

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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**SENATE BILL 508
House Committee Substitute Favorable 10/24/23**

Short Title: 2023 Budget Tech/Other Corrections.

(Public)

Sponsors:

Referred to:

April 4, 2023

A BILL TO BE ENTITLED
AN ACT TO MAKE TECHNICAL, CLARIFYING, AND OTHER MODIFICATIONS TO
THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2023 AND TO OTHER
LEGISLATION.

The General Assembly of North Carolina enacts:

PART I. GENERAL PROVISIONS

SERDRF ALLOCATION REVISIONS

SECTION 1.1.(a) Notwithstanding the Committee Report described in Section 43.2 of S.L. 2023-134, the receipts budgeted from the State Emergency Response and Disaster Relief Fund as a directed grant for Johnston Community College and allocated by Section 5.6(f) of S.L. 2023-134 shall instead be used for a directed grant to the Southeastern Drainage Office, Inc., for a drainage project and related capital and equipment.

SECTION 1.1.(b) Notwithstanding the Committee Report described in Section 43.2 of S.L. 2023-134, the receipts budgeted from the State Emergency Response and Disaster Relief Fund as a directed grant for Madison County and allocated by Section 5.6(f) of S.L. 2023-134 shall instead be used for a directed grant to Haywood County for the same purpose.

REVISE PREEMPTION OF CERTAIN LOCAL GOVERNMENT ACTIONS

SECTION 1.2.(a) G.S. 130A-290(a)(35)h., as enacted by Section 5.9(f) of S.L. 2023-134, is repealed.

SECTION 1.2.(b) G.S. 153A-145.11(a)(1) reads as rewritten:

"(1) Restrict, tax, charge a fee, prohibit, or otherwise regulate the ~~use, disposition,~~
use or sale of an auxiliary container."

SECTION 1.2.(c) G.S. 160A-205.6(a)(1) reads as rewritten:

"(1) Restrict, tax, charge a fee, prohibit, or otherwise regulate the ~~use, disposition,~~
use or sale of an auxiliary container."

**CLARIFICATION FOR CERTAIN SETTLEMENT AWARDS AFFECTING LOCAL
GOVERNMENT MULTIYEAR BUDGETS**

SECTION 1.3. G.S. 159-13.2(a) reads as rewritten:

"(a) Definitions. – Unless otherwise provided, the following definitions apply in this section:



- (1) ~~In this section "capital project" means a~~ Capital project. – A project financed in whole or in part by the proceeds of bonds or notes or debt instruments or a project involving the construction or acquisition of a capital asset.
- (2) ~~"Grant project" means a~~ Grant project. – A project financed in whole or in part by revenues received from the federal and/or State government or other grant or settlement funds for operating or capital purposes as defined by the grant ~~contract, contract or settlement agreement."~~

PART II. EDUCATION

PATRIOT STAR FAMILY SCHOLARSHIP PROGRAM FUNDING CHANGES

SECTION 2.1.(a) Notwithstanding any other provision of law or a provision of the Committee Report described in Section 43.2 of S.L. 2021-180 to the contrary, of the three hundred fifty thousand dollars (\$350,000) in recurring funds allocated to the Marine Corps Scholarship Foundation, Inc., a nonprofit corporation, for the North Carolina Patriot Star Family Scholarship Program pursuant to Section 8.3 of S.L. 2021-180, beginning in the 2023-2024 fiscal year the sum of three hundred thousand dollars (\$300,000) in recurring funds shall instead be allocated to the Patriot Foundation, a nonprofit corporation, to administer the program.

SECTION 2.1.(b) Section 8.3(d) of S.L. 2021-180 reads as rewritten:

"SECTION 8.3.(d) Administration; Awards. – Within the funds made available for the Program, the Patriot Foundation and the Marine Corps Scholarship Foundation shall each separately administer and award scholarships to eligible applicants in accordance with the requirements of the North Carolina Patriot Star Family Scholarship Program. To account for the demand for scholarships, the Board of Governors of The University of North Carolina may reallocate funds appropriated for the Program between the Patriot Foundation and the Marine Corps Scholarship Foundation in each fiscal year funds are made available for the Program as long as each nonprofit corporation agrees to the reallocation in that year. In administering the Program, each nonprofit corporation shall be responsible for Program oversight for the scholarships awarded through its organization to ensure compliance with the provisions of this section.

...."

DELAY RULEMAKING DEADLINE FOR EARLY GRADUATION REQUIREMENTS

SECTION 2.2. Section 8A.6(s) of S.L. 2023-134 reads as rewritten:

"SECTION 8A.6.(s) The State Board of Education shall adopt an emergency rule no later than ~~November 1, 2023, February 15, 2024,~~ to establish the graduation requirements and sequence of courses required by this section. Governing bodies of public school units shall advise students beginning with the 2023-2024 school year of this sequence, the option to graduate within three years of entering the ninth grade, and the availability of early graduate scholarships. Students enrolled in the tenth grade during the 2023-2024 school year who complete the sequence of courses required for graduation in a three-year period shall be eligible to graduate in the 2024-2025 school year."

DELAY IN-PERSON INSTRUCTION REQUIREMENT FOR NONPUBLIC SCHOOLS TO RECEIVE OPPORTUNITY SCHOLARSHIP FUNDS

SECTION 2.3. Section 7.80 of S.L. 2023-134 is amended by adding a new subsection to read:

"SECTION 7.80.(d) This section becomes effective July 1, 2023. Subsection (c) of this section applies beginning with scholarship funds accepted by nonpublic schools for the 2024-2025 school year."

CLARIFY FORGIVENESS CRITERIA FOR TEACHING FELLOWS PROGRAM

SECTION 2.4.(a) G.S. 116-209.60(5b), as enacted by Section 8A.4(a) of S.L. 2023-134, reads as rewritten:

"(5b) Qualifying teacher. – A teacher in a North Carolina public school who meets the following criteria:

a. Received a forgivable loan under the Program.

b. Graduated within 10 years from an educator preparation program leading to teacher licensure, excluding any authorized deferment for extenuating circumstances.

c. Serves as a teacher in a qualifying licensure area."

