

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 32*

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Rules and Operations of the Senate Committee Substitute Adopted 8/28/97

House Committee Substitute Favorable 8/28/97

Short Title: Studies Act.

(Public)

Sponsors:

Referred to:

February 3, 1997

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE STUDIES BY THE LEGISLATIVE RESEARCH
COMMISSION, TO CREATE VARIOUS COMMISSIONS, TO CONTINUE A
COUNCIL, TO DIRECT STATE AGENCIES AND LEGISLATIVE OVERSIGHT
COMMITTEES AND COMMISSIONS TO STUDY SPECIFIED ISSUES, AND TO
IMPOSE A MORATORIUM ON SERVICE CORPORATION CONVERSIONS.

The General Assembly of North Carolina enacts:

PART I.—TITLE

Section 1. This act shall be known as "The Studies Act of 1997".

PART II.—LEGISLATIVE RESEARCH COMMISSION

Section 2.1. The Legislative Research Commission may study the topics listed below. When applicable, the bill or resolution that originally proposed the issue or study and the name of the sponsor is listed. Unless otherwise specified, the listed bill or resolution refers to the measure introduced in the 1997 Regular Session of the 1997

- 1 General Assembly. The Commission may consider the original bill or resolution in
2 determining the nature, scope, and aspects of the study.
- 3 (1) Bingo regulation (Weinstein; H.B. 951 - Baker).
- 4 (2) Building code issues (S.B. 820 - Shaw of Cumberland; H.B. 47 -
5 Davis); State construction (Ives); Downtown revitalization (H.B. 50 -
6 Davis, S. B. 823 - Shaw of Cumberland); Housing Trust Fund
7 allocations to downtown areas.
- 8 (3) Coastal beach movement issues including, but not limited to:
9 a. Beach renourishment; the value cost, level of need, return on
10 investment, and eligible participants.
11 b. Storm hazard mitigation (S.B. 432 - Odom and Horton).
- 12 (4) Dispute Resolution Commission revision and expansion of authority
13 (S.B. 1021 - Rand).
- 14 (5) Domestic Violence (S.B. 753 - Lucas; H.B. 909 - Bowie).
- 15 (6) Financial institutions including, but not limited to:
16 a. Branch banking law in North Carolina (S.B. 901 - Warren).
17 b. Consumer finance industry issues (S.B. 777 - Lee; H.B. 356 -
18 Tallent).
19 c. Robbery witness protection (S.B. 384 - Dalton).
20 d. Allowing mortgage bankers to make loans and charge related
21 fees (H.B. 1125 - Miner)
- 22 (7) Future of the courts (Ballance; H.B. 1192 - Daughtry, Neely, and
23 Baddour).
- 24 (8) Guardian Ad Litem Program (S.J.R. 24 - Ballance; H.J.R. 107 - Hiatt).
- 25 (9) Health care information privacy issues (S.B. 1005 - Gulley; H.B. 925 -
26 Reynolds).
- 27 (10) Lien issues including, but not limited to:
28 a. Laws related to liens due medical providers for medical services
29 provided and to the assignment of proceeds (S.B. 156 - Hartsell;
30 H.B. 199 - Culpepper).
31 b. Allowing statutory liens for fees owed to commercial real estate
32 brokers (S.B. 923 - Odom).
- 33 (11) Lobbying and conflict issues including, but not limited to:
34 a. Lobbyists waiting period for former legislators, former members
35 of the Council of State, or other officers or employees of State
36 government (S.B. 3 - Jenkins).
37 b. No State agency contract lobbying (Section 7.17, 5th Edition of
38 S.B. 352).
39 c. No State funds for lobbying (Section 11.73, 5th Edition of S.B.
40 352).
41 d. Governor's Highway Safety Program is not to hire paid lobbyists
42 (Section 29.29, 5th Edition of S.B. 352).

- 1 e. Conflicts of interest; issues for public officials (H.B. 1165 -
2 Bowie)
- 3 (12) Municipalities annexation and incorporation issues including, but not
4 limited to:
- 5 a. Incorporation process and requirements for new municipalities
6 (S.J.R. 61 - Hartsell; H.B. 93 - Ellis; H.J.R. 163 - Cole).
- 7 b. Annexation, incorporation, and land-use planning (S.B. 903 -
8 Hartsell).
- 9 (13) Coastal insurance issues (H.B. 452 - Redwine; H.B. 1119 - McComas).
- 10 (14) Division of 30th District Court District and 30th Prosecutorial District
11 (Section 15.11A, 5th edition, S.B. 352 - Carpenter)
- 12 (15) Cemetery Commission and Cemetery regulation (H.B. 98 - Hill)
- 13 (16) Consumer Protection (H.J.R. 25 - Thompson; S.J.R. 28 - Jordon)
- 14 (17) Cooperative Extension Service (H.B. 1018 - Smith)
- 15 (18) Health care issues (H.B. 1207 - Bowie; H.B. 1204- Brawley; H.B. 985 -
16 Insko)
- 17 (19) Rail service to State Ports (H.B. 257 - McComas)
- 18 (20) DHR Schools (H.B. 1002 - Arnold)
- 19 (21) Watercraft safety (H.B. 513 - Preston)
- 20 (22) Storm hazard mitigation (H.B. 572 - Mitchell; S.B. 432 - Odom) and
21 wastewater systems permits (H.B. 1021 - Hardy)
- 22 (23) Community colleges (Rayfield; Shubert)
- 23 (24) Information technology (H.B. 290, 925, 970, 973, 1034, 1047)
- 24 (25) Victims rights (H.B. 665 - Eddins)
- 25 (26) Dental hygienist regulation, supervision, and scope of practice
26 (Gardner)
- 27 (27) National Guard buy-in to State Health Plan (S.B. 434 - Forrester)
- 28 (28) Small business development (H.B. 1177 - Shubert)
- 29 (29) Venture Capital and business financing (S.B. 956 - Hoyle and Kerr)
- 30 (30) Adoption registry (H.B. 1206 - Allred)

31 Section 2.2. Administration of Rabies Vaccine (Kerr; Morgan). The Legislative
32 Research Commission may study issues related to the administration of the rabies vaccine
33 to dogs, including whether owners of dogs who are not veterinarians or certified rabies
34 vaccinators should be authorized to administer vaccines to their own dogs and, if so,
35 pursuant to what statutory or administrative guidelines, conditions, and authority.

