify or restructure a loan unless authorized by G.S. 53-177(c). A licensee shall not require additional collateral as a condition for a loan modification or restructuring."

SECTION 2E.4.(b) G.S. 53-178 reads as rewritten:

"§ 53-178. No further charges; no splitting contracts; certain contracts void.

No further or other charges or insurance commissions shall be directly or indirectly contracted for or received by any licensee, affiliate, parent, subsidiary, or licensee under the same ownership, management, or control, whether partial or complete, except those specifically authorized by this Article, by the Commissioner under G.S. 53-172 or any other statute. No licensee shall divide into separate parts any contract made for the purpose of or with the effect of obtaining interest or charges in excess of those authorized by this Article. All balances due to a licensee from any person as a borrower or as an endorser, guarantor or surety for any borrower or otherwise jointly or severally, shall be considered a part of any loan being made by a licensee to such person for the purpose of computing interest or charges, or exceeding the maximum loan amount of fifteen thousand dollars (\$15,000) established in G.S. 53-176(a)."

SECTION 2E.4.(c) Subsection (a) of this section is effective when it becomes law and applies to loan contracts modified or restructured on or after that date. Nothing in this section shall invalidate or impair a loan modification or restructuring that occurred prior to the effective date of this section.

CERTAIN NOTARY MODIFICATIONS

SECTION 2E.5. Part 9 of Article 1 of Chapter 10B of the General Statutes is amended by adding a new section to read:

"§ 10B-73. Certain emergency video and remote notarizations validated.

(a) Any emergency video notarization performed in accordance with G.S. 10B-25, as codified on June 30, 2024, is validated.

(b) Any emergency video witnessing performed in accordance with Article 3 of this Chapter, as codified on June 30, 2024, is validated.

(c) This section applies to notarial acts performed July 1, 2024, through September 8, 2024."

COMMERCIAL BUILDING CODE COUNCIL REVISION

SECTION 2E.6.(a) G.S. 143-136(a), as amended by Section 5.1(a) of S.L. 2024-49, reads as rewritten:

"(a) Creation. – There is hereby created a Building Code Council, which shall be composed of 13 members appointed as follows:

...

- (5) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives who shall ~~hold a license as an attorney at law under Chapter 84 of the General Statutes and specializes in construction law~~ be a design professional licensed in North Carolina with expertise and experience in the design of structures or buildings subject to the North Carolina Building Code.

...."

SECTION 2E.6.(b) This section becomes effective January 1, 2025.

SUBPART II-F. INFORMATION TECHNOLOGY [RESERVED]

SUBPART II-G. SALARIES AND BENEFITS

CORRECT IMPROPER STATUTORY REFERENCE IN SESSION LAW 2024-42

SECTION 2G.1. Effective retroactively to August 7, 2024, the introductory language of Section 2(b) of S.L. 2024-42 reads as rewritten:

"**SECTION 2.(b)** ~~G.S. 135-1(11)~~ G.S. 135-48.1(11) reads as rewritten:"

SUBPART II-H. CAPITAL

SCIF GRANT CHANGES

SECTION 2H.1.(a) Notwithstanding the Committee Report described in Section 43.2 of S.L. 2021-180 or any other provision of law to the contrary, the following grants allocated from the State Capital and Infrastructure Fund are amended as follows:

- (1) The grant to Fayetteville Technical Community College for a new regional fire training center in the amount of ten million dollars (\$10,000,000) for the 2022-2023 fiscal year shall instead be used as follows:
 - a. Three million dollars (\$3,000,000) shall be used for the new Fayetteville Technical Community College Regional Fire Training Center.
 - b. Seven million dollars (\$7,000,000) shall be used for the Fayetteville Technical Community College Regional Truck Driver Training Center.
- (2) The grant to Burke County for a regional substance abuse treatment facility in the sum of three million two hundred fifty thousand dollars (\$3,250,000) in nonrecurring funds for the 2021-2022 fiscal year shall instead be provided as a grant to Partners Health Management, a local management entity/managed care organization, for the construction, planning, and operation of a substance abuse facility in Burke County.

SECTION 2H.1.(b) Notwithstanding the Committee Report described in Section 43.2 of S.L. 2023-134 or any other provision of law to the contrary, the grant allocated from the State Capital and Infrastructure Fund in the sum of one million five hundred thousand dollars (\$1,500,000) in nonrecurring funds for the 2023-2024 fiscal year to Montgomery Community College for capital improvements related to its new dental hygienist program shall instead be used for capital improvements or equipment for the dental and nursing programs at Montgomery Community College.

OSFM BUILDING RESERVE

SECTION 2H.2.(a) Notwithstanding any provision of law or the Committee Report described in Section 43.2 of S.L. 2023-134 to the contrary, the sum of two million three hundred thousand dollars (\$2,300,000) in recurring funds for the 2024-2025 fiscal year for the Future Building Reserves are reduced.

SECTION 2H.2.(b) There is appropriated from the General Fund to the Office of State Fire Marshal for the 2024-2025 fiscal year the sum of two million three hundred thousand dollars (\$2,300,000) in recurring funds to operate and maintain a training center facility.

UNC-WILMINGTON I.S.A.T. BUILDING CLARIFICATION

SECTION 2H.3.(a) Section 40.1(a) of S.L. 2023-134 reads as rewritten:

"**SECTION 40.1.(a)** The following agency capital improvement projects have been assigned a project code for reference to allocations in this Part, past allocations, and for intended project support by the General Assembly for future fiscal years:

Agency Capital Improvement Project	Project Code
...	
University of North Carolina at Wilmington–	
Cameron Hall–Comprehensive Renovation/Expansion	UNC/WIL23-1
Kenan Auditorium–Comprehensive Renovation/Expansion	UNC/WIL23-2
DeLoach Hall–Modernization	UNC/WIL23-3
Health Education Bldg. <u>Integrated Science and Technology (I.S.A.T.) Bldg.</u>	UNC/WIL23-4

...."

SECTION 2H.3.(b) Notwithstanding the Committee Report described in Section 43.2 of S.L. 2023-134 or any provision of law to the contrary, the funding allocated from the State Capital and Infrastructure Fund to the University of North Carolina at Wilmington in the sum of eight million dollars (\$8,000,000) in nonrecurring funds for the 2023-2024 fiscal year shall be used for the planning and design of the I.S.A.T. Building and related capital improvements or equipment.

NORTHERN REGIONAL HOSPITAL FUNDS

SECTION 2H.4. Notwithstanding Item 239 on page C78 and Item 159 on page H15 of the Committee Report described in Section 43.2 of S.L. 2023-134, funds transferred from the ARPA Temporary Savings Fund to the State Capital and Infrastructure Fund to provide funds to the Northern Regional Foundation for capital improvements or equipment at Northern Regional Hospital may also be used for the retirement of debt incurred for capital projects by the Foundation or the Hospital between January 1, 2020, and October 3, 2023.

GLOBAL TRANSPARK AIRCRAFT MAINTENANCE FACILITY MODIFICATION

SECTION 2H.5. Section 40.1(s) of S.L. 2023-134 reads as rewritten:

"SECTION 40.1.(s) For project code TRAN23-1, the North Carolina Global TransPark Authority (Authority) shall be considered the funded agency, pursuant to G.S. 143-135.26(1), and, notwithstanding G.S. 143-341 or any other provision of law to the contrary, shall have final authority over any aspect of the project. The Authority shall use up to five million dollars (\$5,000,000) allocated in this Part for the 2023-2024 fiscal year for project planning. The Office of State Budget and Management shall disburse additional funding that has been allocated by the General Assembly for the project during the 2023-2025 fiscal biennium and subsequent fiscal years contingent upon the Authority entering into an intergovernmental services agreement with an agency of the United States for the use of the facility being constructed under this project code. The Authority shall repay the total amount of three hundred fifty million dollars (\$350,000,000) intended to be allocated from the State Capital and Infrastructure Fund for the project in an amount of no less than one million dollars (\$1,000,000) and up to fifteen million dollars (\$15,000,000) annually, commencing on the first year the federal government agency takes occupancy of the facility under the terms of the intergovernmental services agreement with the 2026-2027 fiscal year. Beginning with the 2034-2035 fiscal year, the Authority shall repay the balance of funding allocated for the project in an amount of no less than fifteen million dollars (\$15,000,000) annually. Reimbursement funds submitted by the Authority pursuant to this subsection shall be credited to the State Capital and Infrastructure Fund."

POE HALL ASSESSMENT FUNDS

SECTION 2H.6. There is appropriated from the State Capital and Infrastructure Fund to North Carolina State University the sum of five million dollars (\$5,000,000) in nonrecurring funds for the 2024-2025 fiscal year to be used to assess the costs associated with rehabilitating or replacing Poe Hall.

FUNDS FOR TRAILS

SECTION 2H.7. Funding. – There is appropriated from the State Capital and Infrastructure Fund to the Department of Natural and Cultural Resources (Department) the sum of five million two hundred thousand dollars (\$5,200,000) in nonrecurring funds for the 2024-2025 fiscal year. These funds shall be used for the following purposes:

- (1) Four million two hundred fifty thousand dollars (\$4,250,000) to provide a grant to the Saluda Grade Trails Conservancy (Conservancy), a nonprofit corporation, for the purchase of the Saluda Grade rail corridor in Henderson and Polk Counties and related assessment, due diligence, and transaction

costs. The Department shall provide the funds allocated by this subdivision to the Conservancy upon the earlier of (i) January 1, 2025, or (ii) the date the Department completes the study required by subdivision (c)(4) of Section 14.7 of S.L. 2023-134 and notifies the Office of State Budget and Management that it has done so.

- (2) Seven hundred fifty thousand dollars (\$750,000) to be divided equally between the 15 eligible entities previously funded for capacity-building grants pursuant to Section 14.7(c)(1) of S.L. 2023-134.
- (3) Two hundred thousand dollars (\$200,000) to the Great Trails State Coalition, a nonprofit corporation, for (i) a time-limited position to assist and coordinate trail planning and implementation for the nonprofit organizations in the State, (ii) marketing for trail events, and (iii) promoting outdoor trail recreation.

SUBPART II-I. TRANSPORTATION

AIRPORT IMPROVEMENT FUNDS SHALL NOT REVERT

SECTION 2I.1. Notwithstanding G.S. 143C-1-2(b), G.S. 63-74(d), Section 41.4 of S.L. 2022-74, or any other provision of law to the contrary, funds allocated for airport improvements on or after July 1, 2019, by Section 4.7 of S.L. 2019-231, Section 2.2(j) of S.L. 2023-134, or any other act of the General Assembly for projects that are active as of November 18, 2024, shall not revert but shall remain available to expend until completion of the improvement.

REALLOCATE ROCKINGHAM SPEEDWAY PEDESTRIAN BRIDGE FUNDS

SECTION 2I.2. Notwithstanding the Committee Report described in Section 43.2 of S.L. 2023-134 or any provision of law to the contrary, of the sum of two million dollars (\$2,000,000) in nonrecurring funds for the 2023-2024 fiscal year allocated for the construction of a pedestrian bridge over Highway 1 at the Rockingham Speedway in Richmond County, one million seven hundred thousand dollars (\$1,700,000) shall be allocated as a grant to the Rockingham Dragway and three hundred thousand dollars (\$300,000) shall be allocated as a grant to the Rockingham Speedway. The funds reallocated in this section shall be used for facility improvements.

SUBPART II-J. FINANCE

ELIMINATE ADDITIONAL MEANS OF NOTICE TO ADVERTISE PROPERTY TAX LIENS CURRENTLY REQUIRED BY LAW

SECTION 2J.1. Section 22 of S.L. 2024-45 is repealed.

SUBPART II-K. GENERAL PROVISIONS

STORMWATER AND STREAM REHABILITATION ALLOCATION CHANGE

SECTION 2K.1. The funds allocated by Section 5.6(f)(16)a. of S.L. 2023-134 to the Office of State Budget and Management to provide a directed grant to Pilot View Resource Conservation and Development, Inc., for stormwater and stream rehabilitation shall instead be allocated to the Davie County Economic Development Commission, Inc., as a directed grant for the same purposes.

PART III. VARIOUS LAW CHANGES

SUBPART III-A. ELECTIONS

TRANSFER STATE BOARD OF ELECTIONS TO STATE AUDITOR

SECTION 3A.1. Part I of S.L. 2023-139 is repealed.

SECTION 3A.2.(a) The North Carolina State Board of Elections is transferred administratively to the Department of the State Auditor. This transfer has all of the elements of a Type II transfer, as described in G.S. 143A-6, except that the management functions of the State Board of Elections shall not be performed under the direction and supervision of the State Auditor except as provided in this section. Under this transfer, the State Board of Elections shall exercise all its prescribed statutory powers independently of the State Auditor, except that budgeting functions shall be performed under the direction and supervision of the State Auditor.

SECTION 3A.2.(b) No action or proceeding pending on July 1, 2025, brought by or against the State Board of Elections shall be affected by any provision of this section. Any business or other matter undertaken or commanded by any State program or office or contract transferred by this section pertaining to or connected with the functions, powers, obligations, and duties set forth herein, which is pending on July 1, 2025, may be conducted and completed in the same manner and under the same terms and conditions and with the same effect as if conducted and completed by the original program, office, or commissioners or directors thereof.

SECTION 3A.2.(c) The transfer provided for under this section shall not affect any ongoing investigation or audit. Prosecutions for offenses or violations committed before July 1, 2025, are not abated or affected by this section.

SECTION 3A.2.(d) Rules and forms adopted by the State Board of Elections shall remain in effect until amended or repealed.

SECTION 3A.2.(e) G.S. 163-28 is repealed.

SECTION 3A.2.(f) This section becomes effective July 1, 2025.

SECTION 3A.3.(a) Section 2.1, Section 2.2, Section 2.5, Section 4.1, Part V, Section 8.1, Section 8.2, and Section 8.3 of S.L. 2023-139 are repealed.

SECTION 3A.3.(b) G.S. 147-64.6(c) is amended by adding a new subdivision to read:

"(23) The Auditor shall make appointments to the State Board of Elections."

SECTION 3A.3.(c) G.S. 163-19 reads as rewritten:

"§ 163-19. State Board of Elections; appointment; term of office; vacancies; oath of office.

(a) There is established the State Board of Elections, which may be referred to as the "State Board" in this Chapter.

(b) ~~The State Board of Elections shall consist of five registered voters whose terms of office shall begin on May 1, 2019, May 1 of the year following the election of the President of the United States and shall continue for four years, and until their successors are appointed and qualified. The Governor-State Auditor shall appoint the members of the State Board and likewise shall appoint their successors every four years at the expiration of each four-year term. Not more than three members of the State Board shall be members of the same political party. The Governor-State Auditor shall appoint the members from a list of nominees submitted to the Governor-State Auditor by the State party chair of each of the two political parties having the highest number of registered affiliates as reflected by the latest registration statistics published by the State Board. Each State party chair shall submit a list of four nominees who are affiliated with that political party. No person may serve more than two full consecutive four-year terms.~~

(c) Any vacancy occurring in the State Board shall be filled by the ~~Governor, State Auditor,~~ and the person so appointed shall ~~fill~~ serve the remainder of the unexpired term. The ~~Governor-State Auditor~~ shall fill the vacancy from a list of three nominees submitted to the ~~Governor-State Auditor~~ by the State party chair of the political party that nominated the vacating member as provided in subsection (b) of this section. The State party chair shall submit a list of three nominees must be who are affiliated with that political party.

...."

SECTION 3A.3.(d) G.S. 163-20 reads as rewritten:

"§ 163-20. Meetings of Board; quorum; minutes.

(a) Call of meeting. – The State Board of Elections shall meet at the call of the ~~chairman~~ chair whenever necessary to discharge the duties and functions imposed upon it by this Chapter. The ~~chairman-chair~~ shall call a meeting of the State Board upon the written application or applications of any two members thereof. If there is no ~~chairman-chair~~, or if the ~~chairman-chair~~ does not call a meeting within three days after receiving a written request or requests from two members, any three members of the State Board shall have power to call a meeting of the State Board, and any duties imposed or powers conferred on the State Board by this Chapter may be performed or exercised at that meeting, although the time for performing or exercising the same prescribed by this Chapter may have expired.

(b) Place of Meeting. – Except as provided in ~~subsection (e), below, subsection (c) of this section~~, the State Board of Elections shall meet in its offices in the City of Raleigh, or at another place in the City of Raleigh to be designated by the ~~chairman-chair~~. However, subject to the limitation imposed by ~~subsection (e), below, subsection (c) of this section~~ upon the prior written request of any four members, the State Board of Elections shall meet at any other place in the State designated by the four members.

(c) Meetings to Investigate Alleged Violations of This Chapter. – When called upon to investigate or hear sworn alleged violations of this Chapter, the State Board of Elections shall meet and hear the matter in the county in which the violations are alleged to have occurred.

(d) Quorum. – A majority of the members constitutes a quorum for the transaction of business by the State ~~Board of Elections-Board~~. If any member of the State Board fails to attend a meeting, and by reason thereof there is no quorum, the members present shall adjourn from day to day for not more than three days, by the end of which time, if there is no quorum, the ~~Governor~~ State Auditor may summarily remove any member failing to attend and appoint ~~his~~ a successor.

(e) Minutes. – The State Board of Elections shall keep minutes recording all proceedings and findings at each of its meetings. The minutes shall be recorded in a book which shall be kept in the office of the State Board in the City of Raleigh."

SECTION 3A.3.(e) G.S. 163-22(c) reads as rewritten:

"(c) The State Board shall advise the county boards of elections as to the proper methods of conducting primaries and elections. The State Board shall require all reports from the county boards of elections and election officers as provided by law, or as are deemed necessary by the State Board, and shall compel observance of the requirements of the election laws by county boards of elections and other election officers. In performing these duties, the State Board shall have the right to hear and act on complaints arising by petition or otherwise, on the failure or neglect of a county board of elections to comply with any part of the election laws imposing duties upon a county ~~board of elections-board~~. The State Board shall have power to remove from office any member of a county board of elections for incompetency, neglect or failure to perform duties, fraud, or for any other satisfactory cause. Before exercising this power, the State Board shall notify the county board of elections member affected and give that member an opportunity to be heard."

SECTION 3A.3.(f) G.S. 163-30 reads as rewritten:

"§ 163-30. County boards of elections; appointments; terms of office; qualifications; vacancies; oath of office; instructional meetings.

(a) In every county of the State there shall be a county board of elections, ~~to which may be referred to as "county board" in this Chapter~~. Each county board shall consist of five persons of good moral character who are registered voters in the county in which they are to act. Members of county boards of elections shall be appointed by the State Board of Elections on the last Tuesday in June, and every two years thereafter, and their terms of office shall continue for two years from the specified date of appointment and until their successors are appointed and qualified. Four members of each county boards of elections board shall be appointed by the State

Board on the last Tuesday in June ~~and every two years thereafter, and their terms of office of each odd-numbered year and shall continue for two years from the specified date of appointment and to serve until their successors are appointed and qualified.~~ One member of ~~the each county boards of elections board~~ shall be appointed by the ~~Governor State Auditor~~ to be the chair of the county board on the last Tuesday in June ~~and every two years thereafter, of each odd-numbered year~~ and that member's term of office shall continue ~~for two years from the specified date of appointment and until a successor is appointed and qualified.~~ Of the appointments to each county board ~~of elections~~ by the State Board, two members each shall belong to the two political parties having the highest number of registered affiliates as reflected by the latest registration statistics published by the State Board.

(b) No person shall be eligible to serve as a member of a county board ~~of elections~~ who meets any of the following criteria:

- (1) Holds any elective office under the government of the United States, or of the State of North Carolina or any political subdivision thereof.
- (2) Holds any office in a state, congressional district, county or precinct political party or organization. Provided, however, that the position of delegate to a political party convention shall not be considered an office for the purpose of this subdivision.
- (3) Is a campaign manager or treasurer of any candidate or political party in a primary or election.
- (4) Is a candidate for nomination or election.
- (5) Is the wife, husband, son, son in law, daughter, daughter in law, mother, mother in law, father, father in law, sister, sister in law, brother, brother in law, aunt, uncle, niece, or nephew of any candidate for nomination or election. Upon any member of the county board of elections becoming ineligible, that member's seat shall be declared vacant. This subdivision only applies if the county board ~~of elections~~ is conducting the election for which the relative is a candidate.

(c) The State chair of the two political parties having the highest number of registered affiliates as reflected by the latest registration statistics published by the State Board shall have the right to recommend to the State Board three registered voters in each county for appointment to the county board of elections for that county. If such recommendations are received by the State Board 15 or more days before the last Tuesday in June ~~2019, and each two years thereafter, of each odd-numbered year,~~ it shall be the duty of the State Board to appoint the county boards from the names thus recommended.

(d) Whenever a vacancy occurs in the membership of a county board ~~of elections~~ for any cause the State chair of the political party of the vacating member shall have the right to recommend two registered voters of the affected county for such office, and it shall be the duty of the State Board to fill the vacancy from the names thus recommended.

(e) At the meeting of the county board ~~of elections~~ required by G.S. 163-31 to be held on Tuesday following the third Monday in July in the year of their appointment the members shall take the following oath of office:

"I, _____, do solemnly swear (or affirm) that I will support the Constitution of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof; that I will endeavor to support, maintain and defend the Constitution of said State, not inconsistent with the Constitution of the United States; and that I will well and truly execute the duties of the office of member of the _____ County Board of Elections to the best of my knowledge and ability, according to law; so help me God."

(f) Each member of the county board ~~of elections~~ shall attend each instructional meeting held pursuant to G.S. 163-46, unless excused for good cause by the chair of the county board,

and shall be paid the sum of twenty five dollars (\$25.00) per day for attending each of those meetings."

SECTION 3A.3.(g) Notwithstanding any other provision of law, the current terms of office of the members of the State Board of Elections shall terminate on April 30, 2025, and members shall be appointed to the State Board of Elections in accordance with G.S. 163-19, as amended by this section, for a term to begin May 1, 2025.

SECTION 3A.3.(h) Notwithstanding any other provision of law, the current terms of office of the members of the county boards of elections shall terminate on June 24, 2025, and members of each county board of election shall be appointed in accordance with G.S. 163-30, as amended by this section, for a term beginning on June 25, 2025, and expiring on July 19, 2027.

VARIOUS ELECTION CHANGES

SECTION 3A.4.(a) G.S. 163-82.4(f) reads as rewritten:

"(f) Correcting Registration Forms. – If the voter fails to complete any required item on the voter registration form but provides enough information on the form to enable the county board of elections to identify and contact the voter, the voter shall be notified of the omission and given the opportunity to complete the form at least by 5:00 P.M. 12:00 P.M. on the third business day before the county canvass as set in G.S. 163-182.5(b). after the election. If the voter corrects that omission within that time and is determined by the county board of elections to be eligible to vote, the county board shall permit the voter to vote. If the information is not corrected by election day, the voter shall be allowed to vote a provisional official ballot. If the correct information is provided to the county board of elections by at least 5:00 P.M. 12:00 P.M. on the third business day before the county canvass, after the election, the county board shall count any portion of the provisional official ballot that the voter is eligible to vote."

SECTION 3A.4.(b) G.S. 163-166.8(d) reads as rewritten:

"(d) Precinct officials shall maintain a log of any individual, other than a minor child under the age of 18 in the care of a voter, who enters the voting place pursuant to this section and is not seeking to vote in that voting place. The Precinct officials shall use the log provided by the State Board, which shall include the printed name and address of the individual entering the voting place, the time the individual entered the voting place, and a space for that individual's signature. This subsection shall not apply to observers and runners appointed pursuant to G.S. 163-45.1 and G.S. 163-45.2."

SECTION 3A.4.(c) G.S. 163-166.12 reads as rewritten:

"§ 163-166.12. Requirements for certain voters who register by mail.

...

(d) Voting When Identification Numbers Do Not Match. – Regardless of whether an individual has registered by mail or by another method, if the individual has provided with the registration form a drivers license number or last four digits of a Social Security number but the computer validation of the number as required by G.S. 163-82.12 did not result in a match, and the number has not been otherwise validated by the ~~board of elections,~~ county board, in the first election in which the individual votes that individual shall submit with the ballot the form of identification described in subsection (a) or subsection (b) of this section, depending upon whether the ballot is voted in person or absentee. If that identification is provided no later than 12:00 P.M. on the third business day after the election and the county board of elections does not determine that the individual is otherwise ineligible to vote a ballot, the failure of identification numbers to match shall not prevent that individual from registering to vote and having that individual's vote counted.

(e) The Right to Vote Provisionally. – If an individual is required under subsection (a), (b), or (d) of this section to present identification in order to vote, but that individual does not present the required identification, that individual may vote a provisional official ballot. If the voter is at the voting place, the voter may vote provisionally there without unnecessary delay. If

the voter is voting by ~~mail-in~~ absentee ballot, the ~~mailed~~ absentee ballot without the required identification shall be treated as a provisional official ballot.

...."

SECTION 3A.4.(d) G.S. 163-166.16(c) reads as rewritten:

"(c) **Provisional Ballot Required Without Photo Identification.** – If the registered voter cannot produce the identification as required in subsection (a) of this section, the registered voter may cast a provisional ballot that is counted only if the registered voter brings an acceptable form of photograph identification listed in subsection (a) of this section to the county board of elections no later than ~~the end of business on the business day prior to the canvass by the county board of elections as provided in G.S. 163-182.5.~~ 12:00 P.M. on the third business day after the election. The State Board shall provide the registered voter casting a provisional ballot due to failure to provide photo identification an information sheet on the deadline to return to the county board of elections to present photo identification, and what forms of photo identification are acceptable, in order for the voter's provisional ballot to be counted."

SECTION 3A.4.(e) G.S. 163-182.2(a)(4) reads as rewritten:

"(4) If the county board of elections finds that an individual voting a provisional official ballot (i) was registered in the county as provided in 163-82.1, (ii) voted in the proper precinct under G.S. 163-55 and G.S. 163-57, and (iii) was otherwise eligible to vote, the provisional official ballots shall be counted by the county board of elections ~~before the canvass.~~ no later than 5:00 P.M. on the third business day after the election. Except as provided in G.S. 163-82.15(e), if the county board finds that an individual voting a provisional official ballot (i) did not vote in the proper precinct under G.S. 163-55 and G.S. 163-57, (ii) is not registered in the county as provided in G.S. 163-82.1, or (iii) is otherwise not eligible to vote, the ballot shall not be counted. If a voter was properly registered to vote in the election by the county board, no mistake of an election official in giving the voter a ballot or in failing to comply with G.S. 163-82.15 or G.S. 163-166.11 shall serve to prevent the counting of the vote on any ballot item the voter was eligible by registration and qualified by residency to vote."

SECTION 3A.4.(f) G.S. 163-230.1 reads as rewritten:

"§ 163-230.1. Simultaneous issuance of absentee ballots with application.

(a) **Written Request.** – A qualified voter who is eligible to vote by absentee ballot under G.S. 163-226, or that voter's near relative or verifiable legal guardian, shall complete a request form for an absentee application and absentee ballots so that the county board of elections receives that completed request form not later than 5:00 P.M. on the second Tuesday before the election. That completed written request form shall be in compliance with G.S. 163-230.2. The county board of elections shall enter in the register of absentee requests, applications, and ballots issued the information required in G.S. 163-228 as soon as each item of that information becomes available. Upon receiving the completed request form, the county board of elections shall cause to be mailed to that voter a single package that includes all of the following:

- (1) The official ballots the voter is entitled to vote.
- (2) A container-return envelope for the ballots, printed in accordance with G.S. 163-229.
- (3) An instruction sheet.
- (4) A clear statement of the requirement for a photocopy of identification described in G.S. 163-166.16(a) or an affidavit as described in G.S. 163-166.16(d)(1), (d)(2), or (d)(3) with the returned ballot.

(a1) **Mailing of Application and Ballots.** – The ballots, envelope, and instructions shall be mailed to the voter by the county board's chair, member, officer, or employee as determined by the county board and entered in the register as provided by this Article.

(a2) Publish Deadline for Written Request and Ballot. – At least once per primary or election, each county board of elections and the State Board shall publish on its website or in any mailing sent to voters the following information:

- (1) The date by which a completed request form as described in subsection (a) of this section must be received by a county ~~board of elections~~ board.
- (2) The means by which the voter's marked absentee ballot must be returned to the county ~~board of elections~~ board.
- (3) The date and time the voter's completed absentee ballot must be received by the county board of elections in order to be counted.

(b) Absence for Sickness or Physical Disability. – Notwithstanding the provisions of subsection (a) of this section, if a voter expects to be unable to go to the voting place to vote in person on election day because of that voter's sickness or other physical disability, that voter or that voter's near relative or verifiable legal guardian may make the request for absentee ballots in person to the county board of elections of the county in which the voter is registered after 5:00 P.M. on the second Tuesday before the election but not later than 5:00 P.M. on the last business day before the election. The county board of elections shall treat that completed request form in the same manner as a request under subsection (a) of this section but may personally deliver the application and ballots to the voter or that voter's near relative or verifiable legal guardian, and shall enter in the register of absentee requests, applications, and ballots issued the information required in G.S. 163-228 as soon as each item of that information becomes available. The county board of elections shall personally deliver to the requester in a single package:

- (1) The official ballots the voter is entitled to vote.
- (2) A container-return envelope for the ballots, printed in accordance with G.S. 163-229.
- (3) An instruction sheet.
- (4) A clear statement of the requirement for a photocopy of identification described in G.S. 163-166.16(a) or an affidavit as described in G.S. 163-166.16(d)(1), (d)(2), or (d)(3) with the returned application and voted ballots.

(c) Delivery of Absentee Ballots and Container-Return Envelope to Applicant. – When the county board of elections receives a completed request form for applications and absentee ballots from the voter, or the near relative or the verifiable legal guardian of that voter, the county board shall promptly issue and transmit them to the voter in accordance with the following instructions:

- (1) On the top margin of each absentee ballot the applicant is entitled to vote, the chair, a member, officer, or employee of the county board of elections shall write or type the words "Absentee Ballot No. ____ " or an abbreviation approved by the State Board and insert in the blank space the number assigned the applicant's application in the register of absentee requests, applications, and absentee ballots issued. That person shall not write, type, or print any other matter upon the absentee ballots transmitted to the absentee voter. Alternatively, the county board of elections may cause to be barcoded on the absentee ballot the voter's application number, if that barcoding system is approved by the State Board.
- (2) The chair, member, officer, or employee of the county board of elections shall fold and place the absentee ballots (identified in accordance with the preceding instruction) in a container-return envelope and write or type in the appropriate blanks thereon, in accordance with the terms of G.S. 163-229(b), the absentee voter's name, the absentee voter's application number, and the designation of the precinct in which the voter is registered. If the absentee ballot is barcoded under this section, the envelope may be barcoded rather

than having the actual number appear. The person placing the absentee ballots in the envelopes shall leave the container-return envelope holding the absentee ballots unsealed.

- (3) The chair, member, officer, or employee of the county ~~board of elections~~ shall then place the unsealed container-return envelope holding the absentee ballots together with printed instructions for voting and returning the absentee ballots, in an envelope addressed to the voter at the post office address stated in the request, seal the envelope, and mail it at the expense of the county ~~board of elections~~ board. Provided, that in case of a request received after 5:00 P.M. on the second Tuesday before the election under the provisions of subsection (b) of this section, in lieu of transmitting the absentee ballots to the voter in person or by mail, the chair, member, officer, or employee of the county ~~board of elections~~ may deliver the sealed envelope containing the instruction sheet and the container-return envelope holding the absentee ballots to a near relative or verifiable legal guardian of the voter.

The county board ~~of elections~~ may receive completed written request forms for applications at any time prior to the election but shall not mail applications and absentee ballots to the voter or issue applications and absentee ballots in person earlier than 60 days prior to the statewide general election in an even-numbered year, or earlier than 50 days prior to any other election. No election official shall issue applications for absentee ballots except in compliance with this Article.

(d) Voter to Complete. – The application shall be completed and signed by the voter personally, the absentee ballots marked, the absentee ballots sealed in the container-return envelope, and the certificate completed as provided in G.S. 163-231.

(e) Approval of Applications. – At its next official meeting prior to election day after the return of the completed container-return envelope with the voter's absentee ballots, the county board ~~of elections~~ shall determine whether the container-return envelope has been properly executed. If the county board determines that the container-return envelope has been properly executed, it shall approve the application and deposit the container-return envelope with other container-return envelopes for the envelope to be opened and the absentee ballots counted at the same time as all other container-return envelopes and absentee ballots.

(e1) Curable Deficiencies. – If a container-return envelope contains a curable deficiency, the county board ~~of elections~~ shall promptly notify the voter of the deficiency and the manner in which the voter may cure the deficiency. Curable deficiencies are deficiencies that can be cured with supplemental documentation or attestation provided by the voter, including when any of the following occurs:

- (1) The voter did not sign the voter certification as required by G.S. 163-231(a)(4).
- (2) The voter signed the application in the wrong place on the application.
- (3) The voter failed to include with the container-return envelope a photocopy of identification described in G.S. 163-166.16(a) or an affidavit as described in G.S. 163-166.16(d)(1), (d)(2), or (d)(3), as required by subsection (f1) of this section.

The identification of the two persons witnessing the casting of the absentee ballot in accordance with G.S. 163-231(a) is not a curable deficiency. Any container-return envelope with a curable deficiency that is transmitted to the county board shall be considered timely if cure documentation is received no later than ~~the end of business 12:00 P.M. on the third business day before the canvass conducted by the county board of elections held pursuant to G.S. 163-182.5.~~ after the election. Cure documentation may be transmitted via e-mail ~~email~~ to the county board ~~of elections~~ if the deficiency is one described in subdivision (3) of this subsection. The notification of voters regarding curable deficiencies is an administrative task that may be

performed by county board staff and is not required to be performed at an absentee meeting as provided for in subsection (f) of this section. The voter shall be notified of curable deficiencies by mail, and by telephone or email if the telephone number or email address was provided by the voter on the request form for absentee ballots.

(f) Required Meeting of County Board of Elections. – During the period commencing on the fifth Tuesday before an election, in which absentee ballots are authorized, the county board ~~of elections~~ shall hold one or more public meetings each Tuesday at 5:00 P.M. for the purpose of action on applications for absentee ballots. At these meetings, the county board ~~of elections~~ shall pass upon applications for absentee ballots.

If the county board ~~of elections~~ changes the time of holding its meetings or provides for additional meetings in accordance with the terms of this subsection, notice of the change in hour and notice of the schedule of additional meetings, if any, shall be published in a newspaper circulated in the county at least 30 days prior to the election.

At the time the county board ~~of elections~~ makes its decision on an application for absentee ballots, the county board shall enter in the appropriate column in the register of absentee requests, applications, and ballots issued opposite the name of the applicant a notation of whether the applicant's application was "Approved" or "Disapproved".

The decision of the county board on the validity of an application for absentee ballots shall be final subject only to such review as may be necessary in the event of an election contest. The county board ~~of elections~~ shall constitute the proper official body to pass upon the validity of all applications for absentee ballots received in the county; this function shall not be performed by the chair or any other member of the county board individually.

(f1) Each container-return envelope returned to the county board with application and voted ballots under this section shall be accompanied by a photocopy of identification described in G.S. 163-166.16(a) or an affidavit as described in G.S. 163-166.16(d)(1), (d)(2), or (d)(3).

(g) Rules. – The State Board, by rule or by instruction to the county ~~board~~ boards of elections, shall establish procedures to provide appropriate safeguards in the implementation of this section. The State Board shall adopt rules to provide for the forms of identification that shall be included with returned application and voted absentee ballots. At a minimum, the rules shall include the following:

- (1) Acceptable photocopies of forms of readable identification, as described in G.S. 163-166.16(a).
- (2) A process for a voter without acceptable photocopies of forms of readable identification under subdivision (1) of this subsection to complete an alternative affidavit in accordance with G.S. 163-166.16(d)(1), (d)(2), or (d)(3) that includes inability to attach a physical copy of the voter's identification with the returned application and voted ballots as a reasonable impediment to compliance with the identification requirement, provided the reasonable impediment includes one of the following:
 - a. The number of the voter's North Carolina drivers license issued under Article 2 of Chapter 20 of the General Statutes, including a learner's permit or a provisional license.
 - b. The number of the voter's special identification card for nonoperators issued under G.S. 20-37.7.
 - c. The last four digits of the voter's social security number.

(h) Recodified as G.S. 163-226(f) by Session Laws 2019-239, s. 1.2(a), effective January 1, 2020, and applicable to elections conducted on or after that date."

SECTION 3A.4.(g) G.S. 163-234 reads as rewritten:

"§ 163-234. Counting absentee ballots by county ~~board of elections~~ board.

All absentee ballots returned to the county board of elections in the container-return envelopes shall be retained by the county board of elections to be counted by the county board of elections as follows:

- (1) Only those absentee ballots returned to the county board of elections in a properly executed container-return envelope and received pursuant to G.S. 163-231 shall be counted. Absentee ballots not received pursuant to all requirements in G.S. 163-231 shall not be deemed to be valid and shall not be counted. ~~Absentee ballots received prior to election day shall be counted on election day.~~ An absentee ballot returned in an executed container-return envelope containing a deficiency listed in G.S. 163-230.1(e) shall be counted if documentation curing the deficiency is timely received by the county board of elections in accordance with the requirements of G.S. 163-230.1(e).
- (2) The county board of elections shall meet at 5:00 P.M. on election day in the county board office or other public location in the county courthouse for the purpose of counting all absentee ballots except those which have been challenged before 5:00 P.M. on election day, ~~those received on election day,~~ day and those received pursuant to G.S. 163-231(b)(2). Any elector of the county shall be permitted to attend the meeting and allowed to observe the counting process, so long as the elector does not in any manner interfere with the election officials in the discharge of their duties. The count of these absentee ballots shall be continuous until completed, and the members shall not separate or leave the counting place except for unavoidable necessity.

