

GENERAL ASSEMBLY OF NORTH CAROLINA

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HOUSE BILL 1429*

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Short Title: Set Reg. Fees/Various Fees/Insurance.

(Public)

Sponsors:

Referred to:

May 25, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO SET THE PUBLIC UTILITY REGULATORY FEE, TO SET THE
3 INSURANCE REGULATORY CHARGE FOR CALENDAR YEAR 1998, TO
4 INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING
5 CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO
6 INCREASE THE AUTOPSY FEE, TO REVISE AND PLACE INTO THE
7 GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE
8 WATER QUALITY PROGRAM, TO AMEND PROVISIONS IN THE
9 INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE
10 COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS, TO
11 CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES, TO
12 AMEND THE LAW GOVERNING INSURERS' INVESTMENTS IN MORTGAGE
13 LOANS AND MORTGAGE SECURITIES, AND TO CONFORM THE
14 INSURANCE SURCHARGE LAW TO A RECENT ENACTMENT.

15 The General Assembly of North Carolina enacts:

PART I. PUBLIC UTILITY REGULATORY FEE

Section 1.1. The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) is nine-hundredths percent (0.09%) of each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 1998.

PART II. INSURANCE REGULATORY FEE

Section 2.1. The percentage rate to be used in calculating the insurance regulatory charge under G.S. 58-6-25 is six percent (6%) for the 1998 calendar year.

Section 2.2. G.S. 58-6-25(a) reads as rewritten:

"(a) Charge Levied. – There is levied on each insurance company an annual charge for the purposes stated in subsection (d) of this section. As used in this section, the term "insurance company" means a company that pays the gross premiums tax levied in G.S. 105-228.5 and G.S. 105-228.8, except a service corporation subject to Article 65 of this Chapter. A health maintenance organization subject to Article 67 of this Chapter is not subject to those taxes and is therefore not subject to the charge levied in this section. The charge levied in this section is in addition to all other fees and taxes. The charge shall be at a percentage rate of the company's premium tax liability for the taxable year. In determining an insurance company's premium tax liability for a taxable year, the following shall be disregarded:

(1) additional-Additional taxes imposed by G.S. 405-228.8, 105-228.8.

(2) The the-additional local fire and lightning tax imposed by G.S. 105-228.5(d)(4), and any 105-228.5(d)(4).

(3) Any tax credits for guaranty or solvency fund assessments under G.S. 105-228.5A or G.S. 97-133(a) shall be disregarded. 97-133(a).

(4) Any tax credits allowed under Chapter 105 of the General Statutes other than tax payments made by or on behalf of the taxpayer."

PART III. SECRETARY OF STATE FEES

Section 3.1. G.S. 10A-7 reads as rewritten:

"§ 10A-7. Fee with commission application.

Every applicant for a notarial commission shall pay to this State a nonrefundable fee of twenty-five dollars (\$25.00). thirty dollars (\$30.00). Every applicant for recommissioning shall pay to this State a nonrefundable fee of twenty-five dollars (\$25.00). thirty dollars (\$30.00)."

Section 3.2. G.S. 78A-28 reads as rewritten:

"§ 78A-28. Provisions applicable to registration generally.

(a) A registration statement may be filed by the issuer, any other person on whose behalf the offering is to be made, or a registered dealer.

(b) Every person filing a registration statement shall pay a filing fee of one hundred dollars (\$100.00), plus a registration fee of one-tenth of one percent (1/10 of 1%) of the maximum aggregate offering price at which the registered securities are to be offered in this State, but the registration fee may not be less than twenty-five dollars (\$25.00) nor more than one thousand five hundred dollars (\$1,500). two thousand dollars (\$2,000). When a registration statement is withdrawn before the effective date or a pre-

1 effective stop order is entered under G.S. 78A-29, the Administrator shall retain the filing
2 fee. A registration statement relating to ~~securities issued or to be issued by a mutual fund,
3 open end management company, or unit investment trust or relating to other~~ redeemable
4 securities, other than a security covered under federal law, to be offered for a period in
5 excess of one year, must be renewed annually by payment of a renewal fee of one
6 hundred dollars (\$100.00) and by filing any documents or reports that the Administrator
7 may by rule or order require.

