GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

SESSION LAW 2024-45
SENATE BILL 607

AN ACT TO PROVIDE ADDITIONAL REGULATORY RELIEF TO THE CITIZENS OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

PART I. OCCUPATIONAL LICENSING AND ADMINISTRATIVE PROCEDURES

EXEMPT CERTAIN ACTIVITIES FROM REQUIRING LICENSURE AS A BARBER OR COSMETOLOGIST

SECTION 3.(a) G.S. 86B-32 reads as rewritten:

"**§ 86B-32. Persons exempt from the provisions of this Article.**

The following persons are exempt from the provisions of this Article while engaged in the proper discharge of their duties:

(1) Persons authorized under the laws of the State to practice medicine and surgery, and those working under their supervision.

(2) Commissioned medical or surgical officers of the United States Army or other components of the Armed Forces of the United States, and those working under their supervision.

(3) Registered nurses and licensed practical nurses and those working under their supervision.

(4) Licensed embalmers and funeral directors and those working under their supervision.

(5) Persons who are working in licensed cosmetic shops or beauty schools and are licensed by the State Board of Cosmetic Art Examiners pursuant to Chapter 88B of the General Statutes.

(6) Persons who are working in barbershops and are licensed by the State Board of Cosmetic Art Examiners pursuant to Chapter 88B of the General Statutes, provided that those persons shall comply with G.S. 86B-31.

(7) Inmates under the jurisdiction of the North Carolina Department of Adult Correction.

(8) Persons who are employed by barbershops and whose duties are expressly confined to the shampooing or blow drying of hair, provided that the person shall comply with G.S. 86B-31."

SECTION 3.(b) G.S. 88B-25 reads as rewritten:

"**§ 88B-25. Exemptions.**

The following persons are exempt from the provisions of this Chapter while engaged in the proper discharge of their professional duties:

(1) Undertakers and funeral establishments licensed under G.S. 90-210.25.

(2) Persons authorized to practice medicine or surgery under Chapter 90 of the General Statutes.

(3) Nurses licensed under Chapter 90 of the General Statutes.

(4) Commissioned medical or surgical officers of the United States Army, Air Force, Navy, Marine, or Coast Guard.

(5) A person employed in a cosmetic art shop ~~to shampoo hair.~~whose duties are expressly confined to the shampooing or blow drying of hair, provided that the person shall comply with rules adopted by the Board relating to sanitary management of cosmetic art shops."

SECTION 3.(c) This section is effective when it becomes law.

INCREASE THE AMOUNT OF TRAINING REQUIRED FOR LICENSURE BY THE NORTH CAROLINA BOARD OF MASSAGE AND BODYWORK THERAPY

SECTION 4.(a) G.S. 90-629 reads as rewritten:

"**§ 90-629. Requirements for licensure to practice.**

Upon application to the Board and the payment of the required fees, an applicant may be licensed as a massage and bodywork therapist if the applicant meets all of the following qualifications:

(1) Has obtained a high school diploma or equivalent.

(2) Is 18 years of age or older.

(3) Is of good moral character as determined by the Board.

(4) Has successfully completed a training program consisting of a minimum of ~~500~~ 650 in-class hours of supervised instruction at a Board-approved school.

(5) Has passed a competency assessment examination that meets generally accepted psychometric principles and standards and is approved by the Board.

(6) Has submitted fingerprint cards in a form acceptable to the Board at the time the license application is filed and consented to a criminal history record check by the State Bureau of Investigation.

(7) Demonstrates satisfactory proof of proficiency in the English language."

SECTION 4.(b) This section becomes effective July 1, 2024, and applies to licenses issued on or after that date.

REPEAL THE RESIDENCY REQUIREMENT FOR ELECTROLOGISTS

SECTION 5. G.S. 86B-53 reads as rewritten:

"**§ 86B-53. Requirements for licensure as an electrologist.**

(a) Any person who desires to be licensed as an "electrologist" pursuant to this Chapter shall:

(1) Submit an application on a form approved by the Board.

~~(2) Be a resident of North Carolina.~~

(3) Be 21 years of age or older.

(4) Meet the requirements of subsection (b) of this section.

(5) Pass an examination given by the Board.

(6) Submit the application and examination fees required in G.S. 86B-70.

(b) An applicant for licensure under this section shall provide one of the following:

(1) Proof of graduation from a school certified by the Board pursuant to G.S. 86B-67.

(2) Proof satisfactory to the Board that, for at least one year prior to the date of ~~application or the date of initial residence in this State, whichever is earlier,~~ application, the applicant was engaged in the practice of electrology in a state that does not license electrologists.

Subdivision (2) of this subsection applies only to applicants ~~whose residence in this State began on or after January 31, 1994,~~ who do not meet the qualifications of subdivision (1) of this subsection or G.S. 86B-57.

(c) At least twice each year, the Board shall give an examination to applicants for licensure to determine the applicants' knowledge of the basic and clinical sciences relating to the theory and practice of electrology. The Board shall give applicants notice of the date, time, and place of the examination at least 60 days in advance.

(d) When the Board determines that an applicant has met all the requirements for licensure, and has submitted the initial license fee required in G.S. 86B-70, the Board shall issue a license to the applicant.

~~(e) An applicant otherwise qualified for licensure who is not a resident of this State may nevertheless submit a statement of intent to begin practicing electrology in this State and receive a license. The applicant must provide to the Board within six months of receiving a license evidence satisfactory to the Board that the applicant has actually begun to practice electrology in this State. The Board may revoke the license of an applicant who fails to submit this proof or whose proof fails to satisfy the Board.~~"

AMEND EFFECTIVE DATES FOR RULES SUBMITTED TO THE CODIFIER OF RULES BY CERTAIN AGENCIES EXEMPT FROM THE STANDARD RULEMAKING PROCESS

SECTION 6. G.S. 150B-21.21 reads as rewritten:

"**§ 150B-21.21. Publication of rules of North Carolina State Bar, Building Code Council, and exempt agencies.**

(a) State Bar. – The North Carolina State Bar must submit a rule adopted or approved by it and entered in the minutes of the North Carolina Supreme Court to the Codifier of Rules for inclusion in the North Carolina Administrative Code. The State Bar must submit a rule within 30 days after it is entered in the minutes of the Supreme Court. The Codifier of Rules must compile, make available for public inspection, and publish a rule included in the North Carolina Administrative Code under this subsection in the same manner as other rules in the Code.

(a1) Building Code Council. – The Building Code Council shall publish the North Carolina State Building Code as provided in G.S. 143-138(g). The Codifier of Rules is not required to publish the North Carolina State Building Code in the North Carolina Administrative Code.

(b) Exempt Agencies. – Notwithstanding any other provision of law, an agency that is exempted from this Article by G.S. 150B-1 or any other statute must submit a temporary or permanent rule adopted by it to the Codifier of Rules for inclusion in the North Carolina Administrative Code. These exempt agencies must submit a rule to the Codifier of Rules within 30 days after adopting the rule.

(c) Publication. – A rule submitted to the Codifier of Rules under this section must be in the physical form specified by the Codifier of Rules. The Codifier of Rules must compile, make available for public inspection, and publish a rule submitted under this section in the same manner as other rules in the North Carolina Administrative Code.

(d) Effective Dates. – A rule submitted to the Codifier of Rules under this section becomes effective on the first day of the month following submission for inclusion in the North Carolina Administrative Code."

FACILITATE THE ELIMINATION OF NONRESPONSIVE BOARDS, COMMITTEES, AND COMMISSIONS

SECTION 7.(a) The Legislative Library is directed to send a request for documentation and confirmation of activity to all boards, committees, and commissions that have not expired or been repealed. The documentation required by this section includes the current membership, last reported minutes, current bylaws, and a listing of the entities to which reports are to be submitted. For any board, committee, or commission that either (i) fails to respond within 120 days to the request required by this section or (ii) responds but has not met within the

previous 12 months, the Legislative Library will add the board, committee, or commission to a list and will submit the final compiled list to the Joint Legislative Administrative Procedure Oversight Committee. The Committee is directed to recommend legislation to repeal the boards, committees, and commissions on the list required by and submitted pursuant to this section.

SECTION 7.(b) The Joint Legislative Administrative Procedure Oversight Committee is directed to recommend legislation to the 2025 Regular Session of the 2025 General Assembly upon its convening to repeal the boards, committees, and commissions on the list required by, and submitted to it pursuant to, subsection (b) of this section.

PART II. ENERGY, ENVIRONMENT, NATURAL RESOURCES, AND UTILITIES

DELAY FISHERIES HARVEST REPORTING SYSTEM BY ONE YEAR

SECTION 8. Section 6(f) of S.L. 2023-137 reads as rewritten:

"**SECTION 6.(f)** Subsection (a) of this section becomes effective ~~December 1, 2024,~~ December 1, 2025, and applies to violations committed on or after that date. Subsection (b) of this section becomes effective ~~December 1, 2025,~~ December 1, 2026, and applies to violations committed on or after that date. Subsection (c) of this section becomes effective ~~December 1, 2026,~~ December 1, 2027, and applies to violations committed on or after that date. The remainder of this section is effective when it becomes law."

INCREASE THE PUNISHMENT FOR PROPERTY CRIMES COMMITTED AGAINST CRITICAL INFRASTRUCTURE, INCLUDING PUBLIC WATER SUPPLIES, WASTEWATER TREATMENT FACILITIES, AND MANUFACTURING FACILITIES, AND MAKE CONFORMING CHANGES TO UPDATE STATUTES RELATING TO DAMAGE TO UTILITIES

SECTION 9.(a) G.S. 14-159.1 reads as rewritten:

"**§ 14-159.1. Contaminating or injuring a public water ~~system.~~system; injuring a wastewater treatment facility.**

(a) ~~A person commits the offense of contaminating a public water system, as defined in G.S. 130A-313(10), if he willfully or wantonly:~~Contaminating a Public Water System. –

~~(1)~~ ~~Contaminates, adulterates or otherwise impurifies or attempts~~ It is unlawful to knowingly and willfully contaminate, adulterate, or otherwise impurify, or attempt to contaminate, adulterate or otherwise ~~impurify~~ impurify, the water in a public water system, as defined in G.S. 130A-313(10), including the water source, with any toxic chemical, biological agent or radiological substance that is harmful to human health, except those added in approved concentrations for water treatment ~~operations; or~~operations.

~~(2)~~ ~~Damages or tampers with the property or equipment of a public water system with the intent to impair the services of the public water system.~~

(b) Injuring a Public Water System. – It is unlawful to knowingly and willfully stop, obstruct, impair, weaken, destroy, injure, or otherwise damage, or attempt to stop, obstruct, impair, weaken, destroy, injure, or otherwise damage, the property or equipment of a public water system, as defined in G.S. 130A-313(10), with the intent to impair the services of the public water system.

(c) Injuring a Wastewater Treatment System. – It is unlawful to knowingly and willfully stop, obstruct, impair, weaken, destroy, injure, or otherwise damage, or attempt to stop, obstruct, impair, weaken, destroy, injure, or otherwise damage, the property or equipment of a wastewater treatment system that is owned or operated by a (i) public utility, as that term is defined under G.S. 62-3, or (ii) local government unit, as defined in G.S. 159G-20(13). For purposes of this section, the term "wastewater treatment facility" means the various facilities and devices used in the treatment of sewage, industrial waste, or other wastes of a liquid nature, including the

necessary interceptor sewers, outfall sewers, nutrient removal equipment, pumping equipment, power and other equipment, and their appurtenances.

~~(b)~~(d) ~~Any person who commits the offense defined in~~ Punishment. – A person who violates subsection (a), (b), or (c) of this section is guilty of a Class C felony. Additionally, a person who violates subsection (a), (b), or (c) of this section shall be ordered to pay a fine of two hundred fifty thousand dollars ($250,000).

(e) Merger. – Each violation of this section constitutes a separate offense and shall not merge with any other offense.

(f) Civil Remedies. – Any person whose property or person is injured by reason of a violation of subsection (a), (b), or (c) of this section shall have a right of action on account of such injury done against the person who committed the violation and any person who acts as an accessory before or after the fact, aids or abets, solicits, conspires, or lends material support to the violation of this section. If damages are assessed in such case, the plaintiff shall be entitled to recover treble the amount of damages fixed by the verdict or punitive damages pursuant to Chapter 1D of the General Statutes, together with costs, including attorneys' fees. A violation of subsection (a), (b), or (c) of this section shall constitute willful or wanton conduct within the meaning of G.S. 1D-5(7) in any civil action filed as a result of the violation. The rights and remedies provided by this subsection are in addition to any other rights and remedies provided by law. For purposes of this subsection, the term "damages" includes actual and consequential damages.

(g) The provisions of subsection (f) of this section relating to treble damages shall not be made known to the trier of fact through any means, including voir dire, the introduction into evidence, argument, or instructions to the jury.

(h) Nothing in this section shall apply to work or activity that is performed at or on a public water system or wastewater treatment facility by the owner or operator of the facility, or an agent of the owner or operator authorized to perform such work or activity by the owner or operator.

(i) For purposes of this section, the term "property or equipment" shall include hardware, software, or other digital infrastructure necessary for the operations of a public water system or wastewater treatment system."

SECTION 9.(b) G.S. 143-152 is repealed.

SECTION 9.(c) G.S. 62-323 reads as rewritten:

"**§ 62-323. Willful injury to property of public utility a ~~misdemeanor.~~felony.**

(a) If any person shall willfully do or cause to be done any act or acts whatever whereby any building, construction or work of any public utility, or any engine, machine or structure or any matter or thing appertaining to the ~~same~~ same, including hardware, software, or other digital infrastructure necessary for the operations of the public utility, shall be stopped, obstructed, impaired, weakened, injured or destroyed, he shall be guilty of a ~~Class 1 misdemeanor.~~Class C felony.

