

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 228  
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Short Title: Rev. Laws Tech., Clarifying, & Admin. Chngs.

(Public)

Sponsors:

Referred to:

March 2, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE VARIOUS TECHNICAL, CLARIFYING, AND ADMINISTRATIVE  
3 CHANGES TO THE REVENUE LAWS, TO MAKE TECHNICAL CHANGES TO THE  
4 MEDICAID HOSPITAL ASSESSMENT STATUTES, AND TO UPDATE THE  
5 DEFINITION OF A THRESHOLD EXCLUSION, AND TO INCREASE THE BOND  
6 DEBT LIMIT FOR THE HOUSING FINANCE AGENCY.

7 The General Assembly of North Carolina enacts:

8  
9 **PART I. INDIVIDUAL INCOME TAX CHANGES**

10 **SECTION 1.1.(a)** G.S. 105-160.4(f) and (g) are repealed.

11 **SECTION 1.1.(b)** This section is effective for taxable years beginning on or after  
12 January 1, 2023.

13 **SECTION 1.2.(a)** G.S. 105-153.3 reads as rewritten:

14 **"§ 105-153.3. Definitions.**

15 The following definitions apply in this Part:

16 ...

17 **(7a)** Income attributable to the State. – Either of the following:

18 a. With respect to a partnership, all items of income, loss, deduction, or  
19 credit of the partnership apportioned and allocated to this State  
20 pursuant to G.S. 105-130.4.

21 b. With respect to an S Corporation, as defined in G.S. 105-131(b)(4).

22 **(7b)** Income not attributable to the State. – Either of the following:

23 a. With respect to a partnership, all items of income, loss, deduction, or  
24 credit of the partnership other than income attributable to the State.

25 b. With respect to an S Corporation, as defined in G.S. 105-131(b)(5).

26 ...."

27 **SECTION 1.2.(b)** This section is effective for taxable years beginning on or after  
28 January 1, 2023.

29 **SECTION 1.3.** G.S. 105-153.8 reads as rewritten:

30 **"§ 105-153.8. Income tax returns.**

31 ...



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1 (e) ~~Joint Returns. – A husband and wife~~ Two lawfully married individuals who are  
2 required to file an income tax return pursuant to subsection (a) of this section and whose adjusted  
3 gross income is determined on a joint federal return must file a single with the Secretary a joint  
4 income tax return jointly if each spouse either is a resident of this State or has North Carolina  
5 taxable income and may file a single income tax return jointly if one spouse is not a resident and  
6 has no North Carolina taxable income. ~~return. If two lawfully married individuals file a joint~~  
7 federal return but only one individual is required to file an income tax return pursuant to  
8 subsection (a) of this section, that individual must file the income tax return pursuant to  
9 subsection (f) of this section. Except as otherwise provided in this Part, the following provisions  
10 apply to the individuals filing a joint income tax return:

11 (1) ~~a wife and husband filing jointly~~ The individuals are treated as one taxpayer  
12 for the purpose of determining the tax imposed by this Part.

13 (2) ~~A husband and wife filing jointly are~~ Each individual is jointly and severally  
14 liable for the tax imposed by this Part reduced by the sum of all credits  
15 allowable including tax payments made by or on behalf of ~~the husband and~~  
16 ~~wife.~~ each individual. However, if ~~a spouse~~ one of the individuals qualifies  
17 for relief of liability for federal tax pursuant to section 6015 of the Code, that  
18 ~~spouse~~ individual is not liable for the corresponding tax imposed by this Part.

19 (3) ~~A wife and husband filing jointly have~~ Each individual has expressly agreed  
20 that if the amount of the payments made by them with respect to the taxes for  
21 which they are liable, including withheld and estimated taxes, exceeds the  
22 total of the taxes due, refund of the excess may be made payable to both  
23 ~~spouses~~ individuals jointly or, if either is deceased, to the survivor alone.

24 (f) Exception. – If two lawfully married individuals file a joint federal return but only  
25 one individual is required to file an income tax return pursuant to subsection (a) of this section,  
26 that individual must file the income tax return as either of the following:

27 (1) Jointly under the provisions of subsection (e) of this section based on the filing  
28 status of married, filing jointly/surviving spouse.

