



SENATE BILL 119: GSC Technical Corrections 2015

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	Date:	September 28, 2015
Introduced by:	Sen. Hartsell	Prepared by:	Bly Hall, Giles Perry, and Wendy Graf Ray
Analysis of:	PCS to Third Edition S119-CSSU-37		Committee Counsel

SUMMARY: *Senate Bill 119 (proposed committee substitute) makes technical changes recommended by the General Statutes Commission and various other changes to State law.*

Part I of the PCS for this bill (Sections 1-31) contains technical changes recommended by the General Statutes Commission. Part II of the PCS contains additional technical amendments and changes to State law.

BILL ANALYSIS:

PART I. General Statutes Commission Recommendations

Sections 1 through 31 of the proposed committee substitute for this bill contain corrections of a technical nature that are recommended by the General Statutes Commission. The text of the General Statutes Commission's explanatory memorandum has been added to the end of this summary.

PART II. Other Amendments

Section 32 corrects an incorrect statutory reference and conforms the citation with drafting conventions.

Section 32.5 amends application of the phrase "sign by hand" in business-to-business contracts containing reciprocal provisions for reimbursement of attorneys' fees so that certain electronic signatures qualify. It also resolves an apparent conflict between two provisions dealing with a cap on awards of attorneys' fees; the fees may not exceed the monetary damages awarded.

Section 33 updates statutory references in the juvenile code related to parental rights in abuse, neglect, and dependency cases to include all sexual offenses for which conviction disqualifies the offender from participating in a case related to a child born as a result of the offense.

Section 34 amends the wording of a provision enacted this session (S.L. 2015-136) that sets out circumstances under which reunification efforts are not required for a juvenile in the custody of social services. This section adds language referring to the listed circumstances as "aggravated circumstances". Omission of the phrase may jeopardize federal funding, but addition of the phrase does not change the intent or effect of the provision.

Section 34.5 G.S. 14-409.41, enacted by Section 13 of S.L. 2015-195 (H562), requires certain State officials authorized by federal law to complete certifications required by federal law for transfer of certain weapons to complete those certifications within 15 days of request or if the official is unable to complete the certification to issue a written notification of denial, including a reason for the denial. This section makes changes to G.S. 14-288.8 and G.S. 14-409 to clarify that NC law authorizes the acquiring

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Senate Bill 119

Page 2

the weapons pursuant to federal law and to remove language that is contradictory to the provisions recently enacted.

Section 35 authorizes parole or probation officers to purchase their service weapons upon retirement without being required to get a purchase permit.

Section 36 corrects the name of a commission.

Section 37 requires the Criminal Justice Education and Training Standards Commission to evaluate the combined training or experience of an applicant who was a military police officer in determining whether the applicant's training and experience substantially meets or exceeds minimum requirements, to document any deficiencies in training and experience for which the applicant is required to complete supplementary training, and to report to the Joint Legislative Oversight Committee on Justice and Public Safety and the House Homeland Security, Military, and Veterans Affairs Committee by April 1, 2016, on its implementation of G.S. 17C-10.1.

Section 38 makes an additional conforming change to G.S. 20-28(a2) and G.S. 20-179(c), as amended by S.L. 2015-186 (HB 529), to account more specifically for the enactment of new G.S. 20-28(a1). **Section 38(a)** also makes stylistic changes to G.S. 20-28(a2) that streamline the subsection.

Section 38.3 amends a statute amended in the budget authorizing the State Surplus Property Agency to administer the towing, storage, and sales program for forfeited vehicles, by deleting the option for the State Surplus Property Agency to enter into contracts for some regions of the State while performing the work of towing, storing, processing, maintaining, and selling motor vehicles seized itself in other regions of the State.

Section 38.5 deletes a provision restricting access to records on transfers of salvage motor vehicles.

Section 39 corrects an incorrect statutory reference.

Section 40 delays the mandatory participation date for those who finance motor vehicles in utilizing the new electronic lien system from January 1, 2016, to July 1, 2016.

Section 41 exempts trucks with attached snow plows and motor graders from the requirement of an over width permit, if they are participating in DOT snow plowing operations.

Section 42 reverses a correction to S.L. 2015-125 (pertaining to loaner plates for dealer motor vehicles) made in the proofreading process that inadvertently changed the meaning of a phrase in the legislation. This section restores the language as originally intended.