The county board of elections may begin counting absentee ballots issued under Article 21A of this Chapter between the hours of 9:00 A.M. and 5:00 P.M. and may begin counting all absentee ballots between the hours of 2:00 P.M. and 5:00 P.M. upon the adoption of a resolution at least two weeks prior to the election in which the hour and place of counting absentee ballots shall be stated. ~~The resolution also may provide for an additional meeting following the day of the election and prior to the day of canvass to count absentee ballots received on election day as provided in subdivision (11) of this section.~~ A copy of the resolution shall be published once a week for two weeks prior to the election, in a newspaper having general circulation in the county. Notice may additionally be made on a radio or television station or both, but the notice shall be in addition to the newspaper and other required notice. The count shall be continuous until completed and the members shall not separate or leave the counting place except for unavoidable necessity, except that if the count has been completed prior to the time the polls close, it shall be suspended until that time pending receipt of any additional ballots. Nothing in this section prohibits a county board of elections from taking preparatory steps for the count earlier than the times specified in this section, as long as the preparatory steps do not reveal to any individual not engaged in the actual count election results before the times specified in this subdivision for the count to begin. By way of illustration and not limitation, a preparatory step for the count would be the entry of tally cards from direct record electronic voting units into a computer for processing. The county board shall not announce the result of the count before 7:30 P.M.

- (3) Notwithstanding subdivision (2) of this section, a county board of elections may, at each meeting at which it approves absentee ballot applications pursuant to G.S. 163-230.1(e) and (f), remove those absentee ballots from their envelopes and have them read by an optical scanning machine, without printing the totals on the scanner. The county board shall complete the

counting of these absentee ballots at the times provided in subdivision (2) of this section. The State Board shall provide instructions to county boards ~~of elections~~ for executing this procedure, and the instructions shall be designed to ensure the accuracy of the count, the participation of county board members of both parties, and the secrecy of the results before election day. This subdivision applies only in counties that use optical scan devices to count absentee ballots.

- (4) The counting of absentee ballots shall not commence until a majority and at least one county board member of each political party represented on the county board is present and that fact is publicly declared and entered in the official minutes of the county board.
- (5) The county board ~~of elections~~ may employ such assistants as deemed necessary to count the absentee ballots, but each county board member present shall be responsible for and observe and supervise the opening and tallying of the absentee ballots.
- (6) As each ballot envelope is opened, the county board shall cause to be entered into a pollbook designated "Pollbook of Absentee Voters" the name of the absentee voter, or if the pollbook is computer-generated, the county board shall check off the name. Preserving secrecy, the absentee ballots shall be placed in the appropriate ballot boxes, at least one of which shall be provided for each type of ballot.

After all absentee ballots have been placed in the boxes, the counting process shall begin.

If a challenge transmitted to the county board on canvass day by a chief judge is sustained, the absentee ballots challenged and sustained shall be withdrawn from the appropriate boxes, as provided in G.S. 163-89(e).

As soon as the absentee ballots have been counted and the names of the absentee voters entered in the pollbook as required in this subdivision, the county board members and assistants employed to count the absentee ballots shall each sign the pollbook immediately beneath the last absentee voter's name entered in the pollbook. The county board ~~of elections~~ is responsible for the safekeeping of the pollbook of absentee voters.

- (7) Upon completion of the counting process the county board members shall cause the results of the tally to be entered on the absentee abstract prescribed by the State Board. The abstract shall be signed by the members of the county board in attendance and the original mailed immediately to the State Board.
- (8) One copy of the absentee abstract shall be retained by the county board ~~of elections~~ and the totals appearing on the absentee abstract shall be added to the final totals of all votes cast in the county for each office as determined on the official canvass.
- (9) In the event a political party does not have a member of the county board ~~of elections~~ present at the meeting to count absentee ballots due to illness or other cause of the member, the counting shall not commence until the county party chair of the absent member, or a member of the party's county executive committee, is in attendance. The person shall act as an official witness to the counting and shall include his or her printed name and signature on the absentee ballot abstract, along with the name of who designated him or her to attend.
- (10) The county board ~~of elections~~ shall retain all container-return envelopes and absentee ballots, in a safe place, for at least 22 months, and longer if any contest is pending concerning the validity of any ballot.

- (11) ~~The county board of elections shall meet after election day and prior to the date of canvass to determine whether the container return envelopes for absentee ballots received on election day pursuant to G.S. 163-231(b) have been properly executed. The county board of elections shall comply with the requirements of G.S. 163-230.1 for approval of applications. Any absentee ballots received pursuant to G.S. 163-231(b)(2) shall be counted by the county board of elections on the day of canvass. The county board of elections may also shall meet following after the day of the election and prior to the day of canvass to count absentee ballots received pursuant to G.S. 163-231(b)(2) upon the adoption of a resolution pursuant to subdivision (2) of this section. The county board of elections shall comply with all other requirements of this section and G.S. 163-230.1 for the counting of these absentee ballots.~~
- (12) No later than 5:00 P.M. on the third business day after the election, the county board shall announce the tally of all absentee ballots, except those subject to a challenge or those cast in accordance with Article 21A of this Chapter."

SECTION 3A.4.(h) This section becomes effective January 1, 2025, and applies to elections conducted on or after that date.

SECTION 3A.5.(a) G.S. 163-278.19B reads as rewritten:

"§ 163-278.19B. Political party headquarters building funds.

(a) Notwithstanding the provisions of G.S. 163-278.19, a person prohibited by that section from making a contribution may donate to political ~~parties~~ parties, and affiliated party committees and political parties and affiliated party committees may accept from such a ~~person~~ person, money and other things of value donated to a political party headquarters building fund.

(b) Donations made to the political party headquarters building fund in accordance with this section shall be subject to all the following rules:

- (1) The donations solicited and accepted are designated to the political party headquarters building fund.
- (2) Potential donors to ~~that the political party headquarters building fund~~ are advised that all donations will be exclusively for the political party headquarters building fund.
- (3) The political party or affiliated party committee establishes a separate segregated bank account into which shall be deposited only donations for the political party headquarters building fund from persons prohibited by G.S. 163-278.19 from making contributions.
- (4) The donations deposited in the separate segregated bank account for the political party headquarters building fund ~~will~~ shall be spent only as follows:
 - a. ~~to~~ To purchase a principal headquarters building, to construct a principal headquarters building, to renovate a principal headquarters building, or to pay a mortgage on a principal headquarters building, ~~to repay donors if a principal headquarters building is not purchased, constructed, or renovated, or building.~~
 - b. ~~to~~ To pay building rent or monthly or bimonthly utility expenses incurred to operate the principal headquarters building. ~~Donations deposited into that account shall be used solely for the purposes set forth in the preceding sentence, and specifically shall not be used for headquarters equipment other than fixtures, personnel compensation, or travel or fundraising expenses or requirements of any kind.~~
 - c. Notwithstanding the above, To compensate personnel compensation and including in-kind benefits ~~may be paid to for~~ no more than three personnel whose functions are primarily administrative in nature, such as providing accounting, payroll, or campaign finance reporting

services, for the party and whose job functions require no more than ten percent (10%) of work time to be spent on political advocacy each calendar year.

- d. To repay donors if a principal headquarters building is not purchased, constructed, renovated, or rented.
- e. To fund legal actions as defined in G.S. 163-278.300(4).
- f. To make a legal expense donation to a legal expense fund under Article 22M of this Chapter.

- (5) The political party executive committee or affiliated party committee shall report donations to and spending by a political party headquarters building fund on every report required to be made by G.S. 163-278.9. If a committee is excused from making general campaign finance reports under G.S. 163-278.10A, that committee shall nonetheless report donations in any amount to and spending in any amount by the political party headquarters building fund at the times required for reports in G.S. 163-278.9.

(c) Donations deposited into a political party headquarters building fund shall be used solely for the purposes set forth in this section. Except as otherwise provided in this section, the political party headquarters building fund shall not be used for headquarters equipment other than fixtures, personnel compensation, travel, fundraising expenses, or other expenses of any kind.

(d) If all the criteria set forth in subdivisions (1) through (5) of this section are complied with, then donations to Donations made to, and spending by by, a political party headquarters building fund do fund in accordance with this section shall not constitute contributions or expenditures as defined in G.S. 163-278.6. If those criteria are complied with, then donations may be made to a political party headquarters building fund."

SECTION 3A.5.(b) G.S. 163-278.316 is amended by adding a new subsection to read:

"(f) A legal expense fund may accept a legal expense donation from a political party headquarters building fund."

SECTION 3A.5.(c) This section becomes effective January 1, 2025, and applies to donations made and expenses paid on or after that date.

SUBPART III-B. GENERAL GOVERNMENT

MODIFY CERTAIN PROCEDURES RELATED TO APPOINTMENTS

SECTION 3B.1.(a) G.S. 120-122 reads as rewritten:

"§ 120-122. Vacancies in legislative appointments.

When a vacancy occurs in any office subject to appointment by the General Assembly upon the recommendation of the Speaker of the House of Representatives, upon the recommendation of the President Pro Tempore of the Senate, or upon the recommendation of the President of the Senate, and the vacancy occurs either: (i) after election of the General Assembly but before convening of the regular session; (ii) when the General Assembly has adjourned to a date certain, which date is more than 20 days after the date of adjournment; (iii) after sine die adjournment of the regular session; or (iv) when the term of office expires and a successor has not been appointed, then the Governor may appoint a person to serve until the expiration of the term or until the General Assembly fills the vacancy, whichever occurs first. The General Assembly may fill the vacancy in accordance with G.S. 120-121 during a regular or extra session. When a person is holding over in office after the expiration of the term, for the purpose of this section that office may be filled as if it were vacant. Before making an ~~appointment~~, appointment in accordance with this section, the Governor shall consult the officer who recommended the original appointment to the General Assembly (the Speaker of the House of Representatives, the President Pro Tempore of the Senate, or the President of the Senate), and ask for a written recommendation.

After receiving the written recommendation, the Governor ~~must~~ shall within ~~30-15~~ 15 days either appoint the person recommended or inform the officer who made the recommendation that he is ~~rejecting the recommendation-recommended~~. Failure to act within ~~30-15~~ 15 days as required under the provisions of the preceding sentence shall be deemed to be ~~approval of the candidate, and the candidate shall be eligible to enter the office in as full and ample extent as if the Governor had executed the an execution of the~~ appointment. The Governor shall not appoint a person other than the person so recommended. Any position subject to initial appointment by the General Assembly but not filled prior to sine die adjournment of the Session at which the position was created or adjournment to a date certain which date is more than 20 days after the date of adjournment of the session at which the position was created may be filled by the Governor under this section as if it were a vacancy occurring after the General Assembly had made an appointment."

SECTION 3B.1.(b) G.S. 143B-9 reads as rewritten:

"§ 143B-9. Appointment of officers and employees.

(a) Department Head. – The head of each principal State department, except those departments headed by popularly elected officers, shall be appointed by the Governor and serve at the Governor's pleasure. The salary of the head of each of the principal State departments shall be set by the Governor, and the salary of elected officials shall be as provided by law.

(a1) Appointment. – For each head of each principal State department covered by this ~~subsection, section,~~ the Governor shall notify the President of the Senate of the name of each person to be ~~appointed, and~~ appointed. Unless expressly waived by an enactment of the General Assembly, the appointment shall be subject to senatorial advice and consent in conformance with Section 5(8) of Article III of the North Carolina Constitution ~~unless (i) the senatorial advice and consent is expressly waived by an enactment of the General Assembly or (ii) Constitution.~~

(a2) Vacancy. – ~~If a vacancy occurs when the General Assembly is not in regular session. Any session, a person appointed to fill a the vacancy when the General Assembly is not in regular session may serve without senatorial advice and consent for no longer than the earlier of the following:~~

- (1) The date on which the Senate adopts a simple resolution that specifically disapproves the person appointed.
- (2) The date on which the General Assembly shall adjourn pursuant to a joint resolution for a period longer than 30 days without the Senate adopting a simple resolution specifically approving the person appointed.

(a3) Consecutive Terms. – Senatorial advice and consent is limited to the remainder of the term the Governor is serving at the time it is given unless all of the following requirements are met:

- (1) The person was appointed by the Governor and received Senatorial advice and consent as the head of the same principal State department during that Governor's immediately preceding term.
- (2) The person continues to serve in the same position.
- (3) The Senate has not adopted a simple resolution specifically disapproving the person during the first 90 legislative days of the first regular session commencing in the calendar year after the Governor's reelection. For purposes of this subdivision, a "legislative day" is a day on which the Senate convenes in regular session. A person is no longer eligible to continue to serve after the date on which the Senate adopts a simple resolution under this subdivision.

(b) Chief Deputy; Chief Assistant. – The head of a principal State department shall appoint a chief deputy or chief assistant, and such chief deputy or chief assistant shall not be subject to the North Carolina Human Resources Act. The salary of such chief deputy or chief assistant shall be set by the Governor. Unless otherwise provided for in the Executive Organization Act of 1973, and subject to the provisions of the Human Resources Act, the head

of each principal State department shall designate the administrative head of each transferred agency and all employees of each division, section, or other unit of the principal State department."

SECTION 3B.1.(c) This section applies to appointments made on or after the effective date of this act.

DESIGNATE ALL PARKING SPACES IN STATE PARKING DECK 65 AS STATE LEGISLATIVE BUILDINGS AND GROUNDS

SECTION 3B.2. G.S. 120-32.1(d) reads as rewritten:

"(d) For the purposes of this section, the term "State legislative buildings and grounds" means:

...

- (3) The parking spaces ~~in the upper level~~ of State Parking Deck 65 located under the Halifax Street Mall."

EMERGENCY MANAGEMENT ACT CLARIFICATION

SECTION 3B.3.(a) Purpose. – In accordance with Article I, Section 7 of the North Carolina Constitution, which states "[a]ll power of suspending laws or the execution of laws by any authority, without the consent of the representatives of the people, is injurious to their rights and shall not be exercised[,]" the Governor has a duty under Article III, Section 5(4) of the North Carolina Constitution "that the laws be faithfully executed." Accordingly, the purpose of this section is to correct a misapprehension of the powers conferred to the Governor under Article 1A of Chapter 166A of the General Statutes, entitled "North Carolina Emergency Management Act," which does not allow for the Governor to waive, modify, suspend, or fail to enforce or execute any provision of the General Statutes of North Carolina, including the provisions of Chapter 96, entitled "Employment Security Law," unless specifically and expressly prescribed by general law enacted by the General Assembly.

SECTION 3B.3.(b) G.S. 166A-19.2, as amended by Section 3(a) of S.L. 2024-16, reads as rewritten:

"§ 166A-19.2. ~~Limitations.~~Construction; limitations.

- (a) Construction. – Nothing in this Article shall be construed to do any of the following:

- (1) Interfere with dissemination of news or comment on public affairs; but any communications facility or organization, including, but not limited to, radio and television stations, wire services, and newspapers may be requested to transmit or print public service messages furnishing information or instructions in connection with an emergency, disaster, or war.
- (2) Limit, modify, or abridge the authority of the Governor to declare martial law or exercise any other powers vested in the Governor under the North Carolina Constitution, statutes, or common law of this State independent of, or in conjunction with, any provisions of this Article.

(b) Religious Institutions. – No religious institution shall be subject to an executive order, secretarial declaration, municipal or local government prohibition or restriction, or a rule or regulation by a political subdivision of this State that distinguishes between religious institutions and other public or private for-profit or nonprofit entities that are subject to or affected by the same or similar emergency in a way that imposes additional limitations on the religious institution. For the purposes of this subsection, the term "religious institution" has the same meaning as in G.S. 131F-2.

(c) Limitation. – Nothing in this Article authorizes or empowers the Governor or the Governor's designee to waive, modify, suspend, or fail to enforce or execute any provision of Chapter 96 of the General Statutes."

SECTION 3B.3.(c) This section becomes effective March 1, 2025, and applies to exercises of power, including executive orders issued by the Governor, on or after that date.

SUBPART III-C. JUDICIARY

MODIFY THE APPOINTMENT PROCESS TO FILL SUPREME COURT AND COURT OF APPEALS VACANCIES

SECTION 3C.1.(a) G.S. 163-9 reads as rewritten:

"§ 163-9. Filling vacancies in State and district judicial offices.

(a) ~~Vacancies~~ The Governor shall appoint persons to fill vacancies occurring in the offices of Justice of the Supreme Court, Court and judge of the Court of Appeals, and judge of the superior court Appeals for causes other than expiration of term shall be filled by appointment of the Governor, from a list of three qualified persons recommended by the political party executive committee of the political party with which the vacating judge was affiliated when elected. If a political party fails to make recommendations under this subsection within 30 days of the occurrence of the vacancy, or if a vacating judge was not affiliated with a political party at the time of the judge's election, the Governor shall appoint a qualified person to fill the vacancy. For purposes of this subsection, a qualified person is a person who is a resident of the State who is duly authorized to practice law in this State. An appointee to the office of Justice of the Supreme Court or judge of the Court of Appeals shall hold office until January 1 next following the election for members of the General Assembly that is held more than 60 days after the vacancy occurs, at which time an election shall be held for an eight-year term and until a successor is elected and qualified.

(b) The Governor shall appoint qualified persons to fill vacancies occurring in the office of judge of the superior court. Except for judges specified in the next paragraph of this subsection, subsection (b1) of this section, an appointee to the office of judge of superior court shall hold his place-office until the next election for members of the General Assembly that is held more than 60 days after the vacancy occurs, at which time an election shall be held to fill the unexpired term of the office.

(b1) Appointees under this section for judges of the superior court from any district:

(1) ~~With district with~~ only one resident judge; judge or

(2) ~~In-in~~ which no county is subject to section 5 of the Voting Rights Act of 1965, shall hold the office until the next election of members of the General Assembly that is held more than 60 days after the vacancy occurs, at which time an election shall be held to fill an eight-year term.

(c) When the unexpired term of the office in which the vacancy has occurred expires on the first day of January succeeding the next election for members of the General Assembly, the Governor shall appoint to fill that vacancy for the unexpired term of the office-office in accordance with the requirements of this section.

(d) Vacancies in the office of district judge which occur before the expiration of a term shall be filled in accordance with G.S. 7A-142."

SECTION 3C.1.(b) If a vacancy requiring nominations pursuant to G.S. 163-9(a), as amended by subsection (a) of this section, occurred prior to the date this section becomes effective and is vacant on the date this section becomes effective, the political party executive committee making nominations as provided in G.S. 163-9(a), as amended by subsection (a) of this section, shall have 30 days from the date this section becomes effective to make recommendations to the Governor.

SECTION 3C.1.(c) This section applies to appointments made on or after the effective date of this act.

ABOLISH THE NORTH CAROLINA COURTS COMMISSION

SECTION 3C.2. Article 40A of Chapter 7A of the General Statutes is repealed. All unexpended appropriations made to the Courts Commission shall revert to the General Fund.

SENIOR RESIDENT SUPERIOR COURT JUDGES SHALL SERVE IN THAT CAPACITY AT THE PLEASURE OF THE CHIEF JUSTICE

SECTION 3C.3.(a) G.S. 7A-41.1 reads as rewritten:

"§ 7A-41.1. District and set of districts defined; senior resident superior court judges and their authority.

- (a) In this section and in any other law which refers to this section:
- (1) "District" means any superior court district established by G.S. 7A-41 which consists exclusively of one or more entire counties;
 - (2) "Set of districts" means any set of two or more superior court districts established under G.S. 7A-41, none of which consists exclusively of one or more entire counties, but both or all of which include territory from the same county or counties and together comprise all of the territory of that county or those counties;
 - (3) "Regular resident superior court judge of the district or set of districts" means a regular superior court judge who is a resident judge of any of the superior court districts established under G.S. 7A-41 which comprise or are included in a district or set of districts as defined herein.
- (b) There shall be one and only one senior resident superior court judge for each district or set of districts as defined in subsection (a) of this section, who shall be:
- (1) Where there is only one regular resident superior court judge for the district, that judge; and
 - (2) Where there are two or more regular resident superior court judges for the district or set of districts, ~~the judge who, from among all the regular resident superior court judges of the district or set of districts, has the most continuous service as a regular resident superior court judge; provided if two or more judges are of equal seniority, the oldest of those judges shall be the senior regular resident superior court judge.~~ the Chief Justice of the Supreme Court shall designate one of the judges as senior resident superior court judge to serve in that capacity at the pleasure of the Chief Justice.
 - (3) Where there is a set of districts, the Chief Justice of the Supreme Court shall designate one of the judges as senior resident superior court judge to serve in that capacity at the pleasure of the Chief Justice, if that set of districts are wholly contained in one county that is specified in law as the sole proper venue for certain actions.
- (c) Senior resident superior court judges and regular resident superior court judges possess equal judicial jurisdiction, power, authority and status, but all duties placed by the Constitution or statutes on the resident judge of a superior court district, including the appointment to and removal from office, which are not related to a case, controversy or judicial proceeding and which do not involve the exercise of judicial power, shall be discharged, throughout a district as defined in subsection (a) of this section or throughout all of the districts comprising a set of districts so defined, for each county in that district or set of districts, by the senior resident superior court judge for that district or set of districts. That senior resident superior court judge alone among the superior court judges of that district or set of districts shall receive the salary and benefits of a senior resident superior court judge.
- (d) A senior resident superior court judge for a district or set of districts as defined in subsection (a) of this section with two or more regular resident superior court judges, by notice in writing to the Administrative Officer of the Courts, may decline to exercise the authority vested in him by this section, in which event such authority shall be exercised in the following manner:

- (1) Prior to the Chief Justice designating a senior resident superior court judge pursuant to subsection (b) of this section, by the regular resident superior court judge who, among the other regular resident superior court judges of the district or set of districts, is next senior in point of service or age, respectively.
- (2) Once the Chief Justice has designated a senior resident superior court judge pursuant to subsection (b) of this section, by that judge.

(e) In the event a senior resident superior court judge for a district or set of districts with one or more regular resident superior court judges is unable, due to mental or physical incapacity, to exercise the authority vested in ~~him-the judge~~ by the statute, and the Chief Justice, in ~~his-the~~ Chief Justice's discretion, has determined that ~~such-the~~ incapacity exists, the Chief Justice shall appoint an acting senior regular resident superior court judge from the other regular resident judges of the district or set of districts, to exercise, temporarily, the authority of the senior regular resident judge. ~~Such-The~~ appointee shall serve at the pleasure of the Chief Justice and until ~~his~~ the temporary appointment is vacated by appropriate order."

SECTION 3C.3.(b) This section is effective when it becomes law and applies to all senior resident superior court judges serving in that capacity on or after that date. Senior resident superior court judges serving in that capacity on the date this section becomes law shall be deemed to serve in that capacity at the pleasure of the Chief Justice, except those serving in that capacity pursuant to G.S. 7A-41.1(b)(1).

SUBPART III-D. ATTORNEY GENERAL

POWERS AND DUTIES OF THE ATTORNEY GENERAL

SECTION 3D.1.(a) G.S. 1-72.3 reads as rewritten:

"§ 1-72.3. State a party to certain actions.

The State shall be a party whenever the validity or constitutionality of a local act of the General Assembly is the subject of an action in any court and, except as provided in G.S. 147-17, shall be represented by the Attorney General. ~~This section shall not affect any authority under General, subject to the provisions set forth in G.S. 1-72.2 or and G.S. 120-32.6."~~

SECTION 3D.1.(b) G.S. 62-20 is repealed.

SECTION 3D.1.(c) G.S. 62-15(g) reads as rewritten:

"(g) Upon request, the executive director shall employ the resources of the Public Staff to furnish to the ~~Commission, its members, or the Attorney General, Commission or its members~~ such information and reports or conduct such investigations and provide such other assistance as may reasonably be required in order to supervise and control the public utilities of the State as may be necessary to carry out the laws providing for their regulation."

SECTION 3D.1.(d) G.S. 62-70 reads as rewritten:

"§ 62-70. Ex parte communications.

...
 (f) In addition to the foregoing provisions regarding contacts with members of the Commission and hearing examiners, if any party of ~~record, including the assistant attorney general when he is a party,~~ record confers with or otherwise contacts any staff personnel employed by the Commission regarding the merits of a pending proceeding, the staff employee shall promptly forward by regular mail a memorandum of the date and general subject matter of such contact to all other parties of record to the proceeding.
"

SECTION 3D.1.(e) G.S. 62-110.1(c) reads as rewritten:

"(c) The Commission shall develop, publicize, and keep current an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina, including its estimate of the probable future growth of the use of electricity, the probable needed generating reserves, the extent, size, mix and general location of generating plants and

arrangements for pooling power to the extent not regulated by the Federal Energy Regulatory Commission and other arrangements with other utilities and energy suppliers to achieve maximum efficiencies for the benefit of the people of North Carolina, and shall consider such analysis in acting upon any petition by any utility for construction. In developing such analysis, the Commission shall, as it deems necessary, confer and consult with the public utilities in North Carolina, the utilities commissions or comparable agencies of neighboring states, the Federal Energy Regulatory Commission and other agencies having relevant information and may participate as it deems useful in any joint boards investigating generating plant sites or the probable need for future generating facilities. In addition to such reports as public utilities may be required by statute or rule of the Commission to file with the Commission, any such utility in North Carolina may submit to the Commission its proposals as to the future needs for electricity to serve the people of the State or the area served by such utility, and insofar as practicable, each such utility, the Public Staff, ~~intervenors, and the Attorney General~~ and intervenors may attend or be represented at any formal conference conducted by the Commission in developing a plan for the future requirements of electricity for North Carolina or this region. In the course of making the analysis and developing the plan, the Commission shall conduct a public hearing on such plan in the year a biennial integrated resource plan is filed and may hold a public hearing on such plan in a year that an annual update of an integrated resource plan is filed. Each year, the Commission shall submit to the Governor and to the appropriate committees of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources a report of its analysis and plan, the progress to date in carrying out such plan, and the program of the Commission for the ensuing year in connection with such plan."

SECTION 3D.1.(f) G.S. 62-110.3(c) reads as rewritten:

"(c) The utility, the Public Staff, ~~the Attorney General~~, and any other party may, at any time after the amount of a bond is set, apply to the Commission to raise or lower the amount based on changed circumstances."

SECTION 3D.1.(g) G.S. 62-300(d) reads as rewritten:

"(d) The fees and charges as set forth in subdivisions (1), (7), (9) and (10) of subsection (a) of this section shall not apply to the State of North Carolina or to any board, department, commission, institution or other agency of the State; and all applications, petitions or complaints submitted by the State of North Carolina or any board, department, commission, institution or other agency of the State shall be filed without the payment of the fees required by this section. ~~All transcripts, papers, orders, certificates, or other records necessary to perfect an appeal, or to determine whether an appeal is to be taken, shall be furnished without charge to the Attorney General upon his request in cases in which the Attorney General appears in the public interest or as representing any board, department, commission, institution or other agency of the State.~~"

SECTION 3D.1.(h) G.S. 114-2 reads as rewritten:

"§ 114-2. Duties.

Pursuant to Section 7(2) of Article III of the North Carolina Constitution, it shall be the duty of the Attorney General:

- (1) To defend all actions in the appellate division in which the State shall be interested, or a party, and to appear for the State in any other court or tribunal in any cause or matter, civil or criminal, in which the State may be a party or interested. ~~interested~~, subject to the provisions set forth in G.S. 1-72.2 and G.S. 120-32.6. The duty to represent the State in criminal appeals shall not be delegated to any district attorney's office or any other entity.

...

- ~~(8) Subject to the provisions of G.S. 62-20:~~

- a. ~~To intervene, when he deems it to be advisable in the public interest, in proceedings before any courts, regulatory officers, agencies and bodies, both State and federal, in a representative capacity for and on behalf of the using and consuming public of this State. He shall also have the authority to institute and originate proceedings before such courts, officers, agencies or bodies and shall have authority to appear before agencies on behalf of the State and its agencies and citizens in all matters affecting the public interest.~~
- b. ~~Upon the institution of any proceeding before any State agency by application, petition or other pleading, formal or informal, the outcome of which will affect a substantial number of residents of North Carolina, such agency or agencies shall furnish the Attorney General with copies of all such applications, petitions and pleadings so filed, and, when the Attorney General deems it advisable in the public interest to intervene in such proceedings, he is authorized to file responsive pleadings and to appear before such agency either in a representative capacity in behalf of the using and consuming public of this State or in behalf of the State or any of its agencies.~~

...."

SECTION 3D.1.(i) G.S. 114-2.3 reads as rewritten:

"§ 114-2.3. Use of private counsel limited.

(a) Every agency, institution, department, bureau, board, or commission of the State, authorized by law to retain private counsel, shall obtain written permission from the Attorney General prior to employing private counsel. This section does not apply to counties, cities, towns, other municipal corporations or political subdivisions of the State, or any agencies of these municipal corporations or political subdivisions, or to county or city boards of education. This subsection does not apply to ~~private counsel retained by the Judicial Department for the defense of an official or employee of the Department in any action arising from conduct undertaken in the course of the official's or employee's official duties and in which the Attorney General has declined to provide the litigation services.~~ the Judicial Department or an agency that is under the control of an official who is a member of the Council of State.

...

(e) The Attorney General shall report to the Joint Legislative Commission on Governmental Operations by January 1 and July 1 of each year on all contracts or engagement letters entered into by the Attorney General with private counsel to assist with any of the statutory duties of the Attorney General. The report shall disclose the amount of State funds expended under each such contract or engagement letter and a description of the legal assistance provided by private counsel."

SECTION 3D.1.(j) Article 1 of Chapter 114 of the General Statutes is amended by adding a new section to read:

"§ 114-2.8. Limitation on participation in foreign litigation.

The Attorney General shall not, as a party, amicus, or any other participant in an action pending before a state or federal court in another state, advance any argument that would result in the invalidation of any statute enacted by the General Assembly."

SECTION 3D.1.(k) G.S. 120-32.6 reads as rewritten:

"§ 120-32.6. Certain employment authority.

(a) Use of Private Counsel. – G.S. 114-2.3, 143C-6-9(b), and 147-17(a) through (c1) shall not apply to the General Assembly.

(b) General Assembly Acting on Behalf of the State of North Carolina in Certain Actions. – Whenever the validity or constitutionality of an act of the General Assembly or a provision of the Constitution of North Carolina is the subject of an action in any State or federal court, the

Speaker of the House of Representatives and the President Pro Tempore of the Senate, as agents of the State through the General Assembly, shall be necessary parties and shall be deemed to be a client of the Attorney General for purposes of that action as a matter of law and pursuant to Section 7(2) of Article III of the North Carolina Constitution. In such cases, the General Assembly shall be deemed to be the State of North Carolina to the extent provided in G.S. 1-72.2(a) unless waived pursuant to this subsection. When the General Assembly through the Speaker of the House of Representatives and President Pro Tempore of the Senate participates in such an action, the Attorney General is not authorized to take any position on behalf of the State of North Carolina that is contrary to or inconsistent with the position of the General Assembly. Additionally, in such cases, the General Assembly through the Speaker of the House of Representatives and President Pro Tempore of the Senate jointly shall possess final decision-making authority with respect to the defense of the challenged act of the General Assembly or provision of the North Carolina Constitution. In any such action, the General Assembly, through the Speaker of the House of Representatives and the President Pro Tempore of the Senate, may waive such representation and decline to participate in the action by written notice to the Attorney General.

(c) General Assembly Counsel Shall Be Lead Counsel. – In those instances when the General Assembly employs counsel in addition to or other than the Attorney General, the Speaker of the House of Representatives and the President Pro Tempore of the Senate may jointly designate the counsel employed by the General Assembly as lead counsel in the defense of the challenged act of the General Assembly or provision of the North Carolina Constitution. The lead counsel so designated shall possess final decision-making authority with respect to the representation, counsel, or service for the General Assembly. In actions in which the General Assembly is deemed to be the State of North Carolina as provided in subsection (b) of this section, the lead counsel so designated shall possess final decision-making authority with respect to the positions taken on behalf of the State, as well as the representation of, counsel to, or service provided to the State. Other counsel for the General Assembly shall, consistent with the Rules of Professional Conduct, cooperate with such designated lead counsel.

...."

SECTION 3D.1.(l) G.S. 135-6(u) reads as rewritten:

"(u) ~~Notwithstanding G.S. 114-2.3 and G.S. 147-17, the~~ The Treasurer may designate legal counsel, including private counsel, to represent the interests of the administration of benefit programs under this Chapter."

SECTION 3D.1.(m) G.S. 147-17 reads as rewritten:

"§ 147-17. May employ counsel in cases wherein State is interested.

(a) No department, officer, agency, institution, commission, bureau or other organized activity of the State which receives support in whole or in part from the State shall employ private counsel, except with the approval of the Governor. The Governor shall give his approval only if the Attorney General has advised him, as provided in subsection (b) of this section, that it is impracticable for the Attorney General to render the legal services. In any case or proceeding, civil or criminal, in or before any court or agency of this State or any other state or the United States, or in any other matter in which the State of North Carolina is interested, the Governor may employ private counsel as he may deem proper or necessary to represent the interest of the State, and may fix the compensation for their services, subject to the provisions of subsection (c1) of this section. This subsection does not apply to ~~private counsel retained by the Judicial Department for the defense of an official or employee of the Department in any action arising from conduct undertaken in the course of the official's or employee's official duties and in which the Attorney General has declined to provide the litigation services.~~ the Judicial Department or an agency that is under the control of an official who is a member of the Council of State.

...."

CLARIFY THE PROVISION OF COUNSEL TO JUDICIAL BRANCH OFFICIALS AND MAKE RELATED CHANGES

SECTION 3D.2.(a) Article 29 of Chapter 7A of the General Statutes is amended by adding a new section to read:

"§ 7A-343.7. Legal services for the Judicial Branch.

(a) The Director may employ staff counsel or retain private counsel to provide legal services, including litigation services, to a current or former official or employee of the Judicial Branch in any action or matter arising in the scope and course of the official's or employee's official duties. The Director also may employ or retain counsel to provide legal services, including litigation services, to an agency, commission, conference, or other entity in the Judicial Branch. The Director shall supervise and manage counsel employed or retained under this section. The Director may use funds available to the Judicial Branch to employ or retain counsel authorized under this section.

(b) All of the following apply when the Director employs or retains counsel under this section to provide litigation services:

- (1) Employed or retained counsel shall not provide litigation services for the defense of a civil or criminal action or proceeding brought against a current or former official or employee of the Judicial Branch if the Director determines that any of the conditions in G.S. 143-300.4(a)(1) through (a)(4) exist. The Director's provision of litigation services for the defense of a current or former official or employee of the Judicial Branch shall raise a presumption that no grounds for refusal to defend were discovered.
- (2) If the action or proceeding for which employed or retained counsel is to provide litigation services is one in which plaintiffs or claimants seek in excess of one million dollars (\$1,000,000) in damages or for which a final judgment orders the State to pay the sum of one million dollars (\$1,000,000) or more, the Director shall report the litigation to the Attorney General's office and the Attorney General shall complete reports under G.S. 114-2.6.
- (3) Judgments and settlements in actions or proceedings against current or former Judicial Branch officials or employees where the Director has approved the provision of litigation services shall be paid by the State in accordance with G.S. 143-300.6(a) as modified by subsection (c) of this section.
- (4) If the settlement or resolution of the action involves the sum of seventy-five thousand dollars (\$75,000) or more, the Director shall report the settlement to the Attorney General's office, and the Attorney General shall complete reports under G.S. 114-2.4(b).

(c) When the Attorney General provides for representation in a civil or criminal action or proceeding for which a current or former official or employee of the Judicial Branch or an entity in the Judicial Branch is a party, whether under this section, G.S. 114-2, or Article 31A of Chapter 143 of the General Statutes, any compromise or settlement must be approved by the Judicial Branch entity, official, or employee named in the action and, if the settlement or resolution involves the payment of public monies, the Director. The approval of the Attorney General shall not be required for the compromise or settlement of any claim in the action or proceeding.

(d) When the Director employs or retains counsel under this section, G.S. 114-2(1) through (2), 114-2.3, 143C-6-9(b), and 147-17(a) through (c1) shall not apply.

(e) This section does not prohibit the Attorney General's office from representing an official or employee of the Judicial Branch pursuant to Article 31A of Chapter 143 of the General Statutes upon that official's or employee's request to the Attorney General.

(f) The coverage afforded a current or former official or employee of the Judicial Branch under this section shall be excess coverage over any commercial liability insurance, other than insurance written under G.S. 58-32-15, up to the limit provided in G.S. 143-300.6(a).

(g) All communications or documents made or used in connection with the provision of legal services by counsel employed or retained under this section are not "public records" as defined by G.S. 132-1 and shall not be open to public inspection, examination, or copying.

(h) The following definitions apply in this section:

(1) "Civil or criminal action or proceeding" as defined in G.S. 143-300.2.

(2) "Employee" as defined in G.S. 143-300.2.

(3) "Litigation services" includes legal work conducted in anticipation of, or in preparation for, any suit or action.

(4) "Private counsel" includes any licensed attorney retained by, engaged by, or otherwise representing a current or former Judicial Branch employee, officer, or entity but does not include a licensed attorney who holds a permanent budgeted position in either the Department of Justice or the applicable Judicial Branch entity."

SECTION 3D.2.(b) G.S. 114-2.2 is amended by adding a new subsection to read:

"(d) Subsection (a) of this section does not apply to consent judgments entered into by an entity, officer, or employee of the Judicial Branch. To be effective against the State, a consent judgment entered into by an entity of the Judicial Branch, or officer or employee of the Judicial Branch who is a party in his or her official capacity, must be signed by the Director of the Administrative Office of the Courts."

SECTION 3D.2.(c) G.S. 114-2.4 reads as rewritten:

"§ 114-2.4. Settlement agreements.

(a) The Attorney General shall review the terms of all proposed agreements entered into by the State or a State department, agency, institution, or officer to settle or resolve litigation or potential litigation, that involves the payment of public monies in the sum of seventy-five thousand dollars (\$75,000) or more. In order for such an agreement or contract to be effective against the State, the Attorney General shall submit to the State or the State department, agency, institution, or officer a written opinion regarding the terms of the proposed agreement and the advisability of entering into the agreement, prior to entering into the agreement. The written opinion required by this section shall be maintained in the official file of the final settlement agreement. The Attorney General by rule may delegate to a deputy or assistant Attorney General or to another subordinate the authority to review settlement agreements. This subsection shall not apply to proposed agreements entered into by an entity, officer, or employee of the Judicial Branch.

...

(a3) Where a dispute, claim, or controversy is brought against an entity, official, or employee of the Judicial Branch, a proposed settlement agreement or other agreement that would require the payment of monies from State funds, including potential attorneys' fees, shall be approved by the Director of the Administrative Office of the Courts, or by and through a designee of his or her choice, before the agreement may be entered.

...."