(b) Merger. – Each violation of this section constitutes a separate offense and shall not merge with any other offense.

(c) Civil Remedies. – Any person whose property or person is injured by reason of a violation of subsection (a) of this section shall have a right of action on account of such injury done against the person who committed the violation and any person who acts as an accessory before or after the fact, aids or abets, solicits, conspires, or lends material support to the violation of this section. If damages are assessed in such case, the plaintiff shall be entitled to recover treble the amount of damages fixed by the verdict or punitive damages pursuant to Chapter 1D of the General Statutes, together with costs, including attorneys' fees. A violation of subsection (a) of this section shall constitute willful or wanton conduct within the meaning of G.S. 1D-5(7) in any civil action filed as a result of the violation. The rights and remedies provided by this

subsection are in addition to any other rights and remedies provided by law. For purposes of this subsection, the term "damages" includes actual and consequential damages.

(d) The provisions of subsection (c) of this section relating to treble damages shall not be made known to the trier of fact through any means, including voir dire, the introduction into evidence, argument, or instructions to the jury.

(e) The provisions of this section shall only apply to conduct resulting in injury to a public utility, or property thereof, not otherwise covered by G.S. 14-150.2, 14-154, or 14-159.1.

(f) Nothing in this section shall apply to work or activity that is performed at or on a public utility by the owner or operator of the utility, or an agent of the owner or operator authorized to perform such work or activity by the owner or operator."

SECTION 9.(d) Article 22 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-150.3. Injuring manufacturing facility.**

(a) Injuring a Manufacturing Facility. – It is unlawful to knowingly and willfully stop, obstruct, impair, weaken, destroy, injure, or otherwise damage, or attempt to stop, obstruct, impair, weaken, destroy, injure, or otherwise damage, the property or equipment of a manufacturing facility. For purposes of this section: (i) the term "manufacturing facility" means a facility used for the lawful production or manufacturing of goods; and (ii) the term "property or equipment" shall include hardware, software, or other digital infrastructure necessary for the operations of the manufacturing facility.

(b) Punishment. – A person who violates subsection (a) of this section is guilty of a Class C felony. Additionally, a person who violates subsection (a) of this section shall be ordered to pay a fine of two hundred fifty thousand dollars ($250,000).

(c) Merger. – Each violation of this section constitutes a separate offense and shall not merge with any other offense.

(d) Civil Remedies. – Any person whose property or person is injured by reason of a violation of subsection (a) of this section shall have a right of action on account of such injury done against the person who committed the violation and any person who acts as an accessory before or after the fact, aids or abets, solicits, conspires, or lends material support to the violation of this section. If damages are assessed in such case, the plaintiff shall be entitled to recover treble the amount of damages fixed by the verdict or punitive damages pursuant to Chapter 1D of the General Statutes, together with costs, including attorneys' fees. A violation of subsection (a) of this section shall constitute willful or wanton conduct within the meaning of G.S. 1D-5(7) in any civil action filed as a result of the violation. The rights and remedies provided by this subsection are in addition to any other rights and remedies provided by law. For purposes of this subsection, the term "damages" includes actual and consequential damages.

(e) The provisions of subsection (d) of this section relating to treble damages shall not be made known to the trier of fact through any means, including voir dire, the introduction into evidence, argument, or instructions to the jury.

(f) Nothing in this section shall apply to (i) work or activity that is performed at or on a manufacturing facility by the owner or operator of the facility, or an agent of the owner or operator authorized to perform such work or activity by the owner or operator, and (ii) lawful activity authorized or required pursuant to State or federal law."

SECTION 9.(e) G.S. 1D-27 reads as rewritten:

"**§ 1D-27. Injuring ~~energy~~ energy, water, wastewater, or manufacturing facility; exemption from cap.**

G.S. 1D-25(b) shall not apply to a claim for punitive damages for injury or harm arising from actions of the defendant that constitute a violation of ~~G.S. 14-150.2(b).~~G.S. 14-150.2(b), 14-150.3(a), 14-159.1(a), (b), or (c), or 62-323(a)."

SECTION 9.(f) Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

SECTION 9.(g) This section becomes effective December 1, 2024, and applies to offenses committed on or after that date.

PROHIBIT THE ACQUISITION OF QUARTZ MINING OPERATIONS AND LANDS CONTAINING HIGH PURITY QUARTZ BY FOREIGN GOVERNMENTS DESIGNATED AS ADVERSARIAL BY THE UNITED STATES DEPARTMENT OF COMMERCE

SECTION 10.(a) Chapter 64 of the General Statutes is amended by adding a new Article to read:

"Article 3.

"Prohibit Adversarial Foreign Government Acquisition of High Purity Quartz.

"**§ 64-50. Title.**

This act shall be known and be cited as the North Carolina High Purity Quartz Protection Act.

"**§ 64-51. Purpose.**

The General Assembly finds that high purity quartz is a highly valuable resource used in the manufacture of semiconductors, optical fibers, circuit boards, and other technologically advanced components and it is therefore in the public interest for the State to guard its deposits of high purity quartz from the potential of adversarial foreign government control in order to protect our vital mineral and economic resources.

"**§ 64-52. Definitions.**

As used in this Article, the following definitions apply:

(1) Adversarial foreign government. – A state-controlled enterprise or the government of a foreign nation that has received a designation under 15 C.F.R. § 7.4 from a determination by the United States Secretary of Commerce that the entity has engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the United States or security and safety of United States persons.

(2) Controlling interest. – Possession of more than fifty percent (50%) of the ownership interest in an entity. The term also includes possession of fifty percent (50%) or less of the ownership interest in an entity if an owner directs the business and affairs of the entity without the requirement or consent of any other party.

(3) High purity quartz. – A mineral made of silicon dioxide and containing fewer than 50 parts per million of impurity elements.

(4) Interest. – Any estate, remainder, or reversion, or any portion of the estate, remainder, or reversion, or an option pursuant to which one party has a right to cause the transfer of legal or equitable title to land covered by G.S. 64-53(a); or ownership or partial ownership of a mining operation covered under G.S. 64-53(a).

(5) State-controlled enterprise. – A business enterprise, however denominated, in which a foreign government has a controlling interest.

"**§ 64-53. Adversarial foreign government acquisition of high purity quartz resources prohibited.**

(a) Notwithstanding any provision of law to the contrary, no adversarial foreign government shall purchase, acquire, lease, or hold any interest in the following:

(1) A quartz mining operation.

(2) Land containing commercially valuable amounts of high purity quartz.

(b) Any transfer of an interest in land or a mining operation in violation of this section shall be void.

(c) The responsibility for determining whether an individual or other entity is subject to this Article rests solely with the United States Secretary of Commerce and the State of North Carolina and no other individual or entity. An individual or other entity who is not an adversarial foreign government shall bear no civil or criminal liability for failing to determine or make inquiry of whether an individual or other entity is an adversarial foreign government."

SECTION 10.(b) This section is effective when it becomes law and applies only to ownership interests acquired on and after that date.

EXPAND REQUIREMENTS FOR ISSUANCE OF 401 CERTIFICATIONS BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO PROJECTS LOCATED AT AN EXISTING OR FORMER ELECTRIC GENERATING FACILITY

SECTION 11.(a) G.S. 143-214.1A reads as rewritten:

"**§ 143-214.1A. Water quality certification requirements for certain projects.**

(a) The following requirements shall govern applications for certification filed with the Department pursuant to section 401 of the Clean Water Act, 33 U.S.C. § 1341(a)(1), for maintenance dredging projects partially funded by the Shallow Draft Navigation Channel Dredging and Aquatic Weed ~~Fund~~ Fund, electric generation projects located at an existing or former electric generating facility, and projects involving the distribution or transmission of energy or fuel, including natural gas, diesel, petroleum, or electricity:

…."

SECTION 11.(b) This section is effective when it becomes law and applies to applications for 401 Certification pending or submitted on or after that date.

PROHIBIT PUBLIC WATER AND SEWER SYSTEMS FROM IMPOSING UNAUTHORIZED CONDITIONS AND IMPLEMENTING PREFERENCE SYSTEMS FOR ALLOCATING SERVICE TO RESIDENTIAL DEVELOPMENT

SECTION 12.(a) Chapter 162A of the General Statutes is amended by adding a new Article to read:

"Article 11.

"Miscellaneous.

"**§ 162A-900. Limitations on allocating service for residential development.**

(a) For purposes of this section, "residential development" means new development of single-family or multifamily housing.

(b) A local government unit, as defined in G.S. 162A-201, shall not require an applicant for water or sewer service for residential development to agree to any condition not otherwise authorized by law, or to accept any offer by the applicant to consent to any condition not otherwise authorized by law. These conditions include, without limitation, any of the following:

(1) Payment of taxes, impact fees or other fees, or contributions to any fund.

(2) Adherence to any restrictions related to land development or land use, including those within the scope of G.S. 160D-702(c).

(3) Adherence to any restrictions related to building design elements within the scope of G.S. 160D-702(b).

(c) A local government unit, as defined in G.S. 162A-201, shall not implement a scoring or preference system to allocate water or sewer service among applicants for water or sewer service for residential development that does any of the following:

(1) Includes consideration of building design elements, as defined in G.S. 160D-702(b).

(2) Sets a minimum square footage of any structures subject to regulation under the North Carolina Residential Code.

(3) Requires a parking space to be larger than 9 feet wide by 20 feet long unless the parking space is designated for handicap, parallel, or diagonal parking.

(4) Requires additional fire apparatus access roads into developments of one- or two-family dwellings that are not in compliance with the required number of fire apparatus access roads into developments of one- or two-family dwellings set forth in the Fire Code of the North Carolina Residential Code."

SECTION 12.(b) This section is effective when it becomes law.

NATURAL GAS LOCAL DISTRIBUTION COMPANIES COST RECOVERY MODIFICATIONS

SECTION 13.(a) G.S. 62-133.4 reads as rewritten:

"**§ 62-133.4. Gas cost adjustment for natural gas local distribution companies.**

…

(c) Each natural gas local distribution company shall submit to the Commission information and data for an historical 12-month test period concerning the utility's actual cost of gas, volumes of purchased gas, sales volumes, negotiated sales volumes, and transportation volumes. This information and data shall be filed on an annual basis in the form and detail and at the time required by the Commission. The Commission, upon notice and hearing, shall compare the utility's prudently incurred costs with costs recovered from all the utility's customers that it served during the test period. If those prudently incurred costs are greater or less than the recovered costs, the Commission shall, subject to G.S. 62-158, require the utility to refund any overrecovery by credit to bill or through a decrement in its rates and shall permit the utility to recover any deficiency through an increment in its rates. If the Commission finds the overrecovery or deficiency has been or is likely to be substantially reduced, negated, or reversed before or during the period in which it would be credited or recovered, the Commission, in its discretion, may order the utility to make an appropriate adjustment or no adjustment to its rates, consistent with the public interest.

…

(d1) The utility shall not recover from ratepayers, in any rate recovery proceeding or rider, the incremental cost of natural gas attributable to renewable energy biomass resources that exceeds the average system cost of gas unattributable to renewable energy biomass resources calculated and filed with the Commission pursuant to subsection (c) of this section. Each natural gas local distribution company that incurs costs attributable to renewable energy biomass resources shall submit the utility's actual cost thereof to the Commission monthly for purposes of determining the total amount of natural gas costs recoverable under this section.

(e) ~~As used in this section, the word "cost" or "costs" shall be defined by Commission rule or order and may include all costs related to the purchase and transportation of natural gas to the natural gas local distribution company's system.~~The following definitions apply in this section:

(1) "Cost" or "costs" shall be defined by Commission rule or order and may include all costs related to the production, purchase, and transportation of natural gas to the natural gas local distribution company's system.

(2) "Domestic wastewater" means water-carried human wastes together with all other water-carried wastes normally present in wastewater from non-industrial processes.

(3) "Natural gas" or "gas" includes gas derived from renewable energy biomass resources.

(4) "Renewable energy biomass resources" includes agricultural waste, animal waste, wood waste, spent pulping liquors, organic waste, combustible residues, combustible gases, energy crops, landfill methane, or domestic wastewater."

SECTION 13.(b) G.S. 62-133.7A reads as rewritten:

"**§ 62-133.7A. Rate adjustment ~~mechanism~~ mechanisms for natural gas local distribution company rates.**

(a) In setting rates for a natural gas local distribution company in a general rate case proceeding under G.S. 62-133, the Commission may adopt, implement, modify, or eliminate ~~a~~ rate adjustment ~~mechanism~~ mechanisms to enable the company to recover the prudently incurred capital investment and associated costs of ~~complying~~ any of the following, including a return based on the company's then authorized return:

(1) Complying with federal gas pipeline safety ~~requirements, including a return based on the company's then authorized return.~~requirements.

(2) Producing and transporting natural gas, as defined in G.S. 62-133.4(e)(3), or consistent with the intent and purpose of G.S. 62-133.4.

(b) The Commission shall adopt, implement, modify, or eliminate ~~a~~ any of the rate adjustment ~~mechanism~~ mechanisms authorized under this section only upon a finding by the Commission that the mechanism is in the public interest."

SECTION 13.(c) This section is effective when it becomes law and applies to rate case proceedings filed on or after that date.

REMOVE TIME LIMITS ON CERTAIN VUR GRANTS

SECTION 14. G.S. 159G-36(d)(2) reads as rewritten:

"(2) Grants for the purpose set forth in ~~G.S. 159-32(d)(6)~~ G.S. 159G-32(d)(6) to any single local government unit shall not ~~(i)~~ exceed seven hundred fifty thousand dollars ($750,000) in any fiscal ~~year and (ii) be awarded for more than three consecutive fiscal years.~~year."

