

GENERAL ASSEMBLY OF NORTH CAROLINA
1997 SESSION

SESSION LAW 1997-483
SENATE BILL 32

AN ACT TO AUTHORIZE STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION, TO CREATE VARIOUS COMMISSIONS, TO CONTINUE A COUNCIL, TO DIRECT STATE AGENCIES AND LEGISLATIVE OVERSIGHT COMMITTEES AND COMMISSIONS TO STUDY SPECIFIED ISSUES, AND TO IMPOSE A MORATORIUM ON SERVICE CORPORATION CONVERSIONS.

The General Assembly of North Carolina enacts:

PART I.-----TITLE

Section 1. This act shall be known as "The Studies Act of 1997".

PART II.-----LEGISLATIVE RESEARCH COMMISSION

Section 2.1. The Legislative Research Commission may study the topics listed below. When applicable, the bill or resolution that originally proposed the issue or study and the name of the sponsor is listed. Unless otherwise specified, the listed bill or resolution refers to the measure introduced in the 1997 Regular Session of the 1997 General Assembly. The Commission may consider the original bill or resolution in determining the nature, scope, and aspects of the study.

- (1) Bingo regulation (Weinstein; H.B. 951 - Baker).
- (2) Building code issues (S.B. 820 - Shaw of Cumberland; H.B. 47 - Davis); State construction (Ives); Downtown revitalization (H.B. 50 - Davis, S. B. 823 - Shaw of Cumberland); Housing Trust Fund allocations to downtown areas.
- (3) Coastal beach movement issues including, but not limited to:
 - a. Beach renourishment; the value cost, level of need, return on investment, and eligible participants.
 - b. Storm hazard mitigation (S.B. 432 - Odom and Horton).
- (4) Dispute Resolution Commission revision and expansion of authority (S.B. 1021 - Rand).
- (5) Domestic Violence (S.B. 753 - Lucas; H.B. 909 - Bowie).
- (6) Financial institutions including, but not limited to:
 - a. Branch banking law in North Carolina (S.B. 901 - Warren).
 - b. Consumer finance industry issues (S.B. 777 - Lee; H.B. 356 - Tallent).

- c. Robbery witness protection (S.B. 384 - Dalton).
 - d. Allowing mortgage bankers to make loans and charge related fees (H.B. 1125 - Miner)
- (7) Future of the courts (Ballance; H.B. 1192 - Daughtry, Neely, and Baddour).
 - (8) Guardian Ad Litem Program (S.J.R. 24 - Ballance; H.J.R. 107 - Hiatt).
 - (9) Health care information privacy issues (S.B. 1005 - Gulley; H.B. 925 - Reynolds).
 - (10) Lien issues including, but not limited to:
 - a. Laws related to liens due medical providers for medical services provided and to the assignment of proceeds (S.B. 156 - Hartsell; H.B. 199 - Culpepper).
 - b. Allowing statutory liens for fees owed to commercial real estate brokers (S.B. 923 - Odom).
 - (11) Lobbying and conflict issues including, but not limited to:
 - a. Lobbyists waiting period for former legislators, former members of the Council of State, or other officers or employees of State government (S.B. 3 - Jenkins).
 - b. No State agency contract lobbying (Section 7.17, 5th Edition of S.B. 352).
 - c. No State funds for lobbying (Section 11.73, 5th Edition of S.B. 352).
 - d. Governor's Highway Safety Program is not to hire paid lobbyists (Section 29.29, 5th Edition of S.B. 352).
 - e. Conflicts of interest; issues for public officials (H.B. 1165 - Bowie)
 - (12) Municipalities annexation and incorporation issues including, but not limited to:
 - a. Incorporation process and requirements for new municipalities (S.J.R. 61 - Hartsell; H.B. 93 - Ellis; H.J.R. 163 - Cole).
 - b. Annexation, incorporation, and land-use planning (S.B. 903 - Hartsell).
 - (13) Coastal insurance issues (H.B. 452 - Redwine; H.B. 1119 - McComas).
 - (14) Division of 30th District Court District and 30th Prosecutorial District (Section 15.11A, 5th edition, S.B. 352 - Carpenter)
 - (15) Cemetery Commission and Cemetery regulation (H.B. 98 - Hill)
 - (16) Consumer Protection (H.J.R. 25 - Thompson; S.J.R. 28 - Jordon)
 - (17) Cooperative Extension Service (H.B. 1018 - Smith)
 - (18) Health care issues (H.B. 1207 - Bowie; H.B. 1204- Brawley; H.B. 985 - Insko)
 - (19) Rail service to State Ports (H.B. 257 - McComas)
 - (20) DHR Schools (H.B. 1002 - Arnold)

