

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

**H**

**4**

**HOUSE BILL 168\***

**Senate Finance Committee Substitute Adopted 8/28/01**

**Senate Rules and Operations of the Senate Committee Substitute Adopted 12/6/01**

**Fourth Edition Engrossed 12/6/01**

Short Title: Corporate Asset Transfers/Relief.

(Public)

---

Sponsors:

---

Referred to:

---

February 20, 2001

A BILL TO BE ENTITLED

1 AN ACT TO PERMIT A CORPORATION TO TRANSFER ASSETS TO A  
2 WHOLLY OWNED UNINCORPORATED ENTITY, AS RECOMMENDED BY  
3 THE GENERAL STATUTES COMMISSION, TO AMEND THE  
4 INDEMNIFICATION PROVISIONS OF THE PATIENT'S BILL OF RIGHTS, TO  
5 SUPPORT TROOPS PARTICIPATING IN OPERATIONS ENDURING  
6 FREEDOM AND NOBLE EAGLE, AND TO PERMIT LEAVE FOR DISASTER  
7 SERVICE VOLUNTEERS.  
8

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.** G.S. 55-12-01 reads as rewritten:

11 "**§ 55-12-01. Sale of assets in regular course of business and mortgage of assets.**

12 (a) A mortgage of or other security interest in all or any part of the property of a  
13 corporation may be made by authority of the board of directors without approval of the  
14 shareholders, unless otherwise provided in the articles of incorporation or in bylaws  
15 adopted by the shareholders.

16 (b) Unless otherwise provided in the articles of incorporation or in bylaws  
17 adopted by the shareholders, a corporation may, on the terms and conditions and for the  
18 consideration determined by the board of directors, and without approval by the  
19 shareholders:

- 20 (1) Sell, lease, exchange, or otherwise dispose of all, or substantially all,  
21 of its property in the usual and regular course of business; or  
22 (2) Transfer any or all of its property to a corporation or an unincorporated  
23 entity all the shares or ownership interests of which are owned by the  
24 corporation."

25 **SECTION 2.** Effective July 1, 2002, G.S. 90-21.52(c), as enacted by Section  
26 4.7 of S.L. 2001-446, reads as rewritten:

1       (c) This Article does not create any liability on the part of a physician or health  
2 care provider in addition to that otherwise imposed under existing law. No managed  
3 care entity held liable under this Article shall be entitled to contribution under Chapter  
4 1B of the General Statutes. No managed care entity held liable under this Article shall  
5 have a right to indemnity against physicians, health care providers, or entities wholly  
6 owned by physicians or health care providers or any combination thereof, except when:

7           (1) The liability of the managed care entity is based on ~~a~~an administrative  
8 decision to approve or disapprove payment or reimbursement for~~for,~~  
9 or denial, reduction, or termination of coverage, for a health care  
10 service and the ~~physicians, physician organizations,~~ health care  
11 providers, or entities wholly owned by physicians or health care  
12 providers or any combination thereof, which have made the decision at  
13 issue, have agreed explicitly, in a written contract with the managed  
14 care entity to assume responsibility for these specific decisions; and  
15 addendum or agreement separate from the managed care organization's  
16 standard professional service agreement, to assume responsibility for  
17 making noncertification decisions under G.S. 58-50-61(13) with  
18 respect to certain insureds or enrollees; and

19           (2) The managed care entity has not controlled or influenced or advocated  
20 for the decision regarding whether or when payment or reimbursement  
21 should be made or whether or when the insured or enrollee should  
22 receive a health care service.

23       The right to indemnity set forth herein shall not apply to professional medical or  
24 health care services provided by a physician or health care provider, and shall only  
25 apply where the agreement to assume responsibility for making noncertification  
26 decisions for the managed care entity is shown to have been undertaken voluntarily and  
27 the managed care organization has not adversely affected the terms and conditions of  
28 the relationship with the health care provider based upon the willingness to execute or  
29 refusal to execute an agreement under G.S. 58-50-61(13)."