SECTION 3D.2.(d) G.S. 143C-6-9(b) reads as rewritten:

"(b) Lapsed salary savings shall not be used to pay for litigation services provided by private counsel. As used in this subsection, litigation services and private counsel are as defined in G.S. 147-17(c1) and G.S. 114-2.3(d). This subsection does not apply to ~~litigation services provided by private counsel retained by the Judicial Department for the defense of an official or employee of the Department in any action arising from conduct undertaken in the course of the official's or employee's official duties and in which the Attorney General has declined to provide the litigation services.~~ legal services provided to the Judicial Branch under G.S. 7A-343.7(a)."

SECTION 3D.2.(e) G.S. 7A-343(17) reads as rewritten:

"(17) ~~Review requests for To employ staff counsel or retain private counsel for the defense of a to provide legal services for the Judicial Department official or employee. Department.~~ The Director may approve the expenditure of lapsed salary savings to ~~retain private counsel to provide litigation services for the defense of an official or employee of the Judicial Department in any action arising from conduct undertaken in the course of the official's or employee's official duties and in which the Attorney General has declined to provide the litigation services. For purposes of this subdivision, the terms "litigation services" and "private counsel" are as defined in G.S. 147-17 and G.S. 114-2.3.~~ pay for legal services under G.S. 7A-343.7(a)."

SUBPART III-E. STATE HIGHWAY PATROL

MAKE STATE HIGHWAY PATROL INDEPENDENT DEPARTMENT

SECTION 3E.1.(a) The State Highway Patrol is established in this subpart as a single, unified cabinet-level department. All functions, powers, duties, and obligations vested in the State Highway Patrol under the Department of Public Safety are transferred to, vested in, and consolidated within the State Highway Patrol in the manner of a Type I transfer as defined in G.S. 143A-6.

SECTION 3E.1.(b) G.S. 143B-2 reads as rewritten:

"§ 143B-2. Interim applicability of the Executive Organization Act of 1973.

The Executive Organization Act of 1973 shall be applicable only to the following named departments:

...

(14) State Highway Patrol."

SECTION 3E.1.(c) G.S. 143B-6 reads as rewritten:

"§ 143B-6. Principal departments.

In addition to the principal departments enumerated in the Executive Organization Act of 1971, all executive and administrative powers, duties, and functions not including those of the General Assembly and its agencies, the General Court of Justice and the administrative agencies created pursuant to Article IV of the Constitution of North Carolina, and higher education previously vested by law in the several State agencies, are vested in the following principal departments:

...

(16) State Highway Patrol."

SECTION 3E.1.(d) G.S. 126-5(c1) is amended by adding a new subdivision to read:

"(40) Employees of the State Highway Patrol, that the Commander of the State Highway Patrol, at any time, in the Commander of the State Highway Patrol's discretion, exempts from the application of this Chapter by means of a letter to the Director of the Office of State Human Resources designating these employees. The Commander of the State Highway Patrol may exempt no more than 10 employees under the authorization set forth in this subdivision."

SECTION 3E.1.(e) Chapter 143B of the General Statutes is amended by adding a new Article 17 to be entitled "State Highway Patrol."

SECTION 3E.1.(f) Article 17 of Chapter 143B of the General Statutes, as enacted by subsection (e) of this section, is amended by adding a new Part 1 to be entitled "General Provisions."

SECTION 3E.1.(g) G.S. 20-184 is recodified as G.S. 143B-1700 under Part 1 of Article 17 of Chapter 143B of the General Statutes as created by subsection (f) of this section.

SECTION 3E.1.(h) Article 17 of Chapter 143B of the General Statutes, as enacted by subsection (e) of this section, is amended by adding a new Part 2 to be entitled "State Highway Patrol Division."

SECTION 3E.1.(i) Except as otherwise provided in subsection (g) of this section, Article 4 of Chapter 20 of the General Statutes is recodified under Part 2 of Article 17 of Chapter 143B of the General Statutes as created by subsections (e) and (h) of this section, as follows:

<u>Former Citation</u>	<u>Recodified Citation</u>
20-185	143B-1705
20-185.1	143B-1710
20-186	143B-1711
20-187	143B-1712
20-187.1	143B-1713
20-187.3	143B-1714
20-187.5	143B-1715
20-188	143B-1716
20-189	143B-1717
20-189.1	143B-1718
20-189.2	143B-1719
20-190	143B-1720
20-190.1	143B-1721
20-190.3	143B-1722
20-191	143B-1723
20-192	143B-1724
20-195	143B-1725
20-196	143B-1726
20-196.2	143B-1727
20-196.3	143B-1728
20-196.4	143B-1729
20-196.5	143B-1730

SECTION 3E.1.(j) G.S. 143B-602.1 is recodified as G.S. 143B-1710.1 under Part 2 of Article 17 of Chapter 143B of the General Statutes as created by subsection (h) of this section.

SECTION 3E.1.(k) All functions, powers, duties, and obligations vested in the State Capitol Police Division of the Department of Public Safety are transferred to, vested in, and consolidated within the State Highway Patrol by a Type I transfer, as defined in G.S. 143A-6.

SECTION 3E.1.(l) Article 17 of Chapter 143B of the General Statutes, as enacted by subsection (e) of this section, is amended by adding a new Part 3 to be entitled "State Capitol Police Division."

SECTION 3E.1.(m) Subpart B of Part 4 of Article 13 of Chapter 143B of the General Statutes is recodified as Part 3 of Article 17 of Chapter 143B of the General Statutes, as enacted by subsection (l) of this section, as follows:

<u>Former Citation</u>	<u>Recodified Citation</u>
143B-911	143B-1750

SECTION 3E.1.(n) All statutory authority, powers, duties, and functions including rulemaking, budgeting, purchasing, records, personnel, personnel positions, salaries, property, and unexpended balances of appropriations, allocations, reserves, support costs, and other funds allocated to the Department of Public Safety for the regulation and enforcement of commercial motor vehicles, oversize and overweight vehicles, motor carrier safety, and mobile and manufactured housing are transferred to and vested in the State Highway Patrol. This transfer has all the elements of a Type I transfer, as defined in G.S. 143A-6.

The State Highway Patrol shall be considered a continuation of the transferred portion of the Department of Public Safety for the purpose of succession to all rights, powers, duties, and

obligations of the Department of Public Safety currently performed by the Motor Carrier Enforcement Administrative Section located administratively in the State Highway Patrol prior to the enactment of subsection (a) of this section.

All equipment, supplies, personnel, or other properties rented or controlled by the Department of Public Safety for the regulation and enforcement of commercial motor vehicles, oversize and overweight vehicles, motor carrier safety, and mobile and manufactured housing shall be administered by the State Highway Patrol.

SECTION 3E.1.(o) All sworn law enforcement personnel located in the Department of Transportation, Division of Motor Vehicles License and Theft Bureau, including the personnel positions, salaries, property, and other funds allocated for sworn law enforcement personnel, are transferred to the State Highway Patrol. All statutory authority, powers, duties, and functions currently statutorily assigned to the Department of Transportation, Division of Motor Vehicles, and performed by the Department of Transportation, Division of Motor Vehicles License and Theft Bureau, that are required to be performed by sworn law enforcement personnel are transferred to the State Highway Patrol. This transfer has all the elements of a Type I transfer, as defined in G.S. 143A-6.

The State Highway Patrol shall be considered a continuation of the transferred portion of the Department of Transportation, Division of Motor Vehicles License and Theft Bureau, for the purpose of succession to all rights, powers, duties, and obligations of the transferred portion of the License and Theft Bureau and of those rights, powers, duties, and obligations exercised by the Department of Transportation, Division of Motor Vehicles, on behalf of the transferred portion of the License and Theft Bureau.

All equipment, supplies, or other properties rented or controlled by the Department of Transportation, Division of Motor Vehicles License and Theft Bureau, for the use by or benefit of sworn law enforcement personnel shall be administered by the State Highway Patrol.

SECTION 3E.1.(p) Article 17 of Chapter 143B of the General Statutes, as enacted by subsections (e), (f), (h), and (l) of this section, reads as rewritten:

"Article 17.

"State Highway Patrol.

"Part 1. General Provisions.

"§ 143B-1700. Patrol under supervision of Department of Public Safety-Organization.

~~The Secretary of Public Safety, under the direction of the Governor, shall have supervision, direction and control of the State Highway Patrol. The Secretary shall establish in the Department of Public Safety a State Highway Patrol Division, prescribe regulations governing the Division, and assign to the Division such duties as the Secretary may deem proper.~~

(a) There is established the State Highway Patrol. The head of the State Highway Patrol is the Commander of the State Highway Patrol (Commander).

(b) The Commander shall be appointed by the Governor for a term of five years subject to confirmation by the General Assembly by joint resolution. The first full five-year term shall begin July 1, 2025. The Commander shall be appointed by the Governor from the uniformed members of the North Carolina State Highway Patrol who have met all requirements for employment within the Patrol, including completion of the basic Patrol school, and the Commander's rank shall be designated by the Governor.

The Governor shall submit the name of the person to be appointed, for confirmation by the General Assembly, to the General Assembly by May 1 of the year in which the Commander is to be appointed. If the Governor does not submit the name by that date, the President Pro Tempore of the Senate and the Speaker of the House of Representatives shall submit a name to the General Assembly on or before May 15 of the same year. The appointment shall then be made by enactment of a bill. The bill shall state the name of the person being appointed, the office to which the appointment is being made, the effective date of the appointment, the date of expiration of the term, the residence of the appointee, and that the appointment is made upon the joint

recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate. Nothing precludes any member of the General Assembly from proposing an amendment to any bill making such an appointment. If there is no vacancy in the office of the Commander of the State Highway Patrol and a bill that would confirm the appointment of the person as Commander fails a reading in either chamber of the General Assembly, then the Governor shall submit a new name within 30 days.

(c) In case of a vacancy in the office of Commander of the State Highway Patrol for any reason prior to the expiration of the Commander's term of office, the name of the Commander's successor shall be submitted by the Governor to the General Assembly not later than 60 days after the vacancy arises. If a vacancy arises in the office when the General Assembly is not in session, an acting Commander shall be appointed by the Governor to serve pending confirmation by the General Assembly. However, in no event shall an acting Commander serve (i) for more than 12 months without General Assembly confirmation or (ii) after a bill that would confirm the appointment of the person as Commander fails a reading in either chamber of the General Assembly.

(d) The powers and duties of the chiefs, directors, and the divisions of the State Highway Patrol shall be subject to the direction and control of the Commander of the State Highway Patrol.

"§ 143B-1701. Powers and duties of the State Highway Patrol.

It shall be the duty of the State Highway Patrol to do all of the following:

- (1) To provide assigned law enforcement and emergency services to protect the public against crime and against natural and man-made disasters.
- (2) To plan and direct a coordinated effort by the law enforcement agencies of State government and to ensure maximum cooperation between State and local law enforcement agencies in the fight against crime.
- (3) To serve as the State's chief coordinating agency to control crime, to ensure the safety of the public, and to ensure an effective and efficient State criminal justice system.
- (4) To have charge of investigations of criminal matters particularly set forth in this Article and of other crimes and areas of concern as the General Statutes or the Governor may direct.
- (5) To regularly patrol the highways of the State and enforce all laws and regulations respecting travel and the use of vehicles upon the highways of the State and all laws for the protection of the highways of the State.
- (6) To develop a plan for a coordinated and integrated electronic communications system for State government and cooperating local agencies, including coordination and integration of existing electronic communications systems.

"§ 143B-1702. Powers and duties of the Commander of the State Highway Patrol.

The Commander of the State Highway Patrol shall have the powers and duties as are conferred on the Commander by this Article, delegated to the Commander by the Governor, and conferred on the Commander by the Constitution and laws of this State. These powers and duties include the following:

- (1) Provision of assistance to other agencies. – The Commander, through appropriate subunits of the State Highway Patrol, shall, at the request of the Governor, provide assistance to State and local law enforcement agencies, district attorneys, and judges when called upon by them and so directed.
- (2) Rulemaking. – The Commander is authorized to adopt rules and procedures for the implementation of this section.
- (3) Other powers and duties. – The Commander has the following additional powers and duties:
 - a. Adopting rules as may be required by the federal government for federal grants-in-aid for criminal justice purposes and to implement

and carry out the regulatory and enforcement duties assigned to the State Highway Patrol as provided by the various commercial vehicle, oversize/overweight, motor carrier safety, motor fuel, and mobile and manufactured home statutes.

- b. Appointing a special police officer to serve as Chief of the State Capitol Police Division.

"Part 2. State Highway Patrol Division.

"§ 143B-1705. Personnel; appointment; salaries.

(a) ~~The State Highway Patrol shall consist of a commanding officer, who shall be appointed by the Governor and whose rank shall be designated by the Governor, and such additional subordinate officers and members as the Secretary of Public Safety, with the approval of the Governor, shall direct. Members of the State Highway Patrol Division shall be appointed by the Secretary, Commander, with the approval of the Governor, and shall serve at the pleasure of the Governor and Secretary, Commander. The commanding officer, Commander, other officers and members of the State Highway Patrol Division shall be paid such salaries as may be established by the Division of Personnel of the Department of Administration. Notwithstanding any other provision of this Article, the number of supervisory personnel of the State Highway Patrol Division shall not exceed a number equal to twenty-one percent (21%) of the personnel actually serving as uniformed highway patrolmen. Nothing in the previous sentence is intended to require the demotion, reassignment or change in status of any member of the State Highway Patrol Division presently assigned in a supervisory capacity. If a reduction in the number of Highway Patrol Division personnel assigned in supervisory capacity is required in order for the State Highway Patrol Division to meet the mandatory maximum percentage of supervisory personnel as set out in the fourth sentence of this subsection, that reduction shall be achieved through normal attrition resulting from supervisory personnel resigning, retiring or voluntarily transferring from supervisory positions.~~

(a1) Applicants for employment as a State Trooper shall be at least 21 years of age and not more than 39 years of age as of the first day of patrol school. Highway Patrol enforcement personnel hired on or after July 1, 2013, shall retire not later than the end of the month in which their 62nd birthday falls.

(b) to (f) Repealed by Session Laws 1979, 2nd Session, c. 1272, s. 2.

(g), (h) Struck out by Session Laws 1961, c. 833, s. 6.2.

(i) Positions in the State Highway Patrol Division approved by the General Assembly in the first fiscal year of a biennium to be added in the second fiscal year of a biennium may not be filled before adjustments to the budget for the second fiscal year of the budget are enacted by the General Assembly. If a position to be added in the State Highway Patrol Division for the second fiscal year of the biennium requires training, no applicant may be trained to fill the position until the budget adjustments for the second fiscal year are enacted by the General Assembly.

"§ 143B-1710. Trooper training; reimbursement.

(a) Trooper Training Reimbursement. – The training of State Troopers is a substantial investment of State resources that provides individuals with skills that are transferable to other law enforcement opportunities. The State may require an individual to agree in writing to reimburse a portion of the training costs incurred if the individual completes the training and becomes a State Trooper but does not remain a State Trooper for 36 months. The portion of the State's cost to be reimbursed is thirty-six thousand dollars (\$36,000), less one thousand dollars (\$1,000) for each month an individual served as a State Trooper and member of the State Highway Patrol.

(b) Administration. – ~~The Secretary of Public Safety~~ Commander shall perform all of the administrative functions necessary to implement the reimbursement agreements required by this section, including rule making, disseminating information, implementing contracts, and taking other necessary actions.

(c) Hardships. – No contract shall be enforced under this section if the ~~Secretary~~ Commander finds that it is impossible for the individual to serve as a member of the State Highway Patrol Division due to death, health-related reasons, or other hardship.

(d) Law Enforcement Agency Requirements. – If a State Trooper separates from the State Highway Patrol Division before 36 months of service following completion of the training program and the State Trooper is hired within six months of separation from the State Highway Patrol Division by a municipal law enforcement agency, a Sheriff's office, or a company police agency certified under Chapter 74E of the General Statutes, then that hiring entity is liable to the State in the amount of thirty-six thousand dollars (\$36,000), to be paid in full within 90 days of the date the State Trooper is employed by the hiring entity. No hiring entity shall make any arrangement to circumvent any portion of this subsection.

"§ 143B-1710.1. Annual report on trooper training reimbursement agreements.

By January 1, 2021, and annually thereafter, the ~~Secretary~~ Commander shall report to the Joint Legislative Oversight Committee on Justice and Public Safety regarding the following:

- (1) The implementation of the trooper training reimbursement agreements required under ~~G.S. 20-185.1~~ G.S. 143B-1710.
- (2) The amount of reimbursements received from individuals who did not remain employed as State Troopers for 36 months after completing training and the amount of reimbursements received from other law enforcement agencies, as required under ~~G.S. 20-185.1(d)~~ G.S. 143B-1710(d).
- (3) Program outcomes, including the turnover rate for individuals employed as State Troopers on and after the date ~~the Department of Public Safety implemented the trooper training reimbursement agreements~~ agreements were implemented.

"§ 143B-1711. Oath of office.

Each member of the State Highway Patrol Division shall subscribe and file with the ~~Secretary of Public Safety~~ Commander of the State Highway Patrol an oath of office for the faithful performance of ~~his~~ the member's duties.

"§ 143B-1712. Orders and rules for organization and conduct.

The ~~Secretary of Public Safety~~ Commander is authorized and empowered to make all necessary orders, rules and regulations for the organization, assignment, and conduct of the members of the State Highway Patrol ~~Patrol~~ Division. Such orders, rules and regulations shall be subject to the approval of the Governor.

"§ 143B-1713. Awards.

(a) The ~~patrol commander~~ Commander shall appoint an awards committee consisting of one troop commander, one troop executive officer, one district sergeant, one corporal, two troopers and one member of patrol headquarters staff. All committee members shall serve for a term of one year. The member from patrol headquarters staff shall serve as secretary to the committee and shall vote only in case of ties. The committee shall meet at such times and places designated by the ~~patrol commander~~ Commander.

(b) The award to be granted under the provisions of this section shall be the North Carolina State Highway Patrol award of honor. The North Carolina State Highway Patrol award of honor is awarded in the name of the people of North Carolina and by the Governor to a person who, while a member of the North Carolina State Highway Patrol, distinguishes himself conspicuously by gallantry and intrepidity at the risk of personal safety and beyond the call of duty while engaged in the preservation of life and property. The deed performed must have been one of personal bravery and self-sacrifice so conspicuous as to clearly distinguish the individual above his colleagues and must have involved risk of life. Proof of the performance of the service will be required and each recommendation for the award of this decoration will be considered on the standard of extraordinary merit.

(c) Recipients of the awards hereinabove provided for will be entitled to receive a framed certificate of the award and an insignia designed to be worn as a part of the State Highway Patrol uniform.

(d) The awards committee shall review and investigate all reports of outstanding service and shall make recommendations to the ~~patrol commander~~ Commander with respect thereto. The committee shall consider members of the Patrol for the awards created by this section when properly recommended by any individual having personal knowledge of an act, achievement or service believed to warrant the award of a decoration. No recommendation shall be made except by majority vote of all members of the committee. All recommendations of the committee shall be in writing and shall be forwarded to the ~~patrol commander~~ Commander.

(e) Upon receipt of a recommendation of the committee, the ~~patrol commander~~ Commander shall inquire into the facts of the matter and shall ~~reduce his recommendation to writing. The patrol commander shall forward his recommendation, together with the recommendation of the committee, to the Secretary of Public Safety. The Secretary shall have final authority to approve or disapprove recommendations affecting the issuance of all awards except the award of honor. All recommendations for the award of honor shall be forwarded to the Governor for final approval or disapproval.~~

(f) The ~~patrol commander shall, with the approval of the Secretary,~~ Commander shall establish all necessary rules and regulations to fully implement the provisions of this section and such rules and regulations shall include, but shall not be limited to, the following:

- (1) Announcement of ~~awards~~ awards.
- (2) Presentation of ~~awards~~ awards.
- (3) Recording of ~~awards~~ awards.
- (4) Replacement of ~~awards~~ awards.
- (5) Authority to wear award insignias.

"§ 143B-1714. Quotas prohibited.

(a) The ~~Secretary of Public Safety~~ Commander shall not make or permit to be made any order, rule, or regulation requiring the issuance of any minimum number of traffic citations, or ticket quotas, by any member or members of the State Highway Patrol. Pay and promotions of members of the Highway Patrol shall be based on their overall job performance and not on the basis of the volume of citations issued or arrests made. Members of the Highway Patrol shall be subject to the salary schedule established by the ~~Secretary of Public Safety~~ Commander and shall receive longevity pay for service as applicable to other State employees generally.

(b) Repealed by Session Laws 2018-5, s. 35.25(b), effective July 1, 2018.

"§ 143B-1715. Trademark authorization.

The North Carolina Troopers Association is authorized to use all trademarks identifying the North Carolina State Highway Patrol held by the ~~North Carolina Department of Public Safety~~ State Highway Patrol or its Divisions. The use authorized under this section shall be limited to purposes that support the State Highway Patrol, employees of the State Highway Patrol, and the family members of the employees of the State Highway Patrol.

"§ 143B-1716. Duties of Highway Patrol.

The State Highway Patrol shall be subject to such orders, rules and regulations as may be adopted by the ~~Secretary of Public Safety,~~ Commander, with the approval of the Governor, and shall regularly patrol the highways of the State and enforce all laws and regulations respecting travel and the use of vehicles upon the highways of the State and all laws for the protection of the highways of the State. To this end, the members of the Patrol are given the power and authority of peace officers for the service of any warrant or other process issuing from any of the courts of the State having criminal jurisdiction, and are likewise authorized to arrest without warrant any person who, in the presence of said officers, is engaged in the violation of any of the laws of the State regulating travel and the use of vehicles upon the highways, or of laws with respect to the protection of the highways, and they shall have jurisdiction anywhere within the

State, irrespective of county lines. The State Highway Patrol shall enforce the provisions of G.S. 14-399.

The State Highway Patrol shall have full power and authority to perform such additional duties as peace officers as may from time to time be directed by the Governor, and such officers may at any time and without special authority, either upon their own motion or at the request of any sheriff or local police authority, arrest persons accused of highway robbery, bank robbery, murder, or other crimes of violence.

The ~~Secretary of Public Safety~~ Commander shall direct the officers and members of the State Highway Patrol in the performance of such other duties as may be required for the enforcement of the motor vehicle laws of the State.

Members of the State Highway Patrol, in addition to the duties, power and authority hereinbefore given, shall have the authority throughout the State of North Carolina of any police officer in respect to making arrests for any crimes committed in their presence and shall have authority to make arrests for any crime committed on any highway.

Regardless of territorial jurisdiction, any member of the State Highway Patrol who initiates an investigation of an accident or collision may not relinquish responsibility for completing the investigation, or for filing criminal charges as appropriate, without clear assurance that another law-enforcement officer or agency has fully undertaken responsibility, and in such cases he shall render reasonable assistance to the succeeding officer or agency if requested.

The State Highway Patrol recognizes the need to utilize private wrecker services to remove vehicles from public roadways as part of its public safety responsibility. In order to assure that this public safety responsibility is accomplished, the Troop Commander shall include on the Highway Patrol's rotation wrecker list only those wrecker services which agree in writing to impose reasonable charges for work performed and present one bill to the owner or operator of any towed vehicle. Towing, storage, and related fees charged may not be greater than fees charged for the same service for nonrotation calls that provide the same service, labor, and conditions.

"§ 143B-1717. Patrolmen assigned to Governor's office.

The ~~Secretary of Public Safety~~ Commander, at the request of the Governor, shall assign and attach two members of the State Highway Patrol to the office of the Governor, there to be assigned such duties and perform such services as the Governor may direct. The cost of the State Highway Patrol members so assigned to the office of the Governor shall be paid from appropriations made to the ~~Department of Public Safety~~ State Highway Patrol.

"§ 143B-1718. Lieutenant Governor Executive Protection Detail.

(a) Creation. – There is created within the State Highway Patrol a Lieutenant Governor's Executive Protection Detail. The Lieutenant Governor shall submit the names of three sworn members in good standing of the North Carolina Highway Patrol to the Commander, and the Commander shall assign those officers to serve in the Lieutenant Governor's Executive Protection Detail. The Lieutenant Governor is authorized to remove any members of the detail, with or without cause. If the Lieutenant Governor removes a member of the detail, the Lieutenant Governor shall submit to the Commander the name of an officer to replace the member who has been removed and the Commander shall assign the replacement. Members of the Lieutenant Governor's Executive Protection Detail shall continue to be employed by the North Carolina Highway Patrol subject to the laws, rules, and regulations of the Highway Patrol. The North Carolina Highway Patrol shall provide vehicles necessary for the carrying out of the Detail's duties under this Article.

(b) Duties. – The members of the Lieutenant Governor's Executive Protection Detail shall protect the Lieutenant Governor and the Lieutenant Governor's immediate family and perform duties as assigned by the Lieutenant Governor relating to the protection of the Lieutenant Governor.

"§ 143B-1719. State Highway Patrol Security Detail.

The Speaker of the House of Representatives and the President Pro Tempore of the Senate, while traveling within the State on State business, may request a security detail. The request shall be made to the ~~commander~~ Commander of the State Highway Patrol. If the request is made at least 48 hours in advance, the ~~commander~~ Commander shall provide the detail. If the request is made less than 48 hours in advance, the ~~commander~~ Commander shall provide the detail unless doing so would otherwise impair the ability of the State Highway patrol to perform its lawful duties.

"§ 143B-1720. Uniforms; motor vehicles and arms; expense incurred; color of vehicle.

The ~~Department of Public Safety~~ State Highway Patrol shall adopt some distinguishing uniform for the members of ~~said the State Highway Patrol~~, Patrol Division and furnish each member of the Patrol with an adequate number of ~~said the~~ uniforms and each member of ~~said the~~ Patrol force when on duty shall be dressed in ~~said the~~ uniform. The ~~Department of Public Safety~~ State Highway Patrol shall likewise furnish each member of the Patrol with a suitable motor vehicle, and necessary arms, and provide for all reasonable expense incurred by ~~said the~~ Patrol while on duty, provided, that not less than eighty-three percent (83%) of the number of motor vehicles operated on the highways of the State by members of the State Highway Patrol shall be painted a uniform color of black and silver.

"§ 143B-1721. Patrol vehicles to have sirens; sounding siren.

Every motor vehicle operated on the highways of the State by officers and members of the State Highway Patrol shall be equipped with a siren. Whenever any such officer or member operating any unmarked car shall overtake another vehicle on the highway after sunset of any day and before sunrise for the purpose of stopping the same or apprehending the driver thereof, he shall sound said siren before stopping such other vehicle.

"§ 143B-1722. Assignment of new highway patrol cars.

All new highway patrol cars, whether marked or unmarked, placed in service after July 1, 1985, shall be assigned to all members of the Highway Patrol.

"§ 143B-1723. Use of facilities.

Office space and other equipment and facilities of the Division of Motor Vehicles, Department of Transportation, presently being used by the State Highway Patrol shall continue to be used by the Patrol, and joint use of space, equipment and facilities between any division of the Department of Transportation and the State Highway Patrol may continue, unless such arrangements are changed by agreements between the ~~Secretary of Public Safety~~ Commander of the State Highway Patrol and the Secretary of Transportation.

"§ 143B-1724. Shifting of personnel from one district to another.

The ~~commanding officer~~ Commander of the State Highway Patrol ~~under such rules and regulations as the Department of Public Safety may prescribe~~ shall have authority from time to time to shift the forces from one district to another, or to consolidate more than one district force at any point for special purposes. Whenever a member of the State Highway Patrol is transferred from one point to another for the convenience of the State or otherwise than upon the request of the Highway Patrol member, the ~~Department~~ State Highway Patrol shall be responsible for transporting the household goods, furniture and personal apparel of the Highway Patrol member and members of the Highway Patrol member's household.

"§ 143B-1725. Cooperation between Patrol and local officers.

The ~~Secretary of Public Safety~~ Commander of the State Highway Patrol, with the approval of the Governor, ~~through the State Highway Patrol~~, shall encourage the cooperation between the Highway Patrol and the several municipal and county peace officers of the State for the enforcement of all traffic laws and the proper administration of the Uniform Drivers' License Law, and arrangements for compensation of special services rendered by such local officers out of the funds allotted to the State Highway Patrol may be made, subject to the approval of the Director of the Budget.

"§ 143B-1726. Statewide radio system authorized; use of telephone lines in emergencies.

The ~~Secretary of Public Safety, through Commander of the State Highway Patrol~~ is hereby authorized and directed to set up and maintain a statewide radio system, with adequate broadcasting stations so situated as to make the service available to all parts of the State for the purpose of maintaining radio contact with the members of the State Highway Patrol and other officers of the State, to the end that the traffic laws upon the highways may be more adequately enforced and that the criminal use of the highways may be prevented. The ~~Secretary of Public Safety, through Commander of the State Highway Patrol~~, is hereby authorized to establish a plan of operation in accordance with Federal Communication Commission rules so that all certified law-enforcement officers within the State may use the law enforcement emergency frequency of 155.475MHz.

The ~~Secretary of Public Safety~~ Commander of the State Highway Patrol is likewise authorized and empowered to arrange with the various telephone companies of the State for the use of their lines for emergency calls by the members of the State Highway Patrol, if it shall be found practicable to arrange apparatus for temporary contact with said telephone circuits along the highways of the State.

In order to make this service more generally useful, the various boards of county commissioners and the governing boards of the various cities and towns are hereby authorized and empowered to provide radio receiving sets in the offices and vehicles of their various officers, and such expenditures are declared to be a legal expenditure of any funds that may be available for police protection.

"§ 143B-1727. Use of aircraft to discover certain motor vehicle violations; declaration of policy.

The State Highway Patrol is hereby permitted the use of aircraft to discover violations of Part 10 of Article 3 of Chapter 20 of the General Statutes relating to operation of motor vehicles and rules of the road. It is hereby declared the public policy of North Carolina that the aircraft should be used primarily for accident prevention and should also be used incident to the issuance of warning citations in accordance with the provisions of G.S. 20-183.

"§ 143B-1728. Who may hold supervisory positions over sworn members of the Patrol.

Notwithstanding any other provision of the General Statutes, only the following individuals may hold a supervisory position over sworn members of the Patrol:

- (1) The Governor.
- (2) ~~The Secretary of Public Safety.~~
- (3) A uniformed member of the North Carolina State Highway Patrol who has met all requirements for employment within the Patrol, including completion of the basic Patrol school.

"§ 143B-1729. Oversized and hazardous shipment escort fee.

(a) Every person, firm, corporation, or entity required by the North Carolina Department of Transportation or any federal agency or commission to have a law enforcement escort provided by the State Highway Patrol for the transport of any oversized load or hazardous shipment by road or rail shall pay to the ~~Department of Public Safety~~ State Highway Patrol a fee covering the full cost to administer, plan, and carry out the escort within this State.

(b) If the State Highway Patrol provides an escort to accompany the transport of oversized loads or hazardous shipments by road or rail at the request of any person, firm, corporation, or entity that is not required to have a law enforcement escort pursuant to subsection (a) of this section, then the requester shall pay to the ~~Department of Public Safety~~ State Highway Patrol a fee covering the full cost to administer, plan, and carry out the escort within this State.

(c) A fee established under this section is subject to G.S. 12-3.1. The full cost of an escort includes costs for vehicle or equipment maintenance required before or after an escort to ensure the visibility and safety of the law enforcement escort and the motoring public.

(d) All fees collected pursuant to this section shall be placed in a special Escort Fee Account. Revenue in the account is annually appropriated to the ~~Department~~ State Highway

Patrol to reimburse the ~~Department~~ State Highway Patrol for its expenses in providing escorts under this section.

(e) Repealed by Session Laws 2010-129, s. 4, effective July 21, 2010.

"§ 143B-1730. Report on gang prevention recommendations.

The State Highway Patrol, in conjunction with the State Bureau of Investigation and the Governor's Crime Commission, shall develop recommendations concerning the establishment of priorities and needed improvements with respect to gang prevention and shall report those recommendations to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on or before March 1 of each year.

"Part 3. State Capitol Police Division.

"§ 143B-1750. Creation of State Capitol Police Division; powers and duties.

(a) Division Established. – There is created the State Capitol Police Division of the ~~Department of Public Safety~~ State Highway Patrol with the organization, powers, and duties defined in Article 1 of this Chapter, except as modified in this Part.

(b) Purpose. – The State Capitol Police Division shall serve as a police agency of the ~~Department of Public Safety~~ State Highway Patrol. The Chief of the State Capitol Police, appointed by the ~~Secretary-Commander~~ pursuant to ~~G.S. 143B-602~~, G.S. 143B-1702, with the approval of the Governor, may appoint as police officers such reliable persons as the Chief may deem necessary.

(c) Appointment of Officers. – Police officers appointed pursuant to this section may not exercise the power of arrest until they shall take an oath, to be administered by any person authorized to administer oaths, as required by law.

(d) Jurisdiction of Officers. – Each State Capitol Police officer shall have the following authority:

- (1) The same power of arrest as the police officers of the City of Raleigh. Such authority may be exercised within the same territorial jurisdiction as exercised by the police officers of the City of Raleigh.
- (2) The same authority as a deputy sheriff in buildings and on the grounds of property owned, leased, or maintained by the State located in Wake County.
- (3) The same authority as a deputy sheriff in a building or a portion of a building, or on the grounds thereof, when owned or leased by the State, located anywhere in the State, when the State agency responsible for that building or any portion thereof executes a written agreement for service with the State Capitol Police related to that specific building or portion thereof.

(e) Public Safety. – The Chief of the State Capitol Police, or the Chief's designee, shall exercise at all times those means that, in the opinion of the Chief or the designee, may be effective in protecting all State buildings and grounds, except for the State legislative buildings and grounds as defined in G.S. 120-32.1(d), and the persons within those buildings and grounds from fire, bombs, bomb threats, or any other emergency or potentially hazardous conditions, including both the ordering and control of the evacuation of those buildings and grounds. The Chief, or the Chief's designee, may employ the assistance of other available law enforcement agencies and emergency agencies to aid and assist in evacuations of those buildings and grounds."

SECTION 3E.1.(q) Notwithstanding any provision of law to the contrary, positions exempted within the State Highway Patrol, State Capitol Police, or Division of Motor Vehicles by the Governor under the authority set forth in G.S. 126-5(d)(1) and transferred to the State Highway Patrol pursuant to this section shall no longer be exempt under that authority upon the effective date of this section. Nothing in this subsection shall be construed as prohibiting the Commander of the State Highway Patrol from exempting those same positions under the authority set forth in G.S. 126-5(c1)(40), as enacted by subsection (d) of this section.

SECTION 3E.1.(r) The State Highway Patrol shall adopt rules or amend its rules consistent with the provisions of this section. The State Highway Patrol may use the procedure set forth in G.S. 150B-21.1 to adopt or amend any rules as required by this subsection.

SECTION 3E.1.(s) The Department of Transportation, Division of Motor Vehicles, in consultation with the State Highway Patrol, shall review the current statutory responsibilities assigned to the Division of Motor Vehicles that are being performed by the Division of Motor Vehicles License and Theft Bureau to determine which statutory responsibilities must be performed by sworn law enforcement personnel and make recommendations for statutory changes necessary to place those responsibilities with the State Highway Patrol. The Division shall report its findings and recommendations to the Joint Legislative Transportation Oversight Committee no later than March 1, 2025.

SECTION 3E.1.(t) The State Highway Patrol is authorized to complete transitional training for all sworn law enforcement personnel transferred from the Department of Transportation, Division of Motor Vehicles License and Theft Bureau, pursuant to subsection (q) of this section to become State Troopers.

SECTION 3E.1.(u) Notwithstanding the provisions of G.S. 143B-1700, as enacted by this section, the Commander of the State Highway Patrol, position number 60084937, serving on November 18, 2024, shall, in the absence of vacancy resulting from death, resignation, or physical or mental incapacity, (i) continue to serve as the Commander of the State Highway Patrol until July 1, 2025, and (ii) serve, for the five-year term beginning July 1, 2025, without additional nomination by the Governor or confirmation by the General Assembly.

SECTION 3E.1.(v) G.S. 143B-1325(c) reads as rewritten:

"(c) Participating Agencies. – The State CIO shall prepare detailed plans to transition each of the participating agencies. As the transition plans are completed, the following participating agencies shall transfer information technology personnel, operations, projects, assets, and appropriate funding to the Department of Information Technology:

- (1) Department of Natural and Cultural Resources.
- (2) Department of Health and Human Services.
- (3) Repealed by Session Laws 2018-5, s. 37.5(b), effective June 12, 2018.
- (4) Department of Environmental Quality.
- (5) Department of Transportation.
- (6) Department of Administration.
- (7) Department of Commerce.
- (8) Governor's Office.
- (9) Office of State Budget and Management.
- (10) Office of State Human Resources.
- (11) Repealed by Session Laws 2016-94, s. 7.11(a), effective July 1, 2016.
- (12) Department of Military and Veterans Affairs.
- (13) Department of Public Safety, with the exception of the following:
 - a. State Bureau of Investigation.
 - b. ~~State Highway Patrol.~~
 - c. Division of Emergency Management.

The State CIO shall ensure that State agencies' operations are not adversely impacted under the State agency information technology consolidation."

SECTION 3E.1.(w) Section 38.4 of S.L. 2023-134, as amended by Section 7.1 of S.L. 2024-1, reads as rewritten:

"SECTION 38.4.(a) In accordance with G.S. 143B-1325(c)(13), and notwithstanding any other provision of Article 15 of Chapter 143B of the General Statutes to the contrary, the State Highway Patrol, the State Bureau of Investigation, and the Division of Emergency Management within the Department of Public Safety shall continue to be entirely exempt from any and all information technology oversight by the Department of Public Safety and the Department of

Information Technology. The State Highway Patrol, the State Bureau of Investigation, and the Division of Emergency Management shall initiate a pilot project where those ~~divisions~~ agencies shall be deemed as separate, stand-alone entities ~~within the Department of Public Safety~~ in all matters related to information technology, and each shall autonomously manage their own respective information technology infrastructure and all associated services without oversight from the Department of Information Technology or the Department of Public Safety. Exemption from information technology oversight includes, but is not limited to, the following:

- (1) Information technology architecture and planning.
- (2) Information technology personnel management.
- (3) Information technology project management.
- (4) Information technology purchasing and procurement decisions and methodologies.
- (5) Hardware acquisition, configuration, implementation, and management.
- (6) Software acquisition, configuration, implementation, and management.
- (7) Data center locations, operations, and management.
- (8) Network topology, operations, and management.
- (9) System and data security, including disaster recovery planning.
- (10) Reporting requirements.
- (11) Any future transfers of information technology personnel, operations, projects, assets, and information technology budgets to the Department of Information Technology.

