



SENATE BILL 382: Disaster Relief-3/Budget/Various Law Changes.

2023-2024 General Assembly

Committee:		Date:	November 19, 2024
Introduced by:		Prepared by:	Legislative Drafting & Legislative Analysis
Analysis of:	Conference Committee Substitute (S382-CCSTC-8)		

OVERVIEW: *The Conference Committee Substitute (CCS) for Senate Bill 382 would modify and provide additional appropriations for disaster recovery; make technical, clarifying, and other modifications to the Current Operations Appropriations Act of 2023; and make various changes to laws concerning elections, organization of State government, education, and other areas of law.*

BILL ANALYSIS: The CCS includes the following:

PART I – DISASTER RELIEF

SUBPART I-A. GENERAL PROVISIONS

Section 1A.1 would reflect the title as "The Disaster Recovery Act of 2024 – Part III."

Section 1A.2 would state that the appropriations and allocations made in this Part are for maximum amounts necessary to implement this Part.

Section 1A.3 would note that this bill, unless otherwise provided, applies to the North Carolina counties in the affected area, as defined in Section 1A.4.

Section 1A.4 would provide the following definitions to apply to this act: "Affected area," "FEMA," "Helene Fund," "OSBM," "Recipient," "Saving Reserve," and "SERDRF."

Section 1A.5 would transfer \$227 million from the Savings Reserve to the Helene Fund. \$2 million of these funds are appropriated in Section 1D.1.

SUBPART I-B. EDUCATION

CLARIFY EMPLOYEE COMPENSATION DURING INSTRUCTIONAL DAYS DEEMED COMPLETED IN NOVEMBER OF 2024 DUE TO HURRICANE HELENE

Section 1B.1 would revise the language in the first disaster recovery act that permits compensation of employees and contractors of public schools who missed scheduled instructional days due to Hurricane Helene to conform with the additional school calendar flexibility provided in the second disaster recovery act so that missed days in November qualify for compensation.

ALLOW CHANCELLOR OF THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE TO USE REMAINING TUITION GRANT FUNDS TO HELP UNCA

Section 1B.2 would permit the Chancellor of UNC Asheville (UNCA) to use any remaining funds provided for tuition grants to help UNCA.

Kara McCraw
Director



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SUBPART I-C. HEALTH AND HUMAN SERVICES

EXTENSION OF MH/DD/SUS FACILITY LICENSES AND LICENSE RENEWAL DEADLINES

Section 1C.1 would extend from December 31, 2024, to March 1, 2025, the validity of licenses issued during the 2024 calendar year to facilities located in the affected area that provide services for individuals with mental illness, intellectual or developmental disabilities, or substance use disorders; and would extend the deadline by which these facilities must apply for license renewal for the 2025 calendar year to March 1, 2025.

AUTHORIZATION FOR THE DIVISION OF HEALTH SERVICE REGULATION TO TEMPORARILY WAIVE RULES PERTAINING TO LOCAL CONFINEMENT FACILITIES DURING CERTAIN EMERGENCIES

Section 1C.2 would authorize the Division of Health Service Regulation to temporarily waive any applicable State rules pertaining to local confinement facilities during specified emergencies.

EXTENSION OF REGISTRATIONS AND REGISTRATION RENEWAL DEADLINES FOR MULTI-UNIT ASSISTED HOUSING WITH SERVICES FACILITIES

Section 1C.3 would extend from December 31, 2024, to March 1, 2025, the validity of registrations issued during the 2024 calendar year to facilities located in the affected area that provide multi-unit assisted housing with services; and would extend the deadline by which these facilities must apply for registration renewal for the 2025 calendar year to March 1, 2025.

EXTENSION OF ADULT CARE HOME AND FAMILY CARE HOME LICENSES AND LICENSE RENEWAL DEADLINES

Section 1C.4 would extend from December 31, 2024, to March 1, 2025, the validity of licenses issued during the 2024 calendar year to adult care homes and family care homes located in the affected area; and would extend the deadline by which these facilities must apply for license renewal for the 2025 calendar year to March 1, 2025.

EXTENSION OF DEADLINE FOR RENEWAL OF ADULT CARE HOME ADMINISTRATOR CERTIFICATION AND COMPLETION OF CONTINUING EDUCATION REQUIREMENTS

Section 1C.5 would extend from December 31, 2024, to March 1, 2025, the validity of adult care home administrator certificates due to expire at the end of the 2024 calendar year only for adult care home administrators that either work as administrators or reside in the affected area; and would extend the deadline by which these administrators must complete their 2024 continuing education requirements and apply for certification renewal for the 2025-2027 fiscal biennium to March 1, 2025.

SUBPART I-D. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

FUNDS FOR SOIL AND WATER CONSERVATION

Section 1D.1 would appropriate \$2 million in nonrecurring funds from the Helene Fund to the Department of Agriculture and Consumer Services for technical support to soil and water conservation districts in the affected area.