SECTION 2.4.(b) This section is effective July 1, 2023, and applies to applications for the award of funds beginning in the 2024-2025 academic year.

CORRECT CROSS REFERENCE FOR CERTAIN SEAA AND DNPE REPORTING REQUIREMENTS

SECTION 2.5.(a) G.S. 115C-562.4(a), as amended by Section 8A.16(a) of S.L. 2023-134, reads as rewritten:

"(a) The Division shall provide annually by December 31 to the Authority a list of all nonpublic schools operating in the State that meet both of the requirements of Part 1 or Part 2 of this Article and the requirements of ~~G.S. 115C-652.5(a)(7)~~. G.S. 115C-562.5(a)(8). The Division shall notify the Authority of any schools included in the list that the Division has determined to be ineligible within five business days of the determination of ineligibility. The Division shall create, in collaboration with the Authority, a unique identifier for each nonpublic school and provide the unique identifiers to the Authority for all nonpublic schools that are registered with the Division."

SECTION 2.5.(b) G.S. 115C-562.5(e), as enacted by Section 8A.16(b) of S.L. 2023-134, reads as rewritten:

"(e) If a nonpublic school terminates operation during the school's regular schedule and fails to (i) report the date of the closure to the Division within 14 days and (ii) return funds owed to the Authority in a timely manner for students who received scholarship grants, any other nonpublic school opened during that school year or subsequent school years by an owner or chief administrator listed in the report submitted to the Division under ~~subdivision (7)~~ subdivision (8) of subsection (a) of this section for that closed school shall be ineligible to receive scholarship grants until such time the Authority determines the obligation to return those funds has been satisfied."

SECTION 2.5.(c) G.S. 115C-596(a), as amended by Section 8A.16(c) of S.L. 2023-134, reads as rewritten:

"(a) List of Nonpublic Schools. – The Division shall provide annually by December 31 to the Authority a list of all nonpublic schools operating in the State that meet the requirements of Part 1, 2, or 3 of Article 39 of this Chapter. The list shall include whether a Part 1 or 2 nonpublic school has met the requirements of ~~G.S. 115C-562.5(a)(7)~~. G.S. 115C-562.5(a)(8)."

EXTENSION OF ECU CHANCELLOR'S AUTHORITY TO ADOPT POLICIES AND PROCEDURES GOVERNING THE DESIGN, CONSTRUCTION, AND RENOVATION OF REAL PROPERTY FOR USE BY ECU

SECTION 2.7. G.S. 116-360.35(b), as enacted by Section 4.10(b) of S.L. 2023-134, reads as rewritten:

"(b) Design and Construction. – The Chancellor may, subject to rules and regulations generally applicable to educational facilities and health care facilities in the State, adopt policies and procedures that shall exclusively govern the design, construction, and renovation of buildings, infrastructure, utilities, and other property developments of the School of Medicine,

the Medical Faculty Practice Plan, and ECU Dental School Clinical Operations, including all aspects of vendor selections, contracting, negotiation, and approvals. Design and construction for the School of ~~Medicine~~ Medicine, the Medical Faculty Practice Plan, and ECU Dental School Clinical Operations are subject to the requirements of G.S. 44A-26 and G.S. 133-1.1 but are otherwise exempt from other State laws applicable to design and construction projects by or on behalf of State agencies."

CLARIFY USE OF NC CARE INITIATIVE FUNDS FOR REGIONAL BEHAVIORAL HEALTH FACILITY

SECTION 2.8. Section 4.10(aa)(4) of S.L. 2023-134 reads as rewritten:

"(4) The sum of fifty million dollars (\$50,000,000) for a regional behavioral health ~~hospital facility.~~"

CHANGE APPLICATION TIMELINE FOR PLASMA GAMES GRANT PROGRAM

SECTION 2.9. Section 7.69(a) of S.L. 2023-134 reads as rewritten:

"SECTION 7.69.(a) The Department of Public Instruction shall create a grant program for public school units to apply for funds to contract with Plasma Games, Inc., for the use of educational software to be used in science, technology, engineering, and math (STEM) and career and technical education (CTE) courses. The Department shall make an application available to public school units by November ~~15, 2023,~~ and ~~August~~ June 1 of each year thereafter that funds are made available for this purpose. Public school units shall submit applications by ~~January 15, March 1, 2024, and October~~ December 1 of each year thereafter that funds are available. The Department shall make determinations on grant recipients ~~by March 15, 2024, and December 1 of each year thereafter that funds are made available.~~ within 30 days of the close of the application period. The Department shall prioritize issuing grants to public school units that participated in the pilot program created pursuant to Section 3.5(a)(25) of S.L. 2021-25, as amended by S.L. 2021-180, and are actively utilizing license grants pursuant to that pilot program."

PART III. HEALTH AND HUMAN SERVICES

EXEMPT CERTAIN NONPROFITS RECEIVING SOCIAL SERVICES BLOCK GRANT FUNDS FROM MATCH REQUIREMENTS

SECTION 3.1. Section 9M.1 of S.L. 2023-134 is amended by adding a new subsection to read:

"SECTION 9M.1.(s1) The following amounts appropriated in this act in the Social Services Block Grant for each fiscal year of the 2023-2025 fiscal biennium to the Department of Health and Human Services, Division of Social Services or Division of Mental Health, Developmental Disabilities, and Substance Use Services, for the nonprofit organizations described in this subsection shall be exempt from the provisions of 10A NCAC 71R .0201(3):

- (1) The sum of three hundred fifty thousand dollars (\$350,000) for each fiscal year of the 2023-2025 fiscal biennium for Big Brothers Big Sisters of the Triad, Inc.
- (2) The sum of two million five hundred forty-one thousand three hundred ninety-two dollars (\$2,541,392) for each fiscal year of the 2023-2025 fiscal biennium for Autism Society of North Carolina, Inc.
- (3) The sum of two hundred seventy-one thousand seventy-four dollars (\$271,074) for each fiscal year of the 2023-2025 fiscal biennium for The Arc of North Carolina, Inc.

