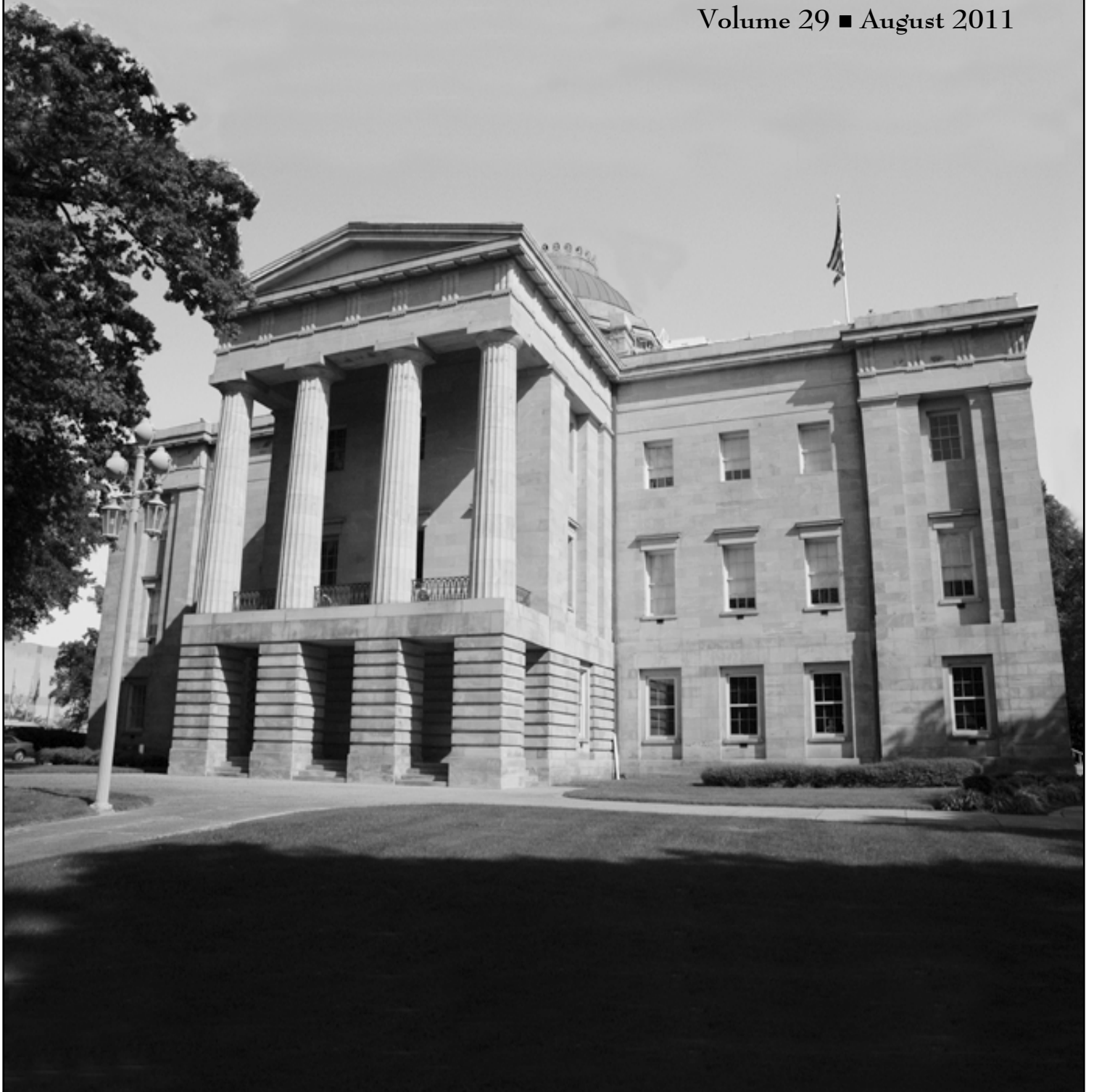


Legislative Bulletin

A Summary of New Laws Affecting North Carolina Lawyers
Prepared by the Office of Governmental Affairs
North Carolina Bar Association
Volume 29 ■ August 2011



The Legislative Bulletin is provided as a service of the NCBA Office of Governmental Affairs. Included is a summary of bills that were tracked by a section or committee of the NCBA or that was independently tracked by the Office of Governmental Affairs during the 2011 session of the General Assembly. These summaries are designed to put you on notice of changes made in the statutes this session which may affect your practice. They are not intended to instruct you fully as to those changes; there is no substitute for reading the Session Laws themselves. Our purpose is to offer a tool to assist in your practice and we hope you will find that this publication serves your purpose.

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Legislative Bulletin
Summaries of Enacted Legislation
Organized by Practice Area

Volume 29
August 2011

NORTH CAROLINA
FOUNDATION
BAR ASSOCIATION
CONTINUING LEGAL EDUCATION

CLE ALERT

Please [click here](#) to check our web site for
upcoming CLE programs related to recent legislative changes.

North Carolina General Assembly

149th Session Demographics & Statistics - Long Session

- House of Representatives: 120 members (67 Republicans, 52 Democrats, 1 Unaffiliated)
- House Leadership:
 - Speaker Thom Tillis (R)
 - Speaker Pro Tempore - Rep. Dale R. Folwell (R)
 - Majority Leader - Rep. Paul Stam (R) *
 - Minority Leader - Rep. Joe Hackney (D) *
- Senate: 50 members (31 Republicans, 19 Democrats)
- Senate Leadership:
 - President - Lt. Governor Walter Dalton (D) *
 - President Pro Tempore - Sen. Phil Berger (R) *
 - Majority Leader - Sen. Harry Brown
 - Democratic Leader - Sen. Martin L. Nesbitt Jr. (D) *
- Lawyer Legislators:

Rep. Hugh Blackwell (D)	Sen. Austin M. Allran (R)
Rep. John M. Blust (R)	Sen. Doug Berger (D)
Rep. Alice L. Bordsen (D)	Sen. Phil Berger (R)
Rep. Angela R. Bryant (D)	Sen. Dan Blue (D)
Rep. N. Leo Daughtry (R)	Sen. Peter S. Brunstetter (R)
Rep. Bill Faison (D)	Sen. Daniel G. Clodfelter (D)
Rep. Rick Glazier (D)	Sen. Thom Goolsby (R)
Rep. Joe Hackney (D)	Sen. Fletcher L. Hartsell Jr. (R)
Rep. R. Phillip Haire (D)	Sen. Eleanor Kinnaird (D)
Rep. Pricey Harrison (D)	Sen. Floyd B. McKissick Jr. (D)
Rep. Darren G. Jackson (D)	Sen. Martin L. Nesbitt Jr. (D)
Rep. Jonathan C. Jordan (R)	Sen. E.S. (Buck) Newton (R)
Rep. Chuck McGrady (R)	Sen. Josh Stein (D)
Rep. Grier Martin (D)	Sen. Richard Stevens (R)
Rep. Henry M. Michaux Jr. (D)	Sen. Don Vaughan (D)
Rep. Grey Mills (R)	
Rep. Tim Moore (R)	
Rep. Tom Murry (R)	
Rep. Johnathan Rhyne Jr. (R) **	
Rep. Deborah K. Ross (D)	
Rep. Paul Stam (R)	
Rep. Sarah Stevens (R)	
Rep. Jennifer Weiss (D)	
- 2011 Long Session convened January 26, 2011; adjourned June 18, 2011
- A session convened for redistricting on July 13, 2011 and adjourned July 28, 2011 and another session will convene on September 12, 2011 to address constitutional amendments.
- 1729 bills and resolutions filed (938 filed in the House, 791 filed in the Senate) ***
- 418 laws enacted; 15 bills vetoed ***
- 2012 Short Session will convene in May 2012

* = Lawyer Legislator

** = Resigned Effective 08.15.11

*** = As of July 28, 2011

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ADMINISTRATION OF JUSTICE COMMITTEE

[Clarify Definition/Judicial District/State Bar S.L. 2011-28](#)

S.L. 2011-28 amends G.S. 84-19 to clarify that the term judicial district includes the High Point Superior Court District as described under G.S. 7A-41(b)(13).

This act is effective when it becomes law.

[Juror Qualifications/Disabilities S.L. 2011-42](#)

S.L. 2011-42 amends G.S. 9-3 to allow hearing-impaired persons to qualify as prospective jurors. It also enacts G.S. 9-6.1 (b) to allow for persons with disabilities summoned for jury duty to apply for exemptions.

This act becomes effective July 1, 2011.

[Justice Reinvestment Act S.L. 2011-192](#)

See summary in Criminal Justice.

[Realign Wake Superior Court Districts S.L. 2011-203](#)

S.L. 2011-203 realigns the districts for Wake County Superior Court judge seats in order to provide for single member districts and equal representation in those districts. It amends G.S. 7A-41(a) to create two additional superior court districts in Wake County and amends G.S. 7A-41(b) to clarify and specify the Wake County precincts included in Superior Court Districts 10A, 10B, 10C, 10D, 10E, and 10F. It also specifies the individuals to fill the judgeships as created by the act.

This act becomes effective January 1, 2013, and applies to the 2012 election.

[Certificates Under Seal in Indigent Cases/Fee S.L. 2011-285](#)

S.L. 2011-285 amends G.S. 7A-308(b)(1) to clarify that the fee charged by the clerk of superior court for certificates under seal is waived for appointed attorneys.

This act becomes effective July 1, 2011, and applies to fees assessed or collected on or after that date.

[Additional Name Change Requirements S.L. 2011-303](#)

S.L. 2011-303 amends G.S. 101-5 to require additional information be submitted to the clerk of court before the issuance of a name change. Requires including information from the person's birth certificate, certified results of an official state and national criminal history record check, a sworn statement concerning the person's residence, and outstanding tax or child support obligations. It also creates a process for the issuance of a denial of the requested name change by the clerk and for the appeal of such a denial by the applicant to the chief resident superior court judge.

This act is effective when it becomes law.

[Motion Hearings in Multicounty District/RCP 7 S.L. 2011-317](#)

See summary in Bench Bar Liaison Committee.

[AOC Collection Assistance Fee S.L. 2011-323](#)

S.L. 2011-323 amends G.S. 7A-321 to authorize expanded methods of collecting fines, fees, costs and restitution from offenders not sentenced to supervised probation or active time. It also permits the county in which the collection assistance fee is collected to retain the fee.

This act becomes effective July 1, 2011, and applies to cases adjudicated on or after that date.

[Electronic Monitoring Fee S.L. 2011-378](#)

See summary in Criminal Justice.

ADMINISTRATIVE LAW

[APA Rules: Limit Additional Costs S.L. 2011-13](#)

S.L. 2011-13 amends G.S. 150B-19 to prohibit an agency from adopting a rule that results in additional costs for those subject to the rule unless the rule is adopted in order to respond to: (1) a serious and unforeseen threat to public health, safety; or welfare; (2) an act of the General Assembly or Congress; (3) a change in federal or state budgetary policy; (4) a federal regulation; or (5) a court order.

It also clarifies that an agency may not adopt a rule that results in substantial additional costs as defined in proposed G.S. 150B-2(8c) to those subject to the rule unless adoption of the rule is required in order to respond to one of the specified exceptions.

This act is effective when it becomes law and applies to rules published in the North Carolina Register by an agency on or after that date. This act expires July 1, 2012.

[Reclaimed Water Rules/Storm Debris Cleanup S.L. 2011-48](#)

See summary in Environment, Energy & Natural Resources Law.

[Protect and Put NC Back to Work S.L. 2011-287](#)

See summary in Workers' Compensation.

[Clarify Motor Vehicle Licensing Law S.L. 2011-290](#)

S.L. 2011-290 makes clarifying and technical changes to the motor vehicle dealers and manufacturers licensing law.

Section 6 of this act becomes effective January 1, 2014. The remainder of the act is effective when it becomes law.

[Revenue Laws Technical, Clarifying & Administrative Changes S.L. 2011-330](#)

See summary in General Interest.

[Confidentiality/Optometry/Real Estate Closing Interest S.L. 2011-336](#)

See summary in General Interest.

[Regulatory Reform Act of 2011 S.L. 2011-398](#)



See summary in General Interest.

BANKRUPTCY



[Commercial Real Estate Broker Lien Act S.L. 2011-165](#)

See summary in Real Property.

[Release of Upset Bid Deposit S.L. 2011-204](#)

S.L. 2011-204 enacts subsection (d) to G.S. 45-21.22 to require the clerk of superior court or the trustee or mortgagee to release any deposits if completion of the foreclosure sale is stayed pursuant to specified federal law before the expiration of the 10-day upset bid period.

This act becomes effective October 1, 2011.

[Register of Deeds S.L. 2011-246](#)

See summary in Real Property.

[Transfer Emergency Foreclosure Program to HFA S.L. 2011-288](#)

See summary in Real Property.

[Register of Deeds/Fees S.L. 2011-296](#)

See summary in Real Property.

[Confidentiality/Optometry/Real Estate Closing Interest S.L. 2011-336](#)

See summary in General Interest.

[Disputed Earnest Money/Attorneys Deposit S.L. 2011-350](#)

See summary in Real Property.

[Increase in Rem Foreclosure Fee S.L. 2011-352](#)

See summary in Real Property.

[Housing Authority/Collect Unpaid Rent S.L. 2011-365](#)

See summary in Real Property.

BENCH BAR LIAISON COMMITTEE

[Clarify Definition/Judicial District/State Bar S.L. 2011-28](#)

See summary in Administration of Justice Committee.

[Juror Qualifications/Disabilities S.L. 2011-42](#)

See summary in Administration of Justice Committee.

[Justice Reinvestment Act S.L. 2011-192](#)

See summary in Criminal Justice.

[Realign Wake Superior Court Districts S.L. 2011-203](#)

See summary in Administration of Justice Committee.

[Certificates Under Seal in Indigent Cases/Fee S.L. 2011-285](#)

See summary in Administration of Justice Committee.

[Additional Name Change Requirements S.L. 2011-303](#)

See summary in Administration of Justice Committee.

