

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE BILL 148\*  
House Committee Substitute Favorable 6/16/11

Short Title: GSC Tech Corrections/Other Changes.

(Public)

Sponsors:

Referred to:

March 1, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE GENERAL STATUTES AS  
3 RECOMMENDED BY THE GENERAL STATUTES COMMISSION AND TO MAKE  
4 OTHER TECHNICAL AND OTHER CHANGES TO THE GENERAL STATUTES AND  
5 SESSION LAWS.

6 The General Assembly of North Carolina enacts:

7 **PART I. TECHNICAL CHANGES AS RECOMMENDED BY THE GENERAL**  
8 **STATUTES COMMISSION**

9 **SECTION 1.** G.S. 1C-1603(a) reads as rewritten:

10 **"§ 1C-1603. Procedure for setting aside exempt property.**

11 (a) Motion or Petition; Notice. –

12 (1) A judgment debtor may have his exempt property designated by motion after  
13 judgment has been entered against him.

14 (2) Repealed by Session Laws 1981 (Regular Session, 1982), c. 1224, s. 10.

15 (3) The clerk or district court judge may determine that particular property is not  
16 exempt even though there has been no proceeding to designate the  
17 exemption.

18 (4) After judgment, except as provided in G.S. 1C-1603(a)(3) or when  
19 exemptions have already been designated, the clerk may not issue an  
20 execution or writ of possession unless notice from the court has been served  
21 upon the judgment debtor advising the debtor of the debtor's rights. The  
22 judgment creditor shall cause the notice, which shall be accompanied by the  
23 form for the statement by the debtor under subsection (c) of this section, to  
24 be served on the debtor as provided in G.S. 1A-1, Rule 4(j)(1). If the  
25 judgment debtor cannot be served as provided above, the judgment creditor  
26 may serve the judgment debtor by mailing a copy of the notice to the  
27 judgment debtor at the debtor's last known address. Proof of service by  
28 certified or registered mail or personal service is as provided in G.S. 1A-1,  
29 Rule 4. The judgment creditor may prove service by mailing to last known  
30 address by filing a certificate that the notice was served indicating the  
31 circumstances warranting the use of such service and the date and address of  
32 service. The notice shall be substantially in the following form:

33 ...

34 8. That I wish to claim my interest in the following real or personal property, or in a  
35 cooperative that owns property, that I use as a residence or my dependent uses as a residence. I  
36 also wish to claim my interest in the following burial plots for myself or my dependents. I  
37 understand that my total interest claimed in the residence and burial plots may not exceed



1 ~~\$18,500, \$35,000,~~ except that if I am unmarried and am 65 years of age or older, I am entitled  
2 to claim a total exemption in the residence and burial plots not to exceed ~~\$37,000-\$60,000~~ so  
3 long as the property was previously owned by me as a tenant by the entireties or as a joint  
4 tenant with rights of survivorship, and the former co-owner of the property is deceased.

5 I understand that I am not entitled to this exemption if I take the homestead exemption  
6 provided by the Constitution of North Carolina in other property. I understand that if I wish to  
7 claim more than one parcel exempt I must attach additional pages setting forth the following  
8 information for each parcel claimed exempt.

9 Property Location:

10 County \_\_\_\_\_ Township \_\_\_\_\_

11 Street Address \_\_\_\_\_

12 Legal Description:

13 Number by which county tax assessor identifies property \_\_\_\_\_

14 Description (Attach a copy of your deed or other instrument of conveyance that describes  
15 the property and indicate here: \_\_\_\_\_ or describe the property in as much detail as possible.

16 Attach additional sheets if necessary.)

17 \_\_\_\_\_

18 \_\_\_\_\_

19 \_\_\_\_\_

20 Record Owner(s) \_\_\_\_\_

21 \_\_\_\_\_

22 \_\_\_\_\_

23 Estimated Value: \_\_\_\_\_

24 Lienholders:

25 (1) Name \_\_\_\_\_ Current Balance \_\_\_\_\_

26 Address \_\_\_\_\_

27 (2) Name \_\_\_\_\_ Current Balance \_\_\_\_\_

28 Address \_\_\_\_\_

29 (3) Name \_\_\_\_\_ Current Balance \_\_\_\_\_

30 Address \_\_\_\_\_

31 (4) If others, attach additional pages.

32 If you are unmarried and 65 years of age or older, specify which, if any, property listed  
33 above was previously owned by you as a tenant by the entireties or as a joint tenant with rights  
34 of survivorship and as to which the former co-owner of the property is deceased:

35 ...

36 15. That I wish to claim the following property as exempt because I claimed residential real  
37 or personal property as exempt that is worth less than ~~\$18,500-\$35,000~~ or I made no claim for a  
38 residential exemption under section (8) above. I understand that I am entitled to an exemption  
39 of up to \$5,000 in any property only if I made no claim under section (8) above or a claim that  
40 was less than ~~\$18,500-\$35,000~~ under section (8) above. I understand that I am entitled to claim  
41 any unused amount that I was permitted to make under section (8) above up to a maximum of  
42 \$5,000 in any property. (Examples: (a) if you claim ~~\$17,500-\$34,000~~ under section (8), \$1,000  
43 allowed here; (b) if you claim ~~\$13,500-\$30,000~~ under section (8), \$5,000 allowed here; (c) if  
44 you claim ~~\$18,500-\$35,000~~ under section (8), no claim allowed here.) I further understand that  
45 the amount of my claim under this section is after the deduction from the value of this property  
46 of the amount of any valid lien or purchase money security interests and that tangible personal  
47 property purchased within 90 days of this proceeding may not be exempt.

48 ...."

49 SECTION 2. G.S. 7A-304(a)(3a) reads as rewritten:

50 "(3a) For the supplemental pension benefits of sheriffs, the sum of one dollar  
51 twenty-five cents (\$1.25) to be remitted to the Department of Justice and

1 administered under the provisions of ~~Article 12G~~ Article 12H of Chapter  
2 143 of the General Statutes."

3 **SECTION 3.** G.S. 15B-11(b1) reads as rewritten:

4 "(b1) The Commission or Director, whichever has the authority to decide a claim under  
5 G.S. 15B-10, shall ~~use the Commission's/Director's exercise~~ discretion in determining whether  
6 to deny a claim under subsection (b) of this section. In exercising ~~its~~ discretion, the  
7 Commission or Director shall consider whether any proximate cause exists between the injury  
8 and the misdemeanor or contributory misconduct, when applicable. The Director or  
9 Commission shall deny claims ~~when it finds upon a finding~~ that there was contributory  
10 misconduct that is a proximate cause of becoming a victim. However, contributory misconduct  
11 that is not a proximate cause of becoming a victim shall not lead to an automatic denial of a  
12 claim."

13 **SECTION 4.** G.S. 19A-62(b) reads as rewritten:

14 "(b) Use. – The revenue in the Account shall be used by the Department of Agriculture  
15 and Consumer Services as follows:

- 16 (1) Repealed by Session Laws 2010-31, s. 11.4(c), effective October 1, 2010.
- 17 (2) Up to twenty percent (20%) may be used to develop and implement the  
18 statewide education program component of the Spay/Neuter Program  
19 established in ~~G.S. 19A-61(a)~~ G.S. 19A-61(1).
- 20 (3) Up to twenty percent (20%) of the money in the Account may be used to  
21 defray the costs of administering the Spay/Neuter Program established in  
22 this Article.
- 23 (4) Funds remaining after deductions for the education program and  
24 administrative expenses shall be distributed quarterly to eligible counties and  
25 cities seeking reimbursement for reduced-cost spay/neuter surgeries  
26 performed during the previous calendar year. A county or city is ineligible to  
27 receive funds under this subdivision unless it requires the owner to show  
28 proof of rabies vaccination at the time of the procedure or, if none, require  
29 vaccination at the time of the procedure."

30 **SECTION 5.(a)** G.S. 28A-13-6 reads as rewritten:

31 **"§ 28A-13-6. Exercise of powers of joint personal representatives by one or more than one.**

- 32 (a) Repealed by Session Laws 2005-192, s. 5, effective January 1, 2006.
- 33 (b) If a will expressly makes provision for the execution of any of the powers of  
34 personal representatives by all of them or by any one or more of them, the provisions of the  
35 will govern.
- 36 (c) Repealed by Session Laws 2005-192, s. 5, effective January 1, 2006.
- 37 (c1) If there is no governing provision in the will, personal representatives may, by  
38 written agreement signed by all of them and filed with and approved by the clerk of superior  
39 court of the county in which the personal representatives qualified, provide that any designated  
40 one or more of the personal representatives may exercise one or more of the following powers:
  - 41 (1) Establish and maintain bank accounts for the ~~trust~~ estate and issue checks for  
42 the estate.
  - 43 (2) Maintain inventories, accountings, and income and expense records of the  
44 estate.
  - 45 (3) Enter any safety deposit box rented by the estate.
  - 46 (4) Employ persons as advisors or assistants in the performance of  
47 administrative duties, including agents, attorneys, accountants, brokers,  
48 appraisers, and custodians.
  - 49 (5) List estate property for taxes and prepare and file tax returns for the  
50 ~~trust~~ estate.
  - 51 (6) Collect and give receipts for claims and debts of the estate.