(4) The sum of one million six hundred twelve thousand fifty-nine dollars (\$1,612,059) for each fiscal year of the 2023-2025 fiscal biennium for Easterseals UCP of North Carolina & Virginia, Inc."

CORRECT CODE OF FEDERAL REGULATIONS REFERENCE TO RURAL EMERGENCY HOSPITAL DEFINITION

SECTION 3.2.(a) G.S. 131E-76(3), as amended by Section 9F.11 of S.L. 2023-134, reads as rewritten:

"(3) "Hospital" means any facility (i) that has an organized medical staff and is designed, used, and operated to provide health care, diagnostic and therapeutic services, and continuous nursing care primarily to inpatients where such care and services are rendered under the supervision and direction of physicians licensed under Chapter 90 of the General Statutes, Article 1, to two or more persons over a period in excess of 24 hours or (ii) designated by the Centers for Medicare and Medicaid Services as a rural emergency hospital by the Centers for Medicare and Medicaid Services (CMS)—as defined under 42 C.F.R. § 424.575-42 C.F.R. § 485.502 or under section 125 of Division CC of the Consolidated Appropriations Act of 2021, Public Law 116-260. The term includes facilities for the diagnosis and treatment of disorders within the scope of specific health specialties. The term does not include ~~private~~ any of the following:

- a. Private mental facilities licensed under Article 2 of Chapter 122C of the General Statutes, ~~nursing Statutes.~~
- b. Nursing homes licensed under ~~G.S. 131E-102, adult~~ G.S. 131E-102.
- c. Adult care homes licensed under Part 1 of Article 1 of Chapter 131D of the General Statutes, ~~and any Statutes.~~
- d. Any outpatient department including a portion of a hospital operated as an outpatient department, on or off of the hospital's main campus, that is operated under the hospital's control or ownership and is classified as Business Occupancy by the Life Safety Code of the National Fire Protection Association as referenced under 42 C.F.R. § 482.41. Provided, however, if the Business Occupancy outpatient location is to be operated within 30 feet of any hospital facility, or any portion thereof, which is classified as Health Care Occupancy or Ambulatory Health Care Occupancy under the Life Safety Code of the National Fire Protection Association, the hospital shall provide plans and specifications to the Department for review and approval as required for hospital construction or renovations in a manner described by the Department."

SECTION 3.2.(b) This section is effective when it becomes law.

CLARIFY CHANGES TO ON-SITE WASTEWATER STATUTES

SECTION 3.3.(a) G.S. 130A-336.1(l), as amended by Section 3 of S.L. 2023-90, reads as rewritten:

"(l) Reporting Requirements. —

- (1) The owner of the wastewater system shall submit the following to the local health ~~department; department~~ prior to receiving a Certificate of Occupancy from the appropriate inspection department:
 - a. A copy of the professional engineer's report required pursuant to G.S. 130A-336.1(k)(1).
 - b. A copy of the operations and management program.

c. Repealed by Session Laws 2023-90, s. 3, effective July 10, 2023.

d. A letter that documents the owner's acceptance of the system from the professional engineer.

e. A copy of the Authorization to Operate.

(2) The owner of any wastewater system that is subject to subsection (d) of this section shall deliver to the Department copies of the engineer's report, as described G.S. 130A-336.1(k)(1).

(3) Within two business days of receiving the documentation required pursuant to subdivision (1) of this subsection, the local health department shall notify the appropriate inspections department. If the local health department fails to notify the inspections department within two business days, the owner of the wastewater system may submit the Authorization to Operate to the appropriate inspections department and receive a Certificate of Occupancy."

SECTION 3.3.(b) G.S. 130A-336.2, as amended by Section 4 of S.L. 2023-90, reads as rewritten:

"§ 130A-336.2. Alternative wastewater system approvals for nonengineered systems.

...

(l) After reviewing the Authorized On-Site Wastewater Evaluator's report, the owner shall sign confirming acceptance and receipt of the report. The owner shall then submit the following to the local health department: department prior to receiving a Certificate of Occupancy from the appropriate inspection department:

(1) A copy of the Authorized On-Site Wastewater Evaluator's report, including the Authorization to Operate.

(2) A copy of the operations and management program established for the system by the Authorized On-Site Wastewater Evaluator.

(3) ~~The fee established pursuant to subsection (n) of this section.~~

(4) A copy of the document confirming acceptance and receipt of the report by the owner.

(l1) Within two business days of receiving the documentation required pursuant to subsection (l) of this section, the local health department shall notify the appropriate inspections department. If the local health department fails to notify the inspections department within two business days, the owner of the wastewater system may submit the Authorization to Operate to the appropriate inspections department and receive a Certificate of Occupancy.

...."

SECTION 3.3.(c) G.S. 130A-336.1(o), as amended by Section 3 of S.L. 2023-90, reads as rewritten:

"(o) Change in System Ownership. – A wastewater system authorized pursuant to this section shall ~~be transferrable to a new owner with the consent of the professional engineer. The new owner and the professional engineer shall enter a contract for the wastewater system, not be affected by change in ownership of the site for the wastewater system.~~

SECTION 3.3.(d) G.S. 130A-336.2(o), as amended by Section 4 of S.L. 2023-90, reads as rewritten:

"(o) Change in System Ownership. – A wastewater system authorized pursuant to this section shall ~~be transferrable to a new owner with the consent of the Authorized On-Site Wastewater Evaluator. The new owner and the Authorized On-Site Wastewater Evaluator shall enter a contract for the wastewater system, not be affected by change of ownership of the site for the wastewater system.~~

SECTION 3.3.(e) This section is effective retroactively to July 10, 2023.