[Motion Hearings in Multicounty District/RCP 7 S.L. 2011-317](#)

S.L. 2011-317 amends G.S. 1A-1, Rule 7(b)(4) to provide that a motion in a civil action in a county that is part of a multicounty judicial district may be heard in another county that is part of the same judicial district with permission of the district's senior resident superior court judge or designee. It also requires a motion heard outside the county in which the case is filed to be heard at a civil session of court, except during emergencies determined by the senior resident superior court judge or designee.

Section 4.1.(a) of this act is effective when it becomes law. The remainder of this act becomes effective October 1, 2011, and applies to actions arising on or after that date.

[AOC Collection Assistance Fee S.L. 2011-323](#)

See summary in Administration of Justice Committee.

[Electronic Monitoring Fee S.L. 2011-378](#)

See summary in Criminal Justice.

BUSINESS LAW

[Business Entity Changes S.L. 2011-9](#)

See summary in Tax.

[Level Playing Field/Local Government Competition S.L. 2011-84](#)

See summary in Government & Public Sector.

[Prepaid Wireless/Point of Sale Collection S.L. 2011-122](#)

See summary in Sports & Entertainment Law.

[Increase Payment of Unclaimed Property Claims S.L. 2011-230](#)

See summary in Government & Public Sector.

[Employers & Local Government Must Use E-Verify S.L. 2011-263](#)

See summary in Labor Law.

[Protect and Put NC Back to Work S.L. 2011-287](#)

See summary in Workers' Compensation.

[Small Business Assistance Records/Tax Payments S.L. 2011-297](#)

S.L. 2011-297 provides that small business assistance records and financial statements are not public records. Specifically, it amends G.S. 115D-78 to exempt documents submitted by an individual seeking business counseling or technical assistance to the North Carolina Community College System's Small Business Center Network (Network) and documents created by the Network to provide counseling and technical assistance to the individual from the definition of public record as defined by G.S. 132-1.

It also enacts G.S. 116-43.16 to exempt documents submitted by an individual seeking business counseling or technical assistance to the University of North Carolina's Small Business and Technology Development Centers (Centers) and documents created by a Center to provide counseling and technical assistance to the individual from the definition of public record as defined by G.S. 132-1.

It also adds G.S. 143B-431(f) to specify that financial statements submitted to the Department of Commerce by a private company or an individual seeking assistance from the Department are not public records as defined in G.S. 132-1.

It also amends G.S. 105-129.84 to authorize the owner of a pass-through entity that claims a credit to treat some or all of the credit claimed as a tax payment made by or on behalf of the taxpayer.

Section 4 of this act is effective for taxable years beginning on or after January 1, 2011. The remainder of this act is effective when it becomes law.

[Allow Attorneys' Fees in Business Contracts S.L. 2011-341](#)

S.L. 2011-341 enacts G.S. 6-21.6 to provide that reciprocal attorneys' fees provisions in business contracts are valid and enforceable for the recovery of reasonable attorney's fees and expenses only if all parties to the business contract sign the contract by hand. It establishes thirteen factors to be considered in determining reasonable fees and expenses and expressly prohibits reasonable attorneys' fees and expenses from being governed by: (1) any statutory presumption or provision in the contract providing for a stated percentage; or (2) the amount recovered in other cases in which the business contract contains reciprocal attorneys' fees provisions.

This act becomes effective October 1, 2011, and applies to business contracts entered into on or after that date.

[Amend Article 13 of Business Corporation Act S.L. 2011-347](#)

S.L. 2011-347 amends Article 13 of Chapter 55 of the General Statutes to address appraisal rights.

This act becomes effective October 1, 2011.

[Forced Combinations S.L. 2011-390](#)

See summary in Tax.

CONSTITUTIONAL RIGHTS & RESPONSIBILITIES

[Uniform Military and Overseas Voters Act S.L. 2011-182](#)

See summary in General Interest.

[No Run for Two Offices/Same General Elections S.L. 2011-214](#)

See summary in General Interest.

CONSTRUCTION

[Commercial Real Estate Broker Lien Act S.L. 2011-165](#)

See summary in Real Property.

[Amend Engineers and Surveyors Laws S.L. 2011-304](#)

S.L. 2011-304 makes numerous amendments to Chapter 89C of the General Statutes which are the laws relating to the regulation of engineering and land surveying.

This act is effective when it becomes law.

[Building Codes/Expand Equine Exemption S.L. 2011-364](#)

S.L. 2011-364 amends G.S. 143-138 (b)(4) to expand the exemption from building rules for farm buildings to also include farm buildings used for spectator events. It also amends G.S. 143-138(b)(4)(1) to provide that a farm building that might otherwise qualify for exemption from building rules remains subject to an annual safety inspection.

This act is effective when it becomes law.

[Improve Enforcement/General Contractor Laws S.L. 2011-376](#)

S.L. 2011-376 clarifies and amends the laws pertaining to exceptions and building permits as related to general contractors.

This act is effective when it becomes law.

CORPORATE COUNSEL

[Employers & Local Government Must Use E-Verify S.L. 2011-263](#)

See summary in Labor Law.

[Protect and Put NC Back to Work S.L. 2011-287](#)

See summary in Workers' Compensation.

[Forced Combinations S.L. 2011-390](#)

See summary in Tax.

CRIMINAL JUSTICE

[Restore Firearms Rights/Technical Corrections S.L. 2011-2](#)

S.L. 2011-2 amends Section 7 of S.L. 2010-108 to clarify the effective date for the law regarding the restoration of firearms and the law amending the felony firearms act. It also clarifies that the information obtained pursuant to a criminal records check of a petitioner for the restoration of firearms rights shall be kept confidential but is not required to be kept in a separate file.

This act is effective when it becomes law.

[Exclusionary Rule/Good Faith Exception S.L. 2011-6](#)

S.L. 2011-6 provides for the adoption of the good faith exception to the exclusionary rule in state law. Specifically, it amends G.S. 15A-974(a)(2) to provide that evidence will not be suppressed if the person committing the violation of the Criminal Procedure Act acted under the objectively reasonable, good faith belief that the actions were lawful. It restores the requirement removed in the previous version of the act that evidence must be suppressed if obtained as a result of a substantial violation of the provisions of the Criminal Procedure Act.

This act is effective when it becomes law and applies to all hearings or trials commencing on or after July 1, 2011.

[Add Controlled Substances S.L. 2011-12](#)

S.L. 2011-12 adds mephedrone, methylenedioxyprovalerone, certain derivatives from 2-amino-1-phenyl-1-propanone, and synthetic cannabinoids to the list of controlled substances. It also makes the unlawful possession, manufacture, sale, or delivery of controlled substances a felony offense with certain exceptions.

This act becomes effective June 1, 2011, and applies to offenses committed on or after that date.

[Forensic Sciences Act S.L. 2011-19](#)

S.L. 2011-19 enacts G.S. 114-16.1 establishing a 16-member North Carolina Forensic Science Advisory Board (Board) in the Department of Justice (DOJ). It authorizes the Board to review State Crime Laboratory operations and make recommendations to the Laboratory Director as necessary concerning any of the following: (1) new scientific programs, protocols, and methods of testing; (2) plans for new program implementation, and existing program maintenance, improvement, or elimination; (3) testing protocols, and examination methods and guidelines for court presentations; and (4) qualification standards for Laboratory forensic scientists.

It also encourages efforts to eliminate sources of human error in forensic examinations and requires certification of forensics science professionals.

It renames the State Bureau of Investigation Laboratory as the North Carolina State Crime Laboratory and creates an ombudsman to ensure that the best forensic processes and procedures are utilized in the State Crime Laboratory.

It clarifies the statutes dealing with the admissibility of forensic analysis evidence as well as the state's obligation to disclose to the defendant all information relating to the testing or examination of evidence and to penalize omission or misrepresentation relating to this disclosure.

Sections 1 through 5 and 7 through 11 are effective when this act becomes law, and Section 6 becomes effective July 1, 2011.

[Unborn Victims of Violence Act/Ethen's Law S.L. 2011-60](#)

S.L. 2011-60 creates criminal offenses for acts that cause the death of or injury to an unborn child or that are committed against a pregnant woman. Specifically it adds Article 6A to G.S. Chapter 14, titled Unborn Victims, specifying crimes against an unborn child.

A person is guilty of the separate offense of murder of an unborn child if the person causes the death of the unborn child in perpetration or attempted perpetration of murder in the first or second degree. It makes it voluntary manslaughter to cause the death of an unborn child by an act that would be voluntary manslaughter if it resulted in the mother's death, punishable as a Class D felony. It makes it involuntary manslaughter to cause the death of an unborn child by an act that would be involuntary manslaughter if it resulted in the mother's death, punishable as a Class F felony.

It amends proposed G.S. 14-23.5(a), clarifying that a person is guilty of the separate offense of assault inflicting serious bodily injury on an unborn child if the person commits battery on the mother and the child is subsequently born alive and suffered serious bodily harm from the battery.

It also amends proposed G.S. 14-23.6 to make a person guilty of the separate offense of battery on an unborn child, as a lesser-included offense, if the person commits battery on a pregnant woman punishable as a Class A1 misdemeanor.

These provisions do not apply to any of the following: (1) lawful abortions; (2) acts which are committed pursuant to usual and customary standards of medical practice during diagnostic testing or therapeutic treatment; or (3) acts committed by a pregnant woman which result in miscarriage or stillbirth. In addition, no criminal liability could be imposed on a pregnant woman who is the victim of acts of domestic violence which cause injury or death to her unborn child.

This act becomes effective December 1, 2011, and applies to offenses committed on or after that date.

[Sex Offender Registry Amendments S.L. 2011-61](#)

S.L. 2011-61 amends various sections of G.S. 14-208 to provide that a person required to register as a sex offender must indicate on the initial registration form the name under which the person was convicted for the sex offense. It requires the registrant to notify the appropriate sheriff of any name change by the registrant and include name changes as part of the verification procedure.

It also directs the Division of Criminal Statistics to maintain the statewide registry so that a member of the public may conduct sex offender searches using any name or alias of a registrant and clarifies that sex offenders may not change their name pursuant to Chapter 101 of the General Statutes.

Sections 1, 2, 3, 4, 6, and 7 of this act become effective December 1, 2011, and apply to persons whose initial registration under Article 27A of Chapter 14 of the General Statutes occurs on or after December 1, 2011, and to persons who are registered under Article 27 of Chapter 14 of the General

Statutes prior to December 1, 2011, and continue to be registered on December 1, 2011. Section 5 of this act becomes effective December 1, 2011, and applies to petitions filed on or after that date. Section 8 of this act is effective when it becomes law and applies to petitions filed or pending on or after that date. The remainder of this act is effective when it becomes law.

[Amend Conditions of Probation S.L. 2011-62](#)

S.L. 2011-62 amends the law establishing the regular and special conditions of probation. It also repeals the law tolling the probation period while criminal charges are pending that might result in revocation proceedings.

This act becomes effective December 1, 2011, and applies to persons placed on probation on or after that date.

[Obtain Blood Sample/Implied-Consent Laws S.L. 2011-119](#)

S.L. 2011-119 amends G.S. 20-139.1(b5), to require a law enforcement officer to request that a person charged with a violation of G.S. 20-141.4 provide a blood sample in addition to or in lieu of a chemical analysis of the breath. If a breath sample reads .08 or more the officer is to use discretion in requesting a blood sample.

It also adds that if the person willfully refuses to provide the blood sample, then a law enforcement officer with probable cause must seek a warrant to obtain a blood sample.

This act becomes effective December 1, 2011, and applies to offenses committed on or after that date.

[Laura's Law S.L. 2011-191](#)

S.L. 2011-191 amends G.S. 20-179 to increase the punishment for DWI offenders with three or more grossly aggravating factors. It also authorizes the court to require continuous alcohol monitoring for certain offenders and increases the court costs for DWI offenders.

This act becomes effective December 1, 2011, and applies to offenses committed on or after that date.

[Justice Reinvestment Act S.L. 2011-192](#)

S.L. 2011-192 creates the Justice Reinvestment Act upon recommendation of the Justice Reinvestment Project. The act provides a comprehensive rewrite of North Carolina's sentencing laws.

Except as otherwise provided in this act, this act is effective when it becomes law.

[Disturbing/Dismembering Human Remains S.L. 2011-193](#)

S.L. 2011-193 modifies G.S. 14-401.22 to enact additional subsections stating that any person who willfully disturbs, vandalizes, or desecrates human remains or commits or attempts to commit upon human remains an act of sexual penetration is guilty of a Class I felony with some exceptions. It also provides that any person who attempts to conceal evidence of the death of another by knowingly and willfully dismembering or destroying human remains is guilty of a Class H felony and any person who violates this provision, knowing or having reason to know the human remains are of a person who did not die of natural causes, is guilty of a Class D felony.

This act becomes effective December 1, 2011, and applies to offenses committed on or after that date.

[Clarify Penalty Unauthorized Practice of Medicine S.L. 2011-194](#)

See summary in Health Law.

[Landowner Protection Act S.L. 2011-231](#)

S.L. 2011-231 requires hunters and anglers to obtain written permission from a landowner or leaseholder before hunting or fishing on private, posted property. Specifically, it amends G.S. 14-159.6 to clarify that it is a Class 2 misdemeanor for any person to willfully go on the land, waters, ponds, or legally established waterfowl blind of another that is posted in accordance with G.S. 14-159.7 to hunt, fish, or trap without written permission.

It also amends G.S. 14-159.6 by adding subsection (c) establishing as an affirmative defense to prosecution that the person had in fact obtained prior permission of the owner, lessee, or agent as required under this statute but did not have valid written permission on his or her person at the time of citation or arrest.

It also provides additional authority for North Carolina Wildlife officers to enforce the law. This act becomes effective December 1, 2011, and applies to offenses committed on or after that date.

[Stop Methamphetamine Labs S.L. 2011-240](#)

S.L. 2011-240 enacts G.S. 90-113.52A increasing regulation of pseudoephedrine by requiring retail sellers of this product to submit certain information to the National Precursor Log Exchange administered by the National Association of Drug Diversion Investigators prior to completing the sale.