- 1 (7) Pay debts, claims, costs of administration, and taxes of the estate.
- 2 (8) Compromise, adjust, or otherwise settle any claim by or against the ~~trust~~
- 3 estate and release, in whole or in part, a claim belonging to the estate.
- 4 (9) Have custody of the estate property.
- 5 (10) Perform any function relating to investment of estate assets.

6 (d) Subject to subsection (b) of this section, if two or more personal representatives own  
7 shares of corporate stock or other securities, their acts with respect to voting shall have the  
8 following effect:

- 9 (1) If only one votes, in person or by proxy, that personal representative's act  
10 binds all;
- 11 (2) If more than one vote, in person or by proxy, the act of the majority so  
12 voting binds all;
- 13 (3) If more ~~that~~ than one vote, in person or by proxy, but the vote is evenly split  
14 on any particular matter, each faction is entitled to vote the stock or other  
15 securities in question proportionately.

16 (e) Subject to subsections (b), (c1), and (d) of this section, all other acts and duties must  
17 be performed by both of the personal representatives if there are two, and by a majority of them  
18 if there are more than two. No personal representative who has not joined in exercising a power  
19 shall be liable for the consequences of such exercise, nor shall a dissenting personal  
20 representative be liable for the consequences of an act in which the personal representative  
21 joins at the direction of the majority of the personal representatives, if that personal  
22 representative expressed his or her dissent in writing to any other personal representative at or  
23 before the time of such joinder.

24 (f) No personal representative shall be relieved of liability on his or her bond or  
25 otherwise by entering into any agreement under this section."

26 **SECTION 5.(b)** If Senate Bill 432, 2011 Regular Session, becomes law, this  
27 section is repealed on the effective date of that act.

28 **SECTION 6.** G.S. 28A-15-9.1 and G.S. 28A-21-3.1 are repealed.

29 **SECTION 7.** G.S. 58-70-155(b) reads as rewritten:

30 "(b) The only evidence sufficient to establish the amount and nature of the debt shall be  
31 properly authenticated business records that satisfy the requirements of ~~Rule 803(b)~~ Rule  
32 803(6) of the North Carolina Rules of Evidence. The authenticated business records shall  
33 include at least all of the following items:

- 34 (1) The original account number.
- 35 (2) The original creditor.
- 36 (3) The amount of the original debt.
- 37 (4) An itemization of charges and fees claimed to be owed.
- 38 (5) The original charge-off balance, or, if the balance has not been charged off,  
39 an explanation of how the balance was calculated.
- 40 (6) An itemization of post charge-off additions, where applicable.
- 41 (7) The date of last payment.
- 42 (8) The amount of interest claimed and the basis for the interest charged."

43 **SECTION 8.** G.S. 143-318.10(a) reads as rewritten:

44 "**§ 143-318.10. All official meetings of public bodies open to the public.**

45 (a) Except as provided in G.S. 143-318.11, 143-318.14A, ~~143-318.15,~~ and 143-318.18,  
46 each official meeting of a public body shall be open to the public, and any person is entitled to  
47 attend such a meeting."

48 **SECTION 9.** G.S. 153A-320 reads as rewritten:

49 "**§ 153A-320. Territorial jurisdiction.**

1 Each of the powers granted to counties by this Article, by Chapter 157A, and by Chapter  
2 ~~160A, Article 19~~ Article and by Article 19 of Chapter 160A of the General Statutes may be  
3 exercised throughout the county except as otherwise provided in G.S. 160A-360."

4 **SECTION 10.** G.S. 160A-288.2(d) reads as rewritten:

5 "(d) For the purposes of this section, the following shall be considered the equivalent of  
6 a municipal police department:

7 (1) Campus law-enforcement agencies established pursuant to ~~G.S. 116-40.5(a),~~  
8 ~~and~~ G.S. 116-40.5(a).

9 (2) Colleges or universities which are licensed, or exempted from licensure, by  
10 G.S. 116-15 and which employ company police officers commissioned by  
11 the Attorney General pursuant to Chapter 74E or Chapter 74G of the General  
12 Statutes.

13 (3) Butner Public Safety."

14 **SECTION 11.** Unless otherwise provided, Part I of this act is effective when it  
15 becomes law.

## 16 PART II. OTHER CHANGES

17 **SECTION 12.(a)** G.S. 7B-602(a) reads as rewritten:

18 "(a) In cases where the juvenile petition alleges that a juvenile is abused, neglected, or  
19 dependent, the parent has the right to counsel and to appointed counsel in cases of indigency  
20 unless that person waives the right. When a petition is filed alleging that a juvenile is abused,  
21 neglected, or dependent, the clerk shall appoint provisional counsel for each parent named in  
22 the petition in accordance with rules adopted by the Office of Indigent Defense Services and  
23 shall indicate the appointment on the juvenile summons or attached notice. At the first hearing,  
24 the court shall dismiss the provisional counsel if the respondent parent:

- 25 (1) Does not appear at the hearing;  
26 (2) Does not qualify for court-appointed counsel;  
27 (3) Has retained counsel; or  
28 (4) Waives the right to counsel.

29 The court shall confirm the appointment of counsel if subdivisions (1) through (4) of this  
30 subsection are not applicable to the respondent parent.

31 The court may reconsider a parent's eligibility and desire for appointed counsel at any stage  
32 of the proceeding."

33 **SECTION 12.(b)** G.S. 7B-1110.1(a) reads as rewritten:

34 "(a) The parent has the right to counsel, and to appointed counsel in cases of indigency,  
35 unless the parent waives the right. The fees of appointed counsel shall be borne by the Office of  
36 Indigent Defense Services. When a petition is filed, unless the parent is already represented by  
37 counsel, the clerk shall appoint provisional counsel for each respondent parent named in the  
38 petition in accordance with rules adopted by the Office of Indigent Defense Services and shall  
39 indicate the appointment on the juvenile summons. At the first hearing after service upon the  
40 respondent parent, the court shall dismiss the provisional counsel if the respondent parent:

- 41 (1) Does not appear at the hearing;  
42 (2) Does not qualify for court-appointed counsel;  
43 (3) Has retained counsel; or  
44 (4) Waives the right to counsel.

45 The court shall confirm the appointment of counsel if subdivisions (1) through (4) of this  
46 subsection are not applicable to the respondent parent. The court may reconsider a parent's  
47 eligibility and desire for appointed counsel at any stage of the proceeding."

48 **SECTION 12.(c)** G.S. 15A-1345(e) reads as rewritten:

49 "(e) Revocation Hearing. – Before revoking or extending probation, the court must,  
50 unless the probationer waives the hearing, hold a hearing to determine whether to revoke or  
51 extend probation and must make findings to support the decision and a summary record of the

1 proceedings. The State must give the probationer notice of the hearing and its purpose,  
2 including a statement of the violations alleged. The notice, unless waived by the probationer,  
3 must be given at least 24 hours before the hearing. At the hearing, evidence against the  
4 probationer must be disclosed to him, and the probationer may appear and speak in his own  
5 behalf, may present relevant information, and may confront and cross-examine adverse  
6 witnesses unless the court finds good cause for not allowing confrontation. The probationer is  
7 entitled to be represented by counsel at the hearing and, if indigent, to have counsel ~~appointed.~~  
8 appointed in accordance with rules adopted by the Office of Indigent Defense Services. Formal  
9 rules of evidence do not apply at the hearing, but the record or recollection of evidence or  
10 testimony introduced at the preliminary hearing on probation violation are inadmissible as  
11 evidence at the revocation hearing. When the violation alleged is the nonpayment of fine or  
12 costs, the issues and procedures at the hearing include those specified in G.S. 15A-1364 for  
13 response to nonpayment of fine."

14 **SECTION 12.(d)** G.S. 15A-269(c) reads as rewritten:

15 "(c) ~~The~~ In accordance with rules adopted by the Office of Indigent Defense Services,  
16 the court shall appoint counsel for the person who brings a motion under this section if that  
17 person is indigent. If the petitioner has filed pro se, the court shall appoint counsel for the  
18 petitioner in accordance with rules adopted by the Office of Indigent Defense Services upon a  
19 showing that the DNA testing may be material to the petitioner's claim of wrongful conviction."

20 **SECTION 12.(e)** G.S. 15A-270.1 reads as rewritten:

21 "**§ 15A-270.1. Right to appeal denial of defendant's motion for DNA testing.**

22 The defendant may appeal an order denying the defendant's motion for DNA testing under  
23 this Article, including by an interlocutory appeal. The court shall appoint counsel in accordance  
24 with rules adopted by the Office of Indigent Defense Services upon a finding of indigency."

25 **SECTION 13.(a)** G.S. 8-34(b) reads as rewritten:

26 "(b) The provisions of this section shall apply to records stored on any form of  
27 permanent, computer-readable media, such as a CD-ROM, if the medium is not subject to  
28 erasure or alteration. Nonerasable, computer-readable storage media ~~shall not may~~ be used for  
29 preservation duplicates, as defined in G.S. 132-8.2, or for the preservation of permanently  
30 valuable records as provided in ~~G.S. 121-5(d), except to the extent expressly approved by the~~  
31 ~~Department of Cultural Resources pursuant to standards and conditions established by the~~  
32 ~~Department.~~ G.S. 121-5(d)."