30       **SECTION 3.** Definitions. – As used in this act:

31           (1) "Military personnel" includes both of the following:

- 32           a. A member of the armed forces or the armed forces reserves of the  
33           United States on active duty in support of Operation Enduring  
34           Freedom or Operation Noble Eagle on or after September 11, 2001.  
35           b. A member of the North Carolina Army National Guard or the North  
36           Carolina Air National Guard called to active duty in support of  
37           Operation Enduring Freedom or Operation Noble Eagle on or after  
38           September 11, 2001.

39           A copy of the soldier's military orders specifying deployment is  
40           conclusive evidence of the soldier's deployment.

41           (2) "Operation Enduring Freedom" or "Operation Noble Eagle" include  
42           any other operations with differing names arising out of the same  
43           occurrence.

1           **SECTION 4.** Waiver of Deadlines, Fees, and Penalties. – Except as  
2 prohibited by the Constitution, the Governor may extend deadlines and waive penalties  
3 or fees as is necessary to alleviate hardship created for deployed military personnel  
4 serving in either Operation Enduring Freedom or Operation Noble Eagle. Such  
5 authority includes, but is not limited to, the authority to:

- 6           (1) Extend for up to 90 days from the end of deployment the validity of a  
7 permanent or temporary drivers license issued under G.S. 20-7 to  
8 deployed military personnel;
- 9           (2) Waive civil penalties and restoration fees under G.S. 20-309 for any  
10 deployed military personnel whose motor vehicle liability insurance  
11 lapsed during the period of deployment or within 90 days after the  
12 soldier returned to North Carolina if the soldier certifies to the  
13 Division of Motor Vehicles that the motor vehicle was not driven on  
14 the highway by anyone during the period in which the motor vehicle  
15 was uninsured and that the owner now has liability insurance on the  
16 motor vehicle;
- 17           (3) Allow up to 90 days from the end of deployment for any deployed  
18 military personnel to renew a license as defined in G.S. 93B-1. During  
19 the period of deployment or active duty and until the expiration of the  
20 90-day period provided for in this subsection, expired licenses that are  
21 within the scope of this act shall remain valid, as if they had not  
22 expired; and
- 23           (4) Require that any renewal fee applicable to the renewal of a license  
24 under subdivision (3) of this section be prorated over the period  
25 covered by the license and reduced in proportion to the period of time  
26 that the licensee was deployed outside the State.

27           **SECTION 5.(a)** Property Taxes. – Notwithstanding G.S. 105-360 or G.S.  
28 105-330.4, deployed military personnel are allowed 90 days after the end of the  
29 individual's deployment to pay property taxes at par, for any property taxes that became  
30 due or delinquent during the term of the deployment. For these individuals, the taxes  
31 for the relevant tax year do not become delinquent until after the end of the 90-day  
32 period provided in this section, and an individual who pays the property taxes before the  
33 end of the 90-day period is not liable for interest on the taxes for the relevant tax year.  
34 If the individual does not pay the taxes before the end of the 90-day period, interest  
35 shall accrue on the taxes according to the schedule provided in G.S. 105-360 or G.S.  
36 105-330.4, as applicable, as though the taxes were unpaid as of the date the taxes would  
37 have become delinquent if not for this section.

38           **SECTION 5.(b)** Notwithstanding G.S. 105-307, deployed military personnel  
39 required to list property for taxation while deployed are allowed 90 days after the end of  
40 the deployment to list the property. For these individuals, the listing period for the  
41 relevant tax year is extended until the end of the 90-day period provided in this act, and  
42 an individual who lists the property before the end of the 90-day period is not subject to

1 civil or criminal penalties for failure to list the property required to be listed during  
2 deployment.

3 **SECTION 6.** Leave for Volunteers. – G.S. 166A-32 reads as rewritten:

4 "**§ 166A-32. Disaster service volunteer leave.**

5 An employee of a State agency who is a ~~certified~~ disaster service volunteer of the  
6 American Red Cross may be granted leave from his work with pay for a time not to  
7 exceed 15 work days in any 12-month period to participate in specialized disaster relief  
8 services for the American Red Cross. To be granted leave, the request for the services of  
9 that employee must come from the American Red Cross. The decision to grant the  
10 employee leave rests in the sole discretion of the employing State agency based on the  
11 work needs of that agency. Employees granted leave pursuant to this Article shall not  
12 lose seniority, pay, vacation time, sick time, or earned overtime accumulation. The State  
13 agency shall compensate an employee granted leave under this Article at the regular rate  
14 of pay for those regular work hours during which the employee is absent from his work.  
15 Leave under this ~~act~~ Article shall be granted only for services related to a disaster  
16 occurring within the ~~State of North Carolina~~ United States.

