Legislative Bulletin

A Summary of New Laws Affecting North Carolina Lawyers

Prepared by the Governmental Affairs Team
North Carolina Bar Association
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The Legislative Bulletin is provided as a service of the NCBA Government Affairs Team. Included is a summary of bills that were tracked by a section or committee of the NCBA or that was independently tracked by the Government Affairs Team during the 2018 session of the General Assembly. These summaries are designed to put you on notice of changes made in the statutes this session which may affect your practice. They are not intended to instruct you fully as to those changes; there is no substitute for reading the Session Laws themselves. Our purpose is to offer a tool to assist in your practice and we hope you will find that this publication serves your purpose.

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North Carolina General Assembly
Short Session Demographics & Statistics

- House of Representatives: 120 members (75 Republicans, 45 Democrats)
- House Leadership:
  Speaker Tim Moore (R) *
  Speaker Pro Tempore – Rep. Sarah Stevens (R) *
  Majority Leader – Rep. John Bell (R)
  Democratic Leader – Rep. Darren G. Jackson (D) *
- Senate: 50 members (35 Republicans, 15 Democrats)
- Senate Leadership:
  President – Lt. Governor Dan Forest (R)
  President Pro Tempore – Sen. Phil Berger (R) *
  Majority Leader – Sen. Harry Brown (R)
  Democratic Leader – Sen. Dan Blue (D) *
- Lawyer Legislators:
  Rep. Chaz Beasley (D)  Sen. Dan Barrett (R)
  Rep. Hugh Blackwell (R)  Sen. Tamara Barringer (R)
  Rep. John M. Blust (R)  Sen. Phil Berger (R)
  Rep. Deb Butler (D)  Sen. Dan Bishop (R)
  Rep. Ted Davis, Jr. (R)  Sen. Dan Blue (D)
  Rep. Destin Hall (R)  Sen. Danny Earl Britt, Jr. (R)
  Rep. Duane Hall (D)  Sen. Angela R. Bryant (D)
  Rep. Grier Martin (D)  Sen. Jeff Jackson (D)
  Rep. Chuck McGrady (R)  Sen. Michael V. Lee (R)
  Rep. Henry M. Michaux, Jr. (D)  Sen. Floyd B. McKissick, Jr. (D)
  Rep. Marcia Morey (D)
  Rep. Robert T. Reives, II (D)
  Rep. William O. Richardson (D)
  Rep. David Rogers (R)
  Rep. Sarah Stevens (R)  *= Lawyer Legislator
  Rep. Lee Zachary (R)
- 2018 Short Session convened May 16 and adjourned June 29 until November 27, 2018
- 282 bills and resolutions filed in the short session (174 in the House, 108 in the Senate)
- 133 laws enacted in 2018, 12 vetoes (all vetoes on which a vote has been taken (10) were overridden)
- 6 Constitutional Amendments enacted – on the November 2018 ballot
ADMINISTRATIVE LAW

**Senate Bill 420 (SL 2018-92) – CC Governance/Amend Medical Bd.**
Senate Bill 420 allows the State Board of Community Colleges (SBCC) to appoint an interim board of trustees to assume the powers and duties of a board of trustees of a local community college in certain instances, allows the SBCC to appoint an advisory committee, establishes remediation actions that must be completed prior to vacating the entire board, requires that the boards of trustees of local community colleges meet at least once every 2 months, authorizes the SBCC to require financial audits in certain cases, and adjusts the membership of the North Carolina Medical Board. Except as otherwise provided, this act became effective June 25, 2018.

**Senate Bill 750 (SL 2018-76) – Health-Local Confinement/Vet. Controlled Sub.**
Senate Bill 750 addresses health issues in local confinement facilities and ensures that state prisons are full participants in the NC Health Information Exchange (HIE Network) known as NC HealthConnex, as recommended by the Joint Legislative Oversight Committee on Health and Human Services. The act also amends the North Carolina Controlled Substances Act and the Controlled Substances Reporting System pertaining to the practice of veterinary medicine and requires continuing education for veterinarians on controlled substance abuse. Finally, the bill includes the North Carolina Veterinary Medical Board on the Prescription Drug Abuse Advisory Committee. The majority of this act became effective June 25, 2018.

**House Bill 321 (SL 2018-90) – Wildlife License Changes**
House Bill 321 makes changes to the Wildlife Resource Commission’s managed hunt program and fees, creates new licenses for residents and nonresidents to hunt American alligators and elk, and allows box-trapped rabbits to be used for the purpose of training hunting dogs. This act became effective July 1, 2018.

**House Bill 351 (SL 2018-51) – Utilities/Rate Base/Fair Value Determination**
House Bill 351 authorizes water and wastewater public utilities to elect to use a fair value determination for rate-making purposes when acquiring utilities owned by counties, municipalities or other governmental entities. This act became effective June 25, 2018.

**House Bill 357 (SL 2018-91) – Modernize Dietetics/Nutrition Practice Act**
House Bill 357 amends the Dietetics/Nutrition Practice Act by adding new definitions, changing the composition of the North Carolina Board of Dietetics/Nutrition, modifying the requirements to obtain a license and the acts that are prohibited to unlicensed individuals, permitting telepractice and enteral nutrition therapy, instituting background checks, and making conforming changes. The majority of this act became effective July 1, 2018.

**House Bill 500 (SL 2018-100) – ABC Omnibus Legislation**
House Bill 500 makes various changes to the alcoholic beverage control (ABC) laws. Specifically, the bill allows distillers to sell branded merchandise such as glassware, cups, signs, t-shirts, hats, and other apparel at spirituous liquor tastings conducted under a spirituous liquor special event permit. The bill also expands the premises on which an ABC commercial permittee, or its agent
or employee, may consume samples of alcoholic beverages it is licensed to sell on its premises for purposes of sensory analysis, quality control or education. Further, it directs the ABC Commission to amend its rules to allow placement of the mixed beverage tax stamp on any vertical portion of a spirituous liquor bottle and amends the definition of premises for a restaurant located on an 18-hole golf course or a sports club substantially engaged in the business of providing an 18 hole golf course to include the parking lot and playing area of the course. Finally, the bill defines “sports and entertainment venue” to establish eligibility for ABC permits. Except as otherwise provided, this act became effective June 26, 2018.

House Bill 529 (SL 2018-78) – Amend Funeral Laws
House Bill 529 makes various changes to the laws governing the practice of funeral service, many of which are technical, clarifying or codifications of existing rules. The majority of this act became effective October 1, 2018.

House Bill 913 (SL 2018-117) – Bipartisan Ethics and Elections Enforcement
House Bill 913 amends the Constitution of North Carolina to establish an eight-member Bipartisan Board of Ethics and Elections Enforcement to be appointed upon recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives and makes clear that the delegation of authority by the General Assembly, when it enacts a general law regarding a board or commission, does not interfere with the Governor’s faithful execution of the law and that the delegation of authority of the General Assembly controls. Finally, the bill codifies the Court’s holding in Wallace v. Boone to the effect that legislators may not serve on any Executive or Judicial Branch board or commission that exercises non-advisory powers. The amendment is to be voted on November 6, 2018. Except as otherwise provided, this act became effective June 28, 2018. (Note: SL 2018-133 as passed in an Extra Session removed the constitutional amendment provision addressing appointments to various boards and commissions, and changed the Bipartisan Board appointments to be made by the Governor upon recommendation of the House and Senate majority and minority caucus leaders.)