33 **SECTION 13.(b)** G.S. 8-45.1(b) reads as rewritten:

34 "(b) The provisions of subsection (a) of this section shall apply to records stored on any  
35 form of permanent, computer-readable media, such as a CD-ROM, if the medium is not subject  
36 to erasure or alteration. Nonerasable, computer-readable storage media ~~shall not may~~ be used  
37 for preservation duplicates, as defined in G.S. 132-8.2, or for the preservation of permanently  
38 valuable records as provided in ~~G.S. 121-5(d), except to the extent expressly approved by the~~  
39 ~~Department of Cultural Resources pursuant to standards and conditions established by the~~  
40 ~~Department.~~ G.S. 121-5(d)."

41 **SECTION 13.(c)** G.S. 8-45.3(b) reads as rewritten:

42 "(b) The provisions of this section shall apply to records stored on any form of  
43 permanent, computer-readable media, such as a CD-ROM, if the medium is not subject to  
44 erasure or alteration. Nonerasable, computer-readable storage media ~~shall not may~~ be used  
45 for preservation duplicates, as defined in G.S. 132-8.2, or for the preservation of permanently  
46 valuable records as provided in ~~G.S. 121-5(d), except to the extent expressly approved by the~~  
47 ~~Department of Cultural Resources pursuant to standards and conditions established by the~~  
48 ~~Department.~~ G.S. 121-5(d)."

49 **SECTION 13.(d)** G.S. 153A-436(f) reads as rewritten:

50 "(f) The provisions of this section shall apply to records stored on any form of  
51 permanent, computer-readable media, such as a CD-ROM, if the medium is not subject to

1 erasure or alteration. Nonerasable, computer-readable storage media ~~shall not may~~ be used for  
2 preservation duplicates, as defined in G.S. 132-8.2, or for the preservation of permanently  
3 valuable records as provided in ~~G.S. 121-5(d), except to the extent expressly approved by the~~  
4 ~~Department of Cultural Resources pursuant to standards and conditions established by the~~  
5 ~~Department.~~ G.S. 121-5(d)."

6 **SECTION 13.(e)** G.S. 160A-490(b) reads as rewritten:

7 "(b) The provisions of subsection (a) of this section shall apply to records stored on any  
8 form of permanent, computer-readable media, such as a CD-ROM, if the medium is not subject  
9 to erasure or alteration. Nonerasable, computer-readable storage media ~~shall not may~~ be used  
10 for preservation duplicates, as defined in G.S. 132-8.2, or for the preservation of permanently  
11 valuable records as provided in ~~G.S. 121-5(d), except to the extent expressly approved by the~~  
12 ~~Department of Cultural Resources pursuant to standards and conditions established by the~~  
13 ~~Department.~~ G.S. 121-5(d)."

14 **SECTION 14.(a)** G.S. 90-89(3) is amended by adding the following  
15 sub-subdivisions to read:

16 "dd. Alpha-Methyltryptamine.  
17 ee. 5-Methoxy-n-diisopropyltryptamine."

18 **SECTION 14.(b)** G.S. 90-89(5) is amended by adding the following  
19 sub-subdivisions to read:

20 "h. N-Benzylpiperazine.  
21 i. 2,5 – Dimethoxy-4-(n)-propylthiophenethylamine."

22 **SECTION 14.(c)** G.S. 90-90(3) is amended by adding a new sub-subdivision to  
23 read:

24 "f. Lisdexamfetamine, including its salts, isomers, and salts of isomers."

25 **SECTION 14.(d)** G.S. 90-90(2) is amended by adding a new sub-subdivision to  
26 read:

27 "aa. Tapentadol."

28 **SECTION 14.(e)** G.S. 90-91(k)5. reads as rewritten:

29 "5. Nandrolone ~~decanoate, decanoate,~~ decanoate,."

30 **SECTION 15.(a)** G.S. 18C-150 reads as rewritten:

31 **"§ 18C-150. Procurements.**

32 The Commission shall be exempt from Article 3 of Chapter 143 of the General Statutes but  
33 may use the services of the Department of Administration in procuring goods and services for  
34 the Commission. However, the Commission shall include in all contracts to be awarded by the  
35 Commission under this section a standard clause which provides that the State Auditor and  
36 internal auditors of the Commission may audit the records of the contractor during and after  
37 term of the contract to verify accounts and data affecting fees and performance. The  
38 Commission shall not award a cost plus percentage of cost contract for any purpose. For  
39 purposes of this provision, "cost plus percentage of cost contract" is defined as a contract under  
40 which the contractor receives payment for indeterminate costs plus a stated percentage or  
41 amount of profit based upon such costs. This provision shall not apply to Commission contracts  
42 that require costs to be predetermined and approved by the Commission and a total not to  
43 exceed the amount specified in each contract to be paid to the contractor."

44 **SECTION 15.(b)** G.S. 53-320(d) reads as rewritten:

45 "(d) The Commissioner may enter into agreements with any bank supervisory agency  
46 supervising (i) a State trust institution engaging in trust business outside this State or (ii) an  
47 out-of-state trust institution maintaining a trust office or representative trust office in this State  
48 to engage the services of the agency's examiners at a reasonable rate of compensation or to  
49 provide the services of the Commissioner's examiners to the agency at a reasonable rate of  
50 compensation. Article 3 of Chapter 143 of the General Statutes does not apply to agreements  
51 authorized by this subsection. However, the Commissioner shall: (i) submit all proposed

1 ~~statewide and agency term~~ agreements or contracts for supplies, materials, printing, equipment,  
2 and contractual services that exceed one million dollars (\$1,000,000) authorized by this  
3 subsection to the Attorney General or the Attorney General's designee for review as provided in  
4 G.S. 114-8.3; and (ii) include in all agreements or contracts to be awarded by the  
5 Commissioner under this subsection a standard clause which provides that the State Auditor  
6 and internal auditors of the Commissioner may audit the records of the contractor during and  
7 after the term of the agreement or contract to verify accounts and data affecting fees and  
8 performance. The Commissioner shall not award a cost plus percentage of cost agreement or  
9 contract for any purpose."

10 **SECTION 15.(c)** G.S. 53-326(d) reads as rewritten:

11 "(d) The Commissioner may enter into agreements with bank supervisory agencies  
12 supervising (i) a State trust institution engaging in trust business in a foreign country or (ii) a  
13 foreign trust institution maintaining a trust office or representative trust office in this State to  
14 engage the services of the bank supervisory agency's examiners at a reasonable rate of  
15 compensation or to provide the services of the Commissioner's examiners to the bank  
16 supervisory agency at a reasonable rate of compensation. Article 3 of Chapter 143 of the  
17 General Statutes does not apply to agreements authorized by this section. However, the  
18 Commissioner shall: (i) submit all proposed ~~statewide and agency term~~ agreements or contracts  
19 for supplies, materials, printing, equipment, and contractual services that exceed one million  
20 dollars (\$1,000,000) authorized by this subsection to the Attorney General or the Attorney  
21 General's designee for review as provided in G.S. 114-8.3; and (ii) include in all agreements or  
22 contracts to be awarded by the Commissioner under this subsection a standard clause which  
23 provides that the State Auditor and internal auditors of the Commissioner may audit the records  
24 of the contractor during and after the term of the agreement or contract to verify accounts and  
25 data affecting fees and performance. The Commissioner shall not award a cost plus percentage  
26 of cost agreement or contract for any purpose."

27 **SECTION 15.(d)** G.S. 53-391 reads as rewritten:

28 "**§ 53-391. Employment of counsel, accountants, and other experts; compensation.**

29 The Commissioner, for the purpose of exercising any power under the provisions of this  
30 Subpart, may (i) employ any liquidating agents, attorneys, accountants, consultants, and clerks  
31 necessary to properly conduct the business of or liquidate and distribute the assets of a State  
32 trust company; (ii) fix the compensation for the agents, attorneys, accountants, consultants, and  
33 clerks; and (iii) pay the compensation of those persons out of the assets of the State trust  
34 company. Provided, that all expenditures described in this section shall be approved by the  
35 resident or presiding judge in the county in which the action is pending. Payments made by the  
36 Commissioner pursuant to this section shall not be subject to the requirements of Article 3 of  
37 Chapter 143 of the General Statutes. As used in this Subpart, the term "Commissioner" includes  
38 the Commissioner's duly appointed agents. The Commissioner shall: (i) submit all proposed  
39 ~~statewide and agency term~~ agreements or contracts for supplies, materials, printing, equipment,  
40 and contractual services that exceed one million dollars (\$1,000,000) authorized by this section  
41 to the Attorney General or the Attorney General's designee for review as provided in  
42 G.S. 114-8.3; and (ii) include in all agreements or contracts to be awarded by the  
43 Commissioner under this section a standard clause which provides that the State Auditor and  
44 internal auditors of the Commissioner may audit the records of the contractor during and after  
45 the term of the agreement or contract to verify accounts and data affecting fees and  
46 performance. The Commissioner shall not award a cost plus percentage of cost agreement or  
47 contract for any purpose."