PART IV. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

**AMEND 2021 WATER AND SEWER ALLOCATIONS FOR MIDDLESEX AND
HENDERSON COUNTY**

SECTION 4.1.(a) Notwithstanding Section 12.13(a)(1) of S.L. 2021-180, as amended by Section 6.1 of S.L. 2022-6, the funds allocated to the Town of Middlesex in accordance with Section 12.13(d) of S.L. 2021-180 may be used to install a new elevated water tank, new groundwater well, associated piping or appurtenances, and all necessary land purchases for installation.

SECTION 4.1.(b) Section 12.13(f) of S.L. 2021-180 reads as rewritten:

"SECTION 12.13.(f) Other Projects. – Of the funds allocated by subdivision (a)(3) of this section for project construction grants, the following sums shall be granted to the indicated local governments and public entities for water and wastewater infrastructure projects:

...

(28) Twelve million seven hundred thousand dollars (\$12,700,000) to Henderson County for the improvement of wastewater treatment in the Edneyville area of the County. If the County fails to obtain a permit by ~~December 31, 2023,~~
June 30, 2025, or withdraws its permit application for the project, then these funds will instead be allocated to the City of Hendersonville.

...."

**WATER AND SEWER INFRASTRUCTURE CORRECTIONS AND
CLARIFICATIONS**

SECTION 4.2.(a) Section 12.2(k) of S.L. 2023-134 reads as rewritten:

"SECTION 12.2.(k) Administrative Costs. – The Department may use ~~three percent (3%)~~
up to one and one-half percent (1.5%) of the funds allocated in this section for administrative costs. The Department shall not charge the grant fee authorized by G.S. 159G-24 for grants made from funds subject to the set-aside of administrative costs authorized by this subsection."

SECTION 4.2.(b) Section 12.2(e)(28) of S.L. 2023-134 reads as rewritten:

"(28) Sixty-nine million six hundred thousand dollars (\$69,600,000) to the Cabarrus County Water and Sewer Authority. ~~Six million dollars (\$6,000,000) of this allocation shall be used for the design and construction of the Muddy Creek Wastewater Treatment Plant Expansion project, and five million dollars (\$5,000,000)~~ Eleven million dollars (\$11,000,000) of this allocation shall be used for the extension of wastewater lines to and in the Town of Midland."

SECTION 4.2.(c) Of the funds allocated to the City of Raeford by Section 12.2(e)(145) of S.L. 2023-134, three million dollars (\$3,000,000) shall be used for the extension of sewer lines to the Cameron Heights community.

SECTION 4.2.(d) Section 12.2(e)(186) of S.L. 2023-134 reads as rewritten:

"(186) Fourteen million dollars (\$14,000,000) to the Town of Troutman. ~~Four million dollars (\$4,000,000) of this allocation shall be used for the connection of the Duck Creek sewer outfall line to the City of Statesville's Third Creek Wastewater Treatment Plant.~~"

TITLE V AIR PERMITTING BONUS PROGRAM MODIFICATIONS

SECTION 4.3.(a) Section 12.17 of S.L. 2023-134 reads as rewritten:

"SECTION 12.17.(a) Establishment of Pilot Program. – Notwithstanding G.S. 126-4(10), the Environmental Management Commission shall establish a Permit Bonus Pilot Program (Program) for qualifying employees who process applications for Title V Air Permits. Qualifying employees shall receive a bonus after a Title V Air Permit is reviewed and ~~completed~~ a final action occurs in accordance with this section. Bonuses for reviewing and processing Title V Air Permits shall be awarded under the applicable schedule. The issuance or denial of a Title V Air

Permit shall not affect whether the qualifying employee receives a bonus. The Program shall expire on June 30, 2025.

"SECTION 12.17.(b) Definitions. – The following definitions apply in this section:

- (1) Administratively complete. – All information required by statute, regulation, or ~~an~~ application form has been submitted to the Department for the purpose of processing a permit application.

...

"SECTION 12.17.(d) Permit Bonus Structure. – The following schedule applies to the permit bonus program for Title V Air Permits and specifies the maximum amount each qualifying employee is eligible to receive per permit:

Permit Type	Permit Engineer	Supervisor	Meteorologist	Admin. Staff
Minor Modification				
0-2 federal programs	\$250	\$75	N/A	\$25
3-6 federal programs	\$500	\$150	N/A	\$25
7+ federal programs	\$750	\$225	N/A	\$25
Major Modification				
0-2 federal programs	\$700	\$75	N/A 300	\$50
3-6 federal programs	\$1,000	\$300	N/A 500	\$50
7+ federal programs	\$1,500	\$500	N/A 750	\$50
New Title V Air Permit				
0-2 federal programs	\$1,000	\$200	\$600	\$50
3-6 federal programs	\$1,750	\$500	\$900	\$50
7+ federal programs	\$2,500	\$800	\$1,200	\$50
PSD/NSR NAA/NSR				
0-2 federal programs	\$2,500	\$600	\$1,000	\$100
3-6 federal programs	\$3,500	\$1,000	\$1,500	\$100
7+ federal programs	\$5,000	\$1,400	\$2,000	\$100

For the purposes of this subsection, (i) the term "Permit Engineer" means a qualifying employee that is the primary processor and reviewer for a Title V Air Permit application, (ii) the term "Supervisor" means a qualifying employee that is the primary supervisor of a reviewer that reviews and processes a Title V Air Permit application, (iii) the term "Meteorologist" means a qualifying employee that is the primary reviewer of the air quality analysis submitted in support of a Title V Air Permit application, and (iv) the term "Admin. Staff" means a qualifying employee that is the primary administrative support position for the processing and review of a Title V Air Permit application.

...

"SECTION 12.17.(f) Pending Permits at Time of Implementation. – For Title V Air Permit applications received prior to January 1, 2024, for which a permit review has not been evaluated by the permit supervisor or posted for public notice, the following schedule applies:

Permit Type	Number of Processing Days	Days for Deduct.
Minor Modification	30	70
Major Modification	50	100
New Title V Air Permit	50	100
PSD/NSR NAA/NSR	100	200

Bonus Percentage: 100% 50% 25%.