- (21) Watercraft safety (H.B. 513 - Preston)
- (22) Storm hazard mitigation (H.B. 572 - Mitchell; S.B. 432 - Odom) and wastewater systems permits (H.B. 1021 - Hardy)
- (23) Community colleges (Rayfield; Shubert)
- (24) Information technology (H.B. 290, 925, 970, 973, 1034, 1047)
- (25) Victims rights (H.B. 665 - Eddins)
- (26) Dental hygienist regulation, supervision, and scope of practice (Gardner)
- (27) National Guard buy-in to State Health Plan (S.B. 434 - Forrester)
- (28) Small business development (H.B. 1177 - Shubert)
- (29) Venture Capital and business financing (S.B. 956 - Hoyle and Kerr)
- (30) Adoption registry (H.B. 1206 - Allred)

Section 2.2. Administration of Rabies Vaccine (Kerr; Morgan). The Legislative Research Commission may study issues related to the administration of the rabies vaccine to dogs, including whether owners of dogs who are not veterinarians or certified rabies vaccinators should be authorized to administer vaccines to their own dogs and, if so, pursuant to what statutory or administrative guidelines, conditions, and authority.

Section 2.3. Competition to Improve State Government Services. The Legislative Research Commission may study methods and initiatives to cause the use of competition to improve the delivery of State government services, to make State government more effective and efficient, and to reduce the costs of government to taxpayers.

Section 2.4. Dedicated Sources of Revenue (Rand). The Legislative Research Commission may study the use of dedicated funding including the establishment of dedicated sources of revenue for the North Carolina Housing Trust Fund and other sources of low-income housing, Legal Services of North Carolina, and professional firefighter retirement benefits including the appropriate length of service required to receive such benefits.

Section 2.5. Garnishment of Wages (S.B. 740 - Rand). The Legislative Research Commission may study issues relating to garnishment of wages to satisfy debts for which garnishment is not currently an option including the impact general wage garnishment would have on employers, employees, personal bankruptcies, credit, and the judicial system, and the extent to which out-of-state creditors would seek wage garnishment. The Commission may consider appointing to the committee a representative from each of the following groups: (i) employers; (ii) employees; (iii) clerks of court; (iv) creditors; and (v) a business-related section of the North Carolina Bar Association.

Section 2.6. State and Local Government Fiscal Reform and Intergovernmental Relations (Perdue). The Legislative Research Commission may study emerging issues in fiscal reform and intergovernmental relations including the fiscal relationship between the State and its local governments by examining State revenue sources and the allocation of responsibility among the State and its local

governments for financing and performing government services. The Commission may study and examine the following:

- (1) Issues related to urban development, including comprehensive land-use planning, annexation and incorporation of new municipalities, and the development of municipalities in an environmentally sound manner.
- (2) Whether State and local responsibilities for providing government services should be reallocated, including an evaluation of the current means of delivering education and health care services to the citizens of the State and the desirability and feasibility of developing new methods for providing citizens in the rural as well as the urban areas of the State with a quality, competitive education and comprehensive, state-of-the-art health care.
- (3) Whether the State should provide local governments with additional revenue options.
- (4) The most efficient and effective means for financing local government tax sharing and tax reimbursements and for providing local government services.
- (5) Whether taxes should be earmarked for specific purposes.
- (6) The desirability of developing a long-term, structured, strategic planning process that will focus on the economic development needs and goals of the rural and urban local governments located across the State.
- (7) Whether certain State services and programs should be privatized and, if so, the proper criteria for determining which services and programs should be privatized and in what manner.
- (8) Any other issues related to the desirability of reorganizing, restructuring, and downsizing State government.
- (9) The extent to which State policy on the financing of water supply and sewage infrastructure through grant and loan programs promotes orderly development that optimizes the expenditure of these State revenues.
- (10) The extent to which local governments have employed long-range planning to guide and encourage cost-efficient development patterns.
- (11) The extent to which local governments have utilized subdivision regulation, zoning ordinances, and other statutory powers to promote orderly development.
- (12) The feasibility of using positive State incentives to encourage greater utilization of land-use management by local governments.
- (13) The impact land transfer taxes and impact fees have had on development and on the financing of infrastructure to sustain rational growth.

- (14) The desirability of the legislature authorizing counties to enact certain optional local taxes and fees, such as land transfer taxes and impact fees, to fund capital needs.
- (15) The extent to which environmental regulatory programs administered by State agencies might be delegated in whole or in part to local governments.

Section 2.7. Pharmacy Practice Act Revision (S.B. 1039 - Perdue; Rand; Crawford). The Legislative Research Commission may study revising and updating the Pharmacy Practice Act including the following: (i) whether a pharmacist should be allowed to monitor drug therapy under specific guidelines established by a physician; (ii) designing a process for the electronic transmission of prescriptions between doctors and pharmacists; and establishing procedures for the distribution of prescriptions during an emergency or natural disaster; and (iv) prescription drug competition (S.B. 866 - Rand; H.B. 996 - Crawford). The Commission may consider appointing to the Committee a representative from each of the following groups: (i) the North Carolina Medical Association; (ii) the North Carolina Hospital Association; (iii) the North Carolina Pharmacy Association; (iv) the North Carolina Health Care Facilities Association; and (v) the North Carolina HMO Association.

