

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 1072  
Committee Substitute Favorable 6/4/20

Short Title: GSC Technical Corrections 2020.

(Public)

Sponsors:

Referred to:

May 14, 2020

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE GENERAL STATUTES AND  
SESSION LAWS AND TO PROVIDE THAT THE REGISTER OF DEEDS DOES NOT  
NEED TO VERIFY THE CAPACITY OR AUTHORITY OF THE PERSON LISTED AS  
THE DRAFTER OF A DEED OR DEED OF TRUST, AS RECOMMENDED BY THE  
GENERAL STATUTES COMMISSION.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 28A-2-6(h) reads as rewritten:

"(h) Notice of Transfer. – A notice to transfer an estate proceeding brought pursuant to G.S. 28A-2-4(a)(4) must be served within 30 days after the moving party is served with a copy of the pleading requesting relief pursuant to G.S. 28A-2-4(a)(4), or in the case of the clerk of superior court, prior to or at the first hearing duly noticed in ~~such the~~ estate proceeding and prior to the presentation of evidence by the parties, including a hearing at which an order of continuance is entered. Failure to timely serve a notice of transfer of ~~a trust an estate~~ proceeding is a waiver of any objection to the clerk of superior court's exercise of jurisdiction over the ~~trust~~ estate proceeding then pending before the clerk. When a notice of transfer is duly served and filed, the clerk shall transfer the proceeding to the appropriate court. The proceeding after the transfer is subject to the provisions of the General Statutes and to the rules that apply to actions initially filed in the court to which the proceeding was transferred."

**SECTION 2.** G.S. 36C-8B-13(b) reads as rewritten:

"(b) A special-needs fiduciary may exercise the decanting power provided in G.S. 36C-8B-11 over the principal of a first trust as if the fiduciary had authority to distribute principal to a beneficiary with a disability ~~subject to expanded distributive discretion~~ if both of the following conditions are satisfied:

- (1) A second trust is a special-needs trust that benefits the beneficiary with a disability.
- (2) The special-needs fiduciary determines that exercise of the decanting power will further the purposes of the first trust."

**SECTION 3.(a)** The heading of Article 49 of Chapter 58 of the General Statutes reads as rewritten:

"Article 49.

"Determination of Jurisdiction Over Health Care ~~Benefits; Regulation of Multiple Employer Welfare Arrangements; Benefits."~~

**SECTION 3.(b)** G.S. 58-50-40(a)(1) reads as rewritten:

"(1) "Group health insurance" means any policy described in G.S. 58-51-75, 58-51-80, or 58-51-90; any group insurance certificate or group subscriber



1 contract issued by a service corporation pursuant to Articles 65 and 66 of this  
2 Chapter; any health care plan provided or arranged by a health maintenance  
3 organization pursuant to Article 67 of this Chapter; or any multiple employer  
4 welfare arrangement as defined in ~~G.S. 58-50A-60(a)~~  
5 ~~[58-50A-1]~~.G.S. 58-50A-1."

6 **SECTION 3.(c)** G.S. 58-50-61(a)(10) reads as rewritten:

7 "(10) "Insurer" means an entity that writes a health benefit plan and that is an  
8 insurance company subject to this Chapter, a service corporation under Article  
9 65 of this Chapter, a health maintenance organization under Article 67 of this  
10 Chapter, or a multiple employer welfare arrangement under ~~Article 49~~ Article  
11 50A of this Chapter."

12 **SECTION 3.(d)** G.S. 58-50-115(c) reads as rewritten:

13 "(c) A health benefit plan is not subject to this Act if it provides health benefits for  
14 employers who are employer members of a Path 2 MEWA pursuant ~~to~~ to Article 50A of this  
15 Chapter through a policy issued to the Path 2 MEWA."

16 **SECTION 3.(e)** G.S. 58-50A-60 reads as rewritten:

17 **"§ 58-50A-60. Multiple employer welfare arrangements; definition; administrators.**

18 (a) Repealed by Session Laws 2019-202, s. 3(a), effective October 1, 2019, and  
19 applicable to contracts entered into, amended, or renewed on or after January 1, 2020.

20 (b) Each insurer licensed to do business in this State that administers a MEWA shall, at  
21 the request of the Commissioner, provide the Commissioner with such information regarding the  
22 insurer's administrative services contract or contracts with such MEWA or MEWAs that the  
23 Commissioner requires. No unlicensed insurer shall administer any MEWA."