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DEBRIS REMOVAL FUNDS

Section 1D.2 would transfer \$25 million in nonrecurring funds from the SERDRF to the Helene Fund and appropriate these funds to the Department of Agriculture and Consumer Services for the Streamflow Rehabilitation Assistance Program for statutorily authorized activities in the affected area.

EXTENDING CERTAIN GOVERNMENT APPROVALS AFFECTING THE DEVELOPMENT OF REAL PROPERTY WITHIN THE AFFECTED AREA

Section 1D.3 would extend certain government approvals affecting the development of real property within the affected area.

EXTEND THE VALIDITY OF CERTAIN SEPTIC SYSTEM PERMITS WITHIN THE AFFECTED AREA

Section 1D.4 would extend the validity of permits issued for the construction, installation, and operation of on-site wastewater systems in an affected area to 10 years from the date of issuance.

TEMPORARY PUBLIC WATER SYSTEM APPROVAL IN DISASTER AREAS

Section 1D.5 would allow a supplier of water to temporarily operate a transient non-community public water system in Helene affected areas for up to 59 days, without having been issued an operating permit by the Department of Environmental Quality (DEQ). DEQ could revoke this temporary authorization upon issuing a written notice to the transient non-community public water system citing a public health risk.

TEMPORARY PUMP AND HAUL WASTEWATER PERMITS

Section 1D.6 would provide that temporary pump and haul wastewater permits issued to a temporary housing unit in an affected area remain valid for 12 months, with an option to extend the permit for no more than 12 months, provided the permit holder complies with certain requirements. This section would apply to permits issued through March 1, 2025.

AUTHORIZE WAIVER OF SUBMISSION AND APPROVAL OF SEDIMENTATION POLLUTION CONTROL PLAN PRIOR TO INITIATION OF LAND-DISTURBING ACTIVITIES IN CERTAIN CIRCUMSTANCES

Section 1D.7 would require, to the extent authorized by federal law, an agency with jurisdiction over an erosion and sedimentation control program to waive the requirement that persons conducting land-disturbing activity in affected areas file an erosion and sedimentation control plan for approval, and obtain a General Permit NCG01000, prior to initiating land-disturbing activity in compliance with certain requirements. This section would expire March 1, 2025.

TREE ORDINANCE RESTRICTION IN DISASTER DECLARED COUNTIES

Section 1D.8 would prohibit local governments in an affected area from enforcing ordinances regulating the removal, replacement, and preservation of trees on private property or requiring a permit for any activity relating to trees, on the portion of any private property that is more than 10 feet from the property boundary. This section would not apply to imminent threats to public safety or areas where tree removal or maintenance activities are prohibited by State or federal law. This section would expire March 1, 2025.

RIGHT TO CONNECT TEMPORARY HOUSING TO WASTEWATER TREATMENT SYSTEM

Section 1D.9 would require local health departments to allow a homeowner in an affected area to connect temporary housing to an existing subsurface wastewater treatment and dispersal system, provided that the homeowner signs an affidavit developed by the Department of Health and Human Services (Department) authorizing the use of the wastewater system with temporary housing for up to 12 months or until

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permanent housing is established, whichever occurs first. The Department and its employees, agents, and contractors would bear no liability to a homeowner who signs an affidavit related to the homeowner's decision to connect to an existing subsurface wastewater treatment and dispersal system. This section would expire June 1, 2025.

MODIFY DEQ WATER INFRASTRUCTURE BRIDGE LOAN PROGRAM

Section 1D.10 would modify the DEQ Water Infrastructure Bridge Loan Program (i) to include nonprofit water corporations as eligible entities under the program, (ii) to include a definition of “operational capacity”, (iii) to include receipt of State disaster relief as a triggering event for loan repayment by a provider, (iv) removing the requirement that other sources of funding not be reasonably available to a provider as a necessary precondition to eligibility for funding under the program, and (v) modifying the reporting requirements.

SUBPART I-E. JUSTICE AND PUBLIC SAFETY

EXTEND CERTAIN CONCEALED HANDGUN PERMITS

Section 1E.1 would extend the expiration date of concealed handgun permits to March 1, 2025, for residents of the affected area with permits that expire on or after September 25, 2024, but no later than December 31, 2024.

SUBPART I-F. GENERAL GOVERNMENT

MODIFY CASHFLOW LOAN PROGRAM

Section 1F.1 would move cashflow loan funds and the program established in Section 4E.5 of S.L. 2024-53 from the Department of State Treasurer, Local Government Commission, to the Office of State Budget and Management. This section would also provide that local governments seeking loans do not have to get approval from the Local Government Commission.

OFFICE OF RECOVERY AND RESILIENCY FUNDS, AUDIT, FINANCIAL MONITORING, AND SUBRECIPIENT AGREEMENTS

Section 1F.2 would appropriate \$50 million to NCORR from the SERDRF for the Rebuild NC Program, and would direct the State Auditor to conduct periodic audits of NCORR, while OSBM performs financial monitoring. NCORR would also be required to enter into Round 3 Affordable Housing Development Fund agreements with subrecipients of those funds.