Section 2.8. Public Transit (Gulley). The Legislative Research Commission may study public transit in the State including the following: (i) review and validate present and future public transit funding needs; (ii) evaluate the economic impact of public transit on the State and its various regions; (iii) evaluate the appropriate roles of local, regional, State, and federal governments in funding public transit; and (iv) short- and long-range funding solutions.

Section 2.9. Relationship of the Open Meetings Law and the Public Records Law to Institutions of The University of North Carolina (Lee; H.B. 898 - Daughtry). The Legislative Research Commission may study the relationship of the Open Meetings Law, as set forth in Article 33C of Chapter 143 of the General Statutes, and the Public Records Law, as set forth in Chapter 132 of the General Statutes, to The University of North Carolina and its constituent institutions. The study shall include at least the following:

- (1) Whether to exclude from the definition of public records, attorney work product, certain donor and alumni records, and drafts of certain documents;
- (2) Whether to include faculty as professional staff under the Open Meetings Law; and
- (3) Other ways to assist the University system to best serve its educational purposes within the public purposes of the Open Meetings Law and the Public Records Law.

Section 2.10. Substance Abuse Aftercare (Martin of Guilford). The Legislative Research Commission may study substance abuse aftercare. The study may include the following:

- (1) The underlying issues relative to substance abuse, such as the economic, social, psychological, and cultural reasons for obstacles to success in remaining drug free;
- (2) Approaches to overcoming those obstacles to success;
- (3) Better processes and methods for aftercare, rehabilitation, and readjustment to societal norms and expectations; and
- (4) Review of programs that have proven to be successful over the long-term in working with recovering addicts in nonclinical settings.

Section 2.11. Committee Membership. For each Legislative Research Commission committee created during the 1997-98 biennium, the cochairs of the Legislative Research Commission shall appoint the committee membership.

Section 2.12. Reporting Date. For each of the topics the Legislative Research Commission decides to study under this Part or pursuant to G.S. 120-30.17(1), the Commission may report its findings, together with any recommended legislation, to the 1997 General Assembly, 1998 Regular Session, or the 1999 General Assembly.

Section 2.13. Funding. From the funds available to the General Assembly, the Legislative Services Commission may allocate additional monies to fund the work of the Legislative Research Commission.

PART III.-----LEGISLATIVE STUDY COMMISSION ON CHILDREN AND YOUTH MEMBERSHIP CHANGE (Rand; Gardner)

Section 3.1. Effective August 13, 1997, G.S. 120-210(a), as is found in Section 11 of S.L. 1997-390, reads as rewritten:

"(a) The Commission shall consist of ~~23~~ 25 members, as follows:

- (1) ~~Ten~~ Eleven members appointed by the Speaker of the House of Representatives, as follows: ~~among them:~~
 - a. Four shall be members of the House of Representatives at the time of their appointment,
 - b. One shall be the director of a local health department,
 - c. One shall be the director of a county department of social services,
 - d. One shall be a representative of the general public who has knowledge of issues relating to children and youth,
 - e. One shall be a licensed physician who is knowledgeable about the health needs of children and youth, and
 - f. One shall be a chief district court judge recommended by the Council of Chief District Judges.
 - g. One shall be a representative from the Covenant with North Carolina Children.
- (2) ~~Ten~~ Eleven members appointed by the President Pro Tempore of the Senate, as follows:
 - a. Four shall be members of the Senate at the time of their appointment,

- b. One shall be the director of a mental health area authority,
 - c. One shall be a representative of the Association of County Commissioners,
 - d. One shall be a representative of the general public who has knowledge of issues relating to children and youth,
 - e. One shall be a licensed attorney whose practice includes the representation of parents accused of criminal or civil abuse or neglect, and
 - f. One shall be a chief district court judge recommended by the Council of Chief District Judges.
 - g. One shall be a representative from the North Carolina Child Advocacy Institute.
 - h. One shall be a representative from the North Carolina Child Fatality Task Force.
- (3) The following shall serve ex officio as nonvoting members of the Commission:
- a. The Secretary of Human Resources, or the Secretary's designee,
 - b. The State Superintendent of Public Instruction, or the Superintendent's designee, ~~and~~
 - c. The Secretary of Administration, or the Secretary's ~~designee.~~ designee, and
 - d. The Director of the Administrative Office of the Courts, or the Director's designee."

PART IV.-----JOINT LEGISLATIVE CORRECTIONS OVERSIGHT COMMITTEE TO STUDY CORRECTION ENTERPRISES SIGN SHOP (S.B. 860 - Lee)

Section 4.1. The Joint Legislative Corrections Oversight Committee shall study the operation of Correction Enterprises industries, including the sign shop and furniture and upholstery plants, with a review of, among other issues, the (i) pricing structure in relation to private companies and (ii) job placement opportunities for prison apprentices upon release.

