

Legislative Bulletin

A Summary of New Laws
Affecting North Carolina Lawyers

Prepared by the Government Affairs Team

North Carolina Bar Association

Volume 38 • December 2021

NORTH CAROLINA BAR ASSOCIATION

seeking liberty + justice

The Legislative Bulletin is provided as a service of the NCBA Government Affairs Team. Included is a summary of bills passed from January 2021 through December 9, 2021. These bills either were tracked by sections and committees of the NCBA or were independently tracked by the Team during the 2021 session of the General Assembly.

These summaries are designed to put you on notice of changes made in the statutes this session which may affect your practice. They are not intended to instruct you fully as to those changes; there is no substitute for reading the Session Laws themselves. Our purpose is to offer a tool to assist in your practice, and we hope you will find that this publication serves your purpose. Finally, we note that the Government Affairs Team relied heavily on information available on the General Assembly's website, including bill summaries drafted by legislative staff, in the compilation of this document.

Michelle L. Frazier
David P. Ferrell
George T. Smith, III
NCBA Contract Lobbyists
Nexsen Pruet PLLC

Devon Karst Barnhardt
Government Affairs Manager
North Carolina Bar Association
8000 Weston Parkway
Cary, NC 27513
919.657.1555

Table of contents

4 Long Session Demographics & Statistics

5 Lawyer Legislator Profiles

12 Summaries of Enacted Legislation Organized by Practice Area

- 12 | Administrative Law
- 19 | Anti-Trust & Complex Business Disputes
- 19 | Appellate Practice
- 20 | Bankruptcy
- 21 | Business Law
- 27 | Constitutional Rights & Responsibilities
- 27 | Construction Law
- 32 | Criminal Justice
- 40 | Dispute Resolution
- 40 | Education Law
- 46 | Elder & Special Needs Law
- 50 | Environment, Energy & Natural Resources Law
- 58 | Estate Planning & Fiduciary Law
- 61 | Family Law
- 62 | General Interest
- 76 | Government & Public Sector
- 87 | Health Law
- 94 | Insurance Law
- 99 | Intellectual Property Law
- 99 | International Practice
- 100 | Judicial Independence
- 100 | Juvenile Justice & Children's Rights
- 106 | Labor & Employment
- 110 | Litigation
- 112 | Military & Veterans Law
- 113 | Privacy & Data Security
- 114 | Real Property
- 121 | Sports & Entertainment Law
- 122 | Tax
- 123 | Workers' Compensation
- 123 | Zoning, Planning & Land Use

North Carolina General Assembly Long Session Demographics & Statistics

House of Representatives

120 Members (69 Republicans, 51 Democrats)

Leadership:

- Speaker:
Tim Moore (R)*
- Speaker Pro Tempore:
Rep. Sarah Stevens (R)*
- Majority Leader:
Rep. John Bell (R)
- Democratic Leader:
Rep. Robert T. Reives, II (D)*

Senate

50 Members (28 Republicans, 22 Democrats)

Leadership:

- President:
Lt. Governor Mark Robinson (R)
- President Pro Tempore:
Sen. Phil Berger (R)*
- Majority Leader:
Sen. Kathy Harrington (R)
- Democratic Leader:
Sen Dan Blue (D)*

* = Lawyer Legislator

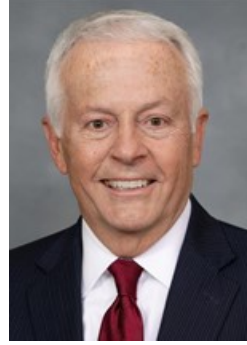
- 2021 Long Session convened January 13, 2021, and has not adjourned.
- 1,720 bills and resolutions filed in the long session to date.
 - House of Representatives: 979 bills
 - Senate: 741 bills
- 192 laws enacted as of December 9, 2021.
- 16 vetoes in the long session. None of the vetoes were overridden.

HOUSE OF REPRESENTATIVES



Rep. Vernetta Alston (D)
House Freshman Caucus
Co-Chair
District 29
Durham

APPROPRIATIONS;
APPROPRIATIONS – HEALTH
& HUMAN SERVICES;
FEDERAL RELATIONS AND
AMERICAN INDIAN AFFAIRS;
JUDICIARY 4;
TRANSPORTATION



Rep. Hugh Blackwell (R)
District 86
Burke

EDUCATION K-12, CHAIR
JUDICIARY 4, CHAIR
APPROPRIATIONS;
APPROPRIATIONS – HEALTH AND
HUMAN SERVICES; EDUCATION –
COMMUNITY COLLEGES;
EDUCATION – K-12; ELECTION
LAW AND CAMPAIGN FINANCE
REFORM; HEALTH;
TRANSPORTATION



Rep. Terry M. Brown, Jr. (D)
House Freshman Caucus
Co-Chair
District 92
Mecklenburg

APPROPRIATIONS;
APPROPRIATIONS –
AGRICULTURE AND
NATURAL AND ECONOMIC
RESOURCES; ENERGY AND
PUBLIC UTILITIES; JUDICIARY
3; REGULATORY REFORM



Rep. Deb Butler (D)
House Democratic Whip
District 18
New Hanover

BANKING; COMMERCE;
FINANCE; JUDICIARY 3;
TRANSPORTATION



Rep. Ted Davis, Jr. (R)
District 20
New Hanover

JUDICIARY 1, CHAIR
HOUSE SELECT COMMITTEE
ON STRATEGIC
TRANSPORTATION
PLANNING AND LONG-TERM
SOLUTIONS, VICE CHAIR
UNC BOARD OF
GOVERNORS
NOMINATIONS, VICE CHAIR
APPROPRIATIONS;
APPROPRIATIONS – JUSTICE
AND PUBLIC SAFETY;
EDUCATION – UNIVERSITIES;
ELECTION LAW AND
CAMPAIGN FINANCE
REFORM; ENVIRONMENT;
RULES



Rep. Terence Everitt (D)
District 35
Wake

AGRICULTURE; BANKING;
COMMERCE; FINANCE;
JUDICIARY 4



Rep. Destin Hall (R)
District 87
Caldwell

REDISTRICTING, CHAIR
RULES, CHAIR

ENERGY AND PUBLIC
UTILITIES; FINANCE



Rep. Pricey Harrison (D)
District 61
Guilford

ENVIRONMENT, VICE CHAIR

APPROPRIATIONS;
APPROPRIATIONS –
AGRICULTURE AND NATURAL
AND ECONOMIC RESOURCES;
ELECTION LAW AND CAMPAIGN
FINANCE REFORM; ENERGY &
PUBLIC UTILITIES; JUDICIARY 1;
MARINE RESOURCES AND
AQUACULTURE; REDISTRICTING



Rep. Rachel Hunt (D)
District 103
Mecklenburg

EDUCATION – COMMUNITY
COLLEGES, VICE CHAIR

APPROPRIATIONS;
APPROPRIATIONS –
EDUCATION; EDUCATION –
K-12; FAMILIES, CHILDREN,
AND AGING POLICY;
JUDICIARY 1



Rep. Joe John (D)
District 40
Wake

APPROPRIATIONS;
APPROPRIATIONS – JUSTICE AND
PUBLIC SAFETY; FAMILIES,
CHILDREN, AND AGING POLICY;
JUDICIARY 2; TRANSPORTATION



Rep. Abe Jones (D)
District 38
Wake

APPROPRIATIONS;
APPROPRIATIONS – JUSTICE
AND PUBLIC SAFETY; HOUSE
SELECT COMMITTEE ON
STRATEGIC
TRANSPORTATION;
JUDICIARY 1; REGULATORY
REFORM; UNC BOARD OF
GOVERNORS
NOMINATIONS; WILDLIFE
RESOURCES



Rep. Brandon Lofton (D)
District 104
Mecklenburg

AGRICULTURE; COMMERCE;
FINANCE; JUDICIARY 4; LOCAL
GOVERNMENT



Rep. Grier Martin (D)

District 34
Wake

HOMELAND SECURITY,
MILITARY, AND VETERANS'
AFFAIRS, VICE CHAIR

APPROPRIATIONS;
APPROPRIATIONS –
TRANSPORTATION;
EDUCATION – UNIVERSITIES;
JUDICIARY 3; PENSIONS AND
RETIREMENT;
TRANSPORTATION



Rep. Grey Mills (R)

District 95
Iredell

ELECTION LAW AND CAMPAIGN
FINANCE REFORM, CHAIR
JUDICIARY 1, VICE CHAIR

APPROPRIATIONS;
APPROPRIATIONS – HEALTH AND
HUMAN SERVICES; EDUCATION –
UNIVERSITIES; REDISTRICTING;
RULES



Rep. Tim Moore (R)

House Speaker
District 111
Cleveland



Rep. Marcia Morey (D)

District 30
Durham

APPROPRIATIONS;
APPROPRIATIONS – JUSTICE AND
PUBLIC SAFETY; EDUCATION –
UNIVERSITIES; FAMILIES,
CHILDREN, AND AGING POLICY;
JUDICIARY 2; TRANSPORTATION



Rep. Robert Reives, II (D)

House Democratic Leader
District 54
Chatham, Durham

AGRICULTURE;
APPROPRIATIONS;
APPROPRIATIONS – JUSTICE
AND PUBLIC SAFETY;
JUDICIARY 2;
REDISTRICTING; RULES



**Rep. William "Billy"
Richardson (D)**

District 44
Cumberland

JUDICIARY 2, CHAIR
REDISTRICTING, VICE CHAIR

APPROPRIATIONS;
APPROPRIATIONS – JUSTICE AND
PUBLIC SAFETY; ENERGY AND
PUBLIC UTILITIES; HOUSE SELECT
COMMITTEE ON STRATEGIC
TRANSPORTATION; RULES;
TRANSPORTATION; UNC BOARD
OF GOVERNORS NOMINATIONS



Rep. David Rogers (R)
District 112
Burke, Rutherford

JUDICIARY 3, CHAIR
APPROPRIATIONS – JUSTICE
AND PUBLIC SAFETY, VICE
CHAIR

APPROPRIATIONS; ELECTION
LAW AND CAMPAIGN
FINANCE REFORM; MARINE
RESOURCES AND
AQUACULTURE;
REDISTRICTING; WILDLIFE
RESOURCES



Rep. Sarah Stevens (R)
Speaker Pro Tempore
District 90
Alleghany, Surry, Stokes

JUDICIARY 2, CHAIR

APPROPRIATIONS;
APPROPRIATIONS – CAPITAL;
REGULATORY REFORM



**Rep. Julie von Haefen
(D)**
District 36
Wake

APPROPRIATIONS;
APPROPRIATIONS – GENERAL
GOVERNMENT; HOMELAND
SECURITY, MILITARY, AND
VETERANS AFFAIRS; LOCAL
GOVERNMENT; STATE
GOVERNMENT



Rep. Lee Zachary (R)
District 73
Forsyth, Yadkin

JUDICIARY 3, CHAIR

ALCOHOLIC BEVERAGE
CONTROL; EDUCATION –
COMMUNITY COLLEGES;
EDUCATION – UNIVERSITIES;
ETHICS; FINANCE;
REDISTRICTING

SENATE



Sen. Sydney Batch (D)
Appointed 1/11/21
District 17
Wake

APPROPRIATIONS –
EDUCATION/HIGHER
EDUCATION; COMMERCE AND
INSURANCE; PENSIONS AND
RETIREMENT AND AGING;
SELECT COMMITTEE ON STORM
RELATED RIVER DEBRIS AND
DAMAGE IN NORTH CAROLINA



Sen. Phil Berger (R)
*Senate President Pro
Tempore*
District 30
Caswell, Rockingham,
Stokes, Surry



Sen. Dan Blue (D)
Senate Democratic Leader
District 14
Wake

APPROPRIATIONS – JUSTICE
AND PUBLIC SAFETY;
APPROPRIATIONS/BASE
BUDGET; FINANCE; JUDICIARY;
REDISTRICTING AND
ELECTIONS; RULES; SELECT
COMMITTEE ON NOMINATIONS



Sen. Danny Earl Britt Jr. (R)
District 13
Columbus, Robeson

APPROPRIATIONS – JUSTICE
AND PUBLIC SAFETY, CHAIR
JUDICIARY, CHAIR
SELECT COMMITTEE ON
STORM RELATED RIVER
DEBRIS AND DAMAGE, CHAIR
TRANSPORTATION, CHAIR

APPROPRIATIONS/BASE
BUDGET; COMMERCE AND
INSURANCE; FINANCE;
HEALTH CARE; SELECT
COMMITTEE ON PRISON
SAFETY



Sen. Jay Chaudhuri (D)
Senate Democratic Whip
District 15
Wake

APPROPRIATIONS –
EDUCATION/HIGHER
EDUCATION;
APPROPRIATIONS/BASE
BUDGET; EDUCATION/HIGHER
EDUCATION; PENSIONS AND
RETIREMENT AND AGING;
RULES



Sen. Warren Daniel (R)
District 46
Avery, Burke, Caldwell

APPROPRIATIONS – JUSTICE
AND PUBLIC SAFETY, CHAIR
FINANCE, CHAIR
REDISTRICTING AND
ELECTIONS, CHAIR

APPROPRIATIONS/BASE
BUDGET; JUDICIARY; RULES;
SELECT COMMITTEE ON
PRISON SAFETY;
TRANSPORTATION



Sen. Milton F. "Toby" Fitch, Jr. (D)
 District 4
 Edgecombe, Halifax,
 Wilson

AGRICULTURE, ENERGY, AND ENVIRONMENT;
 APPROPRIATIONS – JUSTICE AND PUBLIC SAFETY; FINANCE; JUDICIARY; RULES; SELECT COMMITTEE ON PRISON SAFETY; SELECT COMMITTEE ON STORM RELATED RIVER DEBRIS AND DAMAGE IN NORTH CAROLINA; TRANSPORTATION



Sen. Amy Galey (R)
 District 24
 Alamance, Guilford

APPROPRIATIONS – JUSTICE AND PUBLIC SAFETY; EDUCATION/HIGHER EDUCATION; JUDICIARY; STATE AND LOCAL GOVERNMENT



Sen. Jeff Jackson (D)
 District 37
 Mecklenburg

AGRICULTURE, ENERGY, AND ENVIRONMENT;
 APPROPRIATIONS – JUSTICE AND PUBLIC SAFETY; JUDICIARY; STATE AND LOCAL GOVERNMENT; TRANSPORTATION



Sen. Michael V. Lee (R)
 District 9
 New Hanover

APPROPRIATIONS – EDUCATION/HIGHER EDUCATION, CHAIR
 EDUCATION/HIGHER EDUCATION, CHAIR
 APPROPRIATIONS/BASE BUDGET; FINANCE; HEALTH CARE; JUDICIARY



Sen. Natasha Marcus (D)
 District 41
 Mecklenburg

APPROPRIATIONS – AGRICULTURE, NATURAL, AND ECONOMIC RESOURCES; APPROPRIATIONS/BASE BUDGET; JUDICIARY; REDISTRICTING AND ELECTIONS



Sen. Julie Mayfield (D)
 District 49
 Buncombe

APPROPRIATIONS – AGRICULTURE, NATURAL, AND ECONOMIC RESOURCES; SELECT COMMITTEE ON STORM RELATED RIVER DEBRIS AND DAMAGE IN NC; STATE AND LOCAL GOVERNMENT; TRANSPORTATION



Sen. Mujtaba Mohammed (D)
District 38
Mecklenburg

APPROPRIATIONS –
AGRICULTURE, ENVIRONMENT,
AND NATURAL RESOURCES;
APPROPRIATIONS/BASE
BUDGET; HEALTH CARE;
JUDICIARY; SELECT COMMITTEE
ON PRISON SAFETY



Sen. Paul Newton (R)
District 36
Cabarrus, Union

FINANCE, CHAIR
REDISTRICTING AND
ELECTIONS, CHAIR

AGRICULTURE, ENERGY, AND
ENVIRONMENT;
APPROPRIATIONS –
AGRICULTURE, NATURAL,
AND ECONOMIC RESOURCES;
COMMERCE AND
INSURANCE; JUDICIARY;
RULES



Sen. Wiley Nickel (D)
District 16
Wake

APPROPRIATIONS – GENERAL
GOVERNMENT; JUDICIARY;
PENSIONS AND RETIREMENT
AND AGING; REDISTRICTING
AND ELECTIONS

** Members of the North Carolina Bar Association are underlined. All information and photographs in this segment are pulled from the North Carolina General Assembly website, www.ncleg.gov, and are current as of December 13, 2021.*

ADMINISTRATIVE LAW

[House Bill 4 \(SL 2021-2\)](#) – Extend ABC Permit Renewal Fee Deferral.

House Bill 4 allows certain ABC permittees whose operation is limited by executive orders responding to the COVID-19 pandemic to request a refund of any permit fees paid for the 2020-2021 permit year, and directs the ABC Commission to reinstate or reactivate permits that the Commission cancelled or moved to inactive status as a result of its interpretation of S.L. 2020-94. The remainder of this act generally became effective when it became law on February 25, 2021.

[Senate Bill 103 \(SL 2021-22\)](#) – Reduce Reg. To Help Children with Autism.

Senate Bill 103 reduces the regulatory constraints for individuals practicing behavioral analysis in efforts to expand services available for children with autism. Among other changes, the bill removes the requirement that behavior analysts working in North Carolina must be supervised by licensed psychologists. Specifically, the bill does the following:

- Defines “behavior analysis” and the “practice of behavior analysis.” The definition of the “practice” specifically excludes psychological testing, cognitive therapy, sex therapy, psychoanalysis, hypnotherapy, and long-term counseling as treatment modalities.
- Establishes the North Carolina Behavior Analysis Board (Board) and provides the Board various powers and duties, including the ability to review and determine the qualification of applicants for licensure and discipline licensed behavior analysts.
- Requires the Board to submit an annual report of its activities to the Governor.
- Sets licensure requirements for behavior analysts and assistant behavior analysts.
- Requires the Board to provide reciprocity to individuals actively licensed as behavior analysts in another state that currently imposes similar licensure requirements as this State.
- Provides a list of actions considered to be violations of a Code of Conduct and outlines the Board’s disciplinary process.
- Prohibits unlicensed individuals from practicing behavior analysis, setting the violation as a Class 2 misdemeanor. (Effective January 1, 2022.)
- Exempts certain categories of professionals from required licensure.
- Outlines the available protection for behavior analyst-client/patient communications, and clarifies that behavior analysts are not required to disclose information about their patient in court unless compelled by a judge.

Except as otherwise provided, the bill became effective on May 17, 2021.

[House Bill 217 \(SL 2021-23\)](#) – Utilities Comm’n Tech. and Add’l Changes.

See summary under Environment, Energy & Natural Resources Law.

[House Bill 395 \(SL 2021-26\)](#) – HIE Deadline Extension & Patient Protection.

See summary under Health Law.

[House Bill 224 \(SL 2021-31\)](#) – Occupational Therapy Interstate Compact.

House Bill 224 establishes, and enters North Carolina into, an interstate compact for the practice of occupational therapy. Under the Occupational Therapy Interstate Compact (Compact), occupational therapists and assistants with Compact privileges are able to practice remotely across state lines subject to the requirements and restrictions provided in the Compact. This bill also:

- Requires participating states to have an established mechanism for receiving and investigating complaints about licensees.
- Establishes qualifications licensees must meet to exercise the Compact privilege.
- Requires occupational therapy assistants practicing in remote states to be supervised by an occupational therapist licensed, or holding a Compact privilege in, that remote state.
- Outlines the process to be followed when imposing an adverse action against an occupational therapist’s, or occupational therapy assistant’s, license.
- Establishes the Occupational Therapy Compact Commission as a joint public agency created by member states responsible for establishing a code of ethics for the Commission and promulgating uniform rules to facilitate implementation and administration of the Compact.
- Outlines the rulemaking process to be followed by the Commission.

The bill would be effective when the tenth member state enacts the Compact. The North Carolina Board of Occupational Therapy must report to the Revisor of Statutes when ten member states have enacted the Compact. As of December 13, 2021, Ohio, Maryland, Virginia, Georgia, Colorado, Missouri, New Hampshire, Maine, and North Carolina have enacted the Compact.

[Senate Bill 594 \(SL 2021-62\)](#) – Medicaid Admin. Changes & Tech. Corrections.

See summary under Insurance Law.

[House Bill 272 \(SL 2021-69\)](#) – Revise Health Standard for Lead.

See summary under Environment, Energy & Natural Resources Law.

[Senate Bill 668 \(SL 2021-72\)](#) – Anti-Pension Spiking Amds & Litig. Moratorium.
See summary under Education Law.

[House Bill 734 \(SL 2021-77\)](#) – Dept. of Health & Human Services Revisions.
See summary under Health Law.

[Senate Bill 605 \(SL 2021-78\)](#) – North Carolina Farm Act of 2021.
See summary under General Interest.

[Senate Bill 188 \(SL 2021-81\)](#) – Bd. of Architects/Interior Designers.
See summary under Construction Law.

[Senate Bill 474 \(SL 2021-83\)](#) – Septage Management Amendments.
See summary under Environment, Energy & Natural Resources Law.

[House Bill 68 \(SL 2021-84\)](#) – GSC Licensing Boards and Comm'ns/Rule Crimes.
As recommended by the General Statutes Commission, House Bill 68 makes various changes to statutes governing licensing boards. Primarily, the bill eliminates provisions that broadly criminalize violations of licensing boards' and commissions' rules and makes other technical and conforming amendments. The changes regarding the elimination of provisions that criminalize violations of licensing board rules apply to the following licensing boards:

- State Banking Commission
- Cemetery Commission
- Private Protective Services Board
- Alarm Systems Licensing Board
- State Board of Examiners of Electrical Contractors
- State Board of Dental Examiners
- State Board of Examiners in Optometry
- State Board of Examiners for Nursing Home Administrators
- State Board of Environmental Health Specialist Examiners
- Medical Care Commission

The bill became effective December 1, 2021, and applies to offenses committed on or after that date. Section 12 of the bill provides that the act does not affect prosecutions for offenses committed before December 1, 2021.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.

See summary under General Interest.

[Senate Bill 126 \(SL 2021-90\)](#) – Clean Up Obsolete Boards.

Senate Bill 126 abolishes obsolete boards and commissions that are no longer functional and makes other changes to boards and commissions in the State. The bill abolishes the following boards and commissions:

- The Board of Directors of the Certification Entity for the Phase II Settlement Funds
- The North Carolina Agency for Public Telecommunications
- The Board of Directors of the Charlotte Regional Partnership
- The Commission on School Technology
- The Data Integration Steering Committee
- The Grants Management Oversight Committees
- The Legislative Commission on Methamphetamine Abuse
- The North Carolina Community Development Council
- The North Carolina Farmworker Council
- The Southern Growth Policies Board
- The State Advisory Council on Employment Security
- The State Suggestion Review Committee
- The Statewide Portal Committee
- The Wholesale Distributor Advisory Committee
- The Motor Vehicle Dealers' Advisory Board (effective June 30, 2023)
- The Blount Street Historic District Oversight Committee
- The Permanency Innovation Initiative Oversight Committee
- The State Marketing Authority

The bill became effective July 22, 2021.

[Senate Bill 146 \(SL 2021-95\)](#) – Teledentistry/RDH Admin. Local Anesthetic.

See summary under Health Law.

[House Bill 96 \(SL 2021-110\)](#) – Allow Pharmacists to Admin. Injectable Drugs.

See summary under Health Law.

[House Bill 366 \(SL 2021-117\)](#) – Regulatory Reform Act of 2021.

See summary under General Interest.

[House Bill 415 \(SL 2021-120\)](#) – Update Chiropractic Laws.

House Bill 415 makes various changes to the laws governing the practice and licensure of chiropractors. Among these changes, a new Section is added (G.S. 90-157.4) to allow the Board of Chiropractic Examiners (Board) to assess civil penalties, attorney’s fees, and costs against individuals subject to discipline. The bill allows the Board to adopt, amend, and repeal rules to administer Article 8 of Chapter 90. In addition, it repeals several portions of Article 8 and makes technical and clarifying changes. The bill became effective October 1, 2021.

[House Bill 489 \(SL 2021-121\)](#) – 2021 Building Code and Dev. Reg. Reform.

See summary under Construction Law.

[Senate Bill 316 \(SL 2021-122\)](#) – Gen. Contractors/Plumbing/Electr. Exempt.

See summary under Construction Law.

[Senate Bill 159 \(SL 2021-125\)](#) – State Health Plan Administrative Changes.

See summary under Insurance Law.

[Senate Bill 462 \(SL 2021-129\)](#) – CON/Threshold Amds. & Certificate Expirations.

See summary under Health Law.

[Senate Bill 654 \(SL 2021-130\)](#) – K-12 COVID-19 Provisions.

See summary under Education Law.

[House Bill 650 \(SL 2021-134\)](#) – Omnibus DMV Bill.

House Bill 650 makes changes to laws relating to motor vehicle dealers and manufacturers licensing law, as well as Chapter 20 motor vehicles laws.

Section 1 clarifies motor vehicle sales representative licensing provisions and modifies how, and when, civil penalties apply for dealer licensing law violations. It also modifies the grounds for denying and revoking dealer licenses, provides affirmative defenses if the licensee is determined not to be responsible for the violation or offense, and limits the ability to deny or revoke the license of a business entity under certain circumstances.

Section 2 requires the Division of Motor Vehicles (Division) to study the feasibility of transferring hearings related to safety and emissions inspection licensing and violations, as well as hearings under the dealer licensing law, from the Division to the Office of Administrative Hearings. The Division is required to report its findings to the Transportation Oversight Committee and Fiscal Research by January 31, 2022.

Section 3 modifies current law that prohibits any person from making color photocopies or reproduction of drivers licenses and other ID cards by providing an exception for licensed lenders and motor vehicle dealers who make copies in the ordinary course of business for loan applications.

Section 4 requires dealer plates to be replaced every three years instead of every seven. Section 5 requires the Division to send a temporary dealer license to a licensee for display during the 30-day period of extended validity while the Division is reviewing their renewal application.

Sections 6.1 through 6.4 make clarifying changes to laws related to the satisfaction, release, and renewal of security interests in manufactured homes, provides commission contractors with the same protection the Division has in handling transactions, and streamlines the process for manufactured homeowners to get clear title when a secured party has not released the lien after the underlying debt has been paid.

Section 7 makes permanent a modified requirement for applications for notations of security interests that, temporarily, allowed a debtor to sign an application electronically without notarization and for a secured party to sign instead of the debtor without evidence of the debtor's interest if the application was submitted by a licensed or regulated lender in the State with a lienholder identification number.

Section 8 requires qualified vendors and service providers have experience in providing electronic lien and title solutions to motor vehicle departments.

Section 9 extends the effective date for certain revocations from the tenth day to the thirtieth day after the Division mails the order to provide additional time for the person to receive the notification and request a hearing.

Section 10 clarifies that the motor vehicle inspection requirement does not apply to an auctioneer selling a used vehicle pursuant to a judgment or court order.

Section 12 extends the December 31, 2021 expiration date set in S.L. 2021-24 that temporarily reduced the time a person must hold a limited learner's permit from 12 to 6 months to December 31, 2022.

This act became effective on October 1, 2021.

[House Bill 95 \(SL 2021-135\)](#) – Wholesale Rx Distribution Licensee Change.

House Bill 95 authorizes the Commissioner of Agriculture (Commissioner) to review applications for wholesale distribution of prescription drugs pending federal approval. Article 12A of Chapter 106 of the General Statutes establishes a state licensing program for wholesale distributors of prescription drugs. Every wholesale distributor engaged in the wholesale distribution of prescription drugs in interstate commerce in the State must obtain a license from the Commissioner for each location from which prescription drugs are distributed and must renew each license annually. The bill authorizes the Commissioner to review an application and issue or deny a license, grant reciprocity, or accept registration for wholesale distribution of prescription drugs that is conditioned upon approval under federal law while the federal approval process is pending. The bill became law on September 2, 2021.

[Senate Bill 300 \(SL 2021-138\)](#) – Criminal Justice Reform.

See summary under Criminal Justice.

[House Bill 890 \(SL 2021-150\)](#) – ABC Omnibus Legislation.

See summary under Business Law.

[Senate Bill 60 \(SL 2021-153\)](#) – Disapprove Various Solid Waste Rule Changes.

See summary under Environment, Energy & Natural Resources Law.

[Senate Bill 389 \(SL 2021-158\)](#) – DEQ/DNCR Omnibus.-AB

See summary under Environment, Energy & Natural Resources Law.

[House Bill 181 \(SL 2021-160\)](#) – Wildlife Resources Comm’n. Amendments.-AB

See summary under Environment, Energy & Natural Resources Law.

[Senate Bill 257 \(SL 2021-161\)](#) – Medication Cost Transparency Act.