EXEMPTION FROM STATE PARKS FEES FOR ELIGIBLE DISABLED VETERANS

SECTION 15.(a) Definitions. – As used in this section, the following words and phrases have the following meanings:

(1) Annual Pass Program. – The North Carolina State Parks Annual Pass program offered by the Division that includes the following passes: (i) seasonal access passes, (ii) annual passes, and (iii) four-wheel-drive beach access annual passes.

(2) Disabled Veteran. – A veteran of any branch of the Armed Forces of the United States whose character of service at separation was honorable or under honorable conditions and who satisfies either of the following requirements:

a. As of the date the application required by this section is submitted, the veteran has received benefits under 38 U.S.C. § 2101.

b. The veteran has received a certification by the United States Department of Veterans Affairs or another federal agency indicating that, as of the date the application required by this section is submitted, the veteran has a service-connected disability.

(3) Division. – The North Carolina Division of Parks and Recreation of the North Carolina Department of Natural and Cultural Resources.

(4) Eligible Disabled Veteran. – A Disabled Veteran who (i) has submitted an application for a pass included within the Annual Pass Program and (ii) has provided the Division a copy of the veteran's disability certification or evidence of benefits received under 38 U.S.C. § 2101.

SECTION 15.(b) Fee Exemption. – An Eligible Disabled Veteran whose application under this section has been approved by the Division shall not be required to pay a fee for any pass included within the Annual Pass Program.

SECTION 15.(c) Application Required. – A Disabled Veteran seeking a pass under the Annual Pass Program shall apply for the pass on a form and in a manner prescribed by the Division.

SECTION 15.(d) Rulemaking. – The Department of Natural and Cultural Resources shall adopt rules, or amend any current rules, necessary to implement this section.

AMEND STATUTES AND RULES APPLICABLE TO DOCK, PIER, AND WALKWAY REPLACEMENT IN THE COASTAL AREA

SECTION 15.1.(a) Definitions. – For purposes of this section:

(1) "CAMA Rules" means 15A NCAC Subchapter 07J (Procedures for Processing and Enforcement of Major and Minor Development Permits, Variance Requests, Appeals from Permit Decisions, Declaratory Rulings, and Static Line Exceptions).

(2) "Replacement of Existing Structures Rule" means 15A NCAC 07J .0210 (Replacement of Existing Structures).

SECTION 15.1.(b) Replacement of Existing Structure. – Until the effective date of the revised permanent rules that the Coastal Resources Commission is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the Replacement of Existing Structures Rule and the CAMA Rules as provided in subsection (c) of this section.

SECTION 15.1.(c) Implementation. – For fixed docks, floating docks, fixed piers, floating piers, or walkways damaged or destroyed by natural elements, fire, or normal deterioration, activity to rebuild the dock, pier, or walkway to its pre-damage condition shall be considered repair of the structure, and shall not require CAMA permits, without regard to the percentage of framing and structural components required to be rebuilt. At the time a dock, pier, or walkway damaged or destroyed by natural elements, fire, or normal deterioration is repaired, the width and length of the dock, pier, or walkway structure may be enlarged by not more than 5 feet or five percent (5%), whichever is less, and the structure may be heightened, without need for a CAMA permit. The owner shall, however, be required to comply with all other applicable State and federal laws. The provisions of this subsection shall not apply to docks and piers (i) greater than 6 feet in width, (ii) greater than 800 square feet of platform area, or (iii) that are adjacent to a federal navigation channel.

SECTION 15.1.(d) Additional Rulemaking Authority. – The Commission shall adopt rules to amend the Replacement of Existing Structures Rule and any other pertinent CAMA Rules consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rules adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 15.1.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

SECTION 15.1.(f) No later than August 1, 2024, the Department of Environmental Quality shall prepare and submit to the United States National Oceanic and Atmospheric Administration for approval by that agency the proposed changes made to the CAMA Rules, as enacted by this section. The Department of Environmental Quality shall report to the Environmental Review Commission on the status of their activities pursuant to this section quarterly, beginning September 1, 2024, until such time as the General Assembly repeals this reporting requirement.

SECTION 15.1.(g) Subsections (a) through (e) of this section become effective on the later of the following dates and apply to applications for permits pending or filed on or after that date:

(1) October 1, 2024.

(2) The first day of a month that is 60 days after the Secretary of the Department of Environmental Quality certifies to the Revisor of Statutes that the National Oceanic and Atmospheric Administration has approved the changes made to the CAMA Rules, as enacted by subsections (a) through (e) of this section, as required by subsection (f) of this section. The Secretary shall provide this notice along with the effective date of this act on its website.

SECTION 15.2.(a) G.S. 160D-1104 is amended by adding a new subsection to read:

"(g) No later than 60 days after an inspection of a dock, pier, or catwalk or walkway that has been replaced in the coastal area, as that term is defined under G.S. 113A-103(2), an inspection department shall notify the Division of Coastal Management of the replacement."

SECTION 15.2.(b) Notwithstanding Section 35 of S.L. 2023-137, the North Carolina Residential Building Code shall not require a professional engineer or architect to design or otherwise certify the construction of residential docks, piers, or catwalks or walkways.

AUTHORIZE ESTABLISHMENT OF A MEASUREMENT LINE FOR DUNE BUILDING PROJECTS CONDUCTED PURSUANT TO PERMITTED TERMINAL GROIN CONSTRUCTION

SECTION 16.(a) Definitions. – For purposes of this section "CAMA Rules" means 15A NCAC Subchapter 07H (State Guidelines for Areas of Environmental Concern).

SECTION 16.(b) CAMA Rules. – Until the effective date of the revised permanent rules that the Coastal Resources Commission is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the CAMA Rules as provided in subsection (c) of this section.

SECTION 16.(c) Implementation. – Notwithstanding any provision of Subchapter 7H of Title 15A of the North Carolina Administrative Code, the Coastal Resources Commission shall, for the purpose of a dune building and beach planting project, authorize local governments that have received a permit to construct a terminal groin pursuant to G.S. 113A-115.1 to establish a measurement line, as that term is defined under 15A NCAC 07H .0305(9), that represents the location of the first line of stable and natural vegetation that is covered by the dune building and beach planting project. The measurement line shall be: (i) established in coordination with the Division of Coastal Management using on-ground observation and survey or aerial imagery for all areas of oceanfront that undergo dune building and beach planting project; and (ii) applicable for a period of no less than two years from the completion of the dune building and beach planting project.

SECTION 16.(d) Additional Rulemaking Authority. – The Commission shall adopt rules to amend the CAMA Rules consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rules adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 16.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

SECTION 16.(f) No later than August 1, 2024, the Department of Environmental Quality shall prepare and submit to the United States National Oceanic and Atmospheric Administration for approval by that agency the proposed changes enacted by subsections (a) through (e) of this section. The Department of Environmental Quality shall report to the Environmental Review Commission on the status of their activities pursuant to this section quarterly, beginning September 1, 2024, until such time as the General Assembly repeals this reporting requirement.

SECTION 16.(g) Subsections (a) through (e) of this section becomes effective on the later of the following dates and apply to permits to construct terminal groins issued, pending, or filed before or after that date:

(1) September 1, 2024.

(2) The first day of a month that is 60 days after the Secretary of Environmental Quality certifies to the Revisor of Statutes that the National Oceanic and Atmospheric Administration has approved the changes made to the CAMA Rules, as enacted by subsections (a) through (e) of this section, as required by subsection (f) of this section. The Secretary shall provide this notice along with the effective date of subsections (a) through (e) of this section on its website.

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

EXCLUDE AQUACULTURE FROM THE DEFINITION OF "DEVELOPMENT" FOR PURPOSES OF CAMA AND LIMIT THE AUTHORITY OF THE MARINE FISHERIES COMMISSION TO ADOPT RULES REGULATING AQUACULTURE EQUIPMENT

SECTION 16.1.(a) G.S. 113A-103 reads as rewritten:

"**§ 113A-103. Definitions.**

…

(5) a. "Development" means any activity in a duly designated area of environmental concern (except as provided in paragraph b of this subdivision) involving, requiring, or consisting of the construction or enlargement of a structure; excavation; dredging; filling; dumping; removal of clay, silt, sand, gravel or minerals; bulkheading, driving of pilings; clearing or alteration of land as an adjunct of construction; alteration or removal of sand dunes; alteration of the shore, bank, or bottom of the Atlantic Ocean or any sound, bay, river, creek, stream, lake, or canal; or placement of a floating ~~structure~~ structure, except a floating structure used primarily for aquaculture as defined in G.S. 106-758 and associated with an active shellfish cultivation lease area or franchise, in an area of environmental concern identified in G.S. 113A-113(b)(2) or (b)(5).

b. The following activities including the normal and incidental operations associated therewith shall not be deemed to be development under this section:

…

4. The use of any land for the purposes of planting, growing, or harvesting plants, crops, trees, or other agricultural or forestry products, including normal private road construction, raising livestock or poultry, uses related to aquaculture and aquaculture facilities as defined in G.S. 106-758 and associated with an active shellfish cultivation lease area or franchise, or for other agricultural purposes except where excavation or filling affecting estuarine waters (as defined in G.S. 113-229) or navigable waters is involved;

…

(5a) "Floating structure" means any structure, not a boat, supported by a means of floatation, designed to be used without a permanent foundation, which is used or intended for human habitation or commerce. A structure shall be considered a floating structure when it is inhabited or used for commercial purposes for more than thirty days in any one location. A boat may be considered a floating

structure when its means of propulsion has been removed or rendered inoperative.

…."

SECTION 16.1.(b) G.S. 143B-289.52 is amended by adding a new subsection to read:

"(j) The Commission may not adopt rules regulating cages, poles, anchoring systems, or any above-water frames or structural supports used to suspend or hold in place equipment or floating structures used for aquaculture as defined in G.S. 106-758."

SECTION 16.1.(c) No later than August 1, 2024, the Department of Environmental Quality shall prepare and submit to the United States National Oceanic and Atmospheric Administration for approval by that agency the proposed changes made to Article 7 of Chapter 113A of the General Statutes, as enacted by subsection (a) of this section. The Department of Environmental Quality shall report to the Environmental Review Commission on the status of their activities pursuant to this section quarterly, beginning September 1, 2024, until such time as the General Assembly repeals this reporting requirement.

SECTION 16.1.(d) Subsection (a) of this section becomes effective on the later of the following dates and applies to applications for permits pending or filed on or after that date:

(1) October 1, 2024.

(2) The first day of a month that is 60 days after the Secretary of the Department of Environmental Quality certifies to the Revisor of Statutes that the National Oceanic and Atmospheric Administration has approved the changes made to Article 7 of Chapter 113A of the General Statutes, as enacted by subsection (a) of this section, as required by subsection (c) of this section. The Secretary shall provide this notice along with the effective date of subsection (a) of this section on its website. The remainder of this section is effective when it becomes law.

AUTHORIZE REPLACEMENT OF CERTAIN EROSION CONTROL STRUCTURES

SECTION 16.1A.(a) G.S. 113A-115.1 reads as rewritten:

"**§ 113A-115.1. Limitations on erosion control structures.**

(a) As used in this section:

(1) "Erosion control structure" means a breakwater, bulkhead, groin, jetty, revetment, seawall, or any similar structure.

(1a) "Estuarine shoreline" means all shorelines that are not ocean shorelines that border estuarine waters as defined in G.S. 113A-113(b)(2).

(2) "Ocean shoreline" means the Atlantic Ocean, the oceanfront beaches, and frontal dunes. The term "ocean shoreline" includes an ocean inlet and lands adjacent to an ocean inlet but does not include that portion of any inlet and lands adjacent to the inlet that exhibits characteristics of estuarine shorelines.

(3) "Terminal groin" means one or more structures constructed at the terminus of an island or on the side of an ~~inlet,~~ inlet, or where the ocean shoreline converges with Frying Pan Shoals, with a main stem generally perpendicular to the beach shoreline, that is primarily intended to protect the terminus of the island from shoreline erosion ~~and~~ or inlet migration. A "terminal groin" shall be pre-filled with beach quality sand and allow sand moving in the littoral zone to flow ~~past~~ around, over, or through the structure. A "terminal groin" may include other design features, such as a number of smaller supporting structures, that are consistent with sound engineering practices and as recommended by a professional engineer licensed to practice pursuant to Chapter 89C of the General Statutes. A "terminal groin" is not a jetty.

(b) No person shall construct a permanent erosion control structure in an ocean shoreline. The Commission shall not permit the construction of a temporary erosion control structure that consists of anything other than sandbags in an ocean shoreline. This subsection shall not apply to any of the following:

(1) Any permanent erosion control structure that is approved pursuant to an exception set out in a rule adopted by the Commission prior to July 1, 2003.

(2) Any permanent erosion control structure that was originally constructed prior to July 1, 1974, and that has since been in continuous use to protect an inlet that is maintained for navigation.

(3) Any terminal groin permitted pursuant to this section.

(b1) This section shall not be construed to limit the authority of the Commission to adopt rules to designate or protect areas of environmental concern, to govern the use of sandbags, or to govern the use of erosion control structures in estuarine shorelines.

(c) The Commission may renew a permit for a permanent erosion control structure originally permitted pursuant to a variance granted by the Commission prior to July 1, 1995, if the Commission finds that: (i) the structure will not be enlarged beyond the dimensions set out in the original permit; (ii) there is no practical alternative to replacing the structure that will provide the same or similar benefits; and (iii) the replacement structure will comply with all applicable laws and with all rules, other than the rule or rules with respect to which the Commission granted the variance, that are in effect at the time the structure is ~~replaced.~~replaced, except as otherwise provided in this subsection. If a permanent erosion control structure originally permitted pursuant to a variance granted by the Commission prior to July 1, 1995, consists of a field of geotextile sand tubes, the field of geotextile sand tubes may be replaced with rock erosion control structures subject to the following criteria:

(1) The number of rock erosion control structures shall be equal to or less than the number of geotextile sand tubes originally permitted.

