

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

**SENATE BILL 1152
RATIFIED BILL**

AN ACT CONCERNING STUDIES AND OTHER PURPOSES.

The General Assembly of North Carolina enacts:

PART I. TITLE

SECTION 1. This act shall be known as "The Studies Act of 2004".

PART II. LEGISLATIVE RESEARCH COMMISSION

SECTION 2.1. The Legislative Research Commission may study the topics listed below. When applicable, the bill or resolution that originally proposed the issue or study and the name of the sponsor is listed. Unless otherwise specified, the listed bill or resolution refers to the measure introduced in the 2003 or 2004 Regular Session of the 2003 General Assembly. The Commission may consider the original bill or resolution in determining the nature, scope, and aspects of the study. The following groupings are for reference only:

- (1) Government Regulatory Issues:
 - a. Fire safety in local confinement facilities (H.B. 1050 – Frye)
 - b. Regulating ticket brokers (H.B. 1072 – Miner, Gibson; S.B. 556 – Hoyle)
 - c. Light pollution (Queen)
 - d. Urban cores (Queen)
 - e. Legislative and executive branch lobbying (Kinnaird; H.B. 1780 – Hackney, H.B. 1788 – Gibson, McComas, H.B. 1789)
 - f. Alcoholic beverage control (Gibson)
 - g. State fire protection (S.B. 1377 – Kinnaird; H.B. 1648 – Insko, Hackney)
 - h. Landscape/irrigation contractors (H.B. 947 – Gibson, McHenry)
 - i. Regulations regarding massage therapy (Gibson)
- (2) Transportation Issues:
 - a. Purchasing alternative-fuel or low-emission school buses (S.J.R. 768 – Bingham)
 - b. Commercial drivers license requirements and emergency situations (Sloan)
 - c. Handheld cell phone use while driving (H.B. 623 – Bowie, Luebke, McAllister)
 - d. State ports (H.B. 1249 – McComas)
 - e. Towing laws, salvage laws, and lienholder notification when vehicles are abandoned or seized (Crawford)
- (3) Consumer Issues:
 - a. Debt collection practices (Rand; H.B. 1039 – Weiss)
- (4) Insurance Issues:
 - a. Workers' compensation/agricultural employment (S.B. 632 – Clodfelter; H.B. 922 – Luebke)

- b. Workers' compensation/trucking companies (H.B. 1370 – Saunders; S.B. 1081 – Jenkins)
 - c. High-risk health insurance pools (H.B. 1494 – Insko, Bowie, Justus, Allred; H.B. 1367 – Insko)
 - d. Health insurance mandates (H.B. 1476 – Owens, Bowie, Justus, Blackwood)
 - e. Reduce workers' compensation premiums (H.B. 1626 – Goodwin)
- (5) Criminal Law Issues:
- a. Review of sentencing guidelines
 - b. Judicial approval for pleas in certain cases (Clodfelter)
 - c. Reclassify statutory rape (H.B. 243 – Haire)
 - d. Amend habitual felon law (H.B. 242 – Haire)
 - e. Restructure prior criminal record points (H.B. 247 – Haire)
 - f. Sentence lengths (H.B. 264 – Haire)
 - g. Adjust penalties for B1 to E offenses (H.B. 246 – Haire)
 - h. Arson offenses (H.B. 244 – Haire)
 - i. Drug trafficking laws (H.B. 241 – Haire)
 - j. Giving notice of rights to contest mechanic's lien storage charges of vehicles seized under the DWI forfeiture laws (Lewis)
 - k. Youthful offenders (H.B. 1406 – Bordsen, Crawford)
 - l. Street gang terrorism prevention (H.B. 732 – Michaux)
- (6) State/Local Government Employee Issues:
- a. Pay equity (S.B. 747 – Lucas; H.B. 544 – Alexander, Clary, Weiss, Insko)
 - b. Job sharing (H.J.R. 958 – Glazier)
 - c. Reemployment of retirees (S.B. 10 – Garwood; H.B. 219 – Glazier; Rapp, Goodwin, McLawhorn)
 - d. Postretirement earnings (S.B. 1313 – Dorsett; H.B. 1658 – Jeffus; H.B. 1505 – Rapp, Bell, McLawhorn)
 - e. State government employment (H.B. 861 – Earle, Wainwright)
 - f. Optional graduated 25-year retirement plan for local governments (H.B. 1276 – Goodwin; Rapp, McLawhorn)
- (7) Labor, Employment, and Economic Development Issues:
- a. Loss of manufacturing businesses (Culpepper)
 - b. Film industry incentives (H.B. 1802 – McComas, Harrell)
 - c. Credit for hiring apprentices (H.B. 1437 – Goodwin)
 - d. Labor audit systems/incentives (H.B. 1599 – Goodwin)
 - e. Non-English speaking worker safety (H.B. 1627 – Goodwin)
- (8) Health and Human Services Issues:
- a. Dix Hospital property (H.B. 960 – Ross, Weiss, Munford, Stam; S.B. 413 – Reeves)
 - b. Care and safety of residents of residential care facilities (H.B. 1431 – Farmer-Butterfield, Insko)
 - c. Promoting patient safety in the provision of health care (H.B. 1765 – L. Allen, England)
 - d. Provision of emergency medical services in rural counties and their funding mechanisms (Wright)
- (9) Other:
- a. Immigration (S.J.R. 553 – Albertson)
 - b. Casino nights for nonprofit organizations (H.B. 149 – Owens)
 - c. Soil and water conservation issues (Brubaker)
 - d. Trafficking of persons (S.J.R. 1197 – Kinnaird; H.J.R. 1086 – Alexander; H.J.R. 1576 – Justice, Womble)

- e. Regulation of sellers of timeshares (Rand)
- f. Attorney solicitation regulation (S.B. 1317 – Rand)
- g. Compensation for eugenic sterilization (H.B. 1236 – Womble, Parmon, Insko, Ross)
- h. Authority and responsibility of homeowners associations (Earle)
- i. Charitable bingo/beach bingo (H.B. 1598 – Culpepper; H.B. 1637 – Gorman)
- j. Agribusiness and agriculture teaching fellows (H.B. 1762 – Goodwin)
- k. Meeting IRS request for a defined retirement age (Rapp, Goodwin, McLawhorn)

SECTION 2.1.(a) Size/Scope of Boards and Commissions (S.J.R. 924 – Rand; H.J.R. 1067 – Dockham, Owens) – The Commission may study boards and commissions. If this study is undertaken, the Commission shall establish a schedule for reviewing boards and commissions so that approximately twenty-five percent (25%) of the total number of State boards and commissions are reviewed each year for the next four years. In reviewing boards and commissions, the Commission shall consider the following:

- (1) The consolidation of boards and commissions, where appropriate.
- (2) Reducing the number of members serving on boards and commissions.
- (3) Reducing the number of meetings of boards and commissions.
- (4) The scope and authority of boards and commissions.
- (5) The elimination of boards and commissions, where appropriate.

SECTION 2.1.(b) Availability of Health Insurance for Small Businesses and Trade Associations (S.B. 758 – Rand, Clodfelter, Soles) – The Commission may study the availability of health insurance for small employers. The Commission shall examine the Small Employer Group Health Insurance Reform Act to determine whether its provisions should be revised to increase the availability of health insurance offered to small employers in North Carolina. The Commission shall also examine whether North Carolina laws conflict with federal law regarding the ability of a trade association to obtain health insurance through a commercial carrier.

SECTION 2.1.(c) Availability of Health Insurance for Uninsurable Individuals (Rand) – The Commission may study ways to make insurance available to individuals who have difficulty obtaining health insurance coverage. In conducting the study, the Commission shall consider methods employed by other states to meet this need, and possible administrative structures, funding mechanisms, and coverages.

SECTION 2.1.(d) Pawnbrokers (Glazier, Dickson) – The Commission may study the laws regulating pawnbrokers and those nonregulated retail outlets engaging in similar business and acting as pawnbrokers. If undertaken by the Commission, the study shall include an examination of the advisability, viability, and cost of all of the following modifications to existing law with the goal of more efficiently monitoring pawnshop businesses that are engaging in similar business and to more effectively aid in the speedy recovery of stolen property:

- (1) Picture identification of sellers or pledgers.
- (2) Thumbprints on each pawn or sales receipt.
- (3) Machine-printed or otherwise legible pawn and sales receipts.
- (4) Requirements for time and date on pawn or sales receipts.
- (5) Recordation of any visible owner-applied numbers or markings on property.
- (6) Prohibition on receipt and sale of new property.
- (7) Authorization of fees to support local pawnbroker-related law enforcement.
- (8) Computerization of pawnshop records.

- (9) Requirement that pawnbroker records be made available to law enforcement.

SECTION 2.1.(e) Medicaid Funding (H.B. 540 – Daughtridge, Carney; H.B. 1467 – Nye; Hunter) – The Commission may study the feasibility of eliminating county financial participation in the Medicaid program. In conducting the study, the Commission may consider alternative funding methods to ensure that the short- and long-term impact on State funds of eliminating county financial participation in Medicaid is revenue neutral when calculated on a statewide basis. The Commission may also consider retaining the county contribution to administrative costs of the Medicaid program. In making its recommendations to the General Assembly, the Commission shall include a fiscal analysis of the impact on State revenue and Medicaid expenses estimated to result from eliminating county participation in the Medicaid program.

SECTION 2.1.(f) Study VoCATS – The Commission may study the VoCATS program, which is the accountability system for vocational education courses. If it undertakes this study, the Commission shall consider the following:

- (1) Whether the State-developed tests are the appropriate means to measure student mastery of the knowledge and skills taught in vocational education courses, with specific focus on the agriculture curriculum.
- (2) The system for development of appropriate tests and methods of measuring student achievement and program performance in vocational and technical education.
- (3) The public school system of measuring student performance in the vocational and technical area as compared to the community college system of measuring student performance in the vocational and technical area.
- (4) Alternatives to the current tests, methods, and techniques provided through VoCATS.

SECTION 2.1.(g) Availability and Delivery of Government Services to Hispanics (Reeves, Malone; Barnhart, McComas) – The Commission may study the current State and local policies regarding the availability and delivery of government services to the State's increasing Hispanic population, the issues confronted by governmental agencies in effectively delivering those services, and the issues confronted by members of the Hispanic community in obtaining those services. If it undertakes this study, the Commission shall focus particularly on services in the areas of education, health, and public safety. As part of its study, the Commission may consider how all of the following complicate the delivery and receipt of government services within the State's Hispanic community:

- (1) Cultural differences.
- (2) Language barriers.
- (3) Difficulties encountered by members of the Hispanic community in obtaining the personal identification documents that are often required to obtain government services.
- (4) Difficulties encountered by members of the Hispanic community in obtaining drivers licenses, occupational licenses, professional licenses, and other types of licenses required to qualify for governmental services or to do business in the State.
- (5) Federal immigration laws, the failure to comply with those laws, and how the fear of discovery of noncompliance with federal immigration laws affects the delivery and receipt of services, and in some instances even the willingness to apply for those services.
- (6) The increasing economic, personnel, and time demands placed on State and local government agencies in responding to the growing needs for governmental services.

(7) Any other issue relevant to this study.

If it undertakes this study, the Commission shall also identify those issues that are best addressed at the local level, those that are best addressed at the State level, and those best addressed at the federal level.

SECTION 2.1.(h) Office of State Energy (Daughtridge) – The Commission may study the functions, duties, and responsibilities of the Office of State Energy and may make a determination of whether those functions, duties, and responsibilities support the legislative purpose for the Office or whether the purpose should be modified.

SECTION 2.1.(i) Comprehensive Statewide Emergency Communications Planning (Clodfelter; Culpepper) – The Commission may study and recommend legislation, funding needs, interoperability, and policy to:

- (1) Enact a comprehensive first and second responder statewide communications goals list and plan that includes, at a minimum, law enforcement, fire, medical, utilities, and emergency management agencies.
- (2) Coordinate and assist grant applications from State and local organizations for federal communications funding.

SECTION 2.1.(j) Naturopathy (S.B.1268 – Kinnaird; H.B. 1142 and H.B. 1702 – Hill) – The Commission may study the practice of naturopathy in North Carolina and make recommendations as to whether it would be in the public interest for practitioners to be licensed or otherwise appropriately regulated.