36 Section 2.3. Competition to Improve State Government Services. The
37 Legislative Research Commission may study methods and initiatives to cause the use of
38 competition to improve the delivery of State government services, to make State
39 government more effective and efficient, and to reduce the costs of government to
40 taxpayers.

41 Section 2.4. Dedicated Sources of Revenue (Rand). The Legislative Research
42 Commission may study the use of dedicated funding including the establishment of
43 dedicated sources of revenue for the North Carolina Housing Trust Fund and other

1 sources of low-income housing, Legal Services of North Carolina, and professional
2 firefighter retirement benefits including the appropriate length of service required to
3 receive such benefits.

4 Section 2.5. Garnishment of Wages (S.B. 740 - Rand). The Legislative
5 Research Commission may study issues relating to garnishment of wages to satisfy debts
6 for which garnishment is not currently an option including the impact general wage
7 garnishment would have on employers, employees, personal bankruptcies, credit, and the
8 judicial system, and the extent to which out-of-state creditors would seek wage
9 garnishment. The Commission may consider appointing to the committee a representative
10 from each of the following groups: (i) employers; (ii) employees; (iii) clerks of court; (iv)
11 creditors; and (v) a business-related section of the North Carolina Bar Association.

12 Section 2.6. State and Local Government Fiscal Reform and Intergovernmental
13 Relations (Perdue). The Legislative Research Commission may study emerging issues in
14 fiscal reform and intergovernmental relations including the fiscal relationship between
15 the State and its local governments by examining State revenue sources and the allocation
16 of responsibility among the State and its local governments for financing and performing
17 government services. The Commission may study and examine the following:

- 18 (1) Issues related to urban development, including comprehensive land-use
19 planning, annexation and incorporation of new municipalities, and the
20 development of municipalities in an environmentally sound manner.
- 21 (2) Whether State and local responsibilities for providing government
22 services should be reallocated, including an evaluation of the current
23 means of delivering education and health care services to the citizens of
24 the State and the desirability and feasibility of developing new methods
25 for providing citizens in the rural as well as the urban areas of the State
26 with a quality, competitive education and comprehensive, state-of-the-
27 art health care.
- 28 (3) Whether the State should provide local governments with additional
29 revenue options.
- 30 (4) The most efficient and effective means for financing local government
31 tax sharing and tax reimbursements and for providing local government
32 services.
- 33 (5) Whether taxes should be earmarked for specific purposes.
- 34 (6) The desirability of developing a long-term, structured, strategic
35 planning process that will focus on the economic development needs
36 and goals of the rural and urban local governments located across the
37 State.
- 38 (7) Whether certain State services and programs should be privatized and, if
39 so, the proper criteria for determining which services and programs
40 should be privatized and in what manner.
- 41 (8) Any other issues related to the desirability of reorganizing,
42 restructuring, and downsizing State government.

- 1 (9) The extent to which State policy on the financing of water supply and
2 sewage infrastructure through grant and loan programs promotes orderly
3 development that optimizes the expenditure of these State revenues.
- 4 (10) The extent to which local governments have employed long-range
5 planning to guide and encourage cost-efficient development patterns.
- 6 (11) The extent to which local governments have utilized subdivision
7 regulation, zoning ordinances, and other statutory powers to promote
8 orderly development.
- 9 (12) The feasibility of using positive State incentives to encourage greater
10 utilization of land-use management by local governments.
- 11 (13) The impact land transfer taxes and impact fees have had on
12 development and on the financing of infrastructure to sustain rational
13 growth.
- 14 (14) The desirability of the legislature authorizing counties to enact certain
15 optional local taxes and fees, such as land transfer taxes and impact
16 fees, to fund capital needs.
- 17 (15) The extent to which environmental regulatory programs administered by
18 State agencies might be delegated in whole or in part to local
19 governments.

20 Section 2.7. Pharmacy Practice Act Revision (S.B. 1039 - Perdue; Rand;
21 Crawford). The Legislative Research Commission may study revising and updating the
22 Pharmacy Practice Act including the following: (i) whether a pharmacist should be
23 allowed to monitor drug therapy under specific guidelines established by a physician; (ii)
24 designing a process for the electronic transmission of prescriptions between doctors and
25 pharmacists; and establishing procedures for the distribution of prescriptions during an
26 emergency or natural disaster; and (iv) prescription drug competition (S.B. 866 - Rand;
27 H.B. 996 - Crawford). The Commission may consider appointing to the Committee a
28 representative from each of the following groups: (i) the North Carolina Medical
29 Association; (ii) the North Carolina Hospital Association; (iii) the North Carolina
30 Pharmacy Association; (iv) the North Carolina Health Care Facilities Association; and
31 (v) the North Carolina HMO Association.

32 Section 2.8. Public Transit (Gulley). The Legislative Research Commission
33 may study public transit in the State including the following: (i) review and validate
34 present and future public transit funding needs; (ii) evaluate the economic impact of
35 public transit on the State and its various regions; (iii) evaluate the appropriate roles of
36 local, regional, State, and federal governments in funding public transit; and (iv) short-
37 and long-range funding solutions.