See summary under Health Law.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

See summary under Real Property.

[House Bill 218 \(SL 2021-164\)](#) – Streamline Permits/Redevelopment of Property.

See summary under Government & Public Sector.

[House Bill 951 \(SL 2021-165\)](#) – Energy Solutions for North Carolina.

See summary under Environment, Energy & Natural Resources Law.

[House Bill 624 \(SL 2021-166\)](#) – North Carolina Regulatory Sandbox Act.

See summary under Business Law.

[Senate Bill 695 \(SL 2021-170\)](#) – Various Education Changes.

See summary under Education Law.

[Senate Bill 191 \(SL 2021-171\)](#) – The No Patient Left Alone Act.

See summary under Health Law.

[Senate Bill 311 \(SL 2021-178\)](#) – No Waiting Period Under LGERS/VFDF Grants.

See summary under Labor & Employment.

[Senate Bill 308 \(SL 2021-183\)](#) – Various Building Code Amend.

See summary under Construction Law.

[House Bill 91 \(SL 2021-184\)](#) – Accountability and Fair Play in Athletics.

See summary under Sports & Entertainment Law.

[House Bill 165 \(SL 2021-185\)](#) – DOT Legislative Changes.

See summary under Real Property.

ANTI-TRUST & COMPLEX BUSINESS DISPUTES

[House Bill 403 \(SL 2021-147\)](#) – Clarify Motor Vehicle Franchise Laws.

See summary under Business Law.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

See summary under Real Property.

APPELLATE PRACTICE

[Senate Bill 113 \(SL 2021-18\)](#) – Modify Termination of Parental Rights Appeals.

See summary under Juvenile Justice & Children's Rights.

BANKRUPTCY

[Senate Bill 255 \(SL 2021-47\)](#) – 2021 AOC Legislative Changes.

See summary under General Interest.

[Senate Bill 196 \(SL 2021-91\)](#) – GSC Sale of Property Amend/Delay Prosec Split.

See summary under Real Property.

[Senate Bill 198 \(SL 2021-93\)](#) – GSC Good Funds Settlement/Comm. Receivership.

Senate Bill 198, recommended by the General Statutes Commission, consists of three parts. Part I amends the Good Funds Settlement Act to provide that a settlement agent may disburse settlement proceeds in reliance on a check drawn on the account of, or issued by, a licensed mortgage lender. Part II, requested by NCBA's Bankruptcy Section, makes technical corrections to the N.C. Commercial Receivership Act, enacted last year. Part III makes technical changes to various laws regulating financial practices. The bill became effective on July 22, 2021.

[Senate Bill 379 \(SL 2021-126\)](#) – Issuance of Unregisterable Cert. of Title.

See summary under Insurance Law.

[House Bill 650 \(SL 2021-134\)](#) – Omnibus DMV Bill.

See summary under Administrative Law.

[House Bill 685 \(SL 2021-159\)](#) – Electronic Transaction Fees/Official Fees.

House Bill 685 makes various changes related to electronic transaction fees. Specifically, the bill allows a consumer finance lender to recover from a borrower the actual cost of a fee imposed on the lender from an unaffiliated third-party for processing electronic payments and disbursing loan proceeds. Many consumer finance lenders will accept a debit card payment on a loan amount, and many will put loan proceeds onto a borrower's debit card. In these instances, the card company charges a fee for this service. Section 1 allows the lender to recover the actual transaction charge imposed by the card company. Starting January 1, 2022, licensees must publicly disclose any third-party fees a borrower will be charged. In addition, the bill provides that fees or charges paid by the seller for determining the existence of, or to record, a security interest in a consumer credit sale may be included in the amount financed, but must be excluded from the finance charge. Except as otherwise provided, the bill became effective October 1, 2021.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

See summary under Real Property.

[Senate Bill 425 \(SL 2021-172\)](#) – GAP and VVPA Agreement Changes.

See summary under Business Law.

BUSINESS LAW

[House Bill 217 \(SL 2021-23\)](#) – Utilities Comm’n Tech. and Add’l Changes.

See summary under Environment, Energy & Natural Resources Law.

[Senate Bill 241 \(SL 2021-33\)](#) – Modified Utility Vehicle Def/Use of Funds.

See summary under Criminal Justice.

[Senate Bill 605 \(SL 2021-78\)](#) – North Carolina Farm Act of 2021.

See summary under General Interest.

[Senate Bill 188 \(SL 2021-81\)](#) – Bd. of Architects/Interior Designers.

See summary under Construction Law.

[Senate Bill 208 \(SL 2021-82\)](#) – Labor Law Changes.

See summary under Labor & Employment.

[Senate Bill 474 \(SL 2021-83\)](#) – Septage Management Amendments.

See summary under Environment, Energy & Natural Resources Law.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.

See summary under General Interest.

[Senate Bill 196 \(SL 2021-91\)](#) – GSC Sale of Property Amend/Delay Prosec Split.

See summary under Real Property.

[Senate Bill 198 \(SL 2021-93\)](#) – GSC Good Funds Settlement/Comm. Receivership.

See summary under Bankruptcy.

[Senate Bill 507 \(SL 2021-106\)](#) – Modify Business Corporation Act.

Recommended by NCBA’s Business Law Section, Senate Bill 507 makes several updates and clarifying changes to the North Carolina Business Corporation Act.

Section 1 extends existing provisions relating to voting of shares held by subsidiary entities that are not corporations. Section 2 clarifies the authority of the board of directors to fix the compensation of directors for services in any capacity as director. Section 3 provides that, except as otherwise fixed in the articles of incorporation or bylaws, a majority of a board of directors constitutes a quorum. Section 4 allows the board of directors of a corporation with a single class of shares outstanding to change the corporate name without shareholder approval. Section 5 provides that in a superior court proceeding brought by a shareholder seeking an appraisal, the shareholder bears the burden of proof in showing they are entitled to appraisal rights. If the court determines that the shareholder is not entitled to appraisal rights, the court is required to dismiss the proceeding as to the shareholder.

Section 6 makes a number of changes to the law governing corporate records and shareholder inspection rights, including:

- Eliminating the requirement for particular records to be maintained at the corporation's principal office.
- Requiring all relevant records to be maintained in a manner permitting them to be made available for inspection within a reasonable time.
- Placing limits on the use and distribution of records subject to qualified inspection rights or financial statements being delivered to a shareholder.
- Permitting corporations to make records available electronically.
- Providing greater flexibility in the method by which a corporation makes financial statements available to qualified shareholders.

The majority of the bill became effective October 1, 2021, and the provisions related to demands for inspection and requests for financial statements received by a corporation apply on or after that date. The remainder of the bill became effective August 16, 2021.

[House Bill 366 \(SL 2021-117\)](#) – Regulatory Reform Act of 2021.

See summary under General Interest.

[Senate Bill 379 \(SL 2021-126\)](#) – Issuance of Unregisterable Cert. of Title.

See summary under Insurance Law.

[House Bill 650 \(SL 2021-134\)](#) – Omnibus DMV Bill.

See summary under Administrative Law.

[House Bill 403 \(SL 2021-147\)](#) – Clarify Motor Vehicle Franchise Laws.

House Bill 403 makes various changes to motor vehicle dealer and manufacturer licensing laws (Article 12 of North Carolina General Statutes Chapter 20).

Section 1 makes technical and clarifying changes and prohibits manufacturers from conditioning their approval of dealership transfers on a dealer’s willingness to renovate, relocate, enroll in a facility program, or enter into a right of first refusal in favor of the manufacturer.

Section 2 provides that, when a manufacturer establishes a separate franchise for electric vehicles, it is considered to be a change in an established plan of distribution, prohibits the manufacturer from coercing franchised dealers to buy more charging stations than reasonably necessary, and amends the definition of motor vehicles under G.S. 20-286(10) to include electric vehicles.

Section 4 provides that if a manufacturer or distributor requires a dealer to relocate, the manufacturer or distributor is required to purchase the dealer’s existing facility if it does not sell within 180 days of listing or 90 days after the relocation of the facility.

Section 10 amends the definition of “motor vehicle dealer” under G.S. 280-186(11) to specifically include a person who leases vehicles or offers vehicles for subscription.

Section 12, effective January 1, 2022, creates a framework to allow for the online purchase or lease a vehicle.

Section 13 allows electronic signatures on certain documents for manufacturer vehicle loaner programs.

Section 15 clarifies that it is not a violation of a motor vehicle sales requirement to deliver a sold or leased motor vehicle to the home or business of a customer when relevant paperwork is executed.

Except as otherwise provided, the bill became effective on September 10, 2021, and applies to all current and future franchises and other agreements between new motor vehicle dealers and manufacturers or distributors.

[Senate Bill 211 \(SL 2021-149\)](#) – Amend Water/Sewer Rate Adjustment Mechanisms.

See summary under Government & Public Sector.

[House Bill 890 \(SL 2021-150\)](#) – ABC Omnibus Legislation.

House Bill 890 makes various changes to the State's Alcoholic Beverage Commission laws, the most significant of which are noted below.

Effective October 1, 2021, Part I allows Alcoholic Beverage Control (ABC) stores to accept online orders, including payment, for alcoholic beverages sold in the store.

Part II allows bottles of spirituous liquor on the special item list approved by the ABC Commission (Commission) sold at an ABC store, or bottles of spirituous liquor sold at a distillery, to be affixed with personalized labeling that is approved by the Commission.

Part III allows mixed beverage, and mixed beverage catering, permits to be issued to qualified eating, hotel, and restaurant establishments.

Part VI clarifies sale hours for spirituous liquor sold in closed containers at distilleries by providing that sales may occur on New Year's, Fourth of July, Labor Day, and Thanksgiving from 9:00am to 9:00pm if they do not fall on a Sunday. (Effective October 1, 2021.)

Part XI repeals the prohibition on delivering two drinks at a time to a patron at a stadium, athletic facility, or arena on the campus or property of a public college or university or during a sports event sponsored by a public college or university.

Part XV explicitly allows ABC stores to sell alcoholic beverages authorized for sale in the ABC store in a refrigerated unit. (Effective October 1, 2021.)

Part XX allows local governments to adopt an ordinance designating a "social district," which would be a defined outdoor area in which a person may consume alcoholic beverages sold by a permittee.

Part XXV exempts from taxation certain machinery, equipment, parts, accessories, supplies, and ingredients that are purchased to be used in the manufacturing process by certain ABC permit holders under G.S. 105-164.33.

Part XXIX authorizes new ABC permits for international trade market events.

Effective October 1, 2021, Part XXXII allows community residential centers for individuals with developmental disabilities (licensed under G.S. 112C-23) to conduct game nights if they are issued a one-time special permit.

Except as otherwise provided, the bill became effective September 10, 2021.

[Senate Bill 99 \(SL 2021-154\)](#) – Clarify Law on Theft of Catalytic Converters.

See summary under Criminal Justice.

[House Bill 685 \(SL 2021-159\)](#) – Electronic Transaction Fees/Official Fees.

See summary under Bankruptcy Law.

[House Bill 320 \(SL 2021-162\)](#) – Modernize Remote Business Access.

House Bill 320, part of which was drafted by the NCBA Business Law Section, authorizes meetings of corporation shareholders, nonprofit corporations (501(c)(3) businesses, homeowners' associations, etc.), and mutual insurance company policy holders to be held solely by means of remote participation. The bill also exempts not for profit corporations formed prior to enactment of the Business Corporation Act (July 1, 1989) from being required to have at least one class of shares with unlimited voting rights. This bill became effective on September 20, 2021, and applies to meetings noticed on or after that date. Meetings noticed before this date, but after the declaration of the State of Emergency on March 10, 2020, that complied with subsequent executive orders that authorized such meetings are deemed in compliance with this act.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

See summary under Real Property.

[House Bill 951 \(SL 2021-165\)](#) – Energy Solutions for North Carolina.

See summary under Environment, Energy & Natural Resources Law.

[House Bill 624 \(SL 2021-166\)](#) – North Carolina Regulatory Sandbox Act.

House Bill 624 enacts the North Carolina Regulatory Sandbox Act of 2021 as new Chapter 169 of the General Statutes. The new chapter establishes the North Carolina Innovation Council (Council). The Council is charged with selecting persons or entities to offer an innovative product or service (financial, insurance, or emerging technology product or service with an innovative component) for participation in a 24-month program under the oversight of either the Office of the Commissioner of Banks or the Department of Insurance, depending on the product or service being offered. The bill became effective October 15, 2021.

[Senate Bill 85 \(SL 2021-169\)](#) – Allow Vision Service Plans.

See summary under Health Law.

[Senate Bill 695 \(SL 2021-170\)](#) – Various Education Changes.

See summary under Education Law.

[Senate Bill 191 \(SL 2021-171\)](#) – The No Patient Left Alone Act.

See summary under Health Law.

[Senate Bill 425 \(SL 2021-172\)](#) – GAP and VVPA Agreement Changes.

Senate Bill 425 modifies the laws governing the regulation of guaranteed asset protection (GAP) waivers and regulates vehicle value protection agreements. Section 1 amends Article 46 of Chapter 66 to apply to GAP agreements for which the creditor does not charge an additional fee. Section 1 also amends the definition of "GAP agreement" to make the following agreements subject to the requirements: (i) an agreement by the creditor to waive or give the borrower a credit towards the purchase of a replacement vehicle; or (ii) an agreement by the creditor to cancel or waive all or part of the amount owed under a borrower's lease agreement due to excessive wear and use of a vehicle or excess mileage. Section 2 clarifies that the cost of a GAP waiver is an authorized charge that may be financed under the Retail Installment Sales Act, Chapter 25A of the General Statutes, and not a part of the finance charge or interest thereunder. Section 3 enacts a new Article 48 in Chapter 66 of the General Statutes to regulate entities offering a vehicle value protection agreement (VVPA), which includes the following provisions:

- Required disclosures to the borrower.
- Minimum financial solvency requirements for insurers issuing reimbursement policies.
- A minimum 30-day look back period during which the purchaser may cancel the agreement and receive a full refund so long as benefits have not been provided.
- Provisions governing cancellation of the VVPA and the processing of any refund.
- Enforcement by the Attorney General and fines for violations.

The bill becomes effective January 1, 2022, and applies to agreements entered into on or after that date.

[House Bill 814 \(SL 2021-179\)](#) – Neighborhood Occupantless Vehicle.

House Bill 814 defines neighborhood occupantless vehicle as a specific type of fully autonomous vehicle used to transport goods without a human occupant and authorizes its operation on highways with certain restrictions and equipment requirements. Under the bill, neighborhood occupantless vehicles would also be subject to general provisions in Chapter 20 (operation of motor vehicles) and to provisions applicable to fully autonomous vehicles under Article 18 of Chapter 20. The bill became effective on December 1, 2021.

[Senate Bill 473 \(S.L. 2021-191\)](#) – Enhance Local Gov’t Transparency.
See summary under Government & Public Sector.

CONSTITUTIONAL RIGHTS & RESPONSIBILITIES

[Senate Bill 113 \(SL 2021-18\)](#) – Modify Termination of Parental Rights Appeals.
See summary under Juvenile Justice & Children’s Rights.

[Senate Bill 255 \(SL 2021-47\)](#) – 2021 AOC Legislative Changes.
See summary under General Interest.

[House Bill 312 \(SL 2021-107\)](#) – Qualifications for Sheriff/Expunction.
See summary under Government & Public Sector.

[Senate Bill 300 \(SL 2021-138\)](#) – Criminal Justice Reform.
See summary under Criminal Justice.

[House Bill 447 \(SL 2021-156\)](#) – The Jeff Rieg Law/Patients Religious Rights.
See summary under Health Law.

CONSTRUCTION LAW

[House Bill 217 \(SL 2021-23\)](#) – Utilities Comm’n Tech. and Add’l Changes.
See summary under Environment, Energy & Natural Resources Law.

[House Bill 163 \(SL 2021-58\)](#) – Treasury Administrative Changes.-AB
See summary under Government & Public Sector.

[House Bill 344 \(SL 2021-76\)](#) – System Development Fees Update.
See summary under Government & Public Sector.

[Senate Bill 605 \(SL 2021-78\)](#) – North Carolina Farm Act of 2021.
See summary under General Interest.

[Senate Bill 188 \(SL 2021-81\)](#) – Bd. of Architects/Interior Designers.
Senate Bill 188 establishes a framework governing the scope of practice for interior designers, authorizes interior designers to apply for building permits for interior

construction projects, establishes fees for interior designer registration, and increases fees for architect licensure. Under the bill, applicants seeking to become registered interior designers must be able to provide one of the following:

- Verification from the National Council for Interior Design Qualification (NCIDQ) that the applicant passed the NCIDQ examination and is a NCIDQ Certificate holder in good standing.
- Evidence of registration, licensure, or certification as an interior designer in another jurisdiction having requirements substantially equivalent to, or greater than, those required in this State.
- Evidence that the applicant is a licensed architect certified by the Board.

The bill requires the Department of Insurance to review and update all relevant documents, materials and applications, as well as create any necessary rules, related to the practice of registered interior designers.

The bill became effective July 8, 2021. Section 1 of the bill applies to applications received on or after the bill's effective date, and applies to applications received on or after January 1, 2022, from persons other than those appointed to the Board pursuant to Section 2.

[Senate Bill 474 \(SL 2021-83\)](#) – Septage Management Amendments.

See summary under Environment, Energy & Natural Resources Law.

[House Bill 68 \(SL 2021-84\)](#) – GSC Licensing Boards and Comm'ns/Rule Crimes.

See summary under Administrative Law.

[House Bill 735 \(SL 2021-92\)](#) – Minimum Contracts/Coastal Dredging Services.

House Bill 735 exempts dredging service contracts in the State's coastal waters from the requirement that a government entity receive three competitive bids for construction or repair work estimated to cost \$500,000 or more. The bill became effective July 22, 2021.

[House Bill 121 \(SL 2021-108\)](#) – Clarify EQIP Funding/Dredging Cost-Share.

See summary under Environment, Energy & Natural Resources Law.

[House Bill 273 \(SL 2021-113\)](#) – Modify Builders Inventory Tax Exclusion.

See summary under Tax.

[House Bill 366 \(SL 2021-117\)](#) – Regulatory Reform Act of 2021.

See summary under General Interest.

[House Bill 489 \(SL 2021-121\)](#) – 2021 Building Code and Dev. Reg. Reform.

House Bill 489 makes building code and development regulation changes. Effective January 1, 2022, the State Licensing Board for General Contractors (Board) is authorized to require criminal background checks for general contractor licensure applicants, approve providers and instructors for general contractor continuing education courses, require affiliated instructors to be registered with the Board, allow licensees who do not complete their continuing education requirement to request an “inactive status” annually, and adopt temporary rules to implement this act. Additionally, if the Board prevails on injunctive actions enforcing its rules or regulations, the court must award the Board up to \$5,000 plus court costs.

When considering a proposed amendment to the State Building Code, the Building Code Council (Council) must obtain an additional economic or cost-benefit analysis for the amendment, other than the one submitted by the amendment’s proponent, unless the amendment was submitted by the Council, a State agency, or State political subdivision. (See Section 2). To measure setbacks for sight distances at street intersections, cities must establish a point within the roadway or edge of the pavement on an existing or proposed street. (Section 3). Applicable to inspections conducted on or after August 31, 2021, local governments are prohibited from charging fees to inspect one- and two- family dwellings for compliance with the North Carolina Residential code if a new violation was both: (i) discovered during an inspection to verify completion or correction of Code violations from a previous inspection, and (ii) within an area for which a final inspection was already conducted. (Section 4).

If a developer owns a single-family residential lot that is new construction and less than one-acre, financial responsibility for erosion control transfers from the developer to the new owner once the developer conveys the lot, records the deed, and notifies the approval authority. (Section 5(a)).

Section 5(b) and (c) relate to local erosion control programs (LECPs) and do the following:

- Clarify that the LECPs’ authority to assess fees for the review of erosion and sedimentation control plans are governed under G.S. 113A-60.
- Limit the fee that can be set by the LECPs to no more than \$100.00, and state that the fee is to be calculated based on the number of acres disturbed or number of lots developed.

- Prohibit LECs from requiring: (i) self-inspections or installations of rain gauges on residential lots less than one acre; (ii) silt fences or other erosion control measures if they would not substantially and materially retain the sediment generated by the land disturbing activity due to the development site's contour and topography; and (iii) a separate erosion control plan for a residential lot's development when the developer and builder are the same person, the lot is less than one acre, and an erosion control plan has already been approved for the entire development.
- Provide that if a residential lot is less than one acre and there is already an approved erosion control plan for the entire development but the developer and builder are not the same financially responsible person, the local government can only require submission of the following from the developer for approval: (i) information to identify the lot owner, (ii) lot qualities (address, parcel number, etc.), (iii) projected start and completion date, (iv) the financially responsible person's name and signature, and (v) a sketch showing the lot's planned erosion control measures (professional seal is not required).
- Require an LEC to allow a developer developing more than one residential lot, where the total land exceeds one acre, to submit for approval a single erosion control plan for all of the lots, or, on lots where less than one acre is being disturbed, to submit lot information and sketch plan as set forth above.

Section 5(d) provides that silt fences damaged or destroyed during land disturbances cannot be assessed civil penalties if they are repaired within the compliance period noted in the inspection report.

Sections 6 and 7 provide that, until the North Carolina Building Code Council develops a code amendment otherwise: (i) automatic sprinkler systems in one- or two-family dwellings are not required when there are fewer than 100 dwelling units on a single public, or private, fire apparatus access road with access from one direction; and (ii) the American Water Works Association C900 is an acceptable industry standard for Polyvinyl chloride plastic pipe for water service pipes under the North Carolina Residential and Plumbing Codes. Section 8 creates new definitions and clarifications to Section 4 of Session Law 2020-61, System Development Fee/ADU Sewer Permit.

Lastly, effective January 1, 2022, no later than 90 days after the Department of Transportation (DOT) receives the filing of a certificate of completion by the division engineer of record for a project, DOT must add transportation improvements, intended to be designated as public, to the State highway system for maintenance pursuant to G.S. 136-102.6(d).

Except as otherwise provided, this bill became effective on August 30, 2021.

[Senate Bill 316 \(SL 2021-122\)](#) – Gen. Contractors/Plumbing/Electr. Exempt.

Senate Bill 316 provides for certain exemptions for plumbing, heating, fire sprinklers, and electrical contractors. Prior to the bill's passage, the law exempted certain trade licensees from general contractor licensure requirements when that licensee is bidding and contracting directly with the owner of a public building project and if:

- A licensed general contractor performs all work that falls within G.S. 87-10(b) and State Licensing Board of General Contractor's rules.
- The total amount of the general contracting work does not exceed a percentage (currently 25%) of the total bid price as prescribed by administrative rule.
- All work that falls within Article 2 or Article 4 is performed by a licensee under those Articles.

When a public project meets these conditions, heating and plumbing contractors and electrical contractors are exempt from general contractor licensing requirements, plumbing and heating contractors from electrical contractor licensing requirements, and vice versa.

The bill expands these exceptions which were previously limited to public building projects to now include any building projects. The bill became effective October 1, 2021.

[Senate Bill 462 \(SL 2021-129\)](#) – CON/Threshold Amds. & Certificate Expirations.

See summary under Health Law.

[House Bill 650 \(SL 2021-134\)](#) – Omnibus DMV Bill.

See summary under Administrative Law.

[Senate Bill 211 \(SL 2021-149\)](#) – Amend Water/Sewer Rate Adjustment Mechanisms.

See summary under Government & Public Sector.

[Senate Bill 60 \(SL 2021-153\)](#) – Disapprove Various Solid Waste Rule Changes.

See summary under Environment, Energy & Natural Resources Law.

[Senate Bill 389 \(SL 2021-158\)](#) – DEQ/DNCR Omnibus.-AB

See summary under Environment, Energy & Natural Resources Law.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.
See summary under Real Property.

[House Bill 218 \(SL 2021-164\)](#) – Streamline Permits/Redevelopment of Property.
See summary under Government & Public Sector.

[Senate Bill 308 \(SL 2021-183\)](#) – Various Building Code Amend.

Senate Bill 308 makes various changes to building code laws. Specifically, the bill does the following:

- Prohibits inspection departments from delaying the issuance of a temporary certificate of occupancy when additional violations are found on previously approved items. (Effective January 1, 2022.)
- Clarifies electric wiring requirement references.
- Modifies one- or two-family dwelling residential development fire apparatus access road requirements where conformance is technically infeasible.

Except as otherwise provided, the bill became effective November 23, 2021.

[House Bill 165 \(SL 2021-185\)](#) – DOT Legislative Changes.

See summary under Real Property.

[Senate Bill 329 \(S.L. 2021-192\)](#) – Bldg. Permit Exempt./Timeshare Eff. Date.

See summary under Real Property.

CRIMINAL JUSTICE

[Senate Bill 103 \(SL 2021-22\)](#) – Reduce Reg. To Help Children with Autism.

See summary under Administrative Law.

[House Bill 217 \(SL 2021-23\)](#) – Utilities Comm’n Tech. and Add’l Changes.

See summary under Environment, Energy & Natural Resources Law.

[House Bill 224 \(SL 2021-31\)](#) – Occupational Therapy Interstate Compact.

See summary under Administrative Law.

[Senate Bill 241 \(SL 2021-33\)](#) – Modified Utility Vehicle Def/Use of Funds.

Senate Bill 241 broadens the definition of “modified utility vehicle” and amends the restrictions and requirements applicable to modified utility vehicles that may be registered and operated on highways. Specifically, the bill broadens the current definition of “modified utility vehicle” by:

- Including smaller vehicles (lowering the minimum length of vehicles to 110 inches and the minimum height of vehicles to 60 inches) and custom-built vehicles.
- Eliminating any engine displacement requirement.
- Eliminating the requirement that vehicles be equipped with a windshield and windshield wipers (if not, the operator and passengers are required to wear helmets when operating on a highway).

The bill also amends the restrictions that apply to operation of modified utility vehicles on highways so they would not be able to operate on highways with four or more travel lanes unless the posted speed limit is 35 mph or less. In addition, the definition of “motor vehicle” under G.S. 20-286(10) does not include “modified utility vehicles.” Lastly, Section 3 makes changes to the ferry system.

The bill became effective October 1, 2021.

[House Bill 203 \(SL 2021-34\)](#) – Extend Deadline for Police Telecommunicators.

See summary under Government & Public Sector.

[House Bill 743 \(SL 2021-36\)](#) – Remove ID Mark/Increase Punishment.

House Bill 743 creates a Class H felony under G.S. 14-160.1 for altering, destroying, or removing serial numbers of personal property valued at more than \$1,000 and G.S. 14-401.4 for willful removal, destruction, or alteration of an identifying number on a machine or other apparatus with a value of more than \$1,000. The bill became effective December 1, 2021.

[Senate Bill 255 \(SL 2021-47\)](#) – 2021 AOC Legislative Changes.

See summary under General Interest.

[House Bill 238 \(SL 2021-68\)](#) – Prohibit Possession of Skimming Device.

House Bill 238 adds the definition of a skimming device to the Financial Transaction Card Crime Act and makes the possession, sale, or delivery of a skimming device a Class I felony. The bill became effective December 1, 2021, and applies to offenses committed on or after that date.

[Senate Bill 644 \(SL 2021-71\)](#) – Landlord/Tenant Changes.

See summary under Real Property.

[House Bill 734 \(SL 2021-77\)](#) – Dept. of Health & Human Services Revisions.

See summary under Health Law.

[Senate Bill 605 \(SL 2021-78\)](#) – North Carolina Farm Act of 2021.

See summary under General Interest.

[Senate Bill 188 \(SL 2021-81\)](#) – Bd. of Architects/Interior Designers.

See summary under Construction Law.

[House Bill 68 \(SL 2021-84\)](#) – GSC Licensing Boards and Comm'ns/Rule Crimes.

See summary under Administrative Law.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.

See summary under General Interest.

[House Bill 297 \(SL 2021-89\)](#) – DMV Deployed Armed Forces Exemptions.

See summary under Military & Veterans Law.

[Senate Bill 196 \(SL 2021-91\)](#) – GSC Sale of Property Amend/Delay Prosec Split.

See summary under Real Property.

[House Bill 522 \(SL 2021-94\)](#) – Modify Service/Release of Alternate Jurors.

See summary under General Interest.

[House Bill 312 \(SL 2021-107\)](#) – Qualifications for Sheriff/Expunction.

See summary under Government & Public Sector.

[House Bill 84 \(SL 2021-115\)](#) – Sex Offender Premises Restrictions.