8 (c) Every registration statement shall specify (i) the amount of securities to be
9 offered in this State; (ii) the states in which a registration statement or similar document
10 in connection with the offering has been or is expected to be filed; and (iii) any adverse
11 order, judgment, or decree entered in connection with the offering by the regulatory
12 authorities in each state or by any court or the Securities and Exchange Commission.

13 (d) Any document filed under this Chapter or a predecessor law within five years
14 preceding the filing of a registration statement may be incorporated by reference in the
15 registration statement to the extent that the document is currently accurate.

16 (e) The Administrator may by rule or otherwise permit the omission of any item of
17 information or document from any registration statement.

18 (f) In the case of a nonissuer distribution, information may not be required under
19 G.S. 78A-27 or 78A-28(i) unless it is known to the person filing the registration
20 statement or to the persons on whose behalf the distribution is to be made, or can be
21 furnished by them without unreasonable effort or expense.

22 (g) The Administrator may by rule or order require as a condition of registration
23 by qualification or coordination (i) that any security issued within the past three years or
24 to be issued to a promoter for a consideration substantially different from the public
25 offering price, or to any person for a consideration other than cash, be deposited in
26 escrow; and (ii) that the proceeds from the sale of the registered security in this State be
27 impounded until the issuer receives a specified amount from the sale of the securities
28 either in this State or elsewhere. The Administrator may by rule or order determine the
29 conditions of any escrow or impounding required hereunder, but he may not reject a
30 depository solely because of location in another state.

31 (h) Except during the time a stop order is in effect under G.S. 78A- 29, a
32 registration statement relating to ~~securities issued or to be issued by a mutual fund, open end
33 management company, or unit investment trust or relating to other~~ redeemable securities, other
34 than a security covered under federal law, to be offered for a period in excess of one year,
35 expires on December 31 of each year or some other date not more than one year from its
36 effective date as the Administrator may by rule or order provide. Every other registration
37 statement is effective for one year from its effective date, or any longer period during
38 which the security is being offered or distributed in a nonexempted transaction by or for
39 the account of the issuer or other person on whose behalf the offering is being made or by
40 any underwriter or dealer who is still offering part of an unsold allotment or subscription
41 taken by him as a participant in the distribution, except during the time a stop order is in
42 effect under G.S. 78A-29. All outstanding securities of the same class as a registered
43 security are considered to be registered for the purpose of any nonissuer transaction (i) so

1 long as the registration statement is effective and (ii) between the thirtieth day after the
2 entry of any stop order suspending or revoking the effectiveness of the registration
3 statement under G.S. 78A-29 (if the registration statement did not relate in whole or in
4 part to a nonissuer distribution) and one year from the effective date of the registration
5 statement. A registration statement may not be withdrawn for one year from its effective
6 date if any securities of the same class are outstanding. A registration statement may be
7 withdrawn otherwise only in the discretion of the Administrator.

8 (i) So long as a registration statement is effective, the Administrator may by rule
9 or order require the person who filed the registration statement to file reports, not more
10 often than quarterly, to keep reasonably current the information contained in the
11 registration statement and to disclose progress of the offering.