38 Section 2.9. Relationship of the Open Meetings Law and the Public Records
39 Law to Institutions of The University of North Carolina (Lee; H.B. 898 - Daughtry). The
40 Legislative Research Commission may study the relationship of the Open Meetings Law,
41 as set forth in Article 33C of Chapter 143 of the General Statutes, and the Public Records
42 Law, as set forth in Chapter 132 of the General Statutes, to The University of North
43 Carolina and its constituent institutions. The study shall include at least the following:

- 1 (1) Whether to exclude from the definition of public records, attorney work
2 product, certain donor and alumni records, and drafts of certain
3 documents;
- 4 (2) Whether to include faculty as professional staff under the Open
5 Meetings Law; and
- 6 (3) Other ways to assist the University system to best serve its educational
7 purposes within the public purposes of the Open Meetings Law and the
8 Public Records Law.

9 Section 2.10. Substance Abuse Aftercare (Martin of Guilford). The
10 Legislative Research Commission may study substance abuse aftercare. The study may
11 include the following:

- 12 (1) The underlying issues relative to substance abuse, such as the economic,
13 social, psychological, and cultural reasons for obstacles to success in
14 remaining drug free;
- 15 (2) Approaches to overcoming those obstacles to success;
- 16 (3) Better processes and methods for aftercare, rehabilitation, and
17 readjustment to societal norms and expectations; and
- 18 (4) Review of programs that have proven to be successful over the long-
19 term in working with recovering addicts in nonclinical settings.

20 Section 2.11. Committee Membership. For each Legislative Research
21 Commission committee created during the 1997-98 biennium, the cochairs of the
22 Legislative Research Commission shall appoint the committee membership.

23 Section 2.12. Reporting Date. For each of the topics the Legislative Research
24 Commission decides to study under this Part or pursuant to G.S. 120-30.17(1), the
25 Commission may report its findings, together with any recommended legislation, to the
26 1997 General Assembly, 1998 Regular Session, or the 1999 General Assembly.

27 Section 2.13. Funding. From the funds available to the General Assembly, the
28 Legislative Services Commission may allocate additional monies to fund the work of the
29 Legislative Research Commission.

30 31 PART III.—LEGISLATIVE STUDY COMMISSION ON CHILDREN AND YOUTH 32 MEMBERSHIP CHANGE (Rand; Gardner)

33 Section 3.1. Effective August 13, 1997, G.S. 120-210(a), as is found in
34 Section 11 of S.L. 1997-390, reads as rewritten:

35 "(a) The Commission shall consist of ~~23~~25 members, as follows:

- 36 (1) ~~Ten—Eleven~~ members appointed by the Speaker of the House of
37 Representatives, ~~as follows:~~among them:
 - 38 a. Four shall be members of the House of Representatives at the
39 time of their appointment,
 - 40 b. One shall be the director of a local health department,
 - 41 c. One shall be the director of a county department of social
42 services,

- 1 d. One shall be a representative of the general public who has
2 knowledge of issues relating to children and youth,
3 e. One shall be a licensed physician who is knowledgeable about
4 the health needs of children and youth, and
5 f. One shall be a chief district court judge recommended by the
6 Council of Chief District Judges.
7 g. One shall be a representative from the Covenant with North
8 Carolina Children.
- 9 (2) ~~Ten~~ Eleven members appointed by the President Pro Tempore of the
10 Senate, as follows:
11 a. Four shall be members of the Senate at the time of their
12 appointment,
13 b. One shall be the director of a mental health area authority,
14 c. One shall be a representative of the Association of County
15 Commissioners,
16 d. One shall be a representative of the general public who has
17 knowledge of issues relating to children and youth,
18 e. One shall be a licensed attorney whose practice includes the
19 representation of parents accused of criminal or civil abuse or
20 neglect, and
21 f. One shall be a chief district court judge recommended by the
22 Council of Chief District Judges.
23 g. One shall be a representative from the North Carolina Child
24 Advocacy Institute.
25 h. One shall be a representative from the North Carolina Child
26 Fatality Task Force.
- 27 (3) The following shall serve ex officio as nonvoting members of the
28 Commission:
29 a. The Secretary of Human Resources, or the Secretary's designee,
30 b. The State Superintendent of Public Instruction, or the
31 Superintendent's designee, ~~and~~
32 c. The Secretary of Administration, or the Secretary's ~~designee.~~
33 designee, and
34 d. The Director of the Administrative Office of the Courts, or the
35 Director's designee."

36
37 PART IV.—JOINT LEGISLATIVE CORRECTIONS OVERSIGHT COMMITTEE TO
38 STUDY CORRECTION ENTERPRISES SIGN SHOP (S.B. 860 - Lee)

39 Section 4.1. The Joint Legislative Corrections Oversight Committee shall
40 study the operation of Correction Enterprises industries, including the sign shop and
41 furniture and upholstery plants, with a review of, among other issues, the (i) pricing
42 structure in relation to private companies and (ii) job placement opportunities for prison
43 apprentices upon release.

1 Section 4.2. The Committee may file an interim report with the 1997 General
2 Assembly, 1998 Regular Session, and shall file a final report with the 1999 General
3 Assembly upon its convening. The reports shall be filed no later than the dates on which
4 those sessions respectively convene.