17 The State of North Carolina shall not be liable for workers compensation claims  
18 arising from accident or injury while the State employee is on assignment as a ~~certified~~  
19 disaster service volunteer for the American Red Cross. Duties performed while on  
20 disaster leave shall not be considered to be a work assignment by a state agency. The  
21 employee is granted leave based on the need for the ~~expertise in his or her certified~~  
22 area ~~employee's area of expertise~~. Job functions although similar or related are  
23 performed on behalf of and for the benefit of the American Red Cross.

24 **SECTION 7.(a)** Community College Refunds. – Upon request of the  
25 student, each community college shall:

- 26 (1) Grant a full refund of curriculum tuition and fees to military reserve  
27 and national guard personnel called to active duty or active personnel  
28 who have received temporary or permanent reassignments as a result  
29 of military operations that make it impossible for them to complete  
30 their course requirements; and  
31 (2) Buy back textbooks through the colleges' bookstore operations to the  
32 extent possible. Colleges shall use distance-learning technologies and  
33 other educational methodologies to help these students, under the  
34 guidance of faculty and administrative staff, complete their course  
35 requirements.

36 **SECTION 7.(b)** Upon request of the student, each community college shall:

- 37 (1) Grant a full refund of extension registration fees to military reserve  
38 and national guard personnel called to active duty or active personnel  
39 who have received temporary or permanent reassignments as a result  
40 of military operations that make it impossible for them to complete  
41 their course requirements; and  
42 (2) Buy back textbooks through the colleges' bookstore operations to the  
43 extent possible. Colleges shall use distance-learning technologies and

1 other educational methodologies to help these students, under the  
2 guidance of faculty and administrative staff, complete their course  
3 requirements.

4 **SECTION 7.(c)** This section applies to the 2001-2002 academic year only.

5 **SECTION 8.(a)** UNC System Refunds. – This section is intended to assist  
6 the constituent institutions of The University of North Carolina in situations in which  
7 students request refunds of tuition or fees because of involuntary or voluntary service in  
8 the military or because of circumstances related to national emergencies.

9 Upon request of the student, all constituent institutions may issue a full  
10 refund of tuition and required fees to students who are involuntarily called to active duty  
11 in the military after a semester or term begins.

12 All constituent institutions should have a process for determining on a  
13 case-by-case basis whether to grant a full refund of tuition and required fees to students  
14 who volunteer for military service or who request to withdraw because of circumstances  
15 related to a national emergency.

16 Constituent institutions should determine under what circumstances students  
17 who withdraw because of military service or circumstances related to national  
18 emergencies should be given the option of receiving incompletes in their courses instead  
19 of receiving tuition and fee refunds.

20 Constituent institutions should determine whether or not to give full or pro  
21 rata refunds of housing, parking, and other optional fees to students to whom they give  
22 tuition and required fee refunds.

23 Constituent institutions which offer courses on military bases should defer to  
24 their contracts with the military in making determinations concerning withdrawal from  
25 courses due to changes in assignments of military personnel.

26 It is recommended that every campus review its policy on tuition refunds and  
27 make modifications necessary to cover the circumstances described in this section.

28 **SECTION 8.(b)** Legislative Tuition Grants. – Students who are receiving the  
29 North Carolina Legislative Tuition Grant who lose their full-time student status due to a  
30 call to active military duty or circumstances related to national emergencies shall not be  
31 required to repay the Legislative Tuition Grant for that semester. The North Carolina  
32 State Education Assistance Authority shall implement this subsection.

33 **SECTION 8.(c)** This section applies to the 2001-2002 academic year only.

34 **SECTION 9.** Section 2 of this act becomes effective July 1, 2002. The  
35 remainder of this act is effective when it becomes law, and Section 1 of this act applies  
36 to transfers occurring on or after that date.