48 **SECTION 15.(e)** G.S. 53-401 reads as rewritten:

49 "**§ 53-401. Provisions for conservator; duties and powers.**

50 Whenever the Commissioner deems it necessary in order to conserve the assets of a State  
51 trust company for the benefit of clients or creditors, the Commissioner may appoint a



1 conservator for the State trust company and require of the conservator a bond with any surety  
2 the Commissioner deems necessary and proper in an amount deemed sufficient by the  
3 Commissioner. The conservator, under the direction of the Commissioner, shall take possession  
4 of the fiduciary records and other books, records, and assets of every description of the State  
5 trust company placed under conservatorship and take actions necessary to conserve those assets  
6 pending further disposition of its business as provided by law. Except as provided in  
7 G.S. 53-405, the conservator shall have all rights, powers, and privileges, subject to the  
8 approval of the Commissioner, now possessed by or given to the Commissioner under the  
9 provisions of Subpart B and Subpart D of this Part. All expenses of the conservator shall be  
10 paid out of the assets of the State trust company under conservatorship and shall be a lien  
11 thereon which shall be prior to any other lien provided by law. The compensation of the  
12 conservator shall be determined by the Commissioner and shall be based on the time and  
13 experience of the conservator and the complexity of the conservatorship. Compensation of the  
14 conservator shall not be subject to the requirements of Article 3 of Chapter 143 of the General  
15 Statutes. However, the Commissioner shall: (i) submit all proposed ~~statewide and agency term~~  
16 agreements or contracts for supplies, materials, printing, equipment, and contractual services  
17 that exceed one million dollars (\$1,000,000) authorized by this section to the Attorney General  
18 or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in  
19 all agreements or contracts to be awarded by the Commissioner under this section a standard  
20 clause which provides that the State Auditor and internal auditors of the Commissioner may  
21 audit the records of the conservator during and after the term of the agreement or contract to  
22 verify accounts and data affecting fees and performance. The Commissioner shall not award a  
23 cost plus percentage of cost agreement or contract for any purpose."

24 **SECTION 15.(f)** G.S. 58-2-69(g) reads as rewritten:

25 "(g) The Commissioner may contract with the NAIC or other persons for the provision  
26 of online services to licensees, for the provision of administrative services to licensees, or for  
27 the provision of regulatory data systems to the Commissioner. The NAIC or other person with  
28 whom the Commissioner contracts may charge licensees a reasonable fee for the costs  
29 associated with the licensees' use of online services and administrative services. The fee shall  
30 be agreed to by the Commissioner and the other contracting party and shall be stated in the  
31 contract. Contracts for the provision of online services, contracts for the provision of  
32 administrative services, and contracts for the provision of regulatory data systems shall not be  
33 subject to Article 3, 3C, or 8 of Chapter 143 of the General Statutes or to Article 3D of Chapter  
34 147 of the General Statutes. However, the Commissioner shall: (i) submit all proposed  
35 ~~statewide and agency term~~ contracts for supplies, materials, printing, equipment, and  
36 contractual services that exceed one million dollars (\$1,000,000) authorized by this subsection  
37 to the Attorney General or the Attorney General's designee for review as provided in  
38 G.S. 114-8.3; and (ii) include in all contracts to be awarded by the Commissioner under this  
39 subsection a standard clause which provides that the State Auditor and internal auditors of the  
40 Commissioner may audit the records of the contractor during and after the term of the  
41 agreement or contract to verify accounts and data affecting fees and performance. The  
42 Commissioner shall not award a cost plus percentage of cost agreement or contract for any  
43 purpose."

44 **SECTION 15.(g)** G.S. 58-33-30(e) reads as rewritten:

45 **"§ 58-33-30. License requirements.**

46 ...  
47 (e) Examination.

48 ...  
49 (4) The answers of the applicant to the examination shall be provided by the  
50 applicant under the Commissioner's supervision. The Commissioner shall  
51 give examinations at such times and places within this State as the

1 Commissioner considers necessary reasonably to serve the convenience of  
2 both the Commissioner and applicants: Provided that the Commissioner may  
3 contract directly with persons for the processing of examination application  
4 forms and for the administration and grading of the examinations required  
5 by this section; the Commissioner may charge a reasonable fee in addition to  
6 the registration fee charged under G.S. 58-33-125, to offset the cost of the  
7 examination contract authorized by this subsection; and such contracts shall  
8 not be subject to Article 3 of Chapter 143 of the General Statutes. However,  
9 the Commissioner shall: (i) submit all proposed ~~statewide and agency term~~  
10 agreements or contracts for supplies, materials, printing, equipment, and  
11 contractual services that exceed one million dollars (\$1,000,000) authorized  
12 by this subdivision to the Attorney General or the Attorney General's  
13 designee for review as provided in G.S. 114-8.3; and (ii) include in all  
14 contracts to be awarded by the Commissioner under this subdivision a  
15 standard clause which provides that the State Auditor and internal auditors  
16 of the Commissioner may audit the records of the contractor during and after  
17 the term of the contract to verify accounts and data affecting fees and  
18 performance. The Commissioner shall not award a cost plus percentage of  
19 cost contract for any purpose.

- 20 (5) The Commissioner shall collect in advance the examination and registration  
21 fees provided in G.S. 58-33-125 and in subsection (4) of this section. The  
22 Commissioner shall make or cause to be made available to all applicants, for  
23 a reasonable fee to offset the costs of production, materials that he considers  
24 necessary for the applicants' proper preparation for examinations. The  
25 Commissioner may contract directly with publishers and other suppliers for  
26 the production of the preparatory materials, and contracts so let by the  
27 Commissioner shall not be subject to Article 3 of Chapter 143 of the General  
28 Statutes. However, the Commissioner shall: (i) submit all proposed  
29 ~~statewide and agency term~~ contracts for supplies, materials, printing,  
30 equipment, and contractual services that exceed one million dollars  
31 (\$1,000,000) authorized by this subdivision to the Attorney General or the  
32 Attorney General's designee for review as provided in G.S. 114-8.3; and (ii)  
33 include in all contracts to be awarded by the Commissioner under this  
34 subdivision a standard clause which provides that the State Auditor and  
35 internal auditors of the Commissioner may audit the records of the  
36 contractor during and after the term of the contract to verify accounts and  
37 data affecting fees and performance. The Commissioner shall not award a  
38 cost plus percentage of cost contract for any purpose.

39 ...."

40 **SECTION 15.(h)** G.S. 58-33-125(e) reads as rewritten:

41 "(e) A resident licensee may obtain a duplicate photo-bearing license at times and places  
42 within this State that the Commissioner considers necessary and reasonable to serve the  
43 convenience of both the Commissioner and the licensee. The Commissioner may contract  
44 directly with persons for processing of duplicate photo-bearing licenses, and the contract shall  
45 not be subject to Article 3 of Chapter 143 of the General Statutes. The Commissioner may  
46 charge a reasonable fee for duplicating a photo-bearing license in an amount that offsets the  
47 costs to the Department of duplicating the license, including costs associated with any contract  
48 entered into pursuant to this subsection. However, the Commissioner shall: (i) submit all  
49 proposed ~~statewide and agency term~~ contracts for supplies, materials, printing, equipment, and  
50 contractual services that exceed one million dollars (\$1,000,000) authorized by this subsection  
51 to the Attorney General or the Attorney General's designee for review as provided in

1 G.S. 114-8.3; and (ii) include in all contracts to be awarded by the Commissioner under this  
2 subsection a standard clause which provides that the State Auditor and internal auditors of the  
3 Commissioner may audit the records of the contractor during and after the term of the contract  
4 to verify accounts and data affecting fees and performance. The Commissioner shall not award  
5 a cost plus percentage of cost agreement or contract for any purpose."

6 **SECTION 15.(i)** G.S. 58-33-130(a) reads as rewritten:

7 "**§ 58-33-130. Continuing education program for licensees.**

8 (a) The Commissioner may adopt rules to provide for a program of continuing  
9 education requirements for the purpose of enhancing the professional competence and  
10 professional responsibility of adjusters and motor vehicle damage appraisers. The rules may  
11 include criteria for:

- 12 (1) The content of continuing education courses;
- 13 (2) Accreditation of continuing education sponsors and programs;
- 14 (3) Accreditation of videotape or other audiovisual programs;
- 15 (4) Computation of credit;
- 16 (5) Special cases and exemptions;
- 17 (6) General compliance procedures; and
- 18 (7) Sanctions for noncompliance.

19 The Commissioner may contract directly with persons for the administration of the program  
20 provided for by this section, and those contracts shall not be subject to Article 3 of Chapter 143  
21 of the General Statutes. However, the Commissioner shall: (i) submit all proposed ~~statewide~~  
22 ~~and agency term~~ contracts for supplies, materials, printing, equipment, and contractual services  
23 that exceed one million dollars (\$1,000,000) authorized by this subsection to the Attorney  
24 General or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii)  
25 include in all contracts to be awarded by the Commissioner under this subsection a standard  
26 clause which provides that the State Auditor and internal auditors of the Commissioner may  
27 audit the records of the contractor during and after the term of the contract to verify accounts  
28 and data affecting fees and performance. The Commissioner shall not award a cost plus  
29 percentage of cost agreement or contract for any purpose. The Commissioner may charge a  
30 reasonable fee to course providers to offset the cost of the program, including costs associated  
31 with contracts authorized by this subsection. The fee authorized by this subsection shall be in  
32 addition to the fees specified in G.S. 58-33-133. As used in this section and in G.S. 58-33-132,  
33 "administrator" means any person with whom the Commissioner has contracted under this  
34 subsection."