"SECTION 38.4.(a1) For the duration of the pilot project described in this section, the State Highway Patrol and the Division of Emergency Management shall continue to utilize personnel from the Department of Public Safety to perform information technology purchasing and procurement functions in order to ensure compliance with applicable law.

"SECTION 38.4.(b) This section expires on June 30, 2025."

SECTION 3E.1.(x) This subsection and subsections (d), (q), (s), and (u) of this section are effective when they become law. The remainder of this section becomes effective July 1, 2025.

HIGHWAY PATROL CONFORMING CHANGES

SECTION 3E.2.(a) G.S. 17C-6(a)(18) reads as rewritten:

"(18) Monitor compliance with ~~G.S. 20-185.1(d)~~, G.S. 143B-1710(d)."

SECTION 3E.2.(b) G.S. 17E-4(a)(14) reads as rewritten:

"(14) Monitor compliance with ~~G.S. 20-185.1(d)~~, G.S. 143B-1710(d)."

SECTION 3E.2.(c) G.S. 20-17.7 reads as rewritten:

"§ 20-17.7. Commercial motor vehicle out-of-service fines authorized.

The ~~Secretary of Public Safety~~ Commander of the State Highway Patrol may adopt rules implementing fines for violation of out-of-service criteria as defined in 49 C.F.R. § 390.5. These fines may not exceed the schedule of fines adopted by the Commercial Motor Vehicle Safety Alliance that is in effect on the date of the violations."

SECTION 3E.2.(d) G.S. 20-49 reads as rewritten:

"§ 20-49. Police authority of Division.

~~The Commissioner and such officers and inspectors of the Division as he shall designate and all~~ All members of the Highway Patrol and law enforcement officers of the Department of Public Safety shall have the power:

- (1) Of peace officers for the purpose of enforcing the provisions of this Article, G.S. 14-160.4, and of any other law regulating the operation of vehicles or the use of the highways.

- (2) To make arrests upon view and without warrant for any violation committed in their presence of any of the provisions of this Article or other laws regulating the operation of vehicles or the use of the highways.
- (3) At all ~~time~~ times to direct all traffic in conformance with law, and in the event of a fire or other emergency or to expedite traffic or to ~~insure~~ ensure safety, to direct traffic as conditions may require, notwithstanding the provisions of law.
- (4) When on duty, upon reasonable belief that any vehicle is being operated in violation of any provision of this Article or of any other law regulating the operation of vehicles to require the driver thereof to stop and exhibit his driver's license and the registration card issued for the vehicle, and submit to an inspection of such vehicle, the registration plates and registration card thereon or to an inspection and test of the equipment of such vehicle.
- (5) To inspect any vehicle of a type required to be registered hereunder in any public garage or repair shop or in any place where such vehicles are held for sale or wrecking, for the purpose of locating stolen vehicles and investigating the title and registration thereof.
- (6) To serve all warrants relating to the enforcement of the laws regulating the operation of vehicles or the use of the highways.
- (7) To investigate traffic accidents and secure testimony of witnesses or of persons involved.
- (8) To investigate reported thefts of motor vehicles, trailers and semitrailers and make arrest for thefts thereof.
- (9) For the purpose of determining compliance with the provisions of this Chapter, to inspect all files and records of the persons hereinafter designated and required to be kept under the provisions of this Chapter or of the registrations of the Division:
 - a. Persons dealing in or selling and buying new, used or junked motor vehicles and motor vehicle parts; and
 - b. Persons operating garages or other places where motor vehicles are repaired, dismantled, or stored."

SECTION 3E.2.(e) G.S. 20-49.1 is repealed.

SECTION 3E.2.(f) G.S. 20-49.3 reads as rewritten:

"§ 20-49.3. ~~Bureau of License and Theft, State Highway Patrol; custody of seized vehicles.~~

(a) Vehicles Seized by the ~~Division of Motor Vehicles, State Highway Patrol.~~ – Notwithstanding any other provision of law, the ~~Division of Motor Vehicles, Bureau of License and Theft, State Highway Patrol~~ may retain any vehicle seized by the ~~Division of Motor Vehicles, Bureau of License and Theft, State Highway Patrol~~ in the course of any investigation authorized by the provisions of G.S. 20-49 or G.S. 20-49.1 and forfeited to the ~~Division~~ State Highway Patrol by a court of competent jurisdiction.

(b) Vehicles Seized by the United States Government. – Notwithstanding any other provision of law, the Division may accept custody and ownership of any vehicle seized by the United States Government, forfeited by a court of competent jurisdiction, and turned over to the Division.

(c) Use of Vehicles. – All vehicles forfeited to, or accepted by, the ~~Division~~ State Highway Patrol pursuant to this section shall be used by the ~~Bureau of License and Theft~~ State Highway Patrol to conduct undercover operations and inspection station compliance checks throughout the State.

(d) Disposition of Seized Vehicles. – Upon determination by the ~~Commissioner of Motor Vehicles~~ Commander of the State Highway Patrol that a vehicle transferred pursuant to the provisions of this section is of no further use to the agency for use in official investigations, the vehicle shall be sold as surplus property in the same manner as other vehicles owned by the law

enforcement agency and the proceeds from the sale after deducting the cost of sale shall be paid to the treasurer or proper officer authorized to receive fines and forfeitures to be used for the school fund of the county in the county in which the vehicle was seized, provided, that any vehicle transferred to any law enforcement agency under the provisions of this Article that has been modified to increase speed shall be used in the performance of official duties only and not for resale, transfer, or disposition other than as junk. The ~~Division~~ State Highway Patrol shall also reimburse the appropriate county school fund for any diminution in value of any vehicle seized under subsection (a) of this section during its period of use by the ~~Division~~ State Highway Patrol. Any vehicle seized outside of this State shall be sold as surplus property in the same manner as other vehicles owned by the law enforcement agency and the proceeds from the sale after deducting the cost of sale shall be paid to the treasurer and placed in the Civil Fines and Forfeitures Fund established pursuant to G.S. 115C-457.1."

SECTION 3E.2.(g) G.S. 20-84(c) reads as rewritten:

"(c) State Highway Patrol. – In lieu of all other registration requirements, the Commissioner shall each year assign to the State Highway Patrol, upon payment of six dollars (\$6.00) per registration plate, a sufficient number of regular registration plates of the same letter prefix and in numerical sequence beginning with number 100 to meet the requirements of the State Highway Patrol for use on Division vehicles assigned to the State Highway Patrol. The ~~commander~~ Commander of the Patrol shall, when such plates are assigned, issue to each member of the State Highway Patrol a registration plate for use upon the Division vehicle assigned to the member pursuant to ~~G.S. 20-190~~ G.S. 143B-1720 and assign a registration plate to each Division service vehicle operated by the Patrol. An index of such assignments of registration plates shall be kept at each State Highway Patrol radio station and a copy of it shall be furnished to the registration division of the Division. Information as to the individual assignments of the registration plates shall be made available to the public upon request to the same extent and in the same manner as regular registration information. The ~~commander~~ Commander, when necessary, may reassign registration plates provided that the reassignment shall appear upon the index required under this subsection within 20 days after the reassignment."

SECTION 3E.2.(h) G.S. 20-102 reads as rewritten:

"§ 20-102. Report of stolen and recovered motor vehicles.

Every sheriff, chief of police, or peace officer upon receiving reliable information that any vehicle registered hereunder has been stolen shall report such theft to the ~~Division~~ Division and the State Highway Patrol. Any said officer upon receiving information that any vehicle, which he has previously reported as stolen, has been recovered, shall report the fact of such recovery to the ~~Division~~ Division and the State Highway Patrol."

SECTION 3E.2.(i) G.S. 20-116(e) reads as rewritten:

"(e) Except as provided by G.S. 20-115.1, no combination of vehicles coupled together shall consist of more than two units and no such combination of vehicles shall exceed a total length of 60 feet inclusive of front and rear bumpers, subject to the following exceptions: Motor vehicle combinations of one semitrailer of not more than 53 feet in length and a truck tractor (power unit) may exceed the 60-foot maximum length. Said maximum overall length limitation shall not apply to vehicles operated in the daytime when transporting poles, pipe, machinery or other objects of a structural nature which cannot readily be dismembered, nor to such vehicles transporting such objects operated at nighttime by a public utility when required for emergency repair of public service facilities or properties, provided the trailer length does not exceed 53 feet in length, but in respect to such night transportation every such vehicle and the load thereon shall be equipped with a sufficient number of clearance lamps on both sides and marker lamps upon the extreme ends of said projecting load to clearly mark the dimensions of such load: Provided that vehicles designed and used exclusively for the transportation of motor vehicles shall be permitted an overhang tolerance front or rear not to exceed five feet. Provided, that wreckers may tow a truck, combination tractor and trailer, trailer, or any other disabled vehicle or combination

of vehicles to a place for repair, parking, or storage within 50 miles of the point where the vehicle was disabled and may tow a truck, tractor, or other replacement vehicle to the site of the disabled vehicle. Provided further, that the said limitation that no combination of vehicles coupled together shall consist of more than two units shall not apply to trailers not exceeding three in number drawn by a motor vehicle used by municipalities for the removal of domestic and commercial refuse and street rubbish, but such combination of vehicles shall not exceed a total length of 50 feet inclusive of front and rear bumpers. Provided further, that the said limitation that no combination of vehicles coupled together shall consist of more than two units shall not apply to a combination of vehicles coupled together by a saddle mount device used to transport motor vehicles in a driveway service when no more than three saddle mounts are used and provided further, that equipment used in said combination is approved by the safety regulations of the Federal Highway Administration and the safety rules of the ~~Department of Public Safety~~ State Highway Patrol."

SECTION 3E.2.(j) G.S. 20-118(e) reads as rewritten:

"(e) Penalties. –

- (1) Except as provided in subdivision (2) of this subsection, for each violation of the single-axle or tandem-axle weight limits set in subdivision (b)(1), (b)(2), or (b)(4) of this section or axle weights authorized by special permit according to G.S. 20-119(a), the ~~Department of Public Safety~~ State Highway Patrol shall assess a civil penalty against the owner or registrant of the vehicle in accordance with the following schedule: for the first 1,000 pounds or any part thereof, four cents (4¢) per pound; for the next 1,000 pounds or any part thereof, six cents (6¢) per pound; and for each additional pound, ten cents (10¢) per pound. These penalties apply separately to each weight limit violated. In all cases of violation of the weight limitation, the penalty shall be computed and assessed on each pound of weight in excess of the maximum permitted.
- (2) The penalty for a violation of the single-axle or tandem-axle weight limits by a vehicle that is transporting an item listed in subdivision (c)(5) of this section is one-half of the amount it would otherwise be under subdivision (1) of this subsection.
- (3) If an axle-group weight of a vehicle exceeds the weight limit set in subdivision (b)(3) of this section plus any tolerance allowed in subsection (h) of this section or axle-group weights or gross weights authorized by special permit under G.S. 20-119(a), the ~~Department of Public Safety~~ State Highway Patrol shall assess a civil penalty against the owner or registrant of the motor vehicle. The penalty shall be assessed on the number of pounds by which the axle-group weight exceeds the limit set in subdivision (b)(3) of this section, or by a special permit issued pursuant to G.S. 20-119, as follows: for the first 2,000 pounds or any part thereof, two cents (2) per pound; for the next 3,000 pounds or any part thereof, four cents (4) per pound; for each pound in excess of 5,000 pounds, ten cents (10) per pound. Tolerance pounds in excess of the limit set in subdivision (b)(3) of this section are subject to the penalty if the vehicle exceeds the tolerance allowed in subsection (h) of this section.

These penalties apply separately to each axle-group weight limit violated. Notwithstanding any provision to the contrary, a vehicle with a special permit that is subject to additional penalties under this subsection based on a violation of any of the permit restrictions set out in G.S. 20-119(d1) shall be assessed a civil penalty, not to exceed ten thousand dollars (\$10,000), based on the number of pounds by which the axle-group weight exceeds the limit set in subdivision (b)(3) of this section.

- (4) The penalty for a violation of an axle-group weight limit by a vehicle that is transporting an item listed in subdivision (c)(5) of this section is one-half of the amount it would otherwise be under subdivision (3) of this subsection.
- (5) A violation of a weight limit in this section or of a permitted weight under G.S. 20-119 is not punishable under G.S. 20-176.
- (6) The penalty for violating the gross weight or axle-group weight by a dump truck or dump trailer vehicle transporting bulk soil, bulk rock, sand, sand rock, or asphalt millings intrastate from a site that does not have a certified scale for weighing the vehicle is one-half of the amount it otherwise would be under subdivisions (1) and (3) of this subsection.
- (7) The clear proceeds of all civil penalties, civil forfeitures, and civil fines that are collected by the Department of Transportation pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

SECTION 3E.2.(k) G.S. 20-119 reads as rewritten:

"§ 20-119. Special permits for vehicles of excessive size or weight; fees.

...

(a1) Where permitted by the posted road and bridge limits, the Department may issue a single trip permit for a vehicle or vehicle combination responding to an emergency event that could result in severe damage, injury, or loss of life or property resulting from any natural or man-made emergency as determined by either the ~~Secretary of Public Safety~~ Commander of the State Highway Patrol or the Secretary of Transportation or their designees. A permit issued under this subsection may allow for travel from a specific origin to destination and return 24 hours a day, seven days a week, including holidays. Permits issued under this subsection shall include a requirement for banners, flags, and other safety devices, as determined by the Department, and a requirement for a law enforcement escort or a vehicle being operated by a certified escort vehicle operator if traveling between sunset and sunrise. To obtain authorization to travel during restricted times, application shall be made with any required documentation to the proper officials as designated by the Department. If an emergency permit is issued under this subsection, the requestor shall contact the Department of Transportation's central permit office on the next business day to complete any further documentation and pay the applicable fees.

...

(d) For each violation of any of the terms or conditions of a special permit issued or where a permit is required but not obtained under this section the ~~Department of Public Safety~~ State Highway Patrol shall assess a civil penalty for each violation against the registered owner of the vehicle as follows:

- (1) A fine of one thousand five hundred dollars (\$1,500) for operating without the proper number of certified escorts as determined by the actual loaded weight or size of the vehicle combination.
- (1a) A fine of five hundred dollars (\$500.00) for any of the following: operating without the issuance of a permit, moving a load off the route specified in the permit, falsifying information to obtain a permit, or failing to comply with dimension restrictions of a permit.
- (2) A fine of two hundred fifty dollars (\$250.00) for moving loads beyond the distance allowances of an annual permit covering the movement of house trailers from the retailer's premises or for operating in violation of time of travel restrictions.
- (3) A fine of one hundred dollars (\$100.00) for any other violation of the permit conditions or requirements imposed by applicable regulations.

The Department of Transportation may refuse to issue additional permits or suspend existing permits if there are repeated violations of subdivision (1), (1a), or (2) of this subsection.

(d1) In addition to the penalties assessed under subsection (d) of this section, the ~~Department of Public Safety~~ State Highway Patrol shall assess a civil penalty, not to exceed ten thousand dollars (\$10,000), in accordance with G.S. 20-118(e)(1) and (e)(3) against the registered owner of the vehicle for any of the following:

- (1) Operating without the issuance of a required permit.
- (2) Operating off permitted route of travel.
- (3) Failing to comply with travel restrictions of the permit.
- (4) Operating without the proper vehicle registration or license for the class of vehicle being operated.

A violation of this subsection constitutes operating a vehicle without a special permit.

...

(h) No law enforcement officer shall issue a citation to a person for a violation of this section if the officer is able to determine by electronic means that the person has a permit valid at the time of the violation but does not have the permit in his or her possession. Any person issued a citation pursuant to this section who does not have the permit in his or her possession at the time of the issuance of the citation shall not be responsible for a violation, and the ~~Department of Public Safety~~ State Highway Patrol may not impose any fines under this section if the person submits evidence to the Department of the existence of a permit valid at the time of the violation within 30 days of the date of the violation.

(i) One, two, or three steel coils, transported on the same vehicle, shall be considered a nondivisible load for purposes of permit issuance pursuant to this section."

SECTION 3E.2.(I) G.S. 20-125(b) reads as rewritten:

"(b) Every vehicle owned or operated by a police ~~department or by department,~~ the Department of Public Safety ~~including Safety,~~ the State Highway Patrol ~~or by Patrol,~~ the Wildlife Resources ~~Commission or Commission,~~ the Division of Marine Fisheries of the Department of Environmental Quality, ~~or by the Division of Parks and Recreation of the Department of Natural and Cultural Resources,~~ or ~~by the North Carolina Forest Service of the Department of Agriculture and Consumer Services,~~ and used exclusively for law enforcement, firefighting, or other emergency response purposes, or by the Division of Emergency Management, or by a fire department, either municipal or rural, or by a fire patrol, whether such fire department or patrol be a paid organization or a voluntary association, vehicles used by an organ procurement organization or agency for the recovery and transportation of human tissues and organs for transplantation, and every ambulance or emergency medical service emergency support vehicle used for answering emergency calls, shall be equipped with special lights, bells, sirens, horns or exhaust whistles of a type approved by the Commissioner of Motor Vehicles.

The operators of all such vehicles so equipped are hereby authorized to use such equipment at all times while engaged in the performance of their duties and services, both within their respective corporate limits and beyond.

In addition to the use of special equipment authorized and required by this subsection, the chief and assistant chiefs of any police department or of any fire department, whether the same be municipal or rural, paid or voluntary, county fire marshals, assistant fire marshals, transplant coordinators, and emergency management coordinators, are hereby authorized to use such special equipment on privately owned vehicles operated by them while actually engaged in the performance of their official or semiofficial duties or services either within or beyond their respective corporate limits.

And vehicles driven by law enforcement officers of the North Carolina Division of Motor Vehicles shall be equipped with a bell, siren, or exhaust whistle of a type approved by the Commissioner, and all vehicles owned and operated by the State Bureau of Investigation for the use of its agents and officers in the performance of their official duties may be equipped with special lights, bells, sirens, horns or exhaust whistles of a type approved by the Commissioner of Motor Vehicles.

Every vehicle used or operated for law enforcement purposes by the sheriff or any salaried deputy sheriff or salaried rural policeman of any county, whether owned by the county or not, may be, but is not required to be, equipped with special lights, bells, sirens, horns or exhaust whistles of a type approved by the Commissioner of Motor Vehicles. Such special equipment shall not be operated or activated by any person except by a law enforcement officer while actively engaged in performing law enforcement duties.

In addition to the use of special equipment authorized and required by this subsection, the chief and assistant chiefs of each emergency rescue squad which is recognized or sponsored by any municipality or civil preparedness agency, are hereby authorized to use such special equipment on privately owned vehicles operated by them while actually engaged in their official or semiofficial duties or services either within or beyond the corporate limits of the municipality which recognizes or sponsors such organization."

SECTION 3E.2.(m) G.S. 20-183.9 reads as rewritten:

"§ 20-183.9. Establishment and maintenance of permanent weigh stations.

The ~~Department of Public Safety~~ State Highway Patrol is hereby authorized, empowered and directed to equip and operate permanent weigh stations equipped to weigh vehicles using the streets and highways of this State to determine whether such vehicles are being operated in accordance with legislative enactments relating to weights of vehicles and their loads. The permanent weigh stations shall be established at such locations on the streets and highways in this State as will enable them to be used most advantageously in determining the weight of vehicles and their loads. The Department of Transportation shall be responsible for the maintenance and upkeep of all permanent weigh stations established pursuant to this section."

SECTION 3E.2.(n) G.S. 20-183.10 reads as rewritten:

"§ 20-183.10. Operation of the permanent weigh stations by the ~~Department of Public Safety~~, State Highway Patrol, uniformed personnel.

The permanent weigh stations to be established pursuant to the provisions of this Article shall be operated by the ~~Department of Public Safety~~, State Highway Patrol, who shall assign a sufficient number of sworn and nonsworn personnel to the various weigh stations. Sworn personnel of the State Highway Patrol shall supervise all nonsworn personnel assigned to weigh stations. The sworn and nonsworn personnel shall have authority to weigh vehicles and to assess civil penalties pursuant to Article 3, Part 9 of this Chapter and shall wear uniforms to be selected and furnished by the ~~Department of Public Safety~~, State Highway Patrol. The uniformed sworn and nonsworn personnel assigned to the various permanent weigh stations shall weigh vehicles and complete various reports as may be necessary for recording violations relating to the weight of vehicles and their loads. The uniformed officers assigned to the various permanent weigh stations shall have the powers of peace officers for the purpose of enforcing the provisions of this Chapter and in making arrests, serving process, and appearing in court in all matters and things relating to the weight of vehicles and their loads."

SECTION 3E.2.(o) G.S. 20-377 reads as rewritten:

"§ 20-377. General powers of ~~Department of Public Safety~~ State Highway Patrol.

The ~~Department of Public Safety~~ State Highway Patrol shall have and exercise such general power and authority to supervise and control the motor carriers of the State as may be necessary to carry out the laws providing for their regulation, and all such other powers and duties as may be necessary or incident to the proper discharge of its duties."

SECTION 3E.2.(p) G.S. 20-379 reads as rewritten:

"§ 20-379. ~~Department of Public Safety~~ State Highway Patrol to audit motor carriers for compliance.

The ~~Department of Public Safety~~ State Highway Patrol must periodically audit each motor carrier to determine if the carrier is complying with this Article and, if the motor carrier is subject to regulation by the North Carolina Utilities Commission, with Chapter 62 of the General Statutes. In conducting the audit, the ~~Department of Public Safety~~ State Highway Patrol may

examine a person under oath, compel the production of papers and the attendance of witnesses, and copy a paper for use in the audit. An employee of the ~~Department of Public Safety~~ State Highway Patrol may enter the premises of a motor carrier during reasonable hours to enforce this Article. When on the premises of a motor carrier, an employee of the ~~Department of Public Safety~~ State Highway Patrol may set up and use equipment needed to make the tests required by this Article."

SECTION 3E.2.(q) G.S. 20-380 reads as rewritten:

"§ 20-380. ~~Department of Public Safety~~ State Highway Patrol may investigate accidents involving motor carriers and promote general safety program.

The ~~Department of Public Safety~~ State Highway Patrol may conduct a program of accident prevention and public safety covering all motor carriers with special emphasis on highway safety and transport safety and may investigate the causes of any accident on a highway involving a motor carrier. Any information obtained in an investigation shall be reduced to writing and a report thereof filed in the office of the ~~Department of Public Safety~~ State Highway Patrol, which shall be subject to public inspection but such report shall not be admissible in evidence in any civil or criminal proceeding arising from such accident. The ~~Department of Public Safety~~ State Highway Patrol may adopt rules for the safety of the public as affected by motor carriers and the safety of motor carrier employees. The ~~Department of Public Safety~~ State Highway Patrol shall cooperate with and coordinate its activities for motor carriers with other agencies and organizations engaged in the promotion of highway safety and employee safety."

SECTION 3E.2.(r) G.S. 20-381 reads as rewritten:

"§ 20-381. Specific powers and duties of ~~Department of Public Safety~~ State Highway Patrol applicable to motor carriers; agricultural exemption.

(a) The ~~Department of Public Safety~~ State Highway Patrol has the following powers and duties concerning motor carriers:

- (1) To prescribe qualifications and maximum hours of service of drivers and their helpers.
- (1a) To set safety standards for vehicles of motor carriers engaged in foreign, interstate, or intrastate commerce over the highways of this State and for the safe operation of these vehicles. The ~~Department of Public Safety~~ State Highway Patrol may stop, enter upon, and perform inspections of motor carriers' vehicles in operation to determine compliance with these standards and may conduct any investigations and tests it finds necessary to promote the safety of equipment and the safe operation on the highway of these vehicles.
- (1b) To enforce this Article, rules adopted under this Article, and the federal safety and hazardous materials regulations.
- (2) To enter the premises of a motor carrier to inspect a motor vehicle or any equipment used by the motor carrier in transporting passengers or property.
- (2a) To prohibit the use by a motor carrier of any motor vehicle or motor vehicle equipment the ~~Department of Public Safety~~ State Highway Patrol finds, by reason of its mechanical condition or loading, would be likely to cause a crash or breakdown in the transportation of passengers or property on a highway. If an agent of the ~~Department of Public Safety~~ State Highway Patrol finds a motor vehicle of a motor carrier in actual use upon the highways in the transportation of passengers or property that, by reason of its mechanical condition or loading, would be likely to cause a crash or breakdown, the agent shall declare the vehicle "Out of Service." The agent shall require the operator thereof to discontinue its use and to substitute therefor a safe vehicle, parts or equipment at the earliest possible time and place, having regard for both the convenience and the safety of the passengers or property. When an inspector or agent stops a motor vehicle on the highway, under authority of this section,

and the motor vehicle is declared "Out of Service," no motor carrier operator shall require, or permit, any person to operate, nor shall any person operate, any motor vehicle equipment declared "Out of Service" until all repairs required by the "Out of Service" notice have been satisfactorily completed. Such agents or inspectors shall also have the right to stop any motor vehicle which is being used upon the public highways for the transportation of passengers or property by a motor carrier subject to the provisions of this Article and to eject therefrom any driver or operator who shall be operating or be in charge of such motor vehicle while under the influence of alcoholic beverages or impairing substances. It shall be the duty of all inspectors and agents of the ~~Department of Public Safety~~ State Highway Patrol to make a written report, upon a form prescribed by the ~~Department of Public Safety~~, State Highway Patrol, of inspections of all motor equipment and a copy of each such written report, disclosing defects in such equipment, shall be served promptly upon the motor carrier operating the same, either in person by the inspector or agent or by mail. Such agents and inspectors shall also make and serve a similar written report in cases where a motor vehicle is operated in violation of this Chapter or, if the motor vehicle is subject to regulation by the North Carolina Utilities Commission, of Chapter 62 of the General Statutes.

- (3) To relieve the highways of all undue burdens and safeguard traffic thereon by adopting and enforcing rules and orders designed and calculated to minimize the dangers attending transportation on the highways of all hazardous materials and other commodities.
- (4) To determine the safety fitness of intrastate motor carriers, to assign safety ratings to intrastate motor carriers as defined in 49 C.F.R. § 385.3, to direct intrastate motor carriers to take remedial action when required, to prohibit the operation of intrastate motor carriers when subject to an out-of-service order issued by the Federal Motor Carrier Safety Administration or the ~~Department~~, State Highway Patrol.
- (5) To enforce any order issued by the Federal Motor Carrier Safety Administration including the authority to seize registration plates pursuant to the provisions of G.S. 20-45 from motor carriers whose registration was rescinded and cancelled pursuant to G.S. 20-110(m) or G.S. 20-110(n).

...."

SECTION 3E.2.(s) G.S. 20-382.2 reads as rewritten:

"§ 20-382.2. Penalty for failure to comply with registration or insurance verification requirements.

(a) Acts. – A motor carrier who does any of the following is subject to a civil penalty of one thousand dollars (\$1,000):

- (1) Operates a for-hire motor vehicle in this State without registering its operations, as required by this Part.
- (2) Repealed by Session Laws 2007-492, s. 4, effective August 30, 2007.
- (3) Operates a for-hire motor vehicle in intrastate commerce in this State for which it has not verified it has insurance, as required by G.S. 20-382.1.

(b) Payment and Review. – When the ~~Department of Public Safety~~ State Highway Patrol finds that a for-hire motor vehicle is operated in this State in violation of the registration and insurance verification requirements of this Part, the ~~Department~~ State Highway Patrol must place the motor vehicle out of service until the motor carrier is in compliance and the penalty imposed under this section is paid unless the officer that imposes the penalty determines that operation of the motor vehicle will not jeopardize collection of the penalty. A motor carrier that denies liability

for a penalty imposed under this section may pay the penalty under protest and follow the procedure in G.S. 20-178.1 for a departmental review of the penalty.

(c) Judicial Restriction. – A court of this State may not issue a restraining order or an injunction to restrain or enjoin the collection of a penalty imposed under this section or to permit the operation of a vehicle placed out of service under this section without payment of the penalty.

(d) Proceeds. – A penalty imposed under this section is payable to the Department of Transportation, Fiscal Section. The clear proceeds of all civil penalties assessed by the ~~Department~~ State Highway Patrol pursuant to this section, minus any fees paid as interest, filing fees, attorneys' fees, or other necessary costs of court associated with the defense of penalties imposed pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

SECTION 3E.2.(t) G.S. 20-383 reads as rewritten:

"§ 20-383. Inspectors and officers given enforcement authority.

Only designated inspectors, officers, and personnel of the ~~Department of Public Safety~~ State Highway Patrol shall have the authority to enforce the provisions of this Article and provisions of Chapter 62 applicable to motor transportation, and they are empowered to make complaint for the issue of appropriate warrants, information, presentments or other lawful process for the enforcement and prosecution of violations of the transportation laws against all offenders, whether they be regulated motor carriers or not, and to appear in court or before the North Carolina Utilities Commission and offer evidence at the trial pursuant to such processes."

SECTION 3E.2.(u) Part 4 of Article 17 of Chapter 20 of the General Statutes reads as rewritten:

"Part 4. Penalties and Actions.

"§ 20-387. Motor carrier violating any provision of Article, rules or orders; penalty.

Any motor carrier which violates any of the provisions of this Article or refuses to conform to or obey any rule, order or regulation of the Division or ~~Department of Public Safety~~ State Highway Patrol shall, in addition to the other penalties prescribed in this Article forfeit and pay a sum up to one thousand dollars (\$1,000) for each offense, to be recovered in an action to be instituted in the Superior Court of Wake County, in the name of the State of North Carolina on the relation of the ~~Department of Public Safety~~ State Highway Patrol; and each day such motor carrier continues to violate any provision of this Article or continues to refuse to obey or perform any rule, order or regulation prescribed by the Division or ~~Department of Public Safety~~ State Highway Patrol shall be a separate offense.

...

"§ 20-389. Actions to recover penalties.

Except as otherwise provided in this Article, an action for the recovery of any penalty under this Article shall be instituted in Wake County, and shall be instituted in the name of the State of North Carolina on the relation of the ~~Department of Public Safety~~ State Highway Patrol against the person incurring such penalty; or whenever such action is upon the complaint of any injured person, it shall be instituted in the name of the State of North Carolina on the relation of the ~~Department of Public Safety~~ State Highway Patrol upon the complaint of such injured person against the person incurring such penalty. Such action may be instituted and prosecuted by the Attorney General, the District Attorney of the Wake County Superior Court, or the injured person. The procedure in such actions, the right of appeal and the rules regulating appeals shall be the same as provided by law in other civil actions.

"§ 20-390. Refusal to permit ~~Department of Public Safety~~ State Highway Patrol to inspect records made misdemeanor.

Any motor carrier, its officers or agents in charge thereof, that fails or refuses upon the written demand of the ~~Department of Public Safety~~ State Highway Patrol to permit its authorized representatives or employees to examine and inspect its books, records, accounts and documents, or its plant, property, or facilities, as provided for by law, shall be guilty of a Class 3

misdeemeanor. Each day of such failure or refusal shall constitute a separate offense and each such offense shall be punishable only by a fine of not less than five hundred dollars (\$500.00) and not more than five thousand dollars (\$5,000).

"§ 20-391. Violating rules, with injury to others.

If any motor carrier doing business in this State by its agents or employees shall be guilty of the violations of the rules and regulations provided and prescribed by the Division or the ~~Department of Public Safety, State Highway Patrol~~, and if after due notice of such violation given to the principal officer thereof, if residing in the State, or, if not, to the manager or superintendent or secretary or treasurer if residing in the State, or, if not, then to any local agent thereof, ample and full recompense for the wrong or injury done thereby to any person as may be directed by the Division or ~~Department of Public Safety, State Highway Patrol~~ shall not be made within 30 days from the time of such notice, such motor carrier shall incur a penalty for each offense of five hundred dollars (\$500.00).

"§ 20-392. Failure to make report; obstructing Division or ~~Department of Public Safety, State Highway Patrol~~.

Every officer, agent or employee of any motor carrier, who shall willfully neglect or refuse to make and furnish any report required by the Division or ~~Department of Public Safety, State Highway Patrol~~ for the purposes of this Article, or who shall willfully or unlawfully hinder, delay or obstruct the Division or ~~Department of Public Safety, State Highway Patrol~~ in the discharge of the duties hereby imposed upon it, shall forfeit and pay five hundred dollars (\$500.00) for each offense, to be recovered in an action in the name of the State. A delay of 10 days to make and furnish such report shall raise the presumption that the same was willful.

"§ 20-393. Disclosure of information by employee of ~~Department of Public Safety, State Highway Patrol~~ unlawful.

It shall be unlawful for any agent or employee of the ~~Department of Public Safety, State Highway Patrol~~ knowingly and willfully to divulge any fact or information which may come to his knowledge during the course of any examination or inspection made under authority of this Article, except to the ~~Department of Public Safety, State Highway Patrol~~ or as may be directed by the ~~Department of Public Safety, State Highway Patrol~~ or upon approval of a request to the ~~Department of Public Safety, State Highway Patrol~~ by the Utilities Commission or by a court or judge thereof.

...

"§ 20-396. Unlawful motor carrier operations.

(a) Any person, whether carrier, shipper, consignee, or any officer, employee, agent, or representative thereof, who by means of any false statement or representation, or by the use of any false or fictitious bill, bill of lading, receipt, voucher, roll, account, claim, certificate, affidavit, deposition, lease, or bill of sale, or by any other means or device, shall knowingly and willfully seek to evade or defeat regulations as in this Article provided for motor carriers, shall be deemed guilty of a Class 3 misdemeanor and only punished by a fine of not more than five hundred dollars (\$500.00) for the first offense and not more than two thousand dollars (\$2,000) for any subsequent offense.

(b) Any motor carrier, or other person, or any officer, agent, employee, or representative thereof, who shall willfully fail or refuse to make a report to the Division or ~~Department of Public Safety, State Highway Patrol~~ as required by this Article, or other applicable law, or to make specific and full, true, and correct answer to any question within 30 days from the time it is lawfully required by the Division or ~~Department of Public Safety, State Highway Patrol~~ so to do, or to keep accounts, records, and memoranda in the form and manner prescribed by the Division or ~~Department of Public Safety, State Highway Patrol~~ or shall knowingly and willfully falsify, destroy, mutilate, or alter any such report, account, record, or memorandum, or shall knowingly and willfully neglect or fail to make true and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of the carrier, or person

required under this Article to keep the same, or shall knowingly and willfully keep any accounts, records, or memoranda contrary to the rules, regulations, or orders of the Division or ~~Department of Public Safety~~ State Highway Patrol with respect thereto, shall be deemed guilty of a Class 3 misdemeanor and be punished for each offense only by a fine of not more than five thousand dollars (\$5,000). As used in this subsection the words "kept" and "keep" shall be construed to mean made, prepared or compiled as well as retained.

"§ 20-397. Furnishing false information to the ~~Department of Public Safety~~; State Highway Patrol; withholding information from the ~~Department of Public Safety~~; State Highway Patrol.

(a) Every person, firm or corporation operating under the jurisdiction of the ~~Department of Public Safety~~ State Highway Patrol or who is required by law to file reports with the ~~Department of Public Safety~~ State Highway Patrol who shall knowingly or willfully file or give false information to the ~~Department of Public Safety~~ State Highway Patrol in any report, reply, response, or other statement or document furnished to the ~~Department of Public Safety~~ State Highway Patrol shall be guilty of a Class 1 misdemeanor.

(b) Every person, firm, or corporation operating under the jurisdiction of the ~~Department of Public Safety~~ State Highway Patrol or who is required by law to file reports with the ~~Department of Public Safety~~ State Highway Patrol who shall willfully withhold clearly specified and reasonably obtainable information from the ~~Department of Public Safety~~ State Highway Patrol in any report, response, reply or statement filed with the ~~Department of Public Safety~~ State Highway Patrol in the performance of the duties of the ~~Department of Public Safety~~ State Highway Patrol or who shall fail or refuse to file any report, response, reply or statement required by the ~~Department of Public Safety~~ State Highway Patrol in the performance of the duties of the ~~Department of Public Safety~~ State Highway Patrol shall be guilty of a Class 1 misdemeanor.

...."

SECTION 3E.2.(v) G.S. 74E-4(10) reads as rewritten:

"(10) To monitor compliance with ~~G.S. 20-185.1(d)~~ G.S. 143B-1710(d)."

SECTION 3E.2.(w) G.S. 105-259(b)(7) reads as rewritten:

"(7) To exchange information with the ~~State Highway Patrol of the Department of Public Safety~~ Patrol, the Division of Motor Vehicles of the Department of Transportation, the International Fuel Tax Association, Inc., or the Joint Operations Center for National Fuel Tax Compliance when the information is needed to fulfill a duty imposed on the Department of Revenue, the ~~State Highway Patrol of the Department of Public Safety~~ Patrol, or the Division of Motor Vehicles of the Department of Transportation."

SECTION 3E.2.(x) G.S. 105-449.44 reads as rewritten:

"§ 105-449.44. How to determine the amount of fuel used in the State; presumption of amount used.

(a) Calculation. – The amount of motor fuel or alternative fuel a motor carrier uses in its operations in this State for a reporting period is the number of miles the motor carrier travels in this State during that period divided by the calculated miles per gallon for the motor carrier for all qualified motor vehicles during that period.

(b) Presumption. – The Secretary must check returns filed under this Article against the weigh station records and other records of the Division of Motor Vehicles of the Department of Transportation and the ~~State Highway Patrol of the Department of Public Safety~~ State Highway Patrol concerning motor carriers to determine if motor carriers that are operating in this State are filing the returns required by this Article. If the records indicate that a motor carrier operated in this State in a quarter and either did not file a return for that quarter or understated its mileage in this State on a return filed for that quarter by at least twenty-five percent (25%), the Secretary may assess the motor carrier for an amount based on the motor carrier's presumed operations. The motor carrier

is presumed to have mileage in this State equal to 10 trips of 450 miles each for each of the motor carrier's qualified motor vehicles and to have fuel usage of four miles per gallon.