(2) The structure(s) or field of structures may consist of groins, including T-head or lollipop groins, or breakwaters to be approved by the Division of Coastal Management, in its discretion, or by variance from the Coastal Resources Commission.

(3) The structure field shall not be enlarged beyond the alongshore dimensions authorized under the original permit, and the aggregate overall length of the rock structures shall not exceed the aggregate overall length of the geotextile sand tubes authorized under the original permit.

(4) The plans for the work shall be sealed by a professional engineer licensed to practice pursuant to Chapter 89C of the General Statutes with experience in engineering in the coastal area.

The Commission shall permit replacement of the geotextile sand tubes with rock erosion control structures meeting the criteria of subdivisions (1) through (4) of this subsection as replacement of the permanent erosion control structure originally permitted. Such a permanent erosion control structure is not a terminal groin and shall not be subject to the provisions of this section applicable to terminal groins.

…

(g) The Commission may issue no more than ~~six~~ seven permits for the construction of a terminal groin pursuant to this section, provided that two of the ~~six~~ seven permits may be issued only for the construction of terminal groins on the sides of New River Inlet in Onslow County and Bogue Inlet between Carteret and Onslow Counties.

…."

SECTION 16.1A.(b) No later than August 1, 2024, the Department of Environmental Quality shall prepare and submit to the United States National Oceanic and Atmospheric Administration for approval by that agency the proposed changes made to

G.S. 113A-115.1, as amended by subsection (a) of this section. The Department of Environmental Quality shall report to the Environmental Review Commission on the status of their activities pursuant to this section quarterly, beginning September 1, 2024, until such time as the General Assembly repeals this reporting requirement.

SECTION 16.1A.(c) Subsection (a) of this section becomes effective on the later of the following dates and applies to applications for permits pending or filed on or after that date:

(1) October 1, 2024.

(2) The first day of a month that is 60 days after the Secretary of Environmental Quality certifies to the Revisor of Statutes that the National Oceanic and Atmospheric Administration has approved the changes made to G.S. 113A-115.1, as amended by subsection (a) of this section, as required by subsection (b) of this section. The Secretary shall provide this notice along with the effective date of this section on its website.

PART III. STATE GOVERNMENT

EXEMPT CERTAIN FOOD SERVICE ESTABLISHMENTS FROM SEPTAGE MANAGEMENT FIRM PERMITTING REQUIREMENTS

SECTION 17.(a) G.S. 130A-291.1 is amended by adding a new subsection to read:

"(k) A food service establishment not involved in pumping or vacuuming a grease appurtenance does not need a permit under this section."

SECTION 17.(b) This section is effective when it becomes law.

AMEND OUTDOOR GRILL EXEMPTION FOR FOOD ESTABLISHMENTS TO INCLUDE ADDITIONAL COOKING SURFACES

SECTION 18. G.S. 130A-248(c2) reads as rewritten:

"(c2) Notwithstanding any provision of this Part, a food establishment may use an outdoor grill to prepare food for customers for sample or sale if all of the following criteria are met:

(1) The outdoor grill is located on the premises of the food establishment and is continuously supervised by a food employee when the grill is in use.

(2) The outdoor grill has a cooking surface made of stainless steel ~~or cast iron,~~ cast iron, stone, or similar surface that complies with Parts 4-1 and 4-2 of the NC Food Code and meets sanitation requirements for equipment in a food establishment, and is stationed on a concrete or asphalt foundation.

(3) The outdoor grill is not operated within 10 feet of combustible construction.

(4) All open food and utensils are provided with overhead protection or otherwise equipped with individual covers, such as domes, chafing lids, or cookers with hinged lids.

(5) The outdoor grill is ~~located in an enclosed area and~~ protected from environmental contamination when not in operation.

(6) The outdoor grill and concrete or asphalt foundation are cleaned daily on any day that the grill is in operation.

(7) Raw meat, poultry, and fish are prepared in a pre-portioned or ready-to-cook form inside the food establishment and may only be handled indirectly with utensils when using the outdoor grill. Food prepared on the outdoor grill is processed inside the food establishment."

CLARIFY MINIMUM AGE FOR ESCORT VEHICLE DRIVERS, ALLOW THIRD PARTY TRAINING AND CERTIFICATION, AND CREATE ADDITIONAL REQUIREMENTS FOR ESCORT VEHICLES

SECTION 19. G.S. 20-119(f) reads as rewritten:

"(f) The Department of Transportation shall issue rules to establish an escort driver training and certification program for escort vehicles accompanying oversize/overweight loads. Department issued eligibility requirements for escort driver training and certification shall not include a minimum age for an escort driver greater than 18 years of age or that the applicant possess a commercial drivers license. A person that possesses a valid Class A commercial drivers license may sit for an escort vehicle certification examination without meeting any additional education or training requirements. Any driver operating a vehicle escorting an oversize/overweight load shall meet any training requirements and obtain certification under the rules issued pursuant to this subsection. These rules may provide for reciprocity with other states having similar escort certification programs. The Department shall allow third parties, including employers of escort drivers, to train and certify escort drivers pursuant to the rules issued by the Department to implement this subsection. Certification credentials for the driver of an escort vehicle shall be carried in the vehicle and be readily available for inspection by law enforcement personnel. The escort and training certification requirements of this subsection shall not apply to the transportation of agricultural machinery until October 1, 2004. The Department of Transportation shall develop and implement an in-house training program for agricultural machinery escorts by September 1, 2004. A motor vehicle intended to be used as an escort vehicle must meet all of the following requirements:

(1) Meets all legal requirements for travel on a roadway in the State of North Carolina.
(2) Is a single motor vehicle with a GVWR of at least 2,000 pounds and not more than 26,000 pounds.
(3) Is not transporting hazardous materials while being used as an escort vehicle.
(4) Is not pulling a trailer while being used as an escort vehicle.
(5) Is equipped with lighting that is visible from all directions."

AUTHORIZE DEPARTMENT TO UTILIZE CONTRACT METHODOLOGY FLEXIBILITY FOR NEVI FORMULA PROGRAM PROJECTS

SECTION 19.1 Notwithstanding any other provision of law, the Department of Transportation is authorized to utilize, design-build, indefinite delivery, indefinite quantity, public-private partnership, or any other contracting methodology authorized by applicable federal law to administer the National Electric Vehicle Infrastructure (NEVI) Formula Program. For the purposes of this section, Department of Transportation projects which utilize contracting methodologies authorized by this section to implement, administer, or utilize NEVI Formula Program funds shall not count against Department project contract award authorization caps limiting the use of certain construction methodologies.

DIVISION OF MOTOR VEHICLES MODERNIZATION

SECTION 19.2.(a) Section 11 of S.L. 2021-134 is repealed.

SECTION 19.2.(b) The Department of Transportation shall not renew and allow to expire any contract entered into pursuant to the exemption created by Section 11 of S.L. 2021-134.

SECTION 19.2.(c) The Department of Information Technology (DIT), in consultation with the Division of Motor Vehicles of the Department of Transportation (Division), shall develop and issue a request for proposal (RFP) to contract with a third-party organization to perform an evaluation of the Division's ongoing efforts to modernize its Information Technology (IT) systems. The evaluation shall include:

(1) An in-depth analysis of the Division's plan to implement a cloud-based operating system and any other updates to its IT systems.

(2) A proposed time line, including specifically identified objectives and a completion date, that the Division should reasonably be able to adhere to in modernizing its IT systems.

(3) An estimate of when the Division's anticipated updates to its IT systems will begin directly improving the Division's customer service.

(4) An assessment of whether the Division's IT modernization efforts include sufficient data security protocols, including what data the Division intends to collect or store.

(5) An assessment of whether the Division has an adequate personnel management plan in place to implement planned updates to its IT systems.

(6) An assessment of the Division's intended pricing structure for the provision of online or remote services after the Division completes the modernization of its IT systems.

(7) A discussion of any other factor the third-party organization deems relevant to assessing the efficacy of the Division's modernization efforts.

SECTION 19.2.(d) Funding for the implementation of subsection (c) of this section shall be provided by funds previously appropriated to the Division for the purpose of IT modernization.

SECTION 19.2.(e) The Division shall report the findings of the third-party organization's evaluation to the chairs of the Joint Legislative Transportation Oversight Committee, the chairs of the House and Senate Transportation Appropriations Committees, and the Fiscal Research Division no later than April 31, 2025.

SECTION 19.2.(f) No later than July 1, 2025, the Division, in consultation with DIT, shall use the findings of the evaluation required by this section to select a vendor to oversee and manage implementation of the cloud-based operating system. The selected vendor, in consultation with the Division and DIT, shall report to the Joint Legislative Transportation Oversight Committee, the Joint Legislative Commission on Governmental Operations, the chairs of the House and Senate Transportation Appropriations Committees, and the Fiscal Research Division on a quarterly basis. Each report shall include an update on the status of the Division's modernization efforts measured against targets and objectives identified in the evaluation.

NORTH CAROLINA RAILROAD BOARD OF DIRECTORS AND RELATED CLARIFICATIONS

SECTION 19.3.(a) Section 7.1 of S.L. 2023-136 is repealed.

SECTION 19.3.(b) Section 6.4 of S.L. 2023-139 is repealed.

SECTION 19.3.(c) G.S. 124-15 reads as rewritten:

"**§ 124-15. Board of directors; appointment and approval of encumbrances.**

(a) Notwithstanding subsection (a) of G.S. 124-6, for any State-owned railroad company that has trackage in more than two counties, ~~seven~~ six of the members of the Board of Directors shall be appointed by the Governor, one member of the Board of Directors shall be the Commissioner of Agriculture of the Department of Agriculture and Consumer Services, or the Commissioner's designee, three of the members of the Board of Directors shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, and three of the members of the Board of Directors shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. The Board of Directors shall consist of 13 members. Of the Governor's ~~seven~~ six appointments, one shall be from the appointees to the Board of Transportation and one shall be the Secretary of Commerce or the Secretary's designee. ~~Of the initial members appointed by the Governor, three shall be appointed for terms of four years and four shall be appointed for terms of two years. Of the initial members recommended to the General Assembly by the Speaker of the House of Representatives, two shall be appointed for~~

~~terms of four years and one shall be appointed for a term of two years. Of the initial members recommended to the General Assembly by the President Pro Tempore of the Senate, two shall be appointed for terms of four years and one shall be appointed for a term of two years. Thereafter all~~ All Board members shall serve four-year terms. The Board shall elect the chairman from among its membership.

(b) No State-owned railroad company shall sell, lease, mortgage, or otherwise encumber its franchise, right-of-way, or other property, except by and with the approval and consent of the Board of Directors of that corporation. The president or other chief officer of the State-owned railroad company shall report any acquisitions and dispositions in accordance with G.S. 124-3(10).

(c) Each member of the Board of Directors for any State-owned railroad company shall have the fiduciary duties, including the duties of loyalty and care, to the State-owned railroad company."

SECTION 19.3.(d) The appointee of the Governor replaced by the Commissioner of Agriculture of the Department of Agriculture and Consumer Services, or the Commissioner's designee, because of the revision to G.S. 124-15 enacted in subsection (c) of this section shall be one of the appointees of the Governor with a term beginning in 2023, and the Commissioner, or the Commissioner's designee, shall serve for the remainder of that term. The Board of Directors shall determine which of the appointees of the Governor with a term beginning in 2023 will be replaced by the Commissioner of Agriculture of the Department of Agriculture and Consumer Services, or the Commissioner's designee.

SECTION 19.3.(e) G.S. 124-1 reads as rewritten:

"**§ 124-1. Control of internal improvements.**

The Governor and Council of State shall have charge of all the State's interest in all railroads, canals and other works of internal ~~improvements.~~ improvements, except for a State-owned railroad company. The Board of Directors of a State-owned railroad company shall be responsible for managing its affairs and for reporting as set forth in G.S. 124-17."

SECTION 19.3.(f) G.S. 124-11 reads as rewritten:

"**§ 124-11. Definition.**

As used in this Chapter, the term ~~"State-Owned Railroad Company"~~ "State-owned Railroad Company" shall mean a railroad company in which the State owns all of the voting stock."

AUTHORIZE RAIL TRANSPORTATION CORRIDOR AUTHORITY

SECTION 19.4.(a) Chapter 160A of the General Statutes is amended by adding a new Article to read:

"Article 33.

"Rail Transportation Corridor Authority.

"**§ 160A-880. Title and purpose.**

This Article shall be known and may be cited as the "Rail Transportation Corridor Authority Act." The purpose of this Article is to authorize the creation of an Authority to establish, construct, purchase, maintain, equip, and operate any structure, facility, or improvement to aid commerce, public transportation, and any other rail services associated with rail corridors.

"**§ 160A-881. Definitions.**

The following definitions apply in this Article:

(1) Authority. – A Rail Transportation Corridor Authority.

(2) Board of Trustees. – The governing board of an Authority.