5
6 PART V.—GOVERNOR'S CRIME COMMISSION TO STUDY DOMESTIC
7 VIOLENCE CRIME CATEGORIES (Rand; Bowie; Morris)

8 Section 5.1. The Governor's Crime Commission of the Department of Crime
9 Control and Public Safety shall coordinate a study of the incidence of domestic violence
10 and identify the felonies and misdemeanors that may be categorized as domestic
11 violence. The study shall include participation by the North Carolina Conference of
12 District Attorneys and the seven prosecutorial districts that are currently receiving funds
13 from the Violence Against Women Act, administered through the Governor's Crime
14 Commission. The study shall also include participation of other prosecutorial districts
15 which volunteer their participation in providing necessary information. The Commission
16 shall recommend a statutory definition of domestic violence crimes that will be
17 sufficiently clear so that it can be used by law enforcement officers and prosecutors to
18 determine eligibility of victims of these crimes for victims' assistance services. The
19 Commission shall also recommend whether any crimes that are currently misdemeanors
20 should be reclassified as felonies when committed as crimes of domestic violence. The
21 Commission shall forward its recommendations to the North Carolina Sentencing and
22 Policy Advisory Commission. The Sentencing and Policy Advisory Commission shall
23 analyze the recommendations for impact on the length of time for which persons are
24 incarcerated and the number of persons incarcerated. The Commission shall report the
25 findings of its study and its recommendations, including the analyses from the Sentencing
26 and Policy Advisory Commission, to the 1997 General Assembly, 1998 Regular Session,
27 on or before its convening date.

28 Section 5.2. The Governor's Crime Commission shall conduct this study
29 within available funds.

30
31 PART VI.—EDUCATION OVERSIGHT STUDIES

32 Section 6.1. The Joint Legislative Education Oversight Committee may study
33 the following matters:

- 34 (1) The issue of the gap in student academic achievement between racial
35 and socioeconomic groups (S.B. 640 - Rucho). To assist the Education
36 Oversight Committee in this study, the Committee's cochairs may
37 appoint an advisory subcommittee on this matter. The subcommittee
38 shall consist of equal numbers of members appointed by the Senate
39 cochair and the House cochair. Either cochair may appoint to the
40 subcommittee members, including public members who are not also
41 members of the Committee. Members of the subcommittee who are not
42 members of the Committee may participate fully in all subcommittee
43 business, including all deliberations and votes; however, these members

1 are not members of the Committee for any other purpose. The
2 subcommittee members shall receive no salary for serving. All
3 subcommittee members shall receive necessary subsistence and travel
4 expenses in accordance with the provisions of G.S. 120-3.1, 138-5, and
5 138-6 as applicable. In particular, the Committee may examine:

- 6 a. Whether student assignment plans increase, decrease, or have no
7 effect on the academic achievement gap.
- 8 b. The effect of increased parental and community involvement on
9 the academic achievement gap.
- 10 c. The relationship, if any, between the distribution of resources and
11 student achievement.
- 12 d. Mechanisms to distribute personnel and financial resources to
13 provide a quality educational opportunity for all students.
- 14 e. The relationship, if any, between student achievement and factors
15 such as teacher turnover, teacher attendance, and teacher
16 assignment outside the teacher's area of certification.
- 17 f. The extent to which preservice and continued professional
18 development for educational personnel should be modified in
19 order to address the needs of students who are not making
20 adequate academic progress.
- 21 g. The extent to which curriculum content and delivery should be
22 modified in order to address the needs of students who are not
23 making adequate academic progress.
- 24 h. The relationship between kindergarten readiness and subsequent
25 academic success.
- 26 i. Proven and proposed mechanisms for decreasing the academic
27 achievement gap.

28 (1a) Pupil assignment options (H.B. 707 - Gulley)

29 (2) The issue of developing a child welfare training institute in the
30 university and community college system (Perdue).

31 (3) The issues of recruiting, training, and retaining qualified child welfare
32 staff (Perdue).

33 (4) Adding additional paid days when considering teachers' salaries (H.B.
34 1026 - Arnold).

35 (5) Noninstructional duties of teachers. The study may include, but not be
36 limited to, noninstructional duties during the workday, noninstructional
37 duties outside of the workday, pay for noninstructional duties, and the
38 relationship between athletic duties and other duties such as club
39 advisors' pay and equitable pay. (H.B. 1182 - Moore).

40 (6) The role of the student member of the Board of Governors of The
41 University of North Carolina and real and perceived conflicts of
42 interests by members of the Board of Governors (S.B. 1058 - Kinnaird).

1 (7) Salary schedules for noncertified public school employees. In the course
2 of the study, the Committee may consider the current salary schedules
3 and salary ranges for noncertified public school employees, the need for
4 minimum salary schedules for noncertified public school employees,
5 and the cost of implementing minimum salary schedules. In its review
6 of salary schedules, the Committee may consider years of experience
7 and levels of training and education.

8 (8) The impact on small school systems of large losses of administration
9 due to increases in charter school enrollment.

10 (9) Student discipline (H.B. 1072 - Cole).

11 Section 6.2. The Joint Legislative Education Oversight Committee may report
12 its findings and recommendations on each of the studies authorized by this Part to the
13 1997 General Assembly, 1998 Regular Session, or the 1999 General Assembly. The
14 reports may be filed no later than the dates on which those sessions respectively convene.
15

16 PART VII.—LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS (Lee 17 and Arnold)

18 Section 7.1. The Legislative Study Commission on Public Schools is
19 established. The Commission shall consist of 16 members: eight Senators appointed by
20 the President Pro Tempore of the Senate and eight Representatives appointed by the
21 Speaker of the House of Representatives.

22 Vacancies shall be filled by the person who made the initial appointment.

23 Section 7.2. The Commission shall study issues relating to equity for public
24 school systems, including, but not limited to, small school and low-wealth schools
25 funding, equity funding systems of the UNC and community colleges and results of ABC
26 and safe schools programs, personnel distribution, distribution of Teaching Fellows
27 Scholarship recipients, uneven distribution of the children with special needs population,
28 the need of further resources for English as a second language, university scholarship
29 resources and needs for public school students, and funding and programs for the schools
30 for the deaf.