House Bill 948 (SL 2018-29) – Building Code Regulatory Reform
House Bill 948 makes various changes to the statutes governing building codes, as recommended by the House Select Committee on Implementation of Building Code Regulatory Reform Legislation. These changes include: clarifying that cities and counties accept authorized inspections by licensed architects or engineers, or persons they supervise, of building components or elements designed by a licensed architect or engineer; authorizing the North Carolina Code Officials Qualification Board (Q Board) to establish a marketplace pool of qualified Code enforcement officials available Statewide for Code enforcement duties; requiring the Insurance Commissioner to assign marketplace pool inspectors to conduct building inspections when a local inspection department cannot conduct an inspection within two business days of a permit holder's inspection request and authorizing the Commissioner to fix and collect fees for these inspections; authorizing cities and counties to enter into mutual aid contracts specifically for North Carolina State Building Code enforcement and administration; requiring that building framing inspection reports finding 15 or more violations be submitted to the Department of Insurance from July 1, 2018, until October 1, 2019; authorizing the Q Board to grant a three-year provisional certificate to Code-enforcement officials who are certified and in good standing either in another State or by the International Code Council (ICC); and defining inspector misconduct to include requiring
installation of appliances and equipment in a method or manner not required by the State Building Code and contrary to the manufacturer’s instructions. Except as otherwise provided, this act became effective October 1, 2018.

**House Bill 977 (SL 2018-84) – Admin. Changes Ret. System/Treasurer - 2018.-AB**
House Bill 977 makes clarifying and administrative changes to laws relating to the State Treasurer, the Teachers’ and State Employees’ Retirement System, the Local Government Employees’ Retirement System, the State Health Plan, and related statutes. Except as otherwise provided, this act became effective June 25, 2018.

**APPELLATE PRACTICE**

**Senate Bill 655 (SL 2018-21) – Change Date When Primary Elections Held**
Senate Bill 655 moves the date of the general primary election and the presidential preference primary to March and provides for notices of candidacy in primary elections to be filed in December. This act becomes effective January 1, 2019, and applies to even-year elections held on or after that date.

**House Bill 496 (SL 2018-99) – Fair and Nonpartisan Ballot Placement**
House Bill 496 states that the order of candidates on official ballots will appear in either alphabetical order or reverse alphabetical order by the last name of the candidate, with the order determined each election by a drawing at the State Board of Elections and Ethics Enforcement after the closing of the filing period for all offices on the ballot. This act became effective June 26, 2018, and applies to elections held on or after that date. Notwithstanding G.S. 163A-1114, as enacted by this act, elections held in 2018 shall be conducted using the random selection process previously determined by the State Board of Elections and Ethics Enforcement for all primaries and elections in 2018. No further drawing shall be conducted for any ballot item for the 2018 election.

**House Bill 688 (SL 2018-86) – Certain Appeals Allowed/Clarify Disp. Orders**
House Bill 688 provides that an order or judgment pertaining to the validity of a premarital agreement may be immediately appealed and clarifies when a court must make findings of fact in ceasing reunification efforts in certain cases. This act became effective June 25, 2018, and applies to appeals filed on or after that date and disposition orders effective on or after that date.

**BANKRUPTCY**

**Senate Bill 470 (SL 2018-4) – Personal Injury Bankruptcy Trust Claims**
Senate Bill 470, among other things, amends the Rules of Civil Procedure by adding a new subdivision and Rule of Evidence that (1) require the plaintiff to disclose information concerning bankruptcy trust claims in asbestos-related personal injury actions; (2) mandate the inclusion of the amount of monies awarded or reasonably expected to be awarded from a bankruptcy trust; and (3) create a rebuttable presumption that bankruptcy trust claims materials are admissible. It also allows the court to enter an order to stay an action upon the defendant’s reasonable belief that the plaintiff can file additional bankruptcy trust claims until the plaintiff files such claims. This act became effective June 12, 2018.
BUSINESS LAW

**Senate Bill 75 (SL 2018-119) – Const. Amd. – Max. Income Tax Rate of 7%**
Senate Bill 75 amends the North Carolina Constitution to provide that the maximum tax rate on personal and corporate incomes cannot exceed seven percent for taxable years beginning on or after January 1, 2019, and places the amendment on the ballot in the November 2018 general election. The cap is currently ten percent. Except as otherwise provided, this act became effective June 28, 2018.

**Senate Bill 622 (SL 2018-45) – Business Corporation Act Revisions**
Senate Bill 622 makes various revisions to the North Carolina Business Corporation Act. The revisions are based on changes made to the Model Corporation Act and the corporation law of other jurisdictions, as recommended by the Business Corporations Committee of the Business Law Section of the North Carolina Bar Association. Changes include: authorizing the articles of incorporation to include a provision limiting or eliminating any duty of a director, officer or other person to offer the corporation the right to have or participate in certain classes or categories of business opportunities before the director, officer or other person pursues the opportunity; removing the 10-year statutory limit on the duration of a voting trust and shareholder agreement; and creating a presumption that director compensation is fair to the corporation. This act became effective October 1, 2018.

**House Bill 86 (SL 2018-23) – Virtual Currency Changes**
House Bill 86 makes clarifying changes to permissible investments and statutory trust under the Money Transmitters Act. It removes the brick and mortar requirement from the definition of an “authorized delegate”. It also amends the definition of “permissible investments” by (1) reducing the value of receivables due to the licensee from no more than 90 days past due to no more than 30 days past due and (2) no longer requiring the licensee to own virtual currency. Finally, it allows the Office of the Commissioner of Banks to require a licensee who possesses virtual currency as a permissible investment to provide proof to OCOB of all their virtual currency, including that stored offline. Except as otherwise provided, this act became effective June 22, 2018.

CONSTITUTIONAL LAW

**Senate Bill 75 (SL 2018-119) – Const. Amd. – Max. Income Tax Rate of 7%**
See summary under Business Law.

**Senate Bill 677 (SL 2018-96) – Protect Right to Hunt and Fish**
Senate Bill 677 directs that a constitutional amendment be submitted to the qualified voters of the State at a statewide general election to be held in November 2018 to include language in the State’s Constitution to provide that the people of the State have a right to hunt, fish and harvest wildlife, subject to certain limitations. This act became effective June 25, 2018.

**Senate Bill 814 (SL 2018-118) – Judicial Vacancy Sunshine Amendment**
Senate Bill 814 amends the Constitution of North Carolina to provide for nonpartisan judicial merit commissions for the nomination and recommendation of nominees when filling vacancies in the
office of Justice or Judge of the General Court of Justice and places the amendment on the ballot in the November 2018 general election. The bill provides for the following process to fill vacancies in the office of Justice or Judge of the courts: individuals may be nominated by the people of the State to fill any judicial vacancy and nonpartisan commissions evaluate each nominee with respect to whether the nominee is qualified or not qualified to fill the vacancy and submit all evaluations to the General Assembly. For each vacancy, the General Assembly must recommend to the Governor at least two nominees deemed qualified by a nonpartisan commission. The Governor then appoints the nominee he or she deems best qualified from the recommended nominees within 10 days after the recommendations are presented by the General Assembly. If the Governor fails to appoint one of the nominees within 10 days, the General Assembly elects an appointee to fill the vacancy in a joint session by a majority of each chamber present and voting. If the Governor fails to appoint within 10 days, and the General Assembly has adjourned sine die or for more than 30 days, the Chief Justice is authorized to appoint a temporary appointee who serves until the Governor or the General Assembly act or the next even-numbered year election is held. Except as otherwise provided, this act became effective June 28, 2018.  (Note: SL 2018-132 as passed in an Extra Session modified this law to clarify that no other matter may be attached to bills recommending nominees to the Governor.)