It also directs the State Bureau of Investigation to participate in the High Intensity Drug Trafficking Areas program, assist in coordinating the drug control efforts between local and state law enforcement agencies, and monitor the implementation and effectiveness of the electronic record-keeping requirements of the act.

Sections 2 and 3 of this act become effective January 1, 2012, and Section 3 applies to offenses occurring on or after that date. The remainder of this act is effective when it becomes law.

[Probation Officer/No Concealed Carry Required S.L. 2011-243](#)

S.L. 2011-243 amends G.S. 14-269 (b) to provide that the prohibition against carrying a concealed weapon does not apply to state probation and parole certified officers when they are off-duty.

This act becomes effective December 1, 2011.

[Pretrial Release Violation/Arrest S.L. 2011-245](#)

S.L. 2011-245 amends G.S. 15A-401 (b) to allow an officer to arrest without a warrant any person who the officer has probable cause to believe has committed a criminal offense or has violated a pretrial release order entered under G.S. 15A-534 or G.S. 15A-534.1(a)(2).

It also adds subsection (g1) to G.S. 14-208.18 to specify that a person subject to a sex offender registration requirement and who is required to wear an electronic monitoring device must wear one that provides exclusion zones around the premises of all elementary and secondary schools in North Carolina.

Section 1 of this act becomes effective December 1, 2011, and applies to violations of pretrial release conditions occurring on or after that date. Section 2 of this act becomes effective October 1, 2011. The remainder of this act is effective when it becomes law.

[Amend Criminal Discovery Laws S.L. 2011-250](#)

S.L. 2011-250 amends the law regarding discovery in criminal cases to strengthen the open-file discovery law. It also protects Crime Stoppers, informants and victim information. It requires law enforcement and investigatory agencies to make timely disclosure of their files to prosecutors and avoid frivolous claims of professional misconduct against prosecutors.

This act becomes effective December 1, 2011, and applies to cases pending on that date and to cases filed on or after that date.

[Victims' Compensation Law Changes S.L. 2011-267](#)

S.L. 2011-267 amends G.S. 15B to clarify the role of charitable donations and write-offs as collateral sources and modifies the scope of a dependent's economic loss for the purposes of crime victims compensation. It also clarifies confidentiality of Crime Victims Compensation Commission records and requires suspension of the payment of benefits upon the request of the Attorney General. It also enacts G.S. 84-32.1 to provide that certain state bar records on disciplinary matters and the lawyers assistance program are not public record.

Sections 1 through 4 of this act become effective July 1, 2011, and apply to claims submitted on or after that date. The remainder of this act is effective when it becomes law.

[Amend Various Gun Laws/Castle Doctrine S.L. 2011-268](#)

S.L. 2011-268 amends numerous gun laws relating to the right to own, possess or carry a firearm in North Carolina. It also outlines when a person may use defensive force to protect his or her home, workplace, or vehicle.

This act becomes effective December 1, 2011, and applies to offenses committed on or after that date.

[Run and You're Done S.L. 2011-271](#)

S.L. 2011-271 adds section (g) to G.S. 20-141.5 which sets out detailed procedure for seizure and sale of motor vehicle involved in felony violations. It also requires the sheriff to hold the vehicle pending trial, unless vehicle owner posts bond for amount double the value of the property and provides for return to owner upon an acquittal or dismissal of the charge. It requires that upon defendant's conviction of felony violation of this section, the vehicle must be sold at public auction, and requires that proceeds of sale be allocated to expenses, liens in order of priorities, and the school fund.

This act becomes effective December 1, 2011, and applies to offenses committed on or after that date.

[Allow Juvenile Record/Risk Determination/Bond S.L. 2011-277](#)

See summary in Juvenile Justice & Children's Rights.

[Expunge Nonviolent Offense by Minor S.L. 2011-278](#)

See summary in Juvenile Justice & Children's Rights.

[Certificates Under Seal in Indigent Cases/Fee S.L. 2011-285](#)

See summary in Administration of Justice Committee.

[AOC Collection Assistance Fee S.L. 2011-323](#)

See summary in Administration of Justice Committee.

[DWI/Custodial Interrogation Amendments S.L. 2011-329](#)

S.L. 2011-329 amends G.S. 20-179(c)(4) to clarify that driving by the defendant while (1) a child under the age of 18, (2) a person with the mental development of a child under the age of 18, or (3) a person with a physical disability preventing unaided exit from the vehicle was in the vehicle at the time of the offense is a grossly aggravating factor. Amends G.S. 20-179(c) to direct the judge to impose the level one punishment if the judge finds that the grossly aggravating factor in G.S. 20-179(c)(4) is applicable. It also amends G.S. 15A-211 with respect to the recording of custodial criminal interrogations.

This act becomes effective December 1, 2011, and applies to offenses committed on or after that date.

[Photo ID for Certain Controlled Substances S.L. 2011-349](#)

S.L. 2011-349 enacts G.S. 90-106.1 directing a pharmacy to require the person seeking dispensation to present one of four valid forms of government-issued photographic identification before dispensing a Schedule II controlled substance or any of the listed Schedule III controlled substances. It also directs the pharmacy to make the identifying information available to any authorized person in the controlled substances reporting system within 72 hours after a request.

Nothing in G.S. 90-106.1 applies to the dispensation of controlled substances to employees of a health care facility when the controlled substances are delivered to a facility for the benefit of its residents or patients.

This act becomes effective March 1, 2012.

[Assault on Law Enforcement & EM Worker/Felony S.L. 2011-356](#)

S.L. 2011-356 amends G.S. 14-34.7 to make it a Class I felony to assault a law enforcement officer, probation officer, or parole officer while the officer is discharging or attempting to discharge his or her official duties and the assault inflicts physical injury on the officer. It makes a person guilty of a Class 1 misdemeanor if the person commits an assault or affray causing physical injury on a firefighter, an emergency medical technician, medical responder, or emergency department personnel while carrying out their official duties. It also makes it a Class H felony to inflict serious bodily injury or use a deadly weapon other than a firearm.

This act becomes effective December 1, 2011, and applies to offenses committed on or after that date.

[Electronic Monitoring Fee S.L. 2011-378](#)

S.L. 2011-378 enacts G.S. 7A-313.1 to authorize a county that provides the personnel, equipment, and other costs of providing electronic monitoring as a condition of an offender's bond or pretrial release to collect a fee from the offender that is the lesser of the amount of the jail fee authorized in G.S. 7A-313 or the actual cost of providing the electronic monitoring the actual costs of providing that monitoring.

This act becomes effective July 1, 2011.

[Ignition Interlock Systems/Record Checks S.L. 2011-381](#)

S.L. 2011- 381 adds a section to G.S. 20-17.8A to make tampering with an ignition interlock device required to be installed by court order, statute, or condition of operating the vehicle a Class 1 misdemeanor. It also adds section G.S. 114-19.31 to allow the Department of Justice to provide to the Division of Motor Vehicles the criminal history record of any applicant for a restoration of a revoked driver's license.

Sections 1 and 4 of this act become effective December 1, 2011, and apply to offenses committed on or after that date. Sections 2 and 3 of this act become effective December 1, 2011, and apply to licenses issued on or after that date. The remainder of this act becomes effective December 1, 2011.

EDUCATION

[No Standardized Testing Unless Required by Feds S.L. 2011-8](#)

S.L. 2011-8 eliminates statewide standardized testing in the public schools except as required by federal law or as a condition of a federal grant. Specifically, it amends G.S. 115C-174.11 to prohibit the State Board of Education (Board) from requiring public schools to administer any standardized tests other than those required by federal law or as a condition of a federal grant and provides that the Board must provide all such required tests to local school administrative units.

It also eliminates a provision for the Board to develop and implement a plan, pursuant to the content standards of G.S. 115C-12(9c), for high school end-of-course tests and specifies four end-of-course tests that are eliminated.

This act becomes effective July 1, 2011 and applies beginning with the 2011-2012 school year.

[Amend Law Regulating Proprietary Schools S.L. 2011-21](#)

S.L. 2011-21 amends the laws regarding refund policies of proprietary schools.

Section 5 of this act is effective when it becomes law and applies beginning with the 2011-2012 academic year. The remainder of this act becomes effective July 1, 2011.

[Charitable Solicitations/Clarify Exemption S.L. 2011-27](#)

See summary in Tax.

[Increase Fine For Speeding/School Zones S.L. 2011-64](#)

S.L. 2011-64 amends G.S. 20-141.1 to increase the fine for speeding in a school zone from \$25 to \$250.

This act becomes effective August 25, 2011, and applies to offenses committed on or after that date.

[High School to Work Partnership S.L. 2011-91](#)

S.L. 2011-91 enacts subdivision (34a) to 115C-47 to direct local boards of education to adopt and implement policies that encourage high school to work partnerships between high schools and local businesses.

This act is effective when it becomes law and applies beginning with the 2011-2012 school year.

[School Calendar Flexibility/Inclement Weather S.L. 2011-93](#)

S.L. 2011-93 gives local boards of education additional flexibility with regard to instructional time lost due to inclement weather. Specifically, it amends G.S. 115C-84.2(a)(1) to provide that a school calendar may include a minimum of either 180 days or 1,000 hours of instruction covering at least nine calendar months.

This act is effective when it becomes law and applies only to the 2010-2011 school year.

[Eliminate Means Test From 529 Deduction S.L. 2011-106](#)

See summary in Tax.

[Opt Out of Federal Loan Program/Community Colleges S.L. 2011-148](#)

S.L. 2011-148 amends G.S. 115D-40.1 to allow certain North Carolina community colleges to opt out of participation in the William D. Ford federal direct loan program. This act only applies to the following: Beaufort County Community College, Brunswick Community College, Cleveland Community College, James Sprunt Community College, Lenoir Community College, Sandhills Community College, and Surry Community College.

This act becomes effective July 1, 2011.

[Community Colleges/Opt Out of Federal Loan Program S.L. 2011-154](#)

S.L. 2011-154 amends G.S. 115D-40.1 to allow certain North Carolina community colleges to opt out of participation in the William D. Ford federal direct loan program. This act only applies to Alamance Community College, Central Piedmont Community College, Gaston College, Mitchell Community College, Montgomery Community College, Randolph Community College, Richmond Community College, Robeson Community College, Stanly Community College, and Wilkes Community College.

This act becomes effective July 1, 2011.

[Community Colleges/Opt Out of Federal Loan Program S.L. 2011-155](#)

S.L. 2011-155 amends G.S. 115D-40.1 to allow certain North Carolina community colleges to opt out of participation in the William D. Ford federal direct loan program. This act only applies to the following: Caldwell Community College and Technical Institute, Sampson Community College, Martin Community College, and Rockingham Community College.

This act becomes effective July 1, 2011.

[No Cap on Number of Charter Schools S.L. 2011-164](#)

S.L. 2011-164 amends section of G.S. 115C-238.29 to remove the cap on the number of charter schools in North Carolina. It allows the State Board of Education (Board) discretion in granting final approval of charter school applications and permits charter schools to charge fees charged by the local school administrative unity. It also strengthens the standards for retaining a charter for a charter school and requires the Board to report to the General Assembly on the implementation of this act.

This act becomes effective July 1, 2011.

[Community Colleges/Opt Out of Federal Loan Program-2 S.L. 2011-178](#)

S.L. 2011-178 amends G.S. 115D-40.1 to allow certain North Carolina community colleges to opt out of participation in the William D. Ford federal direct loan program. This act only applies to: Central Carolina Community College, Pamlico Community College, Rowan-Cabarrus Community College, South Piedmont Community College and Vance-Granville Community College.

This act becomes effective July 1, 2011.

[Community College Tuition for Members of Military S.L. 2011-184](#)

S.L. 2011-184 amends G.S. 115D-39(d) to permit community colleges to include the costs of textbooks in the tuition charged for members of the armed services so long as the textbooks are purchased at the college's bookstore and the student's branch of the armed services allows the addition of textbooks to tuition costs in its tuition assistance program.

This act is effective when it becomes law.

[Regional Schools S.L. 2011-241](#)

S.L. 2011-241 creates Part 10 of Article 16 of G.S. Chapter 115C to authorize local boards of education to jointly establish a regional school, including institutions of higher education and private businesses or organizations, to serve students enrolled in two or more local school administrative units.

This act is effective when it becomes law.

[Clarify Process/Reportable Offenses in School S.L. 2011-248](#)

S.L. 2011-248 amends G.S. 115C-288(g) to require school principals to report certain acts to law enforcement when the principal has personal knowledge, a reasonable belief, or actual notice from school personnel that a covered act occurred on school property. A principal who willfully fails to report to law enforcement may be subject to demotion or dismissal under G.S. 115C-325. It also provides that this law should not be interpreted to interfere with the due process rights of school employees or the privacy rights of students.

This act is effective when it becomes law and applies beginning with the 2011-2012 school year.

[Dropout Recovery Pilot Program S.L. 2011-259](#)

S.L. 2011-259 directs the State Board of Education to implement a three-year Dropout Recovery Pilot Program in New Hanover County Schools and three other local school administrative units in order to re-engage students and increase the graduation rate in North Carolina. It also clarifies that data and student performance results are to be collected and compiled from the program and the participating local school administrative units.

This act becomes effective July 1, 2011.

[Modify Law Regarding Corporal Punishment S.L. 2011-270](#)

S.L. 2011-270 amends G.S. 115C-391(a)(5) to require that a parent or a guardian make an affirmative written election to prohibit the administering of corporal punishment to the child of that parent or guardian by a school official. It provides that parents and guardians receive a form at the start of the school year on which to indicate that corporal punishment is not to be used. If the form is not returned then corporal punishment may be administered to the student. In addition, the form to be used by parents or guardians to deny permission for use of corporal punishment on the student must advise that the student may be subject to suspension, among other possible punishments, for offenses that would otherwise not require suspension if corporal punishment were available.

This act is effective when it becomes law and applies beginning with the 2011-2012 school year.

[The Founding Principles Act S.L. 2011-273](#)

See summary in Law Related Education.