29 (2) Separately based on the filing status of married, filing separately."

30 **SECTION 1.4.(a)** G.S. 105-155(a) reads as rewritten:

31 "(a) Return. – An income tax return shall be filed at the place and in the form prescribed  
32 by the Secretary. The income tax return of every taxpayer reporting on a calendar year basis is  
33 due on or before the fifteenth day of April in each year. The income tax return of every taxpayer  
34 reporting on a fiscal year basis is due on or before the fifteenth day of the fourth month following  
35 the close of the fiscal year. These dates do not apply to a nonresident alien whose federal income  
36 tax return is due at a later date under section 6072(c) of the Code. The return of a nonresident  
37 alien affected by that Code section is due on or before the fifteenth day of the sixth month  
38 following the close of the taxable year. An information return shall be filed at the times prescribed  
39 by the Secretary. A taxpayer may ~~ask the Secretary for~~ receive an extension of time to file a  
40 return under G.S. 105-263."

41 **SECTION 1.4.(b)** G.S. 105-160.6 reads as rewritten:

42 "**§ 105-160.6. Time and place of filing returns.**

43 An income tax return of an estate or a trust shall be filed as prescribed by the Secretary at the  
44 place prescribed by the Secretary. The return of every fiduciary reporting on a calendar year basis  
45 shall be filed on or before the 15th day of April in each year, and the return of every fiduciary  
46 reporting on a fiscal year basis shall be filed on or before the 15th day of the fourth month  
47 following the close of the fiscal year. A fiduciary may ~~ask the Secretary for~~ receive an extension  
48 of time to file a return under G.S. 105-263."

49 **SECTION 1.4.(c)** G.S. 105-130.17(d) reads as rewritten:

50 "(d) A taxpayer may ~~ask the Secretary for~~ receive an extension of time to file a return  
51 under G.S. 105-263."

1           **SECTION 1.4.(d)** G.S. 105-129 reads as rewritten:

2   "**§ 105-129. Extension of time for filing returns.**

3       A return required by this Article is due on or before the date set in this Article. A taxpayer  
4 may ask the Secretary for receive an extension of time to file a return under G.S. 105-263."

5           **SECTION 1.5.** Except as otherwise provided, this Part is effective when it becomes  
6 law.

7  
8   **PART II. SALES TAX CHANGES**

9           **SECTION 2.1.(a)** G.S. 105-164.8 reads as rewritten:

10 "**§ 105-164.8. Retailer's obligation to collect tax; remote sales subject to tax.**

11       ...  
12       (b) Remote Sales. – A retailer who makes a remote sale is engaged in business in this  
13 State and is subject to the tax levied under this Article if at least one of the following conditions  
14 is met:

15       ...  
16       (9) The retailer makes gross sales in excess of one hundred thousand dollars  
17 (\$100,000) from remote sales sourced to this State, including sales as a  
18 marketplace seller, for the previous or the current calendar year that meet  
19 either of the following year.

20           a. ~~Gross sales in excess of one hundred thousand dollars (\$100,000).~~

21           b. ~~Two hundred or more separate transactions.~~

22       (10) The retailer is a marketplace facilitator that makes sales, gross sales in excess  
23 of one hundred thousand dollars (\$100,000), including all  
24 marketplace-facilitated sales for all marketplace sellers, from sales sourced to  
25 this State for the previous or the current calendar year that meet either of the  
26 following year.

27           a. ~~Gross sales in excess of one hundred thousand dollars (\$100,000).~~

28           b. ~~Two hundred or more separate transactions.~~

29       ...."

30           **SECTION 2.1.(b)** This section is effective July 1, 2024. A person who holds a  
31 certificate of registration with the Department as of June 30, 2024, and is solely engaged in  
32 business in the State because the person exceeds the transaction threshold established in  
33 G.S. 105-164.8(b)(9)b. or G.S. 105-164.8(b)(10)b. may close the person's certificate of  
34 registration in accordance with procedures established by the Secretary. The person must collect  
35 tax, file returns, and remit tax for periods ending prior to the later of (i) July 1, 2024, or (ii) the  
36 date the person cancels his or her certificate of registration.