(3) Costs. – The capital cost of a rail corridor project or special user project, including:

a. The costs of doing any or all of the following:

1. Acquiring, constructing, erecting, providing, developing, installing, furnishing, and equipping.

2. Reconstructing, remodeling, altering, renovating, replacing, refurnishing, and reequipping.
3. Enlarging, expanding, and extending.
4. Demolishing, relocating, improving, grading, draining, landscaping, paving, widening, and resurfacing.

b. The costs of all property, both real and personal and both improved and unimproved, and of plants, works, appurtenances, structures, facilities, furnishings, machinery, equipment, vehicles, easements, water rights, air rights, franchises, and licenses used or useful in connection with a rail corridor project or special user project.

c. The costs of demolishing or moving structures from land acquired and acquiring land to which the structures are to be moved.

d. Financing charges, including estimated interest during the acquisition or construction of a rail corridor project or special user project and for one year thereafter.

e. The costs of services to provide plans, specifications, studies, reports, surveys, and estimates of costs and revenues.

f. The costs of paying any interim financing, including principal, interest, and premium, related to the acquisition or construction of a rail corridor project or special user project.

g. Administrative and legal expenses and administrative charges.

h. The costs of establishing and maintaining debt service and other reserves.

i. Any other services, costs, and expenses necessary or incidental to a rail corridor project or special user project.

(4) Credit facility. – An agreement with a banking institution, an insurance institution, an investment institution, or other financial institution located inside or outside the United States of America that provides for prompt payment, whether at maturity, presentment, or tender for purchase, redemption, or acceleration, of part or all of the principal or purchase price, redemption premium, if any, and interest on debt held by the Authority and for repayment of the institution.

(5) Financing agreement. – A written instrument establishing the rights and responsibilities of the Authority and the operator concerning a financed special user project. A financing agreement may be a lease, a lease and lease back, a sale and lease back, a lease purchase, an installment sale and purchase agreement, a conditional sales agreement, a secured or unsecured loan agreement, or other similar contract and may involve property in addition to the financed property.

(6) Obligor. – A person, including an operator, who has entered into a financing or other agreement obligating the person to make payments to the Authority to finance a special user project.

(7) Operator. – The person entitled to the use or occupancy of a special user project.

(8) Organizing entity. – The elected boards of county commissioners and each municipality that have created or joined an Authority in accordance with G.S. 160A-883.

(9) Person. – Any person, corporation, partnership, association, trust, or other legal entity.

(10) Public transportation. – Transportation of passengers whether or not for hire by any means of conveyance, including, but not limited to, a street or elevated

railway or guideway, subway, motor vehicle or motor bus, carpool or vanpool, either publicly or privately owned and operated, holding itself out to the general public for the transportation of persons within or working within the territorial jurisdiction of the Authority or as otherwise provided by this Article.

(11) Public transportation system. – Without limitation, a combination of real and personal property, structures, improvements, buildings, equipment, vehicle parking, or other facilities, railroads and railroad rights-of-way whether held in fee simple by quitclaim or easement, and rights-of-way, or any combination thereof, used or useful for the purposes of public transportation.

(12) Rail. – Transportation of passengers, as a mode of public transportation, or freight utilizing fixed or semi-fixed tracks.

(13) Railroad. – Any person or company providing transportation by rail for compensation.

(14) Rail corridor. – A combination of rail line and real and personal property, structures, improvements, buildings, equipment, vehicle parking, and other appurtenant fixtures essential to rail operations and public transportation, including any facilities, maintenance yard, marshalling yard, transfer yard, utilities, pedestrian foot paths, and bicycle paths.

(15) Rail corridor project. – Any of the following that is part of or used in connection with a rail corridor and is not a special user project:

a. Any land, equipment, or buildings or other structures, whether located on one or more sites within a rail corridor.

b. The addition to or the rehabilitation, improvement, renovation, or enlargement of any property described in sub-subdivision a. of this subdivision.

The term includes infrastructure improvements, such as improvements to railroad facilities, roads, bridges, and water, sewer, or electric utilities. A rail corridor project may include a facility leased to one or more entities under a true lease.

(16) Rail Transportation Corridor Authority. – A public body corporate and politic organized in accordance with the provisions of this Article for the purposes, with the powers, and subject to the restrictions hereinafter set forth.

(17) Revenues. – For a special user project, the term means rents, fees, charges, payments, proceeds, or other income or profit derived from the special user project or from the financing agreement or security document for the special user project. For a rail corridor project, the term means rents, fees, charges, payments, proceeds, or other income or profit derived from the rail corridor project or from any pledge of nontax revenues, appropriation, or payment made by the State or unit of local government in which the rail corridor is located.

(18) Security document. – One or more written instruments establishing the rights and responsibilities of the Authority to finance a special user project. A security document may contain an assignment, pledge, mortgage, or other encumbrance of part or all of the Authority's interest in, or right to receive revenues from, a special user project or any other property provided by the operator or other obligor under a financing agreement. A financing agreement and a security document may be combined as one instrument.

(19) Special user project. – Any land, equipment, or buildings or other structures located on one or more sites within the rail corridor and the addition to or the rehabilitation, improvement, renovation, or enlargement of a structure located

within the rail corridor when the property is to be used as or in connection with any of the following:

a. An undertaking for industry, including an industrial or a manufacturing factory, mill, assembly plant, or fabricating plant; a freight terminal; an industrial research, development, or laboratory facility; or an industrial processing or distribution facility for industrial or manufactured products.

b. A commercial, processing, mining, transportation, distribution, storage, marine, aviation, rail, or environmental facility or improvement.

c. Any combination of items mentioned in sub-subdivisions a. and b. of this subdivision.

A special user project, during its economic life, is to be principally used by one or more for-profit entities other than as lessee under a lease that has a fair market value rental and is not treated as a financing lease or installment sale for federal tax law purposes. A special user project may include all appurtenances and incidental facilities such as land, a headquarters or office facility, warehouses, distribution centers, access roads, sidewalks, utilities, railway sidings, trucking and similar facilities, parking facilities, waterways, docks, wharves, and other improvements necessary or convenient for the construction, maintenance, and operation of any structure.

(20) Unit of local government. – A county, city, town, or municipality of this State, and any other political subdivision, public corporation, authority, or district in this State, that is or may be authorized by law to acquire, establish, construct, improve, maintain, own, or operate a rail corridor.

(21) Unit of local government's chief administrative official. – The county manager, city manager, town manager, or other person in whom the responsibility for the unit of local government's administrative duties is vested.

"**§ 160A-882. Definition of territorial jurisdiction of the Authority; rail corridor boundary and service area designation.**

(a) An Authority may be created for any area of the State that, at the time of creating the Authority, meets the following criteria:

(1) The area consists of three or more contiguous counties each containing portions of an existing rail corridor, with one of the counties having a population in excess of 150,000 but less than 200,000 based on the 2020 census and the other two contiguous counties having a population in excess of 75,000 but less than 90,000 based on the same census.

(2) The distance between the rail corridor milepost origination and termination points is no more than 25 miles in length.

(3) If the Authority intends to receive existing rail corridor interests in property, those rail property interests can be transferred to the Authority without purchase of those rail corridor interests in property.

(4) An Authority shall not have jurisdiction over any Class I railroad, as that term is defined under 49 U.S.C. § 20102 and 49 C.F.R. § 1201.1-1, nor a rail line or rail corridor owned or operated by the United States Department of Defense, nor a rail line owned or operated by the North Carolina Railroad Company or its subsidiaries.

(b) The territorial jurisdiction of the Authority shall be coterminous with the boundaries of the three or more organizing counties, except as provided in subdivision (3) of subsection (a) of this section.

(c) The rail corridor service area of the Authority shall be designated by and recorded in the minutes of the Board of Trustees, consistent with its purpose, and shall not exceed the immediately adjacent and proximate area of the rail corridor as owned or otherwise controlled by the Authority for the powers provided under G.S. 160A-886.

(d) The boundaries of the rail corridor of the Authority shall be designated by and recorded in the minutes of the Board of Trustees once the properties and rail line making up the rail corridor are in the Authority's possession or control. If there is a change in the rail corridor boundaries after it is initially designated, the rail corridor designation shall be updated and recorded in the minutes of the Board of Trustees at its next meeting. The Authority may not extend the rail corridor into a political subdivision that is not an organizing entity under G.S. 160A-883 without (i) the consent of the governing body of that political subdivision or (ii) the political subdivision having first become an organizing entity as provided under G.S. 160A-883(e). A majority vote of the governing body shall constitute consent. The Authority may not at any time extend its rail corridor to be longer than 25 miles in compliance with subdivision (2) of subsection (a) of this section through any subsequent addition.

(e) The designation required by subsection (d) of this section shall describe the rail corridor boundaries by its rail milepost origination and termination points and one or more of the following:

(1) Reference to a map, deed, or other title instrument.
(2) Metes and bounds.
(3) General descriptions referring to natural boundaries, boundaries of existing political subdivisions, or boundaries of tracts or parcels of land.

"**§ 160A-883. Creation and expansion of Authority.**

(a) Resolution of Creation. – An Authority may be organized under the provisions of this Article upon the adoption of a resolution to create such an Authority by the boards of commissioners of all three or more counties within an area for which an Authority may be created pursuant to G.S. 160A-882(a) and the elected board of each municipality containing a portion of the rail corridor.

(b) Public Hearing. – A resolution to form an Authority under this Article shall be adopted after a public hearing. Notice of the public hearing must be given at least once, not less than 10 days prior to the date fixed for the hearing, in a newspaper having a general circulation in the county. The notice must contain a brief statement of the substance of the proposed resolution; a description of the rail corridor to be controlled, purchased, or otherwise operated by the Authority; the proposed articles of incorporation of the Authority; and the time and place of the public hearing.

(c) Articles of Incorporation. – A resolution to form an Authority under this Article must include articles of incorporation that set forth all of the following:

(1) The name of the Authority.
(2) A statement that the Authority is organized under this Article.
(3) The name of each organizing entity.

(d) Certificate of Incorporation. – A certified copy of each resolution organizing an Authority under the provisions of this Article shall be filed with the Secretary of State, together with proof of publication of the notice of hearing. If the Secretary of State finds that each resolution, including the articles of incorporation, conform to the provisions of this Article and that the notice of hearing was properly published, then the Secretary must issue a certificate of incorporation under the seal of the State and record the same in an appropriate book of record. The issuance of the certificate of incorporation by the Secretary of State shall constitute the Authority a public body and body politic and corporate of the State of North Carolina. The certificate of incorporation is conclusive evidence of the fact that the Authority has been duly created and established under the provisions of this Article.

(e) Resolution to Join. – If, at any time subsequent to the creation of an Authority, the Authority proposes or otherwise intends to extend the rail corridor into a county or municipality that is not already an organizing entity of the Authority, that county or municipality may join the Authority under the provisions of this Article upon the adoption of a resolution to join by the elected board of the county or municipality. A resolution to join an Authority under this Article shall be adopted after a public hearing. Notice of the public hearing must be given at least once, not less than 10 days prior to the date fixed for the hearing, in a newspaper having a general circulation in the county. The notice must contain a brief statement of the substance of the proposed resolution; a description of the rail corridor to be controlled, purchased, or otherwise operated by the Authority; the proposed articles of incorporation of the Authority as updated to include the new organizing entity; and the time and place of the public hearing. A certified copy of each resolution to join an Authority under the provisions of this Article shall be filed with the Secretary of State, together with proof of publication of the notice of hearing. If the Secretary of State finds that the resolution, including the updated articles of incorporation, conform to the provisions of this Article and that the notice of hearing was properly published, then the Secretary of State must issue an updated certificate of incorporation under the seal of the State and record the same in an appropriate book of record. The updated certificate of incorporation is conclusive evidence of the fact that the Authority has been duly updated under the provisions of this Article. The Authority may not at any time extend its rail corridor to be longer than 25 miles in compliance with G.S. 160A-882(a)(2) through any subsequent addition of a county or municipality.

(f) Members. – When the Authority has been duly organized or updated and its members appointed to the Board of Trustees, the chair of the Board of Trustees shall certify to the Secretary of State the names and addresses of the members as well as the address of the principal office of the Authority.

(g) Members Not Liable. – No member of the Board of Trustees shall be subject to any personal liability or accountability by reason of their execution of any debt held by the Authority.

(h) Compensation of the Board of Trustees. – Members of the Board of Trustees shall receive the sum of fifty dollars ($50.00) as compensation for the attendance at each duly conducted meeting of the Authority.

(i) The Authority shall, promptly following the close of each fiscal year, submit an annual report of its activities for the preceding year to the Governor, the General Assembly, and the Local Government Commission. Each report shall be accompanied by an audit of its books and accounts. The costs of all audits, whether conducted by the State Auditor's staff or contracted with a private auditing firm, shall be paid from funds of the Authority. The Authority shall submit annual reports to the Joint Legislative Commission on Governmental Operations. The reports shall summarize the Authority's activities during the quarter and contain any information about the Authority's activities that is requested by the Commission.

"**§ 160A-884. Board of Trustees.**

(a) Members. – The Authority shall be governed by a Board of Trustees and consist of one member for each organizing entity having adopted a resolution for the creation of or a resolution to join the Authority under G.S. 160A-883, and one member for each regional council of government, as created pursuant to Part 2 of Article 20 of Chapter 160A of the General Statutes, containing a portion of the rail corridor.

(b) Appointment. – The Board of Trustees seats held by each member of the organizing entities having adopted a resolution for the creation of or a resolution to join the Authority shall be filled by the respective unit of local government's chief administrative official or its designee. The Board of Trustees seats held by each regional council of government containing a portion of the rail corridor shall be held by the Executive Director of that council or the Executive Director's designee.

(c) Ex Officio. – Any unit of local government's chief administrative official serving on the Board of Trustees is an ex officio voting member as part of the duties of their office in accordance with G.S. 128-1.2 and not considered to be serving in a separate office.

(d) Ethics. – Members of the Board of Trustees are subject to the provisions of G.S. 136-13, 136-13.1, and 136-14.