Section 43 corrects an incorrect statutory reference resulting from an earlier recodification of statutes related to mortgage licensing.

Section 44 clarifies that clerks have the authority to accept consents from biological parents who are placing an Indian child for adoption in compliance with the Indian Child Welfare Act (ICWA), which is current practice.

Section 44.5 adds conforming language to Article 36 of the Insurance Chapter to make affiliate transfer of policies available for policies covered in that Article (auto, homeowners, dwelling, and workers comp). The same language was enacted for commercial policies under Article 41 in House bill 361 this session.

Section 45 [Reserved]

Section 46 amends the membership of the 911 Board by allowing a director/manager of a fire-based PSAP (public safety answering point) to be appointed as an alternative to a fire chief with experience operating a PSAP.

Senate Bill 119

Page 3

Section 47 amends a provision providing that changes made to educational requirements for admission to the Bar do not become effective for two years after adoption of the change by the Board of Law Examiners. The amendment makes the two-year delay only applicable when the change establishes additional or greater requirements.

Section 48 makes a conforming change to a statute listing synthetic cannabinoids to account for additional sub-subdivisions added by legislation passed this session (S.L. 2015-162) that added new substances to the controlled substances schedules.

Section 48.5 removes an extra "and" in the name of the Department of Health and Human Services.

Section 49 amends the definition of the term "employee" under the Workers' Compensation Act to exclude volunteers and officers of certain nonprofit corporations and associations. The new definition applies to nonprofits subject to the following acts: the Unit Ownership Act, the Condominium Act, the Planned Community Act, the Nonprofit Corporation Act, the Uniform Unincorporated Nonprofit Association Act, and any organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The provision does not apply to certain volunteer public safety workers who are currently covered by the definition of employee.

Section 50 permits deputy commissioners to hear appeals from certain Industrial Commission decisions.

Section 51 requires the employer's report of an accident filed with the Industrial Commission to state the wages of the injured employee, "if available."

Section 52 deletes a cross-reference to a repealed statute section.

Section 53 corrects a cross-reference.

Section 54 makes conforming changes to department references in statutes relating to the Radiation Protection Commission to reflect that the Commission was previously moved from the Department of Environment and Natural Resources (now Department of Environmental Quality) to the Department of Health and Human Services.

Section 55 corrects an incorrect statutory reference. Current reference is to a statute that was repealed in 2013.

Section 56 corrects an incorrect statutory citation in a provision enacted this session and not effective until January 1, 2016.

Section 57 amends the provisions of State law requiring that a student who receives a Special Education Scholarship for Students With Disabilities must be reevaluated every 3 years by the local educational agency (LEA) in order to verify continued eligibility, to provide that the LEA must offer the opportunity for a three year reevaluation, and if a parent refuses the opportunity for a three year reevaluation, the parent shall comply with the LEA's process for opting out of a reevaluation and formally opt out in writing, pursuant to federal law.

Section 58 requires local superintendents to report the names and addresses of parents, guardians, or custodians of any deaf or blind children residing within their respective LEAs to the directors of the residential schools for children who are deaf or blind. The provision fills a gap created by the repeal of former G.S. 115C-383.

Section 59 amends the State law requirement for use of the ACT test, and substitutes a requirement for a use of a competitive bid process to select a nationally norm-referenced college admission test.

Section 60 corrects an error where two different dates were listed as the due date for a required State Board of Education annual report to Education Oversight on advanced courses in North Carolina.

Senate Bill 119

Page 4

Section 61 clarifies anti-nepotism provisions applicable to Charter and public schools, enacted by House Bill 334. This Section clarifies that the board of directors of a charter school must require prospective employees or independent contractors to disclose relationships to any immediate family member employed by the charter school or board of directors or serving on the board of directors. This Section also clarifies that local boards of education must require prospective employees or independent contractors to disclose relationships to any immediate family member employed by or serving on the local board of education.

Section 62 amends the law on the frequency of teacher evaluations in schools that have not been designated as low-performing. Currently, teachers with more experience are evaluated less frequently. This Section changes the dividing point to teachers with Standard Professional II Licenses.

Section 63 corrects an error in S.L. 2015-167. The references to "administrative area" should be "service area" in this particular case.

Section 64 corrects an incorrect statutory reference.

Section 65 authorizes the UNC Board of Governors or its President to engage the services of and fix the compensation for private counsel.