37           **SECTION 2.2.** G.S. 105-164.3(259) reads as rewritten:

38       "(259) Streamlined Agreement. – The Streamlined Sales and Use Tax Agreement as  
39 amended as of ~~December 22, 2022~~ November 7, 2023."

40           **SECTION 2.3.(a)** G.S. 105-241.8(b) reads as rewritten:

41       "(b) Exceptions. – The exceptions to the general statute of limitations for proposing an  
42 assessment are as follows:

43       ...  
44       (5) Sales and use tax customer refund. – If a purchaser receives a refund from a  
45 seller of sales and use tax paid to the seller, the period for proposing an  
46 assessment against the customer of any tax refunded is three years after the  
47 date of the refund."

48           **SECTION 2.3.(b)** This section becomes effective July 1, 2024, and applies to  
49 assessments not barred by the statute of limitations prior to that date.

50           **SECTION 2.4.** G.S. 105-236 reads as rewritten:

51 "**§ 105-236. Penalties; situs of violations; penalty disposition.**

(a) Penalties. – The following civil penalties and criminal offenses apply:

...  
 (5a) ~~Misuse of Exemption Certificate.~~ Certificate or Affidavit of Capital Improvement. – For misuse of an exemption certificate or affidavit of capital improvement by a purchaser, the Secretary shall assess a penalty equal to two hundred fifty dollars (\$250.00). An exemption certificate is a certificate issued by the Secretary that authorizes a retailer to sell ~~tangible personal property~~ an item to the holder of the certificate and either collect tax at a preferential rate or not collect tax on the sale. Examples of an exemption certificate include a certificate of exemption, a direct pay certificate, and a conditional exemption certificate. An affidavit of capital improvement substantiates that a contract, or a portion of work to be performed to fulfill a contract, is to be taxed for sales and use tax purposes as a real property contract.

...."

**SECTION 2.5.** G.S. 105-164.4H(a1) reads as rewritten:

"(a1) Substantiation. – Generally, services to real property are retail sales of or the gross receipts derived from repair, maintenance, and installation services and subject to tax in accordance with G.S. 105-164.4(a)(16), unless a person substantiates that a transaction is subject to tax as a real property contract in accordance with subsection (a) of this section, subject to tax as a mixed transaction in accordance with subsection (d) of this section, or the transaction is not subject to tax. A person may substantiate that a transaction is a real property contract or a mixed transaction by records that establish the transaction is a real property contract or by receipt of an affidavit of capital improvement. The receipt of an affidavit of capital improvement, absent fraud or other egregious activities, establishes that the subcontractor or other person receiving the affidavit should treat the transaction as a capital improvement, and the transaction is subject to tax in accordance with subsection (a) of this section. A person that issues an affidavit of capital improvement is liable for any additional tax due on the transaction, in excess of tax paid on related purchases under subsection (a) of this section, if it is determined that the transaction is not a capital improvement but rather the transaction is subject to tax as a retail sale. A person who receives an affidavit of capital improvement from another ~~person,~~ person within 90 days of the sale or within 120 days of a substantiation request by the Secretary, absent fraud or other egregious activities, is not liable for any additional tax on the gross receipts from the transaction if it is determined that the transaction is not a capital improvement.

The Secretary may establish guidelines for transactions where an affidavit of capital improvement is not required, but rather a person may establish by records that such transactions are subject to tax in accordance with subsection (a) of this section."

**SECTION 2.6.** Except as otherwise provided, this Part is effective when it becomes law.

**PART III. EXCISE TAX CHANGES**

**SECTION 3.1.** G.S. 105-113.83 reads as rewritten:

"§ 105-113.83. **Payment and reporting of excise taxes.**

(a) Filing Periods. – The excise tax imposed by this Article is payable when a report is due. A report is due annually or monthly, as specified in this section, and must be filed regardless of whether alcoholic beverages were sold or otherwise disposed of in this State. A report covers liabilities that accrue in the reporting period. Liabilities accrue in the reporting period in which the alcoholic beverage is first sold or otherwise disposed of in this State. A return must be in the form prescribed by, and contain information required by, the Secretary.