(e) Quorum. – A majority of the membership of the Board of Trustees, excluding vacant seats, shall constitute a quorum. A member who has withdrawn from a meeting without being excused by a majority vote of the remaining members present shall be counted as present for the purposes of determining whether or not a quorum is present. No member shall be excused from voting except upon matters involving the consideration of the member's own financial interest or official conduct or on matters on which the member is prohibited from voting under any other provision of law.

(f) Action. – An affirmative vote equal to a majority of all members of the Board of Trustees not excused from voting on the question at issue shall be required to authorize or commit the expenditure of public funds, or make, ratify, or authorize any contract on behalf of the Authority.

(g) Chair and Vice-Chair of the Board of Trustees. – At the first meeting of the Board of Trustees, the chair of the Board of Trustees shall be elected from the Board of Trustees' membership by a majority vote of a quorum of the Board of Trustees. Also, at the first meeting of the Board of Trustees, and from the remaining Board of Trustees' membership not elected as chair, a vice-chair of the Board of Trustees shall be elected by a majority vote of a quorum of the Board of Trustees to fulfill the roles and duties of the chair of the Board of Trustees in the chair's absence. The terms of the chair and vice-chair so elected shall be for three years with no limit on the number of consecutive terms for which the chair or vice-chair may serve.

(h) Vacancies. – All members of the Board of Trustees shall remain in office unless (i) a unit of local government's chief administrative official no longer holds that office in its respective government, (ii) a unit of local government's chief administrative official replaces its designee, (iii) the Executive Director of the regional council of government no longer holds the office of Executive Director of the council, or (iv) the Executive Director of the council replaces its designee. A vacancy for the chair of the Board of Trustees shall be filled by the vice-chair for the remainder of the applicable three-year term, and a special election for a replacement vice-chair shall occur at the next Board of Trustees meeting pursuant to the procedure set out in subsection (g) of this section. A vacancy of the vice-chair shall prompt a special election for a replacement vice-chair at the next Board of Trustees meeting pursuant to the procedure set out in subsection (g) of this section.

"**§ 160A-885. Advisory committees.**

The Board of Trustees may provide for the selection of such advisory committees as it may find appropriate, which may or may not include members of the Board of Trustees.

"**§ 160A-886. Rail Transportation Corridor Authority.**

(a) The Authority shall have all powers necessary to execute the provisions of this Article, which shall include at least the following powers:

(1) The powers of a corporate body, including the power to sue and be sued, to make contracts, to adopt and use a common seal, and to alter the adopted seal as needed.

(2) To make rules and regulations and create and operate agencies, committees, and departments as needed to implement this Article.

(3) To pay all necessary costs and expenses in the formation, organization, administration, and operation of the Authority.

(4) To employ persons deemed necessary to carry out the functions and duties assigned to them by the Authority and to fix their compensation within the limit of available funds.

(5) To retain and employ counsel, appraisers, auditors, architects, engineers, private consultants, and real estate counselors on an annual salary, contract basis, or otherwise for rendering professional or technical services from funds available to the Authority.

(6) To operate a rail corridor and enter and perform contracts to provide and operate rail and rail corridor services and facilities within the rail corridor service area.

(7) To charge and collect fees and rents for the use of the rail corridor or for services rendered in the operation of the rail corridor.

(8) To develop and make data, plans, information, surveys, and studies within the territorial jurisdiction of the Authority and to prepare and make recommendations in regard thereto.

(9) To enter in a reasonable manner lands, waters, or premises of the territorial jurisdiction for the purpose of making data, examinations, plans, surveys, and studies whereby such entry shall not be deemed a trespass except that the Authority shall be liable for any actual and consequential damages resulting from such entries.

(10) To purchase or finance real or personal property in the manner provided for cities and counties under G.S. 160A-20.

(11) To acquire, lease as lessee with or without option to purchase, hold, own, and use any property within the rail corridor service area, real or personal, tangible or intangible, or any interest therein, and to sell, lease as lessor with or without option to purchase, transfer, or dispose thereof, whenever the same is no longer required for purposes of the Authority, or exchange same for other property or rights that are useful for the Authority's purposes, including construction of bridges, buildings, cargo transfer systems, culverts, facilities, industrial track, main track, mass transit systems, maintenance yards, marshalling yards, rights-of-way, roadbed, sidings, structures, transfer yards, tunnels, and all other railroad appurtenances. Before constructing a bridge, the Authority shall consult with the Department of Transportation.

(12) To acquire by gift, purchase, lease as lessee with or without option to purchase or otherwise to construct, improve, maintain, repair, operate, or administer any component parts of a rail corridor or to contract for the maintenance, operation, or administration thereof, or to lease as lessor the same for maintenance, operation, or administration by private parties.

(13) To make or enter contracts, agreements, deeds, leases with or without option to purchase, conveyances, or other instruments, including contracts and agreements with the United States, the State of North Carolina, units of local government, public transportation authorities, and private parties, to effectuate the purpose of this Article.

(14) With the consent of the unit of local government that would otherwise have jurisdiction to exercise the powers enumerated in this subdivision, to issue certificates of public convenience and necessity, and to grant franchises and enter into franchise agreements, and in all respects to regulate the operation of rail, buses, trams, taxicabs, and other methods of public transportation that originate and terminate within the rail corridor as fully as the unit of local government is now or hereafter empowered to do within the jurisdiction of the unit of local government.

(15) To finance the costs of a rail corridor project or any part thereof and to refund, whether or not in advance of maturity or the earliest redemption date, any such debt. The principal of and interest on the debt is payable solely from the

revenues pledged to its payment and neither the State, municipality, or county is obligated to pay the principal or interest, except from such revenues.

(16) To apply for, accept, and administer loans and grants of money from any federal agency, the State, or its political subdivisions, or from any other public or private sources available, to expend the money in accordance with the requirements imposed by the lender or donor, and to give any evidence of indebtedness that are required. No indebtedness of any kind incurred or created by the Authority shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the Authority shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

(b) To execute the powers provided in subsection (a) of this section, the Board of Trustees shall determine the policies of the Authority by majority vote of the members of the Board of Trustees present and voting, a quorum having been established. Once a policy is determined, the Board of Trustees shall communicate it to the chair, who shall have the sole and exclusive authority to execute the policy of the Authority. No member of the Board of Trustees shall have the responsibility or authority to give operational directives to any employee of the Authority other than the chair.

"**§ 160A-887. Fiscal accountability.**

An Authority created under this Article is a public authority subject to the provisions of Chapter 159 of the General Statutes.

"**§ 160A-888. Funds.**

The establishment and operation of an Authority are governmental functions and constitute a public purpose, and the State of North Carolina and any unit of local government may appropriate funds to support the establishment and operation of the Authority. The State of North Carolina and any unit of local government may also dedicate, sell, convey, donate, or lease any of their interests in any property to the Authority. An Authority may apply for grants from the State of North Carolina, or from the United States or any department, agency, or instrumentality thereof. The Department of Transportation may allocate to an Authority any funds appropriated for rail corridors, public transportation, or any funds whose use is not restricted by law.

"**§ 160A-889. Special user project financing agreement.**

(a) Every special user project financing agreement shall contain provisions ensuring all of the following:

(1) That the amounts payable under the financing agreement are sufficient to pay, when due, the principal of, redemption premium, if any, and interest on debt held to pay the costs of the special user project.

(2) That the operator pays all costs incurred by the Authority in connection with the financing and administration of the special user project, including insurance costs, the cost of administering the financing agreement and the security document, and the fees and expenses of the fiscal agent or trustee, paying agents, attorneys, consultants, and others.

(3) That the operator pays all of the costs and expenses of operation, maintenance, and upkeep of the special user project.

(b) The financing agreement, if in the nature of a lease agreement, shall either provide that the obligor shall have an option to purchase, or require that the obligor purchase, the special user project upon the expiration or termination of the financing agreement subject to the condition that payment in full of the debt principal shall have been made.

(c) The financing agreement may provide the Authority with rights and remedies in the event of a default by the obligor, including, without limitation, any one or more of the following:

(1) Acceleration of all amounts payable under the financing agreement.

(2) Reentry and repossession of the special user project.

(3) Termination of the financing agreement.

(4) Leasing or sale of foreclosure of the special user project to others.

(5) Taking whatever actions at law or in equity may appear necessary or desirable to collect the amounts payable under, and to enforce covenants made in, the financing agreement.

(d) The Authority's interest in a special user project under a financing agreement may be that of owner, lessor, lessee, conditional or installment vendor, mortgagor, mortgagee, secured party, or otherwise, but the Authority need not have any ownership or possessory interest in the special user project.

(e) The Authority may assign all or any of its rights and remedies under the financing agreement to debt holders under a security document.

(f) The financing agreement may contain additional provisions as in the determination of the Board of Trustees are necessary or convenient to effectuate the purposes of this Article.

"**§ 160A-890. County and municipal agreements.**

Any county or municipality in which all or part of the rail corridor is located may enter into an agreement with the Authority providing for payments to be made by the county or municipality, as applicable, to the Authority. A county or municipality may not enter into an agreement to make payments to the Authority until after the Authority designates the rail corridor. Neither the county nor municipality's obligations under the agreement shall constitute a pledge of its faith and credit. The Authority has the power and authorization to enter into agreements with such local governments as provided in the Interlocal Cooperation Act, G.S. 160A-460 through G.S. 160A-466.

"**§ 160A-891. Taxation of property.**

The property of the Authority, both real and personal, its acts, activities, and income shall be exempt from any tax or tax obligation; in the event of any lease of Authority property, or other arrangement which amounts to a leasehold interest, to a private party, this exemption shall not apply to the value of such leasehold interest, nor shall it apply to the income of the lessee. Otherwise, however, for the purpose of taxation, when property of the Authority is leased to private parties solely for the purpose of the Authority, the acts and activities of the lessee shall be considered as the acts and activities of the Authority and the exemption. The interest on debt or obligations held by the Authority shall be exempt from State taxes. Property that is part of or is located on the rail corridor and is not owned by the Authority, including property that is part of a special user project, is not exempt from tax due to its location.

"**§ 160A-892. Authority of Utilities Commission not affected.**

(a) Except as otherwise provided in this Article, nothing in this Article shall be construed to limit or otherwise affect the power or authority of the North Carolina Utilities Commission or the right of appeal to the North Carolina Utilities Commission as provided by law.

(b) The North Carolina Utilities Commission shall not have jurisdiction over rates, fees, charges, routes, and schedules of an Authority for service within the rail corridor.

"**§ 160A-893. Removal and relocation of utility structures.**

(a) The Authority shall have the power to require any public utility, railroad, or other public service corporation owning or operating any installations, structures, equipment, apparatus, appliances, or facilities in, upon, under, over, across, or along any ways on which the Authority has the right to own, construct, operate, or maintain its rail corridor, to relocate such installation, structures, equipment, apparatus, appliances, or facilities from their locations, or, in the sole discretion of the affected public utility, railroad, or other public service corporation, to remove such installations, structures, equipment, apparatus, appliances, or facilities from their locations.

(b) If the owner or operator thereof fails or refuses to relocate them, the Authority may proceed to do so.

(c) The Authority shall provide any necessary new locations and necessary real estate interests for such relocation, and for that purpose the power of eminent domain as provided in G.S. 160A-894 may be exercised provided the new locations shall not be in, on, or above, a public highway; the Authority may also acquire the necessary new locations by purchase or otherwise.

(d) Any affected public utility, railroad, or other public service corporation shall be compensated for any real estate interest taken in a manner consistent with G.S. 160A-894, subject to the right of the Authority to reduce the compensation due by the value of any property exchanged under this section.

(e) The method and procedures of a particular adjustment to the facilities of a public utility, railroad, or other public service corporation shall be covered by an agreement between the Authority and the affected party or parties.

(f) The Authority shall reimburse the public utility, railroad, or other public service corporation, for the cost of relocations or removals which shall be the entire amount paid or incurred by the utility properly attributable thereto after deducting the cost of any increase in the service capacity of the new installations, structures, equipment, apparatus, appliances, or facilities and any salvage value derived from the old installations, structures, equipment, apparatus, or appliances.

"**§ 160A-894. Acquisition, disposition, or exchange of real property.**

(a) The Authority shall have continuing power to acquire, by gift, grant, devise, exchange, purchase, lease with or without option to purchase, or any other lawful method, including, but not limited to, the power of eminent domain, the fee or any lesser interest in real or personal property for use by the Authority. The Authority may not acquire or take by eminent domain nor by any means, including federal regulatory action, property owned or operated by any Class I railroad, as that term is defined under 49 U.S.C. § 20102 and 49 C.F.R. § 1201.1-1, nor a rail line or rail corridor owned or operated by the United States Department of Defense, nor a rail line owned or operated by the North Carolina Railroad Company or its subsidiaries, without that railroad's consent.

(b) Exercise of the power of eminent domain by the Authority shall be in accordance with Chapter 40A of the General Statutes.

(c) Exchange. – The Authority may exchange any property it acquires for other property usable in carrying out the powers conferred on the Authority and also, upon the payment of just compensation, may remove a building or another structure from land needed for its purposes and reconstruct the structure on another location. The Authority may not use the power of eminent domain to acquire property for exchange.

(d) Site Selection. – In selecting one or more sites for adjoining rail facilities or property for shell or storage buildings, the Authority shall consider comprehensive plans and land-use regulations adopted by local governments and the capability of local governments to provide services as specified in subdivisions (1) through (3) of this subsection. This subsection shall not be construed to require the Authority to comply with any local ordinance, regulation, or plan except as may be otherwise specifically provided by federal or State law, regulation, or rule. Plans, regulations, and capabilities to be considered are:

(1) Local comprehensive plans, including education, emergency response, law enforcement, water supply, stormwater management, solid waste management, and wastewater treatment.