31 Section 7.3. The Speaker of the House of Representatives and the President
32 Pro Tempore of the Senate shall each designate a cochair of the Commission. The
33 Commission shall meet upon the call of the cochairs. A quorum of the Commission is
34 nine members. While in the discharge of its official duties, the Commission may exercise
35 all the powers provided under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

36 Section 7.4. Members of the Commission shall receive subsistence and travel
37 allowances in accordance with G.S. 120-3.1.

38 Section 7.5. Upon approval of the Legislative Services Commission, the
39 Legislative Services Officer shall assign appropriate professional staff from the
40 Legislative Services Office of the General Assembly to assist with the study. The House
41 of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the
42 Commission, upon the direction of the Legislative Services Commission. The

1 Commission may meet in the Legislative Building or the Legislative Office Building
2 upon the approval of the Legislative Services Commission.

3 Section 7.6. The Commission shall submit an interim report to the 1997
4 General Assembly, 1998 Regular Session, upon its convening. The Commission shall
5 submit a final report to the General Assembly upon the convening of the 1999 General
6 Assembly. The Commission shall terminate upon filing its final report.

7 Section 7.7. From appropriations to the General Assembly, the Legislative
8 Services Commission may allocate funds for the expenses of the Legislative Study
9 Commission on Public Schools Equity.

10
11 PART VIII.—ENVIRONMENTAL REVIEW COMMISSION STUDIES

12 Section 8.1. The Environmental Review Commission may study the following
13 matters:

- 14 (1) The impact of air pollutant emissions from asphalt plants on public
15 health and the environment (S.B. 1022 - Kinnaird and Foxx).
- 16 (2) The remediation and reuse of brownfields property, as defined in G.S.
17 130A-310.31(b)(3), as enacted by the Brownfields Property Reuse Act
18 of 1997, S.L. 1997-357. To assist the Environmental Review
19 Commission in this study, the Commission's cochairs may appoint an
20 advisory subcommittee on this matter. Members of the advisory
21 subcommittee who are State employees shall receive per diem and
22 necessary travel and subsistence expenses in accordance with G.S. 138-
23 6. Members of the advisory subcommittee who are not State employees
24 shall receive per diem and necessary travel and subsistence expenses in
25 accordance with G.S. 138-5.
- 26 (3) The administration of the emissions inspection and maintenance
27 program for motor vehicles under G.S. 20-128.2 and Part 2 of Article
28 3A of Chapter 20 of the General Statutes and whether that program
29 should be transferred from the Division of Motor Vehicles of the
30 Department of Transportation to the Environmental Management
31 Commission and the Division of Air Quality in the Department of
32 Environment, Health, and Natural Resources (S.B. 845 - Odom; S.B.
33 671 - Albertson).
- 34 (4) The transfer of surface waters between river basins in the State (S.B.
35 947 - Cochrane). As a part of this study, the Environmental Review
36 Commission may consider whether, and on what basis, the total volume
37 of water that may be transferred from any river basin should be limited
38 and whether the Environmental Management Commission should be
39 authorized to issue special orders to remedy violations of laws or rules
40 regulating transfers.
- 41 (5) The feasibility and desirability of establishing a voluntary education
42 program designed to educate members of the public who maintain
43 residential lawns or gardens concerning the impact nutrients and

1 pesticides have on the environment of the State, the responsible use of
2 nutrients and pesticides, and ways to reduce excessive inputs of
3 nutrients and pesticides into the surface and groundwaters of the State
4 (Albertson). In conjunction with this study, the Environmental Review
5 Commission may study the feasibility and desirability of directing the
6 North Carolina Cooperative Extension Service to develop and
7 implement such a voluntary education program.

8 (6) The preliminary evaluation of proposed sites for wastewater systems
9 (S.B. 671 - Albertson). The study may address whether local health
10 departments should conduct preliminary evaluations of proposed sites
11 for wastewater systems; how preliminary evaluations conducted by
12 local health departments might be made more reliable; the extent to
13 which an applicant may rely on a preliminary evaluation; and liability in
14 instances where the State fails to issue an improvement permit for a site
15 for which a local health department has concluded that the site is
16 appropriate for construction of a wastewater system.

17 (7) Evaluate all State-funded water quality studies conducted since 1992
18 (Kerr).

19 Section 8.2. Upon request, all State departments, agencies, commissions, and
20 councils shall cooperate with the Commission on the studies authorized by this Part.

21 Section 8.3. The Environmental Review Commission may report its findings
22 and recommendations on each of the studies authorized by this Part to the 1997 General
23 Assembly, 1998 Regular Session, or the 1999 General Assembly.

24
25 PART IX.—ENVIRONMENTAL MANAGEMENT COMMISSION AND DEHNR TO
26 STUDY EMISSIONS INSPECTION AND MAINTENANCE (S.B. 845 - Odom; S.B.
27 671 - Albertson)

28 Section 9.1. The Environmental Management Commission and the Division of
29 Air Quality of the Department of Environment, Health, and Natural Resources, with the
30 assistance and cooperation of the Division of Motor Vehicles of the Department of
31 Transportation, shall study whether the emissions inspection and maintenance program
32 for motor vehicles administered under G.S. 20-128.2 and Part 2 of Article 3A of Chapter
33 20 of the General Statutes should be expanded to include all metropolitan counties. The
34 study shall evaluate the costs and benefits of expanding the program, including the
35 benefits resulting from a reduction in the likelihood that those counties will not meet the
36 national ambient air quality standards for ozone and carbon monoxide in the future,
37 thereby incurring the restrictions on industries, power plants, vehicles, and other activities
38 that apply to nonattainment counties. Beginning 1 January 1998, the Environmental
39 Management Commission shall report its findings, recommendations, and any legislative
40 proposals regarding the matters to be evaluated pursuant to this section to the
41 Environmental Review Commission as part of the quarterly report the Environmental
42 Management Commission is required to make to the Environmental Review Commission
43 by G.S. 143B-282(b).