Section 66 In statutes governing tuition assistance benefits for National Guard members, updates reference to "business and trade schools", by changing it to "proprietary schools." Corrects reference to entity that is responsible for creating an approved list of proprietary schools that National Guard members may receive tuition assistance for attending. Authorizes tuition assistance benefit for National Guard members enrolled in a program granting a graduate certificate

Section 67 allows students in the North Carolina School of Science and Mathematics and students enrolled in high school courses at the North Carolina School of the Arts to have the same exemptions from fees for administrative costs and testing for more rigorous courses as students in other public high schools.

Section 68 amends G.S. 120-11 to change the starting time for the one-day administrative session in January of odd-numbered years from 9 a.m. to noon. The change conforms to the starting time when the legislature returns later in January and may also better accommodate wintry weather conditions.

Section 69 repeals (i) the 2011 provision that transferred the duties of the repealed Legislative Committee on New Licensing Boards to the Joint Legislative Commission on Governmental Operations and (ii) the provision in G.S. 120-76 that requires the Commission to create a subcommittee to review legislative proposals for new licensing boards. The subcommittee has not in fact ever been created, and, if it were, the Commission would need to meet during session (which it never does).

Section 70 adds Campbell University's medical school to the other medical schools in the State that are represented on the Commission of Anatomy.

Section 71 adds an exception to the conflict of interest provisions governing the making of contracts by commissioners or employees of hospital authorities, if the commissioner or employee is not involved in making or administering the contract. Same provision is already law for board of directors or employee of a public hospital.

Section 72 corrects an incorrect statutory citation.

Section 73 authorizes co-chairs, one from each State, for the existing Virginia-North Carolina High Speed Rail Compact Commission.

Senate Bill 119

Page 5

Section 74 amends membership of the Board of Trustees of the North Carolina Museum of Art by extending the term of General Assembly appointees from two years to four years (other appointments are for terms of six years) and by eliminating the two consecutive term limit.

Section 75 amends the law governing appeals of interpretations of the codes applicable to residential, commercial, or multifamily construction, by eliminating a requirement that they first be considered by a specified subcommittee. This section provides those appeals will instead be considered by the full Building Code Council.

Section 76 adds Industrial Commission Fraud Investigators to the list of State law enforcement officers subject to the Criminal Justice Training and Standards Act who are eligible to receive full salary for up to two years during any period of incapacity resulting from an injury by accident or an occupational disease arising out of and in the course of the performance of the employee's official duties.

Section 77 eliminates the two consecutive term limit for members of the Vocational Rehabilitation Council.

Section 78 allows a designee of the board chair of a local partnership, as an alternative to the board chair, to be appointed to the Board of Directors of the North Carolina Partnership for Children, Inc.

Section 79 makes technical changes and conforming changes to account for the conversion of members on the Governor's Crime Commission from General Assembly members to public members in legislation passed earlier this session (S.L. 2015-9).

Section 80 [Reserved]

Section 81 revises the affiliated party committees provision enacted this session in House Bill 373, which allows each political party caucus of the House and Senate to establish a separate affiliated party committee to support the election of candidates.

Section 82 requires the annual identification of military-connected students to be completed by January 31st of each school year.

Section 83 corrects an error in the effective date for S.L. 2014-49.

Section 84 repeals a 1975 session law that prohibited setting or possessing steel traps or taking of any animal caught in a steel trap in New Hanover County. Earlier this session, legislation was passed allowing fox trapping in New Hanover County (S.L. 2015-13).

Section 85 corrects the name of a committee.

Section 86 corrects the effective date of legislation passed this year (S.L. 2015-186) that made changes to penalties for driving while license revoked offenses to make it applicable to offenses committed on or after that date rather than convictions on or after that date.

Section 86.5 in subsection (a) amends Section 12A.5(b)(1) of S.L. 2015-241 to add more specific direction on how the State CIO is to spend funds for the establishment, administration, and ongoing support of a successor HIE network. Subsection (b) clarifies the definition of "HIPAA" in the newly enacted Statewide Health Information Exchange Act (Article 29B of Chapter 90 of the General Statutes). Subsection (c) amends a newly-enacted section dealing with covered entities participating in the HIE network to change "elects to participate" to "participates" because some covered entities are required to participate. Subsection (d) adds language to specify that demographic and clinical information does not need to be submitted to the successor HIE network until a date established by the North Carolina Health Information Exchange Authority after the network connection is operational. Subsection (e) excepts out the date established under subsection (d) from the general effective date provisions for the transfer to the successor HIE network.