(a1) Liquor. – The excise tax on liquor levied under G.S. 105-113.80(c) is payable monthly by the local ABC board and by a ~~distillery permittee to the Secretary.~~ The tax shall be paid distillery. The local ABC board and distillery must file a monthly report, and the report is

1 due on or before the 15th day of the month following the month in which the tax was  
2 collected.~~covered by the report.~~

3 (b) Malt Beverage and Wine. – The excise taxes on malt beverages and wine levied under  
4 G.S. 105-113.80(a) and (b), respectively, are payable ~~to the Secretary~~ by the resident wholesaler  
5 or importer who first handles the beverages in this State. The taxes on malt beverages and wine  
6 are payable only once on the same beverages. ~~Unless otherwise provided, the tax is~~ The  
7 wholesaler or importer must file a monthly report, and the report is due on or before the 15th day  
8 of the month following the month ~~in which the beverage is first sold or otherwise disposed of in~~  
9 ~~this State by the wholesaler or importer. When excise taxes are paid on wine or malt beverages,~~  
10 ~~the wholesaler or importer must submit to the Secretary verified reports on forms provided by~~  
11 ~~the Secretary detailing~~ covered by the report. The report must include the sales records for the  
12 month for which the taxes are paid. ~~The report must~~ paid, indicate the amount of excise tax due,  
13 ~~contain the information required by the Secretary,~~ and indicate separately any transactions to  
14 which the excise tax does not apply.

15 (b1) Brewery and Winery Option. – A brewery or winery may be relieved of paying the  
16 tax levied under G.S. 105-113.80(a) and (b) if all of the following apply:

- 17 (1) The brewery or winery holds a permit issued under G.S. 18B-1101, 18B-1102,  
18 or 18B-1104.
- 19 (2) The brewery or winery transfers malt beverages or wine to a wholesaler  
20 permitted under G.S. 18B-1107 or G.S. 18B-1109.
- 21 (3) The wholesaler agrees in writing to be responsible for the tax due on the  
22 transferred malt beverages or ~~wine.~~ wine and provides the Secretary a copy of  
23 the agreement upon request.
- 24 (4) The brewery or winery files a monthly report ~~when the tax would otherwise~~  
25 ~~be due~~ reporting the transfer of malt beverages or wine to the wholesaler.

26 (b2) Backup Tax Liability. – If a brewery or winery is relieved of paying the excise tax as  
27 provided under subsection (b1) of this section, the wholesaler receiving the malt beverages or  
28 wine is liable for any tax due under this section.

29 (b3) Wine Shipper Permittee. – A wine shipper permittee must pay the excise tax levied  
30 under G.S. 105-113.80(b) on wine shipped directly to consumers in this State pursuant to  
31 G.S. 18B-1001.1. A wine shipper permittee must ~~submit verified file~~ submit verified file reports once a year ~~on forms~~  
32 ~~provided by the Secretary~~ detailing sales records for the year taxes are paid. The ~~verified~~ verified report  
33 is due on or before the fifteenth day of the first month of the following calendar year.

34 (c) Railroad Sales. – Each person operating a railroad train in this State on which  
35 alcoholic beverages are sold must ~~submit file~~ submit file monthly reports of the amount of alcoholic  
36 beverages sold in this State ~~and must remit the applicable excise tax due on the sale of these~~  
37 ~~beverages when the report is submitted.~~ State. The report is due on or before the 15th ~~fifteenth~~  
38 day of the month following the month ~~in which the beverages are sold. The report must be made~~  
39 ~~on a form prescribed by the Secretary.~~ covered by the report."

40 **SECTION 3.2.** G.S. 105-449.45(a) reads as rewritten:

41 "(a) Return. – A motor carrier must report its operations to the Secretary on a quarterly  
42 basis unless subsection (b) of this section exempts the motor carrier from this requirement. A  
43 licensed motor carrier required to report its operations must file a return even if the person did  
44 not operate or cause to operate a qualified motor vehicle during the reporting period. A quarterly  
45 return covers a calendar quarter and is due by the last day of the month following the quarter. A  
46 return must be filed in the form required by the Secretary."