12 (j) A registration statement filed in accordance with subsection (b) of this section
13 may be amended after its effective date to increase the securities specified as proposed to
14 be offered. Such an amendment becomes effective when the Administrator so orders.
15 Every person filing such an amendment shall pay a ~~registration fee calculated in the manner~~
16 ~~specified in subsection (b) and a filing fee of fifty dollars (\$50.00) with respect to the~~
17 ~~additional securities proposed to be offered."~~

18 Section 3.3. G.S. 78A-30 is amended by adding a new subsection to read:

19 "(g) The Administrator shall charge a fee for a fairness hearing that the
20 Administrator holds under this section. The Administrator shall set the fee based upon
21 the time and expenses incurred by the Administrator. The fee may not be less than five
22 hundred dollars (\$500.00), and it may not exceed five thousand dollars (\$5,000)."

23 Section 3.4. G.S. 78A-31(a) reads as rewritten:

24 "(a) The Administrator, by rule or order, may require the filing of any of the
25 following documents with regard to a security covered under section 18(b)(2) of the
26 Securities Act of 1933 (15 U.S.C. § 77r(b)(2)):

27 (1) Prior to the initial offer of the security in this State, all documents that
28 are part of a federal registration statement filed with the Securities and
29 Exchange Commission under the Securities Act of 1933, or, in lieu
30 thereof, a form prescribed by the Administrator, together with a consent
31 to service of process signed by the issuer and with the payment of a
32 notice filing fee of ~~one-tenth of one percent (1/10 of 1%) of the maximum~~
33 ~~aggregate offering price at which the securities covered under federal law are~~
34 ~~to be offered in this State, but the notice filing fee shall not be less than~~
35 ~~twenty five dollars (\$25.00) or more than one thousand six hundred dollars~~
36 ~~(\$1,600)-two thousand dollars (\$2,000).~~

37 (2) After the initial offer of the security in this State, all documents that are
38 part of an amendment to a federal registration statement filed with the
39 Securities and Exchange Commission under the Securities Act of 1933,
40 or, in lieu thereof, a form prescribed by the Administrator, which shall
41 be filed concurrently with the Administrator.

42 (3) A report of the value of securities covered under federal law that are
43 offered or sold in this State.

1 (4) A notice filing pursuant to this section shall expire on December 31 of
2 each year or some other date not more than one year from its effective
3 date as the Administrator may by rule or order provide. A notice filing
4 of the offer of securities covered under federal law that are to be offered
5 for a period in excess of one year shall be renewed annually by payment
6 of a renewal fee of one hundred dollars (\$100.00) and by filing any
7 documents and reports that the Administrator may by rule or order
8 require consistent with this section. The renewal shall be effective upon
9 the expiration of the prior notice period.

10 (5) A notice filed in accordance with this section may be amended after its
11 effective date to increase the securities specified as proposed to be
12 offered. An amendment becomes effective upon receipt by the
13 Administrator. Every person submitting an amended notice filing shall
14 pay a fee calculated in the manner specified in subdivision (1) of this
15 subsection and a filing fee of fifty dollars (\$50.00) with respect to the
16 additional securities proposed to be offered."

17 Section 3.5. G.S. 147-37 reads as rewritten:

18 **"§ 147-37. Secretary of State; fees to be collected.**

19 When no other charge is provided by law, the Secretary of State shall collect such fees
20 for copying any document or record on file in his office which in his discretion bears a
21 reasonable relation to the quantity of copies supplied and the cost of purchasing or
22 leasing and maintaining copying equipment. These fees may be changed from time to
23 time, but a schedule of fees shall be available on request at all times. In addition to
24 copying charges, the Secretary of State shall collect a fee of ~~six dollars and twenty-five~~
25 ~~cents (\$6.25)~~ ten dollars (\$10.00) for certifying any document or record on file in his
26 office or for issuing any certificate as to the facts shown by the records on file in his
27 office."