House Bill 84 extends premises restrictions to sex offenders convicted of first-, second-, or third-degree exploitation of a minor. It also clarifies that G.S. 15A-145(a1) does not provide for an expunction, and those registered as sex offenders cannot live within 1,000 feet of any property line of a school or childcare center property. The bill also amends G.S. 14-208.6(a) to clarify that registered sex offenders cannot reside on any property or in any dwelling that is within 1,000 feet of any property line of a school or childcare center. This bill became effective December 1, 2021, and applies to offenses committed on or after that date.

[House Bill 481 \(SL 2021-116\)](#) – Firearm Disposal/UNC Campus Police.

See summary under Education Law.

[Senate Bill 301 \(SL 2021-118\)](#) – Expand Expunction Eligibility.

Senate Bill 301 makes various changes to expunction statutes. Specifically, the bill:

- Expands the criminal offenses eligible for expunction.
- Allows the expunction of an eligible offense despite an impaired driving conviction if the impaired driving conviction occurred more than five years prior to the petition.
- Allows for the expunction of up to three nonviolent felonies.
- Allows an attorney to file a petition for expunction on behalf of a person who committed certain crimes under the age of 18.
- Allows a district attorney to access expunction records for determining conditional discharge eligibility.

The bill became effective December 1, 2021, and applies to petitions filed on or after that date.

[Senate Bill 207 \(SL 2021-123\)](#) – Various Raise the Age Changes/JJAC Recs.

See summary under Juvenile Justice & Children’s Rights.

[House Bill 692 \(SL 2021-128\)](#) – Restrict Certain Vehicle Modifications.

House Bill 692 prohibits the operation of a private passenger automobile that has been altered so that the front fender is four or more inches above the height of the rear fender on a highway or public vehicular area. In addition, the bill makes a third or subsequent violation of the prohibition within 12 months result in license revocation for at least one year. The bill became effective December 1, 2021, and applies to offenses committed on or after that date.

[House Bill 436 \(SL 2021-136\)](#) – Support Law Enforcement Mental Health.

See summary under Government & Public Sector.

[House Bill 536 \(SL 2021-137\)](#) – Law Enforcement Duty to Intervene.

House Bill 536 mirrors certain provisions in Senate Bill 300.

[Senate Bill 300 \(SL 2021-138\)](#) – Criminal Justice Reform.

Senate Bill 300 makes a wide variety of changes in statutes relating to criminal justice.

Databases: In relation to databases, this bill creates a public database of law enforcement officer (LEO) certification and revocations. (Effective October 1, 2021, see Part I). Effective January 1, 2023, the bill provides a process to have LEO fingerprints entered into databases, as well as authorizing agencies to participate in the FBI Next Generation Identification system and rap back service (which alerts the State Bureau of Investigation (SBI) if an LEO has a subsequent arrest). (See Part II).

Commissions: Several changes were made involving the North Carolina Criminal Justice Education and Standards Training Commission and the North Carolina Sheriffs' Education and Training Commission (Commissions). First, effective October 1, 2021, the bill requires the Commissions to create a database for agencies of "critical incident information", including causing death or serious bodily injuries. (See Part III). The Commissions are also required to develop uniform statewide minimum standards and report them to the General Assembly's Justice & Public Safety Oversight Committee (JPS)(See Part V) and to report to JPS on best practices recruitment guide that encourages diversity as required under Part IX. Effective December 1, 2021, Commissions must run applicants for certification through the national decertification index. (See Part XV). Lastly, the Commissions are removed from the nonexclusive list of State Agency Licensing Boards under G.S. 93B-1. (Effective December 1, 2021. See Part XVII).

Giglio Information: Giglio information relates to credibility issues that make an officer subject to impeachment by the defense in criminal trials. The bill requires written notification of Giglio material to be reported to either of the Commissions, whichever is more appropriate. The Commissions must notify agencies and district attorneys of this information when an LEO is transferring to that agency. These provisions became effective on October 1, 2021. (See Part IV).

Involuntary Commitment: Effective October 1, 2021, health care providers may transport respondents in involuntary commitments. (See Part VI).

LEOs: The bill has multiple Parts with provisions relating to LEOs. Part VII, which is effective on January 1, 2022, does the following: (i) requires that LEOs receive training on mental health and wellness strategies; (ii) requires psychological screening for LEO certification or employment; (iii) creates a study that looks into the benefits of physical fitness testing throughout each year; and (iv) requires a report to JPS. Also effective January 1, 2022, LEO mandatory in-service training will be expanded to include ethics, mental health, minority sensitivity, community policing, use of force, and the duty to intervene and report. (See Part XI). In-service training standards are exempted from the rule-making process under the bill. (See Part XII). In the event of excessive use of force by an LEO, any

witnessing LEO is required to intervene and report, starting December 1, 2021. (See Part XVI).

Agencies: Law enforcement agencies are required under Part VIII, effective December 1, 2021, to create early warning systems within the agency to monitor officers' behaviors such as discharge of firearms, vehicle collisions, citizen complaints, and use of force.

SBI: As of October 1, 2021, the SBI is required to investigate deaths of inmates or deaths due to use of force by an LEO upon requests by certain parties. (See Part X).

Local Ordinances (Part XIII): Local ordinances adopted pursuant to various portions of G.S. 153A and G.S. 160D are not to impose a criminal penalty. Part XIII also provides compliance defenses for certain violations, and became effective on December 1, 2021.

First appearances (Part XIV): Effective December 1, 2021, a first appearance for a defendant in custody for a misdemeanor must be held within 72 hours.

Satellite Based Monitoring (SBM): To address constitutional issues surrounding SBM of sex offenders, Part XVIII narrows the class that must register, reduces the lifetime SBM to ten years, allows individual assessments, and gives the court discretion to order SBM for the full ten years if the offender requires high supervision, and allows for judicial review to terminate or modify SBM for offenders. This Part became effective December 1, 2021.

Resisting Arrest (Part XIX): Felonies are created for when a defendant's resisting of an arrest is the proximate cause of a serious injury (Class I felony) or serious bodily injury (Class F felony) to an officer, and directs the Department of Public Safety to create public service announcements and target social media campaigns on how to lawfully interact with law enforcement. This Part became effective on December 1, 2021.

Bipartisan North Carolina Legislative Working Group on Criminal Law: Part XX establishes a Bipartisan North Carolina Legislative Working Group on Criminal Law Recodification to make a database of North Carolina crimes and ordinance offenses, and to recommend draft legislation.

Body-worn Cameras: If an agency receives a request for disclosure of a body-worn camera footage recording depicting a death or serious bodily injury, the agency is required to petition the court within three business days for a determination on how and when the footage shall be disclosed, and the court must make the determination within seven days of the petition's filing. If disclosure is denied because of a law enforcement investigation,

review of the determination must be within 20 days of the original order. Any requests for disclosure must use a form that is notarized, acknowledging they are prohibited from recording or copying the disclosed recording. If a person records or makes a copy of a recording disclosed under this new subsection, they are guilty of a Class 1 misdemeanor. If a person disseminates a recording or copy of a recording disclosed under this new subsection, they are guilty of a Class I felony. This Part, XXI, became effective December 1, 2021.

Except as otherwise provided, this bill became effective on September 2, 2021.

[House Bill 608 \(SL 2021-143\)](#) – Dignity for Women Who are Incarcerated.

House Bill 608 amends General Statute Chapters 148 (State Prison System) and 153A (Counties) to establish certain requirements related to the housing and treatment of females incarcerated in State correctional facilities and local confinement facilities. It requires pregnant women who are incarcerated to not be restrained by handcuffs or wrist restraints when in labor. Further, unless a correctional facility employee believes the child may be harmed, the mother must be allowed visitation (two contact visits) with the child each week. The mother is to be detained at a facility within 250 miles of the address of a child less than a year old. This bill became effective December 1, 2021.

[House Bill 27 \(SL 2021-146\)](#) – In-Service Training/Magistrates.

House Bill 27 modifies the training requirements for magistrates by requiring completion of an annual in-service training course, with a minimum of twelve hours of instruction. The bill authorizes the Administrative Office of the Courts to coordinate with an educational organization to conduct the training. The continuing education training is not required to be taken in the same calendar year as the 40-hour basic training course. The bill became effective September 10, 2021.

[Senate Bill 99 \(SL 2021-154\)](#) – Clarify Law on Theft of Catalytic Converters.

Senate Bill 99 makes the theft of a catalytic converter from a motor vehicle a Class I felony, and modifies the laws related to the purchase of catalytic converters. Section 1 creates a presumption that anyone in possession of a catalytic converter that has been removed from a vehicle is in violation of G.S. 14-72.8 unless (i) the person is licensed and registered under North Carolina law to do business as a motor vehicle dealer, motor vehicle repair shop, a salvage yard, or a secondary metals recycler; or (ii) the person is in possession of a catalytic converter from a car registered in that person's name. The bill became effective December 1, 2021, and applies to offenses committed on or after that date.

[Senate Bill 321 \(SL 2021-155\)](#) – Amend NC Controlled Substances Act.

See summary under Health Law.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

See summary under Real Property.

[House Bill 761 \(SL 2021-167\)](#) – Police Vehicle and Equipment Protection Act.

House Bill 761 increases the penalty for breaking or entering into a vehicle owned by a law enforcement agency, NC National Guard, or any branch of the US Armed Forces. In addition, the bill creates two new felony offenses for theft of equipment owned by a law enforcement agency. The bill became effective December 1, 2021, and applies to offenses committed on or after that date.

[Senate Bill 183 \(SL 2021-182\)](#) – Ignition Interlock/Various Changes.

Senate Bill 183 amends various motor vehicle laws. Part I does the following:

- Allows a functioning ignition interlock system to replace some of the restrictions placed on a limited driving privilege.
- Makes the following changes to the restoration of a license under G.S. 20-17.8 after certain impaired driving convictions: (i) for individuals whose license is restored after an impaired driving conviction, replaces the current alcohol concentration restrictions to drive, which vary from 0.00-0.04, to a standard 0.02 for individuals over 21; and (ii) allows an individual who owns multiple vehicles to designate certain vehicles for operation with an ignition interlock system.
- Clarifies that individuals seeking restoration of their drivers license must agree to submit to a chemical analysis test at the request of law enforcement upon reasonable grounds to believe that the person is consuming, or has recently consumed, alcohol or a controlled substance while operating a motor vehicle, and clarifies that all of the listed requirements apply when a person voluntarily submits to continuous alcohol monitoring.
- Mandates the person required to install the ignition interlock system to pay for costs of installation and monitoring.
- Allows an applicant who can provide the vendor with documentation showing an income at or below 150% of the poverty line or enrollment in certain public assistance programs, to receive free installation and removal of the ignition interlock system and a 50% discount on the monthly service rate.
- Directs the Division of Motor Vehicles to adopt temporary rules to implement this section and develop required forms. Forms must be available to the public by June 1, 2022.

- Exempts prosecutions for offenses committed before the effective date.

The repeal of some existing restrictions on a limited driving privilege for a person convicted of an impaired driving offense became effective December 1, 2021. The remainder of Part I will become effective June 1, 2022.

Parts II and III make technical and conforming changes, and became effective when the bill became law on November 18, 2021.

[House Bill 165 \(SL 2021-185\)](#) – DOT Legislative Changes.

See summary under Real Property.

[Senate Bill 473 \(S.L. 2021-191\)](#) – Enhance Local Gov't Transparency.

See summary under Government & Public Sector.

DISPUTE RESOLUTION

[Senate Bill 255 \(SL 2021-47\)](#) – 2021 AOC Legislative Changes.

See summary under General Interest.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

See summary under Real Property.

EDUCATION LAW

[House Bill 82 \(SL 2021-7\)](#) – Summer Learning Choice for NC Families.

House Bill 82 requires each local school administrative unit (LEA) to offer a School Extension Learning Recovery and Enrichment Program (Program) following the end of the 2020-2021 school year for purposes of responding to the impacts of COVID-19 through providing in-person instruction on specific subjects and offering additional enrichment activities to students in Kindergarten through Grade 12. The Program is separate and apart from the 2020-2021 school year. Under the Program, each LEA is to submit a plan for its Program to the Department of Public Instruction (DPI) no later than 30 days prior to the final instructional day of the 2020-2021 school year. DPI is required to notify LEAs of any necessary plan changes and approve the plan within 21 days of receiving it.

By October 15, 2021, LEAs were required to report all of the following to DPI:

- Results of competency-based assessments given to K-8 students at the beginning and conclusion of the Program.
- The number of students who progressed to the next grade level, and who were retained in the same grade, after Program participation.
- The number of students who received credit recovery in high school.

By January 15, 2022, DPI must report to the Joint Legislative Education Oversight Committee (Committee) on the implementation of this act. DPI must submit with its report a copy of each Program plan submitted to DPI, an explanation of the Program outcomes completed by DPI, and any other data deemed to be useful to the Committee in evaluating the Program.

The bill became effective on April 9, 2021.

[Senate Bill 387](#) (SL 2021-8) – Excellent Public Schools Act of 2021.

Senate Bill 387 makes various changes to the North Carolina Read to Achieve Program. Specifically, the bill does the following:

- Creates definitions for the "Science of Reading", "Individualized Reading Plan", and "Literacy Intervention". Also, the definition of "reading camp" is modified.
- Establishes the Early Literacy Program within the Department of Public Instruction (DPI).
- Requires certain early literacy educators (Pre-K) to participate in a training program grounded in the Science of Reading.
- Requires Educator Preparation Programs (EPPs) seeking approval or renewal on or after July 1, 2022, to include coursework grounded in the Science of Reading.
- Requires literacy curriculum and instruction to align with standards developed by the State Board of Education (SBE) and a model implementation plan developed by DPI no later than the 2024-2025 school year.
- Required the SBE and DPI to develop literacy intervention standards by December 15, 2021.
- Requires that LEAs develop literacy intervention plans that outline the interventions that will be offered for the 2022-2023 school year, and requires that plans developed for the 2023-2024 school year be approved by DPI.
- Establishes Individual Reading Plans, beginning in the 2022-2023 school year, for students Kindergarten through 3rd grade who have difficulty with reading.
- Creates bonus programs for teachers providing instruction during a reading camp, beginning with reading camps associated with the 2021-2022 school year.
- Provides for continuing education credits related to literacy for certain reading camp instructors.

- Establishes a Digital Children's Reading Initiative to provide high quality resources for families, in print and digitally, by July 1, 2022.
- Requires SBE to analyze alternative reading assessments for 3rd grade students and recommend one for use.
- Beginning with the 2021-2022 school year, creates a uniform reporting structure for Read to Achieve data.

Except as otherwise provided, the bill became law on April 9, 2021.

[House Bill 53 \(SL 2021-9\)](#) – Educ. Changes for Military-Connected Students.

See summary under Military & Veterans Law.

[Senate Bill 390 \(SL 2021-20\)](#) – UNC Law Enforcement Recruitment.

Senate Bill 390 allows for full-time and part-time campus law enforcement officers employed by the University of North Carolina to enroll in as many courses per year as determined by the Board of Governors without payment of tuition or fees. This bill became effective May 7, 2021.

[Senate Bill 172 \(SL 2021-25\)](#) – Additional COVID-19 Response & Relief.

See summary under Government & Public Sector.

[Senate Bill 582 \(SL 2021-48\)](#) – High School Adjunct Instructors/CC Prep.

Senate Bill 582 allows additional individuals to be adjunct instructors for courses in grades K-12. Currently, local boards of education can hire the following individuals to be adjunct instructors on an annual or semester basis: (i) those with relevant education and employment experience to teach career and technical education courses, and (ii) those who are employed as faculty at institutions of higher education to teach core academic subjects in grades K-12 in their areas of knowledge or work experience. The State Board of Education (SBE) is charged with creating the criteria for these adjunct instructors. Senate Bill 582 additionally allows:

- An individual employed as faculty at a higher education institution to also qualify as an adjunct instructor for courses in fine and performing arts and foreign languages in grades K-12 if the person meets the SBE criteria.
- An individual who (i) holds a related bachelor's degree or graduate degree, and (ii) attends a community college or educator preparation program and completes courses concentrating in teacher preparation for at least one semester (9 credit hours), to be an eligible adjunct instructor for high school courses in academic

subjects, fine and performing arts, and foreign language in the individual's area of specialized knowledge or experience.

The bill became effective on June 21, 2021, and applies beginning with the 2021- 2022 school year.

[House Bill 160 \(SL 2021-57\)](#) – Retirement Service Purchase Rewrite Part II.-AB

See summary under Labor & Employment.

[House Bill 163 \(SL 2021-58\)](#) – Treasury Administrative Changes.-AB

See summary under Government & Public Sector.

[Senate Bill 277 \(SL 2021-60\)](#) – Ret. & Treasury Tech. Corrections Act of 2021.-AB

See summary under General Interest.

[Senate Bill 668 \(SL 2021-72\)](#) – Anti-Pension Spiking Amds & Litig. Moratorium.

Senate Bill 668 authorizes an additional payment option for a contribution-based benefit cap (CBBC) liability, outlines responsibilities for CBBC liabilities when the final employer of a member is not the member's employer for average final compensation calculations, provides an adjustment to the formula for reduced retirements with CBBC liabilities, establishes a workgroup that may provide a report on the anti-pension spiking CBBC to the Joint Legislative Oversight Committee on General Government, and provides early notification to the Local Government Commission on proposed financing arrangements. Section 3.2 of the bill prohibits local boards of education from filing any legal actions against the State regarding the anti-pension spiking CBBC, including contested case actions, and tolls any applicable statute of limitations between the effective date of the bill and June 30, 2022. Except as otherwise provided, the bill became effective on July 2, 2021.

[House Bill 335 \(SL 2021-79\)](#) – Timely Local Payments to Charter Schools.

House Bill 335 makes changes regarding the transfer of funds from a local school administrative unit (LEA) to a charter school to incentivize the timely transfer of funds. Specifically, the bill requires charter schools to provide LEAs with specific student enrollment information and requires LEAs to pay penalties if the per pupil share of the local current expense fund to charters schools is not transferred within the statutory timeframe. The bill also directs the Superintendent of Public Instruction to create standardized procedures for the requests and transfers of the per pupil share of the local current expense fund. The bill became effective July 8, 2021, and applies beginning with the 2021-2022 school year.

[House Bill 602 \(SL 2021-80\)](#) – UNC Legislative Priorities/HR/Reports.

House Bill 602 makes various changes to the laws governing the University of North Carolina (UNC) system, including the bill makes the following:

- Exempts certain UNC employees from NC Human Resources Act provisions.
- Consolidates and eliminates certain reporting requirements.
- Codifies reporting requirements for capital projects.
- Gives the UNC Board of Governors temporary authority (until December 31, 2022) to implement an early retirement incentive program.
- Provides statutory authority for the President of UNC to approve a reduction-in-force without approval of any other State agency.
- Provides the UNC Board of Governors may use non-State funds to provide State Health Plan premium payments for certain employees placed on emergency temporary furloughs until December 31, 2021.

The bill became effective on July 8, 2021.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.

See summary under General Interest.

[Senate Bill 126 \(SL 2021-90\)](#) – Clean Up Obsolete Boards.

See summary under Administrative Law.

[Senate Bill 146 \(SL 2021-95\)](#) – Teledentistry/RDH Admin. Local Anesthetic.

See summary under Health Law.

[House Bill 78 \(SL 2021-111\)](#) – Various Education Changes.

House Bill 78 makes two changes to education statutes in the State. First, the bill allows additional standardized tests to satisfy 9th grade private school testing requirements. Second, it makes changes to in-State tuition for veterans to comply with federal law by allowing them to be eligible for three years post-discharge without being continuously enrolled. The bill became effective on August 23, 2021.

[House Bill 481 \(SL 2021-116\)](#) – Firearm Disposal/UNC Campus Police.

House Bill 481 allows all State entities operating under the three branches of government and the on-campus police departments of constituent institutions of The University of North Carolina to dispose of surplus weapons with a federally licensed firearm dealer. The bill became effective August 23, 2021.

[House Bill 366 \(SL 2021-117\)](#) – Regulatory Reform Act of 2021.

See summary under General Interest.

[Senate Bill 654 \(SL 2021-130\)](#) – K-12 COVID-19 Provisions.

Senate Bill 654 makes changes to laws impacting K-12 public schools in light of the COVID-19 pandemic. Section 1 removes the requirement for the State Board of Education (SBE) to calculate school performance grades based on scores and data from 2020-2021 (due to the impact of COVID-19), and Section 2 prohibits SBE from identifying low-performing schools based on this data.

Section 3 authorizes local school administration units (LEAs) to use 15 days of remote instruction during the 2021-2022 school year for weather and other emergency closures if the LEA had submitted a remote instruction plan to the SBE. Public school units are also authorized under the bill to make day-to-day decisions about shifting to temporary remote instruction during the 2021-2022 school year due to COVID-19 Exposures. If they choose to do so, the public school unit must notify the Department of Public Instruction (DPI) of any temporary shifts within 72 hours. Through the bill, schools are authorized to offer virtual instruction to students if the students' parents' or guardians' consent. Virtual instruction plans are required to include several components listed in Part III.B. of the bill. After June 30, 2022, public school units are not authorized to use virtual instruction to satisfy minimum required instructional hours without authorization from the General Assembly, unless the school was assigned a code to operate primarily through virtual instruction as of May 1, 2021.

Section 4 allows schools identified to receive principal recruitment supplements (time limited salary supplements to principals accepting jobs at low performing schools) for 2019 – 2020 and 2020-2021 to be identified as eligible for 2021-2022.

When Education Value-Added Assessment System data for the 2021-2022 school year is available, principals, LEAs, and SBE are required to clarify when the information reflects performance over multiple years and teachers. (Sections 5 & 6).

Section 8 allows applicants for a continuing professional license to have an extension until December 31, 2021, to complete the required examinations or coursework if their license expired June 30, 2021, and they did not meet the examination or coursework by that date. Additionally, individuals are allowed to receive a residency license (license for those who have not yet completed an educator preparation program) if they have a bachelor's or advanced degree.

Section 9 modifies one of the year-round calendar options and creates a fourth year-round calendar option, while Section 10 requires that all public school units adopt a mask policy for the 2021-2022 school year and review the policy monthly.

Sections 11 and 12 make changes to the driving eligibility certificates (DEC). Under Section 11, until January 30, 2022, DECs are temporarily required to be issued without requiring progress being made towards obtaining a high school diploma or its equivalent, and school authorities are prohibited from notifying the DMV of DEC ineligibility based on the “making progress” grounds. Section 12 requires DMV to restore a permit or provisional license that was previously revoked due to ineligibility for a DEC based on the “making progress” grounds on or after March 1, 2020, through August 30, 2021.

Except as otherwise provided, this bill became effective on August 30, 2021.

[Senate Bill 693 \(SL 2021-132\)](#) – Expedite Child Safety and Permanency.

See summary under Juvenile Justice & Children’s Rights.

[Senate Bill 421 \(SL 2021-133\)](#) – CC/In-State Tuition & Board Elections.

Senate Bill 421 creates an exception to allow North Carolina public high school graduates to qualify for in-state tuition at a community college for the year following high school graduation if a student was unable to establish residency through the Residency Determination Service due to lack of evidence. The bill became effective September 2, 2021.

[Senate Bill 695 \(SL 2021-170\)](#) – Various Education Changes.

Senate Bill 695 makes various changes to education statutes affecting principal licensure, salary installments, reporting requirements, and cash management requirements for public school units. The bill became effective on October 15, 2021.

[House Bill 91 \(SL 2021-184\)](#) – Accountability and Fair Play in Athletics.

See summary under Sports & Entertainment Law.

ELDER & SPECIAL NEEDS LAW

[House Bill 279 \(SL 2021-16\)](#) – COVID-19 Related Tax Chngs/UI Tech Correct.

See summary under Tax.

[Senate Bill 103 \(SL 2021-22\)](#) – Reduce Reg. To Help Children with Autism.

See summary under Administrative Law.

[Senate Bill 172 \(SL 2021-25\)](#) – Additional COVID-19 Response & Relief.

See summary under Government & Public Sector.

[House Bill 395 \(SL 2021-26\)](#) – HIE Deadline Extension & Patient Protection.

See summary under Health Law.

[House Bill 224 \(SL 2021-31\)](#) – Occupational Therapy Interstate Compact.

See summary under Administrative Law.

[Senate Bill 135 \(SL 2021-32\)](#) – Improve Anatomical Gift Donation Process.

See summary under Health Law.

[Senate Bill 50 \(SL 2021-53\)](#) – Estate Planning Law Changes.

See summary under Estate Planning & Fiduciary Law.

[House Bill 160 \(SL 2021-57\)](#) – Retirement Service Purchase Rewrite Part II.-AB

See summary under Labor & Employment.

[Senate Bill 277 \(SL 2021-60\)](#) – Ret. & Treasury Tech. Corrections Act of 2021.-AB

See summary under General Interest.

[Senate Bill 594 \(SL 2021-62\)](#) – Medicaid Admin. Changes & Tech. Corrections.

See summary under Insurance Law.

[House Bill 642 \(SL 2021-64\)](#) – Down Syndrome Organ Trans. Nondiscrim. Act.

House Bill 642 prohibits health care providers and health insurers from organ transplant discrimination on the basis of disability. The bill creates a new Part 4A: Nondiscrimination in Organ Transplantation in Article 16 of Chapter 130A of the General Statutes. Part 4A makes it unlawful for a covered entity, on the basis of an individual's disability, to do any of the following:

- Deem an individual ineligible to receive an anatomical gift or organ transplant.
- Deny medical or other services related to an organ transplant.
- Refuse to provide a referral to the individual for a transplant center or other related specialist for organ transplant evaluation or services.

- Refuse to place a qualified organ transplant recipient on a waiting list, or place the recipient on the list at a lower priority position than if the individual did not have a disability.
- Refuse insurance coverage for anatomical gift or organ transplant procedures.

The bill allows an individual affected by a covered entity's alleged violation to bring an action for relief against the covered entity. The court is directed to give priority to these actions for expedited review and is be barred from awarding compensatory or punitive damages for violations.

Section 3 of the bill enacts a new section in Article 3 of Chapter 58 of the General Statutes, prohibiting insurers that offer health benefit plans that cover anatomical gifts, organ transplants, or related treatment and services from doing the following:

- Denying coverage to an insured solely on the basis of that individual's disability.
- Denying an individual eligibility, or continued eligibility, to enroll or to renew enrollment coverage under the terms of a health benefit plan solely for the purpose of avoiding the requirements of the statute.
- Attempting to induce a health care provider to provide care to an insured in a manner inconsistent with the statute in specified ways.
- Reducing or limiting health benefit plan coverage benefits to an insured for any necessary services related to organ transplantation.

An insurer is not required to provide coverage for a medically inappropriate organ transplant. Section 3 also repeals the remainder of G.S. 58-3-102.

The bill became effective on October 1, 2021.

[Senate Bill 644 \(SL 2021-71\)](#) – Landlord/Tenant Changes.

See summary under Real Property.

[Senate Bill 668 \(SL 2021-72\)](#) – Anti-Pension Spiking Amds & Litig. Moratorium.

See summary under Education Law.

[House Bill 168 \(SL 2021-75\)](#) – Retirement Administrative Changes Act of 2021.-AB

See summary under Labor & Employment.

[House Bill 734 \(SL 2021-77\)](#) – Dept. of Health & Human Services Revisions.

See summary under Health Law.

[House Bill 602 \(SL 2021-80\)](#) – UNC Legislative Priorities/HR/Reports.
See summary under Education Law.

[House Bill 68 \(SL 2021-84\)](#) – GSC Licensing Boards and Comm’ns/Rule Crimes.
See summary under Administrative Law.

[Senate Bill 197 \(SL 2021-85\)](#) – GSC Trusts & Estates Amendments.
See summary under Estate Planning & Fiduciary Law.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.
See summary under General Interest.

[House Bill 366 \(SL 2021-117\)](#) – Regulatory Reform Act of 2021.
See summary under General Interest.

[Senate Bill 207 \(SL 2021-123\)](#) – Various Raise the Age Changes/JJAC Recs.
See summary under Juvenile Justice & Children’s Rights.

[Senate Bill 159 \(SL 2021-125\)](#) – State Health Plan Administrative Changes.
See summary under Insurance Law.

[House Bill 351 \(SL 2021-145\)](#) – Clifford’s Law.
See summary under Health Law.

[House Bill 890 \(SL 2021-150\)](#) – ABC Omnibus Legislation.
See summary under Business Law.

[Senate Bill 228 \(SL 2021-151\)](#) – Allow Employers to Offer EPO Benefit Plans.
See summary under Insurance Law.

[House Bill 447 \(SL 2021-156\)](#) – The Jeff Rieg Law/Patients Religious Rights.
See summary under Health Law.

[Senate Bill 389 \(SL 2021-158\)](#) – DEQ/DNCR Omnibus.-AB
See summary under Environment, Energy & Natural Resources Law.