DELAY 2024 NORTH CAROLINA STATE BUILDING CODE EFFECTIVE DATE

The North Carolina State Building Code is a collection of technical code volumes aimed at protecting health and safety in the built environment, and a majority of the technical codes are scheduled for a Code collection publication update, effective January 1, 2025, which would be referred to as the 2024 North Carolina State Building Code.

Section 1F.3 would delay the effective date of the 2024 Code to July 1, 2025.

AUTHORIZE THE OFFICE OF THE STATE FIRE MARSHAL TO PROMULGATE RULES FOR TEMPORARY MANUFACTURED AND MODULAR DWELLINGS

The Office of the State Fire Marshal, along with the Building Code Council, are largely responsible for the promulgation of rules which apply to manufactured homes.

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Section 1F.4 would authorize the Office of the State Fire Marshal to promulgate rules for the placement, construction, installation, and connection of temporary manufactured and modular dwellings which are designed for utilization as temporary dwellings in the affected area. This section would expire March 1, 2025.

SUBPART I-G. STATEWIDE

DACS CAPITAL PROJECT ACCOUNTS CONSOLIDATION

Section 1G.1 would consolidate several DACS capital accounts into a single account to be used for facility repairs in the affected area.

SUBPART I-H. TRANSPORTATION

SUSPENSION OF TRANSFER OF FUNDS TO TRANSPORTATION EMERGENCY RESERVE

Section 1H.1 would appropriate Transportation Emergency Reserve for repair and reconstruction of transportation infrastructure in the affected areas and suspend required transfer of funds to Transportation Emergency Reserve until July 30, 2027.

PART II – BUDGET AND VARIOUS TECHNICAL CORRECTIONS

SUBPART II-A. EDUCATION

FUNDS FOR LEGAL AND ADMINISTRATIVE SERVICES FOR THE NORTH CAROLINA SCHOOL FOR THE DEAF

Section 2A.1 would provide funds to the North Carolina School for the Deaf for legal and administrative services.

UNC PERFORMANCE FUNDING

Section 2A.2 would provide funds to the Board of Governors of The University of North Carolina to account for enrollment funding changes related to performance outcome measures of student success, affordability, and productivity.

UNC STUDENT CREDIT HOUR ENROLLMENT CHANGES

Section 2A.3 would provide funds to the Board of Governors of The University of North Carolina to account for enrollment funding changes in resident student credit hours.

UNC ENROLLMENT LOSS MITIGATION

Section 2A.4 would provide funds to the Board of Governors of The University of North Carolina to offset enrollment related funding losses experienced by East Carolina University, UNC Asheville, UNC Greensboro, UNC Pembroke, and Winston-Salem State University.

UNC BUILDING RESERVES

Section 2A.5 would provide funds to the Board of Governors of The University of North Carolina to operate and maintain Randall Library at UNC at Wilmington and Joiner Hall and other buildings at the NC School of Science and Mathematics at Morganton.

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PERMIT CHAIR OF BOARD OF GOVERNORS TO DESIGNATE A MEMBER OF BOARD OF DIRECTORS FOR PROJECT KITTY HAWK

Section 2A.6 would provide that the Chair of the Board of Governors could designate an individual to take the place of the Chair as an ex officio voting member on the board of directors for Project Kitty Hawk.

CAMPUS LAW ENFORCEMENT TEACHING HOSPITAL CLARIFICATION

Section 2A.7 would clarify that teaching hospitals are allowed to establish their own law enforcement agencies.

NORTH CAROLINA COLLABORATORY TO ESTABLISH AND OPERATE THE OFFICE OF LEARNING RESEARCH

Section 2A.8 would appropriate \$1.5 million in recurring funds to the North Carolina Collaboratory to establish and operate the Office of Learning Research (OLR) and permits the Collaboratory to relocate OLR elsewhere within the University of North Carolina at Chapel Hill.

REVISE STATE EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS MEMBER REQUIREMENTS

Section 2A.9 would revise the requirements for membership on the board of directors of the State Education Assistance Authority so that the member who represents nonpublic schools need not be an active financial officer or chief administrative officer of a nonpublic school if that person has experience in one of those roles and permits any current member who meets the new requirements to continue to hold that seat until the end of the term.

EXTEND CERTAIN OPPORTUNITY SCHOLARSHIP DOMICILE VERIFICATION REQUIREMENTS

Section 2A.10 would extend through the 2025-2026 school year the requirements for opportunity scholarship applications that (i) parents may certify that certain domicile requirements are met and (ii) the State Education Assistance Authority verify domicile for six percent of applicants.

SUBPART II-B. HEALTH AND HUMAN SERVICES

CONTINUE FUNDING FOR CHILD CARE STABILIZATION GRANTS

Section 2B.1 would appropriate \$33.75 million in funding for the continuation of the compensation grants portion of the Child Care Stabilization Grants to provide a third quarter of reduced grants.