"SECTION 12.17.(g) Bonus Structure for First Six-Month Period. – For administratively complete Title V Air Permit applications received on or after January 1, 2024, and before ~~June 1, 2024~~, July 1, 2024, the following schedule applies:

Permit Type	Number of Processing Days	Days for Deduct.
Minor Modification	60 80	100 200
Major Modification	140 160	200 540
New Title V Air Permit	150 200	250 540
PSD/NSR NAA/NSR	300 350	400 700
Bonus Percentage:	100% 50%	25%.

"SECTION 12.17.(h) Bonus Structure for Second Six-Month Period. – For administratively complete Title V Air Permit applications received on or after ~~June 1, 2024~~, July 1, 2024, and before December 31, 2024, the following schedule applies:

Permit Type	Number of Processing Days	Days for Deduct.
Minor Modification	50 70	90 175
Major Modification	120 <u>90</u> 140 <u>120</u>	160 <u>150</u> 360
New Title V Air Permit	120 <u>90</u> 140 <u>120</u>	150 <u>160</u> 360
PSD/NSR NAA/NSR	180 240	300 600
Bonus Percentage:	100% 50%	25%.

...

"SECTION 12.17.(s) Rulemaking. – The Environmental Management Commission ~~shall~~ may adopt temporary rules to implement the provisions of this section.

...."

SECTION 4.3.(b) G.S. 143-213(1), as enacted by Section 12.11(c) of S.L. 2023-134, reads as rewritten:

"(1) The term "administratively complete" means that all information required by statute, regulation, ~~or~~ and application form has been submitted to the Department for the purpose of processing a permit application."

LOCAL APPROVAL OF EROSION AND SEDIMENTATION CONTROL PLAN CLARIFICATION

SECTION 4.4.(a) G.S. 113A-61(b1), as amended by Section 12.10(c) of S.L. 2023-134 and Section 2(d) of S.L. 2023-142, reads as rewritten:

"(b1) A local government shall not deny a draft erosion and sedimentation control plan based solely upon the applicant's need to ~~obtain~~ obtain: (i) other development approvals for the project, as that term is defined by ~~G.S. 160D-102(13)~~. ~~A local government shall~~ G.S. 160D-102, or (ii) other environmental permits, authorizations, or certifications for the project, aside from a permit required for stormwater discharges from construction sites pursuant to 40 C.F.R. § 122.26; the local government shall, however, condition approval of a draft erosion and sedimentation control plan upon the applicant's compliance with federal and State water quality laws, regulations, and rules, including the applicant's receipt of other environmental permits, authorizations, or certifications that may be required for the project. A local government shall disapprove an erosion and sedimentation control plan if implementation of the plan would result in a violation of rules adopted by the Environmental Management Commission to protect riparian buffers along surface waters. A local government may disapprove an erosion and sedimentation control plan or disapprove a transfer of a plan under subsection (b3) of this section upon finding that an applicant or a parent, subsidiary, or other affiliate of the applicant:

...."

SECTION 4.4.(b) This section becomes effective July 1, 2024.

MODIFY HIGH-YIELD ECONOMIC DEVELOPMENT FUNDING

SECTION 4.5.(a) Section 11.19 of S.L. 2021-180 reads as rewritten:

"...

"SECTION 11.19.(b) Provided the Economic Investment Committee awards a Job Development Investment Grant for a qualifying project in Randolph County while the county is classified as a development tier one area, as defined in G.S. 143B-437.08, to a manufacturer, there is appropriated from the Economic Development Project Reserve established in Section 2.2(m) of this act to the Department of Commerce (Department) (i) for the 2021-2022 fiscal year the sum of one hundred thirty-five million dollars (\$135,000,000) in nonrecurring funds to be transferred to the Department of Transportation for ~~improvements at the project site. purposes~~ consistent with subdivisions (1) and (2) of this subsection and (ii) for the 2023-2024 fiscal year the sum of thirty million dollars (\$30,000,000) in nonrecurring funds to be transferred to the Department of Transportation for purposes consistent with subdivision (3) of this subsection. Notwithstanding any other provision of law, the Department of Transportation is authorized to utilize Progressive Design Build, Construction Management General Contractor, or any other procurement methodology to contract for the delivery of improvements for which funds are provided in a subdivision of this subsection. As used in this section, (i) the project site is the portion of the industrial park referenced in subsection (a) of this section where a qualifying project is to be located and used by the manufacturer referenced in this subsection and (ii) a qualifying project is a project for which the agreement requires that the business invest at least one billion dollars (\$1,000,000,000) in private funds and create at least 1,750 eligible positions, as defined in G.S. 143B-437.51. The funds allocated in this subsection shall be used as follows:

- (1) One hundred million dollars (\$100,000,000) for site work and associated wetlands mitigation needed at the project site.
- (2) Thirty-five million dollars (\$35,000,000) for roadwork and associated wetlands mitigation needed within Randolph County.
- (3) Thirty million dollars (\$30,000,000) for right-of-way acquisition and associated roadwork needed at the project site.

...

"SECTION 11.19.(d) The Department shall enter into an agreement with the manufacturer identified in subsection (b) of this section. The agreement is binding and constitutes a continuing contractual obligation of the State and the manufacturer benefitted by the funds allocated for improving the project site. ~~The For funds appropriated in this section for the 2021-2022 fiscal year, the agreement~~ must (i) include all of the performance criteria, remedies, and other safeguards required by the Department to secure the State's benefit derived from improvements to the industrial park funded by this section and (ii) require the manufacturer to repay a proportionate amount of costs incurred by the State for improvement of the park undertaken by the State under subsection (b) of this section or reimbursement paid to the manufacturer under subsection (c) of this section for any failure by the business to meet and maintain the applicable performance criteria on which the cost incurred or reimbursement paid was based. No repayment or reimbursement may be required by the Department for any other funds appropriated in this section.

...."

SECTION 4.5.(b) The funds transferred in subsection (a) of this section for the 2023-2024 fiscal year are hereby appropriated for the purposes described in that subsection.