Section 4.2. The Committee may file an interim report with the 1997 General Assembly, 1998 Regular Session, and shall file a final report with the 1999 General Assembly upon its convening. The reports shall be filed no later than the dates on which those sessions respectively convene.

PART V.-----GOVERNOR'S CRIME COMMISSION TO STUDY DOMESTIC VIOLENCE CRIME CATEGORIES (Rand; Bowie; Morris)

Section 5.1. The Governor's Crime Commission of the Department of Crime Control and Public Safety shall coordinate a study of the incidence of domestic violence and identify the felonies and misdemeanors that may be categorized as domestic violence. The study shall include participation by the North Carolina Conference of District Attorneys and the seven prosecutorial districts that are currently receiving funds

from the Violence Against Women Act, administered through the Governor's Crime Commission. The study shall also include participation of other prosecutorial districts which volunteer their participation in providing necessary information. The Commission shall recommend a statutory definition of domestic violence crimes that will be sufficiently clear so that it can be used by law enforcement officers and prosecutors to determine eligibility of victims of these crimes for victims' assistance services. The Commission shall also recommend whether any crimes that are currently misdemeanors should be reclassified as felonies when committed as crimes of domestic violence. The Commission shall forward its recommendations to the North Carolina Sentencing and Policy Advisory Commission. The Sentencing and Policy Advisory Commission shall analyze the recommendations for impact on the length of time for which persons are incarcerated and the number of persons incarcerated. The Commission shall report the findings of its study and its recommendations, including the analyses from the Sentencing and Policy Advisory Commission, to the 1997 General Assembly, 1998 Regular Session, on or before its convening date.

Section 5.2. The Governor's Crime Commission shall conduct this study within available funds.

PART VI.-----EDUCATION OVERSIGHT STUDIES

Section 6.1. The Joint Legislative Education Oversight Committee may study the following matters:

- (1) The issue of the gap in student academic achievement between racial and socioeconomic groups (S.B. 640 - Rucho). To assist the Education Oversight Committee in this study, the Committee's cochairs may appoint an advisory subcommittee on this matter. The subcommittee shall consist of equal numbers of members appointed by the Senate cochair and the House cochair. Either cochair may appoint to the subcommittee members, including public members who are not also members of the Committee. Members of the subcommittee who are not members of the Committee may participate fully in all subcommittee business, including all deliberations and votes; however, these members are not members of the Committee for any other purpose. The subcommittee members shall receive no salary for serving. All subcommittee members shall receive necessary subsistence and travel expenses in accordance with the provisions of G.S. 120-3.1, 138-5, and 138-6 as applicable. In particular, the Committee may examine:
 - a. Whether student assignment plans increase, decrease, or have no effect on the academic achievement gap.
 - b. The effect of increased parental and community involvement on the academic achievement gap.
 - c. The relationship, if any, between the distribution of resources and student achievement.

- d. Mechanisms to distribute personnel and financial resources to provide a quality educational opportunity for all students.
 - e. The relationship, if any, between student achievement and factors such as teacher turnover, teacher attendance, and teacher assignment outside the teacher's area of certification.
 - f. The extent to which preservice and continued professional development for educational personnel should be modified in order to address the needs of students who are not making adequate academic progress.
 - g. The extent to which curriculum content and delivery should be modified in order to address the needs of students who are not making adequate academic progress.
 - h. The relationship between kindergarten readiness and subsequent academic success.
 - i. Proven and proposed mechanisms for decreasing the academic achievement gap.
- (1a) Pupil assignment options (H.B. 707 - Gulley)
 - (2) The issue of developing a child welfare training institute in the university and community college system (Perdue).
 - (3) The issues of recruiting, training, and retaining qualified child welfare staff (Perdue).
 - (4) Adding additional paid days when considering teachers' salaries (H.B. 1026 - Arnold).
 - (5) Noninstructional duties of teachers. The study may include, but not be limited to, noninstructional duties during the workday, noninstructional duties outside of the workday, pay for noninstructional duties, and the relationship between athletic duties and other duties such as club advisors' pay and equitable pay. (H.B. 1182 - Moore).
 - (6) The role of the student member of the Board of Governors of The University of North Carolina and real and perceived conflicts of interests by members of the Board of Governors (S.B. 1058 - Kinnaird).
 - (7) Salary schedules for noncertified public school employees. In the course of the study, the Committee may consider the current salary schedules and salary ranges for noncertified public school employees, the need for minimum salary schedules for noncertified public school employees, and the cost of implementing minimum salary schedules. In its review of salary schedules, the Committee may consider years of experience and levels of training and education.
 - (8) The impact on small school systems of large losses of administration due to increases in charter school enrollment.
 - (9) Student discipline (H.B. 1072 - Cole).