**House Bill 496 (SL 2018-99) – Fair and Nonpartisan Ballot Placement**  
See summary under Appellate Practice.

**House Bill 551 (SL 2018-110) – Strengthening Victims’ Rights**  
House Bill 551 amends the Constitution of North Carolina to provide better protections and safeguards to victims of crime. Otherwise known as “Marsy’s Law”, the amendment will be placed on the November 2018 ballot. If adopted, the offenses that trigger victims’ rights would be expanded to include crimes against the person, felony property crimes, delinquent acts against the person, and delinquent acts equivalent to felony property crimes. It would also guarantee victims the right to be treated with dignity and respect, to receive accurate and timely notice, upon request, to be present at any proceeding, to be reasonably heard at certain proceedings, to obtain restitution in a reasonably timely manner, and to reasonably confer with the prosecutor. Except as otherwise provided, this act became effective June 27, 2018.

**House Bill 774 (SL 2018-79) – Amend Certificates of Relief**  
House Bill 774 amends the procedure in criminal law for an individual to petition a court for a Certificate of Relief to alleviate some of the collateral consequences of a criminal conviction. This act becomes effective December 1, 2018, and applies to petitions filed on or after that date.

**House Bill 913 (SL 2018-117) – Bipartisan Ethics and Elections Enforcement**  
See summary under Administrative Law.

**House Bill 1092 (SL 2018-128) – Const. Amendment – Require Photo ID to Vote**  
House Bill 1092 amends the North Carolina Constitution to require photo identification to vote in person and places the amendment on the November 2018 general election ballot. The General Assembly is authorized to establish exceptions to the requirement. Except as otherwise provided, this act became effective June 29, 2018.
CONSTRUCTION LAW

**Senate Bill 758 (SL 2018-16) – Build NC Bond Act of 2018**
Senate Bill 758 authorizes the issuance of Build NC Bonds, a type of special indebtedness in which the proceeds are used only for Division Need Projects and Regional Impact Projects in accordance with the Strategic Transportation Investments (“STI”) law. This act becomes effective January 1, 2019, and expires December 31, 2028.

**House Bill 826 (SL 2018-34) – Clarify System Development Fees**
House Bill 826 amends the laws governing the imposition of system development fees to: (1) provide that the planning horizon used in calculating the system development fee is not less than five years, rather than ten years; (2) clarify that, if revenues from the system development fees are pledged to secure revenue bonds, the revenues may be used in accordance with the instrument authorizing and securing the bonds; (3) clarify the timing of the collection of system development fees; and (4) require the Environmental Management Commission to review and revise certain rules related to per day usage to reflect newer construction methods. Except as otherwise provided, this act became effective June 22, 2018.

**House Bill 948 (SL 2018-29) – Building Code Regulatory Reform**
See summary under Administration Law.

CRIMINAL JUSTICE

**Senate Bill 124 (SL 2018-36) – LEO Managed CBD Oil Drop Box**
Senate Bill 124 requires that all residual oil from hemp extract that is lawfully possessed by a caregiver for treatment of a patient diagnosed with intractable epilepsy must be disposed of at a secure collection box that is managed by law enforcement. This act becomes effective December 1, 2018.

**Senate Bill 140 (SL 2018-38) – Title Ins. Rev/Bail Bondsmen Deposits**
Senate Bill 140 makes various changes to the law governing regulation of Real Estate Title Insurance Companies including (1) revising the requirements and release formula related to the statutory premium reserve; (2) repealing the specific requirements for how the statutory premium reserve was to be held and utilized; and (3) repealing the specific requirements and limitations for a title insurance company whose statutory premium reserve falls below what is required. This bill also reduces the deposit required of professional bondsmen who act as sureties on bail bonds in this State. The majority of this act became effective October 1, 2018.

**Senate Bill 162 (SL 2018-75) - Human Trafficking Restorative Justice**
Senate Bill 162 provides restorative justice to victims of human trafficking. Specifically, it adds an affirmative defense for human trafficking victims, provides confidentiality for human trafficking victims, modifies the law providing restitution for human trafficking victims, changes the definition of “abused juveniles” to include all human trafficking victims less than 18 years of age, amends Rule 412 of the Evidence Code to include charges of sexual servitude, and directs the North Carolina Human Trafficking Commission to study sentencing for each offense and post-
conviction relief for human trafficking victims. Except as otherwise provided, this act became effective June 25, 2018.

**Senate Bill 411 (SL 2018-42) – Various Motor Vehicle Law Revisions**
Senate Bill 411, among other things, expands the required use of the electronic lien system implemented by the Division of Motor Vehicles and revises the law governing when a motor vehicle dealer that does not have a motor vehicle’s statement of origin or certificate of title may transfer title to the motor vehicle. The majority of this act became effective June 22, 2018.

**Senate Bill 561 (SL 2018-98) – Violate Tax Law/Venue/Property Tax**
Senate Bill 561 changes the venue for the prosecutions of criminal tax violations from Raleigh to the county where the charged offense occurred and exempts from property tax leasehold interests in exempt property. This act has varying effective dates.

**Senate Bill 616 (SL 2018-44) – Heroin & Opioid Prevention & Enforcement Act (HOPE Act)**
Senate Bill 616 amends laws pertaining to the North Carolina Controlled Substances Act and the North Carolina Controlled Substances Reporting System Act, including the revision and establishment of penalties for certain violations and expressing the intent to appropriate additional funds in the future for community-based substance use disorder treatment and recovery services, the purchase of overdose medications, Operation Medicine Drop, and a special agent position within the State Bureau of Investigation. The bill also amends the statewide telepsychiatry program which delivers mental health and substance abuse care. This act has numerous effective dates.

**Senate Bill 750 (SL 2018-76) – Health-Local Confinement/Vet. Controlled Sub.**
See summary under Administrative Law.

**House Bill 325 (SL 2018-31) – Amend Arson Law**
House Bill 325 expands the criminal law regarding arson by creating two new offenses for an unlawful burning during the commission of another felony. It also expands G.S. 14-69.3 to include serious bodily injury to a law enforcement officer or fire investigator. Finally, it clarifies that the Office of the State Fire Marshal is authorized to investigate the cause, origin and circumstances of every fire in which property has been destroyed or damaged and may investigate whether the fire was the result of carelessness or design. The majority of these provisions become effective December 1, 2018, and apply to offenses committed on or after that date.

**House Bill 379 (SL 2018-69) – Recodification Working Group**
House Bill 379 requires certain state entities to compile and submit a list of crimes covered by the entity to the Joint Legislative Administrative Procedures Oversight Committee (APO) and the Joint Legislative Oversight Committee on Justice and Public Safety (JPS). This act also directs counties, towns and metropolitan sewerage districts to submit a list of all ordinances punishable as a misdemeanor to APO and JPS by December 1, 2018. This act became effective June 25, 2018.

**House Bill 388 (SL 2018-87) – Modernize Mutual Assistance Statutes**
House Bill 388 allows a law enforcement agency to provide assistance to another law enforcement agency unless specifically prohibited or limited by ordinance. This act became effective June 25, 2018.
House Bill 551 (SL 2018-110) – Strengthening Victims’ Rights
See summary under Constitutional Law.