[Senate Bill 191 \(SL 2021-171\)](#) – The No Patient Left Alone Act.
See summary under Health Law.

[Senate Bill 311 \(SL 2021-178\)](#) – No Waiting Period Under LGERS/VFDF Grants.
See summary under Labor & Employment.

[House Bill 165 \(SL 2021-185\)](#) – DOT Legislative Changes.
See summary under Real Property.

ENVIRONMENT, ENERGY & NATURAL RESOURCES LAW

[House Bill 217 \(SL 2021-23\)](#) – Utilities Comm’n Tech. and Add’l Changes.

House Bill 217 makes multiple changes to the statutes related to public utilities and was recommended by the North Carolina Utilities Commission (Utilities Commission).

Section 1 prohibits common carriers from attempting to operate vehicles used for transporting household goods for compensation without the required marking or identification, and provides that any law enforcement officer with territorial jurisdiction is authorized to enforce this provision.

Section 2 amends the definitions of “certificate” and “public utility” in Chapter 62 of the General Statutes.

Section 3 specifies that the Utilities Commission Public Staff: (i) has the authority to petition the Utilities Commission to initiate proceedings to review, investigate, and take appropriate action with respect to the operations of public utilities; (ii) is no longer required to investigate and make recommendations with respect to certificates of radio common carriers; and (iii) may appear in matters affecting public utility services if the Executive Director deems it necessary in the interest of the public.

Section 4 changes the Utilities Commission’s obligation to only require copies of applications, petitions, pleadings, orders, and decisions filed with or entered by the Utilities Commission if the Attorney General requests the copies upon intervening in a proceeding.

Section 5 authorizes the Utilities Commission to: (i) examine all officers, agents, and employees of such public utilities in efforts to obtain the necessary information to enforce the provisions of Chapter 62; and (ii) examine and designate confidential information as needed to exercise their statutory powers and duties. The bill prohibits the Public Staff from disclosing any confidential information unless they are authorized by the person or entity having right to confidentiality, the Utilities Commission, or a court with jurisdiction.

Section 6 makes technical corrections to the statute governing the Commission's authority to regulate crossings of power lines and pipelines, as well as rights-of-way of railroads and other utilities.

Section 7 eliminates the requirement the Utilities Commission publish biennial supplements of the law affecting public utilities.

Section 8 amends the statutes that authorize a public utility to file complaints on any grounds upon which complaints are allowed to be filed by other parties, and clarifies the right for a public utility to file complaints may be against any other public utility or person.

Section 9 amends service of final orders or decisions of the Utilities Commission.

Section 10 amends the rate case procedure statute by: (i) making technical corrections; (ii) eliminating the nine month deadline for the Commission to issue a final order; (iii) requiring notice to affected customers of a potential increase when the public utility is in the process for applying for a sewer rate increase; (iv) allowing a panel of three to hear rate cases with a requested revenue increase for up to \$2 Million; and (v) removing the requirement that the Utilities Commission conduct fuel, or natural gas supply, cost hearings in the areas of the State served by the public utilities.

Section 11 states that, upon request of the applicant, certificates of public convenience and necessity transactions for applications will be provided within two days.

Section 12 allows Public Staff and intervenors to attend any formal conferences that develop a plan for the future requirements of electricity for the State conducted by the Utilities Commission. It also removes the requirements in regards to analysis of long-range needs for expansion of facilities for generation of electricity that the Commission: (i) confer and consult with state public utilities, utility commissions of neighboring states, the Federal Energy Regulatory Commission and other agencies with relevant information; and (ii) hold a public hearing on such plan in a year that an annual update of an integrated resource plan is filed. A public hearing in the year in which a biennial integrated resource plan is filed is still required.

Section 13 makes a technical correction to G.S. 62-111, which requires application to, and written approval from, the Utilities Commission for public utility transfers.

Section 14 repeals G.S. 62-130(c), which provided the Utilities Commission may make, require, or approve rates for filling, processing, or warehousing in transit of grain, lumber to be dressed, cotton, peanuts, tobacco, and other commodities designated by the Utilities Commission. Section 16 repeals G.S. 62-133.8(j). Section 17 repeals G.S. 62-133.10, which allowed electric public utilities that purchased, or constructed, carbon offset facilities to adjust their fuel and related costs to retain the North Carolina retail allocation of the cost savings resulting from the purchase or construction of the facility.

Section 18 removes language that authorizes fulfillment of contractual commitments expiring in 1963 in the statute that prohibits public utilities from establishing or maintaining discriminatory rates or services.

Section 19 makes it a Class 3 misdemeanor for persons to knowingly aid and abet another in unlawfully operating a carrier of household goods without a certificate, while representing they are a certificate holder. Law enforcement officers with territorial jurisdiction can enforce this provision.

Section 20 directs county senior superior court judges to provide facilities for Utility Commission hearings, and allows courthouse and security costs to be passed to the Class A or B utility involved.

Section 22 authorizes the Utilities Commission to provide criminal history record checks of applicants and current holders of certificates to transport goods to the Public Staff for use in proceedings before the Utilities Commission. All information obtained must still be kept confidential.

Section 23 repeals G.S. 156-91(b), which directed the Utilities Commission to settle disputes over timing that drainage and cutting of canals or ditches, or erecting of dams, would be performed on railroad property.

Sections 24 and 25 authorizes the Revisor of Statutes to make amendments throughout Chapter 62 to use consistent references to the terms "Public Staff" and "ratemaking".

Effective July 1, 2021, Section 26 increased the certificate of public convenience and necessity nonutility filing fee to \$250.00.

Section 27 authorizes the Utilities Commission to allow a lessor of a multi-unit apartment building to use a master meter for the provision of natural gas service and charge each tenant for the natural gas used by a central system based on each tenant's metered or

measured share of the natural gas used only for cooking, ventless fireplaces, or other ancillary purposes. Under previous law, use of master meters in multi-unit residential buildings is only allowed where central systems incorporate solar assistance or other designs that achieve energy conservation, hotels or motels that have been converted into condominiums, dormitories, rooming houses, nursing homes, or homes for the elderly. This section became effective on October 1, 2021.

Except as otherwise provided, the bill became effective May 17, 2021.

[House Bill 20 \(SL 2021-37\)](#) – Clean Water Bond Add'l Connections.

See summary under Zoning, Planning & Land Use.

[House Bill 272 \(SL 2021-69\)](#) – Revise Health Standard for Lead.

House Bill 272 amends the Childhood Lead Poisoning Prevention statute's definition of a "lead poisoning hazard" in young children's drinking water by lowering the legal lead limit to 10 parts per billion. Of note, this does not change the requirements for public water systems, which are regulated under the federal Safe Drinking Water Act and the Lead and Copper Rule. The bill became effective December 1, 2021.

[Senate Bill 668 \(SL 2021-72\)](#) – Anti-Pension Spiking Amds & Litig. Moratorium.

See summary under Education Law.

[House Bill 344 \(SL 2021-76\)](#) – System Development Fees Update.

See summary under Government & Public Sector.

[Senate Bill 474 \(SL 2021-83\)](#) – Septage Management Amendments.

Senate Bill 474 makes certain changes and clarifications to the Department of Environmental Quality's (DEQ) septage management program.

Section 1 makes the following changes:

- Requires DEQ to issue a septage management firm permit decision within 90 days of receiving an application in accordance with G.S. 130A-294(a)(4).
- Requires permit modifications when there is a change in the septage management firm's ownership or corporate structure.
- Clarifies that pumper trucks and vehicles used in transportation, containment, or consolidation must be listed by the septage management firm on its permit and be inspected and regulated as vehicles, and the trucks and vehicles used by a permitted septage management firm must meet all federal and State highway laws,

or have a maximum capacity of no more than 21,000 gallons. The listed pumper trucks and vehicles may remain loaded, or partially loaded, for no more than seven days, and the pumper trucks or vehicles used in the transportation, containment, consolidation, or treatment of septage must be located on the septage management firm property or on the property of another through a legal agreement with the property owner.

- Clarifies that equipment used in the containment and consolidation of septage must be regulated as a septage detention or treatment site and require a permit.

Section 2 requires DEQ to notify septage management firm operators of rule changes within 30 days of those rules being adopted by the Environmental Management Commission (EMC) and post those rules to its website.

Section 3 directs the EMC to adopt a rule allowing subsequent permit renewals for septage land application sites and septage detention and treatment facilities to be valid for a period of 10 years, and to immediately begin implementing the rule in this way. The Section became effective July 8, 2021, and applies to permit renewals issued on or after July 1, 2021. The Section expires when EMC adopts the required permanent rules.

Section 4 prevents DEQ from offering online renewal education for septage management firm operators or septage land application operators unless needed on a case-by-case basis in coordination with septage industry associations.

Except as otherwise provided, the bill became effective July 8, 2021.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.

See summary under General Interest.

[House Bill 735 \(SL 2021-92\)](#) – Minimum Contracts/Coastal Dredging Services.

See summary under Construction Law.

[House Bill 121 \(SL 2021-108\)](#) – Clarify EQIP Funding/Dredging Cost-Share.

House Bill 121 excludes Environmental Quality Incentive Program (EQIP) grants from a 50% match limitation on nonfederal funds for water resource development grants for specific appropriations, and exempts dredging projects for ferry channels maintained by the Department of Transportation that are located in Tier One areas from Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund cost-share requirements. This bill became effective on August 16, 2021.

[House Bill 366 \(SL 2021-117\)](#) – Regulatory Reform Act of 2021.

See summary under General Interest.

[House Bill 489 \(SL 2021-121\)](#) – 2021 Building Code and Dev. Reg. Reform.

See summary under Construction Law.

[Senate Bill 211 \(SL 2021-149\)](#) – Amend Water/Sewer Rate Adjustment Mechanisms.

See summary under Government & Public Sector.

[Senate Bill 60 \(SL 2021-153\)](#) – Disapprove Various Solid Waste Rule Changes.

Senate Bill 60 revises certain rules related to Solid Waste Management facilities adopted by the Environmental Management Commission. The bill became effective September 16, 2021, and the provisions expire when permanent rules are adopted as required by the bill.

[Senate Bill 389 \(SL 2021-158\)](#) – DEQ/DNCR Omnibus.-AB

Senate Bill 389 makes various changes to natural, environmental, and cultural resources laws of the State, as recommended by the Department of Environmental Quality (DEQ) and Department of Natural and Cultural Resources (DNCR).

Section 1 modifies conditions for state funding through the Public Beach and Coastal Waterfront Access Program (Program) of beach access property by: (i) eliminating the requirement for local governments to transfer title to any real property to the State if used for non-beach/coastal water access purposes; (ii) requiring local government to dedicate land that is acquired for public access and for the benefit of the public and to record that dedication with the local register of deeds office; (iii) requiring leases or easements that were acquired through the Program grant funds to have a term of at least 25 years; and (iv) requiring local governments to reimburse the State if they use land acquired with the Program funds for purposes other than beach or coastal access, if they sell the property, or if they dispose of the property.

Section 2, effective July 1, 2021, modernizes the Coastal Area Management Act by removing the requirement DEQ notify interested parties of major permit applications and modification.

Section 3 extends the Coastal Resources Commission’s review period from 15 to 30 days for third party challenges on development permit decisions.

Section 4 amends the DEQ’s Stormwater Management Program by:

- Adding annual compliance certifications for new and existing stormwater permits, clarifying that this addition is not new or increased stormwater controls, requiring DEQ to provide for annual electric submission of this certification, and providing DEQ may only require permit holders or their designee to submit the annual certification.
- Modifying the transfer process for stormwater permits to bring permitted activities into compliance with approved conditions for stormwater plans and permits.
- Establishing a permit modification request procedure for low density permits issued prior to January 1, 2017, that have exceeded a permitted build-upon area to bring the projects into compliance with the built-upon area limit.
- Revoking low density stormwater certifications and approvals issued prior to September 1, 1995 (starting January 1, 2022), and providing that the built-upon area is considered “existing development” under G.S. 143-214.7(a1).

Effective October 1, 2021, Section 5 shortens the deadline to request a civil penalty remission under the Sedimentation Pollution Control Act to 30 days after receipt of notice.

Section 6 provides an Underground Storage Tank Commercial Trust Fund owner, operator, or landowner may have up to 30 days to provide additional information if requested by DEQ for reimbursement requests. The 30 days does not count against the 12-month deadline for making a reimbursement request.

Section 7 shortens the submission and notice deadline for survey plans to 90 days, and makes accompanying technical and clarifying changes.

Section 8 makes various technical and clarifying changes to the statute concerning basinwide water quality management plans.

Section 9 clarifies the Department of Public Safety, not DEQ, is responsible for supervising sanitation and health conditions of places of confinement of prisoners.

Section 10 eliminates the Sedimentation and Erosion Control Program’s in-person notice requirement for first-time violations. This section became effective October 1, 2021.

Section 11 revises sedimentation and erosion control stop-work order procedures by repealing G.S. 113A-65.1(f) and (h).

Section 12 broadens access to the North Carolina Library for the Blind and Physically Handicapped to include people unable to use standard print materials due to reading challenges.

Section 12.5 clarifies DNCR may recognize gifts in the naming of exhibits, features, or their programs.

Except as otherwise provided, this bill became effective on September 16, 2021.

[House Bill 181 \(SL 2021-160\)](#) – Wildlife Resources Comm’n. Amendments.-AB

House Bill 181 makes various changes to Wildlife Resource Commission (WRC) statutes. Section 4 creates a wildlife control technician certification for employees of wildlife control agents engaging in wildlife damage control or wildlife removal activities for compensation. Section 7 allows the WRC to declare a wildlife emergency in responding to an outbreak of chronic wasting disease (CWD) in North Carolina. Upon declaring the emergency, WRC is authorized to request needed funding for immediate investigation, containment, and eradication of the outbreak following the existing process for requesting an allocation from the Contingency and Emergency Fund. WRC is required to request any available federal funds to address a CWD outbreak, and those funds will be used to offset the Contingency and Emergency Funds. Section 7 became effective July 1, 2021. Except as otherwise provided, the bill became effective September 20, 2021.

[House Bill 218 \(SL 2021-164\)](#) – Streamline Permits/Redevelopment of Property.

See summary under Government & Public Sector.

[House Bill 951 \(SL 2021-165\)](#) – Energy Solutions for North Carolina.

House Bill 951 makes various changes to public utilities statutes. Specifically, the bill:

- Requires the Utilities Commission (Commission) to take all reasonable steps to achieve a 70% reduction in emissions of carbon dioxide from electric public utilities from 2005 levels by the year 2030, and carbon neutrality by the year 2050.
- Authorizes the Commission to use "performance-based regulation" for the electric public utilities operating in the State, meaning an alternative ratemaking approach that includes decoupling revenue from electricity consumption, one or more performance incentive mechanisms, and a multi-year rate plan.
- Requires the Commission to adopt rules on various matters, including to require an electric public utility to use bond financing (securitization) of costs associated with early retirement of subcritical coal-fired electric generating facilities, with such costs to be securitized at 50% of the remaining net book value of all subcritical

coal-fired electric generating facilities to be retired to achieve the authorized carbon reduction goals set forth in the bill.

- Authorizes the Commission to allow potential modification of certain existing power purchase agreements with eligible small power producers.

Except as otherwise provided, the bill became effective on October 13, 2021.

ESTATE PLANNING & FIDUCIARY LAW

[House Bill 395 \(SL 2021-26\)](#) – HIE Deadline Extension & Patient Protection.

See summary under Health Law.

[Senate Bill 135 \(SL 2021-32\)](#) – Improve Anatomical Gift Donation Process.

See summary under Health Law.

[Senate Bill 50 \(SL 2021-53\)](#) – Estate Planning Law Changes.

Senate Bill 50 was the product of the NCBA's Estate Planning & Fiduciary Law. Part I, which deals with Living Probate for Trusts, creates Article 4C in Chapter 36C of the General Statutes to permit the settlor of a revocable trust who is a resident of North Carolina to seek a judicial declaration of the validity of the trust, by filing a verified petition in superior court in the settlor's county of residence.

Part II makes various changes to Appointment of Guardians for Single Transactions under Chapter 35A. This Part amends Article 2 of Chapter 35A to authorize the clerk of superior court, without appointing a guardian, to authorize, direct, or ratify:

- Any single protective arrangement or single transaction necessary or desirable to meet the foreseeable needs of a minor or incompetent person.
- Any contract, trust, or other transaction relating to the property or business affairs of the minor or other incompetent person that is in their best interest.

Part III makes various changes to trusts and estates proceedings under Chapter 36C, including provisions requiring certain Rules of Civil Procedure to apply to trust and estate proceedings and lengthening the response time in trust proceedings to 20 days after service of the petition which makes the response time the same in estate and trust proceedings.

Part IV amends portions of the North Carolina Uniform Powers of Appointment Act (Chapter 31D), in accordance with the Uniform Law Commission’s amendments to the Uniform Powers of Appointment Act. Section 4.2 of the bill amends G.S. 31D-3-305 to permit the holder of a nongeneral power of appointment to create a new nongeneral power of appointment in a permissible appointee to appoint to one or more persons, provided that the permissible appointees of the new nongeneral power include at least one of the permissible appointees of the original nongeneral power.

Parts I, II, and III of the bill became effective October 1, 2021, and apply to proceedings initiated on or after that date. The remainder of the bill became effective June 25, 2021. Section 4.1 applies to powers of appointment created on or after June 25, 2021. Section 4.2 applies to the exercise, on or after June 25, 2021, of a power of appointment created before, on, or after that date.

[Senate Bill 644 \(SL 2021-71\)](#) – Landlord/Tenant Changes.

See summary under Real Property.

[House Bill 168 \(SL 2021-75\)](#) – Retirement Administrative Changes Act of 2021.-AB

See summary under Labor & Employment.

[Senate Bill 197 \(SL 2021-85\)](#) – GSC Trusts & Estates Amendments.

Senate Bill 197 makes various changes to the trust and estates statutes. Part I removes the requirements that: (i) a witness testify as to a holographic will’s location for it to be probated, and (ii) a holographic will be found in a certain location while allowing the court to still consider other factors.

Part II updates the definitions of “terms of a trust” and “trust instrument” in the Trust Code in congruence with Uniform Trust Code changes. Section 2(b) adds to the Trust Code’s mandatory rules under G.S. 36C-1-105 that the duty to act in good faith, and in accordance with the terms and purposes of the trust and the interest of the beneficiaries, is also subject to the article on power holders with respect to a trustee.

Section 2(c) of Part II revises the article on power holders by:

- Revising the definition of “power holder” in G.S. 36C-8A-1 and adding that a power holder may be one or more individuals or one or more other persons qualified to exercise trust powers, and that a person is a power holder whether or not the terms of the trust refer to the person as a power holder and whether or not the person is a beneficiary or settlor of the trust.

- Adding new subsections (c) and (d) to G.S. 36C-8A-2 that provide: (i) the power holder may exercise further power appropriate to exercise or nonexercised of a power granted under subsections (a) and (b); and (ii) the power holder's powers are subject to provisions of G.S. 36C-8-814 regarding discretionary powers and tax savings.
- Revising G.S. 36C-8A-3 by setting out a nonexclusive list of provisions applicable to trustees that are also applicable to power holders, but allowing the terms of a trust to provide that a power holder is a nonfiduciary with respect to the exercise or nonexercise of a power, including the power to achieve the settlor's tax objectives, and generally the power to remove and appoint a trustee or power holder shall be deemed to be held in a nonfiduciary capacity.
- Creating a new subsection to G.S. 36C-8A-3 that requires power holders to provide certain information to a trustee or another power holder but does not require them to monitor a trustee or another power holder, or to inform or give advice to a settlor, beneficiary, or another power holder.
- Amending G.S. 36C-8A-4 by adding that (i) a trustee does not have a duty to inform or give advice to a settlor, beneficiary, trustee, or power holder concerning an instance in which the trustee might have acted differently from a power holder, and (ii) a trustee shall provide certain information to a power holder.
- Creating G.S. 36C-8A-4.1 and G.S. 36C-8A-4.2, which provide default rules for an action against a power holder for a breach of trust.
- Amending 36C-8A-8 to: (i) add that a vacancy in the office of a power holder does not need to be filled if one or more of the power holders remain in office; (ii) state that a person shall act as the successor power holder if the trust provides for one; (iii) allow the court to appoint a power holder when necessary; and (iv) subject the successor power holder to the duties and liabilities of the original power holder upon succession.
- Creating G.S. 36C-8A-12, providing that bonds are only required from the power holder if they are required by the terms of the trust, and sets out which provisions apply if bonds are, or are not, required.

Part III clarifies the trust exclusion to the statutory rule against perpetuities (RAP) by removing the reference to G.S. 41-23 from the statutory RAP, and adding to the list of exclusions from the statutory RAP a nonvested property interest in, or a power of appointment over, property or property interests of a trust to which G.S. 41-23 applies.

Parts I and II became effective on July 8, 2021. Part III also became effective on July 8, 2021, but applies to trusts created on or after August 19, 2007, which was the date G.S. 41-23 was enacted. Lastly, Part IV states that, except as otherwise provided, the act became effective July 8, 2021.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.

See summary under General Interest.

[Senate Bill 196 \(SL 2021-91\)](#) – GSC Sale of Property Amend/Delay Prosec Split.

See summary under Real Property.

[Senate Bill 542 \(SL 2021-157\)](#) – SHP Combat Fraud/Property Finders Stnds.

See summary under Health Law.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

See summary under Real Property.

[Senate Bill 191 \(SL 2021-171\)](#) – The No Patient Left Alone Act.

See summary under Health Law.

FAMILY LAW

[Senate Bill 113 \(SL 2021-18\)](#) – Modify Termination of Parental Rights Appeals.

See summary under Juvenile Justice & Children’s Rights.

[Senate Bill 172 \(SL 2021-25\)](#) – Additional COVID-19 Response & Relief.

See summary under Government & Public Sector.

[Senate Bill 255 \(SL 2021-47\)](#) – 2021 AOC Legislative Changes.

See summary under General Interest.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.

See summary under General Interest.

[House Bill 132 \(SL 2021-100\)](#) - Juvenile Code Rev’s/CIP Recommendations.-AB

See summary under Juvenile Justice & Children’s Rights.

[Senate Bill 35 \(SL 2021-119\)](#) – Max 4-Yr Age Diff to Marry Under 18 Yrs.

Senate Bill 35 amends the age in which a person can marry. Specifically, Section 1 raises the legal age to marry from age 14 to age 16. It also provides a maximum four-year age difference for persons over 16 and under 18 to marry, and requires them to file a certified copy of an order issued by a district court judge allowing the marriage under G.S. 51-2.1. Section 2 makes conforming changes in G.S. 51-2.1 to allow a district court judge to authorize a marriage between a person over 16 and under 18 to a person no more than 4 years older. The bill deletes language allowing a 14 or 15-year-old to marry in certain circumstances. Section 3 makes a conforming change to G.S. 51-3 (dealing with lack of capacity to marry, void marriages, and voidable marriages). This bill became effective on August 26, 2021, and applies to marriages entered into on or after that date.

[Senate Bill 693 \(SL 2021-132\)](#) – Expedite Child Safety and Permanency.

See summary under Juvenile Justice & Children’s Rights.

[House Bill 608 \(SL 2021-143\)](#) – Dignity for Women Who are Incarcerated.

See summary under Criminal Justice.

[House Bill 769 \(SL 2021-144\)](#) – Foster Parents’ Bill of Rights.

See summary under Juvenile Justice & Children’s Rights.

[House Bill 351 \(SL 2021-145\)](#) – Clifford’s Law.

See summary under Health Law.

[House Bill 181 \(SL 2021-160\)](#) – Wildlife Resources Comm’n. Amendments.-AB

See summary under Environment, Energy & Natural Resources Law.

GENERAL INTEREST

[Senate Bill 36 \(SL 2021-1\)](#) – Modifications to 2020 COVID-19 Relief Legislation.

Senate Bill 36 makes various changes to the 2020 COVID-19 relief legislation.

Specifically, Section 1 extends the time for extra credit grant recipients to receive awards to address issues with amended returns, tax software issues, and failure to apply for grants that resulted in intended recipients not receiving assistance under the program.

Section 2 repeals the Office of State and Budget Management’s (OSBM) authority to reallocate COVID-19 funds on the grounds that such funds were in danger of being

forfeited back to the federal government due to an inability to deploy the funds under the old December 30, 2020 deadline.

Section 3.1 updates the deadline for the Coronavirus Relief Fund (CRF) for expenditures from the old December 30, 2020 deadline to the deadline by which they must be used pursuant to federal law and guidance. Section 3.2 addresses the numerous specific allocations from the CRF for purposes of updating the deadline by which they must be used. Section 3.3 updates and requires more detail and more frequency of reports from the North Carolina Pandemic Recovery Office (NC PRO) for allocations from the CRF. Section 3.4 adjusts the dates of reporting for Caitlyn's Courage (domestic violence GPS monitoring pilot programs). Section 3.5 adjusts the term NC PRO is authorized to operate and increases reporting requirements from that entity. Sections 3.7 and 3.8 address transfers and appropriations for the CRF and Coronavirus Relief Reserve (CRR) to allow for the GREAT Act offset of \$39M. Section 3.9 addresses the deadline for the \$22M for DPI for increasing average daily membership. Section 3.12 extends the authority for State entities to procure from the open market necessary supplies to address the COVID-19 pandemic from December 30, 2020, to December 31, 2021.

Sections 4.1 and 4.2 transfer and appropriate \$39M for the GREAT Program from the General Fund in the swap out for funds identified in Section 3.2 above. The Sections also remove date restrictions, alter eligibility parameters, eliminate lump sum grant awards to providers, and limit the grantees that can be awarded a supplemental grant authorized in other legislation.

Section 5 appropriates funds received from federal grants authorized under the Consolidated Appropriations Act 2021 for COVID-19 Vaccine Preparedness, Elementary and Secondary School Emergency Relief Funding, and Emergency Rental Assistance to, respectively, DHHS, DPI, and the North Carolina Office of Recovery and Resiliency in DPS and OSBM. Recipient public school units, and State agencies and departments, must report quarterly on, among other things: amount of federal funds received, expended, and used; persons served; administrative costs; unspent funds; and positions established.

The bill became effective on February 10, 2021.

[House Bill 196 \(SL 2021-3\)](#) – 2021 COVID-19 Response & Relief.

House Bill 196 makes several modifications to the State COVID-19 relief legislation, and appropriates and provides additional guidance for expenditure of COVID-19 pandemic relief funds from the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). Specifically:

- Section 1.1 appropriates federal CRRSAA funds for various programs to be administered by State agencies.
- Section 1.2 directs the Department of Public Instruction (DPI) to allocate federal funds received under the Elementary and Secondary School Emergency Relief II Fund (ESSER II) to support various programs and entities in response to the COVID-19 pandemic.
- Section 1.3 directs the State Board of Education to use unallocated ESSER II funds to meet the emergency needs of elementary and secondary schools.
- Section 1.4 provides additional guidelines to the Office of Recovery and Resiliency in the administration of the federal Emergency Rental Assistance program and allocation of the funds received under the program.
- Section 1.5 appropriates certain federal block grant funds in response to the COVID-19 pandemic as follows: (i) Child Care and Development Block Grant funds for cleaning and sanitation, copayment assistance, and other initiatives, as funds are available, provided no funds are to be used for staff bonuses; (ii) Community Mental Health Services Block Grant funds for mental health, including NC-STeP (statewide telepsychiatry program); and (iii) Substance Abuse Prevention and Treatment Block Grant funds for services statewide for those in need.
- Section 1.6 allocates the Emerging & Infective Disease Enhancing Detection Expansion cooperative agreement grant appropriated to the Division of Public Health (DPH), in accordance with CDC guidance and regulations.
- Section 1.6A directs the Department of Health and Human Services (DHHS) to allocate federal COVID-19 Vaccine Preparedness grant funds or from Federal Emergency Management Agency (FEMA) funds to cover the actual costs associated with (i) integration of the NC COVID Vaccine Management System with NC HealthConnex and (ii) added functionality between those systems to support the State's public health response to COVID-19. If the federal government disapproves of using COVID-19 Vaccine Preparedness grant funds or FEMA funds for these purposes, then DHHS must allocate to the GDAC funds to cover the costs of the project.
- Section 1.7 appropriates funds received under the CRRSAA for transportation.
- Section 1.8 establishes a reporting requirement on the use of federal grant funds appropriated in this bill.
- Section 2.2 clarifies that funds provided for community and home mobile internet access points for students may be used for internet service provided as part of the purchase price of a device and at no additional or ongoing cost.
- Section 2.3 retroactively extends the temporary provision from the 2020 session in which UNC constituent institutions were prohibited from charging interest on

students' past due accounts, which had expired on September 15, 2020. This provision extends the prohibition to apply until December 31, 2021.