28 **PART IV. INCREASE AUTOPSY FEE**

29 Section 4.1. G.S. 130A-389(a) reads as rewritten:

30 "(a) If, in the opinion of the medical examiner investigating the case or of the Chief
31 Medical Examiner, it is advisable and in the public interest that an autopsy or other study
32 be made; or, if an autopsy or other study is requested by the district attorney of the county
33 or by any superior court judge, an autopsy or other study shall be made by the Chief
34 Medical Examiner or by a competent pathologist designated by the Chief Medical
35 Examiner. A complete autopsy report of findings and interpretations, prepared on forms
36 designated for the purpose, shall be submitted promptly to the Chief Medical Examiner.
37 Copies of the report shall be furnished the authorizing medical examiner, district attorney
38 or superior court judge. A copy of the report shall be furnished to other persons upon
39 request. A fee for the autopsy or other study shall be paid by the State. However, if the
40 deceased is a resident of the county in which the death or fatal injury occurred, that
41 county shall pay the fee. The fee shall be ~~four hundred dollars (\$400.00)~~ one thousand
42 dollars (\$1,000)."

43 **PART V. WATER QUALITY FEES**

1 Section 5.1. Part 1 of Article 21 of Chapter 143 of the General Statutes is
2 amended by adding a new section to read:

3 **"§ 143-215.3D. Fee schedule for water quality permits.**

4 (a) Annual Fees for Discharge and Nondischarge Permits Under G.S. 143-215.1. –

5 (1) Major individual NPDES permits. – The annual fee for an individual
6 permit for a point source discharge of 1,000,000 or more gallons per
7 day, a publicly owned treatment works (POTW) that administers a
8 POTW pretreatment program, as defined in 40 Code of Federal
9 Regulations § 403.3 (1 July 1996 Edition), or an industrial waste
10 treatment works that has a high toxic pollutant potential shall be two
11 thousand eight hundred sixty-five dollars (\$2,865).

12 (2) Minor individual NPDES permits. – The annual fee for an individual
13 permit for a point source discharge other than a point source discharge
14 to which subdivision (1) of this subsection applies shall be seven
15 hundred fifteen dollars (\$715.00).

16 (3) Single-family residence. – The annual fee for a certificate of coverage
17 under a general permit for a point source discharge or an individual
18 nondischarge permit from a single-family residence shall be fifty dollars
19 (\$50.00).

20 (4) Stormwater and wastewater discharge general permits. – The annual fee
21 for a certificate of coverage under a general permit for a point source
22 discharge of stormwater or wastewater shall be eighty dollars (\$80.00).

23 (5) Recycle systems. – The annual fee for an individual permit for a recycle
24 system nondischarge permit shall be three hundred dollars (\$300.00).

25 (6) Major nondischarge permits. – The annual fee for an individual permit
26 for a nondischarge of 10,000 or more gallons per day or requiring 300
27 or more acres of land shall be one thousand ninety dollars (\$1,090).

28 (7) Minor nondischarge permits. – The annual fee for an individual permit
29 for a nondischarge of less than 10,000 gallons per day or requiring less
30 than 300 acres of land shall be six hundred seventy-five dollars
31 (\$675.00).

32 (8) Animal waste management systems. – The annual fee for animal waste
33 management systems shall be as set out in G.S. 143-215.10G.

34 (b) Application Fee for New Discharge and Nondischarge Permits. – An
35 application for a new permit of the type set out in subsection (a) of this section shall be
36 accompanied by an initial application fee equal to the annual fee for that permit. If a
37 permit is issued, the application fee will be applied as the annual fee for the first year that
38 the permit is in effect. If the application is denied, the application fee shall not be
39 refunded.

40 (c) Application and Annual Fees for Consent Special Orders. –

41 (1) Major consent special orders. – If the Commission enters into a consent
42 special order, assurance of voluntary compliance, or similar document
43 pursuant to G.S. 143-215.2 for an activity subject to an annual fee under

1 subdivision (1) or (6) of subsection (a) of this section, the initial project
2 fee shall be four hundred dollars (\$400.00) and the annual fee shall be
3 five hundred dollars (\$500.00). These fees shall be in addition to the
4 annual fee due under subsection (a) of this section.