House Bill 670 (SL 2018-72) – Protect Educational Property
House Bill 670 increases the criminal penalty for communicating a threat of mass violence on educational property or at a place of religious worship, provides for conditional discharge of persons convicted of those offenses when the offense is committed before the person attained the age of 20 years, and requires a judge to set conditions of pretrial release for those offenses. This act becomes effective December 1, 2018, and applies to offenses committed on or after that date.

House Bill 744 (SL 2018-66) – Trespass/Eastern Band Cherokee Indians Lands
House Bill 744 makes it first degree trespass for a person to enter or remain on lands of the Eastern Band of Cherokee Indians after the person has been excluded by a duly-enacted Tribal Council resolution. This act becomes effective December 1, 2018, and applies to offenses committed on or after that date.

House Bill 774 (SL 2018-79) – Amend Certificates of Relief
See summary under Constitutional Law.

House Bill 945 (SL 2018-70) – Rape Evidence Collection Kit Tracking Act
House Bill 945 establishes a statewide sexual assault evidence collection kit tracking system and requires tracking of all untested sexual assault kits as recommended by the Joint Legislative Oversight Committee on Justice and Public Safety. This act became effective June 25, 2018.

House Bill 969 (SL 2018-67) – Enhance Prison Security
House Bill 969 creates reporting requirements for the Department of Public Safety, the Administrative Office of the Courts, and the Conference of District Attorneys regarding assaults and malicious conduct by prisoners. It also expands prisoner conduct classified as malicious to include willful exposure of genitalia and throwing bodily fluids towards a prison employee and prohibits the possession of a tool for escape by a prisoner. Further, it authorizes the Information Sharing Analysis Center (ISAC) to analyze certain threats to public safety and notify law enforcement. The majority of this act becomes effective December 1, 2018, and applies to offenses committed on or after that date.

EDUCATION LAW

Senate Bill 125 (SL 2018-37) – Various Changes to Education
Senate Bill 125 encourages local boards of education to adopt student attendance recognition programs and provide that students serving as legislative or governor’s pages shall be eligible for participation in these programs. It also amends G.S. 143B-1226 to expand eligibility of children to obtain certain scholarships under Part 2 of Article 14 of Chapter 143B of the General Statutes. This act became effective June 22, 2018.

Senate Bill 335 (SL 2018-97) – Budget Technical Corrections & Study
Senate Bill 335 makes technical, clarifying and other modifications to the Current Operations Appropriations Act of 2018 and creates the Legislative Commission on the Fair Treatment of College Student-Athletes. Except as otherwise provided, this act became effective July 1, 2018.

**Senate Bill 420 (SL 2018-92) – CC Governance/Amend Medical Bd.**
See summary under Administrative Law.

**Senate Bill 462 (SL 2018-12) – Change Name of UNC General Administration**
Senate Bill 462 changes the name of The University of North Carolina General Administration to The University of North Carolina System Office. This act became effective July 1, 2018.

**House Bill 90 (SL 2018-2) – Changes to Education and Election Laws**
House Bill 90 provides additional funds to schools located in counties through which the Atlantic Coast Pipeline runs and phases in class size requirements over four years. It also amends G.S. 115C-301 by creating an allotment for program enhancement teachers and phasing in funding of program enhancement teachers starting in 2018-2019. In addition, it modifies transfer requirements for classroom teachers and program enhancement teacher allotments. Further, the act makes changes to personal education savings accounts and appropriates funds for the NC Pre-K program in future years. Finally, it implements the North Carolina Supreme Court’s holding in Cooper v. Berger by giving the Governor increased control over the bipartisan State Board of Elections and Ethics Enforcement. Except as otherwise provided, this act became effective March 16, 2018.

**House Bill 514 (SL 2018-3) – Permit Municipal Charter School/Certain Towns**
House Bill 514 authorizes the Towns of Cornelius, Huntersville, Matthews, and Mint Hill to apply and hold a charter for a charter school. Students domiciled in the municipality may be given preferential enrollment over other applicants. This act became effective June 7, 2018, and applies to applications to establish a charter school submitted on or after that date.

**House Bill 611 (SL 2018-26) – Employment Contract Exception**
House Bill 611 creates an exception to G.S. 14-234 for an employment relationship between the local board of education and the spouse of the superintendent of the local school administrative unit when the spousal relationship has been disclosed to, and approved by, the local board of education in an open-session meeting under the local board policy adopted in accordance with G.S. 115C-47(17a). This act became effective June 22, 2018.

**House Bill 670 (SL 2018-72) – Protect Educational Property**
See summary under Criminal Justice.

**House Bill 852 (SL 2018-80) – Real Prop. Tech Correc/Solicitation of Copies**
House Bill 852 makes corrections and other amendments to various statutes impacting real property ownership and makes other conforming changes, as recommended by the Real Property Section of the North Carolina Bar Association. The bill also regulates the solicitation of a fee in exchange for copies of recorded documents and clarifies eligibility for needs-based public school capital fund grants. This act has various effective dates.
**House Bill 986 (SL 2018-32) – Various Changes to Education Laws**

House Bill 986 requires annual reporting on the implementation of statutory requirements regarding cursive writing and multiplication tables. It also provides that students who score a level five on end-of-year math tests must be placed in advanced math classes the following year. Further, the bill requires the State Board of Education to provide information from annual performance reports for educator preparation providers in a user-friendly format that allows comparability of data and provides that the Board of Governors of The University of North Carolina is not required to incorporate that information into the Teacher Quality Dashboard. In addition, it requires the State Superintendent of Public Instruction to study and make recommendations on ways to reduce testing not otherwise required by State or federal law and directs DPI to develop content standards for a mental health training program and model program and minimum requirements for a suicide risk referral protocol and model protocol. Finally, it creates a “Renewal School System” model that authorizes a qualifying local school administrative unit to become a renewal school system and therefore be subject only to certain statutes and State Board of Education rules and policies. Except as otherwise provided, this act became effective June 22, 2018.

**House Bill 998 (SL 2018-88) – Improving NC Rural Health**

House Bill 998 directs the Department of Health and Human Services (DHHS) to study and report recommendations to create incentives for medical education in rural areas and assist rural hospitals in becoming designated as teaching hospitals by CMS. It also directs the Office of Rural Health to ensure its loan repayment program is targeted to benefit health care providers in rural areas and to identify the need for dentists in rural areas. Finally, the bill directs DHHS to study Medicaid Health Outcomes Programs. The majority of this act became effective June 25, 2018.

**House Bill 1031 (SL 2018-83) – Local Ed. Funding Dispute Process**

House Bill 1031 eliminates actions in Superior Court when there is a dispute between a local board of education and the board of county commissioners as to the necessary appropriation for local current expenses and replaces those actions with a statutory formula to determine the annual appropriation. This act became effective June 25, 2018, and applies to budget ordinances adopted on or after that date.

**ELDER & SPECIAL NEEDS LAW**

**Senate Bill 768 (SL 2018-47) – People First Language 2018**

Senate Bill 768 updates the General Statutes of North Carolina with People First Language by changing the phrase “mental retardation” to “intellectual disability” in certain sections and making other People First Language amendments and technical amendments in those sections, as recommended by the General Statutes Commission. The majority of this act became effective June 22, 2018.

**House Bill 403 (SL 2018-48) – Medicaid and Behavioral Health Modifications**

House Bill 403 modifies components of the 2015 Medicaid Transformation legislation by (1) allowing Pre-Paid Health Plans (PHPs) to cover certain behavioral health services when capitated PHP contracts begin; (2) adding certain populations to the list of populations that will not be covered by PHP contracts; (3) increasing the number of statewide PHPs required from three to four; and (4) directing a planning period for, and the implementation of, BH IDD Tailored Plans
to serve individuals with severe behavioral health needs, to be initially operated by LME/MCOs and to begin one year after the 1115 demonstration waiver begins. This act became effective June 22, 2018.