- Section 2.4 allows UNC employees to use accrued vacation, sick, and bonus leave for any COVID-19 related absences, except in certain leave option circumstances, until December 31, 2021.
- Section 2.5 extends the provision that allowed increased enrollment for virtual charter schools for the 2020-2021 school year to have the same increased enrollment for the 2021-2022 school year.
- Section 2.7 requires a local government to issue temporary certificates of compliance and occupancy to health service facilities if certain criteria are met. This section expires on the later of the rescission of the COVID-19 emergency declaration or completion of the improvements agreed to by the facility.
- Section 2.8 amends Session Law 2020-3 to require the State Health Director to update any existing statewide standing order to be consistent with federal law, including the Public Readiness and Emergency Preparedness Act to allow qualified individuals to administer a COVID-19 vaccine, and provides the corresponding immunity to those qualified individuals.
- Section 2.9 would allow certain pharmacists to administer long-acting injectable medications to adults with valid prescriptions. A pharmacist would be required to maintain certain patient records and must inform the patient's primary care provider within 72 hours of administration. This section became effective October 1, 2021.
- Section 2.10 extends authority to perform notarial acts using video conference technology until the end of 2021 and extends the authority to the signature of a record using video conference technology until December 31, 2021.
- Section 2.11 allows the NC Appraisal Board to adopt or amend any emergency rules to modify their educational requirements until December 31, 2021.
- Section 2.13 changes language regarding the effective date of the Health Care Provider liability provision from S.L. 2020-3 to apply during the pendency of the Governor's Executive Order 116 or during any declared state of emergency in effect in response to COVID-19 to be consistent with the intent and purpose of the section as originally enacted.
- Section 2.14 amends the "Health Care Provider" definition in the Emergency or Disaster Treatment Protection Act to include volunteers who assist in administering COVID-19 vaccinations.
- Section 2.16 makes permanent a change allowing reduced paperwork for unclaimed property claims of \$250 or less.
- Section 2.17 extends the flexibility given to the Board of Nursing and the Medical Board for quality improvement plan rules through December 31, 2022.

- Section 2.18 temporarily allows pharmacists to accept expired drivers licenses or other appropriate forms of identification for the dispensing of certain drugs that require the presentation of a valid NC drivers license or ID, as long as the ID expired during the COVID-19 emergency and the individual seeking the drugs presents a valid prescription, if required. This section expires on the earlier of 6 months after the date the Governor signs an executive order rescinding Executive Order No. 116 (2020), Declaration of a State of Emergency, or December 31, 2021.
- Section 2.19 allows tourism development authorities to enter into a loan agreement under the Paycheck Protection Program. The acceptance of a loan does not obligate the State, a county, or a city to repay the loan. The repayment of any amount that is not forgiven must be repaid from occupancy tax proceeds remitted to the authority.
- Section 2.21 modifies the extension of certain local government approvals affecting real property development enacted in S.L. 2020-97 to 150 days from the date the Governor's executive order is rescinded.
- Section 3.1 reallocates certain funding initially allocated in S.L. 2020-4 for various COVID-19 pandemic-related purposes.
- Section 3.2 through Section 3.5 swapped-out certain funds for General Fund Appropriations and adjusts the total amounts allocated to/from various CRF funds accordingly.

Except as otherwise provided, the bill became effective on March 11, 2021.

[Senate Bill 255 \(SL 2021-47\)](#) – 2021 AOC Legislative Changes.

Senate Bill 255, as requested by the Administrative Office of the Courts (AOC), makes the following changes:

- Requires jury instructions in medical malpractice cases that are given orally to also be reduced to writing, and for the Senior Resident Superior Court Judge to designate a specific judge to preside over all of the proceedings. (Effective October 1, 2021, and applies to all medical malpractice actions filed on or after that date).
- Allows each county's jury commission that is making a 2022-2023 master jury list to base the list on the number of jurors drawn during 2018-2019 if the commission determines the data would be more representative of the number of jurors required than the names drawn in 2020-2021.
- Removes the requirement to serve a notice of rights to claim exceptions to a judgment debtor before a writ of execution or possession can be issued if the

exemptions are inapplicable under G.S. 1C-1601(e), and deletes a provision that states the exemptions provided in Article X of the North Carolina Constitution are waived if a judgment debtor fails to request a hearing within 20 days of being served with a notice of rights. (This Section is applicable to motions and petitions filed on or after June 18, 2021.)

- Adds a court management staff member as an appointee of the Chief Justice of the Supreme Court to the Dispute Resolution Commission and provides immunity to the Commission's members from civil suits for all conduct undertaken in the course of their official duties. (This Section applies to conduct occurring on or after June 18, 2021.)
- Requires the General Assembly to appoint alternates for two Judicial Standards Commission members who would serve in the event of conflicts.
- Clarifies that orders for arrest for failure to appear can only be issued if the defendant in the case is charged with a criminal offense.
- Conforms changes related to the instances in which criminal pleas may be received in writing from the defendant. (Applies to pleas received on or after June 18, 2021).
- Clarifies that, in summary ejectment actions, a writ of possession may be issued if the defendant appellant, who was given notice of appeal, fails to make a rental payment required under the appeal bond within five business days of the rental agreement's stated due date.
- Allows for all court proceedings, on or after June 18, 2021, to be conducted via audio and video transmission, when the participants can see and hear each other unless: (i) the proceeding is a civil proceeding that involves a jury and there is not good cause for a witness to testify by audio and video transmission, (ii) an objecting party in a civil proceeding involving a jury demonstrates good cause for their objection, or (iii) the proceeding is a criminal or juvenile delinquency proceeding and there has not been a valid waiver of the right to confront a witness when the right has been implicated.
- Repeals G.S. 7B-1906(h), G.S. 15A-511(a1), and G.S. 50C-6(e), and amends various parts of G.S. 15A, G.S. 50B, and G.S. 50C, all relating to the use of audio and video proceedings, to conform to the changes in the preceding section.
- Temporarily authorizes the Chief Justice to expand the list of emergency superior court judges to 25 judges and assign the emergency judges to hold sessions of court to address case management overload related to COVID-19 (expires July 1, 2022).

- Requires written settlement agreements reached during mediation to be signed by the designee of the party against whom enforcement is sought in order to be enforceable. (Applies to settlement agreements reached on or after June 18, 2021).
- Requires AOC to prescribe rules of conduct for magistrates by October 2021.
- Amends G.S. 1-239 to clarify the date on which a payment made to the clerk through execution by the sheriff should be applied and credited.
- Permits AOC to provide notice to government agencies of expunctions granted when charges are dismissed or when there are findings of “not guilty”.
- Provides that G.S. 15A-951 motions would be served upon an attorney or a party, and proof of service is made by filing a Rule 5 certificate of service.
- Permits declarations under penalty of perjury for electronically filed court documents, so long as the unsworn declaration is not: (i) oral testimony; (ii) oaths of office; (iii) statements under oath or affirmation that must be taken before a specific official other than a notary of public; (iv) a will or codicil; or (v) G.S. 41-17 documents (real property, deeds, contracts, or leases requiring acknowledgements).
- Provides, as of December 1, 2021, a person who commits perjury in an unsworn declaration is subject to the same punishment as those who commit perjury under an oath or affirmation.

Except as otherwise provided, this bill became effective on June 18, 2021.

[Senate Bill 277 \(SL 2021-60\)](#) – Ret. & Treasury Tech. Corrections Act of 2021.-AB

Senate Bill 277 makes various technical and clarifying changes to the Teachers' and State Employees' Retirement System (TSERS), the Local Government Commission, and the statutes allowing a limited license to practice law by out-of-state attorneys. Part I of the bill clarifies that out-of-state attorneys seeking to handle a legal proceeding in North Carolina must pay the required fees to either the clerk of court, for judicial proceedings, or the presiding administrative agency, for administrative proceedings. Part II of the bill makes technical changes to the statutes governing the TSERS, corrects a citation in G.S. 135-3(8), and clarifies the process allowing a County Commission to certify the amounts submitted to the Register of Deeds' Supplemental Pension Fund. Part III of the bill makes technical changes to the Local Government Commission statutes, and clarifies that representative payee funds received by local governments from the Social Security Agency Representative Payee Program are not part of the general budget and must be used to support the intended recipients. The bill became effective July 1, 2021.

[Senate Bill 605 \(SL 2021-78\)](#) – North Carolina Farm Act of 2021.

The North Carolina Farm Act of 2021 (Senate Bill 605) makes changes to the General Statutes applicable to agriculture, forestry, and the Department of Agriculture and Consumer Services (Department).

Section 1 makes technical and other changes surrounding voluntary agricultural districts (VAD). When a local government establishes a VAD, it gives notice of the presence of a farm to increase protection from nuisance suits, waives water and sewer assessments, requires public hearings for proposed condemnation, and provides farmlands eligibility for preservation funding. In addition to technical changes, changes in Section 1 include:

- Amends the requirements for an ordinance to establish a VAD.
- Clarifies local governments can either make decisions about establishment and modification of VAD or delegate that authority to an agricultural advisory board.
- Allows local governments to give agricultural advisory boards authority to execute agreements with landowners necessary to enroll land in a VAD.
- Clarifies the membership criteria for an agricultural advisory board.
- Requires some form of notice in land records to alert people that a tract is located within one-half mile of the property line of any tract of land enrolled in a VAD.

In State Forest rule offense cases, Section 2 allows magistrates to accept waivers of trial or hearing for misdemeanors or infractions. This section became effective December 1, 2021, and applies to offenses committed on or after that date.

Unless the Commissioner of Agriculture has prohibited all open burning during periods of hazardous conditions, starting December 1, 2021, Section 3 exempts fires from the open burning laws if all of the following requirements are met: (i) the fire was started for cooking, warming, or ceremonial events; (ii) the fire is confined in an enclosure in which burning material may not escape or within a protected area that is being watched; and (iii) adequate protective equipment is provided.

Section 4 provides that the Department can give either monetary overtime compensation or compensatory leave to North Carolina Forest Service employees who are exempt from the Fair Labor Standards Act, and are involved in putting out forest fires, for overtime earned while engaging in fire suppression duties.

Effective December 1, 2021, Section 5 does the following:

- Makes it a Class G felony to (i) knowingly and willfully cut down, injure, or remove timber owned by another person without the consent of the owner of the land or timber, or other legal authority, unless a good faith exception for electric power supplier employees or agents applies (under certain circumstances) and (ii) to buy timber directly from the owner of the timber and fail to pay by the date specified in the written agreement or within 60 days of the date the buyer removes the timber from the property.
- Requires defendants convicted of larceny of timber to pay restitution to the owner of the timber for three times the value of the timber.
- Allows the owner in a civil action to recover triple the value of the wood, timber, shrub, or tree from a person who violates G.S. 1-539.1.
- Allows the owner in a civil action to recover triple the value of commodities or systems injured or destroyed under G.S. 1-539.2B.

Section 6 requires timber buyers or operators to provide a wood load ticket to timber growers or sellers. Wood load tickets are required, at a minimum, to include the name of the timber growers or seller, the wood product's county in which it was severed, the amount of wood product, and the delivery date. A violation of this Section is a Class 2 misdemeanor. The Section does not apply to sales of firewood, landowners harvesting and processing their own timber, or bulk or lump-sum sales for an agreed total price for all timber sold and purchased in one transaction. Section 6 becomes effective December 1, 2021, and applies to offenses committed on or after that date.

Effective December 1, 2021, Section 7 adds G.S. 14-135, "cutting, injuring, or removing another's timber" and G.S. 14-140.1, "Certain fire to be guarded by a watchman," to the definition of "Forest Laws" enforced under G.S. 106-897.

Section 8 requires electronic records to be available to the Commissioner of Agriculture or an authorized representative for record audits regarding tonnage statements for the sale of agricultural liming materials, sale of agricultural or vegetable seeds, distribution of commercial animal feed, and the sale of commercial fertilizers.

Section 10 clarifies that, in the definition of "employment" in the worker's compensation statutes, the term "agriculture" has the same meaning as it does in G.S. 106-581.1.

Section 11 creates a new general permit for farms with farm digester systems by making the following changes:

- Directing the Environmental Management Commission (“Commission”) to develop a new general permit for animal operations that includes authorization for permittees to construct and operate farm digester systems.
- Defining various terms.
- Providing instruction to the Commission to develop the general permit, and providing that after the issuance of the new general permit, the decision to require an individual permit must not be based solely on the fact that the animal waste management system utilizes a farm digester system.
- Setting forth the process when the Commission does not make a final permitting decision involving a notice of intent within 90 days of receipt to be covered under the new general permit as follows: (i) deeming the certificate of coverage approved; and (ii) providing a basis for a contested case in which an administrative law judge, within 120 days of the commencement of the case, can either direct the Commission to issue a written certificate of coverage under the general permit or deny the petition.
- Directing the Commission to immediately begin the process of developing and issuing a general permit for animal operations.
- Providing that, until the new general permit is issued, any animal operation that holds a general or individual permit that (i) is in effect on July 2, 2021, and (ii) authorizes the construction and operation of a farm digester system, may construct and continue to operate the farm digester system as authorized by that permit.
- Providing that animal operations that do not hold a farm digester system permit are allowed to submit a notice of intent to be covered under a new general permit. The Commission must notify the applicant if the submitted notice is incomplete.
- Requiring the Commission to either issue a certificate of coverage allowing the operator to construct and operate the farm digester system or notify the operator of the basis for denial of coverage within 90 days of receiving a completed notice.
- Authorizing construction and operation of a farm digester system under the existing general permit to be deemed approved if the Commission does not act in 90 days.
- Providing that this Section does not apply to permits for facilities that are required to have a National Pollution Discharge Elimination System permit under federal law.
- Clarifying that a farm digester system that is a component of a preexisting swine farm may be constructed or renovated if the construction or renovation of the farm digester system meets several requirements. (See Section 11(g)).
- Exempting farm digester systems from property tax.

Section 12 provides that drivers licenses issued to H-2A workers expire three years after the date of issuance of the H-2A worker's visa, except that, if the H-2A worker's visa is not extended, then the license expires when the worker's visa expires.

Except as otherwise provided, this act became effective on July 2, 2021.

[Senate Bill 197 \(SL 2021-85\)](#) – GSC Trusts & Estates Amendments.

See summary under Estate Planning & Fiduciary Law.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.

House Bill 67, recommended by the General Statutes Commission, contains corrections of a technical nature to the General Statutes and session laws. Chapters with changes include: 14, 15A, 18B, 28A, 36C, 42, 43A, 50, 85B, 90B, 108A, 112C, 113, 115C, 122C, 131E, 143, 143B, 144, 150B, and 160D. Except as otherwise provided, the bill became effective on July 22, 2021.

[House Bill 522 \(SL 2021-94\)](#) – Modify Service/Release of Alternate Jurors.

House Bill 522 amends G.S. 15A-1215(a) to clarify that alternate jurors are not to discuss the case with anyone until replaced or discharged. It further clarifies that, if an alternate juror was appointed due to an impaneled juror's inability to serve, the jury would need to begin deliberating anew, if deliberations had begun. Additionally, it clarifies that alternate jurors would be discharged in the same manner, and at the same time, as the original jury. The bill became effective October 1, 2021, and applies to jurors or alternate jurors selected on or after that date.

[House Bill 366 \(SL 2021-117\)](#) – Regulatory Reform Act of 2021.

House Bill 366 amends North Carolina General Statutes related to government, agriculture, environment, energy, natural resources, and other regulations.

Section 1 raises the benefit threshold exemption for public officers and employees involved in making or administering contracts for goods and services not medically related to \$60,000, and exempts public officials holding a position for a municipality of a maximum of 20,000 for all contracts executed on or after August 23, 2021.

Under Section 2, starting January 1, 2022, North Carolina Pre-K operators are required to provide parents with information pertaining to the county's school options.

Section 3 requires the Department of Environmental Quality (DEQ) to study, and report on by March 1, 2022, the additional positions and funding needed, and changes in laws and

regulations necessary, to expand the express permitting programs to include additional types of permits typically required for job creation and real estate development or redevelopment activities.

In determining priority for loans or grants from the Waste Water or Drinking Water Reserve, Section 4 states DEQ's Division of Water Infrastructure (DWI) must give priority to projects that improve designated impaired waters of the State and that serve as a public water supply for a large public water system, as well as improvements made by local government units in efforts to protect or preserve the water supply of a neighboring local government unit that has lower poverty rates, utility bills, and unemployment with higher population growth and median household incomes. This Section applies to applications for loans or grants from the Wastewater Reserve or the Drinking Water Reserve received by DWI on or after September 1, 2021.

Section 5 requires the Department of Revenue to provide information related to property taxation of outdoor advertising signs, and any other issues the Department deems relevant, to the Revenue Laws Study Committee by March 31, 2022.

As of October 1, 2021, Section 6 prohibits local governments from requiring masonry curtain walls or skirting on manufactured homes located on leased property.

Section 7 requires the Department of Public Safety's Division of Emergency Management to study the needs of law enforcement and first responders to improve access to the interstate system. The Division must report its findings no later than March 1, 2022.

Sections 8, 8A, 8B, and 12.5 of the bill make changes related to insurance. Section 8 clarifies that proof of mailing is sufficient to prove notice by the insurer for certain insurance policies or renewal cancellations. Section 8 became effective October 1, 2021, and applies to policies issued, amended, or renewed on or after that date. Section 8A clarifies that secondary sources on insurance law are not binding authority on North Carolina courts. Section 8B reduces the resulting interest guarantee percentage under G.S. 58-58-61(e) from 1% to 0.15%. Section 12.5 directs the Insurance Commissioner to develop eligibility criteria to conduct certain required building inspections as remote inspections and, effective January 1, 2022, directs inspection departments to implement remote inspection procedures in tandem with procedures developed by the Insurance Commissioner. Inspections departments are required to provide the remote inspection option to building permit applicants and to specify the extent to which remote inspections are available for certain projects when the building permit is used.

Section 11 prevents three rules regulating zoning, use, and repair of outdoor advertising signs from becoming effective.

Section 12 allows North Carolina distillers to sell and ship liquor directly to consumers in other jurisdictions that allow for direct-to-consumer sales of liquor, and makes clarifications (i) regarding liquor produced by a holder of a distillery permit and (ii) that North Carolina distillers are not allowed to sell and ship liquor directly to consumers in jurisdictions that require reciprocity for such sales. This section became effective September 1, 2021, and applies to sales made on or after that date.

Section 12A allows for waivers of a post-construction conference for various types of wastewater systems during the engineer option permit process upon written request of the engineer and written approval of the wastewater system owner.

Except at otherwise provided, this act became effective August 30, 2021.

[Senate Bill 105 \(SL 2021-180\)](#) – 2021 Appropriations Act.

Senate Bill 105 was passed by the House on Thursday, November 18, 2021, sending the \$25.9 billion spending bill to Governor Roy Cooper who signed the bill the same day. The 2021 budget is the first state budget signed into law over the past three years, as stalemates have plagued compromise efforts between the General Assembly and Governor's office.

The 2021 Budget includes funding for the Judicial Branch's eCourts initiative, including a \$7,412,633 appropriation in 2021-2022 and \$8,405,916 appropriation in 2022-2023 to the Administrative Office of the Courts.

Some of the other provisions include:

- Removal of the requirement that agencies consult with the Joint Legislative Commission on Governmental Operations prior to establishing or increasing fees to levels already authorized or anticipated by the act. (Section 5.1).
- A new subsection added to G.S. 160D that limits harmony requirements for affordable housing. (Section 5.16).
- Amendments to G.S. 115C to allow for immediate judicial review of an administrative law judge's decision in special education due process hearings (Section 7.25) and to require more training and resources from the Center for Safer Schools to increase school safety (Section 7.30).
- Changes to lifetime educator licensure requirements. (Section 7.57).

- Requirement that a local charter school’s local board of education consult with public water systems before applying for development approval under 160D to ensure the public water system has the capacity to serve the school. (Section 7.64).
- An education requirement on the Holocaust and genocide for middle school and high school students. (Section 7.84).
- Allowing in-state tuition athletic scholarships, despite a change of residency, for college students in the University of North Carolina System. (Section 8.7).
- The consolidation of the public colleges and universities need-based financial aid. (Section 8A.2).
- An increase in the personal needs allowance for aging adults under the State-County Special Assistance program from \$46.00 to \$70.00 per month starting January 1, 2022 (Section 9A.2), and changes to the program. (Section 9A.3A).
- Expansion of North Carolina Innovation Waiver slots. (Section 9D.12).
- A continuation of Medicaid coverage for pregnant women for 12 months postpartum (Section 9D.13), and continued Medicaid eligibility for parents while their child is temporarily placed in the foster care system. (Section 9D.14).
- Codification of the Department of Health and Human Services’ duty to provide limited access to patient data under the Medical Care Data Act. (Section 9E.3).
- Modification of the Certificate of Need Exemption for Legacy Medical Care Facilities. (Section 9E.4).
- Revision of the adult care home infection prevention requirements under G.S. 131D-4.4A to include all infectious diseases. (Makes adjustments effective January 1, 2022.)(Section 9E.7).
- Exempting certain employees from State Operated Healthcare facilities from most provisions of the North Carolina Human Resources Act. (Section 9F.19).
- An increase in foster care and adoption assistance rates. (Section 9I.11).
- Creation of an Esports Industry Fund to encourage esports events to be held in the state. (Section 11.13).
- A waiver of expunction costs for victims of human trafficking. (Section 16.4).
- Establishment of “Judicially Managed Accountability and Recovery Courts” that provide programs in cases in which offenses, delinquent acts, and child abuse and neglect where mental, behavioral, or medical health is a significant factor in the commission of the offense or act. (Section 16.5).
- A requirement for appointed district court judges to run in the next general election. (Section 16.6).

- An increase in the number of Business Court judges from five to six. (Section 16.7B).
- A mandate for the results of forensic analysis to be admissible in court. (Section 16.17).
- Establishment of the “Department of Adult Correction” and modifying changes. (Section 19C.9).
- A clarification that eligible members of the National Guard are also given “Veterans Preference” in state jobs. (Section 19E.4).
- Making changes to the “Emergency Management Act” and setting a limit on how long the Governor can declare a State of Emergency without concurrence by the Council of State, beginning January 1, 2023. (Section 19E.6).
- Changes to the “GREAT” program to increase access to broadband. Conforming changes are made to various city and zoning statutes for implementation. (See Section 38).
- A revision to the outdoor advertising control act regarding the relocation of billboards. (Section 41.47).
- A plan to reduce personal income tax to 3.99% after 2026. (Section 42.1).
- Elimination of income tax on military pension income. (Section 42.1A).
- A plan to phase out corporate income tax after 2029 (Section 42.2), and reduce the impact of the federal SALT cap by allowing certain pass-throughs to elect to pay tax at the entity level (Section 42.5). Note: Fiduciaries and beneficiaries of estates and trusts who are shareholders of a taxed S-Corp or partners of a taxed partnership are not allowed a credit under the section for taxes paid by estates and trusts to another state or country on taxed income. (See Section 42.5(k)).
- The designation of vaccines as a special class that is excluded from tax, effective for taxable years beginning on or after July 1, 2022. (Section 42.12).

GOVERNMENT & PUBLIC SECTOR

[House Bill 53 \(SL 2021-9\)](#) – Educ. Changes for Military-Connected Students.

See summary under Military & Veterans Law.

[House Bill 156 \(SL 2021-13\)](#) – Unclaimed Prop. Div. Amend./DMV Tech Chngs.-AB

See summary under Real Property.

[House Bill 279 \(SL 2021-16\)](#) – COVID-19 Related Tax Chngs/UI Tech Correct.

See summary under Tax.

[House Bill 217 \(SL 2021-23\)](#) – Utilities Comm’n Tech. and Add’l Changes.

See summary under Environment, Energy & Natural Resources Law.

[Senate Bill 172 \(SL 2021-25\)](#) – Additional COVID-19 Response & Relief.

Senate Bill 172 establishes reserve funds to handle grant funds the State received under the federal American Rescue Plan Act (ARPA). Part I contains general provisions. Part II details how federal funds provided to the State will be handled:

- Section 2.1 – Establishes the State Fiscal Recovery Reserve to hold federal funds received from the Coronavirus State Fiscal Recovery Fund.
- Section 2.2 – Establishes the State Fiscal Recovery Fund. Funds from the State Fiscal Recovery Reserve will be transferred to the Fund and used for purposes allowed under ARPA pursuant to legislation the General Assembly passes.
- Section 2.3 – Establishes the Coronavirus Capital Projects Reserve. This Reserve holds federal funds received from the Coronavirus Capital Projects Fund authorized under ARPA.
- Section 2.4 – Establishes the Coronavirus Capital Projects Fund. Funds from the Coronavirus Capital Projects Reserve will be transferred to the Coronavirus Capital Projects Fund and used for purposes allowed under ARPA, pursuant to legislation the General Assembly passes.
- Section 2.5 – Establishes the Local Fiscal Recovery Reserve (Local Reserve). The Local Reserve holds federal funds received from the Coronavirus Local Fiscal Recovery Fund authorized under ARPA.
- Section 2.6 – Establishes the Local Fiscal Recovery Fund Local Fund to provide funds to nonentitlement units of local government to use in accordance with ARPA.

Part III passes through federal local fiscal recovery funds to local governments as required by ARPA. Part III also appropriates ARPA grant funds to various State agencies, such as the Department of Public Instruction for schools to respond to the impacts of COVID-19, and to programs such as the Emergency Rental Assistance Program.

Except as otherwise provided, the bill became effective on May 24, 2021.

[House Bill 395 \(SL 2021-26\)](#) – HIE Deadline Extension & Patient Protection.

See summary under Health Law.

[Senate Bill 248 \(SL 2021-30\)](#) – Additional Info on Health Ins. Cards.

See summary under Insurance Law.

[Senate Bill 135 \(SL 2021-32\)](#) – Improve Anatomical Gift Donation Process.

See summary under Health Law.

[Senate Bill 241 \(SL 2021-33\)](#) – Modified Utility Vehicle Def/Use of Funds.

See summary under Criminal Justice.

[House Bill 203 \(SL 2021-34\)](#) – Extend Deadline for Police Telecommunicators.

House Bill 203 extends the deadline for certification of municipal police telecommunicators. In 2019, the General Assembly enacted a requirement that telecommunicators employed by municipal police agencies meet the same qualifications and training requirements as those employed by sheriffs' offices no later than July 1, 2021. The bill extends this deadline until July 1, 2022. The bill became effective on June 16, 2021.

[House Bill 812 \(SL 2021-35\)](#) – Clarify Remote Meetings During Emergencies.

House Bill 812 makes clarifications to the authorization of remote open meetings during declarations of emergencies.

Specifically, the bill provides that, during a legislatively or gubernatorially declared state of emergency, if a public body has provided notice of an official meeting and one or more of the members of the public body desire to participate remotely after notice was issued, the public body may amend the notice to include the means whereby the public can access the remote meeting, so long as the amended notice complies with all of the following:

- Issued no less than six hours prior to the official meeting.
- Distributed in accordance with the requirements of public notices of official meetings, including the following:
 - Posted on the principal bulletin board of the public body or, if the public body has no such bulletin board, at the door of its usual meeting room in an area accessible to the public.
 - Mailed, e-mailed, or delivered to each newspaper, wire service, radio station, television station, or any other person who has filed a written request for notice with the clerk or secretary of the public body.
- Posted on the public body's website maintained by one or more of its employees.

The bill also permits a public body to allow submission of written comments on the subject of a remotely held public hearing up to 24 hours prior to the public hearing. Additionally, a public body's compliance with the remote meeting requirements in G.S. 166A-19.24 establishes a presumption that a remote meeting is open to the public.

The bill became effective on July 1, 2021, and applies to remote meetings held on or after that date.

[Senate Bill 255 \(SL 2021-47\)](#) – 2021 AOC Legislative Changes.

See summary under General Interest.

[House Bill 160 \(SL 2021-57\)](#) – Retirement Service Purchase Rewrite Part II.-AB

See summary under Labor & Employment.

[House Bill 163 \(SL 2021-58\)](#) – Treasury Administrative Changes.-AB

House Bill 163 makes changes to statutes pertaining to the State Treasurer's Investment Programs, to the Local Government Commission, and to reports submitted to the Council of State. Part I amends the statutes pertaining to administration of the State Treasurer's investment programs to provide that the Treasurer may invest in the countries of Sudan and South Sudan. In addition, Part I amends the definition of "investment" in Article 6E of Chapter 147, which pertains to the Iran Divestment Act.