In conducting the study, the Commission may consider the following:

- (1) The definition and components of naturopathy and naturopathic therapies.
- (2) The health, cultural, and social significance of naturopathy in North Carolina and nationally.
- (3) The distinctions and similarities between naturopathic therapies and conventional medical treatments.
- (4) The education and training of practitioners and the quality of that education and training, the extent to which the practice of naturopathy requires specialized skills or training, and the standards for determining the level of education and qualifications that should be required for licensure.
- (5) The extent to which there is, and can be, integration and coordination of natural therapies and conventional medical treatments.
- (6) The regulation and enforcement related to naturopathy in North Carolina and nationally, the need for regulation, and the extent and impact of previous regulatory efforts.
- (7) Whether, without licensure, the general public possesses the ability to determine whether a practitioner is competent.
- (8) Whether substantial harm to the public health, safety, and welfare exists if the practice of naturopathy is unregulated.
- (9) The appropriate structure, composition, and responsibilities of a regulatory board pertaining to the practice of naturopathy, the extent to which the responsibilities of a board can be fulfilled, and whether board operations can reasonably be financed through licensing fees.
- (10) The extent to which naturopathy is regulated in other states, and the impact of that regulation.
- (11) The scope of practice applicable to practitioners of naturopathy.
- (12) Whether practitioners of naturopathy in North Carolina have, or propose to have, a code of ethics, a voluntary certification program, or other measures to ensure minimum quality of service.
- (13) The kinds of regulatory provisions that exist in other states.

- (14) How the practice of naturopathy will be regulated, including the qualifications and disciplinary proceedings to be applied to practitioners.
- (15) How the public will benefit from licensure or other regulation.
- (16) The fiscal impact of licensure or other regulation upon the State.
- (17) Any other information the Commission considers relevant.

SECTION 2.1.(k) Equity-Building Homes (S.B. 894 – Queen) – The Commission may study methods to substantially increase the number of North Carolinians who own equity-building homes. As part of the study, the Commission may:

- (1) Determine the extent to which the public is knowledgeable about housing products that are likely to build equity over time.
- (2) Identify State, federal, and local barriers to constructing equity-building homes in both high-demand locations and rural areas.
- (3) Investigate the adequacy and funding of programs and counseling services that are available to educate consumers about home financing products, credit remediation, home maintenance, and foreclosure prevention strategies.

As used in this section, the term "equity-building home" means a residential structure that will be the purchaser's primary residence and that meets the State and local building code standards in place at the time of construction, or if there were no building codes in effect at the time of construction, that was constructed on-site. An equity-building home will also have characteristics that are likely to cause it to appreciate in value over time.

SECTION 2.1.(l) Funding/Budgeting of Occupational Licensing Boards (Hagan) – The Commission may study the funding mechanisms of all of the occupational licensing boards and commissions in the State and shall consider options for funding and budgeting those boards and commissions more effectively and efficiently, including funding and budgeting those boards and commissions through the General Fund.

SECTION 2.1.(m) State-Local Relationships (S.B. 1336 – Hoyle, Foxx) – The Commission may study the relationship between the State and local governments with respect to the provision of services. The study shall address the following issues:

- (1) Mandates that the State has placed on local governments regarding the provision of services to State residents. This study shall include a review of which mandates are a result of State law, which mandates are a result of federal law, and which mandates are a result of a combination of State and federal law.
- (2) Funding sources for local governments. The study shall include a review of all appropriations made from the State to local governments, all revenues shared between the State and local governments, and all methods of raising revenue allowed by the State to local governments.
- (3) A comparison of the State-local relationship in North Carolina with the state-local relationships in other states. In particular, the study shall compare the percentage of the costs of services borne by the State in comparison to the percentage of similar cost borne by other states.
- (4) A comparison of local governments with regard to the burden on local budgets of mandated programs. This study shall look at the property tax rates in different jurisdictions and the percentage of local budgets that support various programs.
- (5) A comparison of the combined State-local tax burden on individuals and businesses in comparison with those in other states.

In considering appointees to the committee to study this matter, the appointing authorities shall consider inclusion of local government representatives.

SECTION 2.1.(n) Abandoned Junk Vehicles (Culpepper, Justus) – The Commission may study issues relating to the environmental, aesthetic, and other public benefits derived from the abatement and recycling of junked and abandoned automobiles. If it undertakes this study, the Commission shall consider:

- (1) Whether the abatement program can best be undertaken on a county-by-county basis or a central statewide basis.
- (2) The funding method for the abatement program.
- (3) The process whereby junked vehicles might be delivered to scrap processors as expeditiously as possible.
- (4) The merits of use of a tax credit so as to encourage the expedited collection and recycling of used and junked automobiles.
- (5) Determination of the costs to the State and to local governments associated with abandoned and junked automobiles and landfilling of those automobiles.
- (6) Any other related issues.

SECTION 2.1.(o) Single Administrator for State 401(k) and 457 Plans – The Commission may study the Supplemental Retirement Income Plan of North Carolina and the North Carolina Public Employee Deferred Compensation Plan to determine whether these plans should be administered by a single administrator.

SECTION 2.1.(p) School Calendar/Later First Instructional Day/Workdays – The Commission may study whether the first instructional day of the school year should be later than the current practice. The Commission may also study the number of teacher workdays. If the Commission undertakes this study, the Speaker of the House of Representatives shall appoint six members of the House of Representatives, and the President Pro Tempore of the Senate shall appoint six members of the Senate to conduct the study, with one chair designated from among the appointees of each appointing officer. In the course of the study, the Commission shall consult with representatives of North Carolina's public schools, including the North Carolina School Boards Association, North Carolina Association of Educators, North Carolina Association of School Administrators, and parent organizations, as well as representatives of the tourism and hospitality industries. The Commission shall consider the following:

- (1) The economic impact of setting the first instructional day of the school year later than the current practice.
- (2) The impact on elementary school students.
- (3) The impact of the school calendar on the quality of education.
- (4) The performance of students on block schedules as compared to students on traditional schedules.
- (5) The performance of students who take examinations before Christmas as compared to those who take exams after Christmas.
- (6) The impact on the schedule for high school and middle school athletic events.
- (7) The impact on school personnel, particularly those who must coordinate their schedules with institutions of higher education to maintain their certification.
- (8) The school calendars of other states.
- (9) The impact of weather on lost school days.
- (10) The impact of an early August school start on family economics and culture.
- (11) The impact on teacher workdays.

The Commission may also study the value of the teacher workdays now included in the school calendar and whether North Carolina students could benefit by converting a number of those workdays to additional days of instruction.

SECTION 2.2. For each Legislative Research Commission committee created during the 2003-2005 biennium, the cochairs of the Legislative Research Commission shall appoint the committee membership.

SECTION 2.3. For each of the topics the Legislative Research Commission decides to study under this part or pursuant to G.S. 120-30.17(1), the Commission may report its findings, together with any recommended legislation, to the 2005 General Assembly upon its convening.

SECTION 2.4. From the funds available to the General Assembly, the Legislative Services Commission may allocate additional monies to fund the work of the Legislative Research Commission.

PART III. JOINT LEGISLATIVE GROWTH STRATEGIES OVERSIGHT COMMITTEE

SECTION 3.1. The Joint Legislative Growth Strategies Oversight Committee may study the issues of:

- (1) Delegating authority to cities and counties (S.B. 160 – Clodfelter).
- (2) Modernizing city and county planning (S.B. 914 – Clodfelter).
- (3) Transferable development rights.

SECTION 3.2. Section 3.3 of S.L. 2001-491 reads as rewritten:

"SECTION 3.3. This Part becomes effective January 15, 2002, and expires January 16, ~~2005-2007~~. Prior to its expiration on January 16, ~~2005-2007~~, the Committee shall report to the General Assembly on its activities conducted pursuant to this Part."

PART IV. STUDY COMMISSION ON RESIDENTIAL AND URBAN DEVELOPMENT ENCROACHMENT ON MILITARY BASES AND TRAINING AREAS (Rand)

SECTION 4.1. There is created the Study Commission on Residential and Urban Development Encroachment on Military Bases and Training Areas. The Commission shall consist of 17 members as follows:

- (1) Two county commissioners appointed by the President Pro Tempore of the Senate.
- (2) Two county commissioners appointed by the Speaker of the House of Representatives.
- (3) The commanding generals of Fort Bragg, Pope Air Force Base, Seymour Johnson Air Force Base, Camp Lejeune, and Cherry Point Air Station, or the general's designee.
- (4) Three Senators appointed by the President Pro Tempore of the Senate.
- (5) Three Representatives appointed by the Speaker of the House of Representatives.
- (6) One elected or appointed municipal official appointed by the President Pro Tempore of the Senate.
- (7) One elected or appointed municipal official appointed by the Speaker of the House of Representatives.

The Speaker of the House of Representatives shall appoint a cochair, and the President Pro Tempore of the Senate shall appoint a cochair for the Commission. The Commission may meet at any time upon the joint call of the cochairs. Vacancies on the Commission shall be filled by the same appointing authority as made the initial appointment.

SECTION 4.2. The Commission shall study the following concerning residential and urban development encroachment on military bases and training areas:

- (1) Restricting the zoning in the areas around military bases and training areas.
- (2) How encroachment affects deed registration.

- (3) Protecting the areas around military bases and training areas by purchasing development rights and buffers using all available State trust funds and other available funding mechanisms.
- (4) Any other issue the Commission considers relevant.

SECTION 4.3. The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

Subject to the approval of the Legislative Services Commission, the Commission may meet in the Legislative Building or the Legislative Office Building. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical support staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 4.4. The Commission shall submit a final report of its findings and recommendations, including any legislative recommendations, to the 2005 General Assembly upon its convening. The Commission shall terminate upon the convening of the 2005 General Assembly.

SECTION 4.5. Of the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission established by this Part.

PART V. LEGISLATIVE STUDY COMMISSION ON STATE PERSONNEL STATUTES (S.B. 1378 – Reeves; H.B. 1651 – Gibson)

SECTION 5.1. The General Assembly may study issues related to the State Personnel Act. The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall designate an appropriate committee to conduct the study. The Committee may make an interim report to the 2005 General Assembly and shall make its final report to the 2006 Regular Session of the 2005 General Assembly.

PART VI. ELECTRONIC RECORDATION AND REVISION OF NOTARY LAWS (S.B. 1094 – Berger)

SECTION 6.1. The General Statutes Commission shall study the issue of electronic recordation, specifically with regard to real property documents and other documents filed with registers of deeds. The Commission shall study methods for establishing uniform legal standards for the receipt, recordation, authentication, preservation, and retrieval of electronic documents. The Commission shall include in its study consideration of the Uniform Real Property Electronic Recordation Act drafted by the National Conference of Commissioners on Uniform State Laws as well as other resources on electronic recording standards from national organizations such as the Property Records Industry Association (PRIA) and the Mortgage Industry Standards Maintenance Organization (MISMO). The General Statutes Commission shall report its findings and recommendations and any legislative proposals to the 2005 General Assembly upon its convening.

SECTION 6.2. The Secretary of State shall study the issue of amending the notary public laws in order to modernize and simplify their administration. The study shall also address the issue of electronic notarization. The Secretary of State shall report its findings and recommendations and any legislative proposals to the 2005 General Assembly upon its convening.

PART VII. UNIFORM UNINCORPORATED NONPROFIT ASSOCIATION ACT

SECTION 7.1. The General Statutes Commission is directed to study the Uniform Unincorporated Nonprofit Association Act in consultation with interested parties and to report to the 2005 General Assembly on the Commission's recommendations and legislative proposals.

PART VIII. INNOVATIVE PEAT-BASED WASTEWATER SYSTEMS STUDY (Baker)

SECTION 8.1. The Commission for Health Services shall evaluate the desirability and feasibility of developing and implementing a pilot program whereby any individual seeking to use an innovative wastewater system, under G.S. 130A-343(g), that employs peat-based technology, at the individual's residence shall be required to use a wastewater system that satisfies all of the following:

- (1) The peat-based wastewater system complies with Standard 40, a standard developed by the National Sanitation Foundation, Inc. (NSF), an independent testing and research organization.
- (2) The peat-based wastewater system has a mandatory maintenance agreement developed by the manufacturer of the system that is part of the purchase contract for the system.

SECTION 8.2. As part of the evaluation required by Section 8.1 of this act, the Commission shall identify two or more counties that would participate in the pilot program.

SECTION 8.3. The Commission for Health Services shall report the results of its evaluation to the Senate and House of Representatives Appropriations Subcommittees on Natural and Economic Resources, the Fiscal Research Division, and the Environmental Review Commission on or before January 15, 2005.

PART IX. JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE

SECTION 9.1. The Joint Legislative Utility Review Committee may study the economic, environmental, and social issues associated with the development and use of renewable and alternative energy in the State including, but not limited to, the following:

- (1) The environmental benefits of renewable and alternative energy development, including the reduction of: emissions such as sulfur dioxides, nitrogen oxides, and mercury and greenhouse gases; waste ash in landfills; and water and air quality degradation associated with the extraction and transport of fossil fuels.
- (2) The environmental benefits of conserving rural lands for traditional uses.
- (3) The environmental challenges to renewable and alternative energy development in the State, including existing laws, aesthetic issues, the impact on birds and the ecology, and secondary development associated with alternate energy development.
- (4) The potential for renewable and alternative energy to support rural economic development by broadening the tax base and creating new jobs.
- (5) Initiatives taken in other states to address renewable and alternative energy development.
- (6) Options for permitting renewable and alternative energy in the State, including suggestions for public involvement and environmental review.