**House Bill 512 (SL 2018-81) – Monitor Implementation of TBI Waiver**
House Bill 512 requires the Department of Health and Human Services (DHHS) to make quarterly reports on the status and implementation of the 1915(c) waiver for individuals with traumatic brain injury (TBI). DHHS is now required to adopt rules or medical coverage policies relating to service programs for individuals with TBI, develop a best practice model, and strive to maintain adequate reimbursement rates. In addition, the bill allows township hospitals operating under Article 2 of Chapter 131 of the General Statutes, pursuant to Section 3 of Chapter 775 of the 1983 Session Laws, to exercise many of the powers currently permitted to public hospitals under Article 2 of Chapter 131E of the General Statutes. It also extends the period in which the acquisition or reopening of a Legacy Medical Facility is exempt from Certificate of Need review by 36 months. Finally, it changes the definition of “Legacy Medical Facility” to include facilities that provide outpatient care. This act became effective June 25, 2018.

House Bill 651 establishes the Unfunded Liability Solvency Reserve, an Employee Benefit Trust Fund, as a reserve in the General Fund and makes various conforming changes. This act became effective October 1, 2018.

**House Bill 977 (SL 2018-84) – Admin. Changes Ret. System/Treasurer - 2018.-AB**
See summary under Administrative Law.

**ENVIRONMENT, ENERGY & NATURAL RESOURCES LAW**

**Senate Bill 711 (SL 2018-113) – NC Farm Act of 2018**
Senate Bill 711 makes various changes to the agricultural laws including repealing the North Carolina Handler’s Act and enacting the Fruit and Vegetable Handlers Registration Act, directing the Food and Drug Protection Division to develop an enforcement plan for the United States Food and Drug Administration’s standard of identity for milk, and amending the right-to-farm law by placing restrictions on nuisance actions. This act became effective June 27, 2018.

**ESTATE PLANNING & FIDUCIARY LAW**

**Senate Bill 75 (SL 2018-119) – Const. Amd. – Max. Income Tax Rate of 7%**
See summary under Business Law.

**FAMILY LAW**

**Senate Bill 630 (SL 2018-33) – Revise IVC Laws to Improve Behavioral Health**
Senate Bill 630 revises numerous laws pertaining to voluntary and involuntary commitment for the mentally ill and substance abusers in order to improve the delivery of behavioral health services in North Carolina. The majority of this act becomes effective October 1, 2019, and applies to proceedings initiated on or after that date.
**House Bill 551 (SL 2018-110) – Strengthening Victims’ Rights**
See summary under Constitutional Law.

**House Bill 688 (SL 2018-86) – Certain Appeals Allowed/Clarify Disp. Orders**
See summary under Appellate Practice.

**House Bill 776 (SL 2018-68) – Adoption and Juvenile Law Changes**
House Bill 776 amends various provisions of the laws governing adoptions and juvenile law making mostly technical and clarifying changes. Among other things, the bill amends the methods permitted to identify a minor parent who consents to an adoption, makes clarifying changes to how a newborn baby’s name may be recorded in the written consent to the adoption or the written relinquishment, adds provisions related to notice of service when the identity and whereabouts of a biological father are unknown, and provides that no summons is required for a parent whose name or identity is unknown. This act became effective October 1, 2018.

**GENERAL INTEREST**

**Senate Bill 75 (SL 2018-119) – Const. Amd. – Max. Income Tax Rate of 7%**
See summary under Business Law.

**Senate Bill 145 (SL 2018-74) – DOT/DMV Legislative Requests**
Senate Bill 145 makes various changes to the transportation laws of the state including the following areas: DOT property acquisitions/Right-of-Way Claim Report, DOT Report Program to post to web, repeal of biennial report on off-premise sign regulatory program, mailing of dealer manuals, CDL waivers for certain transitioning military truck drivers, driver medical records, and special registration plates. Except as otherwise provided, this act became effective July 1, 2018.

**Senate Bill 168 (SL 2018-40) – AOC Omnibus Changes**
Senate Bill 168 makes various changes to the laws governing the administration of justice. Notably, the bill reduces the number of government entities and officials receiving free copies of appellate decision advance sheets from the AOC, requires the Office of Indigent Defense Services to establish a model plan containing minimum qualifications for appointment of private counsel, modifies arrest warrant procedures, and authorizes the AOC to keep confidential personally-identifiable information collected for the purpose of a court proceeding notification system. Except as otherwise provided, this act became effective June 22, 2018.

**Senate Bill 325 (SL 2018-112) – The Uniform & Expanded Early Voting Act**
Senate Bill 325 sets hours for one-stop early voting sites and requires county board of elections to submit an annual report on voter list maintenance. This act became effective June 27, 2018.

**Senate Bill 335 (SL 2018-97) – Budget Technical Corrections & Study**
See summary under Education Law.

**Senate Bill 412 (SL 2018-43) – Abandoned Vehicles/Charities**
Senate Bill 412 provides a process for used motor vehicle dealers to dispose of abandoned vehicles received from charitable organizations. This act became effective June 22, 2018.

**Senate Bill 711 (SL 2018-113) – NC Farm Act of 2018**

**House Bill 573 (SL 2018-65) – Business/Regulatory Changes**
House Bill 573 authorizes cities to petition the Superior Court to appoint a receiver to rehabilitate, demolish or sell a vacant building, structure or dwelling when the owner has failed to take corrective action or when an owner voluntarily requests receivership. This bill also requires the Building Code Council to provide an exemption from energy efficiency codes for residential garages, amends the law authorizing malt beverage or unfortified wine elections for certain cities, amends well casing, grouting and setback requirements, reduces the frequency of required groundwater sampling for C&D landfills, and directs the Alcoholic Beverage Control Commission to revise advertising rules for certain venues. Except as otherwise provided, this act became effective June 25, 2018.

**House Bill 619 (SL 2018-27) – Clarify Motor Vehicle Dealer Laws**
House Bill 619 makes changes to North Carolina’s Motor Vehicle Dealers and Manufacturers Licensing Law including changes in allowable manufacturer requirements related to dealer facilities alterations, dealer warranty obligations and compensation, dealership customer data protection, franchise agreement termination limitations, and mandatory use of LD plates. This act became effective June 22, 2018.

**House Bill 646 (SL 2018-101) – Amend PED Statutes**
House Bill 646 amends the program evaluation statutes to make it explicit that the Division may evaluate non-state entities that receive or expend any state funds, add administration of measurability assessments as a function of the Division, create standardized evaluation reports, and revise the powers and duties of the Joint Legislative Program Evaluation Oversight Committee. This act became effective June 26, 2018.

**GOVERNMENT & PUBLIC SECTOR**

**Senate Bill 220 (SL 2018-39) – Motor Fuel Tax Exemption for Joint Agency**
Senate Bill 220 exempts a joint agency created by interlocal agreement for the purposes of fire protection, police protection or emergency services from having to pay motor fuel excise taxes. This act became effective October 1, 2018, and applies to purchases made on or after that date.