Part II amends the statutes on public-private partnership construction contracts, and requires a unit of local government to get approval from the Local Government Commission for the amount financed by a local government unit when a development contract is entered into by a local government unit and the unit finances all or part of its portion of project costs. Further, Part II amends statutes pertaining to the enforcement of the local government finance chapter as it relates to the General Assembly suspending the charter of a municipality. Part II became effective July 1, 2021, and applies to contracts entered into, renewed, or modified on or after that date.

Part III removes the requirement for the University of North Carolina Health Care System to file a report concerning acquisition or disposition of real property with the Council of State.

Except as otherwise provided, the bill became effective June 28, 2021.

[House Bill 278 \(SL 2021-59\)](#) – Sunset ABC Board Participation in LGERS.

House Bill 278 provides that any ABC board that is not a participating employer in the Local Governmental Employees' Retirement System on June 30, 2021, is not eligible to participate in the system. The bill became effective June 28, 2021.

[Senate Bill 277 \(SL 2021-60\)](#) – Ret. & Treasury Tech. Corrections Act of 2021.-AB

See summary under General Interest.

[Senate Bill 594 \(SL 2021-62\)](#) – Medicaid Admin. Changes & Tech. Corrections.

See summary under Insurance Law.

[House Bill 272 \(SL 2021-69\)](#) – Revise Health Standard for Lead.

See summary under Environment, Energy & Natural Resources Law.

[Senate Bill 668 \(SL 2021-72\)](#) – Anti-Pension Spiking Amds & Litig. Moratorium.

See summary under Education Law.

[House Bill 168 \(SL 2021-75\)](#) – Retirement Administrative Changes Act of 2021.-AB

See summary under Labor & Employment.

[House Bill 344 \(SL 2021-76\)](#) – System Development Fees Update.

House Bill 344 revises system development fees statutes that fund public water and wastewater systems. Sections 1 through 3 of the bill make technical and clarifying changes. In addition, Section 2 specifically requires that the written analysis that serves as the basis for calculating a system development fee incorporate the gallons per day per service unit that the local governmental unit applies to its water or sewer system engineering or planning purposes for water or sewer.

Section 4 regulates treatment of the income tax paid by a privately-owned water or wastewater public utility on Contributions In Aid of Construction (CIAC) made by a developer to the utility. This Section provides that a water or wastewater public utility is solely responsible for the income taxes on taxable CIACs and customer advances, and that the water or wastewater public utility cannot seek reimbursement from a developer for the amount of income tax it paid on these contributions. Section 4 also eliminates the requirement for developers to fund the utilities tax obligation upfront, and instead requires the utility to finance the payment of the tax expense and get reimbursed from the rates over the life of the depreciating CIAC asset.

The bill became effective July 2, 2021.

[House Bill 734 \(SL 2021-77\)](#) – Dept. of Health & Human Services Revisions.
See summary under Health Law.

[Senate Bill 605 \(SL 2021-78\)](#) – North Carolina Farm Act of 2021.
See summary under General Interest.

[House Bill 335 \(SL 2021-79\)](#) – Timely Local Payments to Charter Schools.
See summary under Education Law.

[House Bill 602 \(SL 2021-80\)](#) – UNC Legislative Priorities/HR/Reports.
See summary under Education Law.

[Senate Bill 188 \(SL 2021-81\)](#) – Bd. of Architects/Interior Designers.
See summary under Construction Law.

[Senate Bill 474 \(SL 2021-83\)](#) – Septage Management Amendments.
See summary under Environment, Energy & Natural Resources Law.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.
See summary under General Interest.

[Senate Bill 126 \(SL 2021-90\)](#) – Clean Up Obsolete Boards.
See summary under Administrative Law.

[Senate Bill 196 \(SL 2021-91\)](#) – GSC Sale of Property Amend/Delay Prosec Split.
See summary under Real Property.

[House Bill 735 \(SL 2021-92\)](#) – Minimum Contracts/Coastal Dredging Services.
See summary under Construction Law.

[House Bill 132 \(SL 2021-100\)](#) - Juvenile Code Rev's/CIP Recommendations.-AB
See summary under Juvenile Justice & Children's Rights.

[House Bill 312 \(SL 2021-107\)](#) – Qualifications for Sheriff/Expunction.
House Bill 312 requires all candidates for the office of sheriff to disclose all felony convictions, including any expunged convictions. Further, the bill clarifies that an individual who has been convicted of a felony, regardless of expunctions or restoration of rights of citizenship, is ineligible for the office of sheriff, in accordance with Article VII,

Section 2 of the North Carolina Constitution. The bill became effective October 1, 2021, and applies to elections and appointments to sheriff on or after that date.

[House Bill 121 \(SL 2021-108\)](#) – Clarify EQIP Funding/Dredging Cost-Share.

See summary under Environment, Energy & Natural Resources Law.

[House Bill 461 \(SL 2021-112\)](#) – State Auditor Clarifying Amendments.

House Bill 461 makes various technical and clarifying changes to the State Auditor statutes. First, the bill clarifies that the definition of “State agency” includes political subdivisions. In addition, the bill clarifies the State Auditor's authority to conduct audits and investigate allegations of improper governmental activity and further defines the term "investigation" for the purposes of the State Auditor's office. Section 4, effective October 1, 2021, provides that, if an organization fails to provide documentation to the State Auditor as part of a verification audit, the organization will be treated as if it failed to meet any condition precedent for the verification audit. The documentation of the failure to provide the requested information will be public record. Except as otherwise provided, the bill became effective on August 23, 2021.

[House Bill 481 \(SL 2021-116\)](#) – Firearm Disposal/UNC Campus Police.

See summary under Education Law.

[House Bill 366 \(SL 2021-117\)](#) – Regulatory Reform Act of 2021.

See summary under General Interest.

[Senate Bill 314 \(SL 2021-124\)](#) – Local Gov. Commission Assistance Kit.

Senate Bill 314 makes various changes to local government and the Local Government Commission (LGC) statutes. Specifically, the bill does the following:

- Amends local government sales use tax statutes to provide that the method of distribution will be effective in the county during the "fiscal year following" the succeeding fiscal year.
- Amends the G.S. 120-163 regarding incorporation review procedures as it pertains to a petition for a new municipality to require that the petition contain a statement from the LGC regarding the proposed municipality's prospects for financial viability and effective fiscal management.
- Requires county, city, or town managers to receive a minimum of six hours of local government finance instruction if the county, city, or town is in financial distress.

- Amends the Local Government Finance Act to allow the NC League of Municipalities and the NC Association of County Commissioners, or other qualified sources, to provide training.
- Provides a process for a municipality in financial distress to transition out of that distress either (i) on its own initiative or (ii) with assistance from, or under the direction of, the LGC.

Except as otherwise provided, the bill became effective August 30, 2021.

[Senate Bill 159 \(SL 2021-125\)](#) – State Health Plan Administrative Changes.

See summary under Insurance Law.

[Senate Bill 379 \(SL 2021-126\)](#) – Issuance of Unregisterable Cert. of Title.

See summary under Insurance Law.

[Senate Bill 654 \(SL 2021-130\)](#) – K-12 COVID-19 Provisions.

See summary under Education Law.

[Senate Bill 693 \(SL 2021-132\)](#) – Expedite Child Safety and Permanency.

See summary under Juvenile Justice & Children’s Rights.

[House Bill 650 \(SL 2021-134\)](#) – Omnibus DMV Bill.

See summary under Administrative Law.

[House Bill 95 \(SL 2021-135\)](#) – Wholesale Rx Distribution Licensee Change.

See summary under Administrative Law.

[House Bill 436 \(SL 2021-136\)](#) – Support Law Enforcement Mental Health.

House Bill 436 makes various changes to statutes concerning law enforcement personnel’s mental health. Specifically, the bill does the following:

- Requires law enforcement training on effective mental health strategies.
- Requires in-person psychological screening examination, if practicable, by a licensed clinical psychologist before employment as a law enforcement or criminal justice officer to determine capability of properly fulfilling the responsibilities of the office. A virtual examination is permitted if in-person is not practicable.
- Encourages the North Carolina Criminal Justice Commission and Sheriffs’ Education & Training Standards Commission to provide training by mental health professionals through in-person instruction.

- Directs all agencies employing certified criminal justice officers to coordinate with appropriate local management entity/managed care organizations or Prepaid Health Plans to make information about State and local mental health resources easily available to all employees.
- Creates a study to determine any benefits of ongoing physical fitness training on officers.

Except as otherwise provided, the bill became effective on September 2, 2021.

[House Bill 536 \(SL 2021-137\)](#) – Law Enforcement Duty to Intervene.

See summary under Criminal Justice.

[Senate Bill 300 \(SL 2021-138\)](#) – Criminal Justice Reform.

See summary under Criminal Justice.

[House Bill 608 \(SL 2021-143\)](#) – Dignity for Women Who are Incarcerated.

See summary under Criminal Justice.

[House Bill 769 \(SL 2021-144\)](#) – Foster Parents’ Bill of Rights.

See summary under Juvenile Justice & Children’s Rights.

[Senate Bill 211 \(SL 2021-149\)](#) – Amend Water/Sewer Rate Adjustment Mechanisms.

Senate Bill 211 makes changes to the water and sewer rate adjustment mechanisms in the State. G.S. 62-133 requires the State Utilities Commission (Commission) to fix rates for public utilities. Section 1 of the bill provides that, notwithstanding the methods for fixing rates established under G.S. 62-133 or G.S. 62-133.1, upon application of a water or sewer utility, the Commission may approve a Water and Sewer Investment Plan (Plan) for the utility. Under a Plan, the Commission would: (i) set water or sewer base rates to include authorization of annual rate changes for a three-year period based on reasonably known and measurable capital investments and anticipated reasonable and prudent expenses approved under the Plan without the need for a base rate proceeding during the Plan period; and (ii) set revenue requirements through banding of authorized returns. The Commission is also required under Section 1 to adopt rules on matters including reporting on performance-based metrics and evaluation of the metrics, banding of authorized returns, and a methodology to annually review costs subject to adjustment mechanism.

Section 2 modifies the existing list of eligible water and sewer system improvements under G.S. 62-133.12. In addition, Section 2 increases the cap on a rate adjustment for system improvements available under G.S. 62-133.12 from 5% to 7.5% of the total annual

service revenues approved by the Commission in the water or sewer utility's last general rate case. The Section exempts unreimbursed costs for relocation of water or sewer improvements due to roadway projects from the cap.

Section 1 became effective September 10, 2021, and applies to any rate making mechanisms, designs, plans, or settlements filed by a water or sewer utility on or after the date that rules adopted by the Commission have become effective. The remainder of the bill became effective September 10, 2021.

[House Bill 890 \(SL 2021-150\)](#) – ABC Omnibus Legislation.

See summary under Business Law.

[Senate Bill 60 \(SL 2021-153\)](#) – Disapprove Various Solid Waste Rule Changes.

See summary under Environment, Energy & Natural Resources Law.

[Senate Bill 542 \(SL 2021-157\)](#) – SHP Combat Fraud/Property Finders Stnds.

See summary under Health Law.

[Senate Bill 389 \(SL 2021-158\)](#) – DEQ/DNCR Omnibus.-AB

See summary under Environment, Energy & Natural Resources Law.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

See summary under Real Property.

[House Bill 218 \(SL 2021-164\)](#) – Streamline Permits/Redevelopment of Property.

House Bill 218 makes changes to statutes related to water supply programs and site plan modification requirements. The Environmental Management Commission (EMC) is required to assign each water supply watershed in the State an appropriate classification and applicable minimum management requirements. In addition, every local government that has all or a portion of a water supply watershed within its jurisdiction must adopt and implement a water supply watershed protection program that complies with the minimum standards adopted by the EMC.

Section 1 of the bill requires local governments that implement water supply watershed programs to allow an applicant to exceed the allowable density under the jurisdiction's applicable water supply watershed rules when all of the following circumstances apply:

- The property was developed prior to the effective date of the local water supply watershed program.

- The property has not been combined with additional lots after January 1, 2021.
- The property has not been a participant in a mechanism available under existing law that allows a property owner to average development density on up to two noncontiguous properties for purposes of achieving compliance with the water supply watershed development standards in certain circumstances.
- The current use of the property is non-residential.
- The stormwater from all of the existing and new built-upon area on the property is treated in accordance with all applicable laws and regulations.
- The remaining vegetated buffers on the property are preserved in accordance with the local water supply watershed protection program requirements.

This Section of the bill became effective on October 1, 2021, and applies to applications for permits and other approvals received on or after that date.

Except as otherwise provided, this act became effective November 1, 2021, and applies to applications for permits and other approvals received on or after that date.

[House Bill 854 \(SL 2021-168\)](#) – Land Use Clarifications.

See summary under Zoning, Planning & Land Use.

[Senate Bill 695 \(SL 2021-170\)](#) – Various Education Changes.

See summary under Education Law.

[Senate Bill 191 \(SL 2021-171\)](#) – The No Patient Left Alone Act.

See summary under Health Law.

[Senate Bill 311 \(SL 2021-178\)](#) – No Waiting Period Under LGERS/VFDF Grants.

See summary under Labor & Employment.

[House Bill 404 \(SL 2021-181\)](#) – Ltd. Immunity for PSAPS/TC for S.L. 2021-171.

See summary under Litigation.

[Senate Bill 308 \(SL 2021-183\)](#) – Various Building Code Amend.

See summary under Construction Law.

[House Bill 165 \(SL 2021-185\)](#) – DOT Legislative Changes.

See summary under Real Property.

[Senate Bill 473 \(S.L. 2021-191\)](#) – Enhance Local Gov’t Transparency.

Senate Bill 473 does all of the following:

- Requires the State Auditor to notify the Local Government Commission (Commission) when an audit report is the result of an investigation of a unit of local government.
- Allows the Commission, following the release of an investigative report, to be involved in that local government's audit process for up to three years.
- Requires a local finance officer to garnish a board or council member's compensation in order to collect monies owed for unpaid county and city services.
- Creates a new felony offense for public officers and employees who personally benefit financially from their position.
- Subject to certain exceptions, prohibits public officials from participating in making or administering a contract, including the award of money, with any nonprofit with which the public official is associated and creates a misdemeanor offense for such violations.

The provisions relating to public officials become effective on January 1, 2022. The remainder of the bill became effective December 9, 2021.

[Senate Bill 329 \(S.L. 2021-192\)](#) – Bldg. Permit Exempt./Timeshare Eff. Date.

See summary under Real Property.

HEALTH LAW

[Senate Bill 103 \(SL 2021-22\)](#) – Reduce Reg. To Help Children with Autism.

See summary under Administrative Law.

[House Bill 395 \(SL 2021-26\)](#) – HIE Deadline Extension & Patient Protection.

House Bill 395 provides various patient protections and extends the deadline to connect to the State’s Health Information Exchange (HIE) from October 2021 to January 2023 for most providers. The HIE is a platform that providers serving Medicaid enrollees or State Health Plan (SHP) members have to connect to in order to receive reimbursement for treatment provided. The HIE was created in the 2015 Medicaid Transformation bill and was designed to allow state health officials to track trends across the state through claims data. The bill exempts ambulatory surgery centers from connecting to the HIE if the doctors who use the center report the same data to the HIE through another health care system, and prohibits balance billing by in-network entities that are not connected to the

HIE. The bill also allows the Department of Health and Human Services to submit data on behalf of the LME-MCOs which specialize in behavioral health. The bill became effective on May 27, 2021.

[Senate Bill 248 \(SL 2021-30\)](#) – Additional Info on Health Ins. Cards.

See summary under Insurance Law.

[House Bill 224 \(SL 2021-31\)](#) – Occupational Therapy Interstate Compact.

See summary under Administrative Law.

[Senate Bill 135 \(SL 2021-32\)](#) – Improve Anatomical Gift Donation Process.

Senate Bill 135 amends the law that authorizes making anatomical gifts by placing a symbol on a drivers license or identification card by (i) requiring an individual who became a donor in another jurisdiction to consent to placing a symbol on their North Carolina issued drivers license or identification card and (ii) providing that the authorizing symbol remains on the license or identification card until a donor revokes consent through a request to remove the symbol. The bill became effective October 1, 2021.

[House Bill 383 \(SL 2021-61\)](#) – Medicaid Modernized Hospital Assessment.

House Bill 383 repeals revised hospital assessments enacted in 2020 and replaces them with public and private hospital assessments that are calculated as a percentage of total hospital costs. Certain hospitals are excepted from both assessments (critical access hospitals, freestanding psychiatric and rehabilitation hospitals, long-term care hospitals, specified hospitals within the UNC Healthcare System, the primary hospital affiliated with East Carolina University, and State-owned and State-operated hospitals). Section 3 sets the percentage rates for the assessments for the first quarter, and Section 4 requires the Department of Health and Human Services (DHHS) to calculate a reconciliation component after first quarter data is available. The reconciliation process will not continue in subsequent quarters. Section 5 requires DHHS to submit a proposal by January 1, 2026, to adjust the annual inflation factor used in the modernized hospital assessments to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice. The repeal of the 2020 hospital assessments became effective retroactively to July 1, 2020, and the remainder of the bill became effective July 1, 2021.

[Senate Bill 594 \(SL 2021-62\)](#) – Medicaid Admin. Changes & Tech. Corrections.

See summary under Insurance Law.

[House Bill 642 \(SL 2021-64\)](#) – Down Syndrome Organ Trans. Nondiscrim. Act.

See summary under Elder & Special Needs Law.

[House Bill 629 \(SL 2021-70\)](#) – Physician Asst/Nurse Practit./STOP Act Clar.

House Bill 629 makes clarifications regarding the conditions in which a physician assistant or nurse practitioner must consult with a supervising physician prior to prescribing a targeted controlled substance. The bill became effective October 1, 2021.

[House Bill 734 \(SL 2021-77\)](#) – Dept. of Health & Human Services Revisions.

House Bill 734 makes various changes to laws relating to the Department of Health and Human Services (DHHS).

Section 1 amends the definition of “developmental disability” under G.S. 122C-3(12a) to include: (i) severe, chronic disabilities attributable to a mental or physical impairment; or (ii) a combination of mental and physical impairments.

Section 2 allows decisions on the waiver of any of the rules on the licensure of facilities for the mentally ill, developmentally disabled, and substance abusers to be appealed as a contested case under Article 3 of G.S. Chapter 150B.

Section 3 requires the DHHS Secretary to adopt a copayment schedule for behavioral health, intellectual and developmental disabilities, and substance use disorder services based on Medicaid payments for those services to be used by LME/MCOs and contractual provider agencies.

Section 5 amends the report required by G.S. 112C-225 to include reporting on (i) the transportation method used by individuals admitted under a petition of involuntary commitment and (ii) the number of individuals moved to voluntary status while at a 24-hour facility upon completion of the required 24-hour examination.

Section 6 defines telehealth and allows it to be used for the first exam for involuntary commitment due to mental health or substance abuse. The second exam may also be conducted via telehealth, but the examining physician must be satisfied to a reasonable medical certainty that the statutory determinations would not be different if the exam had been done in person. If the physician is not so satisfied, they must note that the exam was not satisfactorily accomplished, and the respondent must have an in-person exam. Further procedural details are also provided for a first exam for involuntary commitment due to substance abuse.

The bill also makes changes to statutes governing the licensure of facilities for the mentally ill, developmentally disabled, and substance abusers, such as:

- Requiring DHHS to perform follow-up visits to ensure facilities providing services without a required license are in compliance with cease-and-desist order criteria.
- Prohibiting the DHHS Secretary from enrolling new providers in the N.C. Medicaid or Health Choice programs or revalidating an enrolled provider for certain applicants during a period of license revocation or suspension.
- Giving the DHHS Secretary the power to issue cease-and-desist orders to facilities not licensed under Article 2 that are providing services that require a license.
- Increasing the penalty for operating a licensable facility without a license to a felony.
- Effective January 1, 2022:
 - Amending the exclusion of licensure under Article 2 to state physicians and psychologists engaged in private office practice may not be excluded from the licensure requirement.
 - Directing DHHS to establish a database with specified, publicly available information, to collaborate with the Department of Insurance to establish a toll-free number or website to be used to verify a facility’s licensure status, and collaborate with community organizations for a public information campaign about the appropriate type of care for individuals with mental health disorders and the importance of receiving care from licensed facilities or professionals.

Lastly, effective July 1, 2022, the scope of regulations for “public swimming pool” under G.S. 130A-280 is amended to add spas operating for display at temporary events.

Except as otherwise provided, the bill became effective on July 2, 2021.

[House Bill 602 \(SL 2021-80\)](#) – UNC Legislative Priorities/HR/Reports.

See summary under Education Law.

[Senate Bill 208 \(SL 2021-82\)](#) – Labor Law Changes.

See summary under Labor & Employment.

[House Bill 68 \(SL 2021-84\)](#) – GSC Licensing Boards and Comm’ns/Rule Crimes.

See summary under Administrative Law.

[Senate Bill 197 \(SL 2021-85\)](#) – GSC Trusts & Estates Amendments.

See summary under Estate Planning & Fiduciary Law.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.

See summary under General Interest.

[Senate Bill 126 \(SL 2021-90\)](#) – Clean Up Obsolete Boards.

See summary under Administrative Law.

[House Bill 96 \(SL 2021-110\)](#) – Allow Pharmacists to Admin. Injectable Drugs.

House Bill 96 expands the number of vaccines and medications that immunizing pharmacists are allowed to administer and requires parents to provide written consent before a vaccine approved under an Emergency Use Authorization is administered to a minor. Specifically, the bill permits immunizing pharmacists to administer the following: COVID-19 vaccines to individuals over the age of six pursuant to a written prescription and over the age of 10 without a written prescription; any other vaccines approved by the United States Food and Drug Administration; nicotine replacement therapy; self-administered oral or transdermal contraceptives; prenatal vitamins; HIV post-exposure prophylaxis; Glucagon; testosterone; and Vitamin B12. Immunizing pharmacists must have approval from the North Carolina Medical Board and Board of Pharmacy to administer injections. The provisions of the bill allowing the administration of testosterone and B12 injections became effective October 1, 2021. Most of the remaining provisions relating to the ability of immunizing pharmacists to administer medications become effective February 1, 2022, but the provisions allowing them to administer the COVID-19 or influenza vaccines to minors became effective September 1, 2021. The remaining provisions became effective on August 20, 2021.

[House Bill 415 \(SL 2021-120\)](#) – Update Chiropractic Laws.

See summary under Administrative Law.

[Senate Bill 207 \(SL 2021-123\)](#) – Various Raise the Age Changes/JJAC Recs.

See summary under Juvenile Justice & Children’s Rights.

[Senate Bill 159 \(SL 2021-125\)](#) – State Health Plan Administrative Changes.

See summary under Insurance Law.

[Senate Bill 462 \(SL 2021-129\)](#) – CON/Threshold Amds. & Certificate Expirations.

Senate Bill 462 makes various changes to the certificate of need laws of the State. Specifically, the bill increases the dollar threshold that diagnostic center equipment, major medical equipment, and capital expenditures for new institutional health services must exceed before they are subject to certificate of need review. The bill also requires projects

subject to a certificate of need to initiate construction within a specified timeframe. The bill became effective on October 1, 2021.

[Senate Bill 693 \(SL 2021-132\)](#) – Expedite Child Safety and Permanency.

See summary under Juvenile Justice & Children’s Rights.

[House Bill 95 \(SL 2021-135\)](#) – Wholesale Rx Distribution Licensee Change.

See summary under Administrative Law.

[House Bill 436 \(SL 2021-136\)](#) – Support Law Enforcement Mental Health.

See summary under Government & Public Sector.

[Senate Bill 300 \(SL 2021-138\)](#) – Criminal Justice Reform.

See summary under Criminal Justice.

[House Bill 608 \(SL 2021-143\)](#) – Dignity for Women Who are Incarcerated.

See summary under Criminal Justice.

[House Bill 351 \(SL 2021-145\)](#) – Clifford’s Law.

House Bill 351 requires the Secretary of the Department of Health and Human Services (Secretary) to establish visitation protocols for nursing homes, combination homes, and adult care homes that would be in effect during a (i) declared disaster or emergency and (ii) when a facility suspends or restricts the normal visitation policy for any reason. When developing the visitation protocols, the Secretary must consult with licensed operators of the impacted facilities and other stakeholders deemed relevant. The statutory become effective April 1, 2022. The Secretary must implement the visitation protocols by June 15, 2022. The remainder of the bill became effective September 10, 2021.

[Senate Bill 228 \(SL 2021-151\)](#) – Allow Employers to Offer EPO Benefit Plans.

See summary under Insurance Law.

[Senate Bill 321 \(SL 2021-155\)](#) – Amend NC Controlled Substances Act.

Senate Bill 321 makes various changes to the Controlled Substances Act to reflect developments in forensic chemistry. The bill became effective December 1, 2021, and applies to offenses committed on or after that date.

[House Bill 447 \(SL 2021-156\)](#) – The Jeff Rieg Law/Patients Religious Rights.

House Bill 447 protects the religious rights of hospital patients by preserving their right to receive visits by clergy members during hospital stays, despite any disaster declarations or use of hospitals as temporary shelters. The bill became effective October 1, 2021.

[Senate Bill 542 \(SL 2021-157\)](#) – SHP Combat Fraud/Property Finders Stnds.

Senate Bill 542 allows the State Health Plan (Plan) for teachers and state employees to adopt a program that incentivizes Plan members if they report fraud, waste, and abuse by a health care provider that provides services to Plan members. Section 2 adds language to define and establish standards for property-finders. A property-finder is a person or business who is hired for a fee, or any other consideration, by an owner of distributable or presumably abandoned property to locate, deliver, recover, or assist in the recovery of that property. Section 2 becomes effective January 1, 2022, and the remainder of the bill became effective September 16, 2021.

[Senate Bill 257 \(SL 2021-161\)](#) – Medication Cost Transparency Act.

Senate Bill 257 requires pharmacy benefits managers (PBMs) to be licensed. It also adds to the consumer protections in G.S. 58-56A-3, restricts PBMs from prohibiting pharmacies from taking certain actions, and establishes rules for claim overpayments and PBM networks. In addition, the bill requires PBMs and health benefit plans to provide coverage for biosimilars and credit all amounts paid on behalf of insureds toward cost-sharing requirements. The bill also increases the Commissioner of Insurance's ability to take enforcement action against PBMs. The bill became effective October 1, 2021, and applies to contracts entered into, renewed, or amended on or after that date.

[Senate Bill 85 \(SL 2021-169\)](#) – Allow Vision Service Plans.

Senate Bill 85 allows hospital service corporations authorized under Article 65 of Chapter 58 (Article) to offer vision service plans. The bill makes changes to insurance laws by defining a "hospital service corporation" as any nonprofit corporation authorized under the Article that operates any dental, health care, medical, or vision service plan, and renames "hospital service plan" to "health care service plan". The bill also makes technical and conforming changes as necessary to accommodate the addition of vision service plans to the list of currently available plans that may be offered by authorized hospital service corporations. It also makes similar technical and conforming changes to Article 66 of Chapter 58 (Hospital, Medical and Dental Hospital Service Corporation Readable Insurance Certificates Act). The bill became effective October 15, 2021, and applies to contracts issued, amended, or renewed on or after October 1, 2021.

[Senate Bill 191 \(SL 2021-171\)](#) – The No Patient Left Alone Act.

Senate Bill 191 creates mandatory visitation rights for patients in hospitals, nursing homes, combination homes, hospice care facilities, adult care homes, special care units, and residential treatment facilities. It also requires the Department of Health and Human Services to assess a civil penalty for violations of those visitation rights. The bill became effective November 1, 2021.

INSURANCE LAW

[Senate Bill 114 \(SL 2021-5\)](#) – DES COVID Modifications and Technical Changes.

See summary under Labor & Employment.

[House Bill 279 \(SL 2021-16\)](#) – COVID-19 Related Tax Chngs/UI Tech Correct.

See summary under Tax.

[House Bill 395 \(SL 2021-26\)](#) – HIE Deadline Extension & Patient Protection.

See summary under Health Law.

[Senate Bill 248 \(SL 2021-30\)](#) – Additional Info on Health Ins. Cards.

Senate Bill 248 requires the State Health Plan and other health benefit plans to note on their insurance cards whether the plan is fully insured or self-funded. The bill becomes effective on January 1, 2022.

[Senate Bill 241 \(SL 2021-33\)](#) – Modified Utility Vehicle Def/Use of Funds.

See summary under Criminal Justice.

[House Bill 383 \(SL 2021-61\)](#) – Medicaid Modernized Hospital Assessment.

See summary under Health Law.

[Senate Bill 594 \(SL 2021-62\)](#) – Medicaid Admin. Changes & Tech. Corrections.

Senate Bill 594 makes various technical and other changes to the NC Medicaid program and local management entities/managed care organizations (LME/MCOs) laws.