5 (2) Minor consent special orders. – If the Commission enters into a consent
6 special order, assurance of voluntary compliance, or similar document
7 pursuant to G.S. 143-215.2 for an activity subject to an annual fee under
8 subdivision (2) or (7) of subsection (a) of this section, the initial project
9 fee shall be four hundred dollars (\$400.00) and the annual fee shall be
10 two hundred fifty dollars (\$250.00). These fees shall be in addition to
11 the annual fee due under subsection (a) of this section.

12 (d) Fee for Major Permit Modifications. – An application for a major modification
13 of a permit of the type set out in subsection (a) of this section shall be accompanied by an
14 application fee equal to thirty percent (30%) of the annual fee applicable to that permit.
15 A major modification of a permit is any modification that would allow an increase in the
16 volume or pollutant load of the discharge or nondischarge or that would result in a
17 significant relocation of the point of discharge, as determined by the Commission. This
18 fee shall be in addition to the fees due under subsections (a) and (c) of this section. If the
19 application is denied, the application fee shall not be refunded.

20 (e) Other Fees Under This Article. –

21 (1) Sewer system extension permits. – The application fee for a permit for
22 the construction of a new sewer system or for the extension of an
23 existing sewer system shall be four hundred dollars (\$400.00).

24 (2) State stormwater permits. – The application fee for a permit regulating
25 stormwater runoff under G.S. 143-214.7 and G.S. 143-215.1 shall be
26 four hundred twenty dollars (\$420.00).

27 (3) Major water quality certifications. – The fee for a water quality
28 certification involving one acre or more of wetland fill or 150 feet or
29 more of stream impact shall be four hundred seventy-five dollars
30 (\$475.00).

31 (4) Minor water quality certifications. – The fee for a water quality
32 certification involving less than one acre of wetland fill or less than 150
33 feet of stream impact shall be two hundred dollars (\$200.00).

34 (5) Permit for land application of petroleum contaminated soils. – The fee
35 for a permit to apply petroleum contaminated soil to land shall be four
36 hundred dollars (\$400.00).

37 (6) Fee nonrefundable. – If an application for a permit or a certification
38 described in this subsection is denied, the application or certification fee
39 shall not be refunded."

40 Section 5.2. G.S. 143-215.3(a) reads as rewritten:

41 "(a) Additional Powers. – In addition to the specific powers prescribed elsewhere in
42 this Article, and for the purpose of carrying out its duties, the Commission shall have the
43 power:

- 1 (1) To make rules implementing Articles 21, 21A, 21B, or 38 of this
2 Chapter.
- 3 (1a) To ~~charge~~ adopt fee schedules and collect fees for the following:
- 4 a. Processing of applications for permits or registrations issued
5 under ~~Articles~~ Article 21, other than Parts 1 and 1A, Articles 21A,
6 21B, and 38 of this Chapter;
- 7 b. Administering permits or registrations issued under ~~Articles~~
8 Article 21, other than Parts 1 and 1A, Articles 21A, 21B, or and
9 38 of this Chapter including monitoring compliance with the
10 terms of those permits; and
- 11 c. Reviewing, processing, and publicizing applications for
12 construction grant awards under the Federal Water Pollution
13 Control Act.

14 No fee may be charged under this provision, however, to a farmer who
15 submits an application that pertains to his farming operations.