1 Section 9.2. The Environmental Management Commission, the Division of
2 Air Quality of the Department of Environment, Health, and Natural Resources, and the
3 Division of Motor Vehicles of the Department of Transportation shall take appropriate
4 steps to ensure that the current emissions inspection and maintenance program for motor
5 vehicles administered under G.S. 20-128.2 and Part 2 of Article 3A of Chapter 20 of the
6 General Statutes is effectively implemented and enforced. Beginning 1 October 1997,
7 the Environmental Management Commission shall report its findings, recommendations,
8 and any legislative proposals regarding the implementation and enforcement of the
9 emissions inspection and maintenance program to the Environmental Review
10 Commission as part of the quarterly report the Environmental Management Commission
11 is required to make to the Environmental Review Commission by G.S. 143B-282(b). The
12 Division of Motor Vehicles shall report on its progress in meeting the requirements of
13 this section to the Environmental Review Commission on a quarterly basis beginning 1
14 October 1997.

15
16 PART X.—STUDY COMMISSION ON THE FUTURE OF ELECTRIC SERVICE IN
17 NORTH CAROLINA REIMBURSEMENT OF EXPENSES (Rand; Dickson)

18 Section 10.1. Notwithstanding G.S. 62-302(d), all expenses during the 1997-
19 98 and the 1998-99 fiscal years of the Study Commission on the Future of Electric
20 Service in North Carolina, established in S.L. 1997-40, shall be reimbursed from funds in
21 the Utilities Commission and Public Staff Fund. There is allocated initially one hundred
22 thousand dollars (\$100,000) from the Utilities Commission and Public Staff Fund to the
23 General Assembly for the purpose of enabling the Study Commission on the Future of
24 Electric Service in North Carolina to organize and begin its work. Upon the certification
25 of the need for additional funds by the cochairs of the Study Commission on the Future of
26 Electric Service in North Carolina for the work of the Commission, the Utilities
27 Commission shall transfer the additional funds from the Utilities Commission and Public
28 Staff Fund to the General Assembly for that purpose.

29
30 PART XI.—HOSPITAL, MEDICAL, AND DENTAL SERVICE CORPORATION
31 CHARTER CONVERSION STUDY COMMISSION (S.B. 993 - Rand)

32 Section 11.1. (a) There is established the Hospital, Medical, and Dental Service
33 Corporation Charter Conversion Study Commission. The Commission shall consist of 14
34 members appointed as follows:

- 35 (1) Six members appointed by the Speaker of the House of Representatives,
36 four of whom shall be members of the House of Representatives. Of the
37 remaining two members:
38 a. One shall be a representative of the North Carolina Citizens for
39 Business and Industry; and
40 b. One shall be a representative of the hospital or medical
41 community; and

1 (2) Six members appointed by the President Pro Tempore of the Senate,
2 four of whom shall be members of the Senate. Of the remaining two
3 members:

4 a. One shall be a representative of Blue Cross Blue Shield of North
5 Carolina, Incorporated; and

6 b. One shall be a representative of a philanthropic organization,
7 incorporated in North Carolina.

8 (3) The following ex officio, nonvoting members:

9 a. The Attorney General, or the Attorney General's designee; and

10 b. The Insurance Commissioner, or the Commissioner's designee.

11 Vacancies shall be filled by the person making the initial appointment.

12 (b) The Commission shall conduct a study of all aspects of conversion of a
13 hospital, medical, and dental service corporation to a mutual nonstock or stock accident
14 and health insurance company or life insurance company subject to Articles 1 through 64
15 of Chapter 58 of the General Statutes. The study shall include, but is not limited to, the
16 following:

17 (1) The status, results, and public or private ownership interests, as may
18 exist, in conversions by medical, hospital, and dental service
19 corporations or similar entities in North Carolina and other states;

20 (2) The direct and indirect effects of any change in the structure of the
21 hospital, medical, and dental service corporations on State health
22 programs, such as Medicaid, payment programs within the Department
23 of Human Resources, and the North Carolina Teachers' and State
24 Employees' Major Medical Plan;

25 (3) The charitable trust obligations, if any, of nonprofit medical, hospital,
26 and dental service corporations upon conversion and their obligations to
27 their members and subscribers; and

28 (4) Anti-inurement restrictions on officers and directors involved in
29 conversions.

30 (c) The Speaker of the House of Representatives and the President Pro Tempore of
31 the Senate shall each designate a cochair of the Commission. The Commission shall
32 meet upon the call of the cochairs. A quorum of the Commission is nine members.
33 While in the discharge of its official duties, the Commission has the powers of a joint
34 committee under G.S. 120-19 and G.S. 120-19.1.

35 Members of the Commission shall receive per diem, subsistence, and travel
36 allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

37 Upon approval of the Legislative Services Commission, the Legislative
38 Services Officer shall assign appropriate professional staff of the General Assembly to
39 assist the Commission. Clerical staff shall be assigned to the Commission through the
40 Offices of the Supervisor of Clerks of the Senate and Supervisor of Clerks of the House
41 of Representatives.

1 (d) The Commission shall make its final report to the 1997 General Assembly,
2 1998 Regular Session, upon its convening. The Commission shall terminate upon filing
3 its final report.