SECTION 4.5.(c) This section is effective when it becomes law.

DEPARTMENT OF ENVIRONMENTAL QUALITY FUND CODE ADJUSTMENTS

SECTION 4.6. Notwithstanding the Committee Report described in Section 43.2 of S.L. 2023-134, (i) the funds appropriated for an Environmental Assistance Coordinator under Budget Code 14300, Fund Code 1130, shall instead be certified in Fund Code 1615, (ii) the federal receipts budgeted for the Federal Infrastructure Investment and Jobs Act (IIJA) under Budget Code 24300, Fund Code 2456, shall instead be certified in Fund Code 2493, and (iii) the receipts budgeted from the Federal Infrastructure Match Reserve for IIJA grid resiliency grants under Budget Code 24300, Fund Code 2456, shall instead be certified in Fund Code 2493.

AQUATIC WEED PROGRAM CHANGES

SECTION 4.7. G.S. 143-215.73F(b) reads as rewritten:

"(b) Uses of Fund. – Revenue in the Fund may only be used for the following purposes:

...

- (2) For aquatic weed control projects in waters of the State that either address (i) a noxious aquatic weed designated under Article 15 of Chapter 113A of the General Statutes, (ii) cyanobacteria causing harmful algal blooms or producing cyanotoxins such as cylindrospermopsin and saxitoxins, or (iii) other aquatic vegetation not so designated, if the vegetation obstructs public water access or access by watercraft to public watercraft launching or docking areas. Funding for aquatic weed control projects is limited to one million dollars (\$1,000,000) in each fiscal year.

...."

PART V. JUSTICE AND PUBLIC SAFETY [RESERVED]

PART VI. GENERAL GOVERNMENT

MODIFY EFFECTIVE DATE FOR LOBBYING FEE INCREASE

SECTION 6.1. Section 35.1 of S.L. 2023-134 is amended by adding a new subsection to read:

"SECTION 35.1.(c) This section becomes effective January 1, 2025."

OSBM GRANT CHANGES

SECTION 6.2. Part XXIV of S.L. 2023-134 is amended by adding the following new section to read:

"OSBM GRANT CHANGES

"SECTION 24.9. Notwithstanding any provision of law or the Committee Report referenced in Section 43.2 of this act to the contrary, the following grants and funds allocated to the Office of State Budget and Management – Special Appropriations are amended as follows:

- (1) The directed grant to Burke County in the sum of four million dollars (\$4,000,000) in nonrecurring funds for the 2023-2024 fiscal year for capital improvements or equipment for fire departments shall instead be provided for Emergency Medical Services.
- (2) The directed grant to the North Carolina Medical Society in the sum of one million five hundred thousand dollars (\$1,500,000) in nonrecurring funds for the 2023-2024 fiscal year for physician awareness and training related to treating PANS/PANDAS shall instead be provided to Neuroimmune North Carolina, a nonprofit organization.
- (3) The directed grant to Bladen County in the sum of four million dollars (\$4,000,000) in nonrecurring funds for the 2023-2024 fiscal year for capital projects, including aviation and economic development, shall instead be provided to Bladen's Bloomin Agri-Industrial, Inc., a nonprofit organization.

- (4) The directed grant to Wilson Pregnancy Center, Inc., in the sum of one hundred thousand dollars (\$100,000) in nonrecurring funds for the 2023-2024 fiscal year for capital needs and security upgrades shall instead be provided to Wilson County School: Her Pride Afterschool Mentoring Program.
- (5) The directed grant to the City of Wilson in the sum of fifty thousand dollars (\$50,000) in nonrecurring funds for the 2023-2024 fiscal year for capital improvements or equipment at the Herring-Ellis Cemetery shall instead be provided at the Vick Cemetery.
- (6) The directed grant to The Salvation Army for the Center of Hope in the sum of two hundred fifty thousand dollars (\$250,000) in nonrecurring funds for the 2023-2024 fiscal year and for related capital improvements or equipment shall be for the Guilford County location.
- (7) The directed grant to Equity Before Birth in the sum of one hundred thousand dollars (\$100,000) in nonrecurring funds for the 2023-2024 fiscal year to support MAAME, Inc., shall instead be equally divided to support both Equity Before Birth and MAAME, Inc.
- (8) The directed grant to Lumbee Land Development, Inc., in the sum of two million nine hundred fifty thousand dollars (\$2,950,000) in nonrecurring funds for the 2023-2024 fiscal year for the Strike At The Wind outdoor drama shall instead be used for cultural and economic development.
- (9) The directed grant to Richmond County in the sum of two hundred thousand dollars (\$200,000) in nonrecurring funds for the 2023-2024 fiscal year for operations or equipment for youth programs shall instead be provided to the City of Rockingham.
- (10) The directed grant to Denver Area Business Association, Inc., in the sum of eight hundred thousand dollars (\$800,000) in nonrecurring funds shall be reduced by the sum of one hundred thousand dollars (\$100,000), which shall be allocated instead to North 321 VFD, Inc.
- (11) The directed grant to Lincoln County Schools in the sum of two million dollars (\$2,000,000) in nonrecurring funds for athletic facility upgrades shall be reduced by the sum of one million dollars (\$1,000,000), which shall instead be provided to North 321 VFD, Inc.
- (12) The directed grant to the Banner American Legion Auxiliary Unit #109, Inc., in the sum of one hundred twenty-five thousand dollars (\$125,000) in nonrecurring funds for the 2023-2024 fiscal year shall be instead provided to Banner Post 109, Incorporated.
- (13) The directed grant to the Town of Macclesfield in the sum of three hundred thousand dollars (\$300,000) in nonrecurring funds for the 2023-2024 fiscal year to purchase a new fire truck and related equipment shall instead be provided to the Town of Pinetops.
- (14) Budgeted receipts from the ARPA Temporary Savings Fund to provide funds to the Museum of the Cape Fear Historical Complex Foundation, Inc., for capital improvements or equipment for the NC Civil War Emancipation and Reconstruction History Center shall instead be provided to NC History Center on the Civil War, Emancipation and Reconstruction Foundation."