- 16 (1b) ~~The fee to be charged pursuant to G.S. 143-215.3(a)(1a) for processing~~
17 ~~an application for a permit under G.S. 143-215.1 of Article 21 may not~~
18 ~~exceed four hundred dollars (\$400.00).~~ The fee to be charged pursuant
19 to G.S. 143-215.3(a)(1a) for processing an application for a permit
20 under G.S. 143-215.108 and G.S. 143-215.109 of Article 21B of this
21 Chapter may not exceed five hundred dollars (\$500.00). The fee to be
22 charged pursuant to G.S. 143-215.3(a)(1a) for processing a registration
23 under Part 2A of this Article or Article 38 of this Chapter may not
24 exceed fifty dollars (\$50.00) for any single registration. An additional
25 fee of twenty percent (20%) of the registration processing fee may be
26 assessed for a late registration under Article 38 of this Chapter. The fee
27 for administering and compliance monitoring under ~~G.S. 143-215.1 of~~
28 ~~Article 21~~ Article 21, other than Parts 1 and 1A, and G.S. 143-215.108
29 and G.S. 143-215.109 of Article 21B shall be charged on an annual
30 basis for each year of the permit term and may not exceed one thousand
31 five hundred dollars (\$1,500) per year. Fees for processing all permits
32 under Article 21A and all other sections of ~~Articles 21 and Article 21B~~
33 shall not exceed one hundred dollars (\$100.00) for any single permit.
34 ~~Notwithstanding any other provision of this subdivision, the~~ The total
35 payment for fees ~~required~~ that are set by the Commission under this
36 subsection for all permits ~~under this subsection~~ for any single facility
37 shall not exceed seven thousand five hundred dollars (\$7,500) per year,
38 which amount shall include all application fees and fees for
39 administration and compliance monitoring. A single facility is defined
40 to be any contiguous area under one ownership and in which permitted
41 activities occur. For all permits issued under these Articles where a fee
42 schedule is not specified in the statutes, the Commission, or other
43 commission specified by statute shall adopt a fee schedule in a rule

1 following the procedures established by the Administrative Procedure
2 Act. Fee schedules shall be established to reflect the size of the emission
3 or discharge, the potential impact on the environment, the staff costs
4 involved, relative costs of the issuance of new permits and the
5 reissuance of existing permits, and shall include adequate safeguards to
6 prevent unusual fee assessments which would result in serious economic
7 burden on an individual applicant. A system shall be considered to
8 allow consolidated annual payments for persons with multiple permits.
9 In its rulemaking to establish fee schedules, the Commission is also
10 directed to consider a method of rewarding facilities which achieve full
11 compliance with administrative and self-monitoring reporting
12 requirements, and to consider, in those cases where the cost of renewal
13 or amendment of a permit is less than for the original permit, a lower fee
14 for the renewal or amendment.

- 15 (1c) Moneys collected pursuant to G.S. 143-215.3(a)(1a) shall be used to:
- 16 a. Eliminate, insofar as possible, backlogs of permit applications
17 awaiting agency action;
 - 18 b. Improve the quality of permits issued;
 - 19 c. Improve the rate of compliance of permitted activities with
20 environmental standards; and
 - 21 d. Decrease the length of the processing period for permit
22 applications.
- 23 (1d) The Commission may adopt and implement a graduated fee schedule
24 sufficient to cover all direct and indirect costs required for the State to
25 develop and administer a permit program which meets the requirements
26 of Title V. The provisions of subdivision (1b) of this subsection do not
27 apply to the adoption of a fee schedule under this subdivision. In
28 adopting and implementing a fee schedule, the Commission shall
29 require that the owner or operator of all air contaminant sources subject
30 to the requirement to obtain a permit under Title V to pay an annual fee,
31 or the equivalent over some other period, sufficient to cover costs as
32 provided in section 502(b)(3)(A) of Title V. The fee schedule shall be
33 adopted according to the procedures set out in Chapter 150B of the
34 General Statutes.
- 35 a. The total amount of fees collected under the fee schedule adopted
36 pursuant to this subdivision shall conform to the requirements of
37 section 502(b)(3)(B) of Title V. No fee shall be collected for
38 more than 4,000 tons per year of any individual regulated
39 pollutant, as defined in section 502(b)(3)(B)(ii) of Title V,
40 emitted by any source. Fees collected pursuant to this subdivision
41 shall be credited to the Title V Account.
 - 42 b. The Commission may reduce any permit fee required under this
43 section to take into account the financial resources of small

1 business stationary sources as defined under Title V and
2 regulations promulgated by the United States Environmental
3 Protection Agency.