35 **SECTION 15.(j)** G.S. 58-71-40(d) reads as rewritten:

36 "(d) When a license is issued under this section, the Commissioner shall issue a picture  
37 identification card, of design, size, and content approved by the Commissioner, to the licensee.  
38 Each licensee must carry this card at all times when working in the scope of the licensee's  
39 employment. A licensee whose license terminates or is terminated shall surrender the  
40 identification card to the Commissioner within 10 working days after the termination. The  
41 Commissioner may contract directly with persons for the processing and issuance of picture  
42 identification cards required by this section and may charge a reasonable fee in addition to the  
43 license fee charged under G.S. 58-71-55 in an amount that offsets the cost of the service,  
44 including the costs associated with the contract authorized by this subsection. Contracts entered  
45 into pursuant to this subsection shall not be subject to Article 3 of Chapter 143 of the General  
46 Statutes. However, the Commissioner shall: (i) submit all proposed ~~statewide~~ ~~and agency term~~  
47 contracts for supplies, materials, printing, equipment, and contractual services that exceed one  
48 million dollars (\$1,000,000) authorized by this subsection to the Attorney General or the  
49 Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all  
50 contracts to be awarded by the Commissioner under this subsection a standard clause which  
51 provides that the State Auditor and internal auditors of the Commissioner may audit the records

1 of the contractor during and after the term of the contract to verify accounts and data affecting  
2 fees and performance. The Commissioner shall not award a cost plus percentage of cost  
3 agreement or contract for any purpose."

4 **SECTION 15.(k)** G.S. 63A-24(1) reads as rewritten:

5 "(1) Article 3 of Chapter 143 of the General Statutes does not apply to contracts  
6 for services listed in 49 U.S.C. § 2210(a)(16) or contracts for special user  
7 projects. That Article also does not apply to other contracts for projects, but,  
8 with respect to these other contracts, the powers and duties established in  
9 that Article shall be exercised by the Authority and the Secretary of  
10 Administration, and other State officers, employees, or agencies shall have  
11 no duties or responsibilities concerning the contracts. However, the  
12 Authority shall: (i) submit all proposed ~~statewide and agency term~~ contracts  
13 for supplies, materials, printing, equipment, and contractual services that  
14 exceed one million dollars (\$1,000,000) authorized by this subdivision to the  
15 Attorney General or the Attorney General's designee for review as provided  
16 in G.S. 114-8.3; and (ii) include in all contracts to be awarded by the  
17 Authority under this subdivision a standard clause which provides that the  
18 State Auditor and internal auditors of the Authority may audit the records of  
19 the contractor during and after the term of the contract to verify accounts and  
20 data affecting fees and performance. The Authority shall not award a cost  
21 plus percentage of cost agreement or contract for any purpose."

22 **SECTION 15.(l)** G.S. 84-23(d) reads as rewritten:

23 "(d) The Council may acquire, hold, rent, encumber, alienate, lease, and otherwise deal  
24 with real or personal property in the same manner as any private person or corporation, subject  
25 only to the approval of the Governor and the Council of State as to the acquisition, rental,  
26 encumbering, leasing and sale of real property. The Council may borrow money upon its  
27 bonds, notes, debentures, or other evidences of indebtedness sold through public or private sale  
28 pursuant to a loan agreement or a trust agreement or indenture with a trustee, with such  
29 borrowing either unsecured or secured by a mortgage on the Council's interest in real or  
30 personal property, and engage and contract with attorneys, underwriters, financial advisors, and  
31 other parties as necessary for such borrowing, with such borrowing and security subject to the  
32 approval of the Governor and the Council of State. The Council may utilize the services of the  
33 Purchase and Contract Division of the Department of Administration to procure personal  
34 property, in accordance with the provisions of Article 3 of Chapter 143 of the General Statutes.  
35 However, the Council shall: (i) submit all proposed ~~statewide and agency term~~ contracts for  
36 supplies, materials, printing, equipment, and contractual services that exceed one million  
37 dollars (\$1,000,000) authorized by this subsection to the Attorney General or the Attorney  
38 General's designee for review as provided in G.S. 114-8.3; and (ii) include in all contracts to be  
39 awarded by the Council under this subsection a standard clause which provides that the State  
40 Auditor and internal auditors of the Council may audit the records of the contractor during and  
41 after the term of the contract to verify accounts and data affecting fees and performance. The  
42 Council shall not award a cost plus percentage of cost agreement or contract for any purpose."

43 **SECTION 15.(m)** G.S. 89E-5(e) reads as rewritten:

44 "(e) The Board may authorize expenditures deemed necessary to carry out the provisions  
45 of this Chapter and all expenses shall be paid upon the warrant of the Board treasurer. The  
46 Board treasurer shall deposit funds received by the Board in one or more funds in banks or  
47 other financial institutions carrying deposit insurance and authorized to do business in North  
48 Carolina. Interest earned on such funds may remain in the funds account and may be expended  
49 as authorized by the Board to carry out the provisions of this Chapter. In no event may  
50 expenditures exceed the revenues of the Board during any fiscal year. The Board is authorized  
51 and empowered to utilize the services of the Purchase and Contract Division of the Department

1 of Administration for the procurement of personal property, in accordance with Article 3 of  
2 Chapter 143 of the General Statutes. The Board shall: (i) submit all proposed ~~statewide and~~  
3 ~~agency term~~ contracts for supplies, materials, printing, equipment, and contractual services that  
4 exceed one million dollars (\$1,000,000) authorized by this subsection to the Attorney General  
5 or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in  
6 all contracts to be awarded by the Board under this subsection a standard clause which provides  
7 that the State Auditor and internal auditors of the Board may audit the records of the contractor  
8 during and after the term of the contract to verify accounts and data affecting fees and  
9 performance. The Board shall not award a cost plus percentage of cost agreement or contract  
10 for any purpose."

11 **SECTION 15.(n)** G.S. 89F-5(d) reads as rewritten:

12 "(d) The Board may employ the necessary personnel for the performance of its functions  
13 and shall fix their compensation within the limits of funds available to the Board. The Board  
14 may procure personal property in accordance with the provisions of Article 3 of Chapter 143 of  
15 the General Statutes. The Board shall: (i) submit all proposed ~~statewide and~~ ~~agency term~~  
16 contracts for supplies, materials, printing, equipment, and contractual services that exceed one  
17 million dollars (\$1,000,000) authorized by this subsection to the Attorney General or the  
18 Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all  
19 contracts to be awarded by the Board under this subsection a standard clause which provides  
20 that the State Auditor and internal auditors of the Board may audit the records of the contractor  
21 during and after the term of the contract to verify accounts and data affecting fees and  
22 performance. The Board shall not award a cost plus percentage of cost agreement or contract  
23 for any purpose."

24 **SECTION 15.(o)** G.S. 108A-55(b) reads as rewritten:

25 "(b) Payments shall be made only to intermediate care facilities, hospitals and nursing  
26 homes licensed and approved under the laws of the State of North Carolina or under the laws of  
27 another state, or to pharmacies, physicians, dentists, optometrists or other providers of  
28 health-related services authorized by the Department. Payments may also be made to such  
29 fiscal intermediaries and to the capitation or prepaid health service contractors as may be  
30 authorized by the Department. Arrangements under which payments are made to capitation or  
31 prepaid health services contracts are not subject to the provisions of Chapter 58 of the General  
32 Statutes or of Article 3 of Chapter 143 of the General Statutes. However, the Department shall:  
33 (i) submit all proposed ~~statewide and~~ ~~agency term~~ contracts for supplies, materials, printing,  
34 equipment, and contractual services that exceed one million dollars (\$1,000,000) authorized by  
35 this subsection to the Attorney General or the Attorney General's designee for review as  
36 provided in G.S. 114-8.3; and (ii) include in all agreements or contracts to be awarded by the  
37 Department under this subsection a standard clause which provides that the State Auditor and  
38 internal auditors of the Department may audit the records of the contractor during and after the  
39 term of the contract to verify accounts and data affecting fees and performance. The  
40 Department shall not award a cost plus percentage of cost agreement or contract for any  
41 purpose."

42 **SECTION 15.(p)** G.S. 114-8.3 reads as rewritten:

43 **"§ 114-8.3. Attorney General to review certain contracts.**

44 (a) Except as provided in subsection (b) of this section, the Attorney General or the  
45 Attorney General's designee shall review all proposed ~~statewide and~~ ~~agency term~~ contracts for  
46 supplies, materials, printing, equipment, and contractual services that exceed one million  
47 dollars (\$1,000,000) to ensure that the proposed contracts are in proper legal form, contain all  
48 clauses required by law, are legally enforceable, and accomplish the intended purposes of the  
49 proposed contract. The term "review" as used in this section shall not constitute approval or  
50 disapproval of the policy merit or lack thereof of the proposed contract. For purposes of this  
51 subsection, the term "Attorney General's designee" shall include any attorney approved by the

1 Attorney General to review contracts as provided in this subsection. The Attorney General shall  
2 require that any attorney designated under this subsection comply with any rules established by  
3 the Attorney General or the Department of Administration regarding the review of contracts.