47 **SECTION 3.3.** This Part is effective when it becomes law.

#### 49 **PART IV. TAX ADMINISTRATION CHANGES**

50 **SECTION 4.1.** Section 5.6(e) of S.L. 2022-13 reads as rewritten:

1 "SECTION 5.6.(e) Subsection (a) of this section becomes effective June 30, 2022.  
2 Subsection (b) of this section becomes effective January 1, 2023, and applies to tax assessed on  
3 or after that date. Subsection (c) of this section becomes law ~~July 1, 2024, July 1, 2027,~~ and  
4 applies to tax assessed on or after that date. The remainder of this section is effective when this  
5 act becomes law."

6 SECTION 4.2. This Part is effective when it becomes law.  
7

## 8 PART V. MEDICAID HOSPITAL ASSESSMENTS TECHNICAL CORRECTIONS

9 SECTION 5.1.(a) G.S. 108A-145.3(4a) reads as rewritten:

10 "(4a) Consumer Price Index: All Urban Consumers. – The ~~most recent~~ Consumer  
11 Price Index for All Urban Consumers for the South Region published by the  
12 Bureau of Labor Statistics of the United States Department of Labor ~~available~~  
13 ~~on March 1 of the previous State fiscal year.~~ Labor."

14 SECTION 5.1.(b) G.S. 108A-145.3(4b) reads as rewritten:

15 "(4b) Consumer Price Index: Medical Care. – The ~~most recent~~ Consumer Price  
16 Index for All Urban Consumers for Medical Care, U.S. city average,  
17 seasonally adjusted, published by the Bureau of Labor Statistics of the United  
18 States Department of Labor."

19 SECTION 5.1.(c) G.S. 108A-145.3(12a) reads as rewritten:

20 "(12a) Medicare Economic Index. – The ~~index published by the Medicare Economic~~  
21 ~~Index Technical Advisory Panel established by the Secretary of the United~~  
22 ~~States Department of Health and Human Services, under the authority in 42~~  
23 ~~U.S.C. § 217a, percent change in the Medicare Economic Index established in~~  
24 ~~rule by CMS and in effect on March 1 of the previous State fiscal year.~~"

25 SECTION 5.1.(d) G.S. 108A-147.7 reads as rewritten:

### 26 "§ 108A-147.7. Administration component.

27 (a) The administration component is an amount of money that is calculated by adding the  
28 State administration subcomponent calculated under subsection (b) of this section and the county  
29 administration subcomponent calculated under subsection (c) of this section.

30 (b) For each quarter of the 2023-2024 State fiscal year, the State administration  
31 subcomponent is the product of one million three hundred fifty thousand dollars (\$1,350,000)  
32 multiplied by the number of months in that State fiscal quarter in which G.S. 108A-54.3A(24) is  
33 effective during any part of the month. For each quarter of the 2024-2025 State fiscal year, the  
34 State administration subcomponent is ~~four million fifty thousand dollars (\$4,050,000) increased~~  
35 ~~by the Consumer Price Index: All Urban Consumers. four million one hundred eighty-seven~~  
36 ~~thousand seven hundred dollars (\$4,187,700).~~ For each subsequent State fiscal year, the State  
37 administration subcomponent shall be increased over the prior year's quarterly amount by a  
38 percentage that is the sum of each monthly percentage change in the Consumer Price Index: All  
39 Urban Consumers. Consumers for the most recent 12 months available on March 1 of the previous  
40 State fiscal year.

41 (c) For each quarter of the 2022-2023 State fiscal year and the 2023-2024 State fiscal  
42 year, the county administration subcomponent is the product of one million six hundred  
43 sixty-seven thousand dollars (\$1,667,000) multiplied by the number of months in that State fiscal  
44 quarter in which G.S. 108A-54.3A(24) is effective during any part of the month. The county  
45 administration subcomponent is seven million four hundred thousand dollars (\$7,400,000) for  
46 each quarter of the 2024-2025 State fiscal year and seven million eight hundred thousand dollars  
47 (\$7,800,000) for each quarter of the 2025-2026 State fiscal year. For each State fiscal year after  
48 the 2025-2026 State fiscal year, the county administration subcomponent shall be increased over  
49 the prior year's quarterly amount by a percentage that is the sum of each monthly percentage  
50 change in the Consumer Price Index: All Urban Consumers. Consumers for the most recent 12  
51 months available on March 1 of the previous State fiscal year."