(c) Vehicles. – The number of qualified motor vehicles of a motor carrier that is licensed under this Article is the number of sets of decals issued to the carrier. The number of qualified motor vehicles of a carrier that is not licensed under this Article is the number of qualified motor vehicles licensed or registered by the motor carrier in the carrier's base state under the International Registration Plan."

SECTION 3E.2.(z) 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, Division of Prisons of the Department of Adult Correction;
- (3) State Probation and Parole Officers, Division of Community Supervision and Reentry of the Department of Adult Correction;
- (4) Sworn State Law-Enforcement Officers with the power of arrest, Department of Adult Correction or Division of Juvenile Justice of the Department of Public Safety;
- (5) Sworn Law Enforcement Officers in the Medicaid Fraud Unit of the Department of Justice;
- (6) State Highway Patrol Officers, ~~Department of Public Safety; Officers;~~
- (7) General Assembly Special Police, General Assembly;
- (8) Sworn State Law-Enforcement Officers with the power of arrest, Department of Health and Human Services;
- (9) Juvenile Justice Officers, Division of Juvenile Justice of the Department of Public Safety;
- (10) Insurance Investigators, Department of Insurance;
- (11) State Bureau of Investigation Officers and Alcohol Law Enforcement Agents, Department of Public Safety;
- (12) Director and Assistant Director, License and Theft Enforcement ~~Section, Division of Motor Vehicles, Department of Transportation;~~ Section, State Highway Patrol;
- (13) Members of License and Theft Enforcement Section, ~~Division of Motor Vehicles, Department of Transportation, State Highway Patrol,~~ designated by the ~~Commissioner of Motor Vehicles~~ Commander of the State Highway Patrol as either "inspectors" or uniformed weigh station personnel;
- (14) Repealed by Session Laws 2021-23, s. 21, effective May 17, 2021.
- (15) North Carolina Ports Authority Police, Department of Transportation;
- (16) Sworn State Law-Enforcement Officers with the power of arrest, Department of Environmental Quality;
- (17) Sworn State Law-Enforcement Officers with the power of arrest, Department of 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.
- (20) Sworn State Law-Enforcement Officers with the power of arrest, Department of Agriculture and Consumer Services.
- (21) Sworn State Law-Enforcement Officers with the power of arrest, Department of Natural and Cultural Resources.

(22) Sworn State Law-Enforcement Officers of the State Capitol Police in the State Highway Patrol."

SECTION 3E.2.(aa) G.S. 143-341(8) reads as rewritten:

"(8) General Services:

...

i. To establish and operate a central motor fleet and such subsidiary related facilities as the Secretary may deem necessary, and to that end:

...

7a. To adopt with the approval of the Governor and to enforce rules and to coordinate State policy regarding (i) the permanent assignment of state-owned passenger motor vehicles and (ii) the use of and reimbursement for those vehicles for the limited commuting permitted by this subdivision. For the purpose of this subdivision 7a., "state-owned passenger motor vehicle" includes any state-owned passenger motor vehicle, whether or not owned, maintained or controlled by the Department of Administration, and regardless of the source of the funds used to purchase it. Notwithstanding the provisions of ~~G.S. 20-190~~ G.S. 143B-1720 or any other provisions of law, all state-owned passenger motor vehicles are subject to the provisions of this subdivision 7a.; no permanent assignment shall be made and no one shall be exempt from payment of reimbursement for commuting or from the other provisions of this subdivision 7a. except as provided by this subdivision 7a. Commuting, as defined and regulated by this subdivision, is limited to those specific cases in which the Secretary has received and accepted written justification, verified by historical data. The Department shall not assign any state-owned motor vehicle that may be used for commuting other than those authorized by the procedure prescribed in this subdivision.

A State-owned passenger motor vehicle shall not be permanently assigned to an individual who is likely to drive it on official business at a rate of less than 3,150 miles per quarter unless (i) the individual's duties are routinely related to public safety or (ii) the individual's duties are likely to expose the individual routinely to life-threatening situations. A State-owned passenger motor vehicle shall also not be permanently assigned to an agency that is likely to drive it on official business at a rate of less than 3,150 miles per quarter unless the agency can justify to the Division of Motor Fleet Management the need for permanent assignment because of the unique use of the vehicle. Each agency, other than the Department of Transportation, that has a vehicle assigned to it or has an employee to whom a vehicle is assigned shall submit a quarterly report to the Division of Motor Fleet Management on the miles driven during the quarter by the assigned vehicle. The Division of Motor Fleet Management shall review the report to verify that each motor vehicle has been driven at the minimum allowable rate. If it has not and if the department by whom the individual to which the car is assigned is employed or the agency to which the car is assigned cannot justify the

lower mileage for the quarter, the permanent assignment shall be revoked immediately. The Department of Transportation shall submit an annual report to the Division of Motor Fleet Management on the miles driven during the year by vehicles assigned to the Department or to employees of the Department. If a vehicle included in this report has not been driven at least 12,600 miles during the year, the Department of Transportation shall review the reasons for the lower mileage and decide whether to terminate the assignment. The Division of Motor Fleet Management may not revoke the assignment of a vehicle to the Department of Transportation or an employee of that Department for failure to meet the minimum mileage requirement unless the Department of Transportation consents to the revocation.

Every individual who uses a State-owned passenger motor vehicle, pickup truck, or van to drive between the individual's official work station and his or her home, shall reimburse the State for these trips at a rate computed by the Department. This rate shall be derived from a method that approximates the benefit derived from the use of the vehicle as prescribed by federal law, which may include the lease value rule described in Publication 15-B of the Internal Revenue Service. Reimbursement for a member of the Council of State shall be for the actual number of days the member uses the vehicle to commute during the month. Reimbursement for any other individual shall be for 20 days per month regardless of how many days the individual uses the vehicle to commute during the month. Reimbursement shall be made by payroll deduction. Funds derived from reimbursement on vehicles owned by the Motor Fleet Management Division shall be deposited to the credit of the Division; funds derived from reimbursements on vehicles initially purchased with appropriations from the Highway Fund and not owned by the Division shall be deposited in a Special Depository Account in the Department of Transportation, which shall revert to the Highway Fund; funds derived from reimbursement on all other vehicles shall be deposited in a Special Depository Account in the Department of Administration which shall revert to the General Fund. Commuting, for purposes of this sub-sub-subdivision, does not include those individuals whose office is in their home, as determined by the Department of Administration, Division of Motor Fleet Management. Also, this sub-sub-subdivision does not apply to the following vehicles: (i) clearly marked police and fire vehicles, (ii) delivery trucks with seating only for the driver, (iii) flatbed trucks, (iv) cargo carriers with over a 14,000 pound capacity, (v) school and passenger buses with over 20 person capacities, (vi) ambulances, (vii) [Repealed]. (viii) bucket trucks, (ix) cranes and derricks, (x) forklifts, (xi) cement mixers, (xii) dump trucks, (xiii) garbage trucks, (xiv) specialized utility repair trucks (except vans and pickup trucks), (xv) tractors,

(xvi) unmarked law-enforcement vehicles that are used in undercover work and are operated by full-time, fully sworn law-enforcement officers whose primary duties include carrying a firearm, executing search warrants, and making arrests, and (xvii) any other vehicle exempted under Section 274(d) of the Internal Revenue Code of 1954, and Federal Internal Revenue Service regulations based thereon. The Department of Administration, Division of Motor Fleet Management, shall report quarterly to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office on individuals who use State-owned passenger motor vehicles, pickup trucks, or vans between their official work stations and their homes, who are not required to reimburse the State for these trips.

The Department of Administration shall revoke the assignment or require the Department owning the vehicle to revoke the assignment of a State-owned passenger motor vehicle, pickup truck or van to any individual who:

- I. Uses the vehicle for other than official business except in accordance with the commuting rules;
- II. Fails to supply required reports to the Department of Administration, or supplies incomplete reports, or supplies reports in a form unacceptable to the Department of Administration and does not cure the deficiency within 30 days of receiving a request to do so;
- III. Knowingly and willfully supplies false information to the Department of Administration on applications for permanent assignments, commuting reimbursement forms, or other required reports or forms;
- IV. Does not personally sign all reports on forms submitted for vehicles permanently assigned to him or her and does not cure the deficiency within 30 days of receiving a request to do so;
- V. Abuses the vehicle; or
- VI. Violates other rules or policy promulgated by the Department of Administration not in conflict with this act.

A new requisition shall not be honored until the Secretary of the Department of Administration is assured that the violation for which a vehicle was previously revoked will not recur.

The Department of Administration, with the approval of the Governor, may delegate, or conditionally delegate, to the respective heads of agencies which own passenger motor vehicles or to which passenger motor vehicles are permanently assigned by the Department, the duty of enforcing all or part of the rules adopted by the Department of Administration pursuant to this subdivision 7a. The Department of

Administration, with the approval of the Governor, may revoke this delegation of authority.

Notwithstanding the provisions of this section and G.S. 14-247, the Department of Administration may allow the organization sanctioned by the Governor's Council on Physical Fitness to conduct the North Carolina State Games to use State trucks and vans for the State Games of North Carolina. The Department of Administration shall not charge any fees for the use of the vehicles for the State Games. The State shall incur no liability for any damages resulting from the use of vehicles under this provision. The organization that conducts the State Games shall carry liability insurance of not less than one million dollars (\$1,000,000) covering such vehicles while in its use and shall be responsible for the full cost of repairs to these vehicles if they are damaged while used for the State Games.

...."

SECTION 3E.2.(bb) G.S. 143A-242 is repealed.

SECTION 3E.2.(cc) G.S. 143B-9(a) reads as rewritten:

"(a) ~~The~~ Except as otherwise provided in this Chapter, the head of each principal State department, except those departments headed by popularly elected officers, shall be appointed by the Governor and serve at the Governor's pleasure. The salary of the head of each of the principal State departments shall be set by the Governor, and the salary of elected officials shall be as provided by law.

For each head of each principal State department covered by this subsection, the Governor shall notify the President of the Senate of the name of each person to be appointed, and the appointment shall be subject to senatorial advice and consent in conformance with Section 5(8) of Article III of the North Carolina Constitution unless (i) the senatorial advice and consent is expressly waived by an enactment of the General Assembly or (ii) a vacancy occurs when the General Assembly is not in regular session. Any person appointed to fill a vacancy when the General Assembly is not in regular session may serve without senatorial advice and consent for no longer than the earlier of the following:

- (1) The date on which the Senate adopts a simple resolution that specifically disapproves the person appointed.
- (2) The date on which the General Assembly shall adjourn pursuant to a joint resolution for a period longer than 30 days without the Senate adopting a simple resolution specifically approving the person appointed."

SECTION 3E.2.(dd) G.S. 143B-601 reads as rewritten:

"§ 143B-601. Powers and duties of the Department of Public Safety.

It shall be the duty of the Department of Public Safety to do all of the following:

- (1) Provide ~~assigned law enforcement and~~ emergency services to protect the public ~~against crime and~~ against natural and man-made disasters.
- (2) ~~To plan and direct a coordinated effort by the law enforcement agencies of State government and to ensure maximum cooperation between State and local law enforcement agencies in the fight against crime.~~
- (3) To prepare annually, in consultation with the Judicial Department and the Department of Justice, a State plan for the State's criminal justice system.
- (4) ~~To serve as the State's chief coordinating agency to control crime, to ensure the safety of the public, and to ensure an effective and efficient State criminal justice system.~~

- (5) To have charge of investigations of criminal matters particularly set forth in this Article and of such other crimes and areas of concern in the criminal justice system as the Governor may direct.
- (6) ~~To regularly patrol the highways of the State and enforce all laws and regulations respecting travel and the use of vehicles upon the highways of the State and all laws for the protection of the highways of the State.~~
- (7) To provide North Carolina National Guard troops trained by the State to federal standards.
- (8) To ensure the preparation, coordination, and currency of military and civil preparedness plans and the effective conduct of emergency operations by all participating agencies to sustain life and prevent, minimize, or remedy injury to persons and damage to property resulting from disasters caused by enemy attack or other hostile actions or from disasters due to natural or man-made causes.
- (9) ~~To develop a plan for a coordinated and integrated electronic communications system for State government and cooperating local agencies, including coordination and integration of existing electronic communications systems.~~
- (10) Repealed by Session Laws 2021-180, s. 19C.9(h), effective January 1, 2023.
- (11) To carry out the relevant provisions of Part 3 of this Article, Chapter 7B of the General Statutes, and other provisions of the General Statutes governing juvenile justice and the prevention of delinquent acts by juveniles.
- (12) To provide central storage and management of evidence according to the provisions of Article 13 of Chapter 15A of the General Statutes and create and maintain a databank of statewide storage locations of postconviction evidence or other similar programs.
- (13) To provide central storage and management of rape kits according to the federal Violence Against Women and Department of Justice Reauthorization Act of 2005 with specific protections against release of names of victims providing anonymous or "Jane Doe" rape kits without victim consent.
- (14) To provide for the storage and management of evidence."

SECTION 3E.2.(ee) G.S. 143B-602 reads as rewritten:

"§ 143B-602. Powers and duties of the Secretary of Public Safety.

The Secretary of Public Safety shall have the powers and duties as are conferred on the Secretary by this Article, delegated to the Secretary by the Governor, and conferred on the Secretary by the Constitution and laws of this State. These powers and duties include the following:

- (1) Provision of assistance to other agencies. – The Secretary, through appropriate subunits of the Department, shall, at the request of the Governor, provide assistance to State and local law enforcement agencies, district attorneys, and judges when called upon by them and so directed.
- (2) Coordination of government subunits emergencies. – In the event that the Governor, in the exercise of the Governor's constitutional and statutory responsibilities, shall deem it necessary to utilize the services of more than one subunit of State government to provide protection to the people from natural or man-made disasters or emergencies, including, but not limited to, wars, insurrections, riots, civil disturbances, or accidents, the Secretary, under the direction of the Governor, shall serve as the chief coordinating officer for the State between the respective subunits so utilized.
- (3) Allocation of State resources during emergencies. – Whenever the Secretary exercises the authority provided in subdivision (2) of this section, the Secretary shall be authorized to utilize and allocate all available State

resources as are reasonably necessary to cope with the emergency or disaster, including directing of personnel and functions of State agencies or units thereof for the purpose of performing or facilitating the initial response to the disaster or emergency. Following the initial response, the Secretary, in consultation with the heads of the State agencies which have or appear to have the responsibility for dealing with the emergency or disaster, shall designate one or more lead agencies to be responsible for subsequent phases of the response to the emergency or disaster. Pending an opportunity to consult with the heads of such agencies, the Secretary may make interim lead agencies designations.

- (4) Reporting of emergencies to the Secretary. – Every department of State government is required to report to the Secretary, by the fastest means practicable, all natural or man-made disasters or emergencies, including, but not limited to, wars, insurrections, riots, civil disturbances, or accidents which appear likely to require the utilization of the services of more than one subunit of State government.
- (5) Rule making. – The Secretary is authorized to adopt rules and procedures for the implementation of this section.
- (6) Powers of Governor and Council of State not superseded. – Nothing contained in this section shall be construed to supersede or modify those powers granted to the Governor or the Council of State to declare and react to a state of disaster as provided in Chapter 166A of the General Statutes, the Constitution, or elsewhere.
- (7) Reporting required prior to grant awards. – Prior to any notification of proposed grant awards to State agencies for use in pursuing the objectives of the Governor's Crime Commission pursuant to sub-subdivisions a. through g. of subdivision (8) of this section, the Secretary shall report to the Senate and House of Representatives Appropriations Committees for review of the proposed grant awards.
- (8) Other powers and duties. – The Secretary has the following additional powers and duties:
 - a. Accepting gifts, bequests, devises, grants, matching funds, and other considerations from private or governmental sources for use in promoting the work of the Governor's Crime Commission.
 - b. Making grants for use in pursuing the objectives of the Governor's Crime Commission.
 - c. ~~Adopting rules as may be required by the federal government for federal grants in aid for criminal justice purposes and to implement and carry out the regulatory and enforcement duties assigned to the Department of Public Safety as provided by the various commercial vehicle, oversize/overweight, motor carrier safety, motor fuel, and mobile and manufactured home statutes.~~
 - d. Ascertaining the State's duties concerning grants to the State by the Law Enforcement Assistance Administration of the United States Department of Justice, and developing and administering a plan to ensure that the State fulfills its duties.
 - e. Administering the Assistance Program for Victims of Rape and Sex Offenses.
 - f. ~~Appointing, with the Governor's approval, a special police officer to serve as Chief of the State Capitol Police Division.~~

- g. Appointing an employee of the Division of Administration to be the central point of contact for any federal surplus property or purchasing programs.
- h. Being responsible for federal and State liaison activities, victim services, the Victim Services Warehouse, and the storage and management of evidence and other contents housed in the warehouse, and public affairs."

SECTION 3E.2.(ff) G.S. 143C-4-9(a) reads as rewritten:

"(a) Creation. – The Pay Plan Reserve is established within the General Fund. The General Assembly shall appropriate in the Current Operations Appropriations Act (Act) or other appropriations act a specific amount to this reserve for allocation, on an as-needed basis only, to fund statutory and scheduled pay expenses authorized by:

- (1) ~~G.S. 20-187.3,~~ G.S. 143B-1714, and the Act, for troopers of the State Highway Patrol compensated pursuant to an experience-based salary schedule.
- (2) G.S. 7A-102.
- (3) G.S. 7A-171.1.
- (4) Teacher Salary Schedule, as enacted by the General Assembly.
- (5) Pay Plans for Principals and Assistant Principals, as enacted by the General Assembly.
- (6) The Act, for law enforcement officers of the State Bureau of Investigation and Alcohol Law Enforcement.
- (7) The Act, for correctional officers and other employees compensated pursuant to the Correctional Officer Salary Schedule.
- (8) The Act, for probation and parole officers and other employees compensated pursuant to the Probation and Parole Officer Salary Schedule."

SECTION 3E.2.(gg) G.S. 143C-5-4(b) reads as rewritten:

"(b) Procedure for Budget Continuation. – If a fiscal year begins for which no Current Operations Appropriations Act providing for current operations of State government during that fiscal year has become law, then the following procedures shall be followed and the following limitations shall apply:

- ...
- (5) State employee salaries. – The salary schedules and specific salaries established for the prior fiscal year and in effect on June 30 of the prior fiscal year for offices and positions shall remain in effect until the Current Operations Appropriations Act for the current fiscal year becomes law. State employees subject to G.S. 7A-102(c), 7A-171.1, ~~20-187.3,~~ 143B-1714, or any other statutory salary schedule, shall not move up on salary schedules or receive automatic increases, including automatic step increases, until authorized by the General Assembly. State employees, including those exempt from the classification and compensation rules established by the State Human Resources Commission, shall not receive any automatic step increases, annual, performance, merit, bonuses, or other increments until authorized by the General Assembly.

...."

SECTION 3E.2.(hh) G.S. 146-29(d) reads as rewritten:

"(d) Exemptions. – This section shall not apply to the following:

- (1) The granting of utility easements, including the lease of interests in real property pursuant to G.S. 146-29.2.
- (2) Leases for student housing projects, including a ground lease to a university endowment for the purpose of facilitating the construction of student housing.

- (3) Leases made as part of the Voice Interoperability Plan for Emergency Responders (VIPER) project being managed by the ~~Department of Public Safety~~ State Highway Patrol."

SECTION 3E.2.(ii) G.S. 146-30(d)(2) reads as rewritten:

- "(2) No service charge into the State Land Fund shall be deducted from or levied against the proceeds of any disposition by lease, rental, or easement of State lands purchased and owned by the North Carolina State Highway Patrol, ~~Department of Public Safety~~, as part of the Voice Interoperability Plan for Emergency Responders (VIPER) project being managed by the North Carolina State Highway Patrol, ~~Department of Public Safety~~. All net proceeds of these dispositions shall be deposited into an account created in the ~~Department of Public Safety~~ State Highway Patrol to be used only for the purpose of constructing, maintaining, or supporting the VIPER network."

SECTION 3E.2.(jj) Section 19G.2 of S.L. 2023-134 reads as rewritten:

"**SECTION 19G.2.(a)** Seized and forfeited assets transferred to the Department of Justice, Department of Public Safety, State Highway Patrol, and Department of Adult Correction during the 2023-2025 fiscal biennium pursuant to applicable federal law shall be credited to the budget of the recipient department and shall result in an increase of law enforcement resources for that department. The Department of Justice, Department of Public Safety, State Highway Patrol, and Department of Adult Correction shall each make the following reports to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety:

- (1) A report upon receipt of any assets.
- (2) A report that shall be made prior to use of the assets on their intended use and the departmental priorities on which the assets may be expended.
- (3) A report on receipts, expenditures, encumbrances, and availability of these assets for the previous fiscal year, which shall be made no later than September 1 of each year.

"**SECTION 19G.2.(b)** The General Assembly finds that the use of seized and forfeited assets transferred pursuant to federal law for new personnel positions, new projects, acquisition of real property, repair of buildings where the repair includes structural change, and construction of or additions to buildings may result in additional expenses for the State in future fiscal periods. Therefore, the Department of Justice, Department of Public Safety, State Highway Patrol, and Department of Adult Correction are prohibited from using these assets for such purposes without the prior approval of the General Assembly.

"**SECTION 19G.2.(c)** Nothing in this section prohibits State law enforcement agencies from receiving funds from the United States Department of Justice, the United States Department of the Treasury, and the United States Department of Health and Human Services.

"**SECTION 19G.2.(d)** The Joint Legislative Oversight Committee on Justice and Public Safety shall study the impact on State and local law enforcement efforts of the receipt of seized and forfeited assets. The Committee shall report its findings and recommendations prior to the convening of the 2024 Regular Session of the 2023 General Assembly."

SECTION 3E.2.(kk) Section 16B.2 of S.L. 2015-241 reads as rewritten:

"**SECTION 16B.2.** The ~~Department of Public Safety~~ State Highway Patrol shall report annually no later than March 1 to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on the progress of the State's VIPER system."

SECTION 3E.2.(ll) This section becomes effective July 1, 2025.

STATE HIGHWAY PATROL APPROPRIATIONS AND FUNDING

SECTION 3E.3.(a) Notwithstanding G.S. 143C-5-2, there is appropriated from the General Fund to the State Highway Patrol established in Section 3E.1 of this act for the 2025–

2026 fiscal year the sum of two million eight hundred ninety-four thousand four hundred sixty-eight dollars (\$2,894,468) in recurring funds to be used to hire 20 full-time equivalent positions as follows:

- (1) Seven personnel positions.
- (2) Eight budget positions.
- (3) One Safety Director position.
- (4) Two Information Technology Communications positions.
- (5) One Staff Attorney position.
- (6) One Legislative Liaison position.

SECTION 3E.3.(b) The Department of Transportation shall transfer to the State Highway Patrol on a recurring basis all funds necessary to fully support salary, benefits, property, operational expenses, and all other costs associated with the sworn personnel positions transferred by this act from the License and Theft Bureau to the State Highway Patrol.

SECTION 3E.3.(c) This section becomes effective July 1, 2025.

SUBPART III-F. UTILITIES COMMISSION AND ENERGY

CHANGE APPOINTMENTS TO UTILITIES COMMISSION

SECTION 3F.1.(a) G.S. 62-10 reads as rewritten:

"§ 62-10. Number; appointment; terms; qualifications; chairman; vacancies; compensation; other employment prohibited.

(a) The North Carolina Utilities Commission shall consist of five commissioners who shall be appointed as follows: ~~three~~ two by the Governor, one by the State Treasurer, one by the General Assembly, upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, and one by the General Assembly, upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. Each commissioner shall serve for a term of six years commencing on July 1 of the year in which the predecessor term expired and ending on June 30 of the sixth year thereafter. Commissioners appointed by the Governor and Treasurer are subject to confirmation by the General Assembly by joint resolution. The names of commissioners to be appointed by the Governor and Treasurer shall be submitted by the Governor and Treasurer to the General Assembly for confirmation by the General Assembly on or before May 1, of the year in which the terms for which the appointments are to be made are to expire. Upon failure of the Governor or Treasurer to submit names as herein provided, the President Pro Tempore of the Senate and Speaker of the House of Representatives jointly shall submit the names of a like number of commissioners to the General Assembly on or before May 15 of the same year for confirmation by the General Assembly. Regardless of the way in which names of commissioners are submitted, confirmation of commissioners must be accomplished prior to adjournment of the then current session of the General Assembly.

(b) Repealed by Session Laws 2023-136, s. 10.1(a), effective October 10, 2023.

(c) Repealed by Session Laws 2023-136, s. 10.1(a), effective October 10, 2023.

(d) A commissioner in office shall continue to serve until his successor is duly confirmed and qualified but such holdover shall not affect the expiration date of such succeeding term.

(e) On July 1, 1965, and every three years thereafter, one of the commissioners shall be ~~designated by the Governor~~ elected by and from the members of the Commission to serve as chairman of the Commission for the succeeding three years and until his or her successor is duly confirmed and qualifies. Upon death or resignation of the commissioner appointed as chairman, ~~the Governor shall designate the chairman~~ shall be elected by and from the remaining commissioners and appoint a successor as hereinafter provided to fill the vacancy on the Commission. ~~commissioners.~~

(f) In case of death, incapacity, resignation or vacancy for any other reason in the office of any commissioner appointed by the Governor prior to the expiration of the commissioner's

term of office, the name of the successor shall be submitted to the General Assembly by the Governor within four weeks after the vacancy arises for confirmation by the General Assembly. Upon failure of the Governor to submit the name of the successor, the President Pro Tempore and Speaker of the House jointly shall submit the name of a successor to the General Assembly within six weeks after the vacancy arises. Regardless of the way in which names of commissioners are submitted, confirmation of commissioners must be accomplished prior to the adjournment of the then current session of the General Assembly. In case of death, incapacity, resignation, or vacancy for any other reason in the office of any commissioner appointed by the General Assembly prior to the expiration of the commissioner's term of office, the vacancy shall be filled as provided in G.S. 120-122. In case of death, incapacity, resignation, or vacancy for any other reason in the office of the commissioner appointed by the State Treasurer prior to the expiration of the commissioner's term of office, the vacancy shall be filled by the State Treasurer.

...."

SECTION 3F.1.(b) The appointee of the Governor replaced by the State Treasurer, or the Treasurer's designee, due to the revision to G.S. 62-10 enacted by subsection (a) of this section, shall be one of the appointees of the Governor with a term ending June 30, 2025. Upon the expiration of their terms, one of those appointees shall be replaced by an appointee of the State Treasurer, or the Treasurer's designee. No later than 30 days after the Treasurer has made that appointment, the Commission shall elect a chairman in conformance with G.S. 62-10(e), as amended by subsection (a) of this section.

REPEAL ENERGY POLICY COUNCIL

SECTION 3F.2.(a) Article 1 of Chapter 113B of the General Statutes is repealed.

SECTION 3F.2.(b) Article 2 of Chapter 113B of the General Statutes reads as rewritten:

"Article 2.

"Energy Crisis Administration.

"§ 113B-20. Definition; declaration of energy crisis.

(a) "Energy crisis".—An Definition. – For purposes of this Article an energy crisis exists when is a period of time during which the health, welfare or safety of the citizens of North Carolina are threatened by reason of an actual or impending acute shortage in usable, necessary energy resources.

(b) Declaration by Governor. – Upon a finding by the Governor that the conditions stated in subsection (a) do exist, the Governor may declare the existence of an energy crisis.

"§ 113B-20A. Emergency Energy Program; components.

(a) The Utilities Commission shall, in accordance with the provisions of this Article, develop contingency and emergency plans to deal with possible shortages of energy to protect public health, safety, and welfare, such plans to be compiled into an Emergency Energy Program.

(b) If required for an update of the program provided under subsection (i) of this section:

(1) Each electric utility and natural gas utility in the State shall prepare and submit to the Utilities Commission a proposed emergency curtailment plan setting forth proposals for identifying priority loads or users in the event of the declaration of an energy crisis pursuant to G.S. 113B-20 and proposals for supply allocation to such priority loads or users. Utilities regulated under Chapter 62 of the General Statutes may satisfy this requirement by submitting the General Load Reduction and System Restoration Plan that is prepared annually for the Utilities Commission.

(2) Each major oil producer doing business in this State as determined by the Utilities Commission shall prepare and submit to the Utilities Commission an analysis of how any national supply curtailment pursuant to federal

regulations shall affect the supply for North Carolina and how priority users will be determined and available supplies allocated to such users.

(c) The Utilities Commission shall encourage the preparation of joint emergency curtailment plans and analyses. If such cooperative plans and analyses are developed between two or more utilities, major producers, or by an association of such companies, the joint plans or analyses may be submitted to the Utilities Commission in lieu of information required pursuant to subsection (b) of this section.

(d) The Utilities Commission shall collect from all relevant governmental agencies any existing contingency plans for dealing with sudden energy shortages or information related thereto.

(e) The Utilities Commission shall approve and recommend to the Governor guidelines for emergency curtailment to be known as the Emergency Energy Program and to be implemented upon adoption by the Governor after the declaration of an energy crisis and pursuant to G.S. 113B-20 and G.S. 113B-23. The program shall be based upon the plans presented to the Utilities Commission, upon independent analysis and study by the Commission, and upon information provided at the hearing or hearings, provided, however, that they are consistent with such federal programs and regulations as are already in effect at that time.

(f) The Emergency Energy Program shall provide for the maintenance of essential services, the protection of public health, safety, and welfare, and the maintenance of a sound basic State economy. For utilities regulated under Chapter 62 of the General Statutes, the program shall be consistent with the General Load Reduction and System Restoration Plan that is prepared annually for the Utilities Commission. Provisions also shall be made in the program to differentiate curtailment of energy consumption by users on the basis of ability to accommodate such curtailments and shall also include all of the following:

- (1) A variety of strategies and staged conservation measures of increasing intensity and authority to reduce energy use during an energy crisis, as defined in G.S. 113B-20, and guidelines and criteria for allocation of energy sources to priority users. The program shall contain alternative conservation actions and allocation plans to reasonably meet various foreseeable shortage circumstances and to allow a choice of appropriate responses.
- (2) Evidence that the program is consistent with requirements of federal emergency energy conservation and allocation laws and regulations.
- (3) Proposals to assist such individuals, institutions, agriculture, and businesses which have engaged in energy saving measures.

(g) The Utilities Commission shall carry out such investigations and studies as are necessary to determine if and when potentially serious shortages of energy are likely to affect North Carolina and the Commission shall make recommendations to the Governor concerning administrative and legislative actions required to avert such shortages, such recommendations to be included as a section of the Emergency Energy Program.

(h) In addition to the above information and recommendations, the program shall contain proposals for implementation of such recommendations which include procedures, rules and regulations, and agency administrative responsibilities for implementation and shall further contain procedures for fair and equitable review of complaints and requests for special exemptions from emergency conservation measures or emergency allocations.

(i) The Commission shall update the Emergency Energy Program upon finding that an update is justified.

(j) The Governor shall have the authority to accept, administer, and enforce federal programs, program measures, and permissive delegations of authority delegated to the Governor by the President of the United States, Congress, or the United States Department of Energy, on behalf of the State of North Carolina, which pertain to actions necessary to deal with an actual or impending energy shortage.

"§ 113B-21. Creation of Legislative Committee on Energy Crisis Management.

(a) Upon the declaration of an energy crisis by the Governor, a Legislative Committee on Energy Crisis Management shall be created to consist of the Speaker, the Speaker Pro Tempore of the House of Representatives, the President Pro Tempore of the Senate, and the majority leader of the Senate. ~~The Lieutenant Governor shall serve as chair and shall be a nonvoting ex-officio member, provided, however, that the chair shall vote to break a tie.~~

(b) The Legislative Committee shall convene within 24 hours following the declaration of an energy crisis, as provided in G.S. 113B-20.

(c) Members of the Legislative Committee shall be reimbursed for their services pursuant to the provisions of G.S. 138-5.

"§ 113B-22. Procedures for adopting emergency proposals; emergency powers.

(a) Upon the declaration of an energy crisis, the Governor shall submit to the Legislative Committee for its prompt consideration such emergency orders, rules and regulations as deemed necessary to alleviate the effects of the energy crisis.

(b) The Governor shall immediately consult with the Legislative Committee about the emergency proposals. The emergency orders, rules, or regulations shall become effective at a time specified by the Governor, but no earlier than 48 hours after submission to the Legislative Committee, provided that they may take effect at an earlier time only if approved by a majority vote of the Council of State after the Council makes a finding that ~~the an energy crisis is of such immediacy as to make delay for legislative review cause for probable harm to the public exists.~~

(c) No order, rule, or regulation promulgated under the provisions of this section shall remain in effect for more than ~~30 days~~ 48 hours unless the Governor consults with the Legislative Committee. Such consultation is separate and apart from the consultation required by subsection (a) of this ~~section, and may not take place until the order, rule, or regulation has been in effect for at least seven days.~~ section.

(d) The Governor's orders, rules and regulations, promulgated, subject to consultation with the Legislative Committee, pursuant to this section, may also include, by way of further enumerated example rather than limitation, provisions for the establishment and implementation of programs, controls, standards, priorities, and quotas for the allocation, conservation and consumption of energy resources; the suspension and modification of existing standards and requirements affecting or affected by the use of energy resources, including those relating to air quality control and the hours and days during which public buildings may or may not be required to remain open; and the establishment and implementation of regional programs and agreements for the purposes of coordinating the energy resource programs and actions of the State with those of the federal government and of other states and localities.

"§ 113B-23. Administration of plans and procedures.

(a) Upon the declaration of an energy crisis, pursuant to G.S. 113B-20, the ~~Energy Policy Council~~ Utilities Commission shall become the emergency energy coordinating body for the State and shall carry out all of the following duties:

- (1) Identify and determine the nature and severity of expected energy ~~shortages; shortages.~~
- (2) Provide for daily communications with and gather information from significant energy producers, distributors, transporters and major consumers, as determined by the ~~Energy Policy Council, Utilities Commission,~~ Utilities Commission, to carry out its responsibilities pursuant to this ~~section;~~ section.
- (3) Provide data, carry out continuing assessments of the crisis situation, and make recommendations to the Governor and to the Legislative Committee on Energy Crisis Management for further action.

(b) Upon the declaration of an energy crisis, the Governor shall order the ~~Energy Policy Council, the Utilities Commission, the Attorney General Commission~~ and other appropriate State and local agencies to implement and enforce the Emergency Energy Program pursuant to

~~G.S. 113B-9~~ G.S. 113B-20A and any emergency rules, ~~orders~~ orders, or regulations approved pursuant to G.S. 113B-22.

(c) Upon the declaration of an energy crisis, the Governor may employ such measures and give such direction to State and local offices and agencies as may be reasonable and necessary for the purpose of securing compliance with the provisions of this Article and with emergency rules, orders and regulations issued pursuant to G.S. 113B-22.

"§ 113B-24. Enforcement; penalties for violations.

(a) The Attorney General and the law-enforcement authorities of the State and its political subdivisions shall enforce the provisions of this Article and all orders, rules and regulations promulgated pursuant to G.S. 113B-22.

(b) Any person who violates this Article or any rules, orders or regulations promulgated pursuant to G.S. 113B-22 or knowingly or willfully submits false information in any report required herein shall be guilty of a Class 1 misdemeanor.

(c) The provisions of this Article or any rules, orders or regulations promulgated pursuant to G.S. 113B-22 may be enforced by bringing an action to enjoin such acts or practices as may be in violation and, upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be issued. The relief sought may include a mandatory injunction commanding any person to comply with any such order, rule or regulation and restitution of money received in violation of any such order, rule or regulation. The Attorney General shall bring any action under this subsection upon the request of the Governor, the Legislative Committee on Energy Crisis Management, the ~~Energy Policy Council~~, Utilities Commission, or upon ~~his~~ the Attorney General's direction if ~~he deems~~ such action is deemed advisable and in the public interest. The Attorney General may institute such action in the Superior Court of Wake County, or, in ~~his~~ the Attorney General's discretion, in the superior court of the county in which the acts or practices constituting a violation occurred, are occurring or may occur."

SECTION 3F.2.(c) G.S. 120-286 reads as rewritten:

"§ 120-286. Purpose and powers and duties of Commission.

(a) The Joint Legislative Commission on Energy Policy shall exercise legislative oversight over energy policy in the State. In the exercise of this oversight, the Commission may do any of the following:

- (1) Monitor and evaluate the programs, policies, and actions of the Oil and Gas Commission established pursuant to G.S. 143B-293.1, ~~the Energy Policy Council established pursuant to G.S. 113B-2~~, the Energy Division in the Department of Commerce, the Utilities Commission and Public Staff established pursuant to Chapter 62 of the General Statutes, and of any other board, commission, department, or agency of the State or local government with jurisdiction over energy policy in the State.
- (2) Review and evaluate existing and proposed State statutes and rules affecting energy policy and determine whether any modification of these statutes or rules is in the public interest.
- (3) Monitor changes in federal law and court decisions affecting energy policy.
- (4) Monitor and evaluate energy-related industries in the State and study measures to promote these industries.
- (5) Study any other matters related to energy policy that the Commission considers necessary to fulfill its mandate.

(b) The Commission may make reports and recommendations, including proposed legislation, to the General Assembly from time to time as to any matter relating to its oversight and the powers and duties set out in this section."

SECTION 3F.2.(d) G.S. 143-58.5 reads as rewritten:

"§ 143-58.5. Alternative Fuel Revolving Fund.

...

(c) The Fund shall be used to offset the incremental fuel cost of biodiesel and biodiesel blend fuel with a minimum biodiesel concentration of B-20 for use in State vehicles, for the purchase of ethanol fuel with a minimum ethanol concentration of E-85 for use in State vehicles, the incremental vehicle cost of purchasing AFVs, for the development of related refueling infrastructure, and for the costs of administering the Fund, and for projects approved by the Energy Policy Council Fund.

...."

SECTION 3F.2.(e) G.S. 143-345.13 reads as rewritten:

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

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

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

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

SECTION 3F.2.(f) Part 35 of Article 7 of Chapter 143B of the General Statutes is repealed.

ADDITIONAL RENEWABLE ENERGY CERTIFICATES FOR USE OF SWINE WASTE RESOURCES

SECTION 3F.3. Article 7 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"§ 62-133.8A. Additional credit for use of swine waste resources.