SIX-MONTH EXTENSION FOR FULL IMPLEMENTATION OF CHILD FATALITY PREVENTION SYSTEM CHANGES

Section 2B.2 would delay by six months full implementation of the changes to the State's Child Fatality Prevention System to give DHHS additional time to complete tasks necessary to transition leadership of the System to the State Office of Child Fatality Prevention, including the establishment of a new citizen review panel system that meets federal child welfare requirements.

FOSTER CARE TRAUMA-INFORMED ASSESSMENT

Section 2B.3 would extend the deadlines until next year for the trauma-informed standardized assessment rollout and would extend the reversion of the associated funds until June 30, 2026.

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SUBPART II-C. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

WATER AND SEWER INFRASTRUCTURE CORRECTIONS AND CLARIFICATIONS

Section 2C.1 would make various corrections and revisions to water and wastewater infrastructure grants in prior Appropriations Acts for the Town of Midland, Union County, the Town of Warsaw, the Town of Connely Springs, Rockingham County, the City of Saluda, and the Towns of Columbus and Tryon.

INCREASE ADMINISTRATIVE CAP FOR THE TOBACCO TRUST FUND

Section 2C.2 would increase the statutory administrative expense cap for the Tobacco Trust Fund Commission.

DELAY EFFECTIVE DATE OF ENTERTAINMENT EVENT TICKET SALE/RESALE TRANSPARENCY

Section 2C.3 would delay the effective date of entertainment ticket price transparency legislation from the 2024 Regulatory Reform Act from January 1, 2025, to April 1, 2025.

EXPEDITE EFFECTIVE DATES FOR CAMA PROVISIONS REQUIRING NOAA APPROVAL

Section 2C.4 would revise the effective date for permitting changes applicable to dock, pier and walkway replacement and to measurement lines for terminal groin projects in coastal areas of the State originally enacted in the 2024 Regulatory Reform Act.

REPURPOSE CERTAIN FUNDS FROM COLUMBUS COUNTY TO TOWN OF LAKE WACCAMAW

Section 2C.5 would reallocate funds allocated in previous legislation to Columbus County to the Town of Lake Waccamaw for dam construction and related activities.

SUBPART II-D. JUSTICE AND PUBLIC SAFETY

MODIFY STATUTE SHIELDING INDIVIDUALS FROM PROSECUTION RELATED TO CERTAIN LOCAL ORDINANCES

Section 2D.1 would place greater restrictions on the ability for criminal defendants charged with violating local ordinances to avoid prosecution for those alleged violations. In order for a defendant to avoid prosecution for a local ordinance, the defendant must either (i) prove that they had no new alleged violations of the local ordinance in the 12 months (was 30 days) following the charge for which the defendant is being prosecuted, or (ii) provide documented proof of a good faith effort to seek assistance for the underlying factors that contributed to the alleged local violation (defendants did not previously need to provide documented proof).

FUNDING TO MAKE TIME-LIMITED ECOURTS TECHNOLOGY POSITIONS INTO PERMANENT POSITIONS

Section 2D.2 would revert previously appropriated funds of \$2.5 million in nonrecurring funds from the Administrative Office of the Courts (AOC) back to the IT Reserve and then appropriate \$2.5 million recurring to AOC to be used to convert time-limited eCourts technology positions into permanent positions.

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FUNDING FOR TIMELY PAYMENTS TO PRIVATE ASSIGNED COUNSEL REPRESENTING INDIGENT DEFENDANTS

Section 2D.3 would appropriate \$8.2 million in nonrecurring funds to Indigent Defense Services to be used to provide timely payments to private assigned counsel representing indigent defendants.

CREATE TWO SPECIAL SUPERIOR COURT JUDGE POSITIONS

Section 2D.4 would create two new special superior court judge positions to begin on January 1, 2025, each to be filled by appointment of the General Assembly, with one seat nominated by the Speaker of the House and one nominated by the President Pro Tempore of the Senate. For these purposes, this provision also appropriates \$287,846 in recurring funds and \$14,452 in nonrecurring funds for the 2024-2025 fiscal year.

REPEAL VARIOUS SUPERIOR COURT DISTRICTS

Section 2D.5 would repeal various superior court districts. Voters assigned to superior court districts repealed by this section would be reassigned to other superior court districts located within the same county. This section would become effective January 1, 2029, with elections conducted in 2028 held accordingly.

SUBPART II-E. GENERAL GOVERNMENT

OSBM GRANT CHANGES

Section 2E.1 would rewrite Section 6.1(a) of S.L. 2024-1 and Section 24.7 of S.L. 2023-134 to make technical changes and reallocations for the Town of Yanceyville, Town of Waxhaw, Place of Refuge of Gaston County, North American Mission Board of the Southern Baptist Convention, Lincoln Community Health Center, Salvation Army, Fayetteville State University, Life Choices Rowan, Town of Red Springs, Person-Caswell Lake Authority, and The Arc/Alamance County, Inc.