24 **SECTION 3.(f)** G.S. 58-51-55(d) reads as rewritten:

25 "(d) Applicability. – This section applies only to group health insurance contracts, other  
26 than excepted benefits as defined in G.S. 58-68-25. For purposes of this section, "group health  
27 insurance contracts" include MEWAs, as defined in ~~G.S. 58-50A-60(a)~~  
28 ~~[G.S. 58-50A-1]~~.G.S. 58-50A-1."

29 **SECTION 3.(g)** G.S. 58-65-90(d) reads as rewritten:

30 "(d) Applicability. – This section applies only to group health insurance contracts, other  
31 than excepted benefits as defined in G.S. 58-68-25. For purposes of this section, "group health  
32 insurance contracts" include MEWAs, as defined in ~~G.S. 58-50A-60(a)~~  
33 ~~[G.S. 58-50A-1]~~.G.S. 58-50A-1."

34 **SECTION 3.(h)** G.S. 58-67-75(d) reads as rewritten:

35 "(d) Applicability. – This section applies only to group contracts, other than excepted  
36 benefits as defined in G.S. 58-68-25. For purposes of this section, "group health insurance  
37 contracts" include MEWAs, as defined in ~~G.S. 58-50A-60(a)~~ ~~[G.S. 58-50A-1]~~.G.S. 58-50A-1."

38 **SECTION 4.** G.S. 75A-5 reads as rewritten:

39 **"§ 75A-5. Application for certificate of number; fees; reciprocity; change of ownership;  
40 conformity with federal regulations; records; award of certificates; renewal of  
41 certificates; transfer of partial interest; destroyed or junked vessels;  
42 abandonment; change of address; duplicate certificates; display.**

43 (a) Application for Certificate of Number. – The owner of each vessel requiring  
44 numbering by this State shall file an application for a certificate of number with the Commission.  
45 The Commission shall furnish application forms and shall prescribe the information contained in  
46 the application form. The application shall be signed by the owner of the vessel or the owner's  
47 agent and shall be accompanied by a fee, as set out in subsection (a1) of this section. The fee  
48 does not apply to vessels owned and operated by nonprofit rescue squads if they are operated  
49 exclusively for rescue purposes, including rescue training. The owner shall have the option of  
50 selecting a one-year numbering period or a three-year numbering period. Upon receipt of the  
51 application in approved form, the Commission shall enter the application in its records and issue

1 the owner a certificate of number stating the identification number awarded to the vessel and the  
2 name and address of the owner, and a validation decal indicating the expiration date of the  
3 certificate of number. The owner shall paint on or attach to each side of the bow of the vessel the  
4 identification number and validation decals in such manner as may be prescribed by rules of the  
5 Commission in order that it may be clearly visible. The identification number shall be maintained  
6 in legible condition. The certificate of number shall be pocket size and shall be available for  
7 inspection on the vessel for which the certificate is issued at all times the vessel is in operation.  
8 Any person charged with failing to so carry a certificate of number shall not be convicted if the  
9 person produces in court a certificate of number previously issued to the owner that was valid at  
10 the time of the alleged violation.

11 (a1) Fees. – The fees for certificates of number are as set out in this subsection:

12 (1) The fee for a certificate of number for a one-year period is:

13 a. Thirty dollars (\$30.00) for a vessel that is less than 26 feet in length.

14 b. Fifty dollars (\$50.00) for a vessel that is 26 feet or more in length.

15 (2) The fee for a certificate of number for a three-year period is:

16 a. Ninety dollars (\$90.00) for a vessel that is less than 26 feet in length.

17 b. One hundred fifty dollars (\$150.00) for a vessel that is 26 feet or more  
18 in length.

19 ...

20 (c) Change of Ownership. – Should the ownership of a vessel change, a new application  
21 form with a fee in the amount set in ~~subsection (a)~~ subsection (a1) of this section shall be filed  
22 with the Commission and a new certificate bearing the same identification number shall be  
23 awarded to the new owner in the same manner as an original certificate of number. Possession  
24 of the certificate shall in cases involving prosecution for violation of any provision of this Chapter  
25 be prima facie evidence that the person whose name appears on the certificate is the owner of the  
26 vessel referred to on the certificate.

27 ...

28 (f) Records. – All records of the Commission made or kept pursuant to this section ~~shall~~  
29 be ~~are~~ public records.

30 ...

31 (h) Renewal of Certificates. – An owner of a vessel awarded a certificate of number  
32 pursuant to this Chapter shall renew the certificate on or before the first day of the month after  
33 which the certificate expires; otherwise, the certificate shall lapse and be void until ~~such time as~~  
34 ~~it may thereafter~~ be renewed. Application for renewal shall be submitted on a form approved by  
35 the Commission and shall be accompanied by a fee in the amount set in subsection (a1) of this  
36 section.