4 Section 11.2. From appropriations to the General Assembly, the Legislative
5 Services Commission may allocate funds for the expenses of the Hospital, Medical, and
6 Dental Service Corporation Charter Conversion Study Commission under this Part.

7
8 PART XII.—MORATORIUM ON CONVERSION OF HOSPITAL, MEDICAL, AND
9 DENTAL SERVICE CORPORATION CHARTERS (Rand)

10 Section 12.1. Notwithstanding any other provision of law, no hospital,
11 medical, and dental service corporation may convert to a mutual nonstock or stock
12 accident and health insurance company or life insurance company prior to August 1,
13 1998. For the purposes of this section, "convert to a mutual nonstock or stock accident
14 and health insurance company or life insurance company" includes a restructuring that is
15 determined by the Commissioner of Insurance to constitute the disposition of a
16 substantial amount of the corporation's assets to an entity other than a nonprofit entity,
17 except for the disposition of assets in the ordinary course of business.

18
19 PART XIII.—INDUSTRIAL COMMISSION ADVISORY COUNCIL EXTENDED
20 (Kerr)

21 Section 13.1. Section 11.1 of Chapter 679 of the 1993 Session Laws (1994
22 Regular Session) reads as rewritten:

23 "Sec. 11.1. This act is effective upon ratification, except as follows:

24 (a) Sections 3.6, 4.1, and G.S. 97-79(d), as contained in Section 5.2, become
25 effective October 1, 1994, and apply to claims pending on or filed after that date.

26 (b) G.S. 97-26(b) and G.S. 97-26(f), as enacted in Section 2.3, become effective
27 October 1, 1994. G.S. 97-26(a), as enacted in Section 2.3, is effective upon ratification
28 but the provisions of the third paragraph of said subsection shall not apply to the fee
29 schedule in effect as of the date of ratification of this act.

30 (c) Sections 7.1, 7.2, and 8.1 become effective October 1, 1994, and apply to
31 violations occurring on or after that date.

32 (d) Sections 2.1, 2.2, 2.4, 3.7, and 5.5 become effective September 1, 1994, and
33 apply to claims pending on or filed after that date.

34 (e) Section 6.1 and G.S. 97-79(f), as contained in Section 5.2, become effective
35 July 1, 1994.

36 (f) Sections 3.2, 3.3, 3.4, 3.5, subsections (b), (c), (d), (f), and (g), and the catch
37 line of G.S. 97-18, as contained in Section 3.1, and Section 10.9 become effective
38 January 1, 1995, and apply to claims pending on or filed after that date.

39 (g) Section 2.5 is effective upon ratification and applies to injuries by accident
40 occurring on or after that date.

41 (h) Section 2.6 is effective upon ratification and applies to claims pending on or
42 filed after the date of ratification.

43 (i) Section 8.5 becomes effective September 1, 1994.

1 Section 5.1 expires ~~July 1, 1997.~~ July 1, 2001."

2
3 PART XIV.—REVENUE LAWS STUDY COMMITTEE (S.B. 35 - Kerr; Cansler)

4 Section 14.1. Chapter 120 of the General Statutes is amended by adding a new
5 Article to read:

6 **"ARTICLE 12L.**

7 **"REVENUE LAWS STUDY COMMITTEE.**

8 **"§ 120-70.105. Creation and membership of the Revenue Laws Study Committee.**

9 The Revenue Laws Study Committee is established. The Committee consists of 16
10 members as follows:

11 (1) Eight members appointed by the President Pro Tempore of the Senate;
12 the persons appointed may be members of the Senate or public
13 members.

14 (2) Eight members appointed by the Speaker of the House of
15 Representatives; the persons appointed may be members of the House
16 of Representatives or public members.

17 Terms on the Committee are for two years and begin on January 15 of each odd-
18 numbered year, except the terms of the initial members, which begin on appointment.
19 Legislative members may complete a term of service on the Committee even if they do
20 not seek reelection or are not reelected to the General Assembly, but resignation or
21 removal from service in the General Assembly constitutes resignation or removal from
22 service on the Committee.

23 A member continues to serve until his successor is appointed. A vacancy shall be
24 filled within 30 days by the officer who made the original appointment.

25 **"§ 120-70.106. Purpose and powers of Committee.**

26 (a) The Revenue Laws Study Committee may:

27 (1) Study the revenue laws of North Carolina and the administration of
28 those laws.

29 (2) Review the State's revenue laws to determine which laws need
30 clarification, technical amendment, repeal, or other change to make the
31 laws concise, intelligible, easy to administer, and equitable.

32 (3) Call upon the Department of Revenue to cooperate with it in the study
33 of the revenue laws.

34 (4) Report to the General Assembly at the beginning of each regular session
35 concerning its determinations of needed changes in the State's revenue
36 laws.

37 These powers, which are enumerated by way of illustration, shall be liberally
38 construed to provide for the maximum review by the Committee of all revenue law
39 matters in this State.

40 (b) The Committee may make interim reports to the General Assembly on matters
41 for which it may report to a regular session of the General Assembly. A report to the
42 General Assembly may contain any legislation needed to implement a recommendation
43 of the Committee. When a recommendation of the Committee, if enacted, would result in

1 an increase or decrease in State revenues, the report of the Committee must include an
2 estimate of the amount of the increase or decrease.

3 **"§ 120-70.107. Organization of Committee.**

4 (a) The President Pro Tempore of the Senate and the Speaker of the House of
5 Representatives shall each designate a cochair of the Revenue Laws Study Committee.
6 The Committee shall meet upon the joint call of the cochairs.