**Senate Bill 325 (SL 2018-112) – The Uniform & Expanded Early Voting Act**
See summary under General Interest.

**Senate Bill 420 (SL 2018-92) – CC Governance-Amend Medical Bd.**
See summary under Administrative Law.

**Senate Bill 758 (SL 2018-16) – Build NC Bond Act of 2018**
See summary under Construction Law.
Senate Bill 813 (SL 2018-123) – Asheville City Council Districts
Senate Bill 813 revises the Charter of the City of Asheville to provide for the election of city council members from districts and the creation of those districts and to provide for even-year municipal elections. This act became effective June 29, 2018, and applies to elections held on or after that date.

House Bill 9 (SL 2018-25) – Allow Election Day Service – Retired LEOs
House Bill 9 allows a retired law enforcement officer to be employed by a county board of elections on an election day without causing the suspension of any payments from the special separation allowance benefit. This act became effective June 22, 2018.

House Bill 351 (SL 2018-51) – Utilities/Rate Base/Fair Value Determination
See summary under Administrative Law.

House Bill 379 (SL 2018-69) – Recodification Working Group
See summary under Criminal Justice.

House Bill 388 (SL 2018-87) – Modernize Mutual Assistance Statutes
See summary under Criminal Justice.

House Bill 514 (SL 2018-3) – Permit Municipal Charter School/Certain Towns
See summary under Education Law.

House Bill 569 (SL 2018-64) – Pretax Supplemental Benefits
House Bill 569 provides that supplemental insurance plans offered to State employees through the Employee Insurance Committees may be offered on a pre-tax basis if the offering complies with Section 125 of the Internal Revenue Code. Since the benefits offered by Employee Insurance Committees are administered at the agency level, it appears the responsibility for ensuring compliance with Section 125 requirements would be the responsibility of the individual agency. This act became effective June 25, 2018, and applies to products or services funded by payroll deductions beginning on or after January 1, 2019.

House Bill 619 (SL 2018-27) – Clarify Motor Vehicle Dealer Laws
See summary under General Interest.

House Bill 646 (SL 2018-101) – Amend PED Statutes
See summary under General Interest.

House Bill 651 establishes the Unfunded Liability Solvency Reserve, an Employee Benefit Trust Fund, as a reserve in the General Fund and makes various conforming changes. This act became effective October 1, 2018.
**House Bill 779 (SL 2018-28) – ABC Elections**
House Bill 779 authorizes certain small municipalities with decreasing populations to attract business through a malt beverage and unfortified wine election, at the discretion of the municipal governing board. This act became effective June 22, 2018.

**House Bill 826 (SL 2018-34) – Clarify System Development Fees**
See summary under Construction Law.

**House Bill 948 (SL 2018-29) – Building Code Regulatory Reform**
See summary under Administrative Law.

House Bill 985 makes technical changes to the Disability Income Plan, the Local Governmental Employees’ Retirement System, the Teachers’ and State Employees’ Retirement System, the Consolidated Judicial Retirement System, the Legislative Retirement System, the State Health Plan, and the NC Firefighters’ and Rescue Squad Workers’ Pension Fund. Except as otherwise provided, this act became effective June 25, 2018.

**House Bill 1031 (SL 2018-83) – Local Ed. Funding Dispute Process**
See summary under Education Law.

**House Bill 1056 (SL 2018-52) – FAIR 2018.-AB**
House Bill 1056 promotes financial accountability, integrity and recovery of assets of the Teachers’ and State Employees’ Retirement System, the Local Government Employees’ Retirement System, the Consolidated Judicial Retirement System, the Legislative Retirement System, the Firefighters and Rescue Squad Workers’ Pension Fund, the Disability Income Plan, and the State Health Plan for Teachers and State Employees. Except as otherwise provided, this act became effective June 25, 2018.

**HEALTH LAW**

**Senate Bill 124 (SL 2018-36) – LEO Managed CBD Oil Drop Box**
See summary under Criminal Justice.

**Senate Bill 368 (SL 2018-41) – Update False Claims Act/Rare Disease Appt/HIE**
Senate Bill 368 aligns the North Carolina False Claims Act with the Federal False Claims Act and extends the terms for the current members of the Advisory Council on Rare Diseases. It also extends participation in the HIE Network for certain providers. Except as otherwise provided, this act became effective June 22, 2018.

**Senate Bill 616 (SL 2018-44) – Heroin & Opioid Prevention & Enforcement Act (HOPE Act)**
See summary under Criminal Justice.

**Senate Bill 630 (SL 2018-33) – Revise IVC Laws to Improve Behavioral Health**
See summary under Family Law.
**Senate Bill 750 (SL 2018-76) – Health-Local Confinement/Vet. Controlled Sub.**
See summary under Administrative Law.

**Senate Bill 768 (SL 2018-47) – People First Language 2018**
See summary under Elder & Special Needs Law.

**House Bill 156 (SL 2018-49) – Medicaid PHP Licensure & Transformation Mods.**
House Bill 156 requires Medicaid Prepaid Health Plans to obtain a license from the Department of Insurance and makes other changes pertaining to Medicaid Transformation and the Department of Insurance. It enacts Article 93 of Chapter 58 of the General Statutes – the Prepaid Health Plan Licensing Act (PHP Licensing Act). Article 93 also prescribes investments a PHP may make, requires PHPs to have a plan for protection against insololvency, and outlines the actions the Commissioner of Insurance may take if a PHP is in a hazardous financial condition. Except as otherwise provided, this act became effective June 22, 2018.

**House Bill 277 (SL 2018-24) – Naturopathic Study**
House Bill 277 creates a work group to make recommendations for the regulation of naturopathic medicine in North Carolina. The work group is required to report its findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services on or before January 15, 2019. This act became effective June 22, 2018.

**House Bill 357 (SL 2018-91) – Modernize Dietetics/Nutrition Practice Act**
House Bill 357 amends the Dietetics/Nutrition Practice Act by adding new definitions, changing the composition of the North Carolina Board of Dietetics/Nutrition, modifying the requirements to obtain a license and the acts that are prohibited to unlicensed individuals, permitting telepractice and enteral nutrition therapy, instituting background checks, and making conforming changes. The majority of this act became effective July 1, 2018.

**House Bill 382 (SL 2018-120) – DOI Omnibus.-AB**
House Bill 382 incorporates NAIC model language into North Carolina’s Life and Health Insurance Guaranty Association Act, amends and makes clarifying changes to the Surplus Lines Act, amends the consent to rate and captive insurance laws, and makes technical changes to other insurance laws, as recommended by the Department of Insurance. Except as otherwise provided, this act became effective June 28, 2018.

**House Bill 403 (SL 2018-48) – Medicaid and Behavioral Health Modifications**
See summary under Elder & Special Needs Law.

**House Bill 512 (SL 2018-81) – Monitor Implementation of TBI Waiver**
See summary under Elder & Special Needs Law.

**House Bill 741 (SL 2018-93) – DHHS Study/Maternal and Neonatal Care**
House Bill 741 directs the Department of Health and Human Services to study and report on North Carolina’s ability to provide access to high-quality, risk-appropriate maternal and neonatal care. It also permits the simultaneous cremations of fetuses or infants born to the same mother at the same time. This act became effective June 25, 2018.
**House Bill 998 (SL 2018-88) – Improving NC Rural Health**
See summary under Education Law.