[Testing in the Public Schools S.L. 2011-280](#)

S.L. 2011-280 amends G.S. 115C-174.11 to require the State Board of Education (Board) to: (1) continue participation in development of the Common Core State Standards; (2) review all national assessments developed by both multistate consortia; (3) implement assessments the Board deems most appropriate to assess student achievement on the Common Core State Standards; and (4) plan for and require administration of the ACT test for all students in the 11th grade unless the student has taken a comparable test and scored at or above a level set by the board.

It also adds G.S. 115C-174.20 and G.S. 115C-174.25 requiring the Board to plan for and require: (1) administration in the 8th and 10th grades of diagnostic tests that align to the ACT test; and (2) local school administrative units to make available the appropriate WorkKeys tests for students who complete the second level of vocational courses.

This act becomes effective July 1, 2011, and applies beginning with the 2011-2012 school year.

[Amend Law Regarding School Discipline S.L. 2011-282](#)

S.L. 2011-282 reorganizes the General Statutes relating to school discipline by increasing local control and flexibility. It adds G.S. 115C-390.1 to define terms and require that the policies and procedures for the discipline of students be consistent with certain federal laws and regulations.

This act is effective when it becomes law and applies beginning with the 2011-2012 school year.

[Local Boards of Education/403\(b\) Option S.L. 2011-310](#)

S.L. 2011-310 amends G.S. 115C-341 to authorize the Department of State Treasurer to create a centralized 403 (b) retirement annuity plan as an option for employees of local boards of education.

This act becomes effective July 1, 2011.

[Modify Teacher Career Status Law S.L. 2011-348](#)

S.L. 2011-348 modifies the law relating to career status for public school teachers by making numerous amendments to G.S. 115C-325 which relates to the system of employment for public school teachers and procedures for dismissal or demotion.

This act becomes effective July 1, 2011, and applies to persons recommended for dismissal or demotion on or after that date.

[Amend Grounds/License Revocation/Bail Bondsman S.L. 2011-377](#)

S.L. 2011-377 amends the laws pertaining to grounds for revocation of licensure under the laws regulating bail bondsman.

Sections 6, 7, 8, 9, and 10 of this act become effective December 1, 2011. The remainder of this act is effective when it becomes law.

[School & Teacher Paperwork Reduction Act S.L. 2011-379](#)

S.L. 2011-379 enacts the School & Teacher Paperwork Reduction Act which amends G.S. 115C-12 to require the State Board of Education to permit schools and local board of education to electronically submit all reports due to the Department of Public Instruction.

Section 5 of this act becomes effective July 1, 2012. The remainder of this act is effective when it becomes law and applies beginning with the 2011-2012 school year.

[Safe Students Act S.L. 2011-388](#)

See summary in Immigration Law.

[Tax Credits for Children with Disabilities S.L. 2011-395](#)

See summary in Tax.

ELDER LAW

[Hospital Medicaid Assessment/Payment Program S.L. 2011-11](#)



S.L. 2011-11 enacts Article 7 in G.S. Chapter 108A directing the Secretary of Health and Human Services to implement a hospital assessment program for eligible hospitals to improve funding for payments for hospital services provided to Medicaid and uninsured patients.

This act is effective when it becomes law.

[Medicaid Billing by Local Health Departments S.L. 2011-90](#)

S.L. 2011-90 modifies the Medicaid billing process for public health departments, district health departments and consolidated human services agencies. Specifically, it enacts G.S. 130A-34.2 to permit these entities to bill Medicaid through an approved Medicaid clearinghouse or through the Department of Health and Human Services.

This act is effective when it becomes law and applies to Medicaid claims arising on and after that date.

[Conforming Changes/Persons with Disabilities Act S.L. 2011-94](#)

S.L. 2011-94 amends the North Carolina Persons with Disabilities Protection Act to conform with federal changes under the Americans with Disabilities Act Amendments Act of 2008.

This act is effective when it becomes law.

[Protect Adult Care Home Residents S.L. 2011-99](#)

See summary in Health Law.

[Additional Section 1915 Medicaid Waiver Sites S.L. 2011-102](#)

S.L. 2011-102 repeals Section 10.24 of S.L. 2010-13, which limited to two the number of Local Management Entities (LMEs) that the Department of Health and Human Services (Department) was to select to implement the capitated 1915(b)(c) Medicaid waiver as a demonstration program during the 2010-11 fiscal year.

It also directs the Department to implement additional 1915(b)(c) Medicaid waivers during the 2011-12 fiscal year via a request for application process for LME applicants who demonstrate readiness. It adds subsection (g1) to G.S. 122C-55 to authorize a state facility operated under the authority of G.S. 122C-181 to disclose confidential information for the purpose of collecting payment due to the state facility and amends G.S. 122C-115.3(e) to provide for the distribution of any fund balance upon the dissolution of an area authority.

This act is effective when it becomes law.

[Health Care Sharing Organizations S.L. 2011-103](#)

See summary in Health Law.

[DHHS Penalties and Remedies Revision S.L. 2011-249](#)

See summary in Health Law.

[Revise Laws on Adult Care Homes S.L. 2011-258](#)

See summary in Health Law.

[Statewide Expansion of 1915\(b\)/\(c\) Waiver S.L. 2011-264](#)

S.L. 2011-264 establishes requirements for the Department of Health and Human Services as well as local management entities with regards to statewide expansion of the 1915(b)/(c) Medicaid waiver. It directs the Department to proceed with the statewide restructuring of the management responsibilities for the delivery of services for individuals with mental illness, intellectual and developmental disabilities, and substance abuse disorders through expansion of the 1915(b)/(c) Medicaid waiver.

This act is effective when it becomes law.

[Discharge of Adult Care Home Residents S.L. 2011-272](#)

See summary in Health Law.

[Conform Medical Record Laws S.L. 2011-314](#)

See summary in Health Law.

[Medicaid and Health Choice Provider Requirements S.L. 2011-399](#)

See summary in Health Law.

ENVIRONMENT, ENERGY & NATURAL RESOURCES LAW

[Require Labels for Ethanol-Blended Gasoline S.L. 2011-25](#)

S.L. 2011-25 enacts G.S. 119-27.2 requiring the Gasoline and Oil Inspection Board to adopt rules requiring labels for all ethanol-blended gasoline pumps and dispensing devices. It requires using labels to indicate that the gasoline is either 10% or less ethanol by volume or greater than 10% ethanol by volume.

This act is effective when it becomes law.

[Exempt Small Agricultural Processing from Permit Requirements S.L. 2011-41](#)

S.L. 2011-41 exempts certain activities related to small-scale processing of agricultural products from wastewater permit requirements. Specifically, it enacts subsection (a5) to G.S. 143-215.1 to provide that a permit will not be required for a wastewater management system for the treatment and disposal of wastewater produced from activities related to processing agricultural products, provided the following conditions are met: (1) the activities are carried out by the owner of the agricultural products; (2) the activities produce no more than 1,000 gallons of wastewater per day; (3) the wastewater is disposed of by land application; (4) no wastewater is discharged to surface waters; (5) the wastewater disposal does not violate any surface water or groundwater standard; and (6) the wastewater is not generated by an animal waste management system as defined in G.S. 143-215.10B.

This act is effective when it becomes law.

[Suspend Plastic Bag Ban/Supply Disruption S.L. 2011-47](#)

S.L. 2011-47 suspends Part 2G of Article 9 of G.S. Chapter 130A which is the ban on plastic bags in certain coastal areas due to a disruption in the supply of paper bags because of severe tornados. The suspension is until the earlier of June 30, 2011 or the issuance of an executive order by the Governor that the paper bag supply chain in counties subject to this statute has been restored.

This act becomes effective April 16, 2011.

[Reclaimed Water Rules/Storm Debris Cleanup S.L. 2011-48](#)

S.L. 2011-48 expands the uses of reclaimed water that are permitted by regulation without the issuance of an individual permit or coverage under a general permit to include irrigation of ornamental crops and above ground container nurseries.

It also provides that certain setback requirements do not apply to artificial lakes or ponds used for storage and irrigation of reclaimed water and authorizes the disposal, temporary storage, and burning of storm-related debris from April 12, 2011 - June 1, 2011.

This act is effective when it becomes law.

[Electric Vehicle Incentives S.L. 2011-95](#)

S.L. 2011-95 amends G.S. 20-146.2 to authorize plug-in electric vehicles to operate in high occupancy vehicle lanes. It also amends G.S. 20-183.2(b) to exempt plug-in electric vehicles from the emissions inspection requirement.

This act is effective when it becomes law.

[Electric Cities/Uses of Rates Revenue S.L. 2011-129](#)

S.L. 2011-129 provides that the towns of Clayton, Selma, and Smithfield shall use revenue derived from rates for electronic service for paying the direct and indirect costs of operating the electronic system. Specifically, it enacts G.S. 159B-39 to authorize a municipality to use the revenue derived from rates for electric service to: (1) pay the direct and indirect costs of operating the electric system; and (2) transfer to other funds of the municipality a sum that reflects a rate of return on investment in the electric system to the extent allowed by the statute. It prohibits a municipality from transferring revenue from an electric utility fund to any other municipal fund for any purpose unless explicitly authorized by law.

This act becomes effective July 1, 2011.

[Accelerate Cleanup of Industrial Properties S.L. 2011-186](#)

S.L. 2011-186 enacts Part 8 in Article 9 of G.S. Chapter 130A to allow for the use of risk-based remediation to accelerate the clean-up of contaminated industrial sites in circumstances where the standards are adequate to protect public health, safety, and welfare, and the environment, and are consistent with protection of current and anticipated future use of groundwater and surface water affected or potentially affected by the contamination. It also ensures the cost effective application of limited public and private resources.

This act is effective when it becomes law.

[Alternative Fuel Vehicle Incentives S.L. 2011-206](#)

S.L. 2011-206 amends G.S. 20-146.2(a) to authorize compressed natural gas vehicles and fuel cell electric vehicles to operate in high occupancy vehicles lanes and exempts fuel cell electric vehicles from the emissions inspection requirement.

This act is effective when it becomes law.

[Clarify Agricultural Development/Preservation in DACS S.L. 2011-251](#)

S.L. 2011-251 clarifies that it is the duty of the Department of Agriculture and Consumer Services to administer and supervise the Agricultural Development and Farmland Preservation Enabling Act.

This act is effective when it becomes law.

[Clarify Water & Well Rights/Private Property S.L. 2011-255](#)

S.L. 2011-255 amends subsections of G.S. 87-97 to clarify landowners' rights over water on their property as well as the construction of wells on their property.

This act is effective when it becomes law.

[Associations-Stormwater/Sanitary District & Septage Rules S.L. 2011-256](#)

S.L. 2011-256 adds a subsection (c2) to G.S. 143-214.7 which authorizes the Department of Environment and Natural Resources to transfer a permit for a stormwater best management practice from a declarant of a condominium or planned community to an owners' association upon request of the permittee if the Department finds that: (1) common areas related to the operation and maintenance of the stormwater management system have been conveyed to the unit owners association or owners association in accordance with the declaration; (2) the declarant has conveyed at least fifty percent (50%) of the units or lots to owners other than a declarant; and (3) the stormwater management system is in substantial compliance with the stormwater permit issued to the permittee by the Department.

It also provides that the rules of a sanitary district may not be more restrictive than or conflict with the requirement or ordinances of a county with jurisdiction over the area and prohibits any person from contracting or subcontracting to rent or lease to another a portable toilet or manage or dispose of waste from a portable toilet unless that person is permitted to operate a septage management firm.

This act is effective when it becomes law.

[Property Tax Uniformity for Conservation Land S.L. 2011-274](#)

See summary in Tax.

[Natural Gas/Bond/Fee/Landowner Protection Study S.L. 2011-276](#)

S.L. 2011-276 amends G.S. 113-378 to remove the provision allowing an entity to register with a state agency other than the Department of Environment and Natural Resources before conducting a drilling exploration for oil or natural gas. It also changes the bond requirement upon registration in order to drill for oil or natural gas to \$5,000 plus \$1 per linear foot proposed to be drilled and amends G.S. 113-395 to increase the well drilling permit fee from \$40 to \$3000 per well and to increase the abandonment fee from \$15 to \$450.

It amends Article 27 of G.S. Chapter 113 to establish provisions for the protection of landowners relative to leases for oil and gas exploration. It specifies notice requirements, compensation for damages, and maximum lease terms.

It also directs the Department to study oil and gas exploration and the use of hydraulic fracturing in the state and report its findings and recommendations the Environmental Review Commission by May 1, 2012.

This act is effective when it becomes law.

[REPS Credits at Cleanfields Parks S.L. 2011-279](#)

S.L. 2011-279 provides that the additional credits assigned to the first ten megawatts of biomass renewable energy facility generation capacity pursuant to S.L. 2010-195 are eligible to satisfy the poultry waste set-aside.

This act is effective when it becomes law.

[Ecosystem Enhancement Program Changes S.L. 2011-343](#)

S.L. 2011-343 amends G.S. 143-214.11 to set out a priority system for imposing mitigation procurement programs. It also requires that the regulatory requirements for the establishment, operation, and monitoring of a compensatory mitigation bank or full delivery project shall vest at the time of the execution of the mitigation banking instrument or the award of a full delivery contract.

This act is effective when it becomes law and applies to all projects and contracts awarded on or after that date.

[Promote Water Supply Development/Efficiency S.L. 2011-374](#)

S.L. 2011-374 amends G.S. 143-355(b) to direct the Department of Environment and Natural Resources to enter into agreements with units of local government to assist in local and regional water supply development, with priority to be given to requests for regional water supplies and requests that benefit local governments with the most severe forecast water shortages.

It also amends sections of G.S. 113A to provide that funds from the Clean Water Management Trust Fund may be used to preserve land for the development of water supply reservoirs and to improve the efficiency of use of North Carolina's water resources.

Sections 3.1 through 3.5 of this act become effective October 1, 2011.

The remainder of this act is effective when it becomes law.

[Permit Terminal Groins S.L. 2011-387](#)

S.L. 2011-387 authorizes the permitting and construction of terminal groins at inlets under certain conditions. Specifically, it adds subdivision (3) to G.S. 113A-115.1(b) to add terminal groins as permitted under subsection (f) of G.S. 113A-115.1 as an exception to this prohibition. It also amends G.S. 113A-115.1(g) to authorize only one terminal groin on each ocean shoreline immediately adjacent to an inlet for a maximum of two groins per inlet.