- 1           **SECTION 5.2.(a)** G.S. 108A-145.3(19) reads as rewritten:  
2           "(19) Private hospital historical assessment share. – Eighty and ~~two-tenths~~  
3           seventeen hundredths percent (~~80.2%~~), (80.17%), expressed as a decimal."  
4           **SECTION 5.2.(b)** G.S. 108A-145.3(21) reads as rewritten:  
5           "(21) Public hospital historical assessment share. – Nineteen and ~~eight-tenths~~  
6           eighty-three hundredths percent (~~19.8%~~), (19.83%), expressed as a decimal."  
7           **SECTION 5.3.(a)** G.S. 108A-145.3 is amended by adding a new subdivision to read:  
8           "(22a) Rural emergency hospital. – As defined in 42 C.F.R. § 485.502."  
9           **SECTION 5.3.(b)** G.S. 108A-145.3(18) reads as rewritten:  
10           "(18) Private acute care hospital. – An acute care hospital that (i) is not qualified to  
11           certify public expenditures as described in 42 C.F.R. § 433.51(b), (ii) is not a  
12           critical access hospital, (iii) is not a rural emergency hospital, and ~~(iii)-(iv)~~ is  
13           not part of the UNC Health Care System."  
14           **SECTION 5.3.(c)** G.S. 108A-145.3(20) reads as rewritten:  
15           "(20) Public acute care hospital. – An acute care hospital that (i) is qualified to  
16           certify public expenditures as described in 42 C.F.R. § 433.51(b), (ii) is not a  
17           critical access hospital, (iii) is not a rural emergency hospital, (iv) is not part  
18           of the UNC Health Care System, and ~~(iv)-(v)~~ is not the primary affiliated  
19           teaching hospital for the East Carolina University Brody School of Medicine."  
20           **SECTION 5.3.(d)** G.S. 108A-146.9(c) reads as rewritten:  
21           "(c) The subcomponent pertaining to claims for which there is third-party coverage is the  
22           product of the total fee-for-service payments for claims not attributable to newly eligible  
23           individuals for which there is third-party coverage made for inpatient hospital services and  
24           outpatient hospital services to (i) public acute care hospitals, (ii) private acute care hospitals, ~~and~~  
25           (iii) ~~critical access hospitals~~ critical access hospitals, and (iv) rural emergency hospitals multiplied by the  
26           nonfederal share for not newly eligible individuals."  
27           **SECTION 5.3.(e)** G.S. 108A-147.9(b)(1) reads as rewritten:  
28           "(1) Sixty percent (60%) of the public hospital share of the sum of the presumptive  
29           service cost component calculated under G.S. 108A-147.5 for the current  
30           quarter, the administration component calculated under G.S. 108A-147.7 for  
31           the current quarter, and the State retention component under G.S. 108A-147.8  
32           for the current quarter. The public hospital share is the total hospital costs for  
33           all public acute care hospitals divided by the total hospital costs for all acute  
34           care hospitals except for critical access hospitals and rural emergency  
35           hospitals for the current quarter."  
36           **SECTION 5.3.(f)** G.S. 108A-147.9(c)(1) reads as rewritten:  
37           "(1) The UNC Health Care System share of the presumptive service cost  
38           component calculated under G.S. 108A-147.5 for the current quarter and the  
39           administration component calculated under G.S. 108A-147.7 for the current  
40           quarter. The UNC Health Care System share is the total hospital costs for the  
41           UNC Health Care System hospitals divided by the total hospital costs for all  
42           acute care hospitals except for critical access hospitals and rural emergency  
43           hospitals for the current quarter."  
44           **SECTION 5.3.(g)** G.S. 108A-147.9(d)(1) reads as rewritten:  
45           "(1) The East Carolina University share of the presumptive service cost component  
46           calculated under G.S. 108A-147.5 for the current quarter and the  
47           administration component calculated under G.S. 108A-147.7 for the current  
48           quarter. The East Carolina University share is the total hospital costs for the  
49           primary affiliated teaching hospital for the East Carolina University Brody  
50           School of Medicine divided by the total hospital costs for all acute care

1 hospitals except for critical access hospitals and rural emergency hospitals for  
2 the current quarter."