Part I makes modifications to two Medicaid-related provisions of the 2020 COVID-19 Recovery Act, including: (i) an exclusion of the population of uninsured individuals who are eligible for Medicaid coverage from managed care coverage only for services related to COVID-19 testing (became effective July 1, 2021); and (ii) a reinstatement of G.S.

108C-2.1, 108C-4(a), and 108C-9(a)-(c), which were suspended during the public health emergency (effective July 29, 2021).

Part II modifies the existing Medicaid beneficiary appeals as follows:

- Allows Medicaid beneficiaries to file an appeal of a fee-for-service adverse benefit determination, a prepaid health plan adverse disenrollment determination, a managed care entity level appeal, or a managed care notice of resolution of an adverse benefit determination, or file a managed care grievance, by telephone without following-up in writing.
- Requires the appeal request forms to provide instructions for filing the form by telephone.
- Provides an expedited hearing option for certain types of Medicaid beneficiary appeals when the normal timeframe for the hearing could jeopardize the beneficiary's life, health, and ability to attain, maintain, or regain maximum function and DHHS determines the criteria for the expedited appeal was met. The forms for these appeals must inform the beneficiary of the expedited appeal option.

Part III makes several changes to Medicaid program laws as follows:

- Increases Medicaid-covered therapeutic leave to 90 days for a Medicaid beneficiary in an intermediate care facility, and adds LME/MCOs and prepaid health plans as entities that can approve a Medicaid beneficiary's request for more than 15 consecutive days of therapeutic leave.
- Clarifies the codification of the behavioral health services covered by standard benefit plans (G.S. 108D-35(a)) and requires these plans to cover peer support services.
- Restates DHHS' authority to contract with entities operating behavioral health and intellectual/developmental disabilities (BH IDD) for certain services and populations (foster care or adoption assistance recipients, nursing facility residents, etc.).
- Requires the DHHS Secretary to direct the dissolution of an LME/MCO that does not receive an initial contract to operate a BH IDD tailored plan, and clarifies upon dissolution of an LME/MCO that (i) the Medicaid risk reserve fund balance of the dissolved LME/MCO must be transferred along with the other fund balance of the dissolved LME/MCO and (ii) fund balances may be transferred to more than one

LME/MCO or BH IDD tailored plan if more than one area authority or tailored plan is contracted to operate in the catchment area of the dissolved LME/MCO.

- Replaces the rate floor for durable medical equipment under Section 11 of S.L. 2020-88 with a fixed reimbursement rate effective July 1, 2021.

Section 3.5A directs DHHS to develop a formula to be used when a county disengages from an area authority (also called an LME/MCO) that will determine the amount of risk reserve and other funds that the area authority must transfer. The formula must (i) consider the stability of both impacted area authorities, (ii) support their ability to carry out their responsibilities, (iii) support the successful operation of BH IDD tailored plans, and (iv) assure the area authority that loses the county keeps sufficient funds to pay its liabilities.

Part IV makes various technical corrections and clarifying changes to laws related to the Medicaid program.

Except as otherwise provided, this bill became effective on June 29, 2021.

[House Bill 642 \(SL 2021-64\)](#) – Down Syndrome Organ Trans. Nondiscrim. Act.

See summary under Elder & Special Needs Law.

[House Bill 734 \(SL 2021-77\)](#) – Dept. of Health & Human Services Revisions.

See summary under Health Law.

[House Bill 602 \(SL 2021-80\)](#) – UNC Legislative Priorities/HR/Reports.

See summary under Education Law.

[Senate Bill 188 \(SL 2021-81\)](#) – Bd. of Architects/Interior Designers.

See summary under Construction Law.

[Senate Bill 196 \(SL 2021-91\)](#) – GSC Sale of Property Amend/Delay Prosec Split.

See summary under Real Property.

[Senate Bill 146 \(SL 2021-95\)](#) – Teledentistry/RDH Admin. Local Anesthetic.

Senate Bill 146 amends the practice of dentistry in G.S. 90-29(b) to permit dental hygienists to administer local anesthetics and to allow dentists to engage in teledentistry. Section 1(b) creates a new section in the Dental Practice Act to establish standards for teledentistry practice. Section 2(a) amends the definition of "dental hygiene" in G.S. 90-221(a) to include a dental hygienist's administration of local anesthetics by means of infiltration and block techniques while under the direct supervision of a licensed dentist.

The North Carolina Board of Dental Examiners is given authority to adopt temporary rules necessary to implement the bill. Section 2 of the bill became effective October 1, 2021, and applies to licenses granted on or after that date. The remainder of the bill became effective July 23, 2021.

[Senate Bill 299 \(SL 2021-114\)](#) – NCDOI NAIC Accreditation.-AB

Senate Bill 299 enacts legislative changes to North Carolina's insurance laws to comply with the National Association of Insurance Commissioner's (NAIC) model laws and allow the North Carolina Department of Insurance to maintain its NAIC accreditation.

Specifically, Senate Bill 299 (i) codifies provisions from an agreement between the United States, the European Union, and the United Kingdom concerning the amount of required reinsurance collateral and local presence that reinsurers must maintain to do business in the other location and (ii) establishes national standards governing reserves relating to life insurance policies.

Both NAIC provisions must be adopted no later than September 1, 2022, for North Carolina to remain in compliance with NAIC accreditation standards. Except as otherwise provided, the bill became effective September 1, 2021, and applies to all covered policies entered into, amended, or renewed on or after that date.

[House Bill 366 \(SL 2021-117\)](#) – Regulatory Reform Act of 2021.

See summary under General Interest.

[House Bill 415 \(SL 2021-120\)](#) – Update Chiropractic Laws.

See summary under Administrative Law.

[Senate Bill 159 \(SL 2021-125\)](#) – State Health Plan Administrative Changes.

Senate Bill 159 makes various technical, clarifying, and administrative changes to laws relating to the State Health Plan (SHP) for teachers and state employees. Section 1 requires the Board of Trustees to approve all SHP contracts with a value exceeding \$3,000,000. Section 2 eliminates the prohibition on dependent children being eligible for coverage under the SHP if they are eligible on another employer-based health insurance and allows for continued coverage of covered disabled children beyond their 26th birthday. Section 3 gives the Executive Administrator of the SHP the sole authority to determine whether internal appeals are subject to external review and, if not, gives them the authority to issue a binding decision. Conforming changes are made to G.S. 150B's contested case statutes in light of this change. The bill became effective August 30, 2021.

[Senate Bill 379 \(SL 2021-126\)](#) – Issuance of Unregisterable Cert. of Title.

Senate Bill 379 requires the Division of Motor Vehicles (DMV) to create and issue an unregistrable certificate of title for certain eligible motor vehicles, and creates an application process for insurance companies or their agents and contractors to apply for an unregistrable certificate of title under certain circumstances. The bill shields DMV from liability to owners, lienholders, or subsequent purchasers for harm that results from the issuance of an unregistered certificate of title. The bill became effective October 1, 2021.

[House Bill 608 \(SL 2021-143\)](#) – Dignity for Women Who are Incarcerated.

See summary under Criminal Justice.

[House Bill 351 \(SL 2021-145\)](#) – Clifford’s Law.

See summary under Health Law.

[Senate Bill 228 \(SL 2021-151\)](#) – Allow Employers to Offer EPO Benefit Plans.

Senate Bill 228 permits insurers to offer exclusive provider benefit health plans and establish continuity of care provisions for those plans. The bill also requires insurers to issue payments directly to health care providers if there is a reimbursement contract between the provider and insurer or if an insured executes a valid assignment of benefits. The Department of Insurance may adopt temporary rules to implement the bill. This bill became effective October 1, 2021, and applies to insurance contracts entered into, renewed, or amended on or after that date.

[Senate Bill 542 \(SL 2021-157\)](#) – SHP Combat Fraud/Property Finders Stnds.

See summary under Health Law.

[Senate Bill 257 \(SL 2021-161\)](#) – Medication Cost Transparency Act.

See summary under Health Law.

[House Bill 320 \(SL 2021-162\)](#) – Modernize Remote Business Access.

See summary under Business Law.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

See summary under Real Property.

[House Bill 624 \(SL 2021-166\)](#) – North Carolina Regulatory Sandbox Act.

See summary under Business Law.

[Senate Bill 85 \(SL 2021-169\)](#) – Allow Vision Service Plans.

See summary under Health Law.

[Senate Bill 191 \(SL 2021-171\)](#) – The No Patient Left Alone Act.

See summary under Health Law.

[Senate Bill 270 \(SL 2021-177\)](#) – Insurance Technical Changes.

Senate Bill 270 makes various changes to insurance laws. Specifically, the bill makes the following changes to Chapter 58 of the General Statutes:

- Specifies that an insurer and its agents may satisfy rate evasion fraud requirements within 25 business days of coverage binding on an insurance policy by obtaining reliable proof of North Carolina residency and status as an eligible risk from the applicant.
- Allows electronic verification of certain documents for rate evasion purposes.
- Provides that a certificate of insurance may be submitted or created electronically.
- Creates a civil penalty of up to \$5,000 when an individual who is not regulated under Chapter 58 prepares, issues, requests, or requires a certificate of insurance.
- Makes technical and conforming changes.

The bill becomes effective January 1, 2022.

[House Bill 404 \(SL 2021-181\)](#) – Ltd. Immunity for PSAPS/TC for S.L. 2021-171.

See summary under Litigation.

[House Bill 165 \(SL 2021-185\)](#) – DOT Legislative Changes.

See summary under Real Property.

INTELLECTUAL PROPERTY LAW

[House Bill 624 \(SL 2021-166\)](#) – North Carolina Regulatory Sandbox Act.

See summary under Business Law.

INTERNATIONAL LAW

[Senate Bill 605 \(SL 2021-78\)](#) – North Carolina Farm Act of 2021.

See summary under General Interest.

[Senate Bill 299 \(SL 2021-114\)](#) – NCDOI NAIC Accreditation.-AB

See summary under Insurance Law.

[House Bill 890 \(SL 2021-150\)](#) – ABC Omnibus Legislation.

See summary under Business Law.

JUDICIAL INDEPENDENCE & INTEGRITY

[House Bill 160 \(SL 2021-57\)](#) – Retirement Service Purchase Rewrite Part II.-AB

See summary under Labor & Employment.

JUVENILE JUSTICE & CHILDREN’S RIGHTS

[Senate Bill 113 \(SL 2021-18\)](#) – Modify Termination of Parental Rights Appeals.

Senate Bill 113 makes various changes to appeals challenging termination of parental rights decisions. First, the bill changes the direct right of appeal from an order granting or denying a termination of parental rights, or an order eliminating reunification as a permanent plan, from the North Carolina Supreme Court to the Court of Appeals. Second, the bill requires the Administrative Office of the Courts to prepare an annual report about the amount of time it takes to resolve appeals related to those orders. The bill became effective July 1, 2021, and applies to appeals filed on or after that date.

[Senate Bill 172 \(SL 2021-25\)](#) – Additional COVID-19 Response & Relief.

See summary under Government & Public Sector.

[Senate Bill 126 \(SL 2021-90\)](#) – Clean Up Obsolete Boards.

See summary under Administrative Law.

[House Bill 132 \(SL 2021-100\)](#) - Juvenile Code Rev’s/CIP Recommendations.-AB

House Bill 132, a bill recommended by the Court Improvement Program, amends the abuse, neglect, and dependency statutes of Chapter 7B. The bill defines “relative” (Section 1), and makes conforming changes to G.S. 7B-906.1 by removing references to the term “review hearing” (Section 10). The bill also repeals G.S. 7B-905(b), which required the court to schedule a review hearing within 90 days of the dispositional hearing if the juvenile is removed from their custodian (Section 8), and G.S. 7B-3807, which

automatically adopted any rules created by the Interstate Compact of the Placement of Children without legislative action (Section 19).

There are several changes to the court's responsibilities throughout an abuse, neglect, or dependency proceeding. The court does not have the authority under G.S. 7B-1000 to modify a dispositional order. (Section 16). The court is allowed to eliminate reunification as a plan at any point in the hearings if the efforts would be unsuccessful or inconsistent with the juvenile's best interests. (Section 11). In addition, the bill makes the following requirements of the court:

- To provide a copy of the petition and summons or notice to the appointed attorney. (Section 4).
- To order concurrent permanent plans after determining that reunification efforts are not required. (Section 5).
- To provide notice to all parties if the court waives permanency planning hearings. (Section 9).
- To conduct placement reviews no later than six months from the date of the termination hearing when both parents' parental rights have been terminated and to affirm the Department of Social Services' (DSS) plan or order a different plan. The court is authorized to order concurrent permanent plans if it is in the best interest of the juvenile. (Section 12).
- In a modification hearing, to appoint a guardian *ad litem* (GAL) and attorney advocate for the juvenile, to appoint provisional counsel for the parents (and for the clerk to provide a copy of the summons and petition to the attorney), and to provide notice of the hearing. (Sections 16 and 17).
- To provide information about how the juvenile can participate in the foster care 18 – 21 program at every permanency planning hearing after their seventeenth birthday. (Section 14).

DSS is required under this bill to make reasonable efforts, so long as it is not contrary to the safety or well-being of the children, to place siblings in the same home or provide siblings visitation and interaction. (Sections 3 and 6). DSS must also allow emancipated juveniles or a juvenile's GAL to access and receive records kept by DSS regarding the juvenile (Sections 2 and 18). Lastly, DSS must include additional information in every report to the court after the juvenile's seventeenth birthday. (Section 15).

The bill clarifies that individuals required to participate in substance abuse treatment are not in violation of a court order if they are in compliance with assisted treatment. (Section

7). If a young adult entered a voluntary placement agreement with the DSS director, they may terminate the agreement without returning to court, but, if DSS terminates the agreement, DSS must file a motion to return to court for resolution. (Section 13).

The bill became effective on October 1, 2021.

[Senate Bill 301 \(SL 2021-118\)](#) – Expand Expunction Eligibility.

See summary under Criminal Justice.

[Senate Bill 35 \(SL 2021-119\)](#) – Max 4-Yr Age Diff to Marry Under 18 Yrs.

See summary under Family Law.

[Senate Bill 207 \(SL 2021-123\)](#) – Various Raise the Age Changes/JJAC Recs.

This bill makes clarifying and conforming changes in relation to Raise the Age. It lays out the courts' jurisdiction in delinquency cases and allows for juveniles to be held in detention facilities until they are able to be transferred. In addition, the bill allows a prosecutor to decline to prosecute a juvenile in a superior court matter that would otherwise be subject to a mandatory transfer if the juvenile's alleged offense would be a Class D, E, F, or G felony when committed by an adult. The bill also adds a new Article to require parents, guardians, or custodians of a juvenile receiving juvenile consultation services to attend all scheduled meetings with the juvenile court counselor, work with the counselor to coordinate medical services, and attend parental responsibility classes. Multiple definitions are amended in Chapter 7B. (Sections 5 and 8(b)). The last section of the bill codifies new requirements for juveniles that are suspected of having a mental illness, developmental disability, or intellectual disability. This bill became effective on December 1, 2021.

[Senate Bill 693 \(SL 2021-132\)](#) – Expedite Child Safety and Permanency.

Senate Bill 693 makes various amendments regarding abuse, neglect, and dependency laws.

Part I makes the following amendments to the Juvenile Code:

- Defines "relative" and makes other technical changes under G.S. 7B-101.
- Requires the Department of Health and Human Services (DHHS) and county departments of social services (DSS) to share certain confidential records related to complaints of abuse and neglect when legislators and oversight committees request them, and creates a Class 1 misdemeanor for a violation of this requirement.

- Directs DSS to use due diligence in identifying and notifying adult relatives with legal custody of a juvenile's sibling within 30 days as to the juvenile's nonsecure custody status, and permits DSS to recommend unsupervised visits as an option when the juvenile has been removed from their home.
- Authorizes the court to consider placement of a juvenile, if the juvenile is not with a relative, with a former foster parent, other persons with legal custody of a sibling of the juvenile, or nonrelative kin.
- Requires observation visits to occur within 30 days after DSS recommends either unsupervised visits or return of physical custody at a hearing.
- Makes a positive drug test insufficient on its own to deny a parent court-ordered visitation.
- Clarifies the difference between "review hearings" and "permanency planning hearings", and specifies that the hearings must take place within 90 days of the initial disposition hearing and every six months thereafter.
- Allows any person with whom the juvenile is placed the opportunity to address the court regarding the juvenile's well-being.
- Specifies actions the court may take at any review hearing.
- Allows the court to terminate further review hearings or its jurisdiction when the parent, guardian, or custodian has successfully completed court-ordered services and the juvenile is residing in a safe home.
- Requires training on the role of a foster parent in judicial proceedings as a part of foster parent licensure.
- Repeals G.S. 7B-905(b) that required dispositional orders removing custody of the juvenile from the parent, guardian, custodian, or caretaker to direct a review hearing to be held within 90 days of the dispositional hearing.
- Requires written findings at permanency planning hearings if reunification is not the primary or secondary plan.
- Authorizes a person to petition for termination of parental rights if the juvenile has lived with the person for at least 18 months prior to the petition.
- Requires the court to: (i) consider, at each hearing, reports on the juvenile's continuation in a home of a parent, guardian, or custodian and whether the continuation in that home is appropriate; (ii) hold a permanency planning hearing within 30 days of the review hearing if the juvenile is removed from the custody of the parent, guardian, or custodian; and (iii) hold a review hearing if requested.

Effective October 2, 2021, Part II provides direction to the DSS director on how to provide notice to a responsible individual for a juvenile if the juvenile is the victim of human trafficking by someone other than the juvenile's parents or caretakers.

The bill also directs DHHS to develop: (i) a plan, due to the Joint Legislative Oversight Committee on Health and Human Services (JLOCHHS) by September 1, 2022, that creates and implements a statewide child protective services hotline (Part III); and (ii) a plan to increase the supply of appropriate treatment and residential settings for minors in need of behavioral and mental health services, due to JLOCHHS by October 1, 2021 (Part IV).

Part V implements the following procedures for when a juvenile in the custody of DSS presents at a hospital emergency department for mental health treatment (effective October 1, 2021):

- The DSS director is required to request an assessment within 24 hours of a determination that the juvenile should not remain at the hospital and there is not an appropriate placement available.
- Instructs the LME/MCO or prepaid health plan, within 5 business days, to arrange for a comprehensive clinical assessment and outline appropriate placements for the juvenile depending on the assessment's outcome.
- If an appropriate placement or provider is not located for a juvenile after the assessment, the DSS director is required to notify DHHS' Rapid Response Team.

Effective January 1, 2022, Part V authorizes a hearing for judicial review if the new requirements for the care provided to a juvenile are not met and specifies possible remedies, including, but not limited to, the responsible party paying reasonable hospital charges for the juvenile's continued admission, damage to property caused by the juvenile incurred after it was determined it was no longer medically necessary to stay at the hospital, or the party to satisfy requirements under G.S. 112C-142.2(b)-(f).

Starting this school year (2021-2022), Part VI requires the following from specified public school units and high schools:

- The State Board of Education is to adopt a rule requiring public school units to provide students in grades 6 through 12 with age-appropriate information on child abuse, neglect, and sexual abuse.
- The information must be provided in the form of a document given to the students at the start of the school year and as a display posted in high-traffic areas throughout the school. Both must contain: (i) warning signs that a child may be the

victim of abuse or neglect, (ii) the telephone number of the local DSS for reporting abuse and neglect, (iii) a statement that reported information will be held in strict confidence, and (iv) any resources available.

Except as otherwise provided, this act became effective on September 1, 2021.

[House Bill 608 \(SL 2021-143\)](#) – Dignity for Women Who are Incarcerated.

See summary under Criminal Justice.

[House Bill 769 \(SL 2021-144\)](#) – Foster Parents’ Bill of Rights.

House Bill 769 recognizes the following rights of foster parents:

- To serve as a respected member of the child welfare team.
- To receive specified information about the responsibilities of foster parents and access to support services.
- To be notified of any expenses eligible for reimbursement and to have timely allocations of resources.
- To receive notice of hearings and to be heard in court for review and permanency planning hearings.
- To receive timely information pertinent to the day-to-day care of the child.
- To provide input in court and during periodic reviews of any information that may be relevant to the child's best interests.
- To provide input to, and seek support from, the supervising agency without fear of reprisal.
- To have reasonable opportunities for consultation and consideration in the scheduling of meetings related to the child that the foster parent is allowed or required to attend.
- To request a change in licensed workers and to be considered as prospective adoptive parents.
- To utilize the reasonable and prudent parent standard in determining whether a foster parent can allow a child to participate in extracurricular activities.
- To request a shared parenting agreement and that contact information be kept confidential when safety concerns are present.

Any violation of these rights does not create a cause of action against any State agency or entity providing foster care. The bill became effective on September 10, 2021.

[House Bill 761 \(SL 2021-167\)](#) – Police Vehicle and Equipment Protection Act.

See summary under Criminal Justice.

[Senate Bill 183 \(SL 2021-182\)](#) – Ignition Interlock/Various Changes.

See summary under Criminal Justice.

LABOR & EMPLOYMENT

[Senate Bill 114 \(SL 2021-5\)](#) – DES COVID Modifications and Technical Changes.

Senate Bill 114 provides various COVID-19 relief measures for employers and claimants under the unemployment insurance system and makes changes requested by the Division of Employment Security. Specifically, the bill allows claimants to continue to receive federal Pandemic Emergency Unemployment Compensation “until they exhaust those benefits, or the program expires.” In addition, the bill does not raise employers’ 2021 base contribution rate to the State’s Unemployment Insurance Trust Fund. The rate is one of the factors used to calculate an employer’s unemployment insurance tax rate for the year. Except as otherwise provided, the bill became effective on March 30, 2021.

[House Bill 279 \(SL 2021-16\)](#) – COVID-19 Related Tax Chngs/UI Tech Correct.

See summary under Tax.

[Senate Bill 390 \(SL 2021-20\)](#) – UNC Law Enforcement Recruitment.

See summary under Education Law.

[House Bill 224 \(SL 2021-31\)](#) – Occupational Therapy Interstate Compact.

See summary under Administrative Law.

[House Bill 203 \(SL 2021-34\)](#) – Extend Deadline for Police Telecommunicators.

See summary under Government & Public Sector.

[Senate Bill 582 \(SL 2021-48\)](#) – High School Adjunct Instructors/CC Prep.

See summary under Education Law.

[House Bill 160 \(SL 2021-57\)](#) – Retirement Service Purchase Rewrite Part II.-AB

House Bill 160 amends service purchase requirements for the Teachers' and State Employees' Retirement System (TSERS), Local Governmental Employees' Retirement System (LGERS), and the Consolidated Judicial Retirement System (for judges, district attorneys, and clerks of superior court). These changes become effective January 1, 2022, and apply to the purchase of creditable service occurring on or after that date. The bill

also repeals duplicative statutes and those that are no longer necessary in TSERS and LGERS, and these changes become effective July 1, 2022.

[House Bill 278 \(SL 2021-59\)](#) – Sunset ABC Board Participation in LGERS.

See summary under Government & Public Sector.

[Senate Bill 668 \(SL 2021-72\)](#) – Anti-Pension Spiking Amds & Litig. Moratorium.

See summary under Education Law.

[House Bill 168 \(SL 2021-75\)](#) – Retirement Administrative Changes Act of 2021.-AB

House Bill 168 makes various changes to teachers' and state employees' retirement benefits. Specifically, the bill includes the following changes:

- Section 1.1 amends local government finance statutes to allow contribution-based benefit cap (CBBC) liabilities to the Local Governmental Employees' Retirement System (LGERS) to be paid into a trust for post-employment benefits.
- Section 1.3 amends the LGERS and the Teachers' and State Employees' Retirement System (TSERS) statutes that currently allow the Office of State Budget and Management to withhold from any State appropriation, due to an employer, the amount equal to delinquent contributions and other debts due to the Retirement Systems Division. The change clarifies that, for the payment of a CBBC liability, the date for payment is 12 months after the member's effective date of retirement, or the first day of the month coincident with or next following six months after the date of the invoice, whichever is later. This Section's changes apply to CBBC liability payments due from an employer on or after July 1, 2021.
- Section 2.1 amends LGERS and TSERS statutes to clarify that the statute pertaining to the procedure and payment to cease participation in the Retirement System applies to an employing unit that is allowed to cease participation by sale, dissolution, or otherwise changing to a business or legal form not eligible under federal law for participation as an employer in the Retirement System. This section applies to a participation withdrawal by an employing unit on or after July 1, 2021.
- Section 3.1 amends LGERS and TSERS statutes to provide that, for both systems, the term "actuarial equivalent" means a benefit of equal value when computed upon the basis of actuarial assumptions as shall be adopted by the Board of Trustees. This Section's changes apply to benefit calculations performed on or after July 1, 2021.
- Section 4.1 amends the statute on separation buyouts for law enforcement officers (LEOs) to require that, prior to the transfer of a buyout to TSERS or LGERS, the State department/agency/institution or local government employer is required to have in

place a written policy adopted by the employing unit that does not allow employees to choose between accepting the lump sum separation buyout as a cash payment or transferring the lump sum separation buyout to TSERS or LGERS. This Section's changes apply to lump sum separation buyouts offered to LEOs on or after July 1, 2021.

- Section 5.1 amends administration statutes for the Supplemental Retirement Income Plan of North Carolina to allow the Department of State Treasurer (Department) and the Supplemental Retirement Board of Trustees (Board) to adopt a new or amended rule to impose or change fees under the Plan. The Department and Board are not allowed to adopt a new or amended rule to impose or change an administrative fee under the Plan that exceeds certain amounts.
- Section 6.1 amends the TSERS Optional Retirement Program (ORP) statutes to provide that, if an ORP participant owes an overpayment to the Disability Income Plan (DIP) at the time the beneficiary would first qualify for an unreduced retirement benefit had the member elected to be a member of TSERS, then the participant must pay the total overpayment due to the DIP. If the participant does not pay the overpayment within six months after the earliest age at which the member could retire on an unreduced retirement allowance, then the participant will not be allowed to enroll in a new year of coverage under the State Health Plan until (i) the DIP receives full payment of the total overpayment due, or (ii) the participant makes payment arrangements approved by the Retirement System's Executive Director. This section applies to overpayments owed on or after the effective date of the act to the DIP.
- Section 7.1 amends LGERS and TSERS statutes to outline the process for the payment of the special retirement allowance when the member has selected Option 2, 3, or 6, and the member, and their designated beneficiary, dies. If the beneficiary dies before the specified number of months, a one-time payment will be paid to the member's legal representatives equal to the initial monthly special retirement allowance, multiplied by the specified number of months, less the total of the monthly payments made to the member and beneficiary.

Except as otherwise provided, the bill became effective July 1, 2021.

[Senate Bill 605 \(SL 2021-78\)](#) – North Carolina Farm Act of 2021.

See summary under General Interest.

[House Bill 602 \(SL 2021-80\)](#) – UNC Legislative Priorities/HR/Reports.

See summary under Education Law.

[Senate Bill 208 \(SL 2021-82\)](#) – Labor Law Changes.

Senate Bill 208 makes various changes to labor laws. The bill clarifies that trains that either have been, or are, in use on the national rail transit system are not subject to regulation as “amusement devices” by the Department of Labor (DOL).

Section 3 of the bill authorizes the Director of the Occupational Safety and Health Safety Division of DOL, as well as the Labor Commissioner, to obtain the medical records of injured or deceased employees to conduct investigations and enforcement proceedings under the Occupational Safety and Health Act of North Carolina if the records are related to the evaluation, diagnosis, or treatment of the employee. The medical records are not public record, and must be kept separate from any investigative file, must be kept confidential, and must not be released to an employer under investigation except as necessary to issue a citation. The records can only be records that have been compiled and maintained by Department of Health and Human Services, hospitals participating in the statewide trauma system, or emergency medical service providers in connection with the dispatch, treatment, or transport of patients.

The bill also repeals Article 5B of Chapter 95 (dealing with the regulation of job listing services), makes clarifying changes to the statutes addressing youth employment certificates, and provides that employees whose employment is discontinued must be paid all wages on or before their next payday through their regular channels, or by trackable mail upon written request from the employee.

In regard to changed wages, the bill requires employers to notify employees in writing at least one pay period in advance (increased from 24 hours) prior to any changes, and the employer can no longer provide this notification through a posted notice.

Lastly, the bill amends the penalty for employers who violate record keeping requirements by placing the maximum penalty at \$2,000 per violation instead of \$2,000 per investigation.

This bill became effective on July 8, 2021.

[Senate Bill 126 \(SL 2021-90\)](#) – Clean Up Obsolete Boards.

See summary under Administrative Law.

[Senate Bill 159 \(SL 2021-125\)](#) – State Health Plan Administrative Changes.

See summary under Insurance Law.

[Senate Bill 654 \(SL 2021-130\)](#) – K-12 COVID-19 Provisions.