- (7) Opportunities for renewable and alternative energy pilot projects in the State.

In conducting the study, the Committee may solicit input from renewable and alternative energy industry representatives, utility representatives, the State Energy Office, conservationists, environmentalists, leaders in rural economic development, tourism industry representatives, academics, local elected officials, and legislators from the eastern and western regions of the State.

PART X. NORTH CAROLINA BUILDING CODE COUNCIL STUDY (Culpepper; Queen)

SECTION 10.1. The General Assembly finds that the affordability of housing is an important issue and that the State should endeavor to ensure that State regulation does not unnecessarily increase the cost of housing. To that end, the North Carolina Building Code Council shall study the Residential Building Code to determine which provisions, if any, are unnecessary, outdated, overly stringent, or otherwise unduly increase the cost of housing.

SECTION 10.2. The Building Code Council may submit a report of the findings of its study, including any recommendations for statutory changes, to the 2005 General Assembly upon its convening.

PART XI. LOCAL SCHOOL CONSTRUCTION FINANCING STUDY COMMISSION (S.B. 1372 – Clodfelter; H.B. 1778 – Yongue)

SECTION 11.1. Establishment of the Commission. – The Local School Construction Financing Study Commission is established.

SECTION 11.2. Membership. – The Commission shall be composed of 19 members, as follows:

- (1) One member appointed by the Governor, after consultation with the President Pro Tempore of the Senate and the Speaker of the House of Representatives, who shall serve as chair;
- (2) Eight members appointed by the President Pro Tempore of the Senate: two members of the Senate from urban areas, two members of the Senate from rural areas, one member representing a large, fast-growing, urban school administrative unit that is a plaintiff in the Leandro school-financing litigation, one member from the financial services industry, one county commissioner, and one educator;
- (3) Eight members appointed by the Speaker of the House of Representatives: two members of the House of Representatives from urban areas, two members of the House of Representatives from rural areas, one member representing a rural school administrative unit that is a plaintiff in the Leandro school-financing litigation, one member who is knowledgeable about municipal and school finance, one school board member, and one educator;
- (4) The State Treasurer or the Treasurer's designee; and
- (5) The State Superintendent of Public Instruction or the Superintendent's designee.

Vacancies shall be filled by the appointing authority.

SECTION 11.3. Duties of the Commission. – The Commission shall examine the present system of local financing for school facilities and shall study alternative options for financing local school construction, renovation, repair, and maintenance. The Commission may study and consider public-private partnerships for school construction and facility ownership, sale leaseback arrangements, private and commercial financing arrangements, design standards for school facilities that may facilitate alternative financing techniques, alternative local revenue sources for

financing school facilities, the use of real estate investment trusts, State and local construction bond pools, and any other financing issues deemed pertinent by the Commission.

SECTION 11.4. Expenses of Members. – Members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 11.5. Consultants and Other Staff. – The Commission may hire consultants to provide research, staff support, and information about school financing in other states to the Commission, in accordance with G.S. 120-32.02. The Legislative Services Office, with the prior approval of the Legislative Services Commission, shall also assign professional and clerical staff to assist the Commission in its work.

SECTION 11.6. Cooperation by Government Agencies. – The Commission may call upon any department, agency, institution, or officer of the State or any political subdivision of the State for facilities, data, or other assistance. All State departments and agencies, local governments, and their subdivisions shall cooperate with the Commission and, upon request, shall furnish the Commission and its staff any information in their possession or available to them.

SECTION 11.7. Meetings During Legislative Session. – The Commission may meet during a regular or extra session of the General Assembly.

SECTION 11.8. Meeting Location. – The Legislative Services Commission shall grant adequate meeting space to the Commission in the State Legislative Building or the Legislative Office Building. The Commission may also meet at various locations around the State in order to promote greater public participation in its deliberations.

SECTION 11.9. Reports. – The Commission shall make an interim report to the 2005 General Assembly no later than January 31, 2005, and a final report to the 2006 Regular Session of the 2005 General Assembly no later than March 31, 2006. The final report shall contain recommendations for legislation to implement recommendations made by the Commission. The interim report may also contain recommendations for legislation. The Commission shall terminate on March 31, 2006.

SECTION 11.10. Of the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission established by this Part.

PART XII. VOTER PAPER TRAIL STUDY (S.B. 1415 – Kinnaird, Lucas; H.B. 1748 – Insko, McGee)

SECTION 12.1. There is established the Electronic Voting Systems Study Commission. That Commission shall consist of nine members to be appointed as follows:

- (1) Four members shall be appointed by the President Pro Tempore of the Senate. One shall be a county commissioner. One shall be a county election director. One shall be a citizen of North Carolina who does not hold public office and who has been an active advocate on the issue of prohibiting direct record voting equipment without voter-verifiable paper records.
- (2) Four members shall be appointed by the Speaker of the House of Representatives. One shall be a member of the State Board of Elections. One shall be a county election board member. One shall be a person with expertise in computer security.
- (3) The Executive Director of the State Board of Elections.

SECTION 12.2. The Electronic Voting Systems Study Commission shall study the issue of whether direct record electronic (DRE) voting systems should be prohibited in North Carolina unless each unit of the system produces a voter-verifiable paper record that is suitable for a recount or a manual audit and that is equivalent or superior to the paper record produced by a paper ballot system.

In conducting the study, the Commission shall consider DRE voting systems, compliance with the Help America Vote Act of 2002 (HAVA) and with voting-systems standards to be adopted under HAVA, including providing sufficient opportunity for access and participation, and privacy and independence, to all voters regardless of disability. The Commission shall consider any other issue related to the use of electronic voting systems. The Commission shall make a final report to the 2005 General Assembly upon its convening. The report shall contain the Commission's findings and recommendations. The Commission shall terminate on the earlier of the filing of its final report or the convening of the 2005 General Assembly.

SECTION 12.3. The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each appoint a cochair for the Commission. The Commission may contract for consultant services as provided by G.S. 120-32.02. Upon approval by the Legislative Services Commission, the Legislative Services Officer shall assign professional and clerical staff to assist in the work of the Commission. Clerical staff shall be furnished to the Commission through the offices of the House of Representatives and Senate Supervisor of Clerks. The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission. The Commission, while in discharge of official duties, may exercise all the powers provided under the provisions of G.S. 120-19 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of the State to provide any information, data, or documents within their possession, ascertainable from their records, or otherwise available to them, and the power to subpoena witnesses. Members of the Commission shall receive per diem, subsistence, and travel allowances at the rate established in G.S. 120-3.1, 138-5, or 138-6, as appropriate. Vacancies shall be filled by the appointing authority.

SECTION 12.4. Of the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission established by this Part.

PART XIII. JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE STUDIES

SECTION 13.1. The Joint Legislative Education Oversight Committee may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2005 Regular Session of the 2005 General Assembly upon its convening.

SECTION 13.2. Teacher assistant salary schedule (Holliman; H.B. 800 – Warner, Pate) – The Committee may study establishing a salary schedule for teacher assistants.

SECTION 13.3. Rural schools (S.B. 703 – Swindell, Holloman) – The Committee may study the unique issues that concern the rural schools in this State.

SECTION 13.4. Physical restraints/seclusion in schools (S.B. 977 – Dorsett) – The Committee may study the use of physical restraints and seclusion in public schools.

SECTION 13.5. High school graduation rate incentives (S.B. 949 – Lucas; H.B. 1251 – Glazier) – The Committee may study whether bonuses should be paid to principals for increased graduation rates.

SECTION 13.6. At-risk students single funding stream (S.B. 954 – Lucas; H.B. 1250 – Glazier) – The Committee may study whether a single funding stream should be targeted to at-risk students.

SECTION 13.7. Close achievement gap (S.B. 599 – Lucas; H.B. 938 – Michaux) – The Committee may study the best practices and methodologies for closing the achievement gap among children of various demographic groups who are performing below grade level.

SECTION 13.8. E-textbooks for students (H.B. 940 – Miller) – The Committee may study issues related to the availability and use of electronic copies of textbooks for public school students.

SECTION 13.9. Attracting teachers to become coaches (Nesbitt; H.B. 1786 – Goodwin) – The Committee may study the need to attract teachers into assuming additional duties of coaching interscholastic athletic teams in middle and high schools. If it undertakes this study, the Committee shall consider the feasibility of establishing a coaching fellowship program to attract students preparing to enter teaching through higher education coursework into coaching.

SECTION 13.10. Kindergarten admission requirements (Pate) – The Committee may study the issue of modifying kindergarten admission requirements as it relates to student readiness to enter kindergarten.

SECTION 13.11. Update the job description for school counselors (H.B. 463 – Bell) – The Committee may study updating and clarifying the job description for public school guidance counselors.

SECTION 13.12. Testing reform (Lucas, Apodaca) – The Committee may study the State's testing program. If it undertakes this study, the Committee shall consider:

- (1) The number of tests currently mandated at the State level and the process and cost of developing, validating, and scoring them.
- (2) Whether the State should consider the use of nationally developed tests as a substitute to State developed tests. In particular, the Committee shall determine whether this use would: affect the ABCs Program; adequately measure student achievement and performance; provide more than minimum levels of achievement; provide a better comparison to student achievement and performance in other states; be practical for high school courses or higher level courses; reduce the need for field testing; and offer any cost savings to the State.
- (3) The number of grades in which State tests are given. The Committee shall determine the necessity for testing all grades in third through eighth grades, whether a reduction in the grades tested would affect the receipt of federal money, and the extent to which a reduction would impair the State's ability to identify schools under the ABCs Program.
- (4) The high school courses for which State tests are given and whether there is an appropriate distribution of tests across grades nine through 12 and that test an appropriate array of the minimum courses required for admission to the constituent institutions of The University of North Carolina. In addition, the Committee shall examine whether students who take higher level courses and students in 12th grade are held accountable for their academic growth and performance.
- (5) The advantages and disadvantages of using a composite of end-of-course tests or other tests such as the SAT, AP tests, or other nationally standardized tests in high school rather than developing a high school exit exam. If the Committee finds a high school exit exam is preferable, then it shall determine whether it must be administered to all students or limited to certain students, for example, those who do not take the SAT or a certain number of courses for which there are end-of-course tests.
- (6) The extent to which additional testing, including field testing, practice testing, and locally mandated testing, is occurring and whether this should be limited or prohibited.
- (7) Evaluate alternative schools to determine how educational achievement is being advanced in these alternative school programs and that placement in these programs is to improve student

performance rather than improve the performance of the school in which the student originally was assigned.

- (8) The number of school days that are spent on testing.
- (9) Any other issue the Committee considers relevant.

SECTION 13.13. Total Teacher Program – The Committee may study the Total Teacher Program, which is an instructional program designed to be used with the North Carolina public school curriculum. In the course of the study, the Committee may consider the effectiveness of the Program, the experience of schools in other states in using the Program, the cost and potential cost savings due to the Program, and other matters related to the Program.

SECTION 13.14. School construction (Garrou) – The Committee may study issues relating to school construction and school capacity.

SECTION 13.15. Computer-based math and literacy programs for children under age six – The Committee may study ways to improve math and literacy skills in children age 18 months to six years of age through the use of innovative computer-based software.

SECTION 13.16. Appropriate education for students on long-term suspension – The Committee may study whether and to what extent North Carolina should mandate the following:

- (1) Local school administrative units in North Carolina shall provide or cause to be provided an appropriate education for all students recommended for a long-term suspension.
- (2) Each student recommended for long-term suspension shall receive a multidisciplinary assessment and evaluation to (i) ascertain his or her educational history, needs, and special learning problems and (ii) assess the risk the child poses to staff and other students. The assessment and evaluation shall include feedback and recommendations from local mental health and juvenile justice professionals.
- (3) An individualized education and service plan shall be developed for all students recommended for long-term suspension by a committee that includes education, mental health, and juvenile justice professionals, the child's parent or guardian, and any other person the committee considers appropriate. The chair of the Juvenile Crime Prevention Council or a designee shall serve as chair of this committee.
- (4) All efforts shall be made to reduce the risk the child poses to staff and other students and to allow the child to continue his or her education in his or her regular school without disruption. These efforts shall include the provision of related services and interventions from other agencies when considered necessary by the committee.
- (5) During the first 10 days of suspension, the local school administrative unit shall place the student recommended for suspension in a diagnostic setting for purposes of ensuring there is no disruption to the student's education and to complete the assessment process.
- (6) The local education agency shall contract with private or public agencies if an appropriate education cannot be provided within the school system. Funds appropriated to a local school administrative unit for the education of the child shall be used to pay for the program in which the child is placed.
- (7) The child's parent or guardian shall have the right to appeal the recommendation for the long-term suspension or any placement decision made by the local school administrative unit.
- (8) No child shall be rejected for education and services by a local school administrative unit unless a district court judge places the child in a juvenile justice program or facility. In that circumstance, the

Department of Juvenile Justice and Delinquency Prevention is responsible for providing the child's education.