APPROPRIATION FOR RRC LITIGATION EXPENSES

Section 2E.2 would appropriate \$250,000 in nonrecurring funds to the Office of Administrative Hearings (OAH) to offset litigation expenses incurred by the Rules Review Commission (RRC) for retaining private counsel. Since OAH manages the administrative and financial functions of the RRC, the appropriation is directed to OAH for RRC's benefit.

BURKE COUNTY BUSINESS PARK SITE DEVELOPMENT

Section 2E.3 would reallocate \$20 million of the \$23.52 million that originally went to Burke Partnership for megasite capital/acquisition costs in western North Carolina and would allow Burke Partnership to instead use that \$20 million for site development/preconstruction activities at the Burke Business Park in Burke County, subject to Burke Partnership entering into contracts with Burke County and the Department of Commerce that, among other things, provide for (i) acceptable uses of funds, (ii) fund recoupment requirements, (iii) clawback provisions, and (iv) fund repayment provisions.

CLARIFY AUTHORITY TO MODIFY LOAN AND TECHNICAL CORRECTION TO CONSUMER FINANCE ACT

Section 2E.4 would clarify the authority to modify loan contracts and would make technical corrections to the Consumer Finance Act.

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CERTAIN NOTARY MODIFICATIONS

Section 2E.5 would validate any emergency notarization and any emergency video witnessing performed July 1, 2024, through September 8, 2024.

COMMERCIAL BUILDING CODE COUNCIL REVISION

Part 5 of S.L. 2024-49, effective January 1, 2025, reorganizes the Building Code Council (Council) to have 13 members, who are appointed by the General Assembly and the Governor.

Section 2E.6 would replace the experience requirement for one of the Council members appointed upon recommendation of the Speaker of the House from a construction law attorney to a design professional with experience in the design of structures or buildings subject to the North Carolina Building Code. This section would become effective January 1, 2025.

SUBPART II-H. CAPITAL

Section 2H.1 would make various changes and corrections to grants from the State Capital and Infrastructure Fund.

Section 2H.2 would provide funding from the Building Reserve for the new OSFM Training Center.

Section 2H.3 would change the name of a building for the capital projects at UNC-W.

Section 2H.4 would change allowable uses for a grant from the State Capital and Infrastructure Fund.

Section 2H.5 would make modifications to the repayment of funds to the State Capital and Infrastructure Fund for the Global Transpark Aircraft Maintenance Facility.

Section 2H.6 would appropriate \$5 million in nonrecurring funds to North Carolina State University to assess the costs associated with either rehabilitation or replacement of Poe Hall.

Section 2H.7 would appropriate \$5.2 million in nonrecurring funds from the State Capital and Infrastructure Fund to the Department of Natural and Cultural Resources for the 2024-2025 fiscal year to be used for trail creation.

SUBPART II-I. TRANSPORTATION

AIRPORT IMPROVEMENT FUNDS SHALL NOT REVERT

Section 2I.1 would ensure that previous funds allocated on or after July 1, 2019, for airport improvements that are active as of November 18, 2024, do not revert but remain available until improvements are completed.

REALLOCATE ROCKINGHAM SPEEDWAY PEDESTRIAN BRIDGE FUNDS

Section 2I.2 would reallocate funds from Rockingham Speedway Pedestrian Bridge to facility improvements for Rockingham Dragway and Rockingham Speedway.

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SUBPART II-J. FINANCE

ELIMINATE ADDITIONAL MEANS OF NOTICE TO ADVERTISE PROPERTY TAX LIENS CURRENTLY REQUIRED BY LAW

Section 2J.1 would repeal Section 22 of S.L. 2024-45, which requires tax collectors to provide an additional means of notice to advertise property tax liens, effective for taxes imposed for taxable years beginning on or after January 1, 2025. The requirement being repealed by this section would have required a tax collector to visit each affected parcel to post notice of the lien directly on or at the parcel's physical location in addition to the existing requirement of advertising the lien in local newspapers.

SUBPART II-K. GENERAL PROVISIONS

STORMWATER AND STREAM REHABILITATION ALLOCATION CHANGE

Section 2K.1 would reallocate funds from the 2023 budget to the Davie County Economic Development Commission for stormwater and stream rehabilitation.

PART III – VARIOUS LAW CHANGES

SUBPART III-A. ELECTIONS

TRANSFER STATE BOARD OF ELECTIONS TO STATE AUDITOR

Sections 3A.1 – 3A.3 would restructure the State Board of Elections (State Board) from an independent agency under the Governor to a board operating under the Department of the State Auditor, another member of the Council of State. The State Auditor would not direct or supervise management functions of the State Board but would be responsible for budgeting of the State Board. The State Auditor, rather than the Governor, would be responsible for appointments to the State Board and the chair of each county board of elections. The transfer would begin when the bill becomes law, with a new State Board appointed in May 2025; new county boards of elections, including a chair, appointed in June 2025; and budget responsibilities to the State Auditor beginning with fiscal year 2025-26. The State Board would continue to appoint an Executive Director every two years, in the odd-numbered year.