It also specifies the permit application requirements necessary for the construction of a terminal groin in addition to the permit application requirements of Part 4 of Article 7 of G.S. Chapter 113A.

It prohibits spending state funds for activities related to a terminal groin and accompanying beach fill project unless the General Assembly enacts legislation explicitly appropriating funds for that purpose and directs the Department of Environment and Natural Resources to adopt any rules necessary to implement the act.

This act is effective when it becomes law.

[Amend Environmental Laws 2011 S.L. 2011-394](#)

S.L. 2011-394 amends various environmental and natural resources laws.

This act is effective when it becomes law.

ESTATE PLANNING & FIDUCIARY LAW

[Cemeteries/Survey Stamp S.L. 2011-75](#)

See summary in Real Property.

[Payable on Death Accounts S.L. 2011-236](#)

S.L. 2011-236 repeals G.S. 53-146.2 and enacts G.S. 53-146.2A authorizing the establishment of a payable on death account naming an entity other than a natural person as a beneficiary. It also states that if a natural person sets up a payable on death account with the incidents detailed in the statute the language may be on a signature card or in a separate explanatory document.

This act becomes effective October 1, 2011, and applies to agreements executed on or after that date.

[Devisee/Devise/Statutory Construction S.L. 2011-284](#)

S.L. 2011-284 amends G.S. 12-3 to add the definitions for devisee and devise throughout the general statutes. It defines devisee as any person entitled to take real or personal property under the provisions of a valid, probated will. It defines devise, when used as a noun, as a testamentary disposition of real or personal property and, when used as a verb, to mean to dispose of real or personal property by will. It also amends G.S. 1-255 to remove the terms legatee and bequest and related language from various provisions of the general statutes and replaces with devisee or devise where applicable to provide uniformity and consistency.

This act is effective when it becomes law.

[Deeds of Trust/Modernize Procedures S.L. 2011-312](#)

S.L. 2011-312 modernizes and enacts certain provisions regarding deeds of trust.

This act becomes effective October 1, 2011.

[Trusts and Estate Planning Changes S.L. 2011-339](#)



S.L. 2011-339 makes various amendments to the laws governing trusts, estate planning, and trust companies.

This act becomes effective October 1, 2011 and applies to all trusts created before, on, or after that date.

[Revise Probate Code S.L. 2011-344](#)

S.L. 2011-344 amends the jurisdictional and procedural provisions of the probate code and related statutes in order to provide uniformity in estate matters. It defines the jurisdiction of the clerk of superior court consistent with the provisions of the Uniform Trust Code and re-codifies certain provisions relating to the probate of wills. It also updates and amends the procedure for claiming spousal and children's allowances.

This act becomes effective January 1, 2012 and applies to estates of decedents dying on or after that date.

FAMILY LAW

[Unborn Victims of Violence Act/Ethen's Law S.L. 2011-60](#)

See summary in Criminal Justice.

[Eliminate Means Test From 529 Deduction S.L. 2011-106](#)

See summary in Tax.

[Expand Access/Death Certificate/Adult Adoptee S.L. 2011-237](#)

S.L. 2011-237 amends G.S. 48-9-104(d) to provide that if an agency providing confidential intermediary services determines that the person who is the subject of the search is deceased and upon further search determines that a lineal ascendant of the person who is the subject of the search is also deceased, the agency may obtain a copy of the death certificate not only of the deceased person who is the subject of the search but also any deceased lineal ascendant of the person who is the subject of the search. The agency may also deliver a copy to the person who requested the services.

This act is effective when it becomes law.

[Set Aside Paternity/Child Support S.L. 2011-328](#)

S.L. 2011-328 establishes a process to set aside an order of paternity of an affidavit of parentage under limited circumstances. Specifically, it enacts subsection (h) to G.S. 49-14 to allow an order of paternity to be set aside by a trial court if: (1) the paternity order was entered as a result of fraud, duress, mutual mistake, or excusable neglect; and (2) genetic tests establish the putative father is not the biological father of the child.

It also enacts G.S. 50-13.13 providing a process in which an individual who is required to pay child support under a court order or under an agreement between the parties may file a motion or claim seeking relief from a child support order.

This act becomes effective January 1, 2012, and applies to motions or claims for relief filed on or after that date.

[Safe Students Act S.L. 2011-388](#)

See summary in Immigration Law.

GENERAL INTEREST

[Confirm Joseph A. Smith Commissioner of Banks Resolution 2011-4](#)

Resolution 2011-4 is a resolution confirming the Governor's reappointment of Joseph A. Smith to the Office of Commissioners of Banks.

This resolution is effective upon ratification.

[Transfer GSC/Revisor of Statutes to General Assembly S.L. 2011-97](#)

SL 2011-97 transfers the General Statutes Commission, the responsibility for the codification of the General Statutes, and the Revisor of Statutes and the staff for these functions to the General Assembly.

This act becomes effective June 1, 2011.

[Appropriations Act of 2011 S.L. 2011-145](#)

The Appropriations Act of 2011 included a \$19.6 billion budget that cut spending, allowed temporary taxes to expire, and avoided new tax increases. Overall funding to run the state's courts is now at \$467 million which is an 11 percent decrease from the previous budget.

Total cuts to the judicial budget were \$38 million for 2011-2012 and \$42 million for 2012-2013. These reductions forced the elimination of over 300 staff positions, the removal of drug treatment courts, and a large reduction in technology funding for the courts. In addition to major cuts, there were also approximately \$61 million in new court fees added to the state budget.

This act becomes effective July 1, 2011.

[2011 Appointments Bill S.L. 2011-176](#)

S.L. 2011-176 makes numerous appointments to various specified boards, commissions and other entities upon the recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives.

This act becomes effective July 1, 2011.

[Uniform Military and Overseas Voters Act S.L. 2011-182](#)

S.L. 2011-182 adopts certain provisions of the Uniform Military and Overseas Voters Act as promulgated by the National Conference of Commissioners on Uniform State Law.

This act becomes effective January 1, 2012.

[References to Military Organizations/Make Uniform S.L. 2011-183](#)

S.L. 2011-183 makes references in the General Statutes to federal and state military organizations proper and uniform. It also makes other technical and conforming changes as recommended by the General Statutes Commission.

Except as provided in subsection (c) of Section 69 of this act, this act is effective when it becomes law.

[Various Clarifying Militia Law Amendments S.L. 2011-195](#)

S.L. 2011-195 amends various provisions in G.S. Chapter 127A to make references in the federal and state military organizations proper and uniform. It also makes language gender neutral and provides other clarifying, linguistic, and technical changes.

This act is effective when it becomes law.

[No Run for Two Offices/Same General Elections S.L. 2011-214](#)

S.L. 2011-214 enacts G.S. 163-124 stating that no individual is eligible to have that individual's name on the general election ballot for two separate offices unless one of the offices is for the remainder of the unexpired term for an office that requires an election to fill the unexpired portion.

This act is effective with respect to elections occurring on or after January 1, 2012.

[Government Reduction Act S.L. 2011-266](#)

S.L. 2011-266 reduces state government by abolishing certain state boards, commissions and committees. Part 1 eliminates specified boards and commissions that have not met recently, are duplicative, or are not deemed critical. Part 2 eliminates specified boards, committees, and commissions that have met statutory requirements.

Unless otherwise provided, this act becomes effective July 1, 2011.

[General Statutes Commission Technical Corrections/Other Changes S.L. 2011-326](#)

S.L. 2011-326 makes technical corrections and other technical changes to the General Statutes as recommended by the General Statutes Commission.

Unless otherwise indicated, this act is effective when it becomes law.

[Revenue Laws Technical, Clarifying & Administrative Changes S.L. 2011-330](#)

S.L. 2011-330 makes technical, clarifying, and administrative changes to the revenue laws and related statutes.

Except as otherwise provided, this act is effective when it becomes law.

[Confidentiality/Optomety/Real Estate Closing Interest S.L. 2011-336](#)

S.L. 2011-336 enacts G.S. 90-121.5 authorizing the North Carolina State Board of Examiners in Optometry (Board) to keep certain items of information or evidence on the treatment of a patient confidential when it is necessary to protect the patient or the licensee. Specifies that all information obtained as the result of any type of investigation will not be considered public record under G.S. Chapter 132 and is considered privileged, confidential, and not subject to disclosure.

It also enacts G.S. 45A-9 directing a settlement agent who maintains a trust or escrow account for the purposes of receiving and disbursing closing and loan funds to pay any interest earned on the funds in such accounts to the North Carolina State Bar to be used for the purposes authorized by the State Bar under the Interest on Lawyers' Trust Account Program. It amends G.S. 84-8 to provide that no person is entitled to collect any fees for service performed in violation of the unauthorized practice of law.

Section 7 of this act becomes effective October 1, 2011. Sections 3 and 8 of this act become effective January 1, 2012. Sections 4, 5, and 6 of this act become effective December 1, 2011, and apply to offenses committed on or after that date. The remainder of this act is effective when it becomes law.

[2011 Budget Technical Corrections S.L. 2011-391](#)

S.L. 2011-391 makes technical, clarifying, and other modifications to the current operations and capital improvements appropriations act. Of particular importance, Section 15.23 directs the Administrative Office of the Courts to reduce support staff in prosecutorial offices using a blended ratio workload model developed by their Office of Research and Planning. It places no limit on the percentage reduction that any one prosecutorial office may take.

Unless otherwise provided, this act becomes effective July 1, 2011.

[Regulatory Reform Act of 2011 S.L. 2011-398](#)



S.L. 2011-398 makes various changes to North Carolina's regulatory laws.

It includes broad provisions requiring regulatory agencies to consider the impact and burden of rules. It also instructs that all agencies must post rule text, explanation and fiscal notes in a searchable database. Additionally, if a proposed rule will have a significant economic impact, the agency is required to consider two alternatives before a rule may be adopted. It also reduces the threshold for substantial economic impact from \$3 million to \$500,000 in a 12-month period and makes significant changes to the law concerning judicial review of contested cases by placing final determination with administrative law judges. It also allows for the extension of some permit terms.

Sections 2 through 14 of this act become effective October 1, 2011, and apply to rules adopted on or after that date. Sections 15 through 55 of this act become effective January 1, 2012, and apply to contested cases commenced on or after that date. The remainder of this act is effective when it becomes law.

GOVERNMENT & PUBLIC SECTOR

[Clarify Refunds of Tax Overpayments S.L. 2011-4](#)

See summary in Tax.

[Reform UI Tax Structure/Expedite Analysis S.L. 2011-10](#)

See summary in Tax.

[APA Rules: Limit Additional Costs S.L. 2011-13](#)

See summary in Administrative Law.

[Repeal Land Transfer Tax S.L. 2011-18](#)

See summary in Tax.

[Forensic Sciences Act S.L. 2011-19](#)

See summary in Criminal Justice.

[Tax of Improved Property in Roadway Corridors S.L. 2011-30](#)

See summary in Tax.

[Level Playing Field/Local Government Competition S.L. 2011-84](#)

S.L. 2011-84 adds Article 16A to G.S. Chapter 160A to regulate local government competition with private business.

Except as otherwise provided, this act is effective when it becomes law.

[State Health Plan/Appropriations & Transfer II S.L. 2011-85](#)

S.L. 2011-85 makes appropriations and adjustments for the 2011-2013 fiscal biennium to the State Health Plan for Teachers and State Employees and transfers the State Health Plan to the Office of the State Treasurer.

Except as otherwise provided, this act is effective when it becomes law.

[State Health Plan/Additional Changes S.L. 2011-96](#)

S.L. 2011-96 authorizes the State Health Plan for Teachers and State Employees (Plan) to offer the Plan premium-free in 2011-2012 if the Plan has sufficient available cash balance reserves. It also directs the Plan to find savings and to apply those savings and any available cash balance reserves to a premium-free plan option during 2012-2013. It also clarifies the Plan's subrogation rights and grants the state treasurer immediate access to confidential state health plan documents.

Except as otherwise provided, this act is effective when it becomes law.

[Transfer GSC/Revisor of Statutes to General Assembly S.L. 2011-97](#)

See summary in General Interest.

[Modify Property Tax Base Exclusions S.L. 2011-123](#)

See summary in Tax.

[References to Military Organizations/Make Uniform S.L. 2011-183](#)

See summary in General Interest.

[Various Clarifying Militia Law Amendments S.L. 2011-195](#)

See summary in General Interest.

[Increase Payment of Unclaimed Property Claims S.L. 2011-230](#)

S.L. 2011-230 amends G.S. 116B-6 by adding subsection (j) providing that on or before February 1 of each year the North Carolina Division of Motor Vehicles, the North Carolina Department of Revenue, and the North Carolina Employment Security Commission must provide information to the State Treasurer to facilitate locating an owner of unclaimed property.

This act becomes effective October 1, 2011.

[Streamline Oversight/DHHS Service Providers S.L. 2011-253](#)

S.L. 2011-253 streamlines duplicate oversight of Department of Health and Human Services providers by requiring the Secretary to establish a task force to look for redundancies and review items as to service provider monitoring that are not value added by August 1, 2011.

This act is effective when it becomes law.

[Associations-Stormwater/Sanitary District & Septage Rules S.L. 2011-256](#)

See summary in Environment, Energy & Natural Resources Law.

[Government Reduction Act S.L. 2011-266](#)

See summary in General Interest.

[Property Tax Uniformity for Conservation Land S.L. 2011-274](#)

See summary in Tax.

[Natural Gas/Bond/Fee/Landowner Protection Study S.L. 2011-276](#)

See summary in Environment, Energy & Natural Resources Law.

[Devisee/Devise/Statutory Construction S.L. 2011-284](#)

See summary in Estate Planning & Fiduciary Law.

[Protect and Put NC Back to Work S.L. 2011-287](#)

See summary in Workers' Compensation.

[Sales & Use Tax Overcollection S.L. 2011-293](#)

See summary in Tax.