SECTION 13.17. School nutrition/physical activity – The Committee may study school nutrition and opportunities for physical activity to keep children healthy.

SECTION 13.18. Adequacy of Low-Wealth School Funds (H.B. 1706 – McLawhorn) – The Committee may study the issue of low-wealth school funding.

PART XIV. REVENUE LAWS STUDY COMMITTEE

SECTION 14.1. The Revenue Laws Study Committee may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2005 General Assembly upon its convening.

SECTION 14.2. Valuation of Lots in Subdivisions (S.B. 520 – Dalton; H.B. 528 – Moore, Clary, England) – The Committee may study the valuation of partially improved, undeveloped lots in subdivisions.

SECTION 14.3. Private Activity Bonds (Rand) – The Committee may study private activity bonds.

SECTION 14.4. Conform Bank Expense Deduction (H.B. 1290 – McComas; H.B. 827 – Weiss, Luebke, Insko, Glazier) – The Committee may study whether the State income tax on banks should be conformed to the federal income tax.

SECTION 14.5. Subsidiary Dividend Taxes (H.B. 1291 – McComas) – The Committee may study whether the expense attribution law as it applies to deductible dividends should be modified.

SECTION 14.6. Income Tax Derived From Manufacturing (H.B. 1268 – Blackwood) – The Committee may study whether income derived from manufacturing should be exempt from income taxation.

SECTION 14.7. Tax Foreclosures (H.B. 981 – A. Williams) – The Property Tax Subcommittee of the Revenue Laws Study Committee may study the issue of foreclosures on tax liens, including proposals for expediting the foreclosure action.

SECTION 14.8. Comparative Tax Burden (H.B. 1247 – McComas) – The Committee may study the comparative tax burden on residents of South Carolina and residents of North Carolina.

SECTION 14.9. Tax Incentives to Promote Preservation of Open Spaces (S.B. 950 – Lucas; H.B. 887 – G. Allen, Hackney) – The Committee may study whether tax incentives should be provided to promote the preservation of open spaces.

SECTION 14.10. Sales and Use Tax Exemption (Kerr; Pate) – The Committee may study the issue of allowing local school administrative units a sales and use tax exemption instead of a sales and use tax refund and methods to fund this change.

SECTION 14.11. Tax Preferences (H.B. 959 – Glazier) – The Committee may study whether tax expenditures should be reviewed at least once every 10 years.

SECTION 14.12. Reduce Utility Equipment Sales Tax (H.B. 759 – Goforth) – The Committee may study whether light construction equipment should be given preferential sales and use tax treatment.

SECTION 14.13. Business Taxation (S.B. 1330 – Clodfelter) – The Committee may study comprehensive reform and simplification of the existing State taxes on business entities, including corporations, limited liability companies, partnerships, business trusts, associations, and other entities engaged in business. The elements of the plan to be studied shall include the following:

- (1) Repealing the corporate income tax, Part I of Article 4 of Chapter 105 of the General Statutes.
- (2) Including all types of business entities under a revised form of the franchise tax, Article 3 of Chapter 105 of the General Statutes.
- (3) Limiting the annual filing fee for all business entities to the amount of the filing fee for corporations.

- (4) Revising the current franchise tax to include two components, an assessment based on asset values and an assessment based on gross income or receipts from business activities.
- (5) The revised franchise tax would be calculated and applied on a consolidated basis for members of a related or affiliated group of business entities, allocated and apportioned to this State using existing formulas for allocating and apportioning corporate income.
- (6) The tax rates to be applied to these components would be the rates that are determined to yield revenue equal to the current combined revenue from corporate income and franchise taxes.
- (7) The Department of Revenue would annually review the revenue generated by the new simplified tax to determine if rate adjustments are necessary to preserve the revenue-neutrality of the simplification.
- (8) Any other issues or elements the Study Committee considers appropriate.

SECTION 14.14. Travel and Tourism Capital Investment (H.B. 1316 – Earle, Miner, McComas) – The Commission shall study the establishment of a Travel and Tourism Capital Investment Program in the Department of Commerce.

SECTION 14.15. Small Business Health Insurance Credit (H.B. 1375 – Goforth; S.B. 1059 – Rand) – The Commission may study providing a tax credit for small businesses that provide employee health insurance.

SECTION 14.16. Tax Preferences to Support Military – The Commission may study allowing a full or partial motor fuel tax refund for motor fuel used on a military base and other preferences that would demonstrate this State's support for the military.

PART XV. JOINT LEGISLATIVE HEALTH CARE OVERSIGHT COMMITTEE

SECTION 15.1. The Joint Legislative Health Care Oversight Committee may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2005 General Assembly upon its convening.

SECTION 15.2. Benefits for State Employee Dependents (Rand) – The Committee may study alternative benefit plans for dependents of State employees.

SECTION 15.3. Consolidation of State Health Care Services (Rand) – The Committee may study whether a State entity should be established to purchase health care services provided with State funds and to administer data consolidation and claims processing systems in order to enhance quality of care, promote cost containment, and achieve administrative efficiency and effectiveness in the system of services provided by the State.

SECTION 15.4. State Cost of Prescription Drugs (H.B. 1234 – Insko, Glazier, Ross) – The Committee may study whether the State should establish a single State entity for negotiating the cost of prescription drugs paid for by the State.

SECTION 15.5. Miscellaneous Topics – The Committee may also study the following topics:

- (1) Nursing shortage (S.J.R. 142 – Forrester, Purcell; H.B. 329 – Setzer)
- (2) Medical errors (S.J.R. 634 – Forrester)
- (3) Environmental causes of cancer (S.J.R. 143 – Forrester, Purcell; H.B. 330 – Setzer)
- (4) Educating the public on ovarian cancer risks and prevention (S.J.R. 636 – Forrester)
- (5) Reducing prescription drug costs (H.B. 1234 – Insko, Glazier, Ross)
- (6) Bulk purchasing of pharmaceutical drugs (S.J.R. 968 – Kinnaird)
- (7) Internet sale of prescription drugs (Rand)
- (8) Pain management and palliative care (Luebke)

PART XVI. STUDY OF VARIOUS WAYS TO PROMOTE GOVERNMENT EFFICIENCY AND SAVINGS IN STATE SPENDING (Rand)

SECTION 16.1. The University of North Carolina (through the Office of the President), the Judicial Branch (through the Administrative Office of the Courts), the Executive Branch (through the Department of Administration), the Legislative Branch (through the Legislative Services Office), the Community College System (through the President's Office), and the Department of Public Instruction shall jointly study various ways to promote government efficiency and savings on State spending, including the following proposals:

- (1) Consolidate Administrative Functions (S.B. 805, S.B. 808 – Rand; H.B. 1052 – Owens, Dockham)
- (2) Statewide Benefit Committee Established (H.B. 1068 – Dockham, Owens)
- (3) DMV-NCDL/Registration Extensions (S.B. 804 – Rand)
- (4) Combine State Safety Programs (S.B. 807 – Rand)
- (5) Increase Use of Public Defenders (S.B. 810 – Rand)
- (6) Controller's Fee – (S.B. 813 – Rand)
- (7) Deferred Retirement Option Program (S.B. 817 – Rand)

SECTION 16.2. The Department of Administration shall report the results of this study to the Legislative Research Commission by January 15, 2005.

PART XVII. JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE STUDIES

SECTION 17.1. The Joint Legislative Transportation Oversight Committee may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2005 General Assembly upon its convening.

SECTION 17.2. I-95 Tolls (Rand) – The Committee may study the feasibility of establishing tolls on Interstate 95 from the South Carolina to Virginia borders.

SECTION 17.3. Alternative Fuels (Daughtridge) – The Committee may study the use, availability, benefits, and disadvantages of alternative fuels. The study may include consideration of the following issues:

- (1) The existence and availability of federal grants or other incentive programs for alternative fuels and alternative fuel vehicles and the impact of these programs on the need or desirability for a State program.
- (2) The impact of increased alternative fuel vehicle use on the collection of motor fuel taxes and highway use taxes and whether the taxation of alternative fuels or vehicles using nonliquid or hybrid fuels needs to be modified.

SECTION 17.4. Comprehensive Transportation Issues (S.B. 1015 – Berger) – The Committee may study all aspects of transportation, including planning and scheduling of projects, legislative and executive oversight, revenues, funding, and expenditures of the Highway Fund, the Highway Trust Fund, and Federal Aid programs for transportation. The study shall include an examination of all the following:

- (1) The effectiveness of legislative oversight of the Department of Transportation and all other transportation-related programs in North Carolina.
- (2) The gap between transportation funding structures and the actual transportation needs of the State.
- (3) Historical and projected application of funds within the several transportation funding sources.

- (4) Deficiencies in matching funding and expenditures between the several Funds.
- (5) Economic feasibility of alternate transportation modes, including cost/benefit comparisons of planning, construction, and operation of alternate transportation programs.
- (6) Alternative methods of funding, financing, and planning transportation construction, maintenance, and operations.
- (7) Delivery of construction and maintenance projects, including alternative management structures, outsourcing, and privatization.
- (8) Any other issue related to transportation, transportation funding, project planning, and management of transportation programs.

SECTION 17.5. Registration of all-terrain vehicles (H.B. 473 – Baker) – The Committee may study whether all-terrain vehicles should be registered and regulated.

SECTION 17.6. Clarify disclosure of motor vehicle total loss claims (H.B. 1152 – Cole) – The Committee may study whether any motor vehicle that is declared a total loss shall have the registration card and the back of the title marked total loss claim vehicle.

PART XVIII. STUDY FINANCING OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES

SECTION 18.1. The Department of Health and Human Services shall study the financing of mental health, developmental disabilities, and substance abuse services. The study shall include the following:

- (1) An examination of all sources of funds used in the delivery of mental health, developmental disabilities, and substance abuse services throughout the Department.
- (2) An examination of alternative financing mechanisms for funding mental health, developmental disabilities, and substance abuse services, including Medicaid.
- (3) Recommendations for feasible alternative financing mechanisms.

The Department shall report its findings and recommendations to the Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than July 1, 2005.

PART XIX. ENVIRONMENTAL REVIEW COMMISSION STUDIES

SECTION 19.1. The Environmental Review Commission may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2005 General Assembly upon its convening.

SECTION 19.2. Effectiveness of Environmental Programs – The Commission may study the overall effectiveness of the State's efforts to protect the environment and conserve the natural resources of North Carolina. This study should include a comprehensive evaluation of the implementation of existing legal mandates and of the organizational structure of the Department of Environment and Natural Resources. This study should also consider:

- (1) The adequacy of current funding levels, additional funding needs, and funding options, including increasing fees to cover the cost of permitting, inspections, and enforcement.
- (2) Options to improve efficiency and reduce costs, including the consolidation of permitting, inspection, and enforcement functions.
- (3) The adequacy of current staffing levels.

- (4) Options to improve coordination among programs.
- (5) The adequacy of current inspection and enforcement activities and options to improve compliance with environmental laws and rules, including improvements in the use of civil penalties.

SECTION 19.3. Plan to Share Floodplain Mapping Information (H.J.R. 1157 – Daughtridge) – The Commission may study whether the information compiled on a regular basis by the Statewide Floodplain Mapping Unit would be useful and relevant to dam operators, local agencies, and State agencies with regard to making decisions about coordinating and controlling water releases from dams, flood control, floodplain management, and emergency evacuation procedures. If it undertakes this study, the Commission may consider the type of information compiled by the Statewide Floodplain Mapping Unit and the value of that information in assisting with decisions regarding flood control techniques, floodplain management, and the time, frequency, and manner of water releases from dams. The Commission may also consider the feasibility of making that information readily available to dam operators, appropriate local agencies, and appropriate State agencies. The Commission may also consider whether it is appropriate to incorporate the information available from the Statewide Floodplain Mapping Unit into local emergency management plans and downstream inundation maps. The Commission may also study any other issues relevant to this topic.

SECTION 19.4. Water Restriction Guidelines (Gibson) – The Commission may study water restriction guidelines created by the Department of Environment and Natural Resources and implemented by local governments. If it undertakes this study, the Commission shall consider the State's role and authority to regulate water usage during times of drought conditions and shall also consider:

- (1) The economic impact of water conservation measures.
- (2) The balance between protecting water supply and economic impact on local communities.
- (3) Recommendations on establishing consistency across the State with respect to classes of water use, specifically the use of the terms essential and nonessential use.

SECTION 19.5. Regional Water Supplies (S.B. 1409 – Shaw) – The Commission may study the issue of the development and funding of regional water supply systems.

SECTION 19.6. Clean Air Trust Fund – The Commission may study establishing a Clean Air Trust Fund.

SECTION 19.7. Fair Bargain Act (S.B. 878 – Horton) – The Commission may study revocation of contracts under certain circumstances.