OTHER ELECTION CHANGES

Section 3A.4 would change the deadline to request an absentee ballot from 5:00 P.M. on the Tuesday before the election to 5:00 P.M. on the second Tuesday before the election. This section would standardize a return deadline of 12:00 noon on the Friday after the election for submission of 'cure documentation' for any absentee or provisional ballots cast without complete documentation. This section would also require that each county board of elections convene at 5:00 P.M. on Election Day to count absentee ballots received through 7:30 P.M. on Election Day, with that meeting being continuous until completed and the county board members would not separate or leave the counting place except for unavoidable necessity.

Section 3A.5 would authorize funds in a segregated political party headquarters building fund established by a political party due to corporate contributions to be used for any legal action, which is defined to be a formal dispute in a judicial, legislative, or administrative forum. The term "legal action" also includes investigations made or conducted before the commencement of any formal proceedings but excludes the election itself or the campaign for election. Political parties would be able to use the political party

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headquarters building fund to make unlimited donations to any existing legal defense fund under Article 22M of Chapter 163.

SUBPART III-B. GENERAL GOVERNMENT

MODIFY CERTAIN PROCEDURES RELATED TO APPOINTMENTS

For offices appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, the President Pro Tempore of the Senate, or the President of the Senate, the Governor executes vacancy appointments following consultation with the recommending officials during periods when the General Assembly is not in session.

Section 3B.1(a) would require the Governor to execute those vacancy appointments within 15 days of receipt of the written recommendation from the recommending official.

The Senate provides advice and consent to the Governor on certain appointments.

Section 3B.1(b) would clarify that this advice and consent for a specific appointment is limited to the Governor's current term of office, unless: (i) the Governor is elected to a second term, (ii) the appointee who previously received advice and consent remains in the same position in the second term, and (iii) the Senate does not enact a resolution disapproving the appointee within the first 90 days of the legislative session in the year following the Governor's reelection.

This section would apply to appointments made on or after the effective date of this act.

DESIGNATE ALL PARKING SPACES IN STATE PARKING DECK 65 AS STATE LEGISLATIVE BUILDINGS AND GROUNDS

Section 3B.2 would designate all parking spaces in State Parking Deck 65 as State legislative buildings and grounds.

EMERGENCY MANAGEMENT ACT CLARIFICATION

Section 3B.3 would clarify that the Governor cannot waive, modify, suspend, or fail to enforce or execute any provision of Chapter 96 (Employment Security) of the General Statutes under powers granted under the Emergency Management Act.

This section would become effective March 1, 2025, and apply to exercises of power, including executive orders issued by the Governor, on or after that date.

SUBPART III-C. JUDICIARY

MODIFY THE APPOINTMENT PROCESS TO FILL SUPREME COURT AND COURT OF APPEALS VACANCIES

Section 3C.1 would require that all appointments by the Governor to fill vacancies in the offices of judge of the Court of Appeals or justice of the Supreme Court be made from a list of three recommendations provided by the political party with which the vacating judge or justice was affiliated when that judge or justice was elected. If the vacating judge or justice was unaffiliated with a political party at the time of election, or if the political party recommending appointee names fails to recommend three names within 30 days of the occurrence of the vacancy, the Governor would appoint to fill the vacancy.

ABOLISH THE NORTH CAROLINA COURTS COMMISSION

Section 3C.2 would repeal the North Carolina Courts Commission.

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SENIOR RESIDENT SUPERIOR COURT JUDGES SHALL SERVE IN THAT CAPACITY AT THE PLEASURE OF THE CHIEF JUSTICE

Section 3C.3 would change the designation process for a Senior Resident Superior Court Judge of a Superior Court District or Set of Districts when there are two or more regular resident superior court judges in that District or Set of Districts, to be a process of designation by the Chief Justice of the Supreme Court, as is already the process for Senior Resident Superior Court Judges in a Set of Districts that is wholly contained within one county.

SUBPART III-D. ATTORNEY GENERAL

POWERS AND DUTIES OF THE ATTORNEY GENERAL

Section 3D.1 would remove the Attorney General's authority to intervene in matters before the Utilities Commission, provide that the Judicial Department and Council of State agencies are not required to get permission from the Attorney General or the Governor before retaining private counsel, and make related changes.

CLARIFY THE PROVISION OF COUNSEL TO JUDICIAL BRANCH OFFICIALS AND MAKE RELATED CHANGES

Section 3D.2 would clarify the provision of counsel to Judicial Branch officials and make related changes.