See summary under Education Law.

[House Bill 436 \(SL 2021-136\)](#) – Support Law Enforcement Mental Health.

See summary under Government & Public Sector.

[Senate Bill 300 \(SL 2021-138\)](#) – Criminal Justice Reform.

See summary under Criminal Justice.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

See summary under Real Property.

[Senate Bill 695 \(SL 2021-170\)](#) – Various Education Changes.

See summary under Education Law.

[Senate Bill 311 \(SL 2021-178\)](#) – No Waiting Period Under LGERS/VFDF Grants.

Senate Bill 311 makes various changes to local government employers and to the Local Governmental Employees' Retirement System (LGERS) statutes. Section 1 prevents employers who participate in LGERS from imposing a waiting period on employees who are eligible to become members of the system. This Section became effective December 1, 2021. Section 2 updates the Volunteer Fire Department Fund grant matching requirements. Section 3 permits the Board of Trustees for LGERS to grant a one-time pension supplement to its members in a given year if a permanent increase in benefits is not paid that year and there are sufficient funds in the system to pay the supplement. Section 4 sets the State Unemployment Tax Act 2022 base rate at 1.9%. Sections 1 and 2 of the bill became effective December 1, 2021, and the remainder of the bill became effective on November 10, 2021.

[House Bill 404 \(SL 2021-181\)](#) – Ltd. Immunity for PSAPs/TC for S.L. 2021-171.

See summary under Litigation.

LITIGATION

[House Bill 217 \(SL 2021-23\)](#) – Utilities Comm'n Tech. and Add'l Changes.

See summary under Environment, Energy & Natural Resources Law.

[Senate Bill 255 \(SL 2021-47\)](#) – 2021 AOC Legislative Changes.

See summary under General Interest.

[House Bill 642 \(SL 2021-64\)](#) – Down Syndrome Organ Trans. Nondiscrim. Act.

See summary under Elder & Special Needs Law.

[Senate Bill 644 \(SL 2021-71\)](#) – Landlord/Tenant Changes.

See summary under Real Property.

[Senate Bill 668 \(SL 2021-72\)](#) – Anti-Pension Spiking Amds & Litig. Moratorium.

See summary under Education Law.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.

See summary under General Interest.

[House Bill 522 \(SL 2021-94\)](#) – Modify Service/Release of Alternate Jurors.

See summary under General Interest.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

See summary under Real Property.

[House Bill 624 \(SL 2021-166\)](#) – North Carolina Regulatory Sandbox Act.

See summary under Business Law.

[House Bill 854 \(SL 2021-168\)](#) – Land Use Clarifications.

See summary under Zoning, Planning & Land Use.

[Senate Bill 191 \(SL 2021-171\)](#) – The No Patient Left Alone Act.

See summary under Health Law.

[House Bill 404 \(SL 2021-181\)](#) – Ltd. Immunity for PSAPSs/TC for S.L. 2021-171.

House Bill 404 provides that public safety answering points (PSAPSs), regional PSAPSs and their employees, and agents and employees of law enforcement agencies who are certified by the North Carolina Sheriffs' Education and Training Standards Commission are not liable for any damages in a civil action except in cases of wanton or willful misconduct, gross negligence, or when there is applicable insurance coverage. Communication service providers are liable for damages in cases of wanton or willful misconduct. Except as otherwise provided, the bill became effective on November 18, 2021, and applies to causes of action filed on or after that date.

[House Bill 165 \(SL 2021-185\)](#) – DOT Legislative Changes.

See summary under Real Property.

MILITARY & VETERANS LAW

[House Bill 53 \(SL 2021-9\)](#) – Educ. Changes for Military-Connected Students.

Beginning with the 2021-2022 school year, House Bill 53 authorizes student attendance in a local school administrative unit for children of active-duty military due to the military orders of the parent, clarifies continuous enrollment for high school students who are dependents of military personnel once those students are admitted to a state institution of higher education, and allows for continued eligibility for need-based scholarships for military dependent high school students attending private higher education institutions. This bill became effective April 9, 2021.

[House Bill 138 \(SL 2021-12\)](#) – Adopt Wounded Heroes Day.

House Bill 138 adopts April 24 of each year as Wounded Heroes Day in honor of Army Sgt. Michael Verardo. The bill became effective on April 21, 2021.

[Senate Bill 172 \(SL 2021-25\)](#) – Additional COVID-19 Response & Relief.

See summary under Government & Public Sector.

[House Bill 224 \(SL 2021-31\)](#) – Occupational Therapy Interstate Compact.

See summary under Administrative Law.

[House Bill 602 \(SL 2021-80\)](#) – UNC Legislative Priorities/HR/Reports.

See summary under Education Law.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.

See summary under General Interest.

[House Bill 297 \(SL 2021-89\)](#) – DMV Deployed Armed Forces Exemptions.

House Bill 297 creates various exemptions for deployed servicemembers. Section 1 directs the Division of Motor Vehicles to offer remote conversion for full provisional license holders if the individual is deployed out-of-state as a member of the US Armed Forces. Section 2 allows an individual who had been deployed when the license expired to produce a drivers license and proof of deployment in court as a defense to driving without a license if the license was renewed within 30 days of returning from deployment. Section 3 waives registration late fees for deployed servicemembers if they were deployed when

the registration expired and they renew their registration within 30 days of returning from deployment. Section 2 became effective December 1, 2021, and applies to offenses committed on or after that date. The remainder of the bill became effective October 1, 2021.

[House Bill 78 \(SL 2021-111\)](#) – Various Education Changes.

See summary under Education Law.

[House Bill 650 \(SL 2021-134\)](#) – Omnibus DMV Bill.

See summary under Administrative Law.

[House Bill 761 \(SL 2021-167\)](#) – Police Vehicle and Equipment Protection Act.

See summary under Criminal Justice.

PRIVACY & DATA SECURITY

[House Bill 217 \(SL 2021-23\)](#) – Utilities Comm’n Tech. and Add’l Changes.

See summary under Environment, Energy & Natural Resources Law.

[House Bill 395 \(SL 2021-26\)](#) – HIE Deadline Extension & Patient Protection.

See summary under Health Law.

[House Bill 734 \(SL 2021-77\)](#) – Dept. of Health & Human Services Revisions.

See summary under Health Law.

[Senate Bill 605 \(SL 2021-78\)](#) – North Carolina Farm Act of 2021.

See summary under General Interest.

[Senate Bill 208 \(SL 2021-82\)](#) – Labor Law Changes.

See summary under Labor & Employment.

[Senate Bill 146 \(SL 2021-95\)](#) – Teledentistry/RDH Admin. Local Anesthetic.

Summary under Health Law.

[House Bill 650 \(SL 2021-134\)](#) – Omnibus DMV Bill.

See summary under Administrative Law.

[Senate Bill 300 \(SL 2021-138\)](#) – Criminal Justice Reform.

See summary under Criminal Justice.

[House Bill 624 \(SL 2021-166\)](#) – North Carolina Regulatory Sandbox Act.

See summary under Business Law.

REAL PROPERTY

[House Bill 196 \(SL 2021-3\)](#) – 2021 COVID-19 Response & Relief.

See summary under General Interest.

[House Bill 156 \(SL 2021-13\)](#) – Unclaimed Prop. Div. Amend./DMV Tech Chngs.-AB

House Bill 156 makes changes related to the State’s Treasury Department and the Department of Motor Vehicles (DMV). Section 1 increases the amount of time the State Treasurer has to hold a public sale for abandoned property from three to five years after receiving the property. Section 2 provides that a person may file a claim for property paid or delivered to the Treasurer if the amount exceeds \$5,000. Lastly, Section 3 extends DMV’s authority to adopt emergency rules pursuant to S.L. 2020-97 until September 30, 2021. Section 3 became effective March 31, 2021. The remainder of the bill became effective on April 27, 2021.

[House Bill 217 \(SL 2021-23\)](#) – Utilities Comm’n Tech. and Add’l Changes.

See summary under Environment, Energy & Natural Resources Law.

[Senate Bill 172 \(SL 2021-25\)](#) – Additional COVID-19 Response & Relief.

See summary under Government & Public Sector.

[House Bill 20 \(SL 2021-37\)](#) – Clean Water Bond Add’l Connections.

See summary under Zoning, Planning & Land Use.

[Senate Bill 255 \(SL 2021-47\)](#) – 2021 AOC Legislative Changes.

See summary under General Interest.

[Senate Bill 50 \(SL 2021-53\)](#) – Estate Planning Law Changes.

See summary under Estate Planning & Fiduciary Law.

[Senate Bill 644 \(SL 2021-71\)](#) – Landlord/Tenant Changes.

Senate Bill 644 clarifies and reaffirms the statutory authority of landlords to recover out-of-pocket expenses and litigation costs in summary ejectment proceedings and makes various other changes to landlord/tenant statutes. Part I reaffirms existing law, providing that landlords are permitted to charge, and recover from, a tenant certain out-of-pocket expenses, including filing fees charged by the court, certain service costs, and reasonable attorneys' fees incurred in summary ejectment proceedings. Part I became effective on July 2, 2021, and applies to all pending controversies as of that date.

Part II of the bill makes the following changes:

- Section 2.1 – Codifies *Davenport v. D.M. Rental Properties, Inc.*, by enacting G.S. 42-14.5 to provide that the criminal record of any prospective or current residential lessee, occupant, or guest does not make any future injury or damage arising from the lessee, occupant, or guest foreseeable by the lessor or the lessor's agent. The residential lessor or the lessor's agent is not required to screen for, or refuse to rent because of, the criminal record of a prospective or current lessee, occupant, or guest. A residential lessor or the lessor's agent is not prohibited from using a criminal background check as grounds for refusing to rent to any prospective or current lessee. In *Davenport*, the N.C. Court of Appeals found that an altercation between two tenants at a mobile home park was not foreseeable and that there was no duty on a landlord to screen potential tenants and no liability for failing to evict a tenant.
- Section 2.2 – Makes a conforming change to this statute by including a cross-reference to G.S. 28A-25-2.
- Sections 2.3 and 2.4 – Amends G.S. 28A-25-1 and G.S. 28A-25-1.1 to provide that a person claiming to be a duly qualified personal representative of the decedent who presents an affidavit meeting the statutory requirements is entitled to remove or dispose of the decedent's personal property that is located in the decedent's premises.
- Section 2.5 – Amends G.S. 28A-25-2 to provide that a lessor or lessor's agent that removes, discards, or otherwise disposes of the personal property located in decedent's premises at the direction of an affiant who is statutorily authorized to collect that personal property is discharged and released to the same extent as if the lessor dealt with a duly qualified personal representative of the decedent.

Sections 2.3, 2.4, and 2.5 became effective July 2, 2021, and apply to decedents dying on or after that date. The remainder of the bill became effective on July 2, 2021.

[House Bill 344 \(SL 2021-76\)](#) – System Development Fees Update.
See summary under Government & Public Sector.

[Senate Bill 605 \(SL 2021-78\)](#) – North Carolina Farm Act of 2021.
See summary under General Interest.

[Senate Bill 188 \(SL 2021-81\)](#) – Bd. of Architects/Interior Designers.
See summary under Construction Law.

[Senate Bill 474 \(SL 2021-83\)](#) – Septage Management Amendments.
See summary under Environment, Energy & Natural Resources Law

[Senate Bill 197 \(SL 2021-85\)](#) – GSC Trusts & Estates Amendments.
See summary under Estate Planning & Fiduciary Law.

[House Bill 67 \(SL 2021-88\)](#) – GSC Technical Corrections 2021.
See summary under General Interest.

[Senate Bill 196 \(SL 2021-91\)](#) – GSC Sale of Property Amend/Delay Prosec Split.
Senate Bill 196 was recommended by the General Statutes Commission. Part I updates the mailing method of notice to a judgment debtor of an execution sale of real property. Part II clarifies the effects of a default bid in private judicial sales and public or private partition sales. Part III makes various amendments to the tax foreclosure statutes.

Parts IV and V were drafted by the NCBA Real Property Section. They make various amendments relating to the validity of certain notarial acts and instruments and other amendments that affect real property. These Parts became effective October 1, 2021.

Part VI delays the reassignment of the counties for Prosecutorial District 36 into two separate prosecutorial districts until January 1, 2027.

Except as otherwise provided, the bill became effective July 22, 2021.

[Senate Bill 198 \(SL 2021-93\)](#) – GSC Good Funds Settlement/Comm. Receivership.
See summary under Bankruptcy Law.

[Senate Bill 507 \(SL 2021-106\)](#) – Modify Business Corporation Act.
See summary under Business Law.

[House Bill 273 \(SL 2021-113\)](#) – Modify Builders Inventory Tax Exclusion.

See summary in Tax.

[House Bill 84 \(SL 2021-115\)](#) – Sex Offender Premises Restrictions.

See summary under Criminal Justice.

[House Bill 366 \(SL 2021-117\)](#) – Regulatory Reform Act of 2021.

See summary under General Interest.

[House Bill 489 \(SL 2021-121\)](#) – 2021 Building Code and Dev. Reg. Reform.

See summary under Construction Law.

[House Bill 650 \(SL 2021-134\)](#) – Omnibus DMV Bill.

See summary under Administrative Law.

[Senate Bill 211 \(SL 2021-149\)](#) – Amend Water/Sewer Rate Adjustment Mechanisms.

See summary under Government & Public Sector.

[Senate Bill 389 \(SL 2021-158\)](#) – DEQ/DNCR Omnibus.-AB

See summary under Environment, Energy & Natural Resources Law.

[House Bill 685 \(SL 2021-159\)](#) – Electronic Transaction Fees/Official Fees.

See summary under Bankruptcy Law.

[House Bill 320 \(SL 2021-162\)](#) – Modernize Remote Business Access.

See summary under Business Law.

[House Bill 531 \(SL 2021-163\)](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

House Bill 531 makes various changes to timeshare statutes and eliminates certain bond requirements for real estate education providers. Sections 1(a) and 1(b) repeal the \$5,000 bond requirement for applicants seeking certification by the Real Estate Commission (Commission) as a private real estate education provider. Section 1(c) of the bill modifies the North Carolina Time Share Act (Act). Under North Carolina law, sales of timeshares for timeshare projects in this State are regulated by the Commission pursuant to the Act. The State previously did not regulate timeshare resale services and timeshare transfer services. Specifically, the bill does all of the following related to the timeshare statutes:

- Defines new terms used in the Act, including timeshare "estate" and "use".

- Provides that a timeshare estate is subject to the laws governing real property, and that a timeshare use is subject to the laws governing personal property.
- Requires developers to:
 - Close and record an instrument conveying title to a timeshare estate within 180 days after contract execution if the instrument does not provide otherwise; and
 - Deliver to the purchaser of a timeshare use at closing an instrument evidencing transfer of legal title.
- Prohibits developers from selling a timeshare if the sale would, for any given calendar year, cause the total number of timeshare owners eligible to use units in a program to exceed the total number of units available for use.
- Requires disclosure of additional information in sale contracts and public offering statements.
- Permits purchasers to cancel a sale in five days after the later of:
 - The execution of the sale contract.
 - The receipt of all documents required to be provided to the purchaser.
- Prohibits closing before the above cancellation period expires.
- Requires all escrowed funds to be returned to the purchaser within 20 days of the purchaser's demand for return of the funds or receipt of cleared funds, whichever is later.
- Requires the developer to submit an affidavit attesting to its entitlement to release of escrowed funds and requires the escrow agent to retain the affidavit for five years.
- Makes an intentional violation of escrow requirements a Class E felony.
- Gives purchasers the right to void a transfer and recover funds paid, plus 10% of the sales price (\$3,000 cap) if a developer does not provide notice of right to cancel.
- Requires additional documentation in applications to register a timeshare project and gives the Commission more time to act on applications.
- Clarifies the Commission's investigative and disciplinary authority.
- Requires the developer to record a release or subordination of all liens against the unit being purchased prior to closing.
- Adds new Sections to the Act to do the following:
 - Provide that nonmaterial errors or omissions on the part of the developer or managing entity are not a basis for a purchaser's claim or defense if the developer or managing entity proves that it has otherwise substantially complied with the Act's requirements.
 - Require the developer to designate a managing entity for each timeshare program.

- Establish the duties and obligations of the managing entity and define its authority to deny a delinquent owner the use of timeshare units or facilities and to rent the delinquent owner's timeshare.
- Provide that delinquent timeshare assessments bear interest at the highest rate permitted by law or any lesser rate established by the managing entity.
- Impose a lien in favor of the managing entity to secure the cost of collecting delinquent assessments, including reasonable collection agency and attorneys' fees, which would arise on the date the delinquent assessment was due for timeshare estates located in this State.
- Impose a lien in favor of the managing agent to secure collection of the cost of maintenance, repairs, or replacement resulting from damage to the property caused by an act of the owner, the owner's guest, or a lessee.
- Provides that certain timeshare successors in interest are jointly and severally liable with the predecessor in interest for all unpaid assessments against the predecessor prior to transfer of the timeshare.
- Excuses the developer from paying assessments that otherwise would be assessed against developer-owner timeshares during any period for which the developer guarantees that timeshare owner assessments will not increase over the amount stated in the program's adopted budget during that period.
- Establishes the authority and obligations of reservation system operators.
- Specifies disclosures that must be included in a timeshare declaration concerning additions, subtractions, and deletions of timeshare units, amenities, or projects in a multisite timeshare program.
- Requires a timeshare resale contract to disclose the amount of the unit's current year's assessment and any delinquent assessments, the right to cancel within five days, and the year in which the purchaser will first be entitled to use the unit.
- Makes a timeshare resale voidable at the purchaser's option for one year for failure to make the required disclosures in the timeshare resale contract.
- Prohibits resale brokers from collecting any advance fee for listing a timeshare.
- Requires resale service providers, transfer service providers, and lead dealers to maintain certain records for at least three years after obtaining personal contact information from a lead dealer.
- Regulates the operations of providers of timeshare resale and transfer services, and makes any violations unfair or deceptive acts or practices prohibited by G.S. 75-1.1.
- Establishes procedures for the extension and termination of a timeshare program.

The bill became effective on October 6, 2021.

[House Bill 218 \(SL 2021-164\)](#) – Streamline Permits/Redevelopment of Property.

See summary under Government & Public Sector.

[House Bill 854 \(SL 2021-168\)](#) – Land Use Clarifications.

See summary under Zoning, Planning & Land Use.

[Senate Bill 270 \(SL 2021-177\)](#) – Insurance Technical Changes.

See summary under Insurance Law.

[Senate Bill 308 \(SL 2021-183\)](#) – Various Building Code Amend.

See summary under Construction Law.

[House Bill 165 \(SL 2021-185\)](#) – DOT Legislative Changes.

House Bill 165 makes various changes to transportation laws including the following:

- Modifies the agreement cap on certain public private partnerships.
- Modifies the Map Act claim settlement monetary cap.
- Modifies the fiscal-year look back period for State Transportation Investment formula variance.
- Modifies the Department of Transportation (DOT) small project bidding authority.
- Clarifies the ferry channel project cost-share exemption.
- Modifies and adds requirements for litter removal coordination with rights-of-way mowing. (Effective for contracts entered into on or after January 1, 2022.)
- Requires all insurers to submit all motor vehicle liability policy notifications to the Division of Motor Vehicles (DMV) electronically.
- Requires DMV to offer in-person and online renewals for handicapped credentials.
- Requires DMV to disqualify persons from operating a commercial motor vehicle for certain convictions of severe forms of human trafficking.
- Clarifies the DMV dealer and inspection license hearing transfers feasibility study requirements.
- Amends the implementation date of certain implied consent offense revocation timing modifications.
- Extends DMV's emergency rule for road tests.
- Modifies DMV procedures that relate to motor vehicle insurance lapses, and requires DMV to submit a plan for creation of a system to allow electronic submission of certain insurance documentation.
- Clarifies that DOT and Turnpike Authority designated managed lane use violations are punishable as infractions.
- Amends the passenger bus length restriction exemption to include longer buses.

- Authorizes commercial driver training schools to administer Level 2 provisional license road tests.
- Clarifies requirements for an owner’s signatures on owner-retained salvage forms.

Except as otherwise provided, the bill became effective November 23, 2021.

[House Bill 110 \(S.L. 2021-190\)](#) – Landlord Submission of HOPE Application.

House Bill 110 adds a new subsection to Session Law 2021-25 that allows a landlord to submit an application, on behalf of a tenant, under the Housing Opportunities and Prevention of Evictions Program, provided the application meets all the federal program requirements. This bill became effective on December 9, 2021.

[Senate Bill 329 \(S.L. 2021-192\)](#) – Bldg. Permit Exempt./Timeshare Eff. Date.

Senate Bill 329 modifies exemptions from building permit and professional seal requirements applicable to certain construction projects, and increases the permit exemption threshold for single family residences and farm building projects to \$20,000 while expanding this exemption to commercial building projects. The bill became effective December 1, 2021.

SPORTS & ENTERTAINMENT LAW

[House Bill 734 \(SL 2021-77\)](#) – Dept. of Health & Human Services Revisions.

See summary under Health Law.

[Senate Bill 208 \(SL 2021-82\)](#) – Labor Law Changes.

See summary under Labor & Employment.

[House Bill 366 \(SL 2021-117\)](#) – Regulatory Reform Act of 2021.

See summary under General Interest.

[House Bill 890 \(SL 2021-150\)](#) – ABC Omnibus Legislation.

See summary under Business Law.

[House Bill 91 \(SL 2021-184\)](#) – Accountability and Fair Play in Athletics.

House Bill 91 restructures oversight of public high school interscholastic activities to ensure accountability and fair play. Under the bill, the State Board of Education (SBE) has the authority to enter into a memorandum of understanding (MOU) with a nonprofit to administer and enforce SBE requirements for high school athletics. If SBE is unable to enter

into an MOU, then SBE may require the Department of Public Instruction to administer high school athletics. In addition, public school units (PSUs) must conduct high school athletics in accordance with SBE rules as administered and enforced by the organization designated by SBE. PSUs must also purchase catastrophic insurance for high school athletics through the Commissioner of Insurance. SBE can submit temporary rules for PSU high school interscholastic athletic activities to the Rules Review Commission for 180 days after the effective date of this bill. Portions of the bill become effective July 1, 2022, and the remainder of the bill became effective November 23, 2021. The rules and requirements for high school athletics apply to PSUs beginning with the 2022-2023 school year.

TAX

[House Bill 279 \(SL 2021-16\)](#) – COVID-19 Related Tax Chngs/UI Tech Correct.

House Bill 279 makes two COVID-19 related tax changes and one technical correction as to unemployment insurance. First, the bill clarifies that the extra credit grants and federal stimulus payments received as COVID-19 relief are not considered income for determining eligibility for property tax exemptions. Second, the bill provides for the nonaccrual of interest on 2020 individual income tax returns filed on or before May 17, 2021, and extends the statute of limitations for requesting a refund. Third, the bill revises an incorrect statutory reference in S.L. 2021-5 as it relates to unemployment insurance. The bill became effective on April 27, 2021.

[House Bill 383 \(SL 2021-61\)](#) – Medicaid Modernized Hospital Assessment.

See summary under Health Law.

[House Bill 344 \(SL 2021-76\)](#) – System Development Fees Update.

See summary under Government & Public Sector.

[Senate Bill 605 \(SL 2021-78\)](#) – North Carolina Farm Act of 2021.

See summary under General Interest.

[Senate Bill 197 \(SL 2021-85\)](#) – GSC Trusts & Estates Amendments.

See summary under Estate Planning & Fiduciary Law.

[Senate Bill 196 \(SL 2021-91\)](#) – GSC Sale of Property Amend/Delay Prosec Split.

See summary under Real Property.

[House Bill 273 \(SL 2021-113\)](#) – **Modify Builders Inventory Tax Exclusion.**

The builder's inventory exclusion provides an exemption from property tax for an increase in value to residential real property that is held for sale by a builder and is intended to be sold and used as an individual's residence after its construction. House Bill 273 allows new townhouse construction to qualify for the builder's inventory exclusion. The bill becomes effective for taxes imposed for taxable years beginning on or after July 1, 2022.

[House Bill 366 \(SL 2021-117\)](#) – **Regulatory Reform Act of 2021.**

See summary under General Interest.

[Senate Bill 314 \(SL 2021-124\)](#) – **Local Gov. Commission Assistance Kit.**

See summary under Government & Public Sector.

[House Bill 890 \(SL 2021-150\)](#) – **ABC Omnibus Legislation.**

See summary under Business Law.

[House Bill 531 \(SL 2021-163\)](#) – **Timeshare Act Changes/Ed. Prov. Bond Repeal.**

See summary under Real Property.

[Senate Bill 311 \(SL 2021-178\)](#) – **No Waiting Period Under LGERS/VFDF Grants.**

See summary under Labor & Employment.

WORKERS' COMPENSATION

[Senate Bill 605 \(SL 2021-78\)](#) – **North Carolina Farm Act of 2021.**

See summary under General Interest.

ZONING, PLANNING & LAND USE

[Senate Bill 172 \(SL 2021-25\)](#) – **Additional COVID-19 Response & Relief.**

See summary under Government & Public Sector.

[House Bill 20 \(SL 2021-37\)](#) – **Clean Water Bond Add'l Connections.**

House Bill 20 expands the criteria under which the Secretary of Environmental Quality must grant a waiver to allow additional connections for provision of water to include structures located on lots that are zoned for residential use or mixed-use development. This bill eliminates the previous requirement for the structure to be "habitable" and located

on lots that are zoned for a "single-family residence". The bill became effective June 16, 2021, and applies to requests for waivers to allow additional water lines submitted on or before that date.

[**House Bill 163 \(SL 2021-58\)**](#) – Treasury Administrative Changes.-AB

See summary under Government & Public Sector.

[**House Bill 344 \(SL 2021-76\)**](#) – System Development Fees Update.

See summary under Government & Public Sector.

[**Senate Bill 605 \(SL 2021-78\)**](#) – North Carolina Farm Act of 2021.

See summary under General Interest.

[**Senate Bill 474 \(SL 2021-83\)**](#) – Septage Management Amendments.

See summary under Environment, Energy & Natural Resources Law.

[**House Bill 67 \(SL 2021-88\)**](#) – GSC Technical Corrections 2021.

See summary under General Interest.

[**House Bill 121 \(SL 2021-108\)**](#) – Clarify EQIP Funding/Dredging Cost-Share.

See summary under Environment, Energy & Natural Resources Law.

[**House Bill 366 \(SL 2021-117\)**](#) – Regulatory Reform Act of 2021.

See summary under General Interest.

[**House Bill 489 \(SL 2021-121\)**](#) – 2021 Building Code and Dev. Reg. Reform.

See summary under Construction Law.

[**Senate Bill 389 \(SL 2021-158\)**](#) – DEQ/DNCR Omnibus.-AB

See summary under Environment, Energy & Natural Resources Law.

[**House Bill 531 \(SL 2021-163\)**](#) – Timeshare Act Changes/Ed. Prov. Bond Repeal.

See summary under Real Property.

[**House Bill 218 \(SL 2021-164\)**](#) – Streamline Permits/Redevelopment of Property.

See summary under Government & Public Sector.

[House Bill 854 \(SL 2021-168\)](#) – Land Use Clarifications.

House Bill 854 makes various changes to local government zoning authority to increase housing opportunities and clarifies certain zoning statutes. Section 1 resolves a discrepancy between two subsections of G.S. 160D-108 by stating that the 18-month time period applicable to multiple permits does not limit or affect the 24-month statutory vesting of rights time period. Section 2 clarifies that the statement in the statutes governing cities regarding consistency with the Constitution and laws of this State, and of the United States, does apply to city zoning ordinances. Section 3 clarifies that the governing board of the local government making a quasi-judicial decision has the authority to settle any litigation arising out of judicial review of that decision.

Section 4 provides that governing board members and appointed board members are not to vote in either of the following instances: (i) on any legislative decision regarding a development regulation where the outcome of the matter being considered is reasonably likely to have a direct, substantial, and readily identifiable financial impact on the governing board member; or (ii) on any zoning amendment if the landowner of the property that is subject to a rezoning petition, or the applicant for a text amendment, is a person with whom the member has a close familial, business, or other associational relationship. Section 4 also specifies that a failure to object by a party with standing at a hearing does not constitute a waiver of a right to assert an impermissible conflict of interest involving a member of the decision-making board.

The bill became effective on October 15, 2021.

[Senate Bill 308 \(SL 2021-183\)](#) – Various Building Code Amend.

See summary under Construction Law.

[House Bill 165 \(SL 2021-185\)](#) – DOT Legislative Changes.

See summary under Real Property.

[Senate Bill 329 \(S.L. 2021-192\)](#) – Bldg. Permit Exempt./Timeshare Eff. Date.

See summary under Real Property.