SECTION 19.8. Deterrents to Stormwater Runoff (Horton) – The Commission may study the feasibility of encouraging permeable surfaces as a deterrent to stormwater runoff.

SECTION 19.9. Protecting Property Owners Adjacent to Activities for which a Stormwater Permit is Issued (S.B. 888 – Rucho) – The Commission may study ways to protect a property owner whose land is adjacent to or downstream from a site on which alterations of the existing flow of stormwater will occur.

SECTION 19.10. Highway Use Tax Based on Efficiency/Vehicle Registration Based on Vehicle Miles Traveled (S.B. 1374 – Clodfelter) – The Commission shall study both of the following:

- (1) Whether the State should modify the current highway use tax so that all or a portion of the highway use tax paid on a private passenger vehicle is based on the fuel efficiency rating of the vehicle.
- (2) Whether the State should modify the current vehicle registration fee so that all or a portion of the annual vehicle registration renewal fee for a passenger vehicle is based on the vehicle miles traveled by the vehicle.

In its conduct of these studies, the Commission shall consider whether the modifications studied under subsection (a) of this section should be made on a revenue-neutral basis or should be made so as to generate additional revenue to be used to fund initiatives designed to improve air quality and the efficiency of the transportation system in the State.

SECTION 19.11. Stormwater Issues. – The Commission may study various approaches to prevent and reduce stormwater pollution throughout the State, including but not limited to: low impact design as a stormwater management technique; financial and regulatory incentives for the use of innovative stormwater management techniques; technical assistance for local governments in implementing successful stormwater management programs or collaborative regional programs; State and local efforts to reduce sedimentation pollution; potential funding sources for improved stormwater management; and protection of highly sensitive waters such as shellfishing and recreational waters and trout streams.

PART XX. HIGHWAY TRUST FUND STUDY COMMITTEE EXTENDED

SECTION 20.1. Section 29.12 of S.L. 2003-284 reads as rewritten:

"SECTION 29.12.(k) Report. – The Study Committee may make interim reports and shall make a final report to the Joint Legislative Transportation Oversight Committee no later than ~~November 1, 2004.~~ January 31, 2005. Regardless of whether it has filed an interim or final report, the Committee shall terminate on ~~November 1, 2004.~~ January 31, 2005."

PART XXI. DEPARTMENT OF ADMINISTRATION STUDY (Nesbitt)

SECTION 21.1. The Department of Administration may study retainage from payment on public construction projects. If it undertakes this study, the Department shall consider the following:

- (1) Retainage by public owners from payment to contractors and retainage by those contractors from payment to subcontractors.
- (2) Retainage from periodic progress payments and final payment, including a maximum allowable amount of retainage.
- (3) A time certain for the owner's release of retainage, based upon the owner's occupancy, substantial completion of the work, or the owner's use of the improvements for the purposes intended.
- (4) A time certain for the contractor's release of retainage to a subcontractor, based upon the contractor's receipt of retainage.
- (5) Conditions permitting withholding of retention beyond the date of release, including those stated in G.S. 143-134.1(d), and limits on the amount of retainage for a condition permitting withholding.
- (6) Interest on wrongfully withheld retainage and conditions for the payment of attorneys' fees for the collection of wrongfully withheld retainage.
- (7) Line-item release of retainage, based upon a schedule of values, for specific work that has been completed by the contractor and approved by the owner.
- (8) Any other matters relating to the withholding and release of retainage on public construction projects.

SECTION 21.2. The Department shall report the results of its study to the 2005 General Assembly upon its convening.

PART XXII. UNC BOARD OF GOVERNORS STUDY COMMISSION

SECTION 22.1. There is created the UNC Board of Governors Study Commission. The Commission shall consist of 10 members appointed as follows: five by the President Pro Tempore of the Senate and five by the Speakers of the House of Representatives. The Speakers of the House of Representatives shall appoint a cochair and the President Pro Tempore of the Senate shall appoint a cochair for the Commission. Vacancies on the Commission shall be filled by the appointing authority. The Commission shall meet upon the call of the chairs. A majority of the members of the Commission shall constitute a quorum.

SECTION 22.2. The Commission shall study the method of election or appointment of members of the Board of Governors, the length of members' terms, the number of terms a member may serve, and the size of the Board of Governors. As part of the study, the Commission may examine the governing boards of other states' institutions of higher education. The Commission shall report its findings and any recommendations to the 2005 Regular Session of the General Assembly.

SECTION 22.3. Members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 22.4. Subject to the approval of the Legislative Services Commission, the Commission may meet in the State Legislative Building or the Legislative Office Building. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist in the work of the Commission. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. All State departments and agencies and local governments and their subdivisions shall furnish the Commission with information in their possession or available to them. Of the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission established by this part.

SECTION 22.5. The Commission shall terminate upon the filing of its final report.

PART XXIII. NORTH CAROLINA STUDY COMMISSION ON AGING STUDIES

SECTION 23.1. The North Carolina Study Commission on Aging may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2005 General Assembly upon its convening.

SECTION 23.2. Long-term care remediation (S.B. 206 – Swindell, Purcell) – The Commission may study the feasibility of implementing a remediation program for long-term care facilities in this State that is similar to the Collaborative Remediation Project in Michigan.

SECTION 23.3. Mentally ill long-term care residents (S.B. 1150 – Swindell; H.B. 1490 – Clary, Nye, Weiss) – The Commission may study issues related to mentally ill residents in long-term care facilities.

PART XXIV. JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES STUDIES

SECTION 24.1. The Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2005 General Assembly upon its convening.

SECTION 24.2. Integration of care for children with multiple system service needs (S.B. 262 – Foxx, Allran, Dannelly, Lucas, Purcell; H.B. 169 – Insko) –

The Committee shall conduct a comprehensive review of the State's system of care for children with multiple system service needs. The purpose of the comprehensive review is to determine the extent to which children who need services from multiple State and local agencies in this system are or are not receiving those services in a timely manner, the effectiveness of the services provided, the potential long-term impact on the children, their families, and State and local resources of not providing all services in a timely and cost-effective manner, and to make detailed recommendations on the system changes necessary to address the problems identified as quickly as possible. Recommendations on system changes shall include programmatic and funding changes, and an analysis and estimate of implementation costs and projected cost-savings to the State in future years. In order to ensure a dedicated focus and appropriate expertise for the comprehensive review, the Committee shall convene a task force to conduct the review. The task force shall be comprised of the cochairs of the Oversight Committee, the Joint Legislative Education Oversight Committee, the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee, the Joint Legislative Health Care Oversight Committee, and other individuals appointed by the cochairs of the Oversight Committee upon recommendation of the other members of the task force.

In conducting its review, the task force shall consider thoroughly all of the following:

- (1) State-of-the-art approaches to services to children with multiple system service needs as the basis of reform in North Carolina.
- (2) Evidence-based best practices in North Carolina and elsewhere for potential systemwide adoption.
- (3) Barriers to access for developing a uniform access process to implement a "no wrong door" policy such that children and families may enter any service access point but will be afforded seamless access to all necessary services.
- (4) Initiatives taken or under consideration in other states to ensure a unified approach to system services, including the feasibility of establishing a funding consortium for pooling resources of all involved agencies in order to streamline access to the system by children and involvement in the system by service providers.
- (5) Ways to improve the multidisciplinary identification and evaluation of children's multiple service needs and the communication of those needs to all appropriate service providers.
- (6) The extent to which children currently in the juvenile justice system have not received adequate and appropriate educational, mental health, or other health services, and the reasons why the children have not been adequately served.
- (7) Information from the Department of Public Instruction and other organizations showing the number of children who have been suspended or expelled from public school, the reasons for the suspension or expulsion, the number of these children who have received alternative placements to ensure that they are being adequately and appropriately served by State and local service systems.
- (8) Necessary changes to North Carolina service systems involving mental health, developmental disabilities, and substance abuse services, social services, education services, juvenile justice, and other related service systems that will enable these systems to work together to ensure effective and timely access to services for children and their families.

The Oversight Committee, subject to the provisions of G.S. 120-32.02, may hire a consultant to assist the task force in its comprehensive review. The Oversight Committee shall establish interim and final reporting time lines for the consultant's

findings and recommendations, and, subject to the requirements of this section, for meetings and reports of the task force.

SECTION 24.3. Mental health in prisons (H.B. 1085 – Insko) – The Committee may study the incidence of mental illness and substance abuse problems among inmates in the North Carolina prison and juvenile justice systems.

PART XXV. JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE STUDY (H.B. 758 – Stiller)

SECTION 25.1. The Joint Legislative Commission on Seafood and Aquaculture may study whether it should be unlawful to take shrimp with trawl nets in certain inland waters. The Commission may report the results of its findings, together with any recommended legislation, to the 2005 General Assembly upon its convening.

PART XXVI. ADMINISTRATIVE OFFICE OF THE COURTS/DEPARTMENT OF CORRECTION STUDY (H.B. 890 – Eddins, Holliman)

SECTION 26.1. The Administrative Office of the Courts and the Department of Correction shall jointly study the processes for the collection and payment of restitution in this State, and shall determine methods for reducing the number of restitution payments that go unclaimed. The Administrative Office of the Courts and the Department of Correction shall report their findings and recommendations to the 2005 General Assembly upon its convening.

PART XXVII. UNC BOARD OF GOVERNORS STUDY FEASIBILITY OF FORGIVENESS OF STUDENT DEBT PROGRAM

SECTION 27.1. The Board of Governors of The University of North Carolina, in conjunction with the North Carolina State Education Assistance Authority, may study the feasibility of a program that would forgive student indebtedness for teachers who have continuing certification in and are teaching in the disciplines of mathematics, science, or special education. The Board shall report the results of its study to the Joint Legislative Education Oversight Committee by January 15, 2005.

PART XXVIII. STATE BOARD TEACHER RETENTION TASK FORCE

SECTION 28.1. The State Board of Education shall form a Task Force cochaired by the State Board of Education Chairman or designee and the Lt. Governor or designee to study issues related to effective recruitment and retention of teachers for the North Carolina public schools. The Task Force shall include practicing public school teachers, principals, superintendents, local boards of education, and representatives from the University System, the Community College System, and others as deemed appropriate by the cochairs. In the course of this study, the State Board of Education shall consider:

- (1) Impediments to effective teacher recruitment and retention;
- (2) Strategies for increasing the effectiveness or recruitment and retention efforts;
 - a. Modifications to teacher salaries and benefits that will ensure that teacher compensation in North Carolina remains at or above the national average, thereby better enabling the public schools to recruit and retain highly qualified teachers. The State Board may consider:
 1. Increased salaries for beginning teachers to make the profession more attractive at the entry level;

2. Increased salaries for teachers at those points at which higher numbers of teachers leave the teaching profession;
 3. Retirement options for teachers with 30 years of experience that will provide opportunities for those highly skilled and experienced teachers to continue in service;
 4. Differentiated salary opportunities for teachers who demonstrate exemplary teaching skills, work in certain areas of certification, work in hard-to-staff schools, or serve as mentors, school improvement team leaders, or serve as leaders in a Quality Teacher as Leader Program;
 5. Other modifications to teacher salaries and benefits necessary to recruit and retain highly qualified teachers in the public schools.
- b. Tax incentives to encourage experienced teachers to remain in the teaching profession;
 - c. Locally designed initiatives to facilitate teacher recruitment and retention;
 - d. Strategies for increasing the number of highly qualified beginning teachers such as:
 1. Expanding teacher preparation programs;
 2. Expanding scholarship loan programs for prospective teachers to recruit the most qualified high school students to the teaching profession; and
 3. Ensuring that graduates of teacher preparation programs are well prepared to meet teacher-certification requirements.
 - e. Strategies for giving beginning teachers the opportunity to develop into skilled professionals such as assigning them to teach only in their area of certification and minimizing their noninstructional duties;
 - f. Strategies for ensuring that school-based administrators are adequately trained to provide support for both experienced and inexperienced teachers and that they provide that support;
 - g. Strategies for ensuring that teachers are treated respectfully by students, such as a Teachers' Bill of Rights;
 - h. Increased expectations regarding parental involvement in and support of their children's education;
 - i. The availability of communications devices in the classroom;
 - j. Strategies for a Quality Teacher as Leader Program as a career option that compensates teachers for accomplished teaching and values teachers as leaders; and
 - k. Strategies for ensuring that schools are staffed appropriately and teachers have the time necessary to meet the State, federal and local demands for quality teaching and learning environments.

SECTION 28.2. The State Board of Education shall report its findings and recommendations to the Joint Legislative Education Oversight Committee prior to February 15, 2005. These recommendations may include changes to laws and policies.

SECTION 28.3. The Department of Public Instruction shall provide staff to support the work of the Task Force upon the request of the cochairs or staff and consultants may be hired from funds designated to support the work of the Task Force.

SECTION 28.4. The State Board of Education shall use federal funds to support the work of the Task Force.