(a) For purposes of this section:

- (1) The definitions set forth in G.S. 62-133.8 apply.
- (2) The term "enhanced credit RECs" refers to the additional RECs credited under this section and does not include the original REC produced.
- (3) The term "tier" refers to the development tier designated by the North Carolina Secretary of Commerce under G.S. 143B-437.08 for the calendar year during which the project's new renewable energy facility registration statement is submitted to the Commission.
- (4) The term "REC" means a renewable energy certificate as defined in G.S. 62-133.8(6).

(b) A new renewable energy facility located in a Tier 1 county that produces RECs as provided in G.S. 62-133.8(e) using in-State sourced swine waste resources shall be eligible for a one-time enhanced credit REC stimulus for a period as follows:

(1) For the first eight years following the effective date of this section for currently operating facilities, or from the commercial operation date for newly constructed facilities, for every one REC produced by the facility, the facility shall be credited with two additional, enhanced credit RECs.

(2) For the succeeding six years, for every one REC produced by the facility, the facility shall be credited with one additional, enhanced credit REC.

(c) The enhanced credit RECs created under this section may be used by electric power suppliers for compliance with the swine waste set aside requirements of G.S. 62-133.8(e).

(d) No facility shall be credited with more than 80,000 enhanced credit RECs in any one year but may continue to generate RECs without enhanced credit."

SUBPART III-G. INSURANCE

UPDATE LAWS REGARDING MULTIPLE EMPLOYER WELFARE ARRANGEMENTS (MEWAS) THAT PROVIDE EMPLOYEE WELFARE BENEFIT PLANS

SECTION 3G.1.(a) All of the following are repealed:

- (1) G.S. 58-50-115(c).
- (2) G.S. 58-50A-5.
- (3) G.S. 58-50A-10.
- (4) G.S. 58-50A-15.
- (5) G.S. 58-50A-20.
- (6) G.S. 58-50A-25.
- (7) G.S. 58-50A-30.
- (8) G.S. 58-50A-35.
- (9) G.S. 58-50A-40.
- (10) G.S. 58-51-80(b)(1c).

SECTION 3G.1.(b) Article 50A of Chapter 58 of the General Statutes, as amended by subsection (a) of this section, reads as rewritten:

"Article 50A.

~~"Association Health Plans and~~ Multiple Employer Welfare Arrangements.

"§ 58-50A-1. Definitions.

The following definitions apply in this Article:

- ~~(1) Employer member. — A person or entity acting directly as the employer of at least one employee, or a working owner, either of whom is a participant covered under a Path 2 MEWA.~~
- (2) Employee welfare benefit plan. — The term as defined in Section 3 of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002(1), as amended.
- (2a) Insured. — Employees or other individuals covered under the employee welfare benefit plan offered through a MEWA licensed in this State.
- (3) Multiple employer welfare arrangement or MEWA. — The term as defined in Section 3 of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002(40(A)), as amended, that meets at least one of the following criteria:
 - a. ~~Has at~~ At least one employer member of participating in the MEWA ~~that~~ is either domiciled in this State or has its principal headquarters or principal administrative office in this State.

- b. ~~Solicits~~ The MEWA solicits an employer for membership in the MEWA that is domiciled in this State or that has its principal headquarters or principal administrative office in this State.
- (4) ~~Path 2 MEWA. — A MEWA that is established or maintained by an association of employers classified by the United States Department of Labor as a bona fide group or association under the requirements of 29 C.F.R. § 2510.3-5 and is formed by a sponsoring association that meets the following requirements:~~
 - a. ~~Has a constitution or bylaws that provides for all of the following:~~
 - 1. ~~Regular meetings.~~
 - 2. ~~Collection of dues from members.~~
 - 3. ~~Operation by a board of trustees that includes an owner, partner, officer, director, or employee of at least one of the employer members of the association.~~
 - b. ~~Has at least one substantial business purpose unrelated to the offering and providing of health insurance or other employee benefits to its employer members and their employees.~~
 - c. ~~Has a commonality of interest shared among the employers comprising the Path 2 MEWA based on either of the following:~~
 - 1. ~~Establishment by employers in the same trade, industry, line of business, or profession.~~
 - 2. ~~Being a statewide organization where each employer that is a member of the organization has a principal place of business that does not exceed the boundaries of the State or a metropolitan area that is at least partially within the State, even if that metropolitan area includes portions of other states.~~
- (5) ~~Sponsoring association. — An association of two or more employer members that offers an employee welfare benefit plan as a Path 2 MEWA. For purposes of this Chapter, a sponsoring association that meets the requirements of this Article shall be deemed to be a large employer.~~
- (6) ~~Reserved for future codification purposes.~~
- (7) Net worth. — An amount that is calculated by subtracting the total amount of an entity's liabilities from the value of the entity's total (i) tangible assets and (ii) other investments permitted under G.S. 58-50A-50.

...

"§ 58-50A-50. Requirements for certain MEWAs; enrollment, coverage, and funding.

All of the following shall apply to an entity that is initially licensed under this Article on or after January 1, 2025:

- (1) To maintain the license under this Article, the MEWA is required to maintain a minimum level of enrollment of 500 individuals who are employees belonging to two or more employers participating in the MEWA. The Commissioner is authorized to continue the licensure of a MEWA that does not meet this minimum requirement if that MEWA demonstrates to the Commissioner's satisfaction that the number of enrolled employees does not adversely affect the financial soundness of the MEWA.
- (2) Benefits under the MEWA shall be available only to individuals who are (i) employees of employers participating in the MEWA and dependents of those employees or (ii) eligible for continuation of coverage of benefits under the MEWA under State or federal law.
- (3) The level of coverage for healthcare benefits under the MEWA is equal to or greater than sixty percent (60%) of the actuarial value of allowed costs for the covered benefits.

- (4) MEWA funds shall only be invested or maintained in one of the following:
 - a. Securities and other investments and assets permitted under State law for the investment of assets constituting the legal reserves of life insurance companies licensed in this State.
 - b. Any security or investment permitted by the Commissioner.
- (5) The net worth of a MEWA shall be maintained at a minimum of five hundred thousand dollars (\$500,000).

"§ 58-50A-55. Applicable provisions of this Chapter.

(a) All of the following provisions of this Chapter apply to MEWAs licensed or administered under this Article:

- (1) G.S. 58-2-190, Commissioner may require certain reports.
- (2) G.S. 58-3-150, Forms to be approved by Commissioner.
- (3) G.S. 58-7-21, Credit allowed a domestic ceding insurer.
- (4) G.S. 58-7-26, Asset or reduction from liability for reinsurance ceded by a domestic insurer to an assuming insurer not meeting the requirements of G.S. 58-7-21.
- (5) G.S. 58-7-30, Insolvent ceding insurer.
- (6) G.S. 58-7-46, Notification to Commissioner for president or chief executive officer changes.
- (7) G.S. 58-7-73, Dissolution of insurers.
- (8) Article 12 of this Chapter, Risk-Based Capital Requirements.
- (9) Part 1 of Article 53 of this Chapter, Continuation.

(b) This section shall neither serve as an exhaustive list of, nor shall it be construed to limit the applicability of, provisions of this Chapter that apply to MEWAs licensed or administered under this Article. If any provision of this Chapter or any other law applies to MEWAs licensed or administered under this Article but is not included in this section, then that provision or law shall have continued force and effect.

"§ 58-50A-60. Multiple employer welfare arrangements; administrators.

...

(b) Each insurer licensed to do business in this State that administers a MEWA shall, at the request of the Commissioner, provide the Commissioner with ~~such~~ information regarding the insurer's administrative services contract or contracts with ~~such~~ the MEWA or MEWAs that the Commissioner requires. No unlicensed insurer shall administer any MEWA.

"§ 58-50A-65. Multiple employer welfare arrangements; license required; penalty.

(a) It is unlawful to operate, maintain, or establish a MEWA unless the MEWA has a valid license issued by the Commissioner. Any MEWA operating in this State without a valid license is an unauthorized insurer.

(b) ~~G.S. 58-50A-60~~ This section, G.S. 58-50A-60, and G.S. 58-50A-70 through G.S. 58-50A-95 do not apply to a MEWA that offers or provides benefits that are fully insured by an authorized insurer or to a MEWA that is exempt from state insurance regulation in accordance with the Employee Retirement Income Security Act of 1974, Public Law Number 43-406.

"§ 58-50A-70. Qualifications for licensure.

(a) To meet the requirements for issuance of a license under this Article and to maintain ~~a MEWA, that license,~~ a MEWA must ~~be~~ meet all of the following criteria:

- (1) ~~Nonprofit.~~ The MEWA is a nonprofit organization or administered by a nonprofit organization.
- (2) ~~Either~~ One of the following:
 - a. ~~Established~~ The MEWA is established or administered by a trade association, industry association, or professional association of employers or professionals that ~~has~~ meets all of the following criteria:

1. The association has a constitution or bylaws and that has been bylaws.
2. The association was organized and has been maintained in good faith for a continuous period of three years for purposes other than that of obtaining or providing insurance.
- b. ~~A Path 2 MEWA as defined in G.S. 58-50A-1.~~
- c. The MEWA is established or administered by a statewide chamber of commerce or a statewide business league that meets all of the following criteria:
 1. The chamber of commerce or business league has a constitution or bylaws.
 2. The chamber of commerce or business league was organized and has been maintained in good faith for a continuous period of five years for purposes other than that of obtaining or providing insurance.
 3. The chamber of commerce or business league is exempt from taxation by the Internal Revenue Service under section 501(c)(6) of the Internal Revenue Code.
- (3) ~~Operated~~ The MEWA is operated pursuant to a trust agreement by a board of trustees that has complete fiscal control over the MEWA and that is responsible for all operations of the MEWA. Except as provided in this subdivision, the trustees must are required to be owners, partners, officers, directors, or employees of one or more employers participating in the MEWA. With the Commissioner's approval, a person an individual who is not such an owner, partner, officer, director, or employee of one or more employers participating in the MEWA may serve as a trustee if that person individual possesses the expertise required for such service the service as a trustee. A trustee may shall not be an owner, officer officer, or employee of the administrator or service company of the MEWA. The trustees have the authority to approve applications of association members for participation in the MEWA and to contract with an authorized administrator or service company to administer the operations of the MEWA.
- (4) ~~Neither~~ Coverage under the MEWA is not offered nor or advertised to the public generally.
- (5) ~~Operated~~ Operation of the MEWA is conducted in accordance with sound actuarial principles.

(b) ~~The MEWA shall issue to each covered employee~~ Each insured shall be issued a policy, contract, certificate, summary plan description, or other evidence of the benefits and coverages provided provided under the MEWA plan. The evidence of benefits and coverages provided shall contain, in boldface print in a conspicuous location, the following statement: "THE BENEFITS AND COVERAGES DESCRIBED HEREIN ARE PROVIDED THROUGH A TRUST FUND ESTABLISHED BY A GROUP OF EMPLOYERS-[name of MEWA]. EXCESS INSURANCE IS PROVIDED BY A LICENSED INSURANCE COMPANY TO COVER HIGH AMOUNT MEDICAL CLAIMS. THE TRUST FUND IS NOT SUBJECT TO ANY INSURANCE GUARANTY ASSOCIATION, ALTHOUGH THE TRUST FUND IS MONITORED BY THE NORTH CAROLINA DEPARTMENT OF INSURANCE. OTHER RELATED FINANCIAL INFORMATION IS AVAILABLE FROM YOUR EMPLOYER OR FROM THE [name of MEWA]." If applicable, the same documents shall contain, in boldface print in a conspicuous location, the following statement: "PARTICIPATING EMPLOYERS WILL BE RESPONSIBLE FOR FUNDING ALL CLAIMS INCURRED BY EMPLOYEES

COVERED UNDER THE TRUST." Any statement required by this subsection is not required on identification cards issued to ~~covered employees or other insureds.~~

(c) Each MEWA shall maintain excess insurance written by an insurer authorized to do business in this State with a retention level determined in accordance with sound actuarial principles. ~~Such~~ The excess insurance contracts must be filed with the Commissioner and contain notification provisions requiring at least 60 days' notice to the Commissioner from the insurer issuing ~~such the~~ coverage prior to the termination or modification of ~~such the excess insurance~~ coverage. The Commissioner may ~~by rule prescribe~~ adopt rules prescribing the net retentions levels for MEWAs in accordance with the number of risks insured.

(d) Each MEWA shall establish and maintain appropriate loss reserves determined in accordance with sound actuarial principles.

(e) The Commissioner shall not grant or continue a license ~~to any MEWA under this Article~~ if the Commissioner ~~deems that any~~ makes any of the following determinations:

- (1) A trustee, manager, or administrator of a MEWA is incompetent, untrustworthy, or so lacking in insurance expertise as to make the operations of the MEWA hazardous to the potential and existing insureds; that any insureds.
- (2) A trustee, manager, or administrator of a MEWA has been found guilty of or has pled guilty or no contest to a felony, a crime involving moral turpitude, or a crime punishable by imprisonment of one year or more under the law of any state or country, whether or not a judgment or conviction has been entered; that any entered.
- (3) A trustee, manager, or administrator of a MEWA has had any type of insurance license revoked in this or any other state; or that the business operations of the MEWA are or have been characterized, to state.
- (4) To the detriment of the employers participating in the MEWA, of persons receiving benefits from the MEWA, or of creditors insureds, creditors, or the public, the operations of the MEWA are characterized by the improper manipulation of assets, accounts, or excess insurance or by bad faith.

(f) ~~To qualify for and retain a license, a MEWA shall file all~~ All contracts with administrators between a MEWA and an administrator or service companies company shall be filed with the Commissioner, and report any Commissioner. Any changes to such these contracts to shall be filed with the Commissioner in advance of their implementation.

(g) Failure to maintain compliance with the eligibility requirements established by this section is a ground for denial, suspension, or revocation of the license ~~of a MEWA under this Article.~~

...

"§ 58-50A-80. Filing of application.

~~An association sponsoring a MEWA~~ Applicants for a license under this Article shall file with the Commissioner an application for a license on a form prescribed by the Commissioner and signed under oath by officers of the ~~association~~ entity requesting the licensure. The application shall include or have attached all of the following:

- (1) A copy of the articles of incorporation, constitution, and bylaws of the ~~association; applicant entity.~~
- (2) A list of the names, addresses, and official capacities with the MEWA of the individuals who will be responsible for the management and conduct of the affairs of the MEWA, including all trustees, officers, and directors. ~~Such~~ These individuals shall fully disclose the extent and nature of any contracts or arrangements between them and the MEWA, including possible conflicts of interest.

- (3) A copy of the articles of incorporation, bylaws, or trust agreement that governs the operation of the MEWA.
- (4) A copy of the policy, contract, certificate, summary plan description, or other evidence of the benefits and coverages provided to covered employees, including a table of the rates charged or proposed to be charged for each form of ~~such~~ the contract. An actuary who is a member of the American Academy of Actuaries or the Society of Actuaries and has experience in establishing rates for a self-insured trust and health services being provided, shall certify ~~that~~ all of the following:
 - a. The rates are neither inadequate, nor excessive, nor unfairly discriminatory.
 - b. The rates are appropriate for the classes of risks for which they have been computed.
 - c. An adequate description of the rating methodology has been filed with the Commissioner and ~~such~~ that methodology follows consistent and equitable actuarial principles.
- (5) A copy of a fidelity bond, in an amount determined by rules adopted by the Commissioner, issued in the name of the MEWA and covering any individuals managing or handling the funds or assets of the MEWA. In no case may the bond be less than fifty thousand dollars (\$50,000) or more than five hundred thousand dollars (\$500,000).
- (6) A copy of the MEWA's excess insurance agreement.
- (7) A feasibility study, made by an independent qualified actuary and an independent certified public accountant with an opinion acceptable to the Commissioner, that addresses market potential, market penetration, market competition, operating expenses, gross revenues, net income, total assets and liabilities, cash flow, and other items as the Commissioner requires. The study shall be for the greater of three years or until the MEWA has been projected to be profitable for 12 consecutive months. The study ~~must~~ shall be required to show that the MEWA would not, at any month end of the projection period, have less than the reserves ~~as~~ required by G.S. 58-50A-70(d).
- (8) A copy of an audited financial statement of the MEWA reflecting the minimum statutory reserve ~~as~~ required by G.S. 58-50A-70(d).
- (9) Evidence satisfactory to the Commissioner showing that the MEWA will be operated in accordance with sound actuarial principles. The Commissioner shall not approve the MEWA unless it is determined that the MEWA is designed to provide sufficient revenues to pay current and future liabilities, as determined in accordance with sound actuarial principles.
- (10) A copy of every contract between the MEWA and any administrator or service company.
- (11) ~~Such~~ Any additional information as the Commissioner may require.

"§ 58-50A-85. Examinations; deposits; solvency regulation.

(a) The provisions of Articles 2, 5, and 30 of this Chapter regarding examinations, deposits, and supervision and receivership respectively apply to MEWAs. ~~The provisions of Article 62 of this Chapter and of Article 8B of Chapter 105 of the General Statutes do not apply to MEWAs.~~ MEWAs licensed under this Article.

(b) ~~An audit or examination of a MEWA shall be conducted only when there are circumstances to support a reasonable belief of a MEWA's noncompliance with this Article.~~

(c) Article 62 of this Chapter and Article 8B of Chapter 105 of the General Statutes do not apply to MEWAs licensed under this Article.

"§ 58-50A-90. Annual reports; actuarial certifications; quarterly reports.

(a) ~~Every MEWA shall, within 150 days after the end of each of its fiscal years or within any such extension of time that the Commissioner for good cause grants, Annually, a MEWA shall file a report with the Commissioner, Commissioner that meets all of the following requirements:~~

- (1) The report is due no later than 150 days after the end of the fiscal year applicable to the operation of the MEWA. The Commissioner may, with good cause, grant an extension of this deadline.
- (2) The report shall be submitted on forms prescribed by the Commissioner and verified by the oath of a member of the board of trustees and by an administrative executive appointed by the board, showing its board.
- (3) The report shall indicate the financial condition of the MEWA on the last day of the preceding fiscal year.
- (4) The report shall contain an audited financial statement of the MEWA prepared in accordance with statutory accounting principles, including its balance sheet and a statement of the operations for the preceding fiscal year certified by an independent certified public accountant.
- (5) The report shall also include an analysis of the adequacy of reserves and contributions or premiums charged, based on a review of past and projected claims and expenses. expenses related to the operation of the MEWA.

(b) ~~In addition to the information called for and furnished in connection with the annual report, submitted in the annual report required in subsection (a) of this section, if reasonable grounds exist, the Commissioner may request information that summarizes paid and incurred expenses and contributions or premiums received; and may request evidence satisfactory to the Commissioner that the MEWA is actuarially sound. That information and evidence shall be furnished by the MEWA not later than 30 days after the request, unless the Commissioner, for good cause, grants an extension.~~

(c) ~~Annually, in conjunction with the annual report required in subsection (a) of this section, the MEWA shall submit an actuarial certification prepared by an independent qualified actuary that indicates: indicates all of the following:~~

- (1) The MEWA is actuarially sound, with the certification considering sound. The certification of actuarial soundness shall consider the rates, benefits, and expenses of, and any other funds available for the payment of obligations of, the MEWA; MEWA.
- (2) The rates being charged and to be charged for contracts are actuarially adequate to the end of the period for which rates have been guaranteed; guaranteed.
- (3) Incurred but not reported claims and claims reported but not fully paid have been adequately provided for; and for.
- (4) Such Any other information relating to the performance of the MEWA that is required by the Commissioner.

...

"§ 58-50A-95. Denial, suspension, or revocation of license.

(a) ~~The Commissioner shall deny, suspend, or revoke a MEWA's the license of any MEWA or any entity administering a MEWA if the Commissioner finds that the MEWA: any of the following apply:~~

- (1) Is insolvent; The MEWA is insolvent.
- (2) Is using such methods Methods and practices used in the conduct of its business as to render its further transaction of business in this State hazardous or injurious to its participating employers, covered employees and dependents, or to the public; public.

- (3) ~~Has~~ The MEWA or entity administering the MEWA failed to pay any final judgment rendered against it in a court of competent jurisdiction within 60 days after the judgment became ~~final~~; final.
- (4) ~~Is~~ The MEWA or the entity administering the MEWA is or has been in violation of or threatens to violate any provision of this ~~Article~~; Article.
- (5) ~~Is~~ The MEWA is no longer actuarially ~~sound~~; or sound.
- (6) ~~Is charging rates that~~ Rates charged for coverage under the MEWA are excessive, inadequate, or unfairly discriminatory.

(b) The Commissioner may deny, suspend, or revoke the license of any MEWA or any entity administering a MEWA if the Commissioner determines that ~~the MEWA~~; any of the following apply:

- (1) ~~Has~~ The MEWA or the entity administering the MEWA violated any lawful order or rule of the Commissioner; or any applicable provision of this Article; or
- (2) ~~Has~~ The MEWA or the entity administering the MEWA has refused to produce its accounts, records, or files for examination under G.S. 58-50A-85 or through any of its officers has refused to give information with respect to its affairs or to perform any other legal obligation as to an examination.

...

(d) The Commissioner shall, in the order suspending the authority of a MEWA to enroll new insureds, specify the period during which the suspension is to be in effect and the conditions, if any, that must be met prior to reinstatement of its authority to enroll new insureds. The order of suspension is subject to rescission or modification by further order of the Commissioner before the expiration of the suspension period. Reinstatement shall not be made unless requested by the ~~MEWA; however, the~~ MEWA. The Commissioner shall not grant reinstatement if it is found that the circumstances for which suspension occurred still exist."

SECTION 3G.1.(c) G.S. 58-7-31(a) reads as rewritten:

"(a) Notwithstanding any other provision of this Article, this section applies to every domestic life and accident and health insurer, including a MEWA licensed under Article 50A of this Chapter, to every other licensed life and accident and health insurer that is not subject to a substantially similar statute or administrative rule in its domiciliary state, and to every licensed property and casualty insurer with respect to its accident and health business. This section does not apply to assumption reinsurance, yearly renewable term reinsurance, nor to certain nonproportional reinsurance, such as stop loss or catastrophe reinsurance."

SECTION 3G.1.(d) G.S. 58-63-5(2) reads as rewritten:

"(2) "Person" means any individual, corporation, association, multiple employer welfare arrangement, partnership, reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, and any other legal entity engaged in the business of insurance under this Chapter; and includes insurance producers, agents, brokers, limited representatives, and adjusters."

SECTION 3G.1.(e) This section is effective January 1, 2025, and applies to licenses issued under Article 50A of Chapter 58 of the General Statutes on or after that date.

SUBPART III-H. COMMERCE

MAJOR EVENTS, GAMES, AND ATTRACTIONS FUND MODIFICATIONS; CLARIFY LOCAL SCHOOL ADMINISTRATIVE UNITS AS ELIGIBLE RECIPIENTS OF SPORTS WAGERING TAX PROCEED DISTRIBUTIONS

SECTION 3H.1.(a) G.S. 143B-437.111(4) reads as rewritten:

"(4) Major event. – An entertainment, musical, political, sporting, or theatrical event that satisfies the following conditions:

- a. The event is either of the following:
 1. Held at (i) a sports ~~facility-facility~~, (ii) a facility that has hosted an Association of Tennis Professionals event within the preceding 12 months, or ~~(ii)-(iii)~~ (iii) an indoor venue that is not a sports facility but that hosts sporting events and is designed to host 22,000 or more live spectators.
 2. Sponsored by the National Association for Stock Car Racing, the Ladies Professional Golf Association, the Professional Golfers' Association of America, the PGA Tour, or the United States Golf Association.
- b. The event is not held more often than annually.
- c. The location of the event is determined by a site selection organization through a competitive process.
- d. The site selection organization considered multiple sites located outside of the State for the event.
- e. The site selection organization selected a site within this State ~~as the sole location for the event.~~ State."

SECTION 3H.1.(b) G.S. 143B-437.112 reads as rewritten:

"§ 143B-437.112. North Carolina Major Events, Games, and Attractions Fund.

(a) There is established the North Carolina Major Events, Games, and Attractions Fund to be administered by the Department. In order to foster job creation and investment in the economy of this State, the Department may enter into multiparty agreements with site selection organizations and local entities to provide grants in accordance with the provisions of this Part. Before entering into an agreement, the Department must find that all of the following conditions are met:

- (1) The economic activity directly or indirectly attributable to the major event is sufficient to justify the use and amount of State funds to attract or retain the event in this State.
- (2) It is anticipated that the major event will provide positive media exposure for the State, ~~thereby supplementing State and supplement~~ the State's efforts to promote travel and tourism within the State.
- (3) The site selection organization ~~must have~~ considered multiple sites located outside of the State for the event.
- (4) The site selection organization ~~has~~ selected a site within this State ~~as the sole location for the event.~~ State.
- (5) The event is not held more often than annually.
- (6) The project will benefit the people of this State by increasing opportunities for employment and by strengthening this State's economy.
- (7) The project is consistent with economic development goals for the State and for the area where it will be located.
- (8) A grant under this Part is necessary to attract or retain the major event within this State.
- (9) ~~The total benefits of the major event to the State outweigh its costs and render the grant appropriate for the major event.~~

...."

SECTION 3H.1.(c) G.S. 105-113.128(2)b. reads as rewritten:

- "b. Awards may be given only to applicants who are either local ~~governments—governments~~, including local school administrative units, or nonprofit organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code."

SECTION 3H.1.(d) Subsections (a) and (b) apply to multiparty agreements entered into on or after the effective date of this act.

SUBPART III-J. EDUCATION

CLARIFY INDEPENDENCE OF SCHOOLS FOR THE DEAF AND BLIND

SECTION 3J.1.(a) G.S. 115C-150.11 reads as rewritten:

"§ 115C-150.11. ~~General supervision over~~ Establishment of the schools for the deaf and blind.

(a) Establishment. – The following are created as separate State agencies governed respectively by boards of trustees:

- (1) The Governor Morehead School for the Blind of the Department of Public Instruction for the function, purpose, and duty of serving students who are blind or visually impaired from birth to age 22. The Governor Morehead School for the Blind shall include the Governor Morehead Preschool.
- (2) The Eastern North Carolina School for the Deaf of the Department of Public Instruction for the function, purpose, and duty of serving students who are deaf or hard of hearing.
- (3) The North Carolina School for the Deaf of the Department of Public Instruction for the function, purpose, and duty of serving students who are deaf or hard of hearing.

(a1) State Board of Education Supervision. – The State Board of Education shall have general supervision over the schools for the deaf and blind in accordance with G.S. 115C-12 and shall establish approximately equivalent service areas for each school for the deaf that cover the entire State. In establishing the service area for each school for the deaf, the State Board shall consider both the geographic proximity to the school for the deaf and the population of the service area. The State Board shall evaluate the effectiveness of the schools for the deaf and blind and shall, through the application of the accountability system developed under G.S. 115C-83.15 and G.S. 115C-105.35, measure the educational performance and growth of students placed in each school. If appropriate, the Board may modify this system to adapt to the specific characteristics of these schools. The boards of trustees for the schools for the deaf and blind shall be subject to rules adopted by the State Board of Education in accordance with Chapter 150B of the General Statutes. ~~Statutes for public school units.~~

(b) ~~Independent Operation. — Except as otherwise provided for in this Article, the schools for the deaf and blind shall be housed administratively within the Department of Public Instruction for purposes of distribution of State funds, but each school for the deaf and blind shall operate independently with a board of trustees as the governing body.~~ Department of Public Instruction Support. – The Department of Public Instruction shall include ~~employees of the schools for the deaf and blind and employees of those schools~~ in coverage for professional ~~liability—liability, workers' compensation, property, and liability~~ policies purchased by the Department for ~~the Department or its employees—employees,~~ and shall enter into a memorandum of understanding with the schools to facilitate the purchase of other insurance policies for those schools. In all other matters, the Department of Public Instruction shall provide services, support, and assistance to schools for the deaf and blind in the same manner and degree as for a local school administrative unit.

(c) Administrative Support. – The Department of Administration shall provide support to each school in matters related to finance, human resources, and procurement, including for information technology. Each school shall enter into a memorandum of understanding with the Department of Administration with regard to this support. No civil liability shall attach to the Department of Administration, or to any of its employees, individually or collectively, for any acts or omissions of a school.

(d) Immunity. – In addition to all other immunities provided to them by applicable State law, a school, its board of trustees, and the school's members, employees, and agents shall be entitled to the specific immunities provided for in this Chapter applying to the State Board of Education, Superintendent of Public Instruction, a local board of education, a local school administrative unit, and their members and employees. Immunity established by this subsection shall be deemed to be waived to the extent of indemnification under Article 31A and Article 31B of Chapter 143 of the General Statutes and to the extent sovereign immunity is waived under the State Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General Statutes.

(e) Funding. – In addition to appropriations directed solely to the schools for the deaf and blind, the schools shall be eligible to (i) receive the benefit of any regional or statewide systems of support provided by the Department of Public Instruction to all public school units and (ii) apply for any grants available to all public school units. The schools for the deaf and blind shall not be eligible to receive funding allotments for local school administrative units unless otherwise directed by the General Assembly. Notwithstanding any law to the contrary, the Department of Public Instruction shall not remit money to the Pay Plan Reserve prior to distributing funds to the schools for any automatic step increases authorized by law."

SECTION 3J.1.(b) G.S. 115C-150.16 reads as rewritten:

"§ 115C-150.16. Applicability of Chapter.

Except as otherwise provided in this Article and Article 7B of this Chapter, the requirements of this Chapter shall not apply to the schools for the deaf and blind. Schools for the deaf and blind shall ~~be considered a State agency, as defined in G.S. 143C-1-1, and shall comply with all requirements for State agencies in State law unless otherwise specified in this Article.~~ Schools for the deaf and blind shall not be considered local school administrative units."

SECTION 3J.1.(c) This section is effective July 1, 2024. G.S. 115C-150.11(a), (b), and (c) apply beginning July 1, 2025.

CLARIFY QUORUM REQUIREMENTS AND QUALIFICATIONS OF BOARD MEMBERS OF THE SCHOOLS FOR THE DEAF AND BLIND

SECTION 3J.2.(a) G.S. 115C-150.12A(b) reads as rewritten:

"(b) Qualifications. – No employee of the school may be a member of the board of trustees of that school. A board member that becomes an employee of that school shall be deemed to resign from his or her membership on the board of trustees. Appointing entities are strongly encouraged to fill the appointments to each board of trustees with persons with expertise or experience in the areas of education for those who are deaf or hard of hearing or who are blind or visually impaired, administration and governance, finance and budgeting, or who otherwise have demonstrated concern for quality of education for those who are deaf or hard of hearing or who are blind or visually impaired."

SECTION 3J.2.(b) G.S. 115C-150.12A(f) reads as rewritten:

"(f) Meetings. – A board of trustees shall meet at least four times a year and also at such other times as it may deem necessary. A majority of the voting members of the board shall constitute a quorum for the transaction of business. All meetings shall be subject to Article 33C of Chapter 143 of the General Statutes. The members shall receive per diem compensation and necessary travel and subsistence expenses while engaged in the discharge of their official duties, in accordance with the provisions of G.S. 138-5."

CLARIFY AUTHORITY OF SCHOOL LEADERS FOR SCHOOLS FOR THE DEAF AND BLIND

SECTION 3J.3.(a) G.S. 115C-150.10(5) is repealed.

SECTION 3J.3.(b) G.S. 115C-150.10 is amended by adding a new subdivision to read:

"(10) Superintendent. – The chief administrator of a school for the deaf or the school for the blind."

SECTION 3J.3.(c) G.S. 115C-150.12B reads as rewritten:

"§ 115C-150.12B. Employees of schools for the deaf and blind.

(a) ~~Director.~~ Superintendent. – Each board of trustees of a school shall appoint a ~~director~~ superintendent for that school, ~~who school who meets the requirements of G.S. 115C-271 for employment. The superintendent shall act as secretary to the board of trustees in accordance with G.S. 115C-150.12A and shall manage day to day operations of the school G.S. 115C-150.12A.~~ All acts of the boards of trustees, not in conflict with State law, shall be binding on the superintendent, and the superintendent shall carry out all rules and regulations of the board and other duties as prescribed by the board of trustees. For purposes of application to other statutes in this Chapter, the ~~director-superintendent~~ shall be the equivalent of a superintendent of schools a local school administrative unit and shall fulfill the duties of a superintendent as provided in Article 18 of this Chapter.

(b) ~~Director-Superintendent~~ Duties. – The ~~director-superintendent~~ shall recommend school personnel to the board of trustees. The ~~director-superintendent~~ shall supervise the administrative staff of the school, including the principal, director of human resources, and director of business and finance.

...

(e) Human Resources. – The board of trustees is responsible for providing human resources and employment-related services for the school. The board of trustees may delegate some or all of this responsibility to the ~~director-superintendent~~ for the school or to the director of human resources, in its discretion."

SECTION 3J.3.(d) G.S. 115C-150.12C(14) reads as rewritten:

"(14) Conduct and duties of personnel. – The board of trustees, upon the recommendation of the ~~director-superintendent~~, shall have full power to make rules governing the conduct of teachers, principals, and supervisors; the kind of reports they shall make; and their duties in the care of school property. Prior to the beginning of each school year, the board of trustees shall identify all reports that are required for the school year and shall, to the maximum extent possible, eliminate any duplicate or obsolete reporting requirements and consolidate remaining reporting requirements. Prior to the beginning of each school year, the board of trustees shall also identify software protocols that could be used to minimize repetitious data entry and shall make them available to teachers and other employees."

SECTION 3J.3.(e) G.S. 115C-150.13A(c)(2)a. reads as rewritten:

"a. A chair designated by the ~~director-superintendent~~ of the school."

SECTION 3J.3.(f) G.S. 115C-150.13A(c)(4) reads as rewritten:

"(4) A final admissions determination made by the ~~director-superintendent~~ of the school or the ~~director-superintendent~~ of the school's designee."

SECTION 3J.3.(g) G.S. 115C-150.13A(e) reads as rewritten:

"(e) Disenrollment. – A student's continued enrollment in an educational program assignment status shall be subject to reevaluation by the admissions committee when determined necessary by the school to assess if the student continues to meet eligibility criteria. The disenrollment assessment shall follow the same procedures as the admissions process, and a final determination shall be made by the ~~director-superintendent~~ or the ~~director's-superintendent's~~ designee."

SECTION 3J.3.(h) G.S. 115C-150.15 reads as rewritten:

"§ 115C-150.15. Reporting to schools on deaf and blind children.

(a) Request for Consent. – ~~Local superintendents~~ Superintendents of local school administrative units shall require that the following request for written consent, along with any

informational materials provided by the school for the blind or the school for the deaf in the service area in which the local school administrative unit is located, be presented to parents or custodians of any children who are deaf or hard of hearing or are blind or visually impaired no later than October 1 of each school year: "North Carolina provides two public schools for the deaf serving students who are deaf or hard of hearing: the Eastern North Carolina School for the Deaf and the North Carolina School for the Deaf. North Carolina also has a public school for the blind serving students who are blind or visually impaired: the Governor Morehead School for the Blind. Do you consent to the release of your contact information and information regarding your child and his or her hearing or vision status to these schools so that you can receive more information on services offered by those campuses?"

(b) Annual Report to Schools for the Deaf and Blind. – ~~Local superintendents~~ Superintendents of local school administrative units shall report by November 30 each year the names and addresses of parents or custodians of any deaf or hard of hearing or blind or visually impaired children who have given written consent to the ~~directors~~ superintendents of the schools for the deaf and blind. The report shall include whether the hearing and visual impairments range from partial to total disability, and if the child has multiple disabilities with the visual or hearing impairment not identified as the primary disability of the student. The report shall also be made to the Department of Public Instruction.

(c) Confidentiality of Records. – The ~~directors~~ superintendents of the schools for the deaf and blind shall treat any information reported to the schools by a ~~local superintendent of a local school administrative unit~~ under subsection (b) of this section as confidential, except that a ~~director~~ superintendent of the schools for the deaf and blind or the ~~director's~~ superintendent's designee may contact the parents or custodians of any hearing impaired or visually impaired children whose information was included in the report. The information shall not be considered a public record under G.S. 132-1.

(d) Transfer of Information. – Upon the written request of a parent or custodian of a student who has applied to a school for the deaf or school for the blind, the ~~local superintendent of a local school administrative unit~~ or, if there is no superintendent, the staff member with the highest decision-making authority in the public school unit shall share with the ~~director of the school~~ superintendent of the schools for the deaf and blind a copy of all current evaluation data and a copy of the current or proposed individualized education plan for any child enrolled in that public school unit who is identified as a child with a disability who is deaf, hard of hearing, blind, or visually impaired."

SECTION 3J.3.(i) This section is effective July 1, 2025.

AUTHORITY FOR SCHOOLS FOR THE DEAF AND BLIND TO PURCHASE LIABILITY INSURANCE

SECTION 3J.4.(a) G.S. 115C-150.12C(2) reads as rewritten:

"(2) Exercise judicial functions. – The board of trustees shall employ or contract with private counsel to provide advice and representation for the school. The board may institute all actions, suits, or proceedings against officers, persons, or corporations, or their sureties, for the recovery, preservation, and application of all money or property which may be due to or should be applied to the support and maintenance of the school. In all actions brought in any court against a board of trustees, the order or action of the board shall be presumed to be correct, and the burden of proof shall be on the complaining party to show the contrary. G.S. 114-2.3 and G.S. 147-17 shall not apply to the schools for the deaf and blind. Upon the request of the board of trustees of a school, the Attorney General shall provide representation as required by G.S. 114-2. Each school shall be regarded as a State agency for the purposes

of the State Tort Claims Act and associated representation by the Office of the Attorney General with regards to litigation defense."

SECTION 3J.4.(b) G.S. 115C-150.12C(27) reads as rewritten:

"(27) Group accident and health insurance for ~~students~~, students, other liability insurance. – A board of trustees may ~~purchase group~~ purchase:

- a. Group accident, group health, or group accident and health insurance for students in accordance with G.S. 58-51-81.
- b. Liability insurance as provided in G.S. 115C-42 and directors and officers insurance. G.S. 115C-42 shall apply to a school that purchases liability insurance consistent with that section."

SECTION 3J.4.(c) This section is effective July 1, 2024.