Section 6.2. The Joint Legislative Education Oversight Committee may report its findings and recommendations on each of the studies authorized by this Part to the 1997 General Assembly, 1998 Regular Session, or the 1999 General Assembly. The reports may be filed no later than the dates on which those sessions respectively convene.

PART VII.-----LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS (Lee and Arnold)

Section 7.1. The Legislative Study Commission on Public Schools is established. The Commission shall consist of 16 members: eight Senators appointed by the President Pro Tempore of the Senate and eight Representatives appointed by the Speaker of the House of Representatives.

Vacancies shall be filled by the person who made the initial appointment.

Section 7.2. The Commission shall study issues relating to equity for public school systems, including, but not limited to, small school and low-wealth schools funding, equity funding systems of the UNC and community colleges and results of ABC and safe schools programs, personnel distribution, distribution of Teaching Fellows Scholarship recipients, uneven distribution of the children with special needs population, the need of further resources for English as a second language, university scholarship resources and needs for public school students, and funding and programs for the schools for the deaf.

Section 7.3. The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each designate a cochair of the Commission. The Commission shall meet upon the call of the cochairs. A quorum of the Commission is nine members. While in the discharge of its official duties, the Commission may exercise all the powers provided under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

Section 7.4. Members of the Commission shall receive subsistence and travel allowances in accordance with G.S. 120-3.1.

Section 7.5. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign appropriate professional staff from the Legislative Services Office of the General Assembly to assist with the study. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, upon the direction of the Legislative Services Commission. The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission.

Section 7.6. The Commission shall submit an interim report to the 1997 General Assembly, 1998 Regular Session, upon its convening. The Commission shall submit a final report to the General Assembly upon the convening of the 1999 General Assembly. The Commission shall terminate upon filing its final report.

Section 7.7. From appropriations to the General Assembly, the Legislative Services Commission may allocate funds for the expenses of the Legislative Study Commission on Public Schools Equity.

PART VIII.-----ENVIRONMENTAL REVIEW COMMISSION STUDIES

Section 8.1. The Environmental Review Commission may study the following matters:

- (1) The impact of air pollutant emissions from asphalt plants on public health and the environment (S.B. 1022 - Kinnaird and Foxx).
- (2) The remediation and reuse of brownfields property, as defined in G.S. 130A-310.31(b)(3), as enacted by the Brownfields Property Reuse Act of 1997, S.L. 1997-357. To assist the Environmental Review Commission in this study, the Commission's cochairs may appoint an advisory subcommittee on this matter. Members of the advisory subcommittee who are State employees shall receive per diem and necessary travel and subsistence expenses in accordance with G.S. 138-6. Members of the advisory subcommittee who are not State employees shall receive per diem and necessary travel and subsistence expenses in accordance with G.S. 138-5.
- (3) The administration of the emissions inspection and maintenance program for motor vehicles under G.S. 20-128.2 and Part 2 of Article 3A of Chapter 20 of the General Statutes and whether that program should be transferred from the Division of Motor Vehicles of the Department of Transportation to the Environmental Management Commission and the Division of Air Quality in the Department of Environment, Health, and Natural Resources (S.B. 845 - Odom; S.B. 671 - Albertson).
- (4) The transfer of surface waters between river basins in the State (S.B. 947 - Cochrane). As a part of this study, the Environmental Review Commission may consider whether, and on what basis, the total volume of water that may be transferred from any river basin should be limited and whether the Environmental Management Commission should be authorized to issue special orders to remedy violations of laws or rules regulating transfers.
- (5) The feasibility and desirability of establishing a voluntary education program designed to educate members of the public who maintain residential lawns or gardens concerning the impact nutrients and pesticides have on the environment of the State, the responsible use of nutrients and pesticides, and ways to reduce excessive inputs of nutrients and pesticides into the surface and groundwaters of the State (Albertson). In conjunction with this study, the Environmental Review Commission may study the feasibility and desirability of directing the North Carolina Cooperative Extension Service to develop and implement such a voluntary education program.
- (6) The preliminary evaluation of proposed sites for wastewater systems (S.B. 671 - Albertson). The study may address whether local health

departments should conduct preliminary evaluations of proposed sites for wastewater systems; how preliminary evaluations conducted by local health departments might be made more reliable; the extent to which an applicant may rely on a preliminary evaluation; and liability in instances where the State fails to issue an improvement permit for a site for which a local health department has concluded that the site is appropriate for construction of a wastewater system.

- (7) Evaluate all State-funded water quality studies conducted since 1992 (Kerr).

Section 8.2. Upon request, all State departments, agencies, commissions, and councils shall cooperate with the Commission on the studies authorized by this Part.

Section 8.3. The Environmental Review Commission may report its findings and recommendations on each of the studies authorized by this Part to the 1997 General Assembly, 1998 Regular Session, or the 1999 General Assembly.