(2) Local land use regulations, including appearance, floodplain zoning, subdivision zoning, and watershed protection elements.

(3) The capability of local governments to provide services and manage growth and development related to the establishment of the rail corridor.

"**§ 160A-895. Termination.**

Whenever the Board of Trustees shall by resolution determine that the purposes for which the Authority was formed have been substantially fulfilled and that debt held and all other obligations incurred by the Authority have been fully paid or satisfied, the Board may declare the Authority to be dissolved. On the effective date of the resolution, the title to all funds and other property owned by the Authority at the time of the dissolution shall vest in and possession of the funds and other property shall be delivered to the State."

SECTION 19.4.(b) G.S. 160A-20 reads as rewritten:

"**§ 160A-20. Security interests.**

…

(h) Local Government Defined. – As used in this section, the term "unit of local government" means any of the following:

…

(16) A Rail Transportation Corridor Authority created pursuant to Article 33 of this Chapter."

DELAY SUNSET FOR CERTAIN DESIGN-BUILD CONTRACTS USING FEDERAL FUNDS

SECTION 21. Section 5.17(b) of S.L. 2021-180, as enacted by Section 1.6 of S.L. 2021-189, reads as rewritten:

"**SECTION 5.17.(b)** This section expires on ~~December 31, 2025;~~ December 31, 2027, provided, however, any design-build contract executed pursuant to this section prior to ~~December 31, 2025,~~ December 31, 2027, shall be valid and the unit may continue to make payments under the contract entered into prior to ~~December 31, 2025,~~ December 31, 2027, so long as the contract was executed as provided in subsection (a) of this section."

PART IV. MISCELLANEOUS

REQUIRE AN ADDITIONAL MEANS OF NOTICE TO ADVERTISE PROPERTY TAX LIENS IN ADDITION TO THOSE CURRENTLY REQUIRED BY LAW

SECTION 22.(a) G.S. 105-369(c) reads as rewritten:

"(c) Time and Contents of Advertisement. – A tax collector's failure to comply with this subsection does not affect the validity of the taxes or tax liens. The county tax collector shall advertise county tax liens by posting a notice of the liens at the county courthouse and by publishing each lien at least one time in one or more newspapers having general circulation in the taxing unit. The municipal tax collector shall advertise municipal tax liens by posting a notice of the liens at the city or town hall and by publishing each lien at least one time in one or more newspapers having general circulation in the taxing unit. A tax collector shall, in addition to the advertisements required by this section, also advertise a tax lien by posting a notice of the lien in a conspicuous manner at the parcel to be advertised. Advertisements of tax liens shall be made during the period March 1 through June 30. The costs of newspaper advertising shall be paid by the taxing unit. If the taxes of two or more taxing units are collected by the same tax collector, the tax liens of each unit shall be advertised separately unless, under the provisions of a special act or contractual agreement between the taxing units, joint advertisement is permitted.

~~The posted notice~~ All posted notices and newspaper ~~advertisement~~ advertisements shall set forth the following information:

…."

SECTION 22.(b) This section is effective for taxes imposed for taxable years beginning on or after January 1, 2025.

DELIVERY OF PERMITS ISSUED BY STATE AGENCIES

SECTION 22.1.(a) Article 10 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-162.6. Delivery of permits issued by State agencies.**

(a) Notwithstanding any provision of law to the contrary, each executive branch agency shall establish a policy to send any permits issued by the agency to permittees using one or more of the following methods instead of requiring the permittee to pick up the permit at an agency office or other physical location:

(1) Via United States mail or a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2). An agency may charge the permittee for costs of delivery.

(2) By electronic mail, as appropriate, if the permittee consents to such delivery in advance.

(b) A permittee may opt to receive a permit issued by an executive branch agency in person if the agency offers in-person pickup at an agency office or other physical location.

(c) Nothing in this section is intended to change the method by which an applicant is required to apply for a permit or to prohibit an agency from adopting policies to exercise due diligence in verifying a permittee's identity.

(d) This section does not apply to the legislative or judicial branch of government."

SECTION 22.1.(b) Article 23 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-461. Delivery of permits issued by county agency.**

(a) Notwithstanding any provision of law to the contrary, each county agency shall establish a policy to send any permits issued by the agency to permittees using one or more of the following methods instead of requiring the permittee to pick up the permit at an agency office or other physical location:

(1) Via United States mail or a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2). An agency may charge the permittee for costs of delivery.

(2) By electronic mail, as appropriate, if the permittee consents to such.

(b) A permittee may opt to receive a permit issued by a county agency in person if the agency offers in-person pickup at an agency office or other physical location.

(c) Nothing in this section is intended to change the method by which an applicant is required to apply for a permit or to prohibit an agency from adopting policies to exercise due diligence in verifying a permittee's identity.

(d) This section does not apply to any permit issued pursuant to Article 54B of Chapter 14 of the General Statutes."

SECTION 22.1.(c) Article 21 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"**§ 160A-499.6. Delivery of permits issued by city agency.**

(a) Notwithstanding any provision of law to the contrary, each city agency shall establish a policy to send any permits issued by the agency to permittees using one or more of the following methods instead of requiring the permittee to pick up the permit at an agency office or other physical location:

(1) Via United States mail or a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2). An agency may charge the permittee for costs of delivery.

(2) By electronic mail, as appropriate, if the permittee consents to such delivery.

(b) A permittee may opt to receive a permit issued by a city agency in person if the agency offers in-person pickup at an agency office or other physical location.

(c) Nothing in this section is intended to change the method by which an applicant is required to apply for a permit or to prohibit an agency from adopting policies to exercise due diligence in verifying a permittee's identity."

SECTION 22.1.(d) Each executive branch agency, county agency, and city agency shall adopt the policy required by G.S. 143-162.6, 153A-461, and 160A-499.6, as enacted by this section, no later than September 1, 2024.

SECTION 22.1.(e) This section is effective when it becomes law.

CLARIFY PROHIBITION ON COUNTIES AND CITIES ENACTING AND ENFORCING CERTAIN ORDINANCES, RULES, AND REGULATIONS RELATED TO BATTERY-CHARGED SECURITY FENCES

SECTION 22.5.(a) G.S. 153A-134.1 reads as rewritten:

"**§ 153A-134.1. Regulation of battery-charged security fences.**

(a) No county may adopt an ordinance, rule, or regulation or enforce an existing ordinance, rule, or regulation that does any of the following:

(1) Requires any type of permit, fee, review, or approval for the installation or use of a battery-charged security fence in addition to a permit that may be required by an ordinance adopted by the governing board as authorized by G.S. 74D-11(c).

(2) Imposes installation or operational requirements for battery-charged security fences that are inconsistent with the requirements and standards described in subsection (b) of this section.

(3) Prohibits the installation or use of a battery-charged security fence on property that has been zoned exclusively for nonresidential use.

(b) For purposes of this section, the term "battery-charged security fence" means an alarm system and ancillary components, or equipment attached to that system, including a fence, a battery-operated energizer that is intended to periodically deliver voltage impulses to the fence, and a battery charging device used exclusively to charge the battery. A battery-charged security fence shall meet the following requirements:

(1) Interfaces with a monitored alarm device enabling the alarm system to transmit a signal intended to summon the business or law enforcement in response to an intrusion or burglary.

(2) Is located on property that is not designated by a county or city exclusively for residential use.

(3) Has an energizer that is powered by a commercial storage battery that is not more than 12 volts of direct current.

(4) Has an energizer that meets the standards established by the most current version of the International Electrotechnical Commission Standard 60335-2-76.

(5) Is surrounded by a non-electric perimeter fence or wall that is not less than 5 feet in height.

(6) ~~Does not exceed~~ Is 10 feet in height or 2 feet higher than the non-electric perimeter fence or wall, whichever is higher.

(7) Is marked with conspicuous warning signs that are located on the battery-charged security fence at not more than 30-foot intervals and read: "WARNING–ELECTRIC FENCE"."

SECTION 22.5.(b) G.S. 160A-194.1 reads as rewritten:

"**§ 160A-194.1. Regulation of battery-charged security fences.**

(a) No city may adopt an ordinance, rule, or regulation or enforce an existing ordinance, rule, or regulation that does any of the following:

(1) Requires any type of permit, fee, review, or approval for the installation or use of a battery-charged security fence in addition to a permit that may be required by an ordinance adopted by the governing board as authorized by G.S. 74D-11(c).
(2) Imposes installation or operational requirements for battery-charged security fences that are inconsistent with the requirements and standards described in subsection (b) of this section.
(3) Prohibits the installation or use of a battery-charged security fence on property that has been zoned exclusively for nonresidential use.

(b) For purposes of this section, the term "battery-charged security fence" means an alarm system and ancillary components, or equipment attached to that system, including a fence, a battery-operated energizer that is intended to periodically deliver voltage impulses to the fence, and a battery charging device used exclusively to charge the battery. A battery-charged security fence shall meet the following requirements:
(1) Interfaces with a monitored alarm device enabling the alarm system to transmit a signal intended to summon the business or law enforcement in response to an intrusion or burglary.
(2) Is located on property that is not designated by a county or city exclusively for residential use.
(3) Has an energizer that is powered by a commercial storage battery that is not more than 12 volts of direct current.
(4) Has an energizer that meets the standards established by the most current version of the International Electrotechnical Commission Standard 60335-2-76.
(5) Is surrounded by a non-electric perimeter fence or wall that is not less than 5 feet in height.
(6) ~~Does not exceed~~ Is 10 feet in height or 2 feet higher than the non-electric perimeter fence or wall, whichever is higher.
(7) Is marked with conspicuous warning signs that are located on the battery-charged security fence at not more than 30-foot intervals and read: "WARNING–ELECTRIC FENCE"."

SECTION 22.5.(c) This section is effective when it becomes law and applies to the ordinances adopted before the effective date and to ordinances adopted on or after the effective date.

ADVANCED AIR MOBILITY RADAR SYSTEMS

SECTION 23.(a) Article 9 of Chapter 160D of the General Statutes is amended by adding a new Part to read:

"Part 6. Unmanned Aircraft Traffic Control Devices.

"**§ 160D-970. Advanced air mobility radar.**

(a) A local government may plan for and regulate the siting, installation, modification, maintenance, and removal of advanced air mobility radar for traffic control of unmanned aircraft systems flown in accordance with Article 10 of Chapter 63 of the General Statutes.

(b) Nothing contained in this Part shall amend, modify, or otherwise affect any easement between private parties. Any and all rights for the use of a right-of-way are subject to the rights granted pursuant to an easement between private parties.

(c) A local government may require a permit applicant to remove abandoned advanced air mobility radar within 180 days of abandonment. If not timely removed, the local government may remove the abandoned advanced air mobility radar and may recover the actual cost of such removal, including legal fees, if any, from the permit applicant.

(d) Nothing in this Part shall be construed to limit the provisions or requirements of any historic district or landmark regulation adopted pursuant to this Chapter.

"**§ 160D-971. Definitions.**

For purposes of this Part, the following definitions shall apply:

(1) Advanced air mobility radar. – A system for detecting the presence, direction, distance, and speed of unmanned electrical aircraft or electric vertical take-off and landing aircraft, in both controlled and uncontrolled airspace, by sending out pulses of high-frequency electromagnetic waves that are reflected off the object back to the source that supports a transportation system of unmanned electrical aircraft or electric vertical take-off and landing aircraft.

(2) Collocation. – The placement, installation, maintenance, modification, operation, or replacement of advanced air mobility radar on the surface of existing structures, including water towers, buildings, and other structures capable of structurally supporting the attachment of advanced air mobility radar in compliance with applicable codes. The term does not include the installation or construction of new structures.

(3) Permit applicant. – A North Carolina nonprofit corporation with a certificate of existence under G.S. 55A-1-28 with the primary purpose of promotion and growth of advanced air mobility technology in this State.

(4) Water tower. – A water storage tank, a standpipe, or an elevated tank situated on a support structure originally constructed for use as a reservoir or facility to store or deliver water.

"**§ 160D-972. Siting and construction of advanced air mobility radar.**

(a) A permit applicant that proposes to construct advanced air mobility radar within the planning and development regulation jurisdiction of a local government shall do all of the following:

(1) Submit a completed application with the necessary copies and attachments to the local government, including documentation of any collocation agreement.

(2) Comply with all development regulations.

(3) Obtain all applicable development approvals.

(b) A local government shall not assess a fee for the application for, or the installation and use of, advanced air mobility radar provided the advanced air mobility radar is installed and operated in compliance with the standards and requirements set forth in this Part.

(c) In reviewing an application, the local government may review the following:

(1) Applicable public safety and development regulations, including aesthetics, landscaping, land-use based location priorities, structural design, setbacks, and fall zones.

(2) Information or materials directly related to an identified public safety or development regulation.

(3) If a collocation agreement is not included with the completed application, a local government may require permit applicants to evaluate the reasonable feasibility of collocation, including information necessary for the local government to determine whether collocation is reasonably feasible.

(d) The local government shall make a determination approving or denying an application under this section within 30 days after the completed application is received.

(e) The local government may condition approval of an application for a new advanced air mobility radar on any of the following:

(1) If not included in the completed application, the provision of a collocation agreement if collocation is deemed feasible.

(2) The permit applicant obtaining a Federal Communications Commission operator license for any spectrum band required for the installation.

(3) The installation of the advanced air mobility radar in a manner that complies with all applicable federal and State laws, and local development regulations.

(4) The operation of the advanced air mobility radar in a manner that complies with all safety guidelines issued by the Federal Communications Commission regarding limiting exposure to electromagnetic radiation.

(5) The requirement to construct facilities within a reasonable period of time, which shall be no less than 24 months.