APPEALS OF ADMISSIONS ELIGIBILITY TO SCHOOLS FOR THE DEAF AND BLIND BOARDS OF TRUSTEES

SECTION 3J.5.(a) G.S. 115C-150.13A(f) reads as rewritten:

"(f) Free Appropriate Public Education. – The local school administrative unit or charter school in which the student is enrolled shall have the initial responsibility of identifying and evaluating the special education needs of the student and providing a special educational program and related services in accordance with Article 9 of this Chapter. If a parent submits an application to the school for enrollment of the parent's child in the school's educational program, and if the child is determined to meet the eligibility criteria for admission to the school's educational program, the school is responsible for the provision of a free appropriate public ~~education~~, education upon enrollment. However, a subsequent determination by the school that the student no longer meets eligibility criteria immediately transfers the responsibility for the provision of a special educational program and related services to ensure a free appropriate public education back to the local school administrative unit or charter school in which the student was previously enrolled."

SECTION 3J.5.(b) G.S. 115C-150.13A(h) reads as rewritten:

"(h) ~~Due Process Hearing~~, Eligibility Appeal. – A parent may seek an ~~impartial due process hearing~~ appeal to the board of trustees following a final determination on a student's eligibility by the director. If the parent pursues a due process hearing to challenge the school's ineligibility determination, the student's "stay put" placement shall not be the school but shall be the student's local school administrative unit or charter school superintendent. Parents may not seek an impartial due process hearing regarding any eligibility determination."

SECTION 3J.5.(c) G.S. 150B-1(e) is amended by adding a new subdivision to read:

"(29) The Governor Morehead School for the Blind, Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf, with respect to eligibility determinations under G.S. 115C-150.13A."

TRANSITION SUPPORT FOR SCHOOLS FOR THE DEAF AND BLIND

SECTION 3J.6.(a) Section 5 of S.L. 2023-10 is repealed.

SECTION 3J.6.(b) For the 2024-2025 school year, the Department of Public Instruction shall administratively house the Governor Morehead School for the Blind, Eastern North Carolina School for the Deaf, and North Carolina School for the Deaf (Schools). The Department of Public Instruction shall include the Schools and employees of the schools in coverage for professional liability, workers' compensation, property, and liability policies purchased by the Department of Public Instruction for the Department and its employees, and shall enter into a memorandum of understanding with the Schools to facilitate the purchase of other insurance policies for those Schools. The Department of Public Instruction and the Schools shall enter into a memorandum of understanding with regards to administrative support. At a minimum, the Department of Public Instruction shall provide administrative support in matters

related to finance, human resources, and procurement, including for information technology and capital.

SECTION 3J.6.(c) No civil liability shall attach to the State Board of Education, the Department of Public Instruction, the Superintendent of Public Instruction, or to any of their members or employees, individually or collectively, for any acts or omissions of the Governor Morehead School for the Blind, Eastern North Carolina School for the Deaf, and North Carolina School for the Deaf, the boards of trustees of those schools, or their members and employees.

SECTION 3J.6.(d) The Schools, in coordination with the Department of Public Instruction, shall provide a report to the Joint Legislative Education Oversight Committee by March 15, 2025, on the implementation of the requirements of Article 9C of Chapter 115C of the General Statutes and this Part, including (i) issues identified as part of the implementation process and (ii) an estimate of the costs associated with implementation.

SECTION 3J.6.(e) The Department of Administration, in coordination with the Schools, the Department of Public Instruction, and the Department of Information Technology, shall study the costs and positions needed for support of the Schools and shall report this information and any recommended legislation to the Fiscal Research Division and the Joint Legislative Education Oversight Committee no later than May 1, 2025.

SECTION 3J.6.(f) The Office of the State Controller and the Office of State Budget and Management shall ensure that the Schools are established as State agencies prior to July 1, 2025.

SECTION 3J.6.(g) The Department of Public Instruction, the Office of the State Controller, the Office of State Budget and Management, and the Department of Administration shall each designate an individual to serve as a liaison for the Schools to assist with technical and administrative questions during the 2024-2025 school year.

SECTION 3J.6.(h) The North Carolina Collaboratory, in consultation with each of the Schools, the Department of Public Instruction, and the Department of Administration, shall study each School's administrative structure, operations, and policies, including the cost and positions needed for the support of the Schools and how to optimize operation of that School to maximize the educational outcomes for the School's students and ensure the School's success and independence. The Collaboratory shall report its findings, recommendations for each School, and any recommended legislation to the Fiscal Research Division and the Joint Legislative Education Oversight Committee no later than May 1, 2025.

SCHOOLS FOR THE DEAF AND BLIND TYPE I-LIKE TRANSFER

SECTION 3J.7. Effective July 1, 2024, the powers, duties, and functions, records, personnel, contracts, property, unexpended balances of appropriations, allocations or other funds, including the functions of budgeting and purchasing, are transferred from the Department of Public Instruction and the State Board of Education to the Governor Morehead School for the Blind and Governor Morehead Preschool, Eastern North Carolina School for the Deaf, and North Carolina School for the Deaf, respectively. The respective boards of trustees of the Governor Morehead School for the Blind, Eastern North Carolina School for the Deaf, and North Carolina School for the Deaf shall exercise all prescribed statutory powers, including the management functions of planning, organizing, staffing, directing, coordinating, reporting, and budgeting.

GOVERNOR MOREHEAD SCHOOL FACILITIES

SECTION 3J.8.(a) The Department of Administration shall reassign all assets in Complex 1-92-9 to the Governor Morehead School.

SECTION 3J.8.(b) The Governor Morehead School and the Department of Health and Human Services shall enter into a memorandum of understanding related to use of the assets in Complex 1-92-9 for shared services.

SCHOOLS FOR THE DEAF AND BLIND TECHNICAL CORRECTIONS

SECTION 3J.9.(a) G.S. 14-458.2(a) reads as rewritten:

"(a) The following definitions apply in this section:

(1) School employee. – The term means any of the following:

- a. An employee of a ~~local board of education, a charter school authorized under G.S. 115C-218.5, a regional school created under G.S. 115C-238.62, a laboratory school created under G.S. 116-239.7,~~ public school unit or a nonpublic school which has filed intent to operate under Part 1 or Part 2 of Article 39 of Chapter 115C of the General Statutes.
- b. An independent contractor or an employee of an ~~independent contractor of a local board of education, a charter school authorized under G.S. 115C-218.5, a regional school created under G.S. 115C-238.62, a laboratory school created under G.S. 116-239.7,~~ a public school unit or a nonpublic school which has filed intent to operate under Part 1 or Part 2 of Article 39 of Chapter 115C of the General Statutes, if the independent contractor carries out duties customarily performed by employees of the school.

(2) Student. – A person who has been assigned to a ~~school by a local board of education as provided in G.S. 115C-366 or has enrolled in a charter school authorized under G.S. 115C-218.5, a regional school created under G.S. 115C-238.62, a laboratory school created under G.S. 116-239.7,~~ public school unit or a nonpublic school which has filed intent to operate under Part 1 or Part 2 of Article 39 of Chapter 115C of the General Statutes, or a person who has been suspended or expelled from any of those schools within the last year."

SECTION 3J.9.(b) G.S. 115C-102.9(b) reads as rewritten:

"(b) Each public school unit shall annually submit all categories of information included in the digital learning dashboard no later than November 15. For subdivisions (2) and (3) of subsection (a) of this section, ~~residential~~ schools for the deaf and blind shall report on access and connectivity separately for the dormitories and the student's home."

CHARTER SCHOOL APPEAL CHANGES

SECTION 3J.10. G.S. 115C-218.9 reads as rewritten:

"§ 115C-218.9. Appeals to the State Board of Education.

(a) An ~~applicant, charter school, or the State Superintendent~~ applicant or charter school may appeal a final decision of the Review Board ~~to grant, renew, revoke, or amend~~ related to grants, renewals, revocations, or amendments of a charter by submitting notice to the Chair of the State Board of Education within 10 days of the Review Board's decision. Copies of the notice shall be sent to the Executive Director of the Office of Charter Schools, State Superintendent, the Chair of the Review Board, and the applicant or charter school affected.

(b) The State Board shall review appealed decisions de novo. The ~~party submitting the appeal, and the applicant or charter school affected,~~ submitting the appeal may provide any information to the State Board ~~the party~~ it believes the Board should consider in reviewing the Review Board's decision.

(c) The State Board shall issue a written decision in any matter appealed under this section within 60 days of the date the notice of appeal was submitted. The State Board of Education has the final decision-making authority on the approval of charter applications, renewals, revocations, and amendments."

NEW COOPERATIVE INNOVATIVE HIGH SCHOOLS

SECTION 3J.11. Beginning with the 2024-2025 school year and for subsequent school years thereafter, notwithstanding G.S. 115C-238.51A(c), G.S. 115C-238.54, and any other provision of law to the contrary, Dare Early College High School and Rockingham County CTE Innovation High School shall be permitted to operate in accordance with G.S. 115C-238.53 and G.S. 115C-238.54 as cooperative innovative high schools approved under G.S. 115C-238.51A(c) and shall be subject to the evaluation requirements of G.S. 115C-238.55.

CHANGES TO THE AI SCHOOL SAFETY PILOT PROGRAM

SECTION 3J.12. Section 7.36(h) of S.L. 2023-134, as amended by Section 3J.17(h) of this act, reads as rewritten:

"SECTION 7.36.(h) Artificial Intelligence (AI) Pilot. – Of the funds appropriated to the Department of Public Instruction by this act for the grants provided in this section for the 2024–2025 fiscal year, the Department shall allocate (i) three million two hundred thousand dollars (\$3,200,000) as a directed grant to New Hanover County Schools and (ii) two million dollars (\$2,000,000) as a directed grant to Davidson County Schools for an AI School Safety Pilot Program. In conducting the Pilot Program, participating public school units shall comply with the following:

- (1) Funds allocated for the Pilot Program shall be used for the implementation of a school safety system that integrates AI technology into existing ~~access controls, alerting protocols, and intercom systems~~ cameras, video management systems, and alerting protocols.
- (1a) The proposed school safety solution must offer the following performance capabilities:
 - a. Threatening Object Detection.
 - b. Intruder Detection.
 - c. Person Down Detection.
 - d. Door Open Detection.
 - e. Tag and Track.
 - f. Facial Recognition.
 - g. Forensic Face Search.
 - h. License Plate Reader.
- (1b) The participating public school units shall contract with the same vendor for the Pilot Program. The vendor shall be determined by the first public school unit to enter into a contract for a school safety solution.
- (2) No later than January 15, 2026, the participating public school units, in coordination with the Center for Safer Schools, shall report to the Joint Legislative Education Oversight Committee the following information:
 - a. The schools that participated in the Pilot Program.
 - b. How grant funds were spent.
 - c. The impact the Pilot Program had on school safety outcomes.
 - d. Any noted capabilities of the AI system that could not be accomplished by more traditional safety measures.
 - e. Any other information the participating public school units or the Department deem relevant to the report."

CHANGES TO THE SPECIAL NEEDS PILOT PROGRAM

SECTION 3J.13. Section 7.53 of S.L. 2023-134, as amended by Section 2.5 of S.L. 2024-1, reads as rewritten:

"SECTION 7.53. Of the funds appropriated to the Department of Public Instruction, the sum of nine hundred seventy-five thousand dollars (\$975,000) in nonrecurring funds for each year of the 2023-2025 fiscal biennium shall be used to contract with Amplio Learning Technologies,

Inc., to create a new pilot program (Program) for a special education digital intervention software platform in ~~Alamance County Schools, Catawba County Schools, and Nash County Schools~~ Cabarrus County Schools, Union County Schools, and Vance County Schools to increase opportunities for students with special needs. The Program shall focus primarily on students receiving interventions for speech language and reading development, including English language learners, to provide more optimized progress for the interventions. To provide more effective and efficient opportunities for Medicaid billing for speech language pathologists (SLP) services and dyslexia-related services, the platform chosen should include digital evidence-based curricula specifically aligned to speech, language, and literacy intervention goals. The chosen solution should include real-time automatic measurements, data collection, and documentation, as well as goal tracking and administrative dashboards. The platform chosen should be a web-based application accessible on multiple devices allowing flexible application across classroom-based, small group, and individual intervention models and utilized by a variety of intervention team members, including special educators, SLPs, Reading Interventionists, SLP assistants, and educational aides. The Department of Public Instruction shall provide an interim report on the results of the Program to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by June 30, 2025. The Department of Public Instruction shall report on the final results of the Program to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by October 15, ~~2025-2027~~. The report shall include at least (i) a comparison of Medicaid reimbursements paid out to participating public school units compared against public school units that did not participate in the Program and (ii) a comparison of Medicaid reimbursements paid out to public school units after participating in the Program compared against Medicaid reimbursements paid out to participating public school units prior to their participation in the Program."

EXPAND AVAILABILITY AND ELIGIBLE CREDITS OF SPARKNC PILOT

SECTION 3J.14. Section 7.62 of S.L. 2023-134 reads as rewritten:

"**SECTION 7.62.(a)** There is established the SparkNC Pilot Program (Program) for the 2023-2025 fiscal biennium. The pilot program authorizes SparkNC, a North Carolina nonprofit corporation, in partnership with selected public school units, to develop a nontraditional, student-driven pathway through which students may select and complete modular learning experiences that, when aggregated, will provide a competency-based equivalency to a traditional elective course credit. SparkNC shall provide a menu of modular learning experiences that include opportunities for work-based learning. For purposes of this section, "Learning Accelerator" is either a High-Tech or Health Science Learning Accelerator. The competency-based elective credit shall be denoted on student transcripts as ~~High-Tech~~ a Learning Accelerator credit and be focused on science, technology, engineering, and mathematics (STEM). A student may earn up to four credits in Learning Accelerators but may not complete the same learning experience more than once for credit.

"**SECTION 7.62.(b)** Each public school unit partnering with SparkNC in accordance with this section (partnering public school units) shall enter a memorandum of understanding with SparkNC to meet certain requirements for the Program. These requirements shall include the provision of a physical learning lab staffed by a learning lab facilitator, operated on a schedule agreed upon by the public school unit and SparkNC, that will provide a site for collaborative learning and ~~virtual~~ networking. Learning lab facilitators shall facilitate interdistrict instruction, provide student advising, design learning experiences, coordinate with industry partners, and validate student work.

"**SECTION 7.62.(c)** Notwithstanding any State Board of Education rules, partnering public school units shall award the elective credit in ~~High-Tech~~ a Learning Accelerator to any student who completes a combination of ~~modules~~ learning experiences determined by SparkNC to provide the competency-based elective credit in that course upon verification of successful

completion of the learning experiences and integrity of student work products by the learning lab facilitator. The elective credit shall be denoted as achieved ~~mastery~~ competency on the student's transcript. A student's participation in ~~modules-learning experiences~~ but failure to earn elective credit shall not be denoted as a fail on the student's transcript.

"SECTION 7.62.(d) The following provisions shall apply to the Program:

...

- (2) For the purposes of student participation in the Program, the requirements of Part 2 of Article 8 of Chapter 115C of the General Statutes (Calendar) shall not apply. Students may continue to participate in the Program and aggregate learning experiences throughout the time the students are enrolled in the public school unit and shall not be limited to a semester or school year. Learning experiences may be provided to students in person, remotely, or through asynchronous ~~modules-learning experiences~~.

...

- (4) If a course in computer science is required for high school graduation, completion of the competency-based elective credit of a High-Tech Learning Accelerator shall be deemed to satisfy ~~that requirement if approved by the Superintendent of Public Instruction upon recommendation of the Department of Public Instruction that the course meets the required domains of computer science; the requirement.~~

"SECTION 7.62.(e) For the 2023-2024 and 2024-2025 school years, ~~the following public school units may partner with SparkNC to participate in the Program;~~ all public school units are eligible to participate in the Program.

- (1) ~~Asheboro City Schools~~
- (2) ~~Cabarrus County Schools~~
- (3) ~~Chapel Hill-Carrboro City Schools~~
- (4) ~~Chatham County Schools~~
- (5) ~~Cumberland County Schools~~
- (6) ~~Edgecombe County Schools~~
- (7) ~~Elizabeth City-Pasquotank Public Schools~~
- (8) ~~Granville County Schools~~
- (9) ~~Guilford County Schools~~
- (10) ~~Lexington City Schools~~
- (11) ~~Mt. Airy City Schools~~
- (12) ~~New Hanover County Schools~~
- (13) ~~Rockingham County Schools~~
- (14) ~~Rowan-Salisbury Schools~~
- (15) ~~Scotland County Schools~~
- (16) ~~Vance County Schools~~
- (17) ~~Wake County Public School System~~
- (18) ~~Warren County Schools~~

"SECTION 7.62.(f) The nonrecurring funds appropriated to the Department of Public Instruction ~~by this act in the 2023-2024 and 2024-2025 fiscal year to be used to contract with years for the purposes of this section shall be allocated as a directed grant to SparkNC to provide students a nontraditional pathway to earn a competency-based High-Tech Learning Accelerator elective credit credits. Funds allocated pursuant to this section shall not revert to the General Fund at the end of the 2023-2024 fiscal year but shall remain available until the end of the 2024-2025-2025-2026 fiscal year. SparkNC shall utilize the grant to partner with and provide services in the maximum number of public school units possible.~~

"SECTION 7.62.(g) SparkNC, in consultation with the partnering public school units, shall provide an interim report to the Joint Legislative Education Oversight Committee by March 1,

2025, on the following information, disaggregated for each public school unit by grade level and school, when possible:

- (1) Number and percentage of student participation in the Program.
- (2) Student retention and persistence in the Program.
- (3) Student completion of ~~the High-Tech Learning Accelerator elective credit-credits~~ and student achievement of personalized learning goals within the Program.
- (4) Student evaluation of the Program.
- (5) Student interest in science, technology, engineering, and mathematics following participation in the Program.
- (6) Cost per student for Program participation.
- (7) The number and percentage of ~~courses awarded credit that demonstrate concentration leading toward a career pathway~~ students who have participated in the Program who choose to pursue a career pathway or further study in a STEM field.
- (8) Public school unit persistence in the Program.
- (9) Recommendations for Program changes, including recommended legislative changes and changes needed to ensure that federal funding for career and technical education can be used for the Program.

"SECTION 7.62.(h) SparkNC, in consultation with the partnering public school units, shall provide a final report to the Joint Legislative Education Oversight Committee by ~~March 1, 2026,~~ February 15, 2027, on the following information, disaggregated for each public school unit by grade level and school, when possible:

- (1) Number and percentage of student participation in the Program.
- (2) Student retention and persistence in the Program.
- (3) Student completion of the High-Tech Learning Accelerator ~~elective credit-elective.~~
- (4) Student evaluation of the Program.
- (5) Student interest in science, technology, engineering, and mathematics following participation in the Program.
- (6) Cost per student for Program participation.
- (7) The number and percentage of ~~courses awarded credit that demonstrate concentration leading toward a career pathway~~ students who have participated in the Program who choose to pursue a career pathway or further study in a STEM field.
- (8) Public school unit persistence in the Program.
- (9) Recommendations for Program changes, including recommended legislative changes and changes needed to ensure that federal funding for career and technical education can be used for the Program.
- (10) Recommendations on development of a ~~mastery-competency~~ transcript."

PRINCIPAL LICENSURE PORTFOLIO WAIVER

SECTION 3J.15. Notwithstanding any law, rule, or policy to the contrary, the State Board of Education shall waive the portfolio requirement for an administrator license required by G.S. 115C-270.20(b)(1)d. for any individual who meets the following criteria:

- (1) Prior to August 31, 2025, the individual completed at least one course as part of an approved administrator preparation program.
- (2) The individual meets all licensure requirements in State law, rule, or policy not otherwise waived by this section.
- (3) The individual does not qualify for a waiver pursuant to S.L. 2021-170, as amended by S.L. 2022-71.

UPDATE ADVANCED TEACHING ROLES PROGRAM

SECTION 3J.16.(a) Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 20A.

"Advanced Teaching Roles.

"§ 115C-310.1. Purpose.

The State Board of Education shall establish a program to develop advanced teaching roles and organizational models that link teacher performance and professional growth to salary increases for classroom teachers in selected local school administrative units. The purpose of the Advanced Teaching Roles program is to do the following:

- (1) Allow highly effective classroom teachers to advance by either (i) teaching an increased number of students or (ii) becoming a lead classroom teacher responsible for the student performance of all students taught by teachers on that lead classroom teacher's team.
- (2) Enable local school administrative units to provide salary supplements to classroom teachers in advanced teaching roles. Selection of a classroom teacher for an advanced teaching role and award of related salary supplements shall be made on the basis of demonstrated effectiveness and additional responsibilities.
- (3) Enable local school administrative units to create innovative compensation models that focus on classroom teacher professional growth that lead to measurable improvements in student outcomes.
- (4) Utilize local plans to establish organizational changes related to compensation in order to sustain evidence-based teaching practices that have the capacity to be replicated throughout the State.

"§ 115C-310.3. Definitions.

The following definitions apply to this Article:

- (1) Adult leadership teacher. – An ATR team lead who meets the following criteria:
 - a. Works in the classroom providing instruction for at least thirty percent (30%) of the instructional day.
 - b. Leads a team of between three and eight teachers.
 - c. Shares responsibility for the performance of the students of all teachers on the adult leadership teacher's team.
 - d. Is not a school administrator.
- (2) Advanced teaching role. – A teaching assignment that includes either (i) teaching an increased number of students or (ii) becoming an ATR team lead.
- (3) ATR plan. – A local board of education's plan to implement advanced teaching roles under this Article.
- (4) ATR school. – A school that is included in an ATR unit's ATR plan.
- (5) ATR team lead. – A teaching assignment that includes leading one or more teachers and being responsible for the student performance of all students taught by teachers on that lead teacher's team.
- (6) ATR unit. – A local school administrative unit operating under an ATR plan approved by the State Board of Education.
- (7) Classroom excellence teacher. – A classroom teacher serving in an advanced teaching role who assumes and maintains responsibility for at least twenty percent (20%) of additional students as compared to the most recent prior school year in which the teacher did not receive a salary supplement pursuant to this section.

- (8) Classroom teacher. – A teacher who works in the classroom providing instruction to students at least seventy percent (70%) of the instructional day and who is not instructional support personnel.

"§ 115C-310.5. Advanced teaching roles plan approval.

(a) Proposals. – By July 15 of each year, the State Board of Education shall issue a Request for Proposal (RFP) to allow local boards of education to submit ATR plans for approval. Local boards of education shall submit their proposed ATR plans by August 15. The RFP shall require that proposals include the following information, at a minimum:

- (1) Description of the plan structure, including both of the following:
 - a. The process for teacher advancement based on performance, professional growth, or the advanced teaching roles assumed by the teacher.
 - b. Plans for how the local school administrative unit will utilize and train teachers in advanced teaching roles. These plans shall describe how the proposed use and training of teachers in advanced teaching roles will improve student outcomes.
- (2) Descriptions of the advanced teaching roles, including the following information for each advanced role:
 - a. Minimum qualifications for the position that include at least two of the following:
 1. Advanced certifications, such as National Board for Professional Teaching Standards Certification, or a master's degree in the area in which the teacher is licensed and teaching.
 2. A rating of at least accomplished on each of the Teacher Evaluation Standards 1-5 on the North Carolina Teacher Evaluation instrument.
 3. Evidence that the teacher has an average Education Value-Added Assessment System (EVAAS) student growth index score from the three previous school years of 1.5 or greater and no individual EVAAS student growth index score below zero.
 4. Equivalent demonstrated mastery of teaching skills as required by the new local compensation model.
 - b. Job responsibilities for each advanced teaching role that include at least one of the following:
 1. Teaching an increased number of students and being responsible for their performance as the teacher of record for those students.
 2. Becoming an ATR team lead and participating in EVAAS according to a model developed by the Department of Public Instruction. The Department shall publish and explain the model on the Department's website and update it within 30 days of any change to the model.
- (3) Salary supplement information including the following:
 - a. The amount of the salary supplements for each advanced teaching role and the source of funding for each supplement.
 - b. A statement by the local board of education that the salary supplements will be paid as a supplement to the teacher's regular salary and not be included in the average salary calculation used for budgeting State allotments.

- c. A statement by the local board of education that if a teacher in an advanced teaching role (i) fails to maintain the minimum criteria established for the position, (ii) is not successfully performing the additional duties associated with the advanced teaching role, or (iii) voluntarily relinquishes the advanced teaching role, the teacher shall only be paid the salary applicable to that individual on the State teacher salary schedule and any other local supplements that would otherwise apply to the teacher's compensation.
- d. The amount of the salary supplements at all levels of the proposed new compensation model in relation to the State teacher salary schedule.
- (4) An implementation plan consistent with subsection (d) of this section, including the number of schools in the local school administrative unit that will have advanced teaching roles and any new proposed compensation model, the number of advanced teaching roles at each of those schools, the number of students whose teacher of record will be a teacher in an advanced teaching role, and the number of teachers overall who would be eligible for the proposed new compensation model.
- (5) Plans for long-term financial sustainability once any grant money that may be awarded under G.S. 115C-310.11 to the local school administrative unit is no longer available. This plan shall include a description of how the unit intends to provide supplemental compensation for teachers in an advanced teaching role without grant money.
- (6) Description of how the local school administrative unit will inform all employees and the public on the criteria and selection for the advanced teaching roles, the continued eligibility requirements for the advanced teaching roles, and how the individuals selected for the advanced teaching roles will be evaluated.
- (7) Description of how the local school administrative unit will inform all employees and the public on the criteria for movement on the proposed new local compensation model.
- (8) The process for the voluntary relinquishment of an advanced teaching role, including the associated additional duties.
- (9) A description of how the local school administrative unit could partner with local educator preparation programs, institutions of higher education, or community colleges to improve teacher effectiveness and student outcomes.
- (b) Selection of ATR Units. – By October 15 of each year, the State Board of Education shall review proposals and select local school administrative units to participate in the program in accordance with the criteria established by the State Board of Education consistent with this section.
- (c) Advanced Teaching Roles Designation. – ATR units shall designate participating schools within the unit as ATR schools.
- (d) Implementation Limitations. – The following limitations apply to the implementation of advanced teaching roles in an ATR unit:
 - (1) For the first year of implementation, the ATR unit may include in its ATR plan at least one school up to the lesser of (i) five of the ATR unit's schools or (ii) twenty-five percent (25%) of the ATR unit's schools.
 - (2) For the second and third years of implementation, the ATR unit may include in its ATR plan at least one school up to the lesser of (i) 10 of the ATR unit's schools or (ii) fifty percent (50%) of the ATR unit's schools.
 - (3) For any years following the third year of implementation, the ATR unit's plan may include any number of the unit's schools.

(e) Loss of Advanced Teaching Role. – Loss of an advanced teaching role, including voluntary relinquishment, shall not be considered a demotion under Part 3 of Article 22 of Chapter 115C of the General Statutes.

(f) Material Revisions of Plans. – ATR units shall submit material revisions of an approved ATR plan to the State Board of Education for approval.

"§ 115C-310.7. Advanced teaching roles unit flexibility.

(a) Class Size Flexibility. – Notwithstanding G.S. 115C-301, with the approval of the State Board of Education, ATR schools may exceed the maximum class size requirements for kindergarten through third grade during any term of up to three years in which State funds are awarded to the ATR unit where the school is located. At the conclusion of the term, any class size flexibility approved for an ATR school pursuant to this subsection shall expire.

(b) Budget Flexibility. – Subject to the budget flexibility limitations identified in G.S. 115C-105.25(b), the State Board of Education shall authorize ATR units to use any available State funds to provide salary supplements to teachers in an advanced teaching role as long as the ATR unit complies with policies of the State Board of Education, federal law, and any State programs with specific restrictions on the use of funds, including bonus and grant programs.

"§ 115C-310.9. Renewal and termination of program participation.

(a) ATR Unit Review. – The State Board of Education shall review each ATR unit once every five years to ensure the unit is complying with the approved ATR plan. As part of the review, the State Board of Education shall consider at least the following information:

- (1) The total number of teachers in advanced teaching roles in the unit, the number of teachers in each advanced teaching role identified in the unit's ATR plan, and the number of students receiving instruction from those teachers.
- (2) For each ATR school in the ATR unit, the total number of teachers in advanced teaching roles in the school, the number of teachers in each advanced teaching role identified in the unit's ATR plan in the school, the number of students receiving instruction from those teachers, and the number of teachers led by each ATR team lead.
- (3) Growth scores for students calculated pursuant to G.S. 115C-83.15.
- (4) Achievement scores for students calculated pursuant to G.S. 115C-83.15.
- (5) Retention of effective teachers.
- (6) Results of the Teacher Working Conditions Survey.
- (7) Ratings of teachers through the North Carolina Teacher Evaluation System.
- (8) Evidence that higher performing teachers have been selected to serve in an advanced teaching role.
- (9) A description of the activities undertaken by ATR team leads to (i) support the professional development of teachers on their team and (ii) enhance instruction by better aligning teachers' strengths with student needs.
- (10) The amount and funding source for any salary supplement received by teachers in advanced teaching roles in the unit.
- (11) A description of the amount of release time given to each ATR team lead, how the release time is spent, and how the school facilitates providing that release time.

(b) Renewal or Termination. – Following the five-year review, the State Board of Education may, in its discretion, renew or terminate the plan of any ATR unit or any ATR school within the ATR unit that fails to meet criteria established by the State Board of Education.

(c) No later than October 15 of each year, the State Board of Education shall report the results of any review conducted pursuant to this section and a copy of the information listed in subsection (a) of this section to the Fiscal Research Division and the Joint Legislative Education Oversight Committee.

(d) Access to Review Information. – An ATR unit shall provide any information or access needed to review the unit's compliance with this section that is requested by the State Board of Education.

(e) Implementation Assistance. – If a review conducted in accordance with this section results in the State Board of Education determining that an ATR unit is having difficulties implementing the unit's ATR plan, the Department of Public Instruction shall provide guidance and support to the unit, including information on how to implement best practices according to the latest research.

"§ 115C-310.11. Advanced teaching roles grants.

(a) Term. – Any funds awarded to an ATR unit pursuant to this section shall be subject to availability and awarded for a term of up to three years, in the discretion of the State Board of Education. An ATR unit shall not be eligible to receive funding for more than two terms. The State Board of Education shall authorize a second term of State funds in accordance with subsection (c) of this section.

(b) Use of State Funds. – State funds shall be used for any of the following purposes, as defined by the State Board of Education:

- (1) Development of ATR plans.
- (2) Development of professional development courses for teachers in advanced teaching roles that lead to improved student outcomes.
- (3) Transition costs associated with designing and implementing ATR plans. Transition costs may include employing staff members or contractors to assist with design and implementation of the plan.
- (4) Development of the design and implementation of compensation plans that focus on teacher professional growth and student outcomes and the transition costs associated with designing and implementing new compensation plans, including employing staff members or contractors to assist with design and implementation of the plan.

(c) Renewal of Award of State Funds. – An ATR unit that received an initial award of State funds pursuant to this section may apply for a second term of funding for up to three years. Renewal of an award of State funds is in the discretion of the State Board of Education. The ATR unit may apply at any time (i) after the initial award of State funds expires or (ii) within 90 days prior to the date the initial award of State funds is set to expire. Upon receipt of an application for renewal, the State Board of Education shall do the following:

- (1) Review the unit to ensure the unit is complying with the approved ATR plan and criteria established by the State Board of Education.
- (2) Grant or deny the application within 60 days of its receipt.

(d) Non-Reversion. – Funds awarded to an ATR unit under this section shall not revert at the end of each fiscal year but shall remain available until October 1 of the subsequent fiscal year.

"§ 115C-310.13. Advanced teaching roles salary supplements.

(a) ATR units may designate up to fifteen percent (15%) of the teachers in each ATR school as adult leadership teachers and five percent (5%) of the teachers in each ATR school as classroom excellence teachers. To the extent funds are made available for the purpose, teachers serving in an advanced teaching role are eligible to receive salary supplements as follows:

- (1) Ten thousand dollars (\$10,000) for adult leadership teachers.
- (2) Three thousand dollars (\$3,000) for classroom excellence teachers.

(b) Notwithstanding G.S. 115C-310.5, to the extent funds are made available for this purpose, the State Board of Education shall award funds to ATR units for annual salary supplements for teachers, and the receiving ATR units shall provide the salary supplement to participating teachers in accordance with this section. If State funds are insufficient to cover the full amount of supplement identified in subsection (a) of this section, the State Board of

Education and the ATR unit shall disburse any supplement funds pro rata. If funds have been disbursed pro rata, ATR units are encouraged but not required to fund the remainder of the supplement from alternate funding sources.

(c) The following additional requirements apply to salary supplements received pursuant to this section:

- (1) Loss of a salary supplement received pursuant to this section for any reason shall not be considered a demotion under Part 3 of Article 22 of Chapter 115C of the General Statutes.
- (2) A teacher is eligible to continue receiving a salary supplement pursuant to this section as long as he or she remains an adult leadership teacher or a classroom excellence teacher.
- (3) A teacher is eligible to receive no more than one annual salary supplement pursuant to this section at any time.

(d) The Department of Public Instruction shall issue guidance to ATR units on how to effectively develop staffing plans and budgets, including how to maximize resources across multiple funding sources and the reach of teachers in advanced teaching roles to a greater number of students.

"§ 115C-310.15. Program evaluation.

(a) The State Board of Education shall evaluate how the advanced teaching roles program and new compensation plans have accomplished, at a minimum, the following:

- (1) Improvement in the quality of classroom instruction and increases in school-wide growth or the growth of teachers who are mentored or impacted by a teacher in an advanced teaching role.
- (2) An increase in the attractiveness of teaching.
- (3) Recognition, impact, and retention of high-quality classroom teachers.
- (4) Assistance to and retention of beginning classroom teachers.
- (5) Improvement in and expansion of the use of technology and digital learning.
- (6) Improvement in school culture based on school climate survey results.

(b) No later than October 15 of each year, the State Board of Education shall report the results of the evaluation conducted pursuant to this section to the Fiscal Research Division and the Joint Legislative Education Oversight Committee.

(c) Access to Review Information. – An ATR unit shall provide any information or access needed to review the advanced teaching roles program that is requested by (i) the State Board of Education or (ii) an independent research organization selected by the State Board of Education to evaluate the program pursuant to this section."

SECTION 3J.16.(b) G.S. 115C-311 and G.S. 115C-312 are repealed.

SECTION 3J.16.(c) Notwithstanding G.S. 115C-310.5(d), as enacted by this section, for any ATR unit approved by the State Board of Education prior to July 1, 2024, the ATR unit may implement advanced teaching roles in the number of schools included in its approved ATR plan.

SECTION 3J.16.(d) Notwithstanding G.S. 115C-310.15, as enacted by this section, for the advanced teaching roles evaluation report due October 15, 2025, the State Board of Education shall contract with an independent research organization to perform the evaluation.

SECTION 3J.16.(e) The Department of Public Instruction shall study the feasibility of measuring class size by student-to-teacher ratio, including the method to determine student ratios when a teacher is serving as an ATR team lead. No later than March 15, 2025, the Department shall report the results of the study to the Joint Legislative Education Oversight Committee, including recommendations on the technology needed to implement the student accounting model.

SECTION 3J.16.(f) Subsection (b) of this section is effective July 1, 2025. Except as otherwise provided, this section is effective when it becomes law and applies beginning with the 2025-2026 school year.

TRANSFER CENTER FOR SAFER SCHOOLS TO THE STATE BUREAU OF INVESTIGATION AND REPEAL THE TASK FORCE FOR SAFER SCHOOLS

SECTION 3J.17.(a) The Center for Safer Schools is transferred to the State Bureau of Investigation. Except as otherwise provided in subsection (w) of this section, this transfer has all of the elements of a Type I transfer, as described in G.S. 143A-6.

SECTION 3J.17.(b) Article 13A of Chapter 143B of the General Statutes is amended by adding a new Part 3 to be entitled "The Center for Safer Schools."

SECTION 3J.17.(c) G.S. 115C-105.57 is recodified in Part 3 of Article 13A of Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as G.S. 143B-1209.59 and reads as rewritten:

"§ 143B-1209.59. Center for Safer Schools.

(a) Center for Safer Schools Established. – There is established the Center for Safer Schools. The Center for Safer Schools shall be administratively located in the ~~Department of Public Instruction~~ State Bureau of Investigation. The Center for Safer Schools shall consist of an Executive Director appointed by the ~~Superintendent of Public Instruction~~ Director of the State Bureau of Investigation and such other professional, administrative, technical, and clerical personnel as may be necessary to assist the Center for Safer Schools in carrying out its powers and duties.

(b) Executive Director. – The Executive Director shall report to and serve at the pleasure of the ~~Superintendent of Public Instruction~~ Director of the State Bureau of Investigation at a salary established by the ~~Superintendent~~ Director within the funds appropriated for this purpose.

(c) Powers and Duties. – The Center for Safer Schools shall have the following duties, and all other powers and duties provided in ~~this Article~~ Article 8C of Chapter 115C of the General Statutes:

...

(e) Annual Census of School Resource Officers. – The Center for Safer Schools shall conduct an annual census of school resource officers located in each public school unit. As part of the census, each public school unit shall report to the Center by January 15 of each year with the following information regarding school resource officers in the unit:

...

The Center shall compile the information submitted pursuant to this subsection and submit a report detailing this information at the statewide and local levels to the Joint Legislative Education Oversight ~~Committee~~ Committee, the State Bureau of Investigation, and the State Board of Education by March 1 of each year.

(f) ~~Task Force Guidance. – The Center for Safer Schools shall receive guidance and advice from the Task Force for Safer Schools."~~

SECTION 3J.17.(d) G.S. 115C-105.60 is recodified in Part 3 of Article 13A of Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as G.S. 143B-1209.60 and reads as rewritten:

"§ 143B-1209.60. School resource officer grants.

...

(b) Program; Purpose. – The ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools shall establish the School Resource Officer Grants Program (Program). To the extent funds are made available for the Program, its purpose shall be to improve safety in qualifying public school units by providing grants for school resource officers.

(c) Grant Applications. – A qualifying public school unit may submit an application to the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools for

one or more grants pursuant to this section. The application shall include an assessment, to be performed in conjunction with a local law enforcement agency, of the need for improving school safety within the qualifying public school unit that would receive the funding. The application shall identify current and ongoing needs and estimated costs associated with those needs.