[Retirement Technical Corrections S.L. 2011-294](#)

S.L. 2011-294 makes technical corrections to the statutes governing the teachers' and state employees' retirement system and the local governmental employees' retirement system. Specifically, it amends G.S. 135-45.2(f) to clarify that former employees are eligible for the retirement plan if those employees are approved for disability retirement or disability income benefits but do not receive the benefits due to lump-sum payouts of vacation, bonus, and sick leave. It also amends G.S. 135-3(8)c1. and G.S. 128-24(5)c1 directing the employer to remit penalty payment to the retirement system, in one lump sum, within 90 days of the date the employer receives notification that the employer failed to report reemployed beneficiaries, as specified.

Section 2 of this act becomes effective July 1, 2009, and applies to penalties assessed on or after that date. The remainder of this act becomes effective July 1, 2011.

[Small Business Assistance Records/Tax Payments S.L. 2011-297](#)

See summary in Business Law.

[Local Boards of Education/403\(b\) Option S.L. 2011-310](#)

See summary in Education.

[Conform Medical Record Laws S.L. 2011-314](#)

See summary in Health Law.

[Department of Administration/Procurement Modernization S.L. 2011-338](#)

S.L. 2011-338 modernizes the procurement methods by the Secretary of Administration and State Departments, institutions, and agencies. It amends G.S. 143-49, providing that it is the Secretary of Administration's duty to canvass sources of supply, including sources of goods with recycled content, and to purchase or contract to purchase, lease and lease-purchase all goods required by the state government under competitive bidding or other suitable means authorized by the Secretary. It also adds that it is the Secretary's duty to establish procedures to permit state government to join any federal, state, local government entity, or any nonprofit organization in cooperative purchasing plans or agreements.

It also amends G.S. 143-51 to add that all entities of the state government subject to the reporting requirement under G.S. 143-51(a) will also submit to the Secretary, when requested, actual expenditures for all goods and services, as indicated.

This act becomes effective July 1, 2011.

[Modify Teacher Career Status Law S.L. 2011-348](#)

See summary in Education.

[Encourage Volunteer Health Care Providers S.L. 2011-355](#)

See summary in Health Law.

[Farms Exempt from City Annexation & ETJ S.L. 2011-363](#)

See summary in Zoning, Planning & Land Use.

[Contributing Structures S.L. 2011-367](#)

See summary in Zoning, Planning & Land Use.

[School & Teacher Paperwork Reduction Act S.L. 2011-379](#)

See summary in Education.

[Model Health Care-Association Infections Law S.L. 2011-386](#)

See summary in Health Law.

[Pilot Release of Inmates to Adult Care Homes S.L. 2011-389](#)

See summary in Health Law.

[Forced Combinations S.L. 2011-390](#)

See summary in Tax.

[Clarify Use of Position S.L. 2011-393](#)

S.L. 2011-393 amends G.S. 138A-31(b) to clarify that a legislator's or public servant's public position may be disclosed in an agenda or other document related to a meeting, conference, or similar event.

It also amends G.S. 120C-403 to clarify that, in addition to other reports required by the statute, each lobbyist principal must annually report the cumulative combined total of all payments made during the registration period for all of the following: (1) all payments for lobbying; and (2) activities as described in subdivision (e)(2) of the statute. It also provides that the cumulative combined total of all payments for lobbying and other activities made by the principal to all lobbyists registered for that lobbyist principal must be reported as one cumulative amount with no further division or allocation by individual lobbyist, activity, or any other categorization.

This act becomes effective October 1, 2011, and applies to reports filed on or after that date.

[Annexation Reform Act of 2011 S.L. 2011-396](#)

S.L. 2011-396 reforms the involuntary annexation laws of North Carolina.

This act is effective when it becomes law and applies to annexations initiated by municipalities on or after that date and to petitions for annexation under Part 1 and Part 4 of Article 4A of Chapter 160A of the General Statutes presented on or after that date.

[Regulatory Reform Act of 2011 S.L. 2011-398](#)



See summary in General Interest.

[ESC/Jobs Reform S.L. 2011-401](#)

See summary in Labor Law.

HEALTH LAW

[Hospital Medicaid Assessment/Payment Program S.L. 2011-11](#)

See summary in Elder Law.

[State Health Plan/Appropriations & Transfer II S.L. 2011-85](#)

See summary in Government & Public Sector.

[Medicaid Billing by Local Health Departments S.L. 2011-90](#)

See summary in Elder Law.

[Conforming Changes/Persons with Disabilities Act S.L. 2011-94](#)

See summary in Elder Law.

[State Health Plan/Additional Changes S.L. 2011-96](#)

See summary in Government & Public Sector.

[Protect Adult Care Home Residents S.L. 2011-99](#)

S.L. 2011-99 amends G.S. 131D-4.4 to protect adult care home residents by increasing minimum continuing education training and competency evaluation requirements for adult care home medication aides. It also strengthens adult care home infection control requirements and requires the Department of Health and Human Services, Division of Health Service Regulation to annually inspect adult care homes for compliance with safe infection control standards.

This act is effective when it becomes law.

[Additional Section 1915 Medicaid Waiver Sites S.L. 2011-102](#)

See summary in Elder Law.

[Health Care Sharing Organizations S.L. 2011-103](#)

S.L. 2011-103 amends G.S. 58-49-12 to exempt health care sharing organizations from the health insurance regulatory laws.

This act becomes effective October 1, 2011.

[Gfeller-Waller Concussion Awareness Act S.L. 2011-147](#)

S.L. 2011-147 enacts the Gfeller-Waller Concussion Awareness Act which directs the Matthew A. Gfeller Sport-Related Traumatic Brain Injury Research Center at UNC-Chapel Hill to develop an athletic concussion safety training program in consultation with the North Carolina Medical Society, the North Carolina Athletic Trainers Association, the Brain Injury Association of North Carolina, the North Carolina Neuropsychological Society, the North Carolina High School Athletic Association, Inc., and the Department of Public Instruction.

It also amends G.S. 115C-12(23) to require that the eligibility rules at the middle and high school levels for interscholastic athletic competitions include concussion safety requirements.

This act is effective when it becomes law and applies beginning with the 2011-2012 school year.

[Behavioral Health Services for Military S.L. 2011-185](#)

S.L. 2011-185 amends G.S. 122C-115.4 to ensure that the behavioral health needs of members of the military, veterans and their families are met. It also amends G.S. 115C-47 to ensure that the needs of students with immediate family members in the military are met.

Section 9 of this act becomes effective October 1, 2011. The remainder of this act is effective when it becomes law.

[Clarify Penalty Unauthorized Practice of Medicine S.L. 2011-194](#)

S.L. 2011-194 increases the penalty for practicing medicine or surgery. It amends G.S. 90-18(a) to provide that any person practicing medicine or surgery without being duly licensed and registered in North Carolina is guilty of a Class 1 misdemeanor. It also makes it a Class I felony to practice without being duly licensed and registered in this state and falsely represent himself or herself as being licensed and registered under Article 1 of G.S. Chapter 90 or any other Article of G.S. Chapter 90.

This act becomes effective December 1, 2011, and applies to offenses committed on or after that date.

[Allow Physicians Assistants and Nurse Practitioners to Sign Death Certificate S.L. 2011-197](#)

S.L. 2011-197 authorizes physician's assistants and nurse practitioners to complete medical certifications as to the cause of death for death registration. Specifically, it adds subsection (e1) to G.S. 90-18.1 and subsection (e1) to G.S. 90-18.2 to provide that a physician assistant or a nurse practitioner who completes a medical certification for a death certificate is deemed to have been authorized to complete the certification by the physician assistant's or nurse practitioner's supervising physician.

This act becomes effective October 1, 2011, and applies to certifications signed on or after that date.

[DHHS Penalties and Remedies Revision S.L. 2011-249](#)

S.L. 2011-249 revises penalties and remedies concerning healthcare facilities.

This act is effective when it becomes law.

[Streamline Oversight/DHHS Service Providers S.L. 2011-253](#)

See summary in Government & Public Sector.

[Revise Laws on Adult Care Homes S.L. 2011-258](#)

S.L. 2011-258 enacts subsection (a1) to G.S. 131D-2.11 authorizing the Department of Health and Human Services, Division of Health Service Regulation to waive the annual inspection requirements of adult care homes for any home that has achieved the highest rating under rules adopted by the North Carolina Medical Care Commission. It also enacts subsection (a2) to G.S. 131D-2.11 to develop an informal dispute resolution procedure that allows adult care home to dispute cited inspection deficiencies.

This act becomes effective October 1, 2011.

[Statewide Expansion of 1915\(b\)/\(c\) Waiver S.L. 2011-264](#)

See summary in Elder Law.

[Discharge of Adult Care Home Residents S.L. 2011-272](#)

S.L. 2011-272 provides adult care homes with greater flexibility in the transfer and discharge of residents. Specifically, it enacts G.S. 131D-4.8 to permit an adult care home to initiate discharge of a resident based on any of the six listed reasons. It also enacts appeal rights for adult care home residents and adult care homes with respect to discharge decisions and creates adult care home resident discharge teams within every county which contains an adult care home licensed under Chapter 131 of the General Statutes.

This act becomes effective October 1, 2011.

[Conform Medical Record Laws S.L. 2011-314](#)

S.L. 2011-314 conforms the medical records laws to protect client confidentiality in electronic orders. Specifically, it amends G.S. 90-85.36 to clarify that the statute includes written or electronic prescription orders. It also amends G.S. 130A-12 to clarify that information in specified records may be disclosed for treatment, payment, research, or health care operation purposes to the extent permitted under federal law.

This act becomes effective January 1, 2012.

[Facilitate Locum Tenens Physicians S.L. 2011-315](#)

S.L. 2011-315 amends the insurance laws in order to facilitate the use of locum tenens physicians to ensure North Carolina's medical professionals are capable of serving the state's expanding population. Specifically, it enacts G.S. 58-3-231 requiring an insurer that provides a health benefit plan to establish and maintain a process to allow a patient's regular physician to submit a claim and receive payment for covered visits provided by a locum tenens physician.

It also provides that a pharmacist licensed under Article 4A of G.S. Chapter 90 who may administer vaccines under 21 NCAC 46 .2507 and 21 NCAC 32U .0101 be granted the authority to administer influenza vaccine to patients aged 14 years and older pursuant to 21 NCAC 46 .2507 and 21 NCAC 32U .0101.

Sections 1 and 2 of the act become effective October 1, 2011. The remainder of the act is effective when it becomes law.

[Facilitate Statewide Health Information Exchange S.L. 2011-337](#)

S.L. 2011-337 facilitates and regulates the disclosure of protected health information through the creation of a voluntary, statewide health information exchange network. Specifically, it enacts Article 29A to G.S. Chapter 90 for the purpose of improving the quality of health care delivery in North Carolina by facilitating and regulating the use of a voluntary, statewide health information exchange network for the secure electronic transmission of individually identifiable health information.

This act becomes effective October 1, 2011.

[Enact First Evaluation Program S.L. 2011-346](#)

S.L. 2011-346 amends G.S. 122C-263.1 to authorize certain certified providers to conduct initial examinations for involuntary commitment of individuals with mental illness in a manner consistent with the first evaluation pilot program.

This act becomes effective October 1, 2011.

[Encourage Volunteer Health Care Providers S.L. 2011-355](#)

S.L. 2011-355 encourages the provision of medical services to indigent persons by providing for a retired limited volunteer license and by broadening the applicability of a limited volunteer license. Specifically, it amends G.S. 90-12.1A authorizing the North Carolina Medical Board to issue a limited volunteer license within 30 days to applicants who hold a current license or registration to practice medicine in another state who show a letter establishing active licensure in the other state and in good standing.

This act is effective when it becomes law.

[Birth Certificate/Stillborn Infants S.L. 2011-357](#)

S.L. 2011-357 authorizes the establishment of a certification of birth resulting in stillbirth. It adds subsection (d) to G.S. 130A-114 to provide that either parent of a stillborn child may apply for a certificate of birth resulting in stillbirth. The certificate of birth resulting in stillbirth: (1) shall be based upon the information available from the fetal death report filed pursuant to this section; (2) shall not include any reference to the name of the stillborn child if the fetal death report does not include the name of the stillborn child and the parent filing the application does not elect to provide a name; and (3) shall clearly indicate that it is not proof of a live birth.

This act becomes effective October 1, 2011.

[Establish Pharmacy Audit Rights S.L. 2011-375](#)

S.L. 2011-375 establishes pharmacy audit rights and standards for recoupment of claims. Specifically, it enacts Article 4C of G.S. Chapter 90 to specify rights of pharmacies in connection with audits of their records by managed care companies, insurance companies, third-party payers, and others responsible for payment of health care services.

Section 1 of this act becomes effective January 1, 2012, and applies to audits of pharmacies conducted on or after that date. The remaining sections of this act are effective when they become law.

[Model Health Care-Association Infections Law S.L. 2011-386](#)

S.L. 2011-386 requires the Department of Health and Human Services to establish a statewide surveillance and reporting system for health care-associated infections. It subjects hospitals to this requirement.

This act is effective when it becomes law.

[Pilot Release of Inmates to Adult Care Homes S.L. 2011-389](#)

S.L. 2011-389 requires the Department of Health and Human Services to establish a pilot program to allow certain inmates to be released from confinement and placed in adult care homes in order to receive personal care services and medication management.

This act is effective when it becomes law.

[Medicaid and Health Choice Provider Requirements S.L. 2011-399](#)

S.L. 2011-399 modifies requirements of Medicaid and Health Choice providers to prevent fraudulent activity.

G.S. 108C-5 as enacted by Section 1 of this act is effective when this act becomes law. G.S. 108C-6 as enacted by Section 1 of this act becomes effective January 1, 2012. Section 4 of this act is effective January 1, 2012, and applies to medical coverage policies entered into or amended on or after that date. The remainder of this act is effective when it becomes law.

[Medical Liability Reforms S.L. 2011-400](#)

See summary in Tort Issues Task Force.