4 (b) For the constituent institutions of The University of North Carolina, the General  
5 Counsel of each institution or the General Counsel's designee shall review all proposed  
6 ~~statewide and agency term~~ contracts for supplies, materials, printing, equipment, and  
7 contractual services that exceed one million dollars (\$1,000,000) to ensure that the proposed  
8 contracts are in proper legal form, contain all clauses required by law, are legally enforceable,  
9 and accomplish the intended purposes of the proposed contract. The term "review" as used in  
10 this section shall not constitute approval or disapproval of the policy merit or lack thereof of the  
11 proposed contract. For purposes of this subsection, the term "General Counsel's designee" shall  
12 include any attorney approved by the General Counsel to review contracts as provided in this  
13 subsection. The General Counsel shall require that any attorney designated under this  
14 subsection comply with any rules established by the Attorney General or the Department of  
15 Administration regarding the review of contracts."

16 **SECTION 15.(q)** G.S. 115D-67.4 reads as rewritten:

17 "**§ 115D-67.4. Fees collected by the Center; purchases using Center funds.**

18 Notwithstanding any other provision of law, all fees collected by the Applied Textile  
19 Technology Center for services to the textile industry, except for regular curriculum and  
20 continuing education tuition receipts, shall be retained by the Center and used for the  
21 operations of the Center. Purchases made by the Center using these funds are not subject to the  
22 provisions of Article 3 of Chapter 143 of the General Statutes. However, the Center shall: (i)  
23 submit all proposed ~~statewide and agency term~~ agreements or contracts for supplies, materials,  
24 printing, equipment, and contractual services that exceed one million dollars (\$1,000,000)  
25 authorized by this section to the Attorney General or the Attorney General's designee for  
26 review as provided in G.S. 114-8.3; and (ii) include in all agreements or contracts to be  
27 awarded by the Center under this section a standard clause which provides that the State  
28 Auditor and internal auditors of the Center may audit the records of the contractor during and  
29 after the term of the contract to verify accounts and data affecting fees and performance. The  
30 Center shall not award a cost plus percentage of cost agreement or contract for any purpose."

31 **SECTION 15.(r)** G.S. 135-43(b) reads as rewritten:

32 "(b) Notwithstanding the provisions of this Article, the Executive Administrator and  
33 Board of Trustees of the State Health Plan for Teachers and State Employees may contract with  
34 providers of institutional and professional medical care and services to establish preferred  
35 provider networks.

36 The terms of a contract between the Plan and its third party administrator or between the  
37 Plan and its pharmacy benefit manager are a public record except that the terms in those  
38 contracts that contain trade secrets or proprietary or competitive information are not a public  
39 record under Chapter 132 of the General Statutes, and any such proprietary or competitive  
40 information and trade secrets contained in the contract shall be redacted by the Plan prior to  
41 making it available to the public. This subsection shall not be construed to prevent or restrict  
42 the release of any information made not a public record under this subsection to the State  
43 Auditor, the Attorney General, the Director of the State Budget, the Plan's Executive  
44 Administrator, and the Committee on Employee Hospital and Medical Benefits solely and  
45 exclusively for their use in the furtherance of their duties and responsibilities, and to the  
46 Department of Health and Human Services solely for the purpose of implementing the  
47 transition of NC Health Choice from the Plan to the Department of Health and Human  
48 Services. The design, adoption, and implementation of the preferred provider contracts,  
49 networks, and optional alternative comprehensive health benefit plans, and programs available  
50 under the optional alternative plans, as authorized under G.S. 135-45 are not subject to the  
51 requirements of Article 3 of Chapter 143 of the General Statutes. However, the Executive

1 Administrator and Board of Trustees shall: (i) submit all proposed ~~statewide and agency term~~  
2 contracts for supplies, materials, printing, equipment, and contractual services that exceed one  
3 million dollars (\$1,000,000) authorized by this subsection to the Attorney General or the  
4 Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all  
5 proposed contracts to be awarded by the Executive Administrator and Board of Trustees under  
6 this section a standard clause which provides that the State Auditor and internal auditors of the  
7 Plan may audit the records of the contractor during and after the term of the contract to verify  
8 accounts and data affecting fees and performance. The Executive Administrator and Board of  
9 Trustees shall not award a cost plus percentage of cost agreement or contract for any purpose.  
10 The Executive Administrator and Board of Trustees shall make reports as requested to the  
11 President of the Senate, the President Pro Tempore of the Senate, the Speaker of the House of  
12 Representatives, and the Committee on Employee Hospital and Medical Benefits."

13 **SECTION 15.(s)** G.S. 135-45(d1) reads as rewritten:

14 "(d1) The Executive Administrator and Board of Trustees shall: (i) submit all proposed  
15 ~~statewide and agency term~~ contracts for supplies, materials, printing, equipment, and  
16 contractual services that exceed one million dollars (\$1,000,000) authorized by subsection (d)  
17 of this section to the Attorney General or the Attorney General's designee for review as  
18 provided in G.S. 114-8.3; and (ii) include in all proposed contracts to be awarded by the  
19 Executive Administrator and Board of Trustees under this section a standard clause which  
20 provides that the State Auditor and internal auditors of the Plan may audit the records of the  
21 contractor during and after the term of the contract to verify accounts and data affecting fees  
22 and performance. The Executive Administrator and Board of Trustees shall not award a cost  
23 plus percentage of cost agreement or contract for any purpose."

24 **SECTION 15.(t)** G.S. 136-28.1(h) reads as rewritten:

25 "(h) The Department of Transportation may enter into contracts for applied research and  
26 experimental work without soliciting bids or proposals; provided, however, that if the research  
27 or work is for the purpose of testing equipment, materials, or supplies, the provisions of Article  
28 3 of Chapter 143 of the General Statutes shall apply. However, the Department of  
29 Transportation shall: (i) submit all proposed ~~statewide and agency term~~ contracts for supplies,  
30 materials, printing, equipment, and contractual services that exceed one million dollars  
31 (\$1,000,000) authorized by this subsection to the Attorney General or the Attorney General's  
32 designee for review as provided in G.S. 114-8.3; and (ii) include in all proposed contracts to be  
33 awarded by the Department of Transportation under this subsection a standard clause which  
34 provides that the State Auditor and internal auditors of the Department of Transportation may  
35 audit the records of the contractor during and after the term of the contract to verify accounts  
36 and data affecting fees and performance. The Department of Transportation shall not award a  
37 cost plus percentage of cost agreement or contract for any purpose. The Department of  
38 Transportation is encouraged to solicit proposals when contracts are entered into with private  
39 firms when it is in the public interest to do so."

40 **SECTION 15.(u)** G.S. 136-89.194(g)(1) reads as rewritten:

41 "(1) Article 3 of Chapter 143 of the General Statutes. The Authority may use the  
42 services of the Department of Administration in procuring goods and  
43 services that are not specific to establishing and operating a toll revenue  
44 system. However, the Authority shall: (i) submit all proposed ~~statewide and~~  
45 ~~agency term~~ contracts for supplies, materials, printing, equipment, and  
46 contractual services that exceed one million dollars (\$1,000,000) authorized  
47 by this subdivision to the Attorney General or the Attorney General's  
48 designee for review as provided in G.S. 114-8.3; and, (ii) include in all  
49 proposed contracts to be awarded by the Authority under this subdivision a  
50 standard clause which provides that the State Auditor and internal auditors  
51 of the Authority may audit the records of the contractor during and after the

1 term of the contract to verify accounts and data affecting fees and  
2 performance. The Authority shall not award a cost plus percentage of cost  
3 agreement or contract for any purpose."

4 **SECTION 15.(v)** G.S. 143-48.1(c) reads as rewritten:

5 "(c) The Department of Health and Human Services shall: (i) submit all proposed  
6 ~~statewide and agency term~~ contracts for a capitation arrangement or prepaid health services, as  
7 defined by this section, that exceed one million dollars (\$1,000,000) to the Attorney General or  
8 the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all  
9 agreements or contracts to be awarded by the Department under this section a standard clause  
10 which provides that the State Auditor and internal auditors of the Department may audit the  
11 records of the contractor during and after the term of the contract to verify accounts and data  
12 affecting fees and performance. The Department shall not award a cost plus percentage of cost  
13 agreement or contract for any purpose."

14 **SECTION 15.(w)** G.S. 143-49 reads as rewritten:

15 **"§ 143-49. Powers and duties of Secretary.**

16 ...

17 (9) To include a standard clause in all contracts awarded by the State and  
18 departments, agencies, and institutions of the State, providing that the State  
19 Auditor and internal auditors of the affected department, agency, or  
20 institution may audit the records of the contractor during and after the term of  
21 the contract to verify accounts and data affecting fees or performance.

22 ...

23 (12) To consult with the Attorney General or the Attorney General's designee in  
24 developing rules, regulations, and procedures providing for the orderly and  
25 efficient submission of proposed ~~statewide term, agency term, and non term~~  
26 contracts to the Attorney General for review as provided in G.S. 114-8.3 and  
27 G.S. 143-52.2."

28 **SECTION 15.(x)** G.S. 143-52.2 reads as rewritten:

29 **"§ 143-52.2. Certain contracts subject to review by Attorney General.**

30 The Secretary of Administration and every department, agency, and institution of the State  
31 shall submit all proposed ~~statewide and agency term~~ contracts for supplies, materials, printing,  
32 equipment, and contractual services that exceed one million dollars (\$1,000,000) to the  
33 Attorney General or the Attorney General's designee for review as provided in G.S. 114-8.3(a).  
34 This section shall not apply to the constituent institutions of The University of North Carolina."