(d) ~~Criteria and Guidelines. – By November 1, 2019, and August 1 of each year thereafter~~ in which funds are made available for the Program, the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools shall develop criteria and guidelines for the administration and use of the grants pursuant to this section, including any documentation required to be submitted by applicants. In assessing grant applications, the ~~Superintendent of Public Instruction~~ Executive Director shall consider at least all of the following factors:

- (1) The level of resources available to the qualifying public school unit that would receive the funding.
- (2) Whether the qualifying public school unit has received other grants for school safety.
- (3) The overall impact on student safety in the qualifying public school unit if the identified needs are funded.

(e) ~~Award of Funds. – From funds made available for grants for school resource officers,~~ the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools shall award grants to qualifying public school units for school resource officers in elementary and middle schools, as follows:

- (1) Public school units located, in whole or in part, in a county with at least one local school administrative unit that received low-wealth supplemental funding in the previous fiscal year shall have grants matched on the basis of four dollars (\$4.00) in State funds for every one dollar (\$1.00) in non-State funds. All other public school units shall be matched on the basis of two dollars (\$2.00) in State funds for every one dollar (\$1.00) in non-State funds.
- (2) Qualifying public school units may use these funds to employ school resource officers in elementary and middle schools, to train them, or both.
- (3) Training shall be provided, in partnership with the qualifying public school unit, by a community college, a local law enforcement agency, or the North Carolina Justice Academy. Any training shall include instruction on research into the social and cognitive development of elementary school and middle school children.

...

(g) ~~Report. – No later than April 1, 2020, 2025, and each year thereafter in which funds~~ are made available for the Program, the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools shall report on the Program to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division. The report shall include the identity of each entity that received a grant through the Program, the amount of funding provided to each entity that received a grant, the use of funds by each entity that received a grant, and recommendations for the implementation of additional effective school safety measures.

(h) Disbursement. – The Executive Director of the Center for Safer Schools may enter into a memorandum of understanding with the Department of Public Instruction to disburse grants awarded under this section."

SECTION 3J.17.(e) G.S. 115C-105.49A is recodified in Part 3 of Article 13A of Chapter 143B of the General Statutes, as enacted by subsection (b) of this section, as G.S. 143B-1209.61.

SECTION 3J.17.(f) G.S. 115C-105.55 is repealed.

SECTION 3J.17.(g) G.S. 115C-105.56 is repealed.

SECTION 3J.17.(h) Section 7.36 of S.L. 2023-134 reads as rewritten:

" ...

"SECTION 7.36.(b) Program; Purpose. – ~~The Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools shall establish the School Safety Grants Program (Program) for the ~~2023-2025 fiscal biennium, 2024-2025 fiscal year.~~ The purpose of the Program shall be to improve safety in public school units by providing grants in ~~each fiscal year of the 2023-2025 fiscal biennium, the 2024-2025 fiscal year~~ for (i) services for students in crisis, (ii) school safety training, (iii) safety equipment in schools, and (iv) subsidizing the School Resource Officer Grants Program.

"SECTION 7.36.(c) Grant Applications. – A public school unit may submit an application to the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools for one or more grants pursuant to this section in ~~each year of the 2023-2025 fiscal biennium, the 2024-2025 fiscal year.~~ The application shall include an assessment, to be performed in conjunction with a local law enforcement agency, of the need for improving school safety within the public school unit that would receive the funding or services. The application shall identify current and ongoing needs and estimated costs associated with those needs.

"SECTION 7.36.(d) Criteria and Guidelines. – ~~By January 15, 2024, the Superintendent of Public Instruction~~ The Executive Director of the Center for Safer Schools shall develop criteria and guidelines for the administration and use of the grants pursuant to this section, including any documentation required to be submitted by applicants. In assessing grant applications, the ~~Superintendent of Public Instruction~~ Executive Director shall consider at least all of the following factors:

- (1) The level of resources available to the public school unit that would receive the funding.
- (2) Whether the public school unit has received other grants for school safety.
- (3) The overall impact on student safety in the public school unit if the identified needs are funded.

"SECTION 7.36.(e) Grants for Students in Crisis. – ~~Of the funds appropriated to the Department of Public Instruction by this act for the grants provided in this section, the Superintendent of Public Instruction, Executive Director of the Center for Safer Schools, in consultation with the Department of Health and Human Services, shall award grants to public school units to contract with community partners to provide or pay for the provision of any of the following crisis services:~~

- (1) Crisis respite services for parents or guardians of an individual student to prevent more intensive or costly levels of care.
- (2) Training and expanded services for therapeutic foster care families and licensed child placement agencies that provide services to students who (i) need support to manage their health, welfare, and safety and (ii) have any of the following:
 - a. Cognitive or behavioral problems.
 - b. Developmental delays.
 - c. Aggressive behavior.
- (3) Evidence-based therapy services aligned with targeted training for students and their parents or guardians, including any of the following:
 - a. Parent-child interaction therapy.
 - b. Trauma-focused cognitive behavioral therapy.
 - c. Dialectical behavior therapy.
 - d. Child-parent psychotherapy.
- (4) Any other crisis service, including peer-to-peer mentoring, that is likely to increase school safety. ~~Of the funds appropriated to the Department of Public~~

~~Instruction~~—by this act for the grants provided in this section, the ~~Superintendent~~ Executive Director shall use no more than three hundred fifty thousand dollars (\$350,000) in ~~each year of the 2023-2025 fiscal biennium~~ the 2024-2025 fiscal year for the services identified in this subdivision.

"SECTION 7.36.(f) Grants for Training to Increase School Safety. – Of the funds appropriated ~~to the Department of Public Instruction~~ by this act for the grants provided in this section, the ~~Superintendent of Public Instruction~~, Executive Director of the Center for Safer Schools, in consultation with the Department of Health and Human Services, shall award grants to public school units to contract with community partners to address school safety by providing training to help students develop healthy responses to trauma and stress. The training shall be targeted and evidence-based and shall include any of the following services:

- (1) Counseling on Access to Lethal Means (CALM) training for school health support personnel, local first responders, and teachers on the topics of suicide prevention and reducing access by students to lethal means.
- (2) Training for school health support personnel on comprehensive and evidence-based clinical treatments for students and their parents or guardians, including any of the following:
 - a. Parent-child interaction therapy.
 - b. Trauma-focused cognitive behavioral therapy.
 - c. Behavioral therapy.
 - d. Dialectical behavior therapy.
 - e. Child-parent psychotherapy.
- (3) Training for students and school employees on community resilience models to improve understanding and responses to trauma and significant stress.
- (4) Training for school health support personnel on Modular Approach to Therapy for Children with Anxiety, Depression, Trauma, or Conduct problems (MATCH-ADTC), including any of the following components:
 - a. Trauma-focused cognitive behavioral therapy.
 - b. Parent and student coping skills.
 - c. Problem solving.
 - d. Safety planning.
- (5) Any other training, including the training on the facilitation of peer-to-peer mentoring, that is likely to increase school safety. Of the funds appropriated ~~to the Department of Public Instruction~~ by this act for the grants provided in this section, the ~~Superintendent~~ Executive Director shall use no more than three hundred fifty thousand dollars (\$350,000) in ~~each year of the 2023-2025 fiscal biennium~~ the 2024-2025 fiscal year for the services identified in this subdivision.

"SECTION 7.36.(g) Grants for Safety Equipment. – Of the funds appropriated ~~to the Department of Public Instruction~~ by this act for the grants provided in this section, the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools shall award grants to public school units for (i) the purchase of safety equipment for school buildings and (ii) training associated with the use of safety equipment purchased pursuant to this subsection. Notwithstanding G.S. 115C-218.105(b), charter schools may receive grants for school safety equipment pursuant to this subsection.

"SECTION 7.36.(h) Artificial Intelligence (AI) Pilot. – Of the funds appropriated to the Department of Public Instruction by this act for the grants provided in this section for the ~~2023-2024~~ 2024-2025 fiscal year, the Department shall allocate (i) three million two hundred thousand dollars (\$3,200,000) as a directed grant to New Hanover County Schools and (ii) two million dollars (\$2,000,000) as a directed grant to Davidson County Schools for an AI School Safety

Pilot Program. In conducting the Pilot Program, participating public school units shall comply with the following:

- (1) Funds allocated for the Pilot Program shall be used for the implementation of a school safety system that integrates AI technology into existing access controls, alerting protocols, and intercom systems.
- (2) No later than ~~January 15, 2025~~, January 15, 2026, the participating public school units, in coordination with the ~~Department of Public Instruction~~, Center for Safer Schools, shall report to the Joint Legislative Education Oversight Committee the following information:
 - a. The schools that participated in the Pilot Program.
 - b. How grant funds were spent.
 - c. The impact the Pilot Program had on school safety outcomes.
 - d. Any noted capabilities of the AI system that could not be accomplished by more traditional safety measures.
 - e. Any other information the participating public school units or the Department deem relevant to the report.

"SECTION 7.36.(i) Subsidizing School Resource Officer Grants Program. – If the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools receives applications for grants for school resource officers under ~~G.S. 115C-105.60~~ G.S. 143B-1208.20 in excess of the amount of funding appropriated for school resource officer grants in the ~~2023-2025 fiscal biennium~~, 2024-2025 fiscal year, the ~~Superintendent~~ Executive Director may use the funds appropriated ~~to the Department of Public Instruction~~ for the grants provided for in this section to cover the unmet need for school resource officer grants.

...

"SECTION 7.36.(k1) Disbursement. – The Executive Director of the Center for Safer Schools may enter into a memorandum of understanding with the Department of Public Instruction to disburse grants awarded under this section.

"SECTION 7.36.(l) Nonrevert. – Notwithstanding any provision of law to the contrary, the nonrecurring funds appropriated to the Department of Public Instruction in the 2022-2023 fiscal year for the 2021-2023 School Safety Grants Program under Section 7.19 of S.L. 2021-180 and the nonrecurring funds appropriated by this act ~~to the Department of Public Instruction~~ for the 2023-2025 School Safety Grants Program shall not revert to the General Fund but shall remain available for the purposes for which they were appropriated until June 30, 2025.

"SECTION 7.36.(m) Program Report. – No later than ~~April 1 of each fiscal year in which funds are awarded pursuant to this section~~, April 1, 2025, the ~~Superintendent of Public Instruction~~ Executive Director of the Center for Safer Schools shall report on the Program to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative Commission on Governmental Operations, the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Fiscal Research Division. The report shall include at least the following information:

- (1) The identity of each public school unit and community partner that received grant funds through the Program.
- (2) The amount of funding received by each entity identified pursuant to subdivision (1) of this subsection.
- (3) The services, training, and equipment purchased with grant funds by each entity that received a grant.
- (4) Recommendations for the implementation of additional effective school safety measures.

...."

SECTION 3J.17.(i) G.S. 115C-105.51 reads as rewritten:

"§ 115C-105.51. Anonymous tip lines and monitoring and response applications.

...

(b) ~~The Department of Public Instruction and the~~ Center for Safer Schools, in collaboration with the Department of Public Instruction and the Department of Public Safety, Division of Emergency Management, shall implement and maintain an anonymous safety tip line application available statewide for purposes of receiving anonymous student information on internal or external risks to the school population, school buildings, and school-related activities. Public secondary schools shall inform students about the application and provide opportunities for students to learn about its purpose and function. The governing body of each public secondary school shall work with the ~~Department of Public Instruction, Division of School Operations, and the Center for Safer Schools~~ Schools, in collaboration with the Department of Public Instruction, Division of School Operations, to ensure that employees of the public secondary schools receive adequate training in its operation.

...

(d) The Department of Public Instruction and the Department of Public Safety shall ensure that the anonymous safety tip line application is integrated with and supports the statewide School Risk and Response Management System (SRRMS) as provided in ~~G.S. 115C-105.49A, G.S. 143B-1209.61~~. Where technically feasible and cost efficient, the Department of Public Instruction and the Department of Public Safety are encouraged to implement a single solution supporting both the anonymous safety tip line application and panic alarm system.

...."

SECTION 3J.17.(j) G.S. 115C-105.52(a) reads as rewritten:

"(a) ~~The Department of Public Instruction and the~~ Center for Safer Schools, in consultation with the Department of Public Instruction and the Department of Public Safety, shall develop and adopt policies on the placement of school crisis kits in schools and on the contents of those kits. The kits shall include, at a minimum, basic first-aid supplies and communications devices."

SECTION 3J.17.(k) G.S. 115C-105.53(b) reads as rewritten:

"(b) ~~The Department of Public Instruction and the~~ Center for Safer Schools, in consultation with the Department of Public Instruction and the Department of Public Safety, shall develop standards and guidelines for the preparation and content of schematic diagrams and necessary updates. Public school units and participating nonpublic schools may use these standards and guidelines to assist in the preparation of their schematic diagrams."

SECTION 3J.17.(l) G.S. 115C-105.65 reads as rewritten:

"§ 115C-105.65. Threat assessment teams.

...

(b) The Center for Safer Schools shall develop guidance for threat assessment teams for public school units and all public school units shall have access to the guidance. The Center shall develop the guidance by (i) collecting information and best practices from schools with existing threat assessment teams and (ii) consulting with the ~~Task Force for Safer Schools, Department of Public Instruction, the~~ Disability Rights North Carolina, the North Carolina School Psychology Association, the State Bureau of Investigation, and relevant State government agencies. This guidance shall not reference or reveal any information that has been excluded as a public record under G.S. 115C-47(40), Part 2 of Article 8C of this Chapter, or any other relevant statute. The guidance shall include, at a minimum, the best practices for the following:

...

(f) Any information shared among members of the threat assessment team pursuant to this ~~subsection~~ section shall remain confidential, shall not be a public record subject to Chapter 132 of the General Statutes, and shall only be released in connection with an emergency under the standards established by the Family Educational Rights and Privacy Act in 20 U.S.C. § 1232g(b)(1)(I).

...."

SECTION 3J.17.(m) G.S. 115C-12(40) reads as rewritten:

"(40) Adopt School Risk Management Plans. – Each local board of education shall, in coordination with local law enforcement and emergency management agencies, adopt a School Risk Management Plan (SRMP) relating to incidents of school violence for each school in its jurisdiction. In constructing and maintaining these plans, local boards of education and local school administrative units shall utilize the School Risk and Response Management System (SRRMS) established pursuant to ~~G.S. 115C-105.49A~~, G.S. 143B-1209.61. These plans are not a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION 3J.17.(n) G.S. 115C-12(47) reads as rewritten:

"(47) Duty Regarding Child Abuse and Neglect. – The State Board of Education, in consultation with the Superintendent of Public Instruction, shall adopt a rule requiring information on child abuse and neglect, including age-appropriate information on sexual abuse, to be provided by public school units to students in grades six through 12. This rule shall also apply to high schools under the control of The University of North Carolina. Information shall be provided in the form of (i) a document provided to all students at the beginning of each school year, (ii) a display posted in visible, high-traffic areas throughout each public secondary school, and (iii) a video, produced in accordance with ~~G.S. 115C-105.57(c)(2a)~~, G.S. 143B-1209.59(c)(2a), shown to all students no more than five days after the first day of the school year. The document, display, and video shall include, at a minimum, the following information:

- a. Likely warning signs indicating that a child may be a victim of abuse or neglect, including age-appropriate information on sexual abuse.
- b. The telephone number used for reporting abuse and neglect to the department of social services in the county in which the school is located, in accordance with G.S. 7B-301.
- c. A statement that information reported pursuant to sub-subdivision b. of this subdivision shall be held in the strictest confidence, to the extent permitted by law, pursuant to G.S. 7B-302(a1).
- d. Repealed by Session Laws 2023-65, s. 7.2(a), effective June 29, 2023, and applicable beginning with the 2023-2024 school year."

SECTION 3J.17.(o) G.S. 115C-150.12C(17)a. reads as rewritten:

"a. School Risk Management Plan. – The board of trustees, in coordination with local law enforcement agencies, shall adopt a School Risk Management Plan (SRMP) relating to incidents of school violence. In constructing and maintaining these plans, the board of trustees shall utilize the School Risk and Response Management System established pursuant to ~~G.S. 115C-105.49A~~, G.S. 143B-1209.61. These plans are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION 3J.17.(p) G.S. 115C-551(b)(1) reads as rewritten:

"(1) School Risk Management Plan. – In coordination with local law enforcement agencies, adopt a School Risk Management Plan (SRMP) relating to incidents of school violence. In constructing and maintaining these plans, the school may utilize the School Risk and Response Management System (SRRMS) established pursuant to ~~G.S. 115C-105.49A~~, G.S. 143B-1209.61. These plans

are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION 3J.17.(q) G.S. 115C-559(b)(1) reads as rewritten:

"(1) School Risk Management Plan. – In coordination with local law enforcement agencies, adopt a School Risk Management Plan (SRMP) relating to incidents of school violence. In constructing and maintaining these plans, the school may utilize the School Risk and Response Management System (SRRMS) established pursuant to ~~G.S. 115C-105.49A~~, G.S. 143B-1209.61. These plans are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION 3J.17.(r) G.S. 166A-19.12(22) reads as rewritten:

"(22) Serving as the lead State agency for the implementation and maintenance of the statewide School Risk and Response Management System (SRRMS) under ~~G.S. 115C-105.49A~~, G.S. 143B-1209.61."

SECTION 3J.17.(s) Applications for grant funds under Section 7.36 of S.L. 2023-134 and G.S. 115C-105.60 that are received by the Department of Public Instruction prior to the effective date of this act are not abated or affected by this section. Grant award decisions for applications described in this subsection shall be made in accordance with the provisions of Section 7.36 of S.L. 2023-134, as amended by subsection (h) of this section, or G.S. 143B-1209.60, as recodified by subsection (d) of this section, as appropriate.

SECTION 3J.17.(t) Grant funds awarded under Section 7.36 of S.L. 2023-134 and G.S. 115C-105.60 before the effective date of this act are not abated or affected by this act, and the laws that would be applicable but for this section remain applicable to those grant funds.

SECTION 3J.17.(u) Except for the funds allocated in Section 7.36(h) of S.L. 2023-134, the Department of Public Instruction shall transfer to the State Bureau of Investigation any funds that did not revert under Section 7.36(l) of S.L. 2023-134 that are to be used for any grant program administered by the Center for Safer Schools. Funds allocated in Section 7.36(h) of S.L. 2023-134 shall remain available for use in accordance with that subsection until the reversion date set forth in Section 7.36(l) of S.L. 2023-134. Nothing in this subsection shall be construed as abrogating or amending the date set forth in Section 7.36(l) of S.L. 2023-134 by which the funds shall revert to the General Fund.

SECTION 3J.17.(v) Except as otherwise prohibited by federal law, the Department of Public Instruction shall transfer to the State Bureau of Investigation any federal funds received by the Department for any program administered by the Center for Safer Schools.

SECTION 3J.17.(w) Within the State Bureau of Investigation's General Fund budget code, a new budget fund shall be established for the Center for Safer Schools and all funds supporting the Center shall be transferred to the new fund. The Executive Director of the Center for Safer Schools is responsible for (i) administering the fund established under this subsection and (ii) deciding all matters related to the budget of the Center.

SECTION 3J.17.(x) There is appropriated from the General Fund to the State Bureau of Investigation the sum of three hundred seventy thousand dollars (\$370,000) in recurring funds for the 2024-2025 fiscal year to create four new full-time criminal justice specialist positions at the Center for Safer Schools. The Office of State Human Resources shall establish classifications for these positions and collaborate with the Center for Safer Schools and the State Bureau of Investigation to create job descriptions for the new positions established pursuant to this subsection.

SECTION 3J.17.(y) The Department of Public Instruction shall transfer position number 60009394 and associated costs to the Center for Safer Schools.

PROPRIETARY SCHOOLS CHANGES

SECTION 3J.18.(a) G.S. 115D-89.1(b) reads as rewritten:

"(b) The State Board of Proprietary Schools shall consist of seven members as follows:

- (1) The President of the North Carolina Community College System or the President's designee.
- (2) Two members appointed by the Governor.
- (3) Two members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, one of whom shall be the owner or director of a proprietary school licensed in the State with less than 100 total annual enrollment of students and one the owner or director of a proprietary school or group of proprietary schools licensed in the State with ~~more than 750-100 or more~~ total annual enrollment of students.
- (4) Two members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, one of whom shall be the owner or director of a proprietary school licensed in the State with ~~between less than 100 and 750~~ total annual enrollment of students and one the owner or director of a proprietary school or group of proprietary schools licensed in the ~~State~~ State with 100 or more total annual enrollment of students.

The appointing authorities shall appoint members who have a demonstrated history of experience in proprietary or public postsecondary education, an understanding of standards of quality in postsecondary education, and leadership beyond a particular institution."

SECTION 3J.18.(b) G.S. 115D-90(b) reads as rewritten:

"(b) Application for a license shall be filed in the manner and upon the forms prescribed and furnished by the State Board of Proprietary Schools for that purpose. Such application shall be signed by the applicant and properly verified and shall contain such of the following information as may apply to the particular school for which a license is sought:

- ...
- (7) Such additional information as the State Board, acting by and through the State Board of Proprietary Schools, may deem necessary to enable it to determine the adequacy of the program of instruction and matters pertaining thereto. Each application shall be accompanied by a copy of the current bulletin or catalog of the school which shall be in published form and certified by an authorized official of the school as being current, true, and correct in content and policy. The school bulletin shall contain the following information:

- ...
- i. Policy and regulations of the institution relative to the refund of the unused portion of tuition, fees and other charges in the event the student does not enter the course or withdraws or is discontinued therefrom. The For institutions receiving federal funds, the policy and regulations shall require the institution to comply with federal law requirements for refunds. For all other institutions, the policy and regulations shall provide for, at a minimum, a full refund if a student withdraws before the first day of class or the school cancels the class and a seventy-five percent (75%) refund if the student withdraws within the first twenty-five percent (25%) of the period of enrollment for which the student was charged. the following provisions:
 1. If any of the following occur prior to the first day of class, a student shall receive a one hundred percent (100%) refund, including nonrefundable fees already paid:
 - I. The student withdraws.

- II. The student is caused to withdraw by the school.
- III. The school cancels the class.
- 2. If the student withdraws or is caused to withdraw by the school on or before completing twenty-five percent (25%) of the period of enrollment for which the student was charged, the student shall receive a refund of seventy-five percent (75%), excluding any disclosed nonrefundable fees.

...."

SECTION 3J.18.(c) G.S. 115D-95(b) reads as rewritten:

"(b) Amount. – An applicant for a license must file a bond with the North Carolina State Board of Community Colleges executed by the applicant as a principal and by a bonding company authorized to do business in this State. The bond must be payable to the State Board of Community Colleges, must be conditioned on fulfillment of the school's obligations, and must remain in effect until cancelled by the bonding company. The bonding company may cancel the bond upon 30 days' notice to the State Board of Community Colleges.

The application must set out calculations made by the applicant to determine the amount of bond required with the application. The required amount is determined as follows:

- (1) Initial licensure. – For an applicant for initial licensure of a school, the bond amount is the amount determined by the State Board that is adequate to provide indemnification to any student, or the student's parent or guardian who has suffered a loss of tuition, fees, or any other instructional-related expenses paid to the school. A bond amount shall be at least twenty-five thousand dollars (\$25,000).
- (2) ~~First four renewals.~~ Renewal of licensure. – ~~For a school that has been licensed for one year but less than six years, For an applicant for renewal of licensure of a school,~~ the bond shall be in an amount equal to the greatest amount of unearned paid tuition in the school's possession at ~~anytime~~ any time during the prior fiscal year.
- (2a) Evaluations. – Bond amounts shall be evaluated as follows:
 - a. ~~The~~ For a school that has been licensed for one year, but less than six years, the bond amount shall be evaluated by the school quarterly and reported to the State Board or its representative. For a school that has been licensed for six years or more, if the State Board deems an evaluation necessary, the State Board may require the bond amount to be evaluated by the school quarterly and reported to the State Board or its representative.
 - b. A quarterly evaluation requiring an increase of five percent (5%) or more in the amount of the bond held by the school shall require an immediate increase in the bond amount.
 - c. Bond amounts ~~also~~ shall be evaluated pursuant to this subdivision and the rules of the State Board of Community Colleges and State Board of Proprietary Schools at the time of the school's annual license renewal and increased if necessary regardless of the amount of the change.
- (3) ~~Schools in operation more than five years.~~ A guaranty bond shall be required for license renewal for a school that has been continuously licensed to operate for more than five years in the State, as follows:
 - a. ~~If the balance of the Student Protection Fund in G.S. 115D 95.1 is below the catastrophic loss amount, the school shall file a guaranty bond in an amount equal to the maximum amount of prepaid tuition~~

~~held by the school during the prior fiscal year multiplied by the percentage amount the fund is deficient.~~

- b. ~~If the school held prepaid tuition in excess of the Student Protection Fund catastrophic loss amount during the prior fiscal year, in addition to any bond amount required by sub-subdivision a. of this subdivision, the school shall file a guaranty bond for the difference between the prepaid tuition amount held in the previous fiscal year and the Fund catastrophic loss amount."~~

SECTION 3J.18.(d) G.S. 115D-95.1 reads as rewritten:

"§ 115D-95.1. Student Protection Fund.

(a) Definitions. – As used in this section:

- (1) "Catastrophic loss amount" means the amount of funds required to protect prepaid student tuition in case of a large-scale event that would draw against the Student Protection Fund. The amount is ~~one million dollars (\$1,000,000)~~one million five hundred thousand dollars (\$1,500,000).
- (2) "Fund cap amount" means the catastrophic loss amount plus a reserve amount. The amount is ~~one million five hundred thousand dollars (\$1,500,000)~~two million dollars (\$2,000,000).

...

(f) Suspension of Payments. – ~~If the Student Protection Fund balance is equal to or exceeds the Fund cap amount, the State Board of Proprietary Schools shall suspend payments into the Fund for schools that have been continuously licensed in the State for more than eight years. The State Board of Proprietary Schools shall require schools to resume payments into the Fund if the balance of the Fund is less than the catastrophic loss amount. The State Board of Proprietary Schools shall suspend payments into the Fund, as follows:~~

- (1) For schools that are currently licensed in this State, if the Student Protection Fund balance is equal to or exceeds the catastrophic loss amount.
- (2) For schools applying for initial licensure with the State, if the Student Protection Fund balance is equal to or exceeds the fund cap amount.
- (3) If the Student Protection Fund balance decreases below the catastrophic loss amount, the State Board shall reinstate the requirement for schools to make payments into the Fund.

...."

SECTION 3J.18.(e) Subsection (a) of this section applies beginning with appointments made on or after the date this act becomes law. Subsections (b), (c), and (d) of this section become effective July 1, 2025, and apply to licenses issued or renewed on or after that date.

EXPAND CAREER AND COLLEGE READY GRADUATE PROGRAM

SECTION 3J.19. Section 10.13(a) of S.L. 2015-241, as amended by Section 10.5 of S.L. 2016-94 and Section 9.4 of S.L. 2018-5, reads as rewritten:

"SECTION 10.13.(a) The State Board of Community Colleges, in consultation with the State Board of Education, shall develop a program for implementation beginning with model programs in the 2016-2017 school year that introduces the college developmental mathematics and developmental reading and English curriculums in the high school senior ~~year-year~~, including the immediately preceding summer, and provides opportunities for college remediation for students prior to high school graduation through cooperation with community college partners. Professional development for high school faculty shall begin with the 2018-2019 school year. The program shall be phased in by cohorts developed by the Department of Public Instruction beginning with the 2019-2020 school year. The program shall be fully implemented in all high schools statewide beginning with the 2020-2021 school year. Students who are enrolled in the

Occupational Course of Study to receive their high school diplomas shall not be required to participate in the program or be required to take mandatory remedial courses as provided for in this section, unless a parent specifically requests through the individualized education program (IEP) process that the student participates. The program shall require the following:

...."

PERMIT UNC TO ENTER INTO AGREEMENTS WITH VENDORS TO BUY BACK OR TRADE IN TECHNOLOGICAL EQUIPMENT

SECTION 3J.20. G.S. 143-64.03 reads as rewritten:

"§ 143-64.03. Powers and duties of the State agency for surplus property.

...

(b1) Nothing in this Article, or any administrative rules promulgated under this Article, shall be deemed to prohibit The University of North Carolina from ~~conveying~~ doing the following:

- (1) Conveying surplus computer equipment at no ~~cost and cost~~. The University of North Carolina is encouraged to prioritize distribution to nonprofit entities that refurbish computers to donate to low-income students or households in the State. Any conveyance to a nonprofit under this ~~subsection~~ subdivision shall be conditioned upon, and in consideration of, the nonprofit's promise to refurbish the computer equipment and its donation to low-income students or households in the State and the nonprofit's reporting of information required by ~~this subsection~~ subsection (b2) of this section. After an initial conveyance, The University of North Carolina shall not convey additional surplus computer equipment to a nonprofit, unless that nonprofit has reported the information required by ~~this subsection~~ subsection (b2) of this section for prior conveyances.
- (2) Entering into agreements with one or more vendors to trade in any technological equipment purchased from the vendor or to allow a vendor to buy back any technological equipment even if the equipment was not purchased from that vendor.

(b2) When ~~making a distribution under this subsection~~, either distributing surplus computer equipment as provided in subdivision (1) of subsection (b1) of this section or entering into a trade-in or buyback agreement under subdivision (2) of subsection (b1) of this section, The University of North Carolina shall keep records on the type of computer equipment ~~distributed~~, distributed or the technological equipment subject to the agreement, the number ~~distributed~~, of computers distributed or the type and quantity of technological equipment subject to the agreement, the name of the nonprofit that received the ~~distributions~~, distributions or the name of the vendor subject to the agreement, and the nonprofit's report on donations of refurbished computers to low-income students or households in the State. If the nonprofit is unable to refurbish computer equipment for any reason, its report shall include the disposition of such computer equipment. A nonprofit shall provide a report to the Board of Governors of The University of North Carolina by February 1, 2022, and by February 1 of each year thereafter. The report shall contain the information required by this subsection and any other information the Board of Governors deems reasonably necessary to ensure the conditions required under this subsection are satisfied. The Board of Governors of The University of North Carolina shall submit a report containing the information required to be collected under this subsection to the Joint Legislative Education Oversight Committee by December 1, 2022, and by ~~December~~ March 1 of each year thereafter.

...."

COMMON DIGITAL CREDENTIAL PILOT

SECTION 3J.21. Section 8A.15 of S.L. 2023-134 is amended by adding a new subsection to read:

"SECTION 8A.15.(d) Of the funds allocated to the Authority under this section, the Authority shall transfer up to one million dollars (\$1,000,000) to the Community Colleges System Office to conduct a digital credential pilot program with a digital credential provider. The Community Colleges System Office shall select at least one community college that is currently enrolling students in a digital credential program for the fall semester of the 2024-2025 academic year to participate in the pilot program. No later than June 15, 2025, the community college, in consultation with the Community Colleges System Office, the digital credential provider, and any other participating educational institution, shall report to the Joint Legislative Education Oversight Committee on the implementation and outcomes of the digital credential pilot program."

DATA SHARING FOR CHILDREN OF WARTIME VETERANS SCHOLARSHIPS

SECTION 3J.22.(a) Definitions. – The following definitions apply to this section:

- (1) Authority. – The State Education Assistance Authority, established under Article 23 of Chapter 116 of the General Statutes.
- (2) Department. – The Department of Military and Veterans Affairs, established under Article 14 of Chapter 143B of the General Statutes.
- (3) Enrolling institution. – The State educational institution or private educational institution approved by the Veterans' Affairs Commission for an academic year that may receive funds under the Scholarship on behalf of a scholarship recipient.
- (4) Scholarship. – Scholarship for Children of Wartime Veterans established pursuant to Part 2 of Article 14 of Chapter 143B of the General Statutes.
- (5) Student data. – Personally identifiable information directly related to a student or member of a student's household, including the name, birthdate, address, Social Security number, identification number, telephone number, email address, or any other information that would provide information about a specific student or members of a specific student's household, including identification of the enrolling institution and status as a scholarship recipient.

SECTION 3J.22.(b) The General Assembly finds that the Department is the State agency responsible for selection of recipients of the scholarships and the Authority acts as the fiscal agent for administering the funds for the scholarship, including accounting activities and disbursement of funds as it deems necessary as the agency receiving the appropriation of funds for the scholarships. Therefore, to meet its responsibilities under the State Budget Act to ensure funds are used for the purpose for which they are appropriated, the Authority requires certain information from the Department related to scholarships.

SECTION 3J.22.(c) The Department and the Authority shall enter into a data sharing agreement for the protection of student data related to scholarships by December 2, 2024, that addresses the disclosure, sharing, and use of student data for recipients of scholarships as required by this section and the protection of records maintained by the Department regarding the eligibility of recipients and the records maintained by the Authority as the fiscal agent in disbursing funds for the scholarships. The agreement shall require compliance with all applicable State and federal laws governing student data, including the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g.

SECTION 3J.22.(d) No later than 10 business days after the execution of the data sharing agreement entered into pursuant to subsection (c) of this section, the Department shall provide the Authority with all of the following for the 2024-2025 academic year:

- (1) The list of recipients of a scholarship deemed eligible by the Veterans' Affairs Commission, the amount of each recipient's scholarship, and a certification by

the Secretary of the Department that the information for recipients of a scholarship is true and accurate.

- (2) Any student data the Authority requests from the Department, in the manner and format requested by the Authority that the Authority deems necessary to administer the scholarship.
- (3) The recipients who qualify for a scholarship to be funded with monies from the Escheat Fund and any supporting documentation requested by the Authority that was used by the Department for making that determination for an eligible student.
- (4) Any additional information the Authority deems necessary for its disbursement of scholarships.

SECTION 3J.22.(e) The Authority shall use the information provided by the Department pursuant to subsection (d) of this section to acquire certification of the enrollment of eligible recipients and any other necessary information directly from the enrolling institutions in the manner deemed necessary by the Authority for the disbursement of funds, including administering funds through the electronic grant disbursement system utilized by the Authority in a manner consistent with other State-funded financial assistance programs administered by the Authority. If the Authority determines that an enrolling institution has not certified the enrollment and eligibility of a recipient consistent with the scholarship requirements and this section, the Authority shall notify the Department within 30 days of the determination.

SECTION 3J.22.(f) The Department shall provide the Authority with any additional information the Authority deems necessary for its disbursement of scholarships within 10 business days of the Department obtaining the information.

SECTION 3J.22.(g) This section is effective July 1, 2024, and applies to the 2024-2025 academic year.

REPORTS ON OPPORTUNITY SCHOLARSHIP TESTING

SECTION 3J.23.(a) Subsections (i) and (j) of Section 8A.6 of S.L. 2023-134 are repealed.

SECTION 3J.23.(b) The Office of Learning Research at The University of North Carolina, as established by Section 2A.8 of this act, shall study and report the following to the Joint Legislative Education Oversight Committee by December 31, 2025:

- (1) For the purpose of comparing student performance, recommendations for nationally standardized tests for use in third grade and eighth grade that would be appropriate for administering to (i) students in nonpublic schools who are receiving Opportunity Scholarships beginning with the 2026-2027 school year and (ii) students attending schools in public school units. To the extent practicable, the Office of Learning Research shall recommend only one test for use in third grade and one test for use in eighth grade.
- (2) Alignment between the nationally standardized tests selected pursuant to subdivision (1) of this subsection and the standard course of study for third grade and eighth grade, respectively, including a crosswalk between the standards assessed by the nationally standardized tests and the standard course of study.
- (3) Feasibility of developing a through-grade assessment for third and eighth grade that would meet the following criteria:
 - a. Assess mastery of the standard course of study.
 - b. Consist of multiple testing events throughout the year that are aggregated into a summative score.
 - c. Replace the current end-of-grade assessments for third and eighth grade.

- d. Yield data that can be used with the Education Value-Added Assessment System (EVAAS).
- e. Comply with federal law.

SECTION 3J.23.(c) The State Education Assistance Authority shall designate as the nationally standardized assessments to be administered by nonpublic schools, in accordance with G.S. 115C-562.5(a)(4), the tests recommended by the Office of Learning Research at The University of North Carolina for use in third grade and eighth grade in accordance with subsection (b) of this section.

SECTION 3J.23.(d) Notwithstanding G.S. 115C-562.7(c), the State Education Assistance Authority shall submit the report required by G.S. 115C-562.7(c) by December 1, 2027, and annually thereafter, based on the data submitted by nonpublic schools in accordance with G.S. 115C-562.5(c)(1) beginning with the 2026-2027 school year.

SUBPART III-K. LOCAL GOVERNMENT

NO LOCAL GOVERNMENT INITIATED DOWN-ZONING WITHOUT CONSENT OF AFFECTED PROPERTY OWNER

SECTION 3K.1.(a) G.S. 160D-601(d) reads as rewritten:

"(d) Down-Zoning. – No amendment to zoning regulations or a zoning map that down-zones property shall be ~~initiated nor is it enforceable initiated, enacted, or enforced~~ without the written consent of all property owners whose property is the subject of the down-zoning amendment, ~~unless the down zoning amendment is initiated by the local government.~~ amendment. For purposes of this section, "down-zoning" means a zoning ordinance that affects an area of land in one of the following ways:

- (1) By decreasing the development density of the land to be less dense than was allowed under its previous usage.
- (2) By reducing the permitted uses of the land that are specified in a zoning ordinance or land development regulation to fewer uses than were allowed under its previous usage.
- (3) By creating any type of nonconformity on land not in a residential zoning district, including a nonconforming use, nonconforming lot, nonconforming structure, nonconforming improvement, or nonconforming site element."

SECTION 3K.1.(b) If any provision of this section is declared unconstitutional or invalid by the courts, it does not affect the validity of this section as a whole or any part other than the part so declared to be unconstitutional or invalid.

SECTION 3K.1.(c) This section is effective when it becomes law and applies to local government ordinances adopted on or after that date and any local government ordinance enacting down-zoning of property during the 180 days prior to the date this section becomes effective. Ordinances adopted in violation of this section shall be void and unenforceable.

PART IV. MISCELLANEOUS PROVISIONS

SECTION 4.1. Severability. – If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part declared to be unconstitutional or invalid.

SECTION 4.2. Effective Date. – Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 20th day of November, 2024.

s/ Phil Berger
President Pro Tempore of the Senate

s/ Timothy Reeder, MD
Presiding Officer of the House of Representatives

Roy Cooper
Governor

Approved _____m. this _____ day of _____, 2024