[Abortion-Woman's Right to Know Act S.L. 2011-405](#)

S.L. 2011-405 enacts Article 11 in G.S. Chapter 90 to require a twenty-four hour waiting period and the informed consent of a pregnant woman before an abortion may be performed. Additionally, G.S. 90-21.85 requires that, except in medical emergencies, at least four hours before an abortion is performed, a provider must perform an obstetric ultrasound on the woman and provide her with specific information and the opportunity to view the images and hear the fetal heart tone. It authorizes civil remedies for violations of the act, including an action for damages, injunctive relief, and authorization for awarding attorneys' fees.

This act is effective 90 days after it becomes law and applies to claims for relief arising on or after October 1, 2011.

IMMIGRATION LAW

[Safe Students Act S.L. 2011-388](#)

S.L. 2011-388 enacts the Safe Students Act which amends G.S. 115C-364(c) to provide that the principal of any public school shall require the parent or guardian of a child presented for admission to school for the first time to provide:(1) a certified copy of the child's birth certificate which was furnished by the register of deeds of the county having the record of the birth of the child on file; or (2) other satisfactory evidence of the date of birth as provided in Article 4 of G.S. Chapter 130A. It also directs the principal to require the parent or guardian to provide a certificate of immunization for the child as required by G.S. 130A-155.

It amends G.S. 130A-109 to provide that when it is not possible to obtain a certified copy of a child's birth certificate, school authorities may accept only competent and verifiable evidence as secondary proof of the age of children registering for school attendance. The evidence must specifically include but is not limited to: (1) a certified copy of any medical record of the child's birth issued by the treating physician or the hospital where the child was born; or (2) a certified copy of a birth certificate issued by a religious institution that maintains birth records of its members.

This act is effective when it becomes law and applies beginning with the 2011-2012 school year.

JUVENILE JUSTICE & CHILDREN'S RIGHTS

[Allow Juvenile Record/Risk Determination/Bond S.L. 2011-277](#)

S.L. 2011-277 allows a juvenile record to be considered in making the risk determination for establishing a bond under the laws pertaining to the juvenile code. Specifically, it amends G.S. 7B-3000(e), removing the conditional language placed on a juvenile's record availability when the offense would be a Class A1 misdemeanor or a felony if committed by an adult.

This act becomes effective December 1, 2011, and applies to pretrial release, plea negotiating decisions, and plea acceptance decisions on or after that date

[Expunge Nonviolent Offense by Minor S.L. 2011-278](#)

S.L. 2011-278 adds section G.S. 15A-145.4 providing that a person convicted of a nonviolent felony may petition the court to have the conviction expunged from his or her criminal record provided that the person was under 18 years old when the offense occurred and he or she has not previously been convicted of any felony or misdemeanor other than a traffic violation.

This act becomes effective December 1, 2011.

[Juvenile Code Revisions S.L. 2011-295](#)

S.L. 2011-295 amends G.S. 7B to modify the juvenile code under the laws pertaining to abuse, neglect, and dependency.

This act becomes effective October 1, 2011, and applies to actions filed or pending after that date.

[Employers & Local Government Must Use E-Verify S.L. 2011-263](#)

S.L. 2011-263 enacts Article 2 to Chapter 64 of the General Statutes, which requires counties, cities, and employers to use the federal E-Verify program to verify the work authorization for newly hired employees. It also requires the employer to retain the work authorization verification while the employee is employed and for one year after employment. It exempts seasonal temporary employees employed for 90 or fewer days during a 12 consecutive month period from the requirement from the act.

Sections 4, 5, and 6 of this act become effective October 1, 2011. The remainder of this act becomes effective in accordance with the following schedule:

- (1) October 1, 2012, for employers that employ 500 or more employees.
- (2) January 1, 2013, for employers that employ 100 or more but less than 500 employees.
- (3) July 1, 2013, for employers that employ 25 or more but less than 100 employees.

[Protect and Put NC Back to Work S.L. 2011-287](#)

See summary in Workers' Compensation.

[No Adult Left Behind S.L. 2011-327](#)

S.L. 2011-327 establishes the No Adult Left Behind initiative to expand economic opportunities for working adults. It also seeks to achieve statewide workforce development goals. The goal of the initiative is to increase the percentage of North Carolinians who earn associate, other two-year, and baccalaureate degrees to 40%. It also provides additional goals to be accomplished by the Commission working with its collaborative partners.

This act becomes effective July 1, 2011.

[2011 Omnibus Labor Law Changes S.L. 2011-366](#)

S.L. 2011-366 makes omnibus amendments to the labor laws of North Carolina.

This act is effective when it becomes law.

[ESC/Jobs Reform S.L. 2011-401](#)

S.L. 2011-401 reforms the employment security laws of North Carolina by creating the Division of Employment Security within the Department of Commerce and transferring the functions of the Employment Security Commission to that division. It also makes the division subject to rulemaking under Article 2 of Chapter 150B of the General Statutes and other conforming changes.

Except as otherwise provided, this act becomes effective November 1, 2011.

LAW RELATED EDUCATION

[The Founding Principles Act S.L. 2011-273](#)

S.L. 2011-273 enacts the Founding Principles Act. It amends G.S. 115C-81(g) to direct local boards of education to require high schools to teach a semester course entitled “American History I- The Founding Principles.” A passing grade for the class is required for graduation. It also directs the State Board of Education to require any high school level curriculum-based test developed and administered statewide beginning with the 2014-2015 academic year include topics covered in the class.

This act is effective when it becomes law and applies beginning with the 2014-2015 school year.

LITIGATION

[Amend RCP/Electronically Stored Information S.L. 2011-199](#)

S.L. 2011-199 clarifies the procedure for discovery of electronically stored information and makes conforming changes to the North Carolina Rules of Civil Procedure. It explains that the phrase “electronically stored information” does not include other metadata unless the parties agree otherwise or the court orders otherwise upon motion of a party and a showing of good cause for the production of certain metadata. It also directs the Revisor of Statutes to print all explanatory comments of the drafters of the act, the North Carolina Bar Association Litigation Section E-Discovery Committee, as the Revisor deems appropriate.

This act becomes effective October 1, 2011, and shall apply to actions filed on or after that date.

[Uniform Depositions and Discovery Act S.L. 2011-247](#)

S.L. 2011-247 enacts Chapter 1F, the North Carolina Uniform Interstate Depositions and Discovery Act, and makes conforming amendments to the Rule of Civil Procedure. It also directs the Revisor of Statutes to print all relevant portions of the official comments to the Uniform Interstate Depositions and Discovery Act.

This act becomes effective December 1, 2011, and shall apply to all cases then pending or filed on or after that date.

[Tort Reform for Citizens and Businesses S.L. 2011-283](#)

See summary in Tort Issues Task Force.

[Miscellaneous Service/Process Amendments S.L. 2011-332](#)

S.L. 2011-332 allows service by signature confirmation or designated delivery service in small claim actions assigned to magistrates and in administrative case. It also clarifies that the sixty-day time frame for serving a summons under Rule 4 of the Rules of Civil Procedure applies to all summons under Rule 4 (j).

It also requires that a party's attorney of record must be served when service is made under Rule 5(b) of the Rules of Civil Procedure and clarifies that an attorney may be served under Rule 5(b) by mail as recommended by the General Statutes Commission.

This act becomes effective October 1, 2011.

[Medical Liability Reforms S.L. 2011-400](#)

See summary in Tort Issues Task Force.

REAL PROPERTY

[Repeal Land Transfer Tax S.L. 2011-18](#)

See summary in Tax.

[Tax of Improved Property in Roadway Corridors S.L. 2011-30](#)

See summary in Tax.

[Cemeteries/Survey Stamp S.L. 2011-75](#)

S.L. 2011-75 allows the Register of Deeds to register a map of a cemetery that lacks a surveyor's stamp or seal and the original signature of the surveyor under certain circumstances. Specifically, it enacts subsection (e) to G.S. 161-14, directing the register of deeds to immediately register a written instrument that meets the following requirements: (1) the instrument is a portion of a cemetery map that was divided into sections based on race; (2) the other portion of the cemetery map was properly registered; and (3) the unregistered portion does not have the surveyor's stamp or seal and original signature affixed.

This act is effective when it becomes law.

[Commercial Real Estate Broker Lien Act S.L. 2011-165](#)

S.L. 2011-165 amends Article 2 of Chapter 44A to enact the Commercial Real Estate Broker Lien Act which gives a commercial real estate broker a lien on commercial real estate in the amount that the broker is due under a written instrument signed by the owner of an interest in the real estate or the owner's authorized agent.

It also provides that the lien is available only to the broker named in the instrument signed by the owner or the owner's duly authorized agent and prescribes procedures for notice of the lien, attachment of the lien, release or satisfaction of the lien, and enforcement of the lien.

It enacts G.S. 44A-24.14 to provide that any claim of lien on real property or funds, as described in this act, are superior in all respects to other liens filed under Part 4, regardless of the effective date of the competing liens, and survive any judgment awarding a lien under Part 4.

The act becomes effective October 1, 2011, and applies to written agreements signed by the owner of commercial real estate or the owner's duly authorized agent on or after that date.

[Release of Upset Bid Deposit S.L. 2011-204](#)

See summary in Bankruptcy.

[Real Estate License Law Amendments S.L. 2011-217](#)

S.L. 2011-217 amends G.S. 93 to modernize the North Carolina Real Estate License Law. It directs the Real Estate Commission to adopt any rules necessary to implement the provisions of this act.

Sections 23 and 24 of this act are effective when this act becomes law. The remainder of this act becomes effective January 1, 2012.

[Increase Payment of Unclaimed Property Claims S.L. 2011-230](#)

See summary in Government & Public Sector.

[Clarify Exception/Real Estate Broker Laws S.L. 2011-235](#)

S.L. 2011-235 amends G.S. 93A-2(c)(1) to provide an exemption from the licensure requirements under the laws regulating real estate brokers and salespersons. This exemption extends to officers and employees of an exempt corporation, the general partners of an exempt partnership, and the managers of an exempt limited liability company when those individuals are engaged in acts or services for which the corporation, partnership, or company itself would be exempt.

This act is effective when it becomes law.

[Register of Deeds S.L. 2011-246](#)

S.L. 2011-246 amends the methods for recording satisfaction of a security instrument and clarifies the requirements for electronically registering plats with the Register of Deeds. It also amends restrictions on access to military discharge documents recorded with the Register of Deeds.

Section 7 of this act becomes effective October 1, 2011, and applies to plats registered on or after that date. Section 8 of this act is effective when it becomes law. The remainder of this act becomes effective October 1, 2011.

[Clarify Water & Well Rights/Private Property S.L. 2011-255](#)

See summary in Environment, Energy & Natural Resources Law.

[Natural Gas/Bond/Fee/Landowner Protection Study S.L. 2011-276](#)

See summary in Environment, Energy & Natural Resources Law.

[Residential Building Inspections S.L. 2011-281](#)

S.L. 2011-281 amends G.S. 153A-364 and G.S. 160A-424 to require counties and cities to have reasonable cause to believe that unsafe, unsanitary, or otherwise hazardous or unlawful conditions exist in the building before periodically inspecting residential buildings or structures.

This act is effective when it becomes law.

[Transfer Emergency Foreclosure Program to HFA S.L. 2011-288](#)

S.L. 2011-288 amends G.S. 45-104 to transfer the management of the State Home Foreclosure Prevention Project and the State Home Foreclosure Prevention Trust Fund to the North Carolina Housing and Finance Agency. It also amends G.S. 53-102 to allow the Commissioner of Banks to deal with real property and utilities in the same manner as a private person or corporation subject to the approval of the State Banking Commission and to authorize the Commissioner to acquire property subject to approval of the State Banking Commission.

This act becomes effective July 1, 2011.

[Register of Deeds/Fees S.L. 2011-296](#)

S.L. 2011-296 simplifies the fees charged for registering instruments with a register of deeds in this state and modifies the instrument page requirements. Specifically, it amends G.S. 161-10(a)(1), which sets out uniform fees of registers of deeds, to increase the fee for registering or filing any instrument to \$26 for the first 15 pages plus \$4 for each additional page. It also sets the fee for registering or filing any deed of trust or mortgage at \$56 for the first 15 pages and \$4 for each additional page.

It amends G.S. 161-11.3 to direct \$6.20 of the \$56 fee collected for registering or filing a deed of trust or mortgage to be set aside annually and placed in a nonreverting Automation Enhancement and Preservation Fund. It also amends G.S. 161-11.5, directing \$6.20 of each fee collected by the register of deeds for registering an instrument to ultimately be remitted by the register of deeds to the county finance officer, who will remit the funds to the State Treasurer on a monthly basis to be credited as follows: (1) 55% to the Floodplain Mapping Fund; (2) 20% to the General Fund as nontax revenue; and (3) 25% to the Department of Cultural Resources.

This act becomes effective October 1, 2011, and applies to instruments registered on or after that date. Sections 1 through 3 of this act expire July 1, 2013.

[Confidentiality/Optometry/Real Estate Closing Interest S.L. 2011-336](#)

See summary in General Interest.

[Disputed Earnest Money/Attorneys Deposit S.L. 2011-350](#)

S.L. 2011-350 amends G.S. 93A-12 to authorize attorneys licensed in the state of North Carolina to deposit earnest money with the clerk of superior court.

This act becomes effective October 1, 2011.

[Memo of Contract/Deeds & Deeds of Trust S.L. 2011-351](#)

S.L. 2011-351 amends G.S. 47-119.1 to provide that a form of memorandum for a contract to convey real estate can be registered in lieu of the contract itself. It amends G.S. 47-120 to provide that proper execution and registration of such memo has the same effect as registration of the entire contract. It also amends G.S. 47-17.1 to prohibit recording of documents prepared in other states without the name of the person or law firm that drafted the document.

This act is effective when it becomes law. Sections 2 and 3 of this act apply to all memoranda of contracts to purchase real estate recorded prior to and on or after the date this act becomes effective.

[Increase in Rem Foreclosure Fee S.L. 2011-352](#)

S.L. 2011-352 amends G.S. 105-375 to increase the in rem foreclosure fee from \$50 to \$250.