PART IX.-----ENVIRONMENTAL MANAGEMENT COMMISSION AND DEHNR TO STUDY EMISSIONS INSPECTION AND MAINTENANCE (S.B. 845 - Odom; S.B. 671 - Albertson)

Section 9.1. The Environmental Management Commission and the Division of Air Quality of the Department of Environment, Health, and Natural Resources, with the assistance and cooperation of the Division of Motor Vehicles of the Department of Transportation, shall study whether the emissions inspection and maintenance program for motor vehicles administered under G.S. 20-128.2 and Part 2 of Article 3A of Chapter 20 of the General Statutes should be expanded to include all metropolitan counties. The study shall evaluate the costs and benefits of expanding the program, including the benefits resulting from a reduction in the likelihood that those counties will not meet the national ambient air quality standards for ozone and carbon monoxide in the future, thereby incurring the restrictions on industries, power plants, vehicles, and other activities that apply to nonattainment counties. Beginning 1 January 1998, the Environmental Management Commission shall report its findings, recommendations, and any legislative proposals regarding the matters to be evaluated pursuant to this section to the Environmental Review Commission as part of the quarterly report the Environmental Management Commission is required to make to the Environmental Review Commission by G.S. 143B-282(b).

Section 9.2. The Environmental Management Commission, the Division of Air Quality of the Department of Environment, Health, and Natural Resources, and the Division of Motor Vehicles of the Department of Transportation shall take appropriate steps to ensure that the current emissions inspection and maintenance program for motor vehicles administered under G.S. 20-128.2 and Part 2 of Article 3A of Chapter 20 of the General Statutes is effectively implemented and enforced. Beginning 1 October 1997, the Environmental Management Commission shall report its findings, recommendations, and any legislative proposals regarding the implementation and enforcement of the emissions inspection and maintenance program to the

Environmental Review Commission as part of the quarterly report the Environmental Management Commission is required to make to the Environmental Review Commission by G.S. 143B-282(b). The Division of Motor Vehicles shall report on its progress in meeting the requirements of this section to the Environmental Review Commission on a quarterly basis beginning 1 October 1997.

PART X.-----STUDY COMMISSION ON THE FUTURE OF ELECTRIC SERVICE IN NORTH CAROLINA REIMBURSEMENT OF EXPENSES (Rand; Dickson)

Section 10.1. Notwithstanding G.S. 62-302(d), all expenses during the 1997-98 and the 1998-99 fiscal years of the Study Commission on the Future of Electric Service in North Carolina, established in S.L. 1997-40, shall be reimbursed from funds in the Utilities Commission and Public Staff Fund. There is allocated initially one hundred thousand dollars (\$100,000) from the Utilities Commission and Public Staff Fund to the General Assembly for the purpose of enabling the Study Commission on the Future of Electric Service in North Carolina to organize and begin its work. Upon the certification of the need for additional funds by the cochairs of the Study Commission on the Future of Electric Service in North Carolina for the work of the Commission, the Utilities Commission shall transfer the additional funds from the Utilities Commission and Public Staff Fund to the General Assembly for that purpose.

PART XI.-----HOSPITAL, MEDICAL, AND DENTAL SERVICE CORPORATION CHARTER CONVERSION STUDY COMMISSION (S.B. 993 - Rand)

Section 11.1. (a) There is established the Hospital, Medical, and Dental Service Corporation Charter Conversion Study Commission. The Commission shall consist of 14 members appointed as follows:

- (1) Six members appointed by the Speaker of the House of Representatives, four of whom shall be members of the House of Representatives. Of the remaining two members:
 - a. One shall be a representative of Blue Cross Blue Shield of North Carolina, Incorporated; and
 - b. One shall be a representative of the hospital or medical community; and
- (2) Six members appointed by the President Pro Tempore of the Senate, four of whom shall be members of the Senate. Of the remaining two members:
 - a. One shall be a representative of the North Carolina Citizens for Business and Industry; and
 - b. One shall be a representative of a philanthropic organization, incorporated in North Carolina.
- (3) The following ex officio, nonvoting members:
 - a. The Attorney General, or the Attorney General's designee; and
 - b. The Insurance Commissioner, or the Commissioner's designee.

Vacancies shall be filled by the person making the initial appointment.

(b) The Commission shall conduct a study of all aspects of conversion of a hospital, medical, and dental service corporation to a mutual nonstock or stock accident and health insurance company or life insurance company subject to Articles 1 through 64 of Chapter 58 of the General Statutes. The study shall include, but is not limited to, the following:

- (1) The status, results, and public or private ownership interests, as may exist, in conversions by medical, hospital, and dental service corporations or similar entities in North Carolina and other states;
- (2) The direct and indirect effects of any change in the structure of the hospital, medical, and dental service corporations on State health programs, such as Medicaid, payment programs within the Department of Human Resources, and the North Carolina Teachers' and State Employees' Major Medical Plan;
- (3) The charitable trust obligations, if any, of nonprofit medical, hospital, and dental service corporations upon conversion and their obligations to their members and subscribers; and
- (4) Anti-inurement restrictions on officers and directors involved in conversions.