Senate Bill 119

Page 6

Section 87 amends a budget provision that eliminated a requirement for publication of the Access North Carolina travel guide. The repeal of that requirement also inadvertently repealed the first sentence of G.S. 168-2. This section reinstates the inadvertently repealed language.

Section 88 amends the budget bill to clarify that the elimination of the Medicaid reimbursement for graduate medical education (GME) costs through the DRG rate payment methodology does not eliminate Medicaid reimbursement for GME costs through other methodologies including cost settlement and the Medicaid Reimbursement Initiative (MRI) and Upper Payment Limit (UPL) models as defined in the Medicaid State Plan. This section further clarifies that reimbursement for GME through other methodologies shall not be construed to require the Department to submit any State Plan amendment that would impair achievement of the savings for this item in the budget bill and money report.

Section 89 amends the budget bill to require the Department of Health and Human Services to submit a Medicaid State Plan amendment by February 15, 2016 that modifies the annual cost settlement methodology for local health departments to maximize federal reimbursement for Medicaid services provided by local health departments without increasing State funding requirements and is effective for cost reports beginning July 1, 2016.

Section 90 delays the effective date of amendments to the law relating to reimbursement for drugs and pharmaceutical services by the Industrial Commission.

Section 91 corrects an effective date in House Bill 117, if the bill becomes law.

Section 91.5 is a severability clause.

EFFECTIVE DATE: Except where a more specific effective date is provided for an individual section, the bill is effective when it becomes law.

TEXT OF EXPLANATORY MEMORANDUM FROM GENERAL STATUTES COMMISSION: MEMORANDUM

To: House Committee on Rules

From: General Statutes Commission

Re: SB 119 (GSC Technical Corrections 2015)

Date: September 22, 2015

General Comments

Part 1 of the proposed committee substitute for this bill contains corrections of a technical nature to the General Statutes and session laws that are recommended by the General Statutes Commission.

These amendments correct typographical, spelling, and other obvious drafting and stylistic errors, make conforming changes, update archaic or incorrect phrasing and style, make language gender neutral, rephrase a provision for clarity, renumber a G.S. section that currently has a nonstandard number, codify an applicability provision that should have been codified when first enacted, and repeal obsolete provisions.

Specific Comments

Senate Bill 119

Page 7

Subsection 1(a) would correct a drafting error in G.S. 1-267.1(d) by removing the reference to "appeals" from orders entered in civil proceedings filed by taxpayers under G.S. 105-241.17, thus bringing the civil proceedings themselves within the scope of the exemption in G.S. 1-267.1(d). The problem with the existing language is that "appeals" from a superior court go to either the Court of Appeals or the Supreme Court, not to another trial level court or trial level panel.

Subsection 1(b) would amend G.S. 7A-27(a1) to change a reference from "this section" to "this subsection," which was the correct term here. **Subsection 1(b)** would also make a conforming amendment to G.S. 7A-27(b) to account for the enactment of subsection (a1) and would correct two references in sub-subdivision (b)(3)f. from "this subsection" to "this sub-subdivision."

Section 2 would make a conforming amendment to G.S. 7B-323(f) to update the statutory reference from "G.S. 7A-27(c)" to "G.S. 7A-27(b)(2)." S.L. 2013-411, s. 1, revised G.S. 7A-27 and in the process moved the provision formerly in G.S. 7A-27(c) to G.S. 7A-27(b)(2).

Section 3 would amend G.S. 14-269(a), (a1), and (b) to correct the spelling of "shuriken" and make references to a defendant gender neutral.

Section 4 would amend G.S. 14-313 to correct a citation and make a stylistic correction. Specifically, in subsection (b), the reference in subdivision (3) to "G.S. 20-377.7" should read "G.S. 20-37.7." There is no G.S. 377.7, and G.S. 20-37.7 deals with special identity cards. In subsection (e), the phrase "the provisions of G.S. 14-313" should read "the provisions of this section" because the language is in fact in G.S. 14-313.

Section 5 would amend G.S. 15A-150(b) to delete a duplicative notice to the Department of Public Safety in subdivision (b)(2).