SUBPART III-E. STATE HIGHWAY PATROL

MAKE STATE HIGHWAY PATROL INDEPENDENT DEPARTMENT

Sections 3E.1 – 3E.3 would make the State Highway Patrol (SHP) an independent, cabinet-level department that includes all personnel and responsibilities currently under the SHP within the Department of Public Safety (DPS). These sections would also transfer the State Capitol Police, which is currently in DPS, and all sworn law enforcement personnel within the License and Theft Bureau of the Division of Motor Vehicles to SHP.

SUBPART III-F. UTILITIES COMMISSION AND ENERGY

CHANGE APPOINTMENTS TO UTILITIES COMMISSION

Section 3F.1 would (i) eliminate one of the Governor's appointments to the Utilities Commission and give the appointment to the State Treasurer; and (ii) require election of the chair by vote of the members of the Commission, rather than by designation of the Governor.

REPEAL ENERGY POLICY COUNCIL

Section 3F.2 would repeal the Energy Policy Council and transfer its duty to prepare an Emergency Energy Program to the Utilities Commission.

ADDITIONAL RENEWABLE ENERGY CERTIFICATES FOR USE OF SWINE WASTE RESOURCES

Section 3F.3 would provide that a new renewable energy facility in a Tier 1 county that produces renewable energy certificates (RECs) using in-State sourced swine waste resources must be credited with two additional RECs per REC produced for the first eight years of operation, and one additional REC per REC produced for the following six years of operation. The additional RECs could be used by electric

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power suppliers for compliance with the Clean Energy Portfolio Standard swine waste set-aside requirement. A facility could not receive more than 80,000 additional RECs per year.

SUBPART III-G. INSURANCE

UPDATE LAWS REGARDING MULTIPLE EMPLOYER WELFARE ARRANGEMENTS (MEWAS) THAT PROVIDE EMPLOYEE WELFARE BENEFIT PLANS

Section 3G.1 would update the statutes that govern the licensure of multiple employer welfare arrangements (MEWAs) offering employee welfare benefits in this State, including to allow certain Statewide chambers of commerce or Statewide business leagues to provide coverage under a MEWA plan.

SUBPART III-H. COMMERCE

MAJOR EVENTS, GAMES, AND ATTRACTIONS FUND MODIFICATIONS; CLARIFY LOCAL SCHOOL ADMINISTRATIVE UNITS AS ELIGIBLE RECIPIENTS OF SPORTS WAGERING TAX PROCEED DISTRIBUTIONS

Section 3H.1 would modify the Major Events, Games, and Attractions Fund by: (i) adding to the list of eligible venues those venues that have hosted an Association of Tennis Professionals event within the preceding 12 months, (ii) removing the requirement that a site selected to host a major event be the sole site within the State for the event, and (iii) removing the requirement that the total benefits of the major event to the State outweigh the events' costs.

This section would also clarify that local school administrative units are eligible recipients for sports wagering tax proceeds disbursement from North Carolina Amateur Sports under G.S. 105-113.128.

SUBPART III-J. EDUCATION

SCHOOLS FOR THE DEAF AND BLIND

Sections 3J.1 – 3J.9 would make additional changes to support the transition of the Schools for the Deaf and Blind (Schools) to being independent State agencies, including: (i) the Department of Public Instruction would be directed to provide administrative support to the Schools for the 2024-2025 school year; and (ii) the Department of Administration would be directed to provide support to the Schools for certain administrative matters, including finance, human resources, and procurement, through a memorandum of understanding, beginning July 1, 2025.

CHARTER SCHOOL APPEAL CHANGES

Section 3J.10 would remove the Superintendent of Public Instruction's authority to appeal decisions made by the Charter Schools Review Board to the State Board of Education.

NEW COOPERATIVE INNOVATIVE HIGH SCHOOLS

Section 3J.11 would waive the approval requirements and would permit the Dare Early College High School and Rockingham County CTE Innovation High School to operate as cooperative innovative high schools and be subject to the evaluation requirements provided in the statutes.

CHANGES TO THE AI SCHOOL SAFETY PILOT PROGRAM

Section 3J.12 would require the participating public school units (New Hanover County Schools and Davidson County Schools) to contract with the same vendor for a system that offers threatening object

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detection, intruder detection, person down detection, door open detection, tag and track, facial recognition, forensic face search, and license plate reader. The vendor would be determined by the first public school unit to enter into a contract for a school safety solution.

CHANGES TO THE SPECIAL NEEDS PILOT PROGRAM

Section 3J.13 would change the participating local school administrative units to be Cabarrus County Schools, Union County Schools, and Vance County Schools. It would also require an interim report to be submitted by the Department of Public Instruction to the Joint Legislative Education Oversight Committee by June 30, 2025, with a final report due October 15, 2027.

EXPAND AVAILABILITY AND ELIGIBLE CREDITS OF SPARKNC PILOT

Section 3J.14 would: (i) allow all public school units to participate in the SparkNC Pilot; (ii) allow students to earn up to four credits in Learning Accelerators (High-Tech or Health Science); (iii) allow High-Tech Learning Accelerators to satisfy the computer science graduation requirement; and (iv) make funds available for the Pilot until the end of the 2025-2026 fiscal year. Additionally, it would make various other clarifying and technical changes.