**INSURANCE LAW**

**Senate Bill 411 (SL 2018-42) – Various Motor Vehicle Law Revisions**
See summary under Criminal Justice.

**Senate Bill 750 (SL 2018-76) – Health-Local Confinement/Vet. Controlled Sub.**
See summary under Administrative Law.

**House Bill 156 (SL 2018-49) – Medicaid PHP Licensure & Transformation Mods.**
See summary under Health Law.

**House Bill 325 (SL 2018-31) – Amend Arson Law**
See summary under Criminal Justice.

**House Bill 382 (SL 2018-120) – DOI Omnibus.-AB**
See summary under Family Law.

**House Bill 569 (SL 2018-64) – Pretax Supplemental Benefits**
House Bill 569 provides that supplemental insurance plans offered to State employees through the Employee Insurance Committees may be offered on a pre-tax basis if the offering complies with Section 125 of the Internal Revenue Code. Since the benefits offered by Employee Insurance Committees are administered at the agency level, it appears the responsibility for ensuring compliance with Section 125 requirements would be the responsibility of the individual agency. This act became effective June 25, 2018, and applies to products or services funded by payroll deductions beginning on or after January 1, 2019.

**House Bill 741 (SL 2018-93) – DHHS Study/Maternal and Neonatal Care**
See summary under Health Law.

**House Bill 948 (SL 2018-29) – Building Code Regulatory Reform**
See summary under Administrative Law.

**JUDICIAL INDEPENDENCE COMMITTEE**

**Senate Bill 486 (SL 2018-13) – The Elections Security and Transparency Act**
Senate Bill 486 makes various changes to elections laws. Notably, it provides that judicial elections will be held under a plurality election system, with candidates running under a political party label on the ballot. The party affiliation on the ballot is to be the self-identified party of a candidate at the time of filing. Except as otherwise provided, this act became effective June 20, 2018. (Note: SL 2018-130 as passed in an Extra Session changed this provision to require a candidate’s political party affiliation or unaffiliated status be the same as on the candidate’s voter registration 90 days prior to filing for office.)
**Senate Bill 757 (SL 2018-14) – Various Court Districts Changes**
Senate Bill 757 makes various changes to the Superior Court districts, District Court districts, and prosecutorial districts. The affected districts include the Superior Courts in Mecklenburg, Pender and New Hanover Counties, as well as the District Courts in Wake and Mecklenburg Counties. The Superior Court changes in Pender and New Hanover Counties become fully effective January 1, 2019. The District Court changes in Mecklenburg and Wake Counties become fully effective January 1, 2012. The Superior Court changes in Mecklenburg County become fully effective January 1, 2023.

**Senate Bill 814 (SL 2018-118) – Judicial Vacancy Sunshine Amendment**
See summary under Appellate Practice.

**House Bill 496 (SL 2018-99) – Fair and Nonpartisan Ballot Placement**
See summary under Appellate Practice.

**House Bill 717 (SL 2018-121) – Judicial Elections Changes**
House Bill 717 revises the Judicial Divisions, makes certain adjustments to the assignment of counties to the Superior Court, District Court and prosecutorial districts, clarifies the listing of judicial seats on the ballot, and limits rotation of Superior Court Judges to six months per year. The bill primarily affects the following counties: Duplin, Jones, Onslow, Sampson, Burke, Caldwell, Catawba, Hoke, Moore, Anson, Richmond, and Scotland. Except as otherwise provided, this act became effective June 28, 2018.

**House Bill 913 (SL 2018-117) – Bipartisan Ethics and Elections Enforcement**
See summary under Administrative Law.

**JUSTICE AND JUDICIARY COMMITTEE**

**Senate Bill 486 (SL 2018-13) – The Elections Security and Transparency Act**
See summary under Judicial Independence Committee.

**Senate Bill 655 (SL 2018-21) – Change Date When Primary Elections Held**
See summary under Appellate Practice.

**Senate Bill 757 (SL 2018-14) – Various Court Districts Changes**
See summary under Judicial Independence Committee.

**Senate Bill 814 (SL 2018-118) – Judicial Vacancy Sunshine Amendment**
See summary under Appellate Practice.

**House Bill 717 (SL 2018-121) – Judicial Elections Changes**
House Bill 717 revises the Judicial Divisions, makes certain adjustments to the assignment of counties to the Superior Court, District Court and prosecutorial districts, clarifies the listing of judicial seats on the ballot, and limits rotation of Superior Court Judges to six months per year. The bill primarily affects the following counties: Duplin, Jones, Onslow, Sampson, Burke,
Caldwell, Catawba, Hoke, Moore, Anson, Richmond, and Scotland. Except as otherwise provided, this act became effective June 28, 2018.

**House Bill 913 (SL 2018-117) – Bipartisan Ethics and Elections Enforcement**
See summary under Administrative Law

**JUVENILE JUSTICE & CHILDREN’S RIGHTS**

**Senate Bill 162 (SL 2018-75) - Human Trafficking Restorative Justice**
Senate Bill 162 provides restorative justice to victims of human trafficking. Specifically, it adds an affirmative defense for human trafficking victims, provides confidentiality for human trafficking victims, modifies the law providing restitution for human trafficking victims, changes the definition of “abused juveniles” to include all human trafficking victims less than 18 years of age, amends Rule 412 of the Evidence Code to include charges of sexual servitude, and directs the North Carolina Human Trafficking Commission to study sentencing for each offense and post-conviction relief for human trafficking victims. Except as otherwise provided, this act became effective June 25, 2018.

**Senate Bill 768 (SL 2018-47) – People First Language 2018**
Senate Bill 768 updates the General Statutes of North Carolina with People First Language by changing the phrase “mental retardation” to “intellectual disability” in certain sections and making other People First Language amendments and technical amendments in those sections, as recommended by the General Statutes Commission. The majority of this act became effective June 22, 2018.

**House Bill 90 (SL 2018-2) – Changes to Education and Election Laws**
House Bill 90 provides additional funds to schools located in counties through which the Atlantic Coast Pipeline runs and phases in class size requirements over four years. It also amends G.S. 115C-301 by creating an allotment for program enhancement teachers and phasing in funding of program enhancement teachers starting in 2018-2019. In addition, it modifies transfer requirements for classroom teachers and program enhancement teacher allotments. Further, the act makes changes to personal education savings accounts and appropriates funds for the NC Pre-K program in future years. Finally, it implements the North Carolina Supreme Court’s holding in Cooper v. Berger by giving the Governor increased control over the bipartisan State Board of Elections and Ethics Enforcement. Except as otherwise provided, this act became effective March 16, 2018.

**House Bill 403 (SL 2018-48) – Medicaid and Behavioral Health Modifications**
See summary under Elder & Special Needs Law.

**House Bill 670 (SL 2018-72) – Protect Educational Property**
See summary under Criminal Justice.

**House Bill 776 (SL 2018-68) – Adoption and Juvenile Law Changes**
House Bill 776 amends various provisions of the laws governing adoptions and juvenile law making mostly technical and clarifying changes. Among other things, the bill amends the methods
permitted to identify a minor parent who consents to an adoption, makes clarifying changes to how a newborn baby’s name may be recorded in the written consent to the adoption or the written relinquishment, adds provisions related to notice of service when the identity and whereabouts of a biological father are unknown, and provides that no summons is required for a parent whose name or identity is unknown. This act became effective October 1, 2018.

LABOR & EMPLOYMENT LAW

**House Bill 284 (SL 2018-22) – 25-Year LEO Retirement Option**
House Bill 284 makes the following changes: (1) allows separation buyouts for law enforcement officers effective June 22, 2018; (2) permits transfers under the special retirement allowance in the Teachers’ and State Employees’ Retirement System (TSERS) and the Local Governmental Employees Retirement System (LGERS) to be paid in whole or in part with employer contributions effective July 1, 2019; (3) allows law enforcement officers with 25 years of creditable service who are members of TSERS and LGERS to retire with reduced benefits effective July 1, 2019; and (4) allows the Retirement Systems Division of the Department of State Treasurer to use retirement assets to cover the costs associated with the administration of the changes in this act effective June 22, 2018.