"**§ 160D-973. Collocation on local government property.**

(a) Subject to Article 12 of Chapter 160A of the General Statutes, a local government may agree to collocation on property owned by the local government, subject to any existing easements or lease agreements. G.S. 160A-321 shall not apply to the lease of any city-owned water tower for collocation of advanced air mobility radar.

(b) Within 30 days of receipt of a request for collocation, a local government shall either initiate lease or disposal of the collocation property or deny the request. A request for collocation under this section may be denied only for the following reasons:

(1) There is insufficient capacity.

(2) Reasons of safety, reliability, and generally applicable engineering principles, and those limitations cannot be remedied by rearranging, expanding, or otherwise reengineering the eligible facilities at the reasonable and actual cost of the local government to be reimbursed by the permit applicant.

(3) The terms of property ownership prohibit collocation."

SECTION 23.(b) This section becomes effective October 1, 2024.

RECONSTRUCTION/REMOVAL OF ON-PREMISES ADVERTISING SIGNS

SECTION 23.1.(a) Part 1 of Article 9 of Chapter 160D of the General Statutes is amended by adding a new section to read:

"**§ 160D-912.1. On-premises advertising.**

(a) As used in this section, the following definitions apply:

(1) Monetary compensation. – An amount equal to the sum of (i) the greater of the fair market value of the nonconforming on-premises advertising sign in place immediately prior to the removal or the diminution in value of the real estate resulting from the removal of the sign and (ii) the cost of a new on-premises advertising sign that conforms to the local government's development regulations.

(2) On-premises advertising sign. – A sign visible from any local or State road or highway that advertises activities conducted on the property upon which it is located or advertises the sale or lease of the property upon which it is located.

(3) Reconstruction. – Erecting or constructing anew, including any new or modern instrumentalities, parts, or equipment that were allowed under the local development rules in place at the time the sign was erected.

(b) Notwithstanding any local development regulation to the contrary, a lawfully erected on-premises advertising sign may be relocated or reconstructed within the same parcel so long as the square footage of the total advertising surface area is not increased, and the sign complies with the local development rules in place at the time the sign was erected. The construction work related to the relocation of the lawfully erected on-premises advertising sign shall commence within two years after the date of removal. The local government shall have the burden to prove that the on-premises advertising sign was not lawfully erected.

(c) A local government may require the removal of a lawfully erected on-premises advertising sign under a local development regulation only if the local government pays the owner of the sign monetary compensation for the removal. Upon payment of monetary compensation, the local government shall own the sign and remove it in a timely manner.

(d) Nothing in this section shall be construed to diminish the rights given to owners or operators of nonconforming uses, including nonconforming structures, as set forth in G.S. 160D-108 or the rights of owners or operators of outdoor advertising signs in Article 11 of Chapter 136."

SECTION 23.1.(b) This section is intended to clarify existing law and is effective when it becomes law and applies to on-premises advertising signs removed on or after October 1, 2021. For any on-premises advertising sign removed on or after October 1, 2021, but prior to the date this section becomes effective, construction work on relocation in accordance with G.S. 160D-912.1(b), as enacted by this section, shall commence within two years of the date this section becomes effective.

ALLOW A SELLER OF A MANUFACTURED SIGN TO REPOSSESS THE SIGN IF THE BUYER FAILS TO PAY

SECTION 23.5.(a) Article 2 of Chapter 25 of the General Statutes is amended by adding a new section to read:

"**§ 25-2-703.1. Repossession of manufactured sign.**

If a buyer of a manufactured sign fails to make a payment in violation of a contract with the seller of the sign, the seller may repossess the sign so long as the seller does not breach the peace. The seller may also exercise any other lawful remedy. This section applies even if the sign is affixed to real property."

SECTION 23.5.(b) This section becomes effective October 1, 2024.

REQUIRE TRANSPARENCY IN THE SALE OR RESALE OF TICKETS TO AN ENTERTAINMENT EVENT

SECTION 24.(a) Article 1 of Chapter 75 of the General Statutes is amended by adding a new section to read:

"**§ 75-44. Ticket price transparency.**

(a) As used in this section the following definitions apply:

(1) Entertainment event. – A sporting game or contest, concert, or other entertainment performance with a live presentation element in this State for which attendance is available to the public through the purchase of ticket.

(2) Mandatory fee. – Any fee or surcharge that a consumer must pay in order to purchase a ticket to an entertainment event.

(3) Resale. – The second or subsequent sale of a ticket through a website or other electronic means.

(4) Reseller. – A person engaged in the resale of tickets.

(5) Secondary ticket exchange. – An electronic marketplace that enables persons to sell, purchase, and resell tickets.

(6) Ticket issuer. – The person that is the first seller of tickets for an entertainment event, including a musician or musical group, an operator of a venue, sponsor or a promoter of an entertainment event, a sports team participating in an entertainment event, a sports league whose teams are participating in an entertainment event, a theater company, a marketplace or service operated for consumers to make an initial purchase of tickets, or an agent of any of the persons listed in this subdivision.

(7) Ticketing session. – The period of time beginning when the price of a ticket to an entertainment event is first displayed to a person through a website or application and ending when the person has not purchased the ticket within the time period prescribed by the secondary ticket exchange, ticket issuer, or reseller.

(b) A secondary ticket exchange, ticket issuer, or reseller shall meet the following requirements when listing a ticket for sale or resale:

(1) At any time the price of the ticket is displayed to the purchaser, the listing shall clearly and conspicuously disclose the total price of the ticket, including all mandatory fees and the maximum order processing fee, if any.

(2) The total price of the ticket initially displayed at the beginning of a ticketing session shall not be increased during that ticketing session, except by the addition of the charges permitted under subdivision (4) of this subsection.

(3) The listing shall clearly and conspicuously disclose to the consumer the existence and actual dollar amount of each mandatory fee, if any, prior to the completion of the transaction. The descriptor used to identify each mandatory fee shall not be deceptive or misleading.

(4) The following charges are not mandatory fees and may be added to the ticket price and shall be disclosed to the purchaser prior to purchase of the ticket:

a. Actual charges required to deliver a non-electronic ticket to the address specified by the purchaser by the delivery method designated by the purchaser.

b. Taxes or fees imposed on the transaction by any government.

c. A reasonable fee for processing the order.

(c) A violation of this section is an unfair trade practice under G.S. 75-1.1 and is subject to all of the investigative, enforcement, and penalty provisions of an unfair trade practice under this Article."

SECTION 24.(b) This section becomes effective January 1, 2025, and applies to tickets listed for sale or resale on or after that date.

TECHNICAL CORRECTION TO SESSION LAW 2023-112 CONCERNING THE WINSTON-SALEM CIVIL REVIEW BOARD

SECTION 25. Section 111.1(*l*) of the Charter of Winston-Salem, being Chapter 232 of the Private Laws of 1927, as enacted by Chapter 112 of the 2023 Session Laws, reads as rewritten:

"(*l*) Any member of the classified service who desires a hearing shall file a request for hearing with the city clerk within ~~1,030 days.~~ 10 days after learning of the action or omission of which the member complains, but not before the member has exhausted all remedies provided by the grievance procedures established by ordinance or policy of the city. The grievance procedure shall be concluded within 30 days. If the grievance procedure is not concluded within 30 days, the member may proceed as provided in this subsection. Upon receipt of the request for hearing, the city clerk shall set the matter for hearing before the Board at a date not less than five nor more than 15 days from the clerk's receipt of the request. Except for the time for filing the initial request for hearing with the Board, the Board may extend the time for taking action for cause or by agreement of the parties to the proceeding. Any member of the classified service of the city who requests a hearing as authorized by this section shall be entitled to be represented at the hearing by his or her attorney. For purposes of the hearings, the Board is authorized to issue subpoenas for the attendance of witnesses or the production of documents."

TECHNICAL CORRECTION TO RESTORE DELETED LANGUAGE CONCERNING FORCED CONNECTION OF COUNTY SEWER, ORIGINALLY ENACTED IN S.L. 2023-90 AND S.L. 2023-108

SECTION 26. G.S. 153A-284 reads as rewritten:

"**§ 153A-284. Power to require connections.**

(a) A county may require the owner of developed property on which there are situated one or more residential dwelling units or commercial establishments located so as to be served

by a water line or sewer collection line owned, leased as lessee, or operated by the county or on behalf of the county to connect the owner's premises with the water or sewer line and may fix charges for these connections. A county may only require connection of an owner's premises to a sewer line, however, if the county has adequate capacity to transport and treat the proposed new wastewater from the premises at the time of connection.

…."

COAL COMBUSTION RESIDUAL REPORT REVISION

SECTION 27. G.S. 130A-309.204(a) reads as rewritten:

"(a) The Department shall submit ~~quarterly written reports~~ an annual report no later than October 1 to the Environmental Review Commission on its operations, activities, programs, and progress with respect to its obligations under this Part concerning all coal combustion residuals surface impoundments. This report may be combined with the report to members of the General Assembly required by subsection (b) of this section. At a minimum, the report shall include information concerning the status of assessment, corrective action, prioritization, and closure for each coal combustion residuals surface impoundment and information on costs connected therewith. The report shall include an executive summary of each annual Groundwater Protection and Restoration Report submitted to the Department by the operator of any coal combustion residuals surface impoundments pursuant to G.S. 130A-309.211(d) and a summary of all groundwater sampling, protection, and restoration activities related to the impoundment for the preceding year. The report shall also include an executive summary of each annual Surface Water Protection and Restoration Report submitted to the Department by the operator of any coal combustion residuals surface impoundments pursuant to G.S. 130A-309.212(e) and a summary of all surface water sampling, protection, and restoration activities related to the impoundment for the preceding year, including the status of the identification, assessment, and correction of unpermitted discharges from coal combustion residuals surface impoundments to the surface waters of the State. The Department shall supplement the written reports required by this subsection with additional written and oral reports as may be requested by the Environmental Review Commission. The Department shall submit the written reports required by this subsection whether or not the General Assembly is in session at the time the report is due."

REQUIRE THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO REPORT QUARTERLY ON APPLICATIONS FOR PERMITS REQUIRED FOR NATURAL GAS PIPELINES AND GAS-FIRED ELECTRIC GENERATION FACILITIES

SECTION 28.(a) Part 1 of Article 7 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-279.20. Report on Department activity to process applications for permits required for natural gas pipelines and gas-fired electric generation facilities.**

The Department of Environmental Quality shall report on any applications received for permits required for siting or operation of natural gas pipelines and gas-fired electric generation facilities within the State, and activities of the Department to process such applications, including tracking of processing times. The processing time tracked shall include (i) the total processing time from when an initial permit application is received to issuance or denial of the permit and (ii) the processing time from when a complete permit application is received to issuance or denial of the permit. The Department shall report quarterly to the Joint Legislative Commission on Energy Policy pursuant to this section."

SECTION 28.(b) This section is effective when it becomes law and applies to applications for permits for natural gas pipelines and gas-fired electric generation facilities pending on or received on or after that date. The Department shall submit the initial report due pursuant to G.S. 143B-279.20, as enacted by this section, no later than October 1, 2024.

COMBINE STORMWATER GRANT REPORT WITH WATER INFRASTRUCTURE REPORTS

SECTION 29. Section 12.14(j) of S.L. 2021-180 reads as rewritten:

"**SECTION 12.14.(j)** Report. – The Department shall submit a report no later than September 1, 2022, and annually thereafter no later than November 1 to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic ~~Resources~~ Resources, the Environmental Review Commission, and the Fiscal Research Division on the projects and activities funded by this section until all funds have been expended by grant recipients. The reports required by this section shall be submitted with the reports required by G.S. 159G-26 and G.S. 159G-72 as a single report. The Department shall include in its initial report and may include in subsequent reports recommendations regarding legislative changes or additional funding needed to assist small and financially distressed communities to comply with stormwater standards and requirements and to mitigate the adverse impacts of extreme weather events on stormwater-related flood events. The reports shall also include, at a minimum, the following:

(1) The beginning and ending balance of the Fund for the fiscal year.

(2) A listing of grant recipients, amount provided to each recipient, and the grant type funded.

(3) An overview of the use of funds by grant recipients, including a description of projects constructed or planning milestones achieved."

REQUIRE ANNUAL RIVER BASIN ADVISORY COMMISSION REPORT ONLY IN YEARS WHEN THE COMMISSION MEETS

SECTION 30.(a) G.S. 77-98 reads as rewritten:

"**§ 77-98. Annual report.**

The Commission shall submit an annual report, including the annual audit required by G.S. 77-96 and any recommendations, on or before 1 October of each year in which the Commission meets to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division of the General Assembly of North Carolina, and as provided by the Commonwealth of Virginia."

SECTION 30.(b) G.S. 77-117 reads as rewritten:

"**§ 77-117. Annual report.**

The commissions shall submit annual reports, including the annual audit required by G.S. 77-115 and any recommendations, on or before October 1 of each year in which the commissions meet to Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division of the General Assembly of North Carolina, and as provided by the State of South Carolina."

ELIMINATE ANNUAL REPORT ON STATE EMPLOYEES WHO HAVE BEEN WORK FIRST RECIPIENTS

SECTION 31. G.S. 108A-27.10(b) is repealed.

ELIMINATE CONNECT NC BOND REPORT

SECTION 32. Section 2 of S.L. 2015-280 is repealed.

PART V. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 33.(a) If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application and, to this end, the provisions of this act are declared to be severable.

SECTION 33.(b) Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2024.

s/ Phil Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

This bill having been presented to the Governor for signature on the 28th day of June, 2024 and the Governor having failed to approve it within the time prescribed by law, the same is hereby declared to have become a law.

This 9th day of July, 2024,

s/ Greg Johnson
Enrolling Clerk