



HOUSE BILL 476: DST Technical Corrections/Admin. Changes 2025.

2025-2026 General Assembly

Committee:	Senate Rules and Operations of the Senate	Date:	June 3, 2025
Introduced by:	Reps. Carson Smith, Wheatley	Prepared by:	Bill Patterson
Analysis of:	Fourth Edition		Staff Attorney

OVERVIEW: House Bill 476 would make various administrative and technical changes to laws relating to the North Carolina Department of State Treasurer.

BILL ANALYSIS:

Extend Charter Schools' Provisional Entry Period in the Teachers' and State Employees' Retirement System

Section 1 of House Bill 476 would:

- Authorize the Board of Trustees (the Board) of the Teachers' and State Employees' Retirement System (TSERS) to extend a school's provisional entry into the TSERS by up to two years at the conclusion of the school's initial year of provisional entry, or the school may apply to become a participating employer in the TSERS.
- Require charter schools seeking to participate in the TSERS after the initial year of provisional entry or during the extended period of provisional entry to undergo an actuarial and financial review by the Board before a decision is made.
- Provide that a charter school that is approved by the Board contingent upon receiving a financially sound independent audit report will continue its period of provisional entry for up to one year, or until the Board denies the application, whichever occurs first. The charter school's participation would cease the first of the month following the month its provisional period ends, or its application is denied.

Transfer Authority to Decide Request for Reversal of Benefits Forfeiture from the State Treasurer to the Retirement System Board of Trustees

The boards of trustees that administer the Teachers' and State Employees' Retirement System, the Local Governmental Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System are prohibited from paying benefits to a member who has been convicted of specified felonies committed under certain circumstances. Under current law, however, if the member receives an unconditional pardon for that conviction, or if the conviction is vacated or set aside, the member can seek a reversal of the benefit forfeiture by presenting sufficient evidence to the State Treasurer.

Section 2 would provide that members or former members seeking reversal of a benefits forfeiture must present their evidence to the board of trustees of their retirement system, rather than to the State Treasurer.

Kara McCraw
Director



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Transfer Pro Hac Vice Admission Fees Earmarked for Support of Courts to the Administrative Office of the Courts

Under current law, \$200 of the \$225 fee paid by an out-of-state attorney to be admitted *pro hac vice* for the limited purpose of appearing for a client in a proceeding in this State is transferred to the State Treasurer for support of the General Court of Justice.

Section 3 would require that this portion of each *pro hac vice* admission fee instead be transferred to the North Carolina Administrative Office of the Courts.

ABLE Accounts Modification

Under federal law, the Achieving a Better Life Experience (ABLE) Program authorizes qualified ABLE plans for the following purposes: (1) to encourage and assist individuals and families in saving private funds for the purpose of supporting individuals with disabilities to maintain health, independence, and quality of life; and (2) to provide secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, the Medicaid program, the Supplemental Security Income (SSI) program, the beneficiary's employment, and other sources.

Under current State law, upon the death of a beneficiary of an ABLE Account, the State has a claim for payment from the beneficiary's account equal to the medical assistance paid. The application package for an ABLE account is required to include notice of the State's right to file such a claim for payment.

Section 4 would modify these provisions to:

- Prohibit the State from filing a claim for medical assistance paid upon the death of a beneficiary of an ABLE account unless federal law requires it to do so, and if so, would require the State to file its claim with the State Treasurer within 60 days of receiving notice from the State Treasurer of the beneficiary's death.
- Provide that the ABLE account application package must include a notification of the State's right to file a claim for payment upon the beneficiary's death only if required by federal law.

Miscellaneous Technical and Conforming Changes

Section 5 would correct statutory cross-references relating to the restoration of service as a State employee or teacher in the Teachers' and State Employees' Retirement System.

Section 6 would correct cross-references to Article 11 (Enforcement) of Chapter 159 (Local Government Finance) of the General Statutes.

Section 7 would make a number of technical and conforming changes to provisions relating to the Legislative Retirement System, the Local Governmental Employees' Retirement System, and the Teachers' and State Employees' Retirement System.

Section 8 would remove provisions governing retirement plans for employees of the University of North Carolina Health Care System and for certain employees of East Carolina University, which potentially conflict with IRS Private Letter Rulings involving public retirement systems.

EFFECTIVE DATE: This act would be effective when it becomes law, and Section 4 of this act applies to deaths of designated beneficiaries occurring on or after that date.

**Stewart Sturkle and Jessica Boney, co-counsel to Senate Pensions and Retirement and Aging, substantially contributed to this summary.*