Section 6 would amend G.S. 15A-1340.16(f) to add a subsection catchline. Subsection (f) was added to G.S. 15A-1340.16 by S.L. 2012-193, s. 10. As enacted, it has no subsection catchline, unlike every other subsection in G.S. 15A-1340.16. The proposed amendment adds a subsection catchline to conform to the style of the rest of the section.

Section 7 would amend G.S. 18B-302(d) to make the same citation correction made in **Section 4** to G.S. 14-313(b)(3). Here, too, the reference to "G.S. 20-377.7" should read "G.S. 20-37.7."

Section 8(a) would amend G.S. 20-115 to correct a reference to "this title" and to update two archaic phrases. Although some states' statutes are divided into "titles," the General Statutes do not use that term in their organizational terminology. In G.S. 20-115, "this title" appears to be referring to the "Part" in which G.S. 20-115 appears, which is Part 9 (The Size, Weight, Construction and Equipment of Vehicles) of Chapter 20 of the General Statutes. In addition, "thereto," "herein," and "said" are updated to read, "to this Part," "in this Part," and "the limitations," respectively.

Section 8(b) would amend G.S. 106-549.21(d) and (e) primarily to change references to "this title" to read "this Article," because "title" is not a term used in the General Statutes' organizational terminology. The statute appears in Article 49B (Meat Inspection Requirements; Adulteration and Misbranding) of Chapter 106 of the General Statutes, and the references to "this title" appear to refer to

Senate Bill 119

Page 8

Article 49B. The amendments also would make references to the Commissioner of Agriculture gender neutral, and update legalese in two places.

Section 9 would amend G.S. 20-183.2(a1) to update a citation. The list of allowed special license plates in G.S. 20-79.4 was renumbered in 2013, and the description of "historic vehicles" in G.S. 20-79.4(b) is now at subdivision (b)(90).

Section 10 would recodify G.S. 62-36B as G.S. 62-36.01. "62-36B" is no longer an allowable format for a G.S. number.

Section 11 would amend G.S. 62-110.1(c) to delete as obsolete a reference to the Southern Growth Policies Board. The Board has terminated.

Section 12 would amend G.S. 66-372(e) to correct the subdivision reference in the citation to G.S. 66-370. G.S. 66-370 was formerly G.S. 58-1-25, recodified as G.S. 66-370 by S.L. 2007-95. Originally, the definition of "motor vehicle service agreement" was the first definition in G.S. 58-1-25(b); in 1993, however, several other definitions were added and "motor vehicle service agreement" was moved to its current position as subdivision (5) to maintain alphabetical order (by Section 48 of Chapter 504 of the 1993 Session Laws). The internal numbering was retained when G.S. 58-1-25 was recodified. No conforming amendment to the subdivision reference was ever made to the text of G.S. 66-372(e)(2) (which was formerly G.S. 58-1-35).

Section 13 would amend G.S. 90-89(5)a. and j. to correct the spelling of two of the chemical compounds listed in those sub-subdivisions.

Section 14 would amend G.S. 90-113.101 to correct the codification and scope of the definitions in that section, which are intended to apply only to the article in which the section appears (Article 5G of Chapter 90 of the General Statutes). The effective date (July 16, 2015) coordinates these amendments with the amendments to this section made by S.L. 2015-154.

Section 15 would repeal G.S. 113A-153 as obsolete. G.S. 113A-153 originally created a North Carolina Land Policy Council and gave it some duties. In 1981, the portion of the statute that created the Council was repealed, but some of its duties, the procedure for hearings held by the Council, and directives relating to the Council's money were left in the statute. The duties were not, however, re-assigned to another agency. As far as can be determined, and after consulting with the Department of Environment and Natural Resources and the State Property office, the portion of the section that remains is obsolete.

Section 16 would make the same amendment to G.S. 63A-9, 115C-513, 116-183, 116-196, 116-198.39, 142-29.6, 142-68, 142-92, 157-26, 159I-23, 160A-480.1, and 160A-516 to remove an obsolete reference to "inheritance and gift taxes," which this State no longer has.

Section 17 would amend G.S. 131E-154.13(3) to update the name of one of the listed organizations. "North Carolina Association of Non-Profit Homes for the Aging" is now "LeadingAge North Carolina."