3 **SECTION 5.3.(h)** G.S. 108A-147.11(c) reads as rewritten:

4 "(c) The share of public hospital costs is calculated by adding total hospital costs for the  
5 UNC Health Care System, total hospital costs for the primary affiliated teaching hospital for the  
6 East Carolina University Brody School of Medicine, and sixty percent (60%) of the total hospital  
7 costs for all public acute care hospitals and dividing that sum by the total hospital costs for all  
8 acute care hospitals except for critical access hospitals and rural emergency hospitals."

9 **SECTION 5.3A.** G.S. 108A-145.3(26) reads as rewritten:

10 "(26) University of North Carolina Health Care System (UNC Health Care System).  
11 – As established in ~~G.S. 116-37~~ G.S. 116-350.5 and including the following  
12 hospitals:  
13 ...."

14 **SECTION 5.4.** This Part is effective on the first day of the next assessment quarter  
15 after the date this act becomes law and applies to assessments imposed on or after that date.  
16

17 **PART VI. UPDATE THE DEFINITION OF THRESHOLD EXCLUSION FOR**  
18 **PURPOSES OF HIGH-COST HOME LOANS**

19 **SECTION 6.(a)** G.S. 24-1.1E reads as rewritten:

20 **"§ 24-1.1E. Restrictions and limitations on high-cost home loans.**

21 (a) Definitions. – The following definitions apply for the purposes of this section:

22 ...

23 (6) "Thresholds" means:

24 a. Without regard to whether the loan transaction is or may be a  
25 "residential mortgage transaction" (as the term "residential mortgage  
26 transaction" is defined in section 226.2(a)(24) of Title 12 of the Code  
27 of Federal Regulations, as amended from time to time), the annual  
28 percentage rate of the loan at the time the loan is consummated is such  
29 that the loan is considered a "mortgage" under section 152 of the Home  
30 Ownership and Equity Protection Act of 1994 (Pub. Law 103-25, [15  
31 U.S.C. § 1602(aa)]), as the same may be amended from time to time,  
32 and regulations adopted pursuant thereto by the Federal Reserve  
33 Board, including section 226.32 of Title 12 of the Code of Federal  
34 Regulations, as the same may be amended from time to time;

35 b. The total points and fees, as defined in G.S. 24-1.1E(a)(5), exceed five  
36 percent (5%) of the total loan amount if the total loan amount is twenty  
37 thousand dollars (\$20,000) or more, or (ii) the lesser of eight percent  
38 (8%) of the total loan amount or one thousand dollars (\$1,000), if the  
39 total loan amount is less than twenty thousand dollars (\$20,000);  
40 provided, the following discount points and prepayment fees and  
41 penalties shall be excluded from the calculation of the total points and  
42 fees payable by the borrower:

43 1. Up to and including two bona fide loan discount points payable  
44 by the borrower in connection with the loan transaction, but  
45 only if the interest rate from which the loan's interest rate will  
46 be discounted does not exceed by more than one percentage  
47 point (1%) ~~the required net yield for a 90-day standard~~  
48 ~~mandatory delivery commitment for a reasonably comparable~~  
49 ~~loan from either Fannie Mae or the Federal Home Loan~~  
50 ~~Mortgage Corporation, whichever is greater;~~ the average prime  
51 offer rate as defined in 12 C.F.R. § 1026.35 that applies to a





right or option, or (iii) which exceed, in the aggregate, more than two percent (2%) of the amount prepaid.

...."

SECTION 6.(b) This Part becomes effective June 1, 2024.

PART VII. INCREASE FEE FOR NC TENNIS FOUNDATION SPECIAL PLATE

SECTION 7.(a) G.S. 20-79.7 reads as rewritten:

"§ 20-79.7. Fees for special registration plates and distribution of the fees.