7 (b) A quorum of the Committee is nine members. No action may be taken except
8 by a majority vote at a meeting at which a quorum is present. While in the discharge of
9 its official duties, the Committee has the powers of a joint committee under G.S. 120-19
10 and G.S. 120-19.1 through G.S. 120-19.4.

11 (c) The Committee shall be funded by the Legislative Services Commission from
12 appropriations made to the General Assembly for that purpose. Members of the
13 Committee receive subsistence and travel expenses as provided in G.S. 120-3.1 and G.S.
14 138-5. The Committee may contract for consultants or hire employees in accordance
15 with G.S. 120-32.02. Upon approval of the Legislative Services Commission, the
16 Legislative Services Officer shall assign professional staff to assist the Committee in its
17 work. Upon the direction of the Legislative Services Commission, the Supervisors of
18 Clerks of the Senate and of the House of Representatives shall assign clerical staff to the
19 Committee. The expenses for clerical employees shall be borne by the Committee."

20 Section 16.2. The Revenue Laws Study Committee shall study the following
21 matters:

- 22 (1) The structure of the franchise tax and the feasibility of removing its
23 inventory component;
- 24 (2) Income tax deductions for health insurance costs of self-employed
25 individuals (S.B. 971 - Reeves);
- 26 (3) Whether tax credits and other forms of economic development
27 incentives achieve the desired effects and reflect the State's priorities;
- 28 (4) Property tax issues including the assessment and collection of ad
29 valorem taxes under the Machinery Act (H.B. 514 - McMahan; S.B. 365
30 - Rucho); and
- 31 (5) Effectiveness of long-term care tax credit (H.B. 74 - Cansler).

32 Section 16.3. From appropriations to the General Assembly, the Legislative
33 Services Commission may allocate funds for the expenses of the Revenue Laws Study
34 Committee under this Part.

35
36 PART XV.—JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT
37 COMMITTEE STUDIES

38 Section 15.1. The Joint Legislative Transportation Oversight Committee may
39 study the following issues:

- 40 (1) Truck width and length, including the effect on highway safety and
41 traffic engineering (H.B. 142 - Transportation Committee). The
42 Committee may consider all potential effects of allowing industry

- 1 standard tractor/single trailer combinations of up to 68 feet in total
2 length on additional highways of the State.
- 3 (2) Ways to improve the safety of the operation of trucks in North Carolina
4 and to increase the safety of tires on all motor vehicles (H.B. 142 -
5 Transportation Committee). The study shall include the following:
- 6 a. Truck inspection violations, including operation of a truck
7 without a required inspection sticker;
- 8 b. Increased penalties for brake safety violations, including
9 strengthening penalties for second or subsequent offenses;
- 10 c. The need for additional inspectors to follow up on truck safety
11 violations;
- 12 d. Measures necessary to ensure that trucks and other vehicles are
13 equipped with tires that are safe for the operation of the motor
14 vehicle and that do not expose the public to needless hazard;
- 15 e. The potential benefit of a commercial graduated drivers license
16 to ensure that a person would have both instruction and
17 experience before obtaining a commercial drivers license;
- 18 f. Effective enforcement of existing highway safety laws regarding
19 speeding in highway work zones and properly securing loads of
20 gravel, rock, or similar substances on trucks, trailers, or other
21 vehicles;
- 22 g. The use and potential effectiveness of water and physical element
23 deflectors in reducing truck accidents; and
- 24 h. The methods of removing unsafe vehicles from the public roads,
25 including authorizing law enforcement officers to order that a
26 vehicle be towed from the highway if the officer determines that
27 the continued operation of the vehicle would constitute a hazard
28 to the motoring public.
- 29 (3) Encouraging the growth of the trucking industry in North Carolina
30 through increased truck registrations (S.B. 886 - Jordan; H.B. 1096 -
31 Hiatt). The study may include:
- 32 a. The feasibility of removing the highway use tax on vehicles with
33 a gross weight rating of more than 26,000 pounds;
- 34 b. The replacement of the revenue from the removal of the highway
35 use tax studied in sub-subdivision a. of this subdivision by an
36 increase in registration fees for the same vehicles by ten cents
37 (10¢) per 100 pounds of registered weight; and
- 38 c. Eliminate the stacking of overweight penalties by restricting the
39 penalties so that they do not exceed the highest axle-group
40 weight that exceeds the allowable limits rather than assessing
41 separate penalties for each axle-group and stacking those
42 penalties for the same weight violations.

1 (4) Unpaved secondary roads in North Carolina (S.B. 431 - Odom). The
2 Committee may study the history, the current paving and maintenance
3 programs, and any plans for the future paving and maintenance of
4 secondary roads on the State secondary road system and those not
5 currently on the State system or provided for in existing statutory or
6 administrative programs.

7 (5) Vehicle safety inspections (H.B. 9 - Carpenter)

8 (6) Motorcycle helmets (Baker)

9 Section 15.2. The Joint Legislative Transportation Oversight Committee may
10 report on these studies to the 1997 General Assembly, 1998 Regular Session, upon its
11 convening, or to the 1999 General Assembly, upon its convening.

12
13 **PART XVI.—BILL AND RESOLUTIONS REFERENCES**

14 Section 16.1. The listing of the original bill or resolution in this act is for
15 reference purposes only and shall not be deemed to have incorporated by reference any of
16 the substantive provisions contained in the original bill or resolution.

17
18 **PART XVII.—EFFECTIVE DATE AND APPLICABILITY**

19 Section 17.1. Except as otherwise specifically provided, this act becomes
20 effective July 1, 1997. If a study is authorized both in this act and the Current Operations
21 Appropriations Act of 1997, the study shall be implemented in accordance with the
22 Current Operations Appropriations Act of 1997 as ratified.