PART XXIX. JOINT LEGISLATIVE CORRECTIONS, CRIME CONTROL, AND JUVENILE JUSTICE OVERSIGHT COMMITTEE STUDIES

SECTION 29.1. The Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2005 Regular Session of the 2005 General Assembly upon its convening.

SECTION 29.2. Deter juvenile escapes (H.B. 956 – Haire) – The Committee may study the issue of persons who escape from the custody of the Department of Juvenile Justice and Delinquency Prevention (Department) and develop appropriate sanctions for those persons. If it undertakes this study, the Committee shall consult with the Department, the Administrative Office of the Courts, and the North Carolina Sentencing and Policy Advisory Commission to develop a statutory scheme through which both juveniles and persons who are over the age of 16 years shall be punished for escaping from the custody of the Department.

SECTION 29.3. Federal Structured Sentencing System (Culpepper) – The Committee may study the State's current system of structured sentencing and compare that with the federal system of structured sentencing. In its study, the Committee shall consider all of the following:

- (1) A comparison of the role and responsibilities of the North Carolina Sentencing and Policy Advisory Commission with regard to structured sentencing with the role and responsibilities of the Commission's federal counterpart.
- (2) The effectiveness of both the State and federal systems in adjusting the sentencing grid and the factors considered in the sentencing process so that the sentencing range available to the court is appropriate for the crime committed and also allows appropriate flexibility for the court to consider the circumstances on a case-by-case standard.
- (3) The effect of the structured sentencing system at the State and federal levels on the number of prison beds required and whether regular periodic adjustments of the sentencing structure that take into account both the nature of the crimes most often committed, the effectiveness of the punishments imposed, and the increase or decrease in prison populations provides a more equitable and economic criminal justice system.
- (4) Any other issue relevant to this study.

SECTION 29.4. Confinement of Incapacitated Inmates (S.B. 1014 – Berger) – The Committee may study the confinement of inmates who are irreversibly, physically incapacitated due to chronic illness or disability. The Committee's study may include, but is not limited to, a review of current policies, a calculation of potential population figures and medical care costs, a determination of possible alternatives to incarceration and accompanying costs, and a consideration of procedures for termination or commutation of sentences.

SECTION 29.5. The Committee shall report its findings and recommendations, including any proposed legislation, no later than the convening of the 2005 General Assembly.

PART XXX. AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION STUDIES

SECTION 30.1. The Agriculture and Forestry Awareness Study Commission may study the topics listed in this part and report its findings, together with any recommended legislation, to the 2005 General Assembly upon its convening.

SECTION 30.2. Agriculture Commodity Incentives (Albertson) – The Commission may study the possibility of establishing incentive programs to benefit firms purchasing additional large quantities of North Carolina farm commodity products when an overabundance of a specific commodity is designated by the State Department of Agriculture and Consumer Services to be available for sale.

SECTION 30.3. Food Safety and Security (S.B. 834 – Albertson) – The Commission may study ways to protect the State's food supply system and the agricultural industry base.

SECTION 30.4. Dairy Industry (Albertson, Rand; H.B. 1143 – Hill) – The Commission shall study the condition of the dairy industry in the State. As a part of its study, the Commission shall examine:

- (1) The short-term and long-term problems associated with maintaining a viable dairy industry and supplying the needed quantity of milk in the State.
- (2) Ways to sustain the existing dairy industry in the State.
- (3) Opportunities for expanding the dairy industry, including attracting both new dairy producers and new processors into the State.
- (4) The contribution of dairy farmers to the maintenance of prime agricultural lands, and working lands, and the quality of life in the State.
- (5) The need for programs that stabilize the pricing of milk at the farm level, such as counter-cyclical or safety net type programs in the Farm Security and Rural Investment Act of 2002, or a milk transportation grant program to maintain a local supply of fresh milk for processing and consumption, programs that facilitate the entry of young farmers into the dairy industry, and programs that preserve dairy green space along the urban fringe.
- (6) Other factors impacting the dairy industry in North Carolina.

PART XXXI. COMMITTEE ON EMPLOYEE HOSPITAL AND MEDICAL BENEFITS STUDY NEWBORN COVERAGE (S.B. 1421 – Kinnaird; H.B. 1787 – Insko)

SECTION 31.1. The Committee on Employee Hospital and Medical Benefits may study the following issues pertaining to benefits under the Teachers' and State Employees' Comprehensive Major Medical Plan ("Plan"):

- (1) Whether to repeal or otherwise modify G.S. 135-40.6(7) that limits coverage for examination and supervision of a normal newborn infant to only when the mother of the infant is receiving maternity benefits under the Plan.
- (2) Whether to adopt a federally qualified health reimbursement arrangement as an additional component of the Plan.
- (3) Whether deductibles and co-payment amounts applicable under the Plan should be based on income of the Plan member, with lower-income Plan members paying less than higher-income Plan members.

PART XXXII. HURRICANE EVACUATION STANDARDS STUDY COMMISSION

SECTION 32.1. The Hurricane Evacuation Standards Study Commission is established. The Commission shall consist of six members to be appointed as follows:

- (1) Three members of the House of Representatives to be appointed by the Speaker of the House of Representatives; and

- (2) Three members of the Senate to be appointed by the President Pro Tempore of the Senate.

SECTION 32.2. The Commission shall study the development and establishment of hurricane evacuation standards for the State. The Commission shall consider and recommend to the General Assembly those legislative actions necessary to implement its recommendations.

SECTION 32.3. The following State employees shall attend each meeting of the Commission and shall provide technical support and expertise to the Commission to develop appropriate State hurricane evacuation standards:

- (1) Director, Division of Emergency Management, Department of Crime Control and Public Safety.
- (2) Chief of Logistics, Division of Emergency Management, Department of Crime Control and Public Safety.
- (3) State Roadway Design Engineer, Department of Transportation.
- (4) Assistant State Roadway Design Engineer, Department of Transportation.
- (5) Division Engineer, Division 1, Department of Transportation.
- (6) Division Engineer, Division 2, Department of Transportation.
- (7) Division Engineer, Division 3, Department of Transportation.
- (8) Division Traffic Engineer, Division 1, Department of Transportation.
- (9) Division Traffic Engineer, Division 2, Department of Transportation.
- (10) Division Traffic Engineer, Division 3, Department of Transportation.

SECTION 32.4. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional and clerical staff to assist in the work of the Commission. Clerical staff shall be furnished to the Commission through the offices of the House of Representatives and Senate Supervisors of Clerks. The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission. The members of the Commission, while in the discharge of official duties, may exercise all the powers provided under the provisions of G.S. 120-19 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of the State to provide any information, data, or documents within their possession, ascertainable from their records, or otherwise available to them, and the power to subpoena witnesses. Members of the Commission shall receive per diem, subsistence, and travel allowances at the rate established in G.S. 120-3.1.

SECTION 32.5. The Commission shall report its findings and any recommendations to the Governor and the Joint Legislative Transportation Oversight Committee of the General Assembly by January 15, 2005. Upon the earlier of the filing of its final report or the convening of the 2005 General Assembly, the Commission shall terminate.

SECTION 32.6. From funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Hurricane Evacuation Standards Commission.

PART XXXIII. STREAM MAPPING (H.B. 1797 – Luebke)

SECTION 33.1. The Geographic Information Coordinating Council and the Department of Environment and Natural Resources shall develop and recommend a plan to improve the mapping and digital representation of surface waters in North Carolina, including intermittent and perennial streams, lakes, and ponds, to the General Assembly and the Environmental Review Commission on January 15, 2005.

SECTION 33.2. The plan shall include at a minimum: mapping specifications and standards; estimated budget and schedule for statewide implementation; and entry of the data into NC OneMap.

SECTION 33.3. The Geographic Information Coordinating Council and the Department shall include at a minimum the Division of Emergency Management in the Department of Crime Control and Public Safety, the Department of Commerce, the Department of Transportation, and the US Geological Survey in the development of the plan.

SECTION 33.4. The General Assembly encourages municipalities and counties to share the mapping and digital representation of surface waters that they have developed with the Geographic Information Coordinating Council, NC OneMap, and the public.

PART XXXIV. STUDY COMMISSION ON HEALTH CARE WORKFORCE DEVELOPMENT (H.B. 1498 – Tolson, Goforth, Allred, Bell)

SECTION 34.1. There is created the Health Care Workforce Study Commission ("Commission"). The Commission shall consist of 21 members appointed as follows:

- (1) Five members appointed by the Governor, to include:
 - a. One person who is a health care provider or a pharmacist in a rural community.
 - b. One person who is a hospital administrator from recommendations provided by the North Carolina Hospital Association.
 - c. One person who is a dental care provider.
 - d. One person from the Office of Research, Demonstrations, and Rural Health Development of the Department of Health and Human Services.
 - e. The Program Director of the North Carolina AHEC Program.
- (2) Eight members appointed by the Speakers of the House of Representatives, to include:
 - a. Four members of the House of Representatives.
 - b. One person who is a nursing home administrator from recommendations provided by the NC Health Care Facilities Association.
 - c. One person who is a community college president from recommendations provided by the President of the North Carolina Community College System.
 - d. One person who is a physician.
 - e. One person who is a home care administrator from recommendations provided by the Association of Home and Hospice Care of North Carolina.
- (3) Eight members appointed by the President Pro Tempore of the Senate, to include:
 - a. Four members of the Senate.
 - b. One person who operates an adult care home from recommendations provided by the NC Association of Long Term Care Facilities.
 - c. One person who is a university president from recommendations provided by the President of The University of North Carolina System.
 - d. One person who is a health care provider with expertise in respiratory care.
 - e. One person who is a nurse from recommendations provided by the North Carolina Nurses Association.

SECTION 34.2. The purpose of the Commission is to determine methods to increase the number of people providing health and dental care in this State and to

overcome existing barriers contributing to the health care provider shortages. In undertaking this study, the Commission shall consider the following:

- (1) How to cultivate an interest in health occupations programs at the secondary school level.
- (2) How to address the shortage of adequately prepared health care occupations faculty at community colleges, including designating health care occupation degrees as "high cost" programs and paying health care occupation faculty at a higher rate, designating a salary differential for faculty members who provide clinical or classroom training during evening, night, and weekend shifts, and offering other incentives to encourage masters trained professionals to teach at community colleges.
- (3) How to address the attrition rates for students in health care occupation curriculums in community colleges.
- (4) Resources available to assist community colleges with the purchase of equipment necessary to train students for health care occupations.
- (5) Shortages of faculty at the university level.
- (6) Restoring funding for university level Fast Track programs.
- (7) Whether a curriculum program that offers a baccalaureate degree in respiratory therapy should be established in The University of North Carolina System.
- (8) How to improve current programs responsible for addressing dentist and physician shortages, particularly in the rural parts of the State.
- (9) How to address nursing shortages, taking into consideration the Institute of Medicine's Nursing Task Force recommendations.
- (10) How to address shortages of pharmacists and other allied health care providers.
- (11) Completion of the articulation plan between the North Carolina Community College System and The University of North Carolina System's health care training programs.
- (12) Any other issue the Commission considers relevant.

SECTION 34.3. The Speakers of the House of Representatives shall appoint a cochair and the President Pro Tempore of the Senate shall appoint a cochair for the Commission. The Commission may contract for consultant services as provided by G.S. 120-32.02. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional and clerical staff to assist in the work of the Commission. Clerical staff shall be furnished to the Commission through the offices of the House of Representatives and Senate Supervisors of Clerks. The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission. The Commission, while in discharge of official duties, may exercise all the powers provided under the provisions of G.S. 120-19 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of the State to provide any information, data, or documents within their possession, ascertainable from their records, or otherwise available to them, and the power to subpoena witnesses. Members of the Commission shall receive per diem, subsistence, and travel allowances at the rate established in G.S. 120-3.1, 138-5, or 138-6, as appropriate. Vacancies shall be filled by the appointing authority.

SECTION 34.4. The Commission shall submit an interim report to the 2005 Regular Session of the 2005 General Assembly that contains its recommendations, legislative proposals, and cost analyses. The Commission shall make a final report to the 2006 Regular Session of the 2005 General Assembly and shall terminate upon the earlier of the filing of its final report or April 30, 2006.

SECTION 34.5. From the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission established in this act.

PART XXXV. SMART START FUNDING STUDY (Hagan)

SECTION 35.1. Commission Established. – There is established a Smart Start Funding Study Commission.