35 **SECTION 15.(y)** G.S. 143-134(b) reads as rewritten:

36 "(b) Notwithstanding the provisions of subsection (a) of this section, the Department of  
37 Transportation and the Department of Correction shall: (i) submit all proposed ~~statewide and~~  
38 ~~agency term~~ contracts for supplies, materials, printing, equipment, and contractual services that  
39 exceed one million dollars (\$1,000,000) to the Attorney General or the Attorney General's  
40 designee for review as provided in G.S. 114-8.3; and (ii) include in all contracts to be awarded  
41 by the Department of Transportation or the Department of Correction a standard clause which  
42 provides that the State Auditor and internal auditors of the Department of Transportation or the  
43 Department of Correction may audit the records of the contractor during and after the term of  
44 the contract to verify accounts and data affecting fees and performance. Neither the Department  
45 of Transportation nor the Department of Correction shall award a cost plus percentage of cost  
46 agreement or contract for any purpose."

47 **SECTION 15.(z)** G.S. 143-151.16(d) reads as rewritten:

48 "(d) The Board may contract with persons for the development and administration of the  
49 examinations required by G.S. 143-151.13(a), for course development related to the  
50 examinations, for review of a particular applicant's examination, and for other related services.  
51 The person with whom the Board contracts may charge applicants a reasonable fee for the costs



1 associated with the development and administration of the examinations, for course  
2 development related to the examinations, for review of the applicant's examinations, and for  
3 other related services. The fee shall be agreed to by the Board and the other contracting party.  
4 The amount of the fee under this subsection shall not exceed one hundred seventy-five dollars  
5 (\$175.00). Contracts for the development and administration of the examinations, for course  
6 development related to the examinations, and for review of examinations shall not be subject to  
7 Article 3, 3C, or 8 of Chapter 143 of the General Statutes or to Article 3D of Chapter 147 of the  
8 General Statutes. However, the Board shall: (i) submit all proposed ~~statewide and agency term~~  
9 contracts for supplies, materials, printing, equipment, and contractual services that exceed one  
10 million dollars (\$1,000,000) authorized by this subsection to the Attorney General or the  
11 Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all  
12 proposed contracts to be awarded by the Board under this subsection a standard clause which  
13 provides that the State Auditor and internal auditors of the Board may audit the records of the  
14 contractor during and after the term of the contract to verify accounts and data affecting fees  
15 and performance. The Board shall not award a cost plus percentage of cost agreement or  
16 contract for any purpose."

17 **SECTION 15.(aa)** G.S. 143B-131.2(b)(15) reads as rewritten:

18 "(15) To procure supplies, services, and property as appropriate and to enter into  
19 contracts, leases, or other legal agreements to carry out the purposes of this  
20 Part and duties of the Commission. The provisions of G.S. 143-129 and  
21 Article 3 of Chapter 143 of the General Statutes do not apply to purchases by  
22 the Roanoke Island Commission of equipment, supplies, and services.  
23 However, the Commission shall: (i) submit all proposed ~~statewide and~~  
24 ~~agency term~~ contracts for supplies, materials, printing, equipment, and  
25 contractual services that exceed one million dollars (\$1,000,000) authorized  
26 by this subdivision to the Attorney General or the Attorney General's  
27 designee for review as provided in G.S. 114-8.3; and (ii) include in all  
28 proposed contracts to be awarded by the Commission under this subdivision  
29 a standard clause which provides that the State Auditor and internal auditors  
30 of the Commission may audit the records of the contractor during and after  
31 the term of the contract to verify accounts and data affecting fees and  
32 performance. The Commission shall not award a cost plus percentage of cost  
33 agreement or contract for any purpose."

34 **SECTION 16.(a)** G.S. 115D-87, as amended by Section 1 of S.L. 2011-21, reads  
35 as rewritten:

36 "**§ 115D-87. Definitions.**

37 The following definitions apply in this Article:

- 38 (2) Person. – Any individual, association, partnership or corporation, and  
39 includes any director, receiver, referee, trustee, executor, or administrator as  
40 well as a natural person.
- 41 (5) Proprietary school. – An educational institution having a physical presence  
42 within North Carolina that meets all of the following conditions:
- 43 a. It is privately owned by a sole proprietorship, partnership, limited  
44 liability company, or corporation.
- 45 b. It is established as a business entity or as a nonprofit charitable  
46 organization.
- 47 c. It offers instruction to individuals who (i) have completed their  
48 elementary and secondary education or (ii) are beyond the age of  
49 compulsory secondary school attendance and have demonstrated an  
50 ability to benefit from that instruction for the attainment of  
51 educational objectives, vocational objectives, or both.

- 1 d. It charges tuition or receives any consideration from a student for any  
2 portion of the instruction in any form, including written or  
3 audiovisual material.  
4 e. It educates, trains, or claims or offers to educate or train students in a  
5 program leading toward (i) examinations for licensing in a profession  
6 or vocation, (ii) employment at a beginning or advanced level, or (iii)  
7 a postsecondary educational credential below the associate degree  
8 level.

9 The term includes a branch or extension of a private postsecondary  
10 educational institution of another state that is located in this State or that  
11 offers educational services or education at a physical location within this  
12 State. Delivery systems employed may include, but are not limited to, (i)  
13 correspondence, (ii) classrooms, (iii) hotels or other temporary dwelling  
14 units or areas, or (iv) electronic communications such as those used in  
15 distance education. Distance education is education, training courses, or  
16 programs delivered to a student who is geographically separate from the  
17 instructor. It does not include institutions licensed by G.S. 116-15.

18 If a school has physical locations and offers classes in more than one  
19 county, the school's operation in each county shall constitute a separate  
20 proprietary school, as defined in this section."

21 **SECTION 16.(b)** This section becomes effective July 1, 2011.

22 **SECTION 17.** G.S. 131E-34 is repealed.

23 **SECTION 18.(a)** G.S. 143-53.1 reads as rewritten:

24 **"§ 143-53.1. Setting of benchmarks; increase by Secretary.**

25 (a) On and after July 1, 1997, the procedures prescribed by G.S. 143-52 with respect to  
26 competitive bids and the bid value benchmark authorized by G.S. 143-53(a)(2) with respect to  
27 rule making by the Secretary of Administration for competitive bidding shall be no more than  
28 twenty-five thousand dollars (\$25,000); provided, the Secretary of Administration may, in his  
29 or her discretion, increase the benchmarks effective as of the beginning of any fiscal biennium  
30 of the State commencing after June 30, 1999, in an amount whose increase, expressed as a  
31 percentage, does not exceed the rise in the Consumer Price Index during the fiscal biennium  
32 next preceding the effective date of the benchmark increase. For a special responsibility  
33 constituent institution of The University of North Carolina, the benchmark prescribed in this  
34 section shall be as provided in G.S. 116-31.10. For community colleges, the benchmark  
35 prescribed in this section shall be as provided in G.S. 115D-58.14."

36 **SECTION 18.(b)** This section becomes effective July 1, 2012.

37 **SECTION 19.** G.S. 143B-138.1(a) reads as rewritten:

38 **"§ 143B-138.1. Department of Health and Human Services – functions and organization.**

39 (a) All functions, powers, duties, and obligations previously vested in the following  
40 commissions, boards, councils, committees, or subunits of the Department of Human  
41 Resources are transferred to and vested in the Department of Health and Human Services by a  
42 Type I transfer, as defined in G.S. 143A-6:

- 43 (1) Division of Aging.  
44 (2) Division of Services for the Blind.  
45 (3) Division of Medical Assistance.  
46 (4) Division of Mental Health, Developmental Disabilities, and Substance  
47 Abuse Services.  
48 (5) Division of Social Services.  
49 (6) Division of Health Service Regulation.  
50 (7) Division of Vocational Rehabilitation.  
51 (8) Repealed by Session Laws 1998-202, s. 4(v), effective January 1, 1999.

1 (9) Division of Services for the Deaf and the Blind.

2 ~~(10) Office of Economic Opportunity.~~

3 (11) Division of Child Development.

4 (12) Office of Rural Health."

5 **SECTION 19.5.** If House Bill 362, 2011 Regular Session, becomes law, Section  
6 4(a) as enacted by that act reads as rewritten:

7 "**SECTION 4.(a)** It is unlawful to hunt deer from any vessel in the Tar River from 4  
8 Springfield Road to the Dunbar Bridge, whether the vessel is under power or not, except that a  
9 5 vessel may be used for transportation to and from otherwise lawful hunting stands upon land  
10 6 owned or leased by a person or upon which a person has written permission to hunt."

11 **SECTION 20.** If House Bill 442, 2011 Regular Session, becomes law, Section 3 as  
12 enacted by that act reads as rewritten:

13 "**SECTION 3.** This act is effective when it becomes law. Section 1 of this act shall expire  
14 ~~July 1, 2013.~~ July 1, 2018."

15 **SECTION 21.** If House Bill 650, 2011 Regular Session, becomes law,  
16 G.S. 14-415.27, as enacted by that act, reads as rewritten:

17 "**§ 14-415.27. Expanded permit scope for district attorneys, assistant district attorneys,  
18 and investigators employed by office of the district attorney.**

19 Notwithstanding G.S. 14-415.11(c), any person who is a district attorney, an assistant  
20 district attorney, or an investigator employed by the office of a district attorney and who has a  
21 concealed handgun permit issued pursuant to this Article or that is considered valid under  
22 G.S. 14-415.24 is not subject to the ~~restrictions—~~and area prohibitions set out in  
23 G.S. 14-415.11(c) and may carry a concealed handgun in the areas listed in G.S. 14-415.11(c)  
24 unless otherwise prohibited by federal law."