37 ...."

38 **SECTION 5.** G.S. 136-44.2E(e), as enacted by Section 1.3(b) of S.L. 2019-251,  
39 reads as rewritten:

40 "(e) Evaluation of Emergency Reserve. – No later than February 1 of the first year of the  
41 2021-2023 fiscal biennium, and biennially thereafter, the Department of ~~the~~ Transportation shall  
42 submit a report on the Emergency Reserve to the House of Representatives Appropriations  
43 Committee on Transportation, the Senate Appropriations Committee on the Department of  
44 Transportation, and the Fiscal Research Division. The report shall contain the results of an  
45 evaluation of the Emergency Reserve, based on a methodology developed jointly by the Office  
46 of State Budget and Management and the Department of Transportation, to determine the  
47 minimum amount of funds needed in the Emergency Reserve."

48 **SECTION 6.(a)** Section 4.1 of S.L. 2018-80 reads as rewritten:

49 "**SECTION 4.1.** Sections 1.2 and 1.3 of this act become effective October 1, 2018, and apply  
50 to instruments presented for registration on or after that date. Section 2.1 of this act becomes  
51 effective July 1, 2020, and applies to deeds and deeds of trust presented for registration on or

1 after that date. Section 2.2 of this act becomes effective July 1, 2020, and applies to all  
2 instruments entered into on or after that date. Section 3.1 of this act becomes effective October  
3 1, 2018. The remainder of this act is effective when this act becomes law and applies to mortgages  
4 and deeds of trust entered into before, on, or after that date."

5 **SECTION 6.(b)** G.S. 47-17.1 reads as rewritten:

6 "**§ 47-17.1. Documents registered or ordered to be registered in certain counties to**  
7 **designate draftsman; exceptions.**

8 The register of deeds of any county in North Carolina shall not accept for registration, nor  
9 shall any judge order registration pursuant to G.S. 47-14, of any deeds or deeds of trust, executed  
10 after January 1, 1980, unless the first page of the deeds or deeds of trust bears an entry showing  
11 the name of ~~either the person or law firm who drafted the instrument. This section shall not apply~~  
12 ~~to other instruments presented for registration. For the purposes of this section, the register of~~  
13 ~~deeds shall accept the written representation of the individual presenting the deed or deed of trust~~  
14 ~~for registration, or any individual reasonably related to the transaction, including, but not limited~~  
15 ~~to, any employee of a title insurance company or agency purporting to be involved with the~~  
16 ~~transaction, that the individual or law firm listed on the first page is a validly licensed attorney~~  
17 ~~or validly existing law firm in this State or another jurisdiction within the United States.~~the drafter  
18 of the deed or deed of trust. The register of deeds shall not be required to verify or make inquiry  
19 concerning the capacity or authority of the person or entity shown as the drafter on the  
20 instrument."

21 **SECTION 7.** S.L. 2019-113 is amended by adding a new section to read:

22 "**SECTION 6.1.** The Revisor of Statutes shall cause to be printed, as annotations to the  
23 published General Statutes, all explanatory comments of the drafters of Sections 5 and 6 of this  
24 act as the Revisor may deem appropriate."

25 **SECTION 8.(a)** Section 4(c) of S.L. 2019-158 is repealed.

26 **SECTION 8.(b)** G.S. 15A-151.5(a) reads as rewritten:

27 "(a) Notwithstanding any other provision of this Article, the Administrative Office of the  
28 Courts shall make all confidential files maintained under G.S. 15A-151 electronically available  
29 to all prosecutors of this State if the criminal record was expunged on or after July 1, 2018, under  
30 any of the following:

31 ...

32 (7a) G.S. 15A-145.9. Expunction of records of certain offenses committed by  
33 human trafficking victims.

34 ...."

35 **SECTION 8.(c)** This section is retroactively effective December 1, 2019.

36 **SECTION 9.(a)** The introductory language of Section 3(e) of S.L. 2019-176 reads  
37 as rewritten:

38 "~~**SECTION 3.(e)** G.S. 147-69.2(15) is amended by adding a new subdivision to read:~~  
39 G.S. 147-69.2(a)(15) reads as rewritten:"

40 **SECTION 9.(b)** G.S. 147-69.2(a)(15a) is repealed.

41 **SECTION 9.(c)** This section becomes effective July 1, 2020.

42 **SECTION 10.** Except as otherwise provided, this act is effective when it becomes  
43 law.