SECTION 35.2. Membership. – The Commission shall be composed of 21 members as follows:

- (1) Four members of the Senate appointed by the President Pro Tempore of the Senate.
- (2) Four members of the House of Representatives appointed by the Speaker of the House of Representatives.
- (3) North Carolina Partnership for Children board member appointed by the Speaker of the House of Representatives.
- (4) President of the North Carolina Partnership for Children.
- (5) Secretary of the Department of Health and Human Services or designee.
- (6) North Carolina Budget and Tax Center representative appointed by the President Pro Tempore of the Senate.
- (7) State Budget Director or designee.
- (8) Department of Social Services County Director appointed by the Speaker of the House of Representatives.
- (9) Department of Public Health County Director appointed by the President Pro Tempore of the Senate.
- (10) County Commissioner appointed by the Speaker of the House of Representatives.
- (11) Local Partnership for Children Executive Director appointed by the President Pro Tempore of the Senate.
- (12) Local Partnership for Children board chair appointed by the Speaker of the House of Representatives.
- (13) Two business leaders representing small and corporate business, one appointed by the President Pro Tempore of the Senate and one by the Speaker of the House of Representatives.
- (14) Representative of the Rural Economic Development Center appointed by the President Pro Tempore of the Senate.

SECTION 35.3. Secretary of Health and Human Services. – The Commission shall invite the Secretary of Health and Human Services to attend each meeting of the Commission and encourage the Secretary's participation in the Commission's deliberations.

SECTION 35.4. Duties of Commission. – The Commission shall study the funding of the North Carolina Partnership for Children, Inc. In conducting the study, the Commission shall consider the following:

- (1) The current funding system of the North Carolina Partnership for Children, Inc.
- (2) Any strategies for achieving full funding and full service for North Carolina's young children and families.
- (3) Funding equity among all counties and local partnerships.
- (4) Any other information the Commission deems relevant.

SECTION 35.5. Vacancies. – Any vacancy on the Commission shall be filled by the appointing authority.

SECTION 35.6. Cochairs. – Cochairs of the Commission shall be designated by the President Pro Tempore of the Senate and the Speaker of the House of Representatives from among their respective appointees. The Commission shall meet upon the call of the chairs.

SECTION 35.7. Expenses of Members. – Members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S.120-3.1, 138-5, or 138-6, as appropriate.

SECTION 35.8. Staff. – Upon the prior approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional staff to the Commission to aid its work.

SECTION 35.9. Consultants. – The Commission may hire consultants to assist with the study. Before expending any funds for a consultant, the Commission shall report to the Joint Legislative Commission on Governmental Operations on the consultant selected, the work products to be provided by the consultant, and the cost of the contract, including an itemization of the cost components.

SECTION 35.10. Meetings During Legislative Session. – The Commission may meet during a regular or extra session of the General Assembly, subject to approval of the President Pro Tempore of the Senate and the Speaker of the House of Representatives.

SECTION 35.11. Meeting Location. – The Commission shall meet at various locations around the State in order to promote greater public participation in its deliberations. Subject to the approval of the Legislative Services Commission, the Commission may meet in the Legislative Building or the Legislative Office Building.

SECTION 35.12. Report. – The Commission shall make its findings and recommendations in a final report to the 2005 General Assembly. Upon the earlier of the filing of its final report or the convening of the 2005 General Assembly, the Commission shall terminate.

SECTION 35.13. Funding. – From funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the purpose of conducting the study provided for in this section.

PART XLI. WILMINGTON RACE RIOT COMMISSION (Wright)

SECTION 41.1. Section 17.1(c) of S.L. 2000-138, as amended by Section 3.1 of S.L. 2002-180, reads as rewritten:

"**Section 17.1(c)** The Commission shall consist of 13 members, each of whom shall serve a ~~four-year~~ five-year term. Commission members shall be appointed on or before September 1, 2000, as follows:

- (1) The President Pro Tempore of the Senate shall appoint three members.
- (2) The Speaker of the House of Representatives shall appoint three members.
- (3) The Governor shall appoint three public members, one of whom shall be a historian.
- (4) The Mayor and City Council of the City of Wilmington shall appoint two members.
- (5) The New Hanover County Commissioners shall appoint two members.

The Commission shall terminate on December 31, ~~2004~~, 2005."

SECTION 41.2. Section 17.1(e) of S.L. 2000-138, as amended by S.L. 2002-180, reads as rewritten:

"**Section 17.1(e)** The Commission may remove any of its members for neglect of duty, incompetence, or unprofessional conduct. Members serve at the pleasure of the appointing authority. A member subject to disciplinary proceedings shall be disqualified from participating in the official business of the Commission until the charges have been resolved."

SECTION 41.3. Section 17.1(f) of S.L. 2000-138, as amended by S.L. 2002-180, reads as rewritten:

"**Section 17.1(f)** Members of the Commission ~~shall not~~ may receive per diem or reimbursement for travel or subsistence. From funds appropriated to the General

Assembly, the Legislative Services Commission shall allocate funds for the per diem of the Commission."

SECTION 41.4. Section 17.1(g) of S.L. 2000-138, as amended by Section 3.2 of S.L. 2002-180, reads as rewritten:

"**Section 17.1.(g)** The Commission's officers shall consist of two cochairs, a vice-chair, and other officers deemed necessary by the Commission to carry out the purposes of this Article. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall appoint the cochairs of the Commission. All other officers shall be elected by the Commission. All officers shall serve for ~~four-year~~ five-year terms and shall serve until their successors are elected and qualified."

SECTION 41.5. Section 17.1(j) of S.L. 2000-138, as amended by Section 3.3 of S.L. 2002-180, reads as rewritten:

"**Section 17.1.(j)** The Commission may submit to the General Assembly an interim report of its findings and recommendations. The Commission shall submit to the General Assembly a final report of its findings and recommendations no later than ~~December 31, 2004.~~ December 31, 2005. The final report may include suggestions for a permanent marker or memorial of the riot and whether to designate the event as with a historic site."

PART XLII. OFFICE OF STATE PERSONNEL STUDY (Albertson)

SECTION 42.1. The Office of State Personnel shall conduct a reclassification study of all sworn law enforcement officers employed in the Division of Parks and Recreation of the Department of Environment and Natural Resources. The Office of State Personnel shall report the results of this study to the General Assembly and the Fiscal Research Division of the General Assembly by January 3, 2005.

PART XLIII. CRAVEN AND PAMLICO TECHNICAL HIGH SCHOOL TASK FORCE STUDIES (Gorman)

SECTION 43.1. The State Board of Community Colleges, the State Board of Education, Craven Community College, and the Craven County Schools may establish a task force to develop a plan to expand students' educational opportunities within the public school system by creating a technical high school. If the task force is established, in developing the plan, the task force shall consider similar programs currently operated in the State, including, but not limited to, the Middle College program in Guilford County and the Technical High School in Union County. The task force shall also take into account the State's high school graduation requirements. If the task force is established, the task force shall report to the Joint Legislative Education Oversight Committee no later than January 15, 2005.

SECTION 43.2. The State Board of Community Colleges, the State Board of Education, Pamlico Community College, and the Pamlico County Schools may establish a task force to develop a plan to expand students' educational opportunities within the public school system by creating a technical high school. If the task force is established, in developing the plan, the task force shall consider similar programs currently operated in the State, including, but not limited to, the Middle College program in Guilford County and the Technical High School in Union County. The task force shall also take into account the State's high school graduation requirements. If the task force is established, the task force shall report to the Joint Legislative Education Oversight Committee no later than January 15, 2005.

PART XLIV. NORTH CAROLINA SENTENCING AND POLICY ADVISORY COMMISSION STUDY

SECTION 44.1. The North Carolina Sentencing and Policy Advisory Commission, pursuant to its statutory responsibilities under Article 4 of Chapter 164 of the General Statutes, shall study the North Carolina Structured Sentencing Act in light of the United States Supreme Court's decision in *Blakely v. Washington*, decided June 24, 2004. The Commission shall report its findings and recommendations, including any proposed legislation, to the 2005 General Assembly upon its convening.

PART XLV. LEGISLATIVE STUDY COMMISSION ON STATE GUARDIANSHIP LAWS (H.B. 1409 – Nye, Weiss, G. Wilson; S.B. 1152 – Swindell)

SECTION 45.1. There is created the Legislative Study Commission on State Guardianship Laws. The purpose of the Commission is to review State law pertaining to guardianship and its relationship to other pertinent State laws such as the health care power of attorney, the right to a natural death, and durable power of attorney.

SECTION 45.2. The Commission shall consist of 16 members as follows:

- (1) Four members of the House of Representatives appointed by the Speaker of the House of Representatives.
- (2) Four members of the Senate appointed by the President Pro Tempore of the Senate.
- (3) The Director of the Administrative Office of the Courts, or the Director's designee.
- (4) The Director of the Division of Aging in the Department of Health and Human Services, or the Director's designee.
- (5) A county director of social services appointed by the President Pro Tempore of the Senate.
- (6) A clerk of superior court appointed by the Speaker of the House of Representatives.
- (7) A physician who specializes in geriatrics appointed by the President Pro Tempore of the Senate.
- (8) An attorney who has experience in guardianship matters appointed by the Speaker of the House of Representatives.
- (9) A representative of the Governor's Advocacy Council for Persons With Disabilities.
- (10) An area authority or county program director for mental health, developmental disabilities, and substance abuse services, appointed by the Speaker of the House of Representatives.

In addition, representatives designated by the following organizations shall serve as ex officio, nonvoting members of the Commission:

- (1) The North Carolina Bar Association.
- (2) The Arc of North Carolina.
- (3) North Carolina Guardianship Association.
- (4) Alzheimer's Association – Western Chapter.
- (5) Alzheimer's Association – Eastern Chapter.
- (6) Carolina Legal Assistance.
- (7) The Area Agencies on Aging.
- (8) County Departments of Aging.
- (9) Friends of Residents in Long Term Care.

The Speaker of the House of Representatives shall designate one Representative as cochair, and the President Pro Tempore shall designate one Senator as cochair. Vacancies on the Commission shall be filled by the same appointing authority as made the initial appointment. The Commission shall expire upon delivering its final report.

The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The

Commission may meet at any time upon the joint call of the cochairs. The Commission may meet in the Legislative Building or the Legislative Office Building. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 45.3. In conducting the study, the Commission shall consider the following:

- (1) Whether guardianship should be a remedy of last resort used only if less restrictive alternatives are insufficient.
- (2) The definition of incompetency.
- (3) Whether courts should be required to make express findings regarding the extent of a person's incapacity and limit the scope of the guardianship accordingly.
- (4) Legal rights retained or lost as a result of being adjudicated incompetent.
- (5) The proper role of attorneys and guardians ad litem in guardianship proceedings.
- (6) The role of public human services agencies in providing guardianship services.
- (7) Legal procedures and protections in guardianship proceedings.
- (8) Public monitoring of guardianship.
- (9) Funding for guardianship services provided by public and nonprofit agencies.
- (10) Educating citizens with respect to guardianship and alternatives to guardianship.
- (11) Prudent investor rules.
- (12) Powers, duties, and liabilities of guardians.
- (13) Review of the State's adult protective services law.
- (14) Enactment of the Uniform Guardianship and Protective Proceedings Act (UGPPA).
- (15) Whether guardianship statutes need revision to provide greater protection of the health and welfare of incapacitated adults.
- (16) Whether the State should track the number of people under private guardianship and, if so, proposed methods for the tracking.

SECTION 45.4. The Legislative Study Commission on State Guardianship Laws may make an interim report to the 2005 General Assembly not later than the convening of the 2005 General Assembly, and shall make its final report to the 2006 Regular Session of the 2005 General Assembly upon its convening.

SECTION 45.5. All State departments and agencies and local governments and their subdivisions shall furnish the Commission with any information in their possession or available to them.

SECTION 45.6. Of the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission.

PART XLVI. TWENTY-FIRST CENTURY REVENUE SYSTEM STUDY COMMISSION (Daughtridge)

SECTION 46.1. Findings. – The General Assembly finds the following:

- (1) In recent years, several legislative study commissions have examined North Carolina's tax system and found that restructuring is needed to achieve fairness, efficiency, and simplicity in light of the changing economics and changing needs of our State.
- (2) The Governor's Commission to Modernize State Finances built on those studies, outlining in its 2002 report the new realities of the State and the ways in which the finance structure should be revised in order to respond to modern conditions so that economic growth can continue while adequate services are provided and the tax burden is shared equitably.
- (3) These studies found that the State and local tax laws have grown increasingly Byzantine and unwieldy as each year new laws pile on additional adjustments, requirements, exceptions, and calculations, many of which are perceived as unfair preferences for special interests leaving ordinary citizens to shoulder more than their share of rising taxes. The overarching recommendation of the Governor's Commission that tax rates be lowered and tax bases broadened is a vital step toward solving these problems.
- (4) The budget shortfalls of recent years have emphasized the inadequacy of the current revenue structure to meet the State's needs. This weakness will worsen with the upcoming sunset of two major revenue sources, reinforcing the findings of legislative and executive commissions that long-term and fundamental changes are required to establish a stable, fair, and simple system for raising revenue for public services.

SECTION 46.2. Commission Created. – There is created the Legislative Study Commission on a 21st Century Revenue System. The purpose of the Commission is to build on the recommendations of past legislative and executive branch commissions to design a realignment of the State and local revenue system in accordance with a clear, consistent tax policy in light of modern economic, social, and political conditions.