(c) The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each designate a cochair of the Commission. The Commission shall meet upon the call of the cochairs. A quorum of the Commission is nine members. While in the discharge of its official duties, the Commission has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1.

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

Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign appropriate professional staff of the General Assembly to assist the Commission. Clerical staff shall be assigned to the Commission through the Offices of the Supervisor of Clerks of the Senate and Supervisor of Clerks of the House of Representatives.

(d) The Commission shall make its final report to the 1997 General Assembly, 1998 Regular Session, upon its convening. The Commission shall terminate upon filing its final report.

Section 11.2. From appropriations to the General Assembly, the Legislative Services Commission may allocate funds for the expenses of the Hospital, Medical, and Dental Service Corporation Charter Conversion Study Commission under this Part.

PART XII.-----MORATORIUM ON CONVERSION OF HOSPITAL, MEDICAL, AND DENTAL SERVICE CORPORATION CHARTERS (Rand)

Section 12.1. Notwithstanding any other provision of law, no hospital, medical, and dental service corporation may convert to a mutual nonstock or stock accident and health insurance company or life insurance company prior to August 1, 1998. For the purposes of this section, "convert to a mutual nonstock or stock accident

and health insurance company or life insurance company"includes a restructuring that is determined by the Commissioner of Insurance to constitute the disposition of a substantial amount of the corporation's assets to an entity other than a nonprofit entity, except for the disposition of assets in the ordinary course of business.

PART XIII.-----INDUSTRIAL COMMISSION ADVISORY COUNCIL EXTENDED
(Kerr)

Section 13.1. Section 11.1 of Chapter 679 of the 1993 Session Laws (1994 Regular Session) reads as rewritten:

"Sec. 11.1. This act is effective upon ratification, except as follows:

(a) Sections 3.6, 4.1, and G.S. 97-79(d), as contained in Section 5.2, become effective October 1, 1994, and apply to claims pending on or filed after that date.

(b) G.S. 97-26(b) and G.S. 97-26(f), as enacted in Section 2.3, become effective October 1, 1994. G.S. 97-26(a), as enacted in Section 2.3, is effective upon ratification but the provisions of the third paragraph of said subsection shall not apply to the fee schedule in effect as of the date of ratification of this act.

(c) Sections 7.1, 7.2, and 8.1 become effective October 1, 1994, and apply to violations occurring on or after that date.

(d) Sections 2.1, 2.2, 2.4, 3.7, and 5.5 become effective September 1, 1994, and apply to claims pending on or filed after that date.

(e) Section 6.1 and G.S. 97-79(f), as contained in Section 5.2, become effective July 1, 1994.

(f) Sections 3.2, 3.3, 3.4, 3.5, subsections (b), (c), (d), (f), and (g), and the catch line of G.S. 97-18, as contained in Section 3.1, and Section 10.9 become effective January 1, 1995, and apply to claims pending on or filed after that date.

(g) Section 2.5 is effective upon ratification and applies to injuries by accident occurring on or after that date.

(h) Section 2.6 is effective upon ratification and applies to claims pending on or filed after the date of ratification.

(i) Section 8.5 becomes effective September 1, 1994.

Section 5.1 expires ~~July 1, 1997.~~ July 1, 2001."

PART XIV.-----REVENUE LAWS STUDY COMMITTEE (S.B. 35 - Kerr; Cansler)

Section 14.1. Chapter 120 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 12L.

"Revenue Laws Study Committee.

"§ 120-70.105. Creation and membership of the Revenue Laws Study Committee.

The Revenue Laws Study Committee is established. The Committee consists of 16 members as follows:

- (1) Eight members appointed by the President Pro Tempore of the Senate; the persons appointed may be members of the Senate or public members.

- (2) Eight members appointed by the Speaker of the House of Representatives; the persons appointed may be members of the House of Representatives or public members.

Terms on the Committee are for two years and begin on January 15 of each odd-numbered year, except the terms of the initial members, which begin on appointment. Legislative members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A member continues to serve until his successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

"§ 120-70.106. Purpose and powers of Committee.

- (a) The Revenue Laws Study Committee may:
 - (1) Study the revenue laws of North Carolina and the administration of those laws.
 - (2) Review the State's revenue laws to determine which laws need clarification, technical amendment, repeal, or other change to make the laws concise, intelligible, easy to administer, and equitable.
 - (3) Call upon the Department of Revenue to cooperate with it in the study of the revenue laws.
 - (4) Report to the General Assembly at the beginning of each regular session concerning its determinations of needed changes in the State's revenue laws.

These powers, which are enumerated by way of illustration, shall be liberally construed to provide for the maximum review by the Committee of all revenue law matters in this State.