(a1) Fees. – All other special registration plates are subject to the regular motor vehicle registration fee in G.S. 20-87 or G.S. 20-88 plus an additional fee in the following amount:

Special Plate Additional Fee Amount

NC Tennis Foundation \$20.00\$30.00

(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a1) of this section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), the North Carolina Land and Water Fund (NCLWF) which is established under G.S. 143B-135.234, and the Parks and Recreation Trust Fund, which is established under G.S. 143B-135.56, as follows:

<u>Special Plate</u>	<u>SRPA</u>	<u>CCAPA</u>	<u>NCLWF</u>	<u>PRTF</u>
NC Tennis Foundation	\$10	<del>\$10</del> \$20	0	0
All other Special Plates	\$10	0	0	0.

SECTION 7.(b) This section becomes effective July 1, 2024.

PART VIII. INCREASE HOUSING FINANCE AGENCY BOND DEBT LIMIT

SECTION 8. G.S. 122A-8 reads as rewritten:

"§ 122A-8. Bonds and notes.

The Agency is hereby authorized to provide for the issuance, at one time or from time to time, of bonds and notes of the Agency to carry out and effectuate its corporate purposes. The Agency also is hereby authorized to provide for the issuance, at one time or from time to time of (i) bond anticipation notes in anticipation of the issuance of such bonds and (ii) construction loan notes to finance the making or purchase of mortgage loans to sponsors of residential housing for the construction, rehabilitation or improvement of residential housing. The total amount of bonds, bond anticipation notes, and construction loan notes outstanding at any one time shall not exceed ~~three billion dollars (\$3,000,000,000)~~ twelve billion dollars (\$12,000,000,000) excluding therefrom any bond anticipation notes for the payment of which bonds have been issued. The principal of and the interest on such bonds or notes shall be payable solely from the funds herein provided for such payment. Any such notes may be made payable from the proceeds of bonds or renewal notes or, in the event bond or renewal note proceeds are not available, such notes may be paid from any available revenues or assets of the Agency. The bonds or notes of each issue shall be dated and may be made redeemable before maturity at the option of the Agency at such price or prices and under such terms and conditions as may be determined by the Agency. Any such bonds or notes shall bear interest at such rate or rates as may be determined by the Local Government Commission of North Carolina with the approval of the Agency. Notes shall mature at such time or times not exceeding 10 years from their date or dates and bonds shall mature at

1 such time or times not exceeding 43 years from their date or dates, as may be determined by the  
2 Agency. The Agency shall determine the form and manner of execution of the bonds or notes,  
3 including any interest coupons to be attached thereto, and shall fix the denomination or  
4 denominations and the place or places of payment of principal and interest, which may be any  
5 bank or trust company within or without the State. In case any officer whose signature or a  
6 facsimile of whose signature shall appear on any bonds or notes or coupons attached thereto shall  
7 cease to be such officer before the delivery thereof, such signature or such facsimile shall  
8 nevertheless be valid and sufficient for all purposes the same as if he had remained in office until  
9 such delivery. The Agency may also provide for the authentication of the bonds or notes by a  
10 trustee or fiscal agent. The bonds or notes may be issued in coupon or in registered form, or both,  
11 as the Agency may determine, and provision may be made for the registration of any coupon  
12 bonds or notes as to principal alone and also as to both principal and interest, and for the  
13 reconversion into coupon bonds or notes of any bonds or notes registered as to both principal and  
14 interest, and for the interchange of registered and coupon bonds or notes. Upon the filing with  
15 the Local Government Commission of North Carolina of a resolution of the Agency requesting  
16 that its bonds and notes be sold, such bonds or notes may be sold in such manner, either at public  
17 or private sale, and for such price as the Commission shall determine to be for the best interest  
18 of the Agency and best effectuate the purposes of this Chapter, as long as the sale is approved by  
19 the Agency.

20 ...."

21  
22 **PART IX. EFFECTIVE DATE**

23 **SECTION 9.** Except as otherwise provided, this act is effective when it becomes  
24 law.