SECTION 46.3. Membership. – The Commission consists of 12 members as follows:

- (1) Six Senators appointed by the President Pro Tempore of the Senate.
- (2) Six Representatives appointed by the Speaker of the House of Representatives.

SECTION 46.4. Cochairs. – The President Pro Tempore must designate one Senator as cochair, and the Speaker must designate one Representative as cochair. Vacancies on the Commission must be filled by the same appointing authority as made the initial appointment.

SECTION 46.5. Administration. – The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call of the cochairs. The Commission may meet in the Legislative Building or the Legislative Office Building. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

The Legislative Services Commission, through the Legislative Services Officer, must assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Supervisors of Clerks must assign clerical staff to the Commission, and the expenses relating to the clerical employees must be borne by the Commission. Members of the Commission are entitled to receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 46.6. Duties. – The Commission must:

- (1) Establish the principles of taxation upon which a sound State and local tax structure should be built for the 21st century.

- (2) Recommend changes in the State and local tax structure to align it with these benchmark tax principles.
- (3) Recommend changes to simplify and consolidate existing taxes to provide uniformity; to ease the administrative burden on the taxpayer; to provide low tax rates applied to broad tax bases; and to reduce the costs of collecting and administering taxes.

SECTION 46.7. Report. – The Commission may make an interim report to the 2005 General Assembly not later than its convening, and must make its final report to the 2006 Regular Session of the 2005 General Assembly upon its convening. The Commission shall terminate the earlier of the filing of its final report or upon the convening of the 2006 Regular Session of the 2005 General Assembly.

SECTION 46.8. Of the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission.

PART XLVII. CONTINUE JOINT COMMITTEE ON EXECUTIVE BUDGET ACT REVISIONS/ADDITIONAL STUDY (Culpepper)

SECTION 47.1. Section 6.12(b) of S.L. 2003-284 reads as rewritten:

"SECTION 6.12.(b) The Committee shall consider contemporary financial management practices in reviewing the current budget process. The Committee shall recommend any changes to the Executive Budget Act that are needed to modernize and improve the processes of budget preparation, budget adoption, budget execution, and program evaluation. The Committee shall report its recommendations to the ~~2003-2005~~ General Assembly on or before ~~April 1, 2004,~~ its convening."

SECTION 47.2. The Joint Committee on Executive Budget Act Revisions shall consider the issues raised by the provisions contained in House Bill 1218, 2003 Regular Session, and Senate Bill 726, 2003 Regular Session, and include in its report any recommendations concerning those issues.

PART XLVIII. NORTH CAROLINA CENTRAL UNIVERSITY STUDY (H.B. 826 – Earle, Wainwright)

SECTION 48.1. North Carolina Central University, in conjunction with its Department of Sociology, may study whether there is an overrepresentation of minority youth in North Carolina youth development centers. If it undertakes the study, the University shall:

- (1) Compile and analyze data of youth development center commitments for the years 1992 to 2002, including data of the race, age, gender, and level of offense of all juveniles committed to youth development centers in all 100 counties of the State during those years;
- (2) Survey all programs throughout the State that serve as prevention programs and alternatives to commitment for juveniles adjudicated delinquent in order to analyze the impact these programs have in deterring minority youth commitment;
- (3) Assess the availability and accessibility of prevention programs and programs that serve as alternatives to commitment to minority and at-risk youth in all 100 counties of the State, including the percentage of minority and at-risk youth adjudicated delinquent who are placed in programs that serve as alternatives to commitment; and
- (4) Test data for variables contributing to minority youth overrepresentation in State youth development centers, including data related to the role of the court system in either committing juveniles to youth development centers or placing them in alternative programs.

SECTION 48.2. If it undertakes this study, North Carolina Central University shall present its findings, including policy recommendations and legislative proposals, to the Department of Juvenile Justice and Delinquency Prevention and the General Assembly on or before January 15, 2005.

PART XLIX. STUDY COMMISSION ON ECONOMIC DEVELOPMENT INFRASTRUCTURE (Harrell)

SECTION 49.1. There is created the Study Commission on Economic Development Infrastructure. The Commission shall consist of 32 members as follows:

- (1) 16 members appointed by the President Pro Tempore of the Senate.
- (2) 16 members appointed by the Speaker of the House of Representatives.

SECTION 49.2. At least half of the members appointed to the Commission by the President Pro Tempore of the Senate and at least half of the members appointed to the Commission by the Speaker of the House of Representatives shall be persons who are not members of the General Assembly and who are either actively engaged in economic development or C-Level Executives of private corporations.

SECTION 49.3. The President Pro Tempore of the Senate shall appoint two cochairs of the Commission and the Speaker of the House of Representatives shall appoint two cochairs of the Commission. The Commission may meet at any time upon the joint call of the cochairs. Vacancies on the Commission shall be filled by the same appointing authority as made the initial appointment.

SECTION 49.4. The Commission shall examine the existing infrastructure for the delivery of economic development, including the many entities involved in economic development. The Commission shall develop a plan to restructure and consolidate the infrastructure for the delivery of economic development to improve its organization and effectiveness. The Commission shall specifically examine the role of the following in the delivery of economic development:

- (1) The Department of Commerce.
- (2) The regional councils of government created pursuant to G.S. 160A-470.
- (3) The Economic Development Board created pursuant to G.S. 143B-434. The Commission shall consider whether the Economic Development Board, which is currently advisory in nature, should be reconstituted and given responsibility for policy development or regulatory authority.
- (4) The regional planning and economic development commissions created pursuant to Article 2 of Chapter 158 of the General Statutes. The Commission shall consider whether regional planning and economic development commissions should be given greater responsibility for marketing and business recruitment.

SECTION 49.5. The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

SECTION 49.6. Subject to the approval of the Legislative Services Commission, the Commission may meet in the Legislative Building or the Legislative Office Building. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical support staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 49.7. The Commission shall submit a final report of its findings and recommendations, including any legislative recommendations, to the 2005 General Assembly upon its convening. The Commission shall terminate upon the convening of the 2005 General Assembly.

SECTION 49.8. Of the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission established by this Part.

PART L. STUDY COMMISSION ON THE ORGANIZATION, POWERS, DUTIES, FUNCTIONS, FUNDING, AND POTENTIAL CONSOLIDATION OR ELIMINATION OF STATE BOARDS, COMMISSIONS, AND COUNCILS (Harrell)

SECTION 50.1. There is created the Study Commission on State Boards, Commissions, and Councils. The Commission shall consist of 28 members as follows:

- (1) 14 members appointed by the President Pro Tempore of the Senate.
- (2) 14 members appointed by the Speaker of the House of Representatives.

SECTION 50.2. The President Pro Tempore of the Senate shall appoint two cochairs of the Commission and the Speaker of the House of Representatives shall appoint two cochairs of the Commission. The Commission may meet at any time upon the joint call of the cochairs. Vacancies on the Commission shall be filled by the same appointing authority as made the initial appointment.

SECTION 50.3. The Commission shall examine the organization, powers, duties, functions, and funding of State boards, commissions, and councils. The Commission shall specifically consider the following:

- (1) Whether the boards, commissions, or councils should be eliminated or consolidated with one or more other boards, commissions, or councils.
- (2) Whether the number of members serving on boards, commissions, and councils or the manner in which members are selected should be altered.
- (3) Whether the number and frequency of meetings of boards, commissions, and councils should be altered.
- (4) The cost of supporting each board, commission, or council, including salaries, per diem, travel, clerical and administrative support, and other expenses.
- (5) The productivity and effectiveness of the boards, commissions, and councils.

SECTION 50.4. The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

SECTION 50.5. Subject to the approval of the Legislative Services Commission, the Commission may meet in the Legislative Building or the Legislative Office Building. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical support staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 50.6. The Commission shall submit a final report of its findings and recommendations, including any legislative recommendations, to the 2005 General Assembly upon its convening. The Commission shall terminate upon the convening of the 2005 General Assembly.

SECTION 50.7. Of the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission established by this Part.

PART LI. STUDY COMMISSION ON WORKER RETRAINING (Harrell)

SECTION 51.1. There is created the Study Commission on Worker Retraining. The Commission shall consist of 32 members as follows:

- (1) 16 members appointed by the President Pro Tempore of the Senate.
- (2) 16 members appointed by the Speaker of the House of Representatives.

SECTION 51.2. At least half of the members appointed to the Commission by the President Pro Tempore of the Senate and at least half of the members appointed to the Commission by the Speaker of the House of Representatives shall be persons who are not members of the General Assembly and who are actively engaged in worker retraining or welfare reform as either private citizens, administrators of State agencies, or administrators or faculty at community colleges in the State.

SECTION 51.3. The President Pro Tempore of the Senate shall appoint two cochair of the Commission and the Speaker of the House of Representatives shall appoint two cochair of the Commission. The Commission may meet at any time upon the joint call of the cochair. Vacancies on the Commission shall be filled by the same appointing authority as made the initial appointment.

SECTION 51.4. The Commission shall examine:

- (1) Business incentives that encourage employers to support efforts by employees to retrain in order to qualify for higher paying or non-exportable jobs by allowing employees time off, reimbursing employees for education expenses, or providing other support.
- (2) Successful retraining incentive programs in this and other states.

SECTION 51.5. The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

SECTION 51.6. Subject to the approval of the Legislative Services Commission, the Commission may meet in the Legislative Building or the Legislative Office Building. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical support staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 51.7. The Commission shall submit a final report of its findings and recommendations, including any legislative recommendations, to the 2005 General Assembly upon its convening. The Commission shall terminate upon the convening of the 2005 General Assembly.

SECTION 51.8. Of the funds appropriated to the General Assembly, the Legislative Services Commission shall allocate funds for the expenses of the Commission established by this Part.

PART LII. NORTH CAROLINA BLUE RIBBON COMMISSION ON MEDICAID REFORM

SECTION 52.1. S.L. 2003-284, Section 6.14A.(b) reads as rewritten:

"SECTION 6.14A.(b) The Commission shall consist of ~~12~~16 members appointed as follows:

- (1) ~~Six~~Eight members appointed by the Speaker of the House of Representatives, including one member who shall be designated as House Cochair. No more than ~~three~~ five may be legislators.
- (2) ~~Six~~Eight members appointed by the President Pro Tempore of the Senate, including one member who shall be designated as Senate Cochair. No more than ~~three~~ five may be legislators.

The appointing officer shall fill vacancies. The Commission shall meet at the call of the Cochairs. Members of the Commission shall receive per diem, subsistence, and travel expenses as provided in G.S. 120-3.1, 138-5, or 138-6, as appropriate. The Commission may contract for consultant services as provided in G.S. 120-32.02. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional staff to assist the Commission in its work. Clerical staff shall be furnished to the Commission through the offices of the House of Representatives and Senate Directors of Legislative Assistants. The Commission may meet in the Legislative Building or the Legislative Office Building. The Commission may exercise all of the powers provided under G.S. 120-19 through G.S. 120-19.4 while in the discharge of its official duties. The funds appropriated by this act to the Reserve for the Blue Ribbon Commission on Medicaid Reform shall be transferred to the Department of Health and Human Services in order to draw down federal match funds to be used to cover the cost of the Commission's work."

PART LIII. BILL AND RESOLUTION REFERENCES

SECTION 53.1. The listing of the original bill or resolution in this act is for reference purposes only and shall not be deemed to have incorporated by reference any of the substantive provisions contained in the original bill or resolution.

SECTION 53.2. If House Bill 1414, 2003 Regular Session, becomes law, then Section 31.18A.(g) of that act reads as rewritten:

"**SECTION 31.18A.(g)** Notwithstanding any other provision of law, effective July 1, 2004, each local school administrative unit or charter school participating in the Teachers' and State Employees' Retirement System shall pay to the Teachers' and State Employees' Retirement System a Reemployed Teacher Contribution Rate of eleven and seventy hundredths percent (11.70%) as a percentage of covered salaries that the retired teachers, who are exempt from the earnings cap, are being paid. Each local school administrative unit or charter school shall report monthly to the Retirement Systems Division on payments made pursuant to this subsection.

Notwithstanding any other provision of law, effective July 1, 2004, any portion of the payment made by a local school administrative unit to a reemployed teacher who is exempt from the earnings cap, consisting of salary plus the Reemployed Teacher Contribution rate, that exceeds the State-supported salary level for that position shall be paid from local funds."

PART LIV. EFFECTIVE DATE AND APPLICABILITY

SECTION 54.1. Except as otherwise specifically provided, this act is effective when it becomes law. If a study is authorized both in this act and in the Current Operations and Capital Improvements Appropriations Act of 2004, the study shall be implemented in accordance with the Current Operations and Capital Improvements Appropriations Act of 2004 as ratified.

In the General Assembly read three times and ratified this the 18th day of July, 2004.

Marc Basnight
President Pro Tempore of the Senate

Richard T. Morgan
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____ .m. this _____ day of _____, 2004