25 **SECTION 22.(a)** If House Bill 806, 2011 Regular Session, becomes law,  
26 G.S. 153A-348(c), as enacted by that act, reads as rewritten:

27 "(c) Nothing in this section or in G.S. 1-54(10) or G.S. 1-54.1 shall bar a party in an  
28 action involving the enforcement of a zoning or unified development ordinance from raising as  
29 a defense to such enforcement action the invalidity of the ordinance. Nothing in this section or  
30 in G.S. 1-54(10) or G.S. 1-54.1 shall bar a party who files a timely appeal from an order,  
31 requirement, decision, or determination made by an administrative official contending that such  
32 party is in violation of a zoning or unified development ordinance from raising in the appeal the  
33 invalidity of such ordinance as a defense to such order, requirement, decision, or determination.  
34 A party in an enforcement action or appeal may not assert the invalidity of the ordinance on the  
35 basis of an alleged ~~defect~~ defect in the adoption process unless the defense is formally raised  
36 within three years of the adoption of the challenged ordinance."

37 **SECTION 22.(b)** If House Bill 806, 2011 Regular Session, becomes law,  
38 G.S. 160A-364.1(c), as enacted by that act, reads as rewritten:

39 "(c) Nothing in this section or in G.S. 1-54(10) or G.S. 1-54.1 shall bar a party in an  
40 action involving the enforcement of a zoning or unified development ordinance from raising as  
41 a defense to such enforcement action the invalidity of the ordinance. Nothing in this section or  
42 in G.S. 1-54(10) or G.S. 1-54.1 shall bar a party who files a timely appeal from an order,  
43 requirement, decision, or determination made by an administrative official contending that such  
44 party is in violation of a zoning or unified development ordinance from raising in the appeal the  
45 invalidity of such ordinance as a defense to such order, requirement, decision, or determination.  
46 A party in an enforcement action or appeal may not assert the invalidity of the ordinance on the  
47 basis of an alleged ~~defect~~ defect in the adoption process unless the defense is formally raised  
48 within three years of the adoption of the challenged ordinance."

49 **SECTION 23.** If Senate Bill 781, 2011 Regular Session, becomes law, then  
50 Section 46 of that act reads as rewritten:

51 "**SECTION 46.** G.S. 131E-188 reads as rewritten:

1 **'§ 131E-188. Administrative and judicial review.**

2 (a) After a decision of the Department to issue, deny or withdraw a certificate of need  
3 or exemption or to issue a certificate of need pursuant to a settlement agreement with an  
4 applicant to the extent permitted by law, any affected person, as defined in subsection (c) of  
5 this section, shall be entitled to a contested case hearing under Article 3 of Chapter 150B of the  
6 General Statutes. A petition for a contested case shall be filed within 30 days after the  
7 Department makes its decision. When a petition is filed, the Department shall send notification  
8 of the petition to the proponent of each application that was reviewed with the application for a  
9 certificate of need that is the subject of the petition. Any affected person shall be entitled to  
10 intervene in a contested case.

11 A contested case shall be conducted in accordance with the following timetable:

- 12 (1) An administrative law judge or a hearing officer, as appropriate, shall be  
13 assigned within 15 days after a petition is filed.
- 14 (2) The parties shall complete discovery within 90 days after the assignment of  
15 the administrative law judge or hearing officer.
- 16 (3) The hearing at which sworn testimony is taken and evidence is presented  
17 shall be held within 45 days after the end of the discovery period.
- 18 (4) The administrative law judge or hearing officer shall make ~~his recommended~~  
19 a final decision within 75 days after the hearing.
- 20 (5) ~~The Department shall make its final decision within 30 days of receiving the~~  
21 ~~official record of the case from the Office of Administrative Hearings.~~

22 The administrative law judge or hearing officer assigned to a case may extend the deadlines  
23 in subdivisions (2) through (4) so long as the administrative law judge or hearing officer makes  
24 ~~his recommended~~ a final decision in the case within 270 days after the petition is filed. ~~The~~  
25 ~~Department may extend the deadline in subdivision (5) for up to 30 days by giving all parties~~  
26 ~~written notice of the extension.~~

27 ...

28 (b) Any affected person who was a party in a contested case hearing shall be entitled to  
29 judicial review of all or any portion of any final decision ~~of the Department~~ in the following  
30 manner. The appeal shall be to the Court of Appeals as provided in G.S. 7A-29(a). The  
31 procedure for the appeal shall be as provided by the rules of appellate procedure. The appeal of  
32 the final decision ~~of the Department~~ shall be taken within 30 days of the receipt of the written  
33 notice of final decision, and notice of appeal shall be filed with the ~~Division of Health Service~~  
34 Regulation, Department of Health and Human Services, Office of Administrative Hearings and  
35 served on the Department and all other affected persons who were parties to the contested  
36 hearing.

37 (b1) Before filing an appeal of a final decision ~~by the Department~~ granting a certificate  
38 of need, the affected person shall deposit a bond with the Clerk of the Court of Appeals. The  
39 bond requirements of this subsection shall not apply to any appeal filed by the Department.

- 40 (1) The bond shall be secured by cash or its equivalent in an amount equal to  
41 five percent (5%) of the cost of the proposed new institutional health service  
42 that is the subject of the appeal, but may not be less than five thousand  
43 dollars (\$5,000) and may not exceed fifty thousand dollars (\$50,000);  
44 provided that the applicant who received approval of the certificate of need  
45 may petition the Court of Appeals for a higher bond amount for the payment  
46 of such costs and damages as may be awarded pursuant to subdivision (2) of  
47 this subsection. This amount shall be determined by the Court in its  
48 discretion, not to exceed three hundred thousand dollars (\$300,000). A  
49 holder of a certificate of need who is appealing only a condition in the  
50 certificate is not required to file a bond under this subsection.

- 1 (2) If the Court of Appeals finds that the appeal was frivolous or filed to delay  
2 the applicant, the court shall remand the case to the superior court of the  
3 county where a bond was filed for the contested case hearing on the  
4 certificate of need. The superior court may award the holder of the certificate  
5 of need part or all of the bond. The court shall award the holder of the  
6 certificate of need reasonable attorney fees and costs incurred in the appeal  
7 to the Court of Appeals. If the Court of Appeals does not find that the appeal  
8 was frivolous or filed to delay the applicant and does not remand the case to  
9 superior court for a possible award of all or part of the bond to the holder of  
10 the certificate of need, the person originally filing the bond shall be entitled  
11 to a return of the bond.

12 ...."

13 **SECTION 24.** Section 13 of S.L. 2009-521 reads as rewritten:

14 "**SECTION 13.** Any natural hair care specialist who submits proof to the Board that the  
15 natural hair care specialist is actively engaged in the practice of a natural hair care specialist on  
16 the effective date of this act, passes an examination conducted by the Board and pays the  
17 required fee under G.S. 88B-20 shall be licensed without having to satisfy the requirements of  
18 G.S. 88B-10.1, enacted by Section 2 of this act. A cosmetic art shop that practices natural hair  
19 care only and that submits proof to the Board that the shop is actively engaged in the practice of  
20 natural hair care on the effective date of this act shall have ~~one year~~ two years from the date of  
21 this act to comply with the requirements of G.S. 88B-14. All persons who do not make  
22 application to the Board within ~~one year~~ two years of the effective date of this act shall be  
23 required to complete all training and examination requirements prescribed by the Board and to  
24 otherwise comply with the provisions of Chapter 88B of the General Statutes."

25 **SECTION 25.(a)** Section 1.37 of S.L. 2010-87 reads as rewritten:

26 "**SECTION 1.37.** Effective January 1, 2011, John Wayne Kahl of Iredell County is  
27 appointed to the State Judicial Council for a term expiring on December 31, ~~2013~~ 2014."

28 **SECTION 25.(b)** Section 1.43 of S.L. 2010-87 reads as rewritten:

29 "**SECTION 1.43.** John Howard Boyette, Jr., of Wilson County and Paul Weller of ~~Durham~~  
30 ~~County~~ Orange County are appointed to the Well Contractors Certification Commission for  
31 terms expiring on June 30, 2013."

32 **SECTION 26.** The prefatory language of S.L. 2010-168, Section 5, reads as  
33 rewritten:

34 "**SECTION 5.** ~~G.S. 53-244.010(b)~~ G.S. 53-244.101(b) reads as rewritten:"

35 **SECTION 27.** Section 2.5(d) of S.L. 2011-85 reads as rewritten:

36 "**SECTION 2.5.(d)** Subdivision (26) of G.S. 135-44.4 [member education] is recodified as  
37 G.S. 135-48.56, to be entitled "Education of covered active and retired employees.", under ~~Part~~  
38 ~~2~~ Part 5 of Article 3B of Chapter 135 of the General Statutes, as created by Section 2.3 of this  
39 act."

40 **SECTION 28.** The prefatory language for Section 2 of S.L. 2011-35 reads as  
41 rewritten:

42 "**SECTION 2.** ~~Chapter 20 of the General Statutes~~ G.S. 20-7 is amended by adding a new  
43 subsection to read:"

44 **SECTION 29.** Unless otherwise provided by this act, this act is effective when it  
45 becomes law.