MODIFY PURPOSE OF FUNDS PREVIOUSLY PROVIDED TO LEAGUE OF MUNICIPALITIES

SECTION 6.3. Part XXIV of S.L. 2023-134 is amended by adding the following new section to read:

"REDIRECTION OF CERTAIN GRANT FUNDS

"SECTION 24.10. Notwithstanding any provision of S.L. 2021-180 or the Committee Report described in Section 43.2 of S.L. 2021-180 to the contrary, of the funds appropriated to the League of Municipalities for the creation of an audit software grant program the sum of fifteen million dollars (\$15,000,000) shall instead be provided to the Piedmont Triad Regional Council for the management and implementation of the SimplySolv centralized state auditing system.

(1) Funds may be used as follows:

- a. For development, operation, and support of technology specifically for North Carolina.
- b. To recoup development costs already expended associated with technology built specifically for North Carolina.
- c. To fund support and operations required to service North Carolina.

(2) Funds may not be used as follows:

- a. To pay any employee or board member a salary or bonus of such amount as to be exorbitant to the value add of their direct work or expertise as it relates to services provided for North Carolina.
- b. To pay out a dividend or ROI to investors.
- c. For business development or support of operations or technology that benefits other states."

TEMPORARY SOLUTIONS MODIFICATION

SECTION 6.4. G.S. 126-6.3, as amended by Section 29A.2(a) of S.L. 2023-134, reads as rewritten:

"§ 126-6.3. Temporary employment needs of Cabinet and Council of State agencies; use of the Temporary Solutions Program.

(a) Use of Temporary Solutions Required for Cabinet Agencies. – Notwithstanding G.S. 126-5 or any other provision of law, all Cabinet agencies that utilize temporary employees to perform work that is not information technology-related shall employ them through the Temporary Solutions Program administered by the Office of State Human Resources (OSHR). Council of State agencies may use the Temporary Solutions Program in the discretion of the agency.

(a1) Temporary Employment Restrictions. – No temporary employee shall be employed more than 11 consecutive months. A temporary employee shall only be eligible for reinstatement on the job assignment after working 11 consecutive months if the temporary employee is separated for at least 31 consecutive calendar days. Temporary employees shall not be used to permanently expand the workforce beyond authorized levels.

(a2) The OSHR shall prohibit from acquiring new temporary employees any agency or division, based on individual budget code, having an invoice owed to the OSHR that is over 90 days ~~overdue and a total overdue invoice amount exceeding two hundred thousand dollars (\$200,000) for any number of days overdue.~~ When an agency is restricted from acquiring a new temporary employee under this subsection, the agency shall not be allowed to acquire new temporary employees through the Temporary Solutions Program until the agency has paid all overdue invoices. The provisions of this subsection do not apply to the North Carolina National Guard.

(a3) Exceptions. – The following exceptions apply:

- (1) The Director of the OSHR may create exceptions to the requirements of subsection (a) of this section only when the following conditions are met:
 - a. The Temporary Solutions Program cannot meet the agency's employment needs for a class of temporary job assignments.
 - b. Failure to recruit for the class of temporary job assignments will cause severe harm to the agency's ability to provide services to the public.

- (2) A temporary employee who is a full-time student, a retired employee, an inmate on a work-release program, an intern, or an extern is exempt from the requirements of subsection (a1) of this section.
- (3) The Director of the OSHR may create exceptions to the requirements of subsection (a1) and subsection (a2) of this section only when all of the following conditions are met:
- a. The exception is in the best interests of the State because removing the employee from the job assignment will cause severe harm to the agency's ability to provide vital services to the public.
 - b. The exception will not result in extending the 11-month maximum length of temporary employment beyond 22 months from the employee's initial hire date, date, unless that employee is providing medical care.

~~All~~ All exceptions shall be in the sole discretion of the Director of the OSHR except that the North Carolina National Guard is hereby granted preferred status for exceptions which shall not be denied by the Director. All exceptions shall include a justification of why the exception is necessary. An exception is invalid unless it is submitted in writing and on file in the Temporary Solutions Program Office. To the extent possible, the Director of the OSHR or the Director's designee shall advise agencies of alternative job classification options prior to approval of exceptions to subsection (a1) of this section.

...."

PART VII. SALARIES AND BENEFITS

CLARIFY CERTAIN DATES FOR PRINCIPAL SALARY SCHEDULE

SECTION 7.1. Section 7A.6 of S.L. 2023-134 reads as rewritten:

"...

"SECTION 7A.6.(b) For purposes of determining the average daily membership of a principal's school, the following amounts shall be used during the following time periods:

- (1) Between July 1, 2023, and December 31, 2023, the average daily membership for the school from the 2022-2023 school year. If the school did not have an average daily membership in the 2022-2023 school year, the projected average daily membership for the school for the 2023-2024 school year.
- (2) Between January 1, 2023, 2024, and June 30, 2023, 2024, the average daily membership for the school for the 2023-2024 school year.

...

"SECTION 7A.6.(c) For purposes of determining the school growth scores for each school the principal supervised in one or more prior school years, the following school growth scores shall be used during the following time periods:

- (1) Between July 1, 2023, and December 31, 2023, the school growth score from the 2021-2022 school year.
- (2) Between January 1, 2023, 2024, and June 30, 2023, 2024, the school growth scores from the 2021-2022 and 2022-2023 school years.

...."

DAC TEACHER PAY/CLARIFICATION

SECTION 7.2. Section 39.1(b)(8) of S.L. 2023-134 reads as rewritten:

- "(8) Employees of schools operated by the Department of Health and Human Services, the Department of Public Safety, the Department of Adult Correction, and the State Board of Education who are paid based on the Teacher Salary Schedule."