This act becomes effective July 1, 2011, and applies to in rem foreclosure proceedings commenced on or after that date.

[Planned Community & Condo Act Amendments S.L. 2011-362](#)

S.L. 2011-362 amends the Planned Community and Condominium Act. Specifically, it rewrites G.S. 47F-3-116(a) to allow an association to foreclose a claim of lien in like manner as a mortgage on real estate under power of sale or under Article 2A of G.S. Chapter 45 if the assessment remains unpaid for 90 days or more. It makes similar changes to G.S. 47C-3-116(a) concerning the Condominium Act.

It also amends the law concerning disclosure of information about homeowners associations to potential purchasers and requires the Real Estate Commission to prepare and make available information about restrictive covenants to potential purchasers.

This act is effective when it becomes law and applies to foreclosure actions filed on or after October 1, 2011.

[Housing Authority/Collect Unpaid Rent S.L. 2011-365](#)

S.L. 2011-365 amends G.S. 105A-2(6) adding housing authorities created under G.S. Chapter 157 to the list of local agencies.

This act becomes effective October 1, 2011.

[Extend Time For Site Of Low/Moderate Income Housing S.L. 2011-368](#)

S.L. 2011-368 amends G.S. 105-278.6 to extend the time period from five years to ten years for holding real property as a future site for housing for low or moderate income individuals and families.

This act is effective for taxes imposed for taxable years beginning on or after July 1, 2011.

[Zoning Statute of Limitations/Agricultural District Change S.L. 2011-384](#)

See summary in Zoning, Planning & Land Use.

SPORTS & ENTERTAINMENT LAW

[Prepaid Wireless/Point of Sale Collection S.L. 2011-122](#)

S.L. 2011-122 amends G.S. 62A to impose a service charge on each retail transaction of prepaid wireless telecommunications service for any purpose other than resale occurring in this state. It also requires that the service charge be collected by the seller of prepaid wireless telecommunications service and remitted to the Department of Revenue (Department). It mandates the Department to transfer all service charges collected to the 911 fund in this state.

Unless otherwise provided, this act becomes effective July 1, 2013, and applies to all retail transactions occurring in this state on or after that date.

TAX

[Technical Correction: Eligibility: Industrial Facility/Fix Uwharrie Commission S.L. 2011-3](#)

S.L. 2011-3 makes technical and clarifying changes to the industrial facilities sales tax refund and the membership count of the Uwharrie Commission.

Section 1 of this act becomes effective July 1, 2010, and applies to sales made on or after that date. Section 3 of this act becomes effective for taxable years beginning on or after January 1, 2011. The remainder of this act is effective when it becomes law.

[Clarify Refunds of Tax Overpayments S.L. 2011-4](#)

S.L. 2011-4 amends G.S. 105-241.7(a) to clarify when the Department of Revenue (Department) is required to initiate a refund of an overpayment of tax and authorizes the issuance of refunds of overpayments that have been identified by the Department. It requires the Department of Revenue to refund an overpayment by a taxpayer if the Department discovers the overpayment before the statute of limitations for obtaining a refund expires. It specifies that discovery occurs under any of the following circumstances: (1) the automated processing of a tax return indicates that the return requires additional review; (2) a review of the return by a Department employee indicates an overpayment by the taxpayer; and (3) an audit of the return by a Department employee indicates an overpayment by the taxpayer.

This act is effective when it becomes law.

[IRC Update S.L. 2011-5](#)

S.L. 2011-5 updates the reference to the Internal Revenue Code to maintain conformity with federal tax law.

[Business Entity Changes S.L. 2011-9](#)

S.L. 2011-9 amends G.S.105-277.3(b1) to revise the business entity ownership requirements for qualification of land at its present use value for tax purposes.
This act is effective for taxable years beginning on or after July 1, 2011.

[Reform UI Tax Structure/Expedite Analysis S.L. 2011-10](#)

S.L. 2011-10 expedites the analysis of the tax structure for unemployment insurance in North Carolina. It directs the Department of Commerce to contract with an independent consulting firm that specializes in unemployment insurance and employment security reform to obtain recommendations on tax structure changes and on how the revenues and other financial options may service and liquidate the state's debt liability for unemployment insurance benefits and the deficit in the North Carolina Unemployment Insurance Trust Fund.

This act is effective when it becomes law.

[Repeal Land Transfer Tax S.L. 2011-18](#)

S.L. 2011-18 repeals Article 60 of G.S. Chapter 105 which is the land transfer tax.

This act is effective when it becomes law.

[Charitable Solicitations/Clarify Exemption S.L. 2011-27](#)

S.L. 2011-27 amends G.S. 131F-3(4) to clarify that any organization with a membership composed solely of 20 or more educational institutions, as defined in G.S. Chapter 131F is exempt from the provisions of G.S. Chapter 131F.

This act becomes effective July 1, 2011.

[Tax of Improved Property in Roadway Corridors S.L. 2011-30](#)

S.L. 2011-30 reduces the property tax owed for improved property inside certain roadway corridors by amending G.S. 105-277.9 to provide that real property that lies within a transportation corridor marked on an official map filed under the Transportation Corridor Official Map Act (Map Act) is designated a special class of property under the North Carolina Constitution and will be taxable at 20% of the appraised value of the property so long as certain requirements are met.

It also enacts G.S. 105-277.9A to provide that real property on which a building or other structure is located and that lies within a transportation corridor marked on an official map filed under the Map Act is designated a special class of property under the North Carolina Constitution and will be taxable at 50% of the appraised value of the property if the property has not been subdivided, as defined in G.S. 153A-335 or G.S. 160A-376 since it was included in the corridor.

This act is effective for taxes imposed for taxable years beginning on or after July 1, 2011.

[Eliminate Means Test From 529 Deduction S.L. 2011-106](#)

S.L. 2011-106 repeals Section 31.19(d) of S.L. 2007-323 to eliminate the income threshold for contributions to an account in the parental savings trust fund of the State Education Assistance Authority.

This act is effective when it becomes law.

[Modify Property Tax Base Exclusions S.L. 2011-123](#)

S.L. 2011-123 modifies the property tax base exclusions by amending G.S. 105-275 to designate special classes.

This act is effective for taxes imposed for taxable years beginning on or after July 1, 2011, and expires for taxes imposed for taxable years beginning on or after July 1, 2016.

[Property Tax Uniformity for Conservation Land S.L. 2011-274](#)

S.L. 2011-274 modifies when land used for conversation purposes is to be excluded from the tax base.

This act is effective for taxes imposed for taxable years beginning on or after July 1, 2011.

[Sales & Use Tax Overcollection S.L. 2011-293](#)

S.L. 2011-293 allows a seller to apply over-collected sales tax to offset a use tax liability on a related transaction. Specifically, it rewrites G.S. 105-164.11(a) to provide that when tax is collected for any period on any taxable sale in excess of the total amount that should have been collected or is collected on an exempt or nontaxable sale, the total amount collected must be remitted to the Secretary of Revenue (Secretary). If the Secretary determines that the seller over-collected the sales tax on a transaction, the Secretary shall take action as listed in the act.

This act becomes effective July 1, 2011, and applies to tax liabilities that accrue on or after that date.

[Small Business Assistance Records/Tax Payments S.L. 2011-297](#)

See summary in Business Law.

[Forced Combinations S.L. 2011-390](#)

S.L. 2011-390 repeals G.S. 105-130.6, concerning the taxation of net income of a corporation that is a parent, subsidiary, or is affiliated with another corporation. It enacts G.S. 105-130.5A to provide the Secretary of Revenue (Secretary) the authority to adjust net income or require a combined return of corporations under specified circumstances. It also provides a procedure for the Secretary to acquire information from a corporation when he or she has reason to believe that any corporation has failed to accurately report state income properly attributed to its business.

Sections 1 through 6 of this act become effective January 1, 2012, and Sections 2 and 5 of this act apply to assessments proposed for taxable years beginning on or after that date. The remainder of this act is effective when it becomes law.

[Tax Credits for Children with Disabilities S.L. 2011-395](#)

S.L. 2011-395 enacts G.S. 105-151.33 to establish a tax credit against imposed income tax for children with disabilities who require special education. It also creates a fund for special education and related services.

Sections 1, 3, 4, and 4A of this act are effective for taxable years beginning on or after January 1, 2011, and apply to semesters for which the credit is claimed beginning on or after July 1, 2011, except that transfers under G.S. 105-151.33(h) shall not be made before the 2012-2013 fiscal year. Section 2 of this act is effective for taxable years beginning on or after January 1, 2016, and applies to semesters for which the credit is claimed beginning on or after July 1, 2016. The remainder of this act is effective when it becomes law.

TORT ISSUES TASK FORCE

[Tort Reform for Citizens and Businesses S.L. 2011-283](#)

S.L. 2011-283 makes various amendments to the tort laws in North Carolina. It enacts a new evidence rule under which proof of past medical expenses is restricted to evidence of the amount actually paid or required to be paid to fully satisfy the bills. It amends G.S. 8-58.1 to modify the presumption that arises when a party testifies and offers records for medical or funeral service. It adopts the federal evidence rule governing the admissibility of expert witness testimony. It also changes the law governing an award of attorneys' fees in certain lawsuits and codifies the existing common law general rule of no landowner liability for injury to trespassers.

Section 4.1(a) of this act is effective when it becomes law. Section 3.2 of this act becomes effective October 1, 2011, and applies to causes of actions arising on or after that date. The remainder of this act becomes effective October 1, 2011, and applies to actions commenced on or after that date.

[Medical Liability Reforms S.L. 2011-400](#)

S.L. 2011-400 reforms the medical malpractice laws. It amends GS 90-21.12(a) to clarify that in any medical malpractice action, the defendant health care provider is not liable for the payment of damages unless the trier of fact finds by the greater weight of the evidence that the care provided by the health care provider was not in accordance with the standard of practice among members of the same health care profession with similar training and experience situated in the same or similar communities under the same or similar circumstances at the time of the alleged act or omission giving rise to the cause of action. It also authorizes the bifurcation of trials on issues of liability and damages and limits the amount of noneconomic damages that may be awarded to \$500,000. It does not put a cap on pain and suffering damages if a person is disfigured, loses the use of a body part or sustains permanent damage or death and the defendant's actions were in reckless disregard of another or grossly negligent.

Sections 5, 6 and 9 of this act become effective October 1, 2011, and apply to causes of actions arising on or after that date. The remainder of this act becomes effective October 1, 2011, and applies to actions commenced on or after that date.

WORKERS' COMPENSATION



[Protect and Put NC Back to Work S.L. 2011-287](#)

S.L. 2011-287 makes significant revisions to the Workers' Compensation Act. It defines suitable employment pertaining to an employee's return to work. It also makes willful misrepresentations grounds for disqualification from receiving benefits. It provides that parties may reach separate contemporaneous agreement to resolve issues not covered by this act. It also clarifies the rights and responsibilities of employers and employees regarding medical examinations, treatment, and access to medical information.

It caps the duration of compensation for temporary total disability and extends from three hundred to five hundred the number of weeks an injured employee is eligible to receive compensation for partial incapacity. It increases the death benefit and burial expense allowance and reduces the Industrial Commission from seven to five members subject to legislative confirmation. It provides that commissioners and deputy commissioners are subject to the code of judicial standards.

It also repeals the commission's full exemption from the Administrative Procedures Act thereby subjecting the commission to rulemaking under Article 2A of Chapter 150B of the General Statutes Commission.

Notwithstanding G.S. 97-31.1, this act is effective when it becomes law.

ZONING, PLANNING & LAND USE

[Municipal Systems S.L. 2011-212](#)

S.L. 2011-212 broadens the authority of cities concerning water and wastewater treatment distribution systems. Specifically, it amends G.S. 160A-321 to provide that voter approval is not required for a city's sale, lease, or discontinuance of water treatment systems, water distribution systems, or wastewater collection and treatment systems. Although they are not required to do so, a city may choose to present the question to voters through a referendum according to G.S. 160A-321 (b).

This act becomes effective January 1, 2012.

[Clarify Development Moratoria Authority S.L. 2011-286](#)

S.L. 2011-286 amends G.S. 153A-340(h) and G.S. 160A-381(e) to clarify that a local government may not impose a moratorium on development approvals for the purpose of developing and adopting new or amended plans or ordinances as to residential uses.

This act is effective when it becomes law.

[Attorneys' Fees/City or County Action Outside Authority S.L. 2011-299](#)

S.L. 2011-299 enacts G.S. 6-21.6 to provide that in an action in which a city or county is a party the court may award reasonable attorneys' fees if the court finds that the city or county acted outside the scope of its legal authority.

This act becomes effective October 1, 2011 and applies to claims for relief which are brought or defended on or after that date.

[Farms Exempt from City Annexation & ETJ S.L. 2011-363](#)

S.L. 2011-363 clarifies the definition of bona fide farm purposes in G.S. 153A-340(b)(2) and enacts G.S. 160A-36 to prohibit the involuntary municipal annexation of property for bona fide farm purposes. It also exempts property used for bona fide farm purposes from the extraterritorial planning and zoning jurisdictions of municipalities and exempts property used for bona fide farming purposes from municipal zoning.

This act is effective when it becomes law.

[Contributing Structures S.L. 2011-367](#)

S.L. 2011-367 adds G.S. 160A-400.15 to Article 19 of G.S. Chapter 160A authorizing any municipality to apply demolition by neglect ordinances to contributing structures located outside local historic districts. This section applies to any municipality with a population in excess of 100,000 provided such municipality: (1) has designated portions of the central business district and its adjacent historic district as an Urban Progress Zone as defined in G.S. 143B-437.09; and (2) is recognized by the State Historic Preservation Office and the U.S. Department of the Interior as a Certified Local Government in accordance with the National Historic Preservation Act of 1966.

This act is effective when it becomes law.

[Zoning Statute of Limitations/Agricultural District Change S.L. 2011-384](#)

S.L. 2011-384 changes the statute of limitations and repose for challenging zoning ordinances. It also prohibits specified zoning ordinances affecting single-family detached residential uses on lots greater than ten acres in agricultural zoning districts.

This act becomes effective July 1, 2011.