PRINCIPAL LICENSURE PORTFOLIO WAIVER

Section 3J.15 would waive the portfolio requirement for an administrator license for any individual who meets the following criteria:

- Completed at least one course as part of an approved administrator preparation program before August 31, 2025.
- Meets all other licensure requirements.
- Does not otherwise qualify for a waiver of administrator licensure requirements.

UPDATE ADVANCED TEACHING ROLES PROGRAM

Section 3J.16 would modify the Advanced Teaching Roles program in several ways, including the following:

- Setting participation expansion rates.
- Clarifying duties regarding State salary supplements.
- Adjusting the timeline for plan development and grant approval.
- Extending the time period for use of grant funds.
- Adding a reporting requirement.
- Requiring a study on a student-to-teacher ratio accountability system.
- Reorganizing the program statutes for clarity.
- Making other technical changes.

TRANSFER CENTER FOR SAFER SCHOOLS TO THE STATE BUREAU OF INVESTIGATION AND REPEAL THE TASK FORCE FOR SAFER SCHOOLS

Section 3J.17 would do the following:

- Transfer the Center for Safer Schools (Center) to the State Bureau of Investigation (SBI). The Center would be under the purview of the SBI, except for budgeting decisions that would be made by the Executive Director of the Center.

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- Repeal the Task Force for Safer Schools.
- Appropriate from the General Fund to the SBI \$370,000 in recurring funds beginning in the 2024-2025 fiscal year to support four full-time criminal justice specialist positions at the Center that are currently supported with federal funds expiring September 2025.

PROPRIETARY SCHOOLS CHANGES

Section 3J.18 would make several changes related to proprietary schools, including:

- Adjust the qualifying criteria for members of the State Board of Proprietary Schools appointed by the General Assembly.
- Clarify proprietary schools' requirements to provide full or partial refunds.
- Modify bond requirements.
- Modify requirements related to the Student Protection Fund.

EXPAND CAREER AND COLLEGE READY GRADUATE PROGRAM

Section 3J.19 would allow students to receive the remediation during the summer prior to their senior year.

PERMIT UNC TO ENTER INTO AGREEMENTS WITH VENDORS TO BUY BACK OR TRADE IN TECHNOLOGICAL EQUIPMENT

Section 3J.20 would authorize The University of North Carolina to enter into agreements with vendors (i) to trade-in equipment purchased from the vendor or (ii) allow a vendor to buy back technological equipment, even if the equipment was not purchased from that vendor.

COMMON DIGITAL CREDENTIAL PILOT

Section 3J.21 would require the State Education Assistance Authority to transfer up to \$1 million to the Community Colleges System Office to conduct a digital credential pilot program with a digital credential provider. The Community Colleges System Office would be required to select at least one community college that is currently enrolling students in a digital credential program for the fall semester of the 2024-2025 academic year to participate in the pilot program. By June 15, 2025, the community college, in consultation with the Community Colleges System Office, the digital credential provider, and any other participating educational institution, would be required to report to the Joint Legislative Education Oversight Committee on the implementation and outcomes of the digital credential pilot program.

DATA SHARING FOR CHILDREN OF WARTIME VETERANS SCHOLARSHIPS

Section 3J.22 would require the State Education Assistance Authority and the Department of Military and Veterans Affairs to enter into a data sharing agreement related to the Scholarship for Children of Wartime Veterans. The Department would be required to provide certain information to the Authority in a timely manner.

REPORTS ON OPPORTUNITY SCHOLARSHIP TESTING

Section 3J.23 would repeal the requirement that the Superintendent of Public Instruction recommend tests for third and eighth grade students using an Opportunity Scholarship and would instead require the Office of Learning Research at The University of North Carolina to study and recommend tests by December 31, 2025. The State Education Assistance Authority (SEAA) would be required to designate the recommended tests for use by nonpublic schools accepting Opportunity Scholarships beginning with the 2026-2027

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school year. SEAA would report on the aggregated test performance data submitted by the nonpublic schools beginning with the 2026-2027 school year.

SUBPART III-K. LOCAL GOVERNMENT

NO LOCAL GOVERNMENT INITIATED DOWN-ZONING WITHOUT CONSENT OF AFFECTED PROPERTY OWNER

Section 3K.1 would prohibit, without the written consent of affected property owners, local government initiated rezonings or text amendments that (i) decrease the permitted density of development, (ii) reduce the range or permitted uses of the property, or (iii) create any type of nonconformity on land not in a residential zoning district, including a nonconforming use, nonconforming lot, nonconforming structure, nonconforming improvement, or nonconforming site element.

This section would become effective when it becomes law and would apply to local government ordinances adopted on or after that date, and any local government ordinance enacting down-zoning of property during the 180 days prior to enactment of the section.

EFFECTIVE DATE: Except as otherwise provided, this act would be effective when it becomes law.