Section 18 would amend G.S. 143-228.10, a definitions section, to correct a typographical error in the introductory language. This provision was enacted as subsection (a) of Section 29 of SL 2015-

Senate Bill 119

Page 9

120 (SB 734). In the enacting session law, the reference to "Section 6 of this act" in the introductory phrase should have read "this section." Please note that in an earlier version of SB 734, the section in question was Section 6, although the reference should still have been to "this section." In addition, the original version of the text was initially introduced in separate companion bills (SB 765/HB 1081) in which the reference was to "this act." The section was codified at the direction of the Revisor of Statutes as Article 22A of Chapter 143, so the corrected reference should now be conformed to read "this Article."

Section 19 would amend G.S. 143B-431.01(d) to correct the style of a reference. Sub-subdivision (d)(2)e. refers to "contracts pursuant to G.S. 143B-431.01"; however, the sub-subdivision is in G.S. 143B-431.01. The phrase should have read "contracts pursuant to this section," and the proposed amendment would make that change.

Section 20 would amend G.S. 143B-927 to remove a reference to "Chapter 143B of the General Statutes." Because there is already a reference to "this Chapter," which is itself a reference to Chapter 143B, the reference is duplicative and also not in the usual drafting style.

Section 21 would amend G.S. 143C-6-23(f1) to correct an obvious drafting error. The reference in subdivision (3) to "this act" should be a reference to "this section."

Section 22 would repeal subdivision (12) of G.S. 150B-21.1(a), which is now obsolete. G.S. 150B-21.1(a)(12) currently consists of introductory language and two expired sub-subdivisions, as follows:

§ 150B-21.1. Procedure for adopting a temporary rule.

(a) Adoption. - An agency may adopt a temporary rule when it finds that adherence to the notice and hearing requirements of G.S. 150B-21.2 would be contrary to the public interest and that the immediate adoption of the rule is required by one or more of the following:

...

(12) The need for an agency to adopt a temporary rule to implement the provisions of any of the following acts until all rules necessary to implement the provisions of the act have become effective as either temporary or permanent rules:

- a. Repealed by Session Laws 2000-148, s. 5, effective July 1, 2002.
- b. Repealed by Session Laws 2000-69, s. 5, effective July 1, 2003.

The individual sub-subdivisions were enacted in different session laws from 2000. Each had a separate sunset date, which has now passed. Nothing has ever repealed the supporting structure, however, and it is now obsolete. The proposed amendment would repeal the entirety of the subdivision.

Section 23 would amend G.S. 150B-21.3(b2) to make a conforming amendment. The requirements for agencies to follow in furnishing information on how to request legislative review of a rule were moved from G.S. 150B-21.2(c)(9) to G.S. 19.1(c)(4) by S.L. 2013-143, ss. 1 and 1.1, effective June 19, 2013. In addition, agencies are now required to post the information on their web sites rather than include the information in the notice of text published in the North Carolina Register as a part of the rulemaking procedures. The proposed amendment conforms G.S. 150B-21.3(b2) to those changes.

Section 24 would amend G.S. 150B-23.2(d) in the subsection catchline to correct a spelling error. "Wavier" should be "Waiver."

Senate Bill 119

Page 10

Section 25 would amend G.S. 161-22.3 to update a statutory reference. Former G.S. 143-345.6 was recodified as G.S. 147-54.3 by Session Laws 1991, c. 689, s. 181(b).

Section 26 would amend G.S. 163-275 to update the style of the list and thereby eliminate the problem of the misplaced conjunction at the end of subdivision (14). This problem tends to occur when additional subdivisions are added to the end of lists in the older format reflected in this section. The amendment also replaces the word "his duty" in subdivisions (10) with "duty" and deletes the word "his" before "duties" in subdivision (11) to make the provisions gender neutral.

Section 27 would amend G.S. 163-278.13(a1) to correct the spelling of the title, "Revisor of Statutes."

Section 28 would codify the applicability provisions of S.L. 2010-32, which are actually substantive and should have been initially codified. S.L. 2010-32 enacted Chapter 39A of the General Statutes, which, generally speaking, prohibits transfer fee covenants. Transfer fee covenants are covenants that run with the land and require the payment of a fee to a third party, such as a homeowners association, when the land is transferred or sold in the future. The applicability provisions of the act limited its effect to (i) transfer fee covenants, (ii) liens to enforce transfer fee covenants or security agreements for the payment of a transfer fee, and (iii) agreements imposing a private transfer fee, that are recorded after July 1, 2010 (the effective date). Section 2 of the act also provided that the act did not validate earlier transfer fee covenants. Because the applicability provisions created two permanent classes, those transfer fee covenants subject to the act and those that are not subject to it, the provisions are substantive and should have been initially codified with the other provisions. The General Statutes Commission received a report that the failure to include the applicability provisions has caused confusion in actual practice, because the codified act appears to apply to all transfer fee covenants, not just those recorded on or after the effective date. The codification rearranges some of the provisions but does not change them.