**House Bill 569 (SL 2018-64) – Pretax Supplemental Benefits**
See summary under Government & Public Sector Law.

**House Bill 611 (SL 2018-26) – Employment Contract Exception**
See summary under Education Law.

**House Bill 931 (SL 2018-94) – UI Technical Changes**
House Bill 931 makes changes to the unemployment insurance (UI) system. Specifically, it excludes direct sellers from the definition of employment for UI, delays the effective date for a requirement that employers respond to UI claims in 10 days until January 1, 2019, reduces the number of job contacts required for UI to 3 contacts per week, requires electronic filing of the employer’s quarterly report if the employer has 10 or more employees, and creates a procedure to withdraw a UI claim for good cause. Except as otherwise provided, this act became effective June 25, 2018.

LITIGATION

**Senate Bill 368 (SL 2018-41) – Update False Claims Act/Rare Disease Appt/HIE**
See summary under Health Law.

**Senate Bill 470 (SL 2018-4) – Personal Injury Bankruptcy Trust Claims**
See summary under Bankruptcy.

**Senate Bill 711 (SL 2018-113) – NC Farm Act of 2018**
See summary under Environmental, Energy & Natural Resources Law.
REAL PROPERTY

**Senate Bill 140 (SL 2018-38) – Title Ins. Rev/Bail Bondsmen Deposits**
See summary under Criminal Justice.

**Senate Bill 224 (SL 2018-50) – Landlord Recovery of Expenses/Rule 60 Motion**
Senate Bill 224 allows landlords to recover certain out-of-pocket expenses incurred in proceedings per summary ejectment or for money owed. This act became effective June 25, 2018.

**Senate Bill 561 (SL 2018-98) – Violate Tax Law/Venue/Property Tax**
See summary under Criminal Justice.

**Senate Bill 711 (SL 2018-113) – NC Farm Act of 2018**
See summary under Environment, Energy & Natural Resources Law. In addition, of specific interest to the Real Property Section, the bill amends G.S. 106-741(a) to direct all counties in the State to require that land records include some form of notice reasonably calculated to alert a person researching the title of a particular tract that the tract is located within one half-mile of a poultry, swine, or dairy qualifying farm or other qualifying farm or a voluntary agricultural district, or within 600 feet of any other type of qualifying farm. Under current law, any county that has a computerized land records system may require such notice. For purposes of this section, a qualifying farm means a farm that qualifies for inclusion in a voluntary agricultural district or an enhanced voluntary agricultural district. It was reported in committee that the notice would not be placed and become part of the chain of title, but would be notated on the property tax card/record like zoning designations are now. Current subsection (c) of G.S. 106-741 provides that: “In no event shall any cause of action arise out of the failure of a person researching the title of a particular tract to report to any person the proximity of the tract to a qualifying farm or voluntary agricultural district as defined in this Article.” Further, the bill directs the Agriculture and Forestry Awareness Study Commission to study (i) requiring the holders of unused rights-of-way and utility easements to offer the easements to the underlying property owners for fair market value, and (ii) the advisability of excluding property enrolled in present use value taxation from rural fire protection district and county service district taxes. The Agriculture and Forestry Awareness Study Commission is directed to complete the studies and report its findings and recommendations, including any legislative proposals, to the General Assembly by January 1, 2019.

**House Bill 86 (SL 2018-23) – Virtual Currency Changes**
See summary under Business Law.

**House Bill 320 (SL 2018-95) – PUV Changes**
House Bill 320 expands the way land may be used to qualify for present-use value taxation as wildlife conservation land. If the land qualifies for present use value taxation under this bill, up to 800 acres of land can be classified for taxation at its present-use value. This act becomes effective for taxes imposed for taxable years beginning on or after July 1, 2019.

**House Bill 744 (SL 2018-66) – Trespass/Eastern Band Cherokee Indians Lands**
See summary under Criminal Justice.
**House Bill 826 (SL 2018-34) – Clarify System Development Fees**
See summary under Construction Law.

**House Bill 852 (SL 2018-80) – Real Prop. Tech Correc/Solicitation of Copies**
See summary under Education Law.

**SPORTS & ENTERTAINMENT LAW**

**Senate Bill 335 (SL 2018-97) – Budget Technical Corrections & Study**
See summary under Education Law.

**Senate Bill 677 (SL 2018-96) – Protect Right to Hunt and Fish**
Senate Bill 677 directs that a constitutional amendment be submitted to the qualified voters of the State at a statewide general election to be held in November 2018 to include language in the State’s Constitution to provide that the people of the State have a right to hunt, fish and harvest wildlife, subject to certain limitations. This act became effective June 25, 2018.

**House Bill 500 (SL 2018-100) – ABC Omnibus Legislation**
See summary under Administrative Law.

**TAX**

**Senate Bill 75 (SL 2018-119) – Const. Amd. – Max. Income Tax Rate of 7%**
See summary under Business Law.

**Senate Bill 220 (SL 2018-39) – Motor Fuel Tax Exemption for Joint Agency**
Senate Bill 220 exempts a joint agency created by interlocal agreement for the purposes of fire protection, police protection or emergency services from having to pay motor fuel excise taxes. This act became effective October 1, 2018, and applies to purchases made on or after that date.

**Senate Bill 561 (SL 2018-98) – Violate Tax Law/Venue/Property Tax**
Senate Bill 561 changes the venue for the prosecutions of criminal tax violations from Raleigh to the county where the charged offense occurred and exempts from property tax leasehold interests in exempt property. This act has varying effective dates.

**House Bill 320 (SL 2018-95) – PUV Changes**
House Bill 320 expands the way land may be used to qualify for present-use value taxation as wildlife conservation land. If the land qualifies for present use value taxation under this bill, up to 800 acres of land can be classified for taxation at its present-use value. This act becomes effective for taxes imposed for taxable years beginning on or after July 1, 2019.

**House Bill 569 (SL 2018-64) – Pretax Supplemental Benefits**
House Bill 569 provides that supplemental insurance plans offered to State employees through the Employee Insurance Committees may be offered on a pre-tax basis if the offering complies with Section 125 of the Internal Revenue Code. Since the benefits offered by Employee Insurance
Committees are administered at the agency level, it appears the responsibility for ensuring compliance with Section 125 requirements would be the responsibility of the individual agency. This act became effective June 25, 2018, and applies to products or services funded by payroll deductions beginning on or after January 1, 2019.

**House Bill 977 (SL 2018-84) – Admin. Changes Ret. System/Treasurer - 2018.-AB**
House Bill 977 makes clarifying and administrative changes to laws relating to the State Treasurer, the Teachers’ and State Employees’ Retirement System, the Local Government Employees’ Retirement System, the State Health Plan, and related statutes. Except as otherwise provided, this act became effective June 25, 2018.

**ZONING, PLANNING & LAND USE**

**Senate Bill 561 (SL 2018-98) – Violate Tax Law/Venue/Property Tax**
See summary under Criminal Justice.

**House Bill 320 (SL 2018-95) – PUV Changes**
See summary under Tax.

**House Bill 826 (SL 2018-34) – Clarify System Development Fees**
See summary under Construction Law.