DAC CORRECTIONAL OFFICER PAY SCHEDULE CORRECTION

SECTION 7.3. The salary schedule for Correctional Officers of the Department of Adult Correction contained in Section 39.15(b) of S.L. 2023-134 is amended by changing the salary set for Correctional Officers having two years of experience (CO II) to the following amounts:

- (1) Forty-two thousand eight hundred thirty-two dollars (\$42,832) in fiscal year 2023-2024, effective July 1, 2023.
- (2) Forty-four thousand one hundred seventeen dollars (\$44,117) in fiscal year 2024-2025, effective July 1, 2024.

SECTION 7.4.(a) Subsection (a) of Section 39.6 of S.L. 2023-134 reads as rewritten:

"SECTION 39.6.(a) Effective July 1, 2023, the annual salaries, payable monthly, for the following judicial branch officials for the 2023-2024 fiscal year are as follows:

Judicial Branch Officials	Annual Salary
Chief Justice, Supreme Court	\$198,120
Associate Justice, Supreme Court	192,978
Chief Judge, Court of Appeals	189,926
Judge, Court of Appeals	184,996
Judge, Senior Regular Resident Superior Court	170,000
Judge, Superior Court	165,000
Chief Judge, District Court	163,462
Judge, District Court	158,654
Chief Administrative Law Judge	140,520
District Attorney	163,231
Assistant Administrative Officer of the Courts	147,393
Public Defender	163,231
Director of Indigent Defense Services	157,751 164,454"

SECTION 7.4.(b) Subsection (a1) of Section 39.6 of S.L. 2023-134 reads as rewritten:

"SECTION 39.6.(a1) Effective July 1, 2024, the annual salaries, payable monthly, for the following judicial branch officials for the 2024-2025 fiscal year are as follows:

Judicial Branch Officials	Annual Salary
Chief Justice, Supreme Court	\$203,073
Associate Justice, Supreme Court	197,802
Chief Judge, Court of Appeals	194,674
Judge, Court of Appeals	189,621
Judge, Senior Regular Resident Superior Court	174,250
Judge, Superior Court	169,125
Chief Judge, District Court	167,548
Judge, District Court	162,620
Chief Administrative Law Judge	144,736
District Attorney	167,337
Assistant Administrative Officer of the Courts	151,815
Public Defender	167,337
Director of Indigent Defense Services	162,484 168,565"

PART VIII. CAPITAL**SCIF TECHNICAL CORRECTIONS**

SECTION 8.1. Part XL of S.L. 2023-134 is amended by adding the following new section to read:

"SCIF GRANT & ALLOCATION CHANGES

"SECTION 40.8. Notwithstanding any provision of law or the Committee Report referenced in Section 43.2 of this act to the contrary, the following grants and funds allocated from the State Capital and Infrastructure Fund are amended as follows:

- (1) The funding allocated to the University of North Carolina at Pembroke for project code UNC/PEM23-1 in the sum of six million one hundred thousand dollars (\$6,100,000) for the 2024-2025 fiscal year may be used for the comprehensive renovation or replacement of the Givens Performing Arts Center.
- (2) The funding allocated to Tree House Recovery, Inc., in the sum of six million dollars (\$6,000,000) for the 2023-2024 fiscal year shall be provided to Tree House Recovery, Inc., located in Wilmington, NC, to be used for the construction of a substance abuse services facility."

FUNDING FOR TIME-LIMITED POSITIONS FOR SCIF GRANT AND ALLOCATION PROCESSING

SECTION 8.2. Part XL of S.L. 2023-134 is amended by adding the following new section to read:

"SCIF TEMPORARY PERSONNEL FUNDING

"SECTION 40.9. The Office of State Budget and Management may use a sum not to exceed one million dollars (\$1,000,000) in nonrecurring funds for the 2023-2025 fiscal biennium from the State Capital and Infrastructure Fund, established in G.S. 143C-4-3.1, to fund up to five temporary positions to assist in the administration of grants and other funding allocations from the State Capital and Infrastructure Fund, and the funds are hereby appropriated for that purpose. The temporary positions described in this section are time-limited to the duration of the 2023-2025 fiscal biennium."

PART IX. TRANSPORTATION**CLARIFY DMV'S AUTHORITY TO IMPLEMENT TRANSACTION FEES ON ELECTRONIC PAYMENTS**

SECTION 9.1.(a) G.S. 20-4.05, as enacted by S.L. 2023-134, reads as rewritten:

"§ 20-4.05. Authority of Division to charge transaction fee on electronic payments.

(a) When the Division accepts electronic payment, as that term is defined in G.S. 147-86.20, for any cost, fee, fine, or penalty imposed pursuant to this Chapter, the Division may add a transaction fee to each electronic payment transaction to offset the service charge the Division pays for electronic payment service. The Division's transaction fee shall not exceed two percent (2%) of the electronic payment.

(b) Notwithstanding G.S. 66-58.12, this section applies to transactions completed in person, through the World Wide Web, or through any other means of electronic access."

SECTION 9.1.(b) This section becomes effective July 1, 2024.

FUND CODE CORRECTIONS

SECTION 9.2. S.L. 2023-134 is amended by adding a new section to read:

"CORRECTIONS AND REVISIONS TO THE DEPARTMENT OF TRANSPORTATION COMMITTEE REPORT

"SECTION 41.20. Notwithstanding any provision of law or the Committee Report described in Section 43.2 of this act to the contrary, for the 2023-2025 fiscal biennium:

- (1) Fund Code 1332, referenced for funds appropriated to the Department of Transportation for State Retirement Contributions, shall be replaced with Fund Code 0871.

- 1 (2) Fund Code 7031, referenced for funds appropriated to the Department of
2 Transportation for Safety and Risk Management Equipment, shall be replaced
3 with Fund Code 7185.
4 (3) Fund Code 7070, referenced for Multi-State Highway Planning Funds, shall
5 be replaced with Fund Code 7844."
6

7 **PART X. EFFECTIVE DATE**

8 **SECTION 10.1.** Except as otherwise provided, this act is effective July 1, 2023.