(b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee. When a recommendation of the Committee, if enacted, would result in an increase or decrease in State revenues, the report of the Committee must include an estimate of the amount of the increase or decrease.

"§ 120-70.107. Organization of Committee.

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Revenue Laws Study Committee. The Committee shall meet upon the joint call of the cochairs.

(b) A quorum of the Committee is nine members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

(c) The Committee shall be funded by the Legislative Services Commission from appropriations made to the General Assembly for that purpose. Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1 and

G.S. 138-5. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee."

Section 14.2. The Revenue Laws Study Committee shall study the following matters:

- (1) The structure of the franchise tax and the feasibility of removing its inventory component;
- (2) Income tax deductions for health insurance costs of self-employed individuals (S.B. 971 - Reeves);
- (3) Whether tax credits and other forms of economic development incentives achieve the desired effects and reflect the State's priorities;
- (4) Property tax issues including the assessment and collection of ad valorem taxes under the Machinery Act (H.B. 514 - McMahan; S.B. 365 - Rucho); and
- (5) Effectiveness of long-term care tax credit (H.B. 74 - Cansler).

Section 14.3. From appropriations to the General Assembly, the Legislative Services Commission may allocate funds for the expenses of the Revenue Laws Study Committee under this Part.

PART XV.-----JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE STUDIES

Section 15.1. The Joint Legislative Transportation Oversight Committee may study the following issues:

- (1) Truck width and length, including the effect on highway safety and traffic engineering (H.B. 1242 - Transportation Committee). The Committee may consider all potential effects of allowing industry standard tractor/single trailer combinations of up to 68 feet in total length on additional highways of the State.
- (2) Ways to improve the safety of the operation of trucks in North Carolina and to increase the safety of tires on all motor vehicles (H.B. 1242 - Transportation Committee). The study shall include the following:
 - a. Truck inspection violations, including operation of a truck without a required inspection sticker;
 - b. Increased penalties for brake safety violations, including strengthening penalties for second or subsequent offenses;
 - c. The need for additional inspectors to follow up on truck safety violations;

- d. Measures necessary to ensure that trucks and other vehicles are equipped with tires that are safe for the operation of the motor vehicle and that do not expose the public to needless hazard;
 - e. The potential benefit of a commercial graduated drivers license to ensure that a person would have both instruction and experience before obtaining a commercial drivers license;
 - f. Effective enforcement of existing highway safety laws regarding speeding in highway work zones and properly securing loads of gravel, rock, or similar substances on trucks, trailers, or other vehicles;
 - g. The use and potential effectiveness of water and physical element deflectors in reducing truck accidents; and
 - h. The methods of removing unsafe vehicles from the public roads, including authorizing law enforcement officers to order that a vehicle be towed from the highway if the officer determines that the continued operation of the vehicle would constitute a hazard to the motoring public.
- (3) Encouraging the growth of the trucking industry in North Carolina through increased truck registrations (S.B. 886 - Jordan; H.B. 1096 - Hiatt). The study may include:
- a. The feasibility of removing the highway use tax on vehicles with a gross weight rating of more than 26,000 pounds;
 - b. The replacement of the revenue from the removal of the highway use tax studied in sub-subdivision a. of this subdivision by an increase in registration fees for the same vehicles by ten cents (10¢) per 100 pounds of registered weight; and
 - c. Eliminate the stacking of overweight penalties by restricting the penalties so that they do not exceed the highest axle-group weight that exceeds the allowable limits rather than assessing separate penalties for each axle-group and stacking those penalties for the same weight violations.
- (4) Unpaved secondary roads in North Carolina (S.B. 431 - Odom). The Committee may study the history, the current paving and maintenance programs, and any plans for the future paving and maintenance of secondary roads on the State secondary road system and those not currently on the State system or provided for in existing statutory or administrative programs.
- (5) Vehicle safety inspections (H.B. 9 - Carpenter)
- (6) Motorcycle helmets (Baker)

Section 15.2. The Joint Legislative Transportation Oversight Committee may report on these studies to the 1997 General Assembly, 1998 Regular Session, upon its convening, or to the 1999 General Assembly, upon its convening.

PART XVI.-----BILL AND RESOLUTIONS REFERENCES

Section 16.1. The listing of the original bill or resolution in this act is for reference purposes only and shall not be deemed to have incorporated by reference any of the substantive provisions contained in the original bill or resolution.

PART XVII.-----EFFECTIVE DATE AND APPLICABILITY

Section 17.1. Except as otherwise specifically provided, this act becomes effective July 1, 1997. If a study is authorized both in this act and the Current Operations Appropriations Act of 1997, the study shall be implemented in accordance with the Current Operations Appropriations Act of 1997 as ratified.

In the General Assembly read three times and ratified this the 28th day of August, 1997.

s/ Marc Basnight
President Pro Tempore of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 11:00 a.m. this 10th day of September, 1997