Specifically, **subsection 28(a)** codifies Section 2 of the act as new G.S. 39A-4. **Subsection 28(b)** further amends new G.S. 39A-4 to designate the language from Section 2 as subsection (b) and to incorporate the applicability portion of Section 3 of the act as new G.S. 39A-4(a). **Subsection 28(c)** then conforms Section 3 of the act to the codification by removing the applicability provisions from that section so that it contains only the effective date.

Section 29 would amend the introductory language of Section 3 of S.L. 2014-76 to correct a typographical error in the citation of the statute being amended. "G.S. 94-133(a)" (the citation in the session law) should have read, "G.S. 95-133(a)."

Section 30 would amend Section 3.5 of S.L. 2015-35 to correct an obvious spelling error. Section 3.5 deals with the Iredell County and Statesville Schools Board of Education, so the reference in Section 3.5(b) to "Iredell-States Schools Board of Education" is clearly an error.

Section 31 would amend S.L. 2015-205 to add a new single section Part that makes a technical or clarifying amendment and corrects an obvious drafting error in the authorization to print drafters comments.

Senate Bill 119

Page 11

Specifically, **subsection 31(a)** amends the session law to add a new Part X-A containing one section, numbered 10.5, that amends G.S. 36C-8-802(f) to revise language relating to the persons who must receive an annual notice about the rate and method used to compensate trustees. The existing language requires this information to be sent to "persons entitled under G.S. 36C-8-813 to receive a copy of the trustee's annual report." G.S. 36C-8-813 as a whole, however, deals with the provision of information to two groups of persons: (i) qualified beneficiaries who are currently distributees or permissible distributees, who are entitled to regular reports of various kinds of information under G.S. 36C-8-813(a)(1), and (ii) all qualified beneficiaries, which includes both current and contingent beneficiaries of a trust, and who are entitled to a narrower variety of information on request under G.S. 36C-8-813(a)(2). The existing language in G.S. 36C-8-802(f) has reportedly been confusing in practice as to which group is entitled to receive the information on the computation of trustee fees, although attorneys practicing in that area appear to agree that the intent was for that information to be sent to the first group only and not to all qualified beneficiaries, in keeping the philosophy of Chapter 36C of the General Statutes in which current beneficiaries receive regular reports and future possible beneficiaries receive information less regularly or only on request. As a result, attorneys with the North Carolina Bar Association's Estate Planning and Fiduciary Law Section developed the replacement language, which makes it clear that the information on trustee fees must be sent only to the first group (current distributees or possible distributees) by expressly referring to beneficiaries entitled to information under G.S. 36C-8-813(a)(1). The General Statutes Commission, however, examined the existing provisions and noted that the only reference in G.S. 36C-8-813 to a trustee's "annual report" was in subsection (b) of that section. This language specifically deals only with information provided under subdivision (a)(1) of that section, which therefore limits the group entitled to the trustee's "annual report" to the first group (the current distributees or possible distributees as identified in G.S. 36C-8-813(a)(1)). As a result, it appeared to the Commission that the substitute wording was clearer but did not make a substantive change.

Subsection 31(b) amends Section 11(a) of S.L. 2015-205 to correct an obvious drafting error. The language in this subsection is the standard language used to authorize the Revisor of Statutes to print official and drafters' comments to an act, with modifications for this particular session law. This authorization is normally limited to Uniform Acts. In that context, "official comments" are those of the Uniform Law Commission, and "drafters comments" are those of the body in this State that prepared the North Carolina version of a Uniform act. As drafted, subsection 11(a) authorizes the printing of official comments for the Uniform Powers of Appointment Act and the Uniform Trust Code and "all explanatory comments of the drafters of those acts." "[T]hose acts," however, refer back to the actual Uniform acts, not the North Carolina versions, and thus the provision is effectively a duplicate authorization to print comments from the Uniform Law Commission rather authorization to print the comments of the North Carolina drafters. The amendment in **subsection 31(b)** corrects that problem.