- 4 c. When funds in the Title V Account exceed the total amount
5 necessary to cover the cost of the Title V program for the next
6 fiscal year, the Secretary shall reduce the amount billed for the
7 next fiscal year so that the excess funds are used to supplement
8 the cost of administering the Title V permit program in that fiscal
9 year.

10 (1e) The Commission shall collect the application, annual, and project fees
11 for processing and administering permits, certificates of coverage under
12 general permits, and certifications issued under Parts 1 and 1A of this
13 Article and for compliance monitoring under Parts 1 and 1A of this
14 Article as provided in G.S. 143-215.3D and G.S. 143-215.10G.

15 (2) To direct that such investigation be conducted as it may reasonably
16 deem necessary to carry out its duties as prescribed by this Article or
17 Article 21A or Article 21B of this Chapter, and for this purpose to enter
18 at reasonable times upon any property, public or private, for the purpose
19 of investigating the condition of any waters and the discharge therein of
20 any sewage, industrial waste, or other waste or for the purpose of
21 investigating the condition of the air, air pollution, air contaminant
22 sources, emissions, or the installation and operation of any air-cleaning
23 devices, and to require written statements or the filing of reports under
24 oath, with respect to pertinent questions relating to the operation of any
25 air-cleaning device, sewer system, disposal system, or treatment works.
26 In the case of effluent or emission data, any records, reports, or
27 information obtained under this Article or Article 21A or Article 21B of
28 this Chapter shall be related to any applicable effluent or emission
29 limitations or toxic, pretreatment, or new source performance standards.
30 No person shall refuse entry or access to any authorized representative
31 of the Commission or Department who requests entry for purposes of
32 inspection, and who presents appropriate credentials, nor shall any
33 person obstruct, hamper or interfere with any such representative while
34 in the process of carrying out his official duties.

35 (3) To conduct public hearings and to delegate the power to conduct public
36 hearings in accordance with the procedures prescribed by this Article or
37 by Article 21B of this Chapter.

38 (4) To delegate such of the powers of the Commission as the Commission
39 deems necessary to one or more of its members, to the Secretary or any
40 other qualified employee of the Department. The Commission shall not
41 delegate to persons other than its own members and the designated
42 employees of the Department the power to conduct hearings with
43 respect to the classification of waters, the assignment of classifications,

1 air quality standards, air contaminant source classifications, emission
2 control standards, or the issuance of any special order except in the case
3 of an emergency under subdivision (12) of this subsection for the
4 abatement of existing water or air pollution. Any employee of the
5 Department to whom a delegation of power is made to conduct a
6 hearing shall report the hearing with its evidence and record to the
7 Commission.

8 (5) To institute such actions in the superior court of any county in which a
9 violation of this Article, Article 21B of this Chapter, or the rules of the
10 Commission has occurred, or, in the discretion of the Commission, in
11 the superior court of the county in which any defendant resides, or has
12 his or its principal place of business, as the Commission may deem
13 necessary for the enforcement of any of the provisions of this Article,
14 Article 21B of this Chapter, or of any official action of the Commission,
15 including proceedings to enforce subpoenas or for the punishment of
16 contempt of the Commission.

17 (6) To agree upon or enter into any settlements or compromises of any
18 actions and to prosecute any appeals or other proceedings.

19 (7) To direct the investigation of any killing of fish and wildlife which, in
20 the opinion of the Commission, is of sufficient magnitude to justify
21 investigation and is known or believed to have resulted from the
22 pollution of the waters or air as defined in this Article, and whenever
23 any person, whether or not he shall have been issued a certificate of
24 approval, permit or other document of approval authorized by this or
25 any other State law, has negligently, or carelessly or unlawfully, or
26 willfully and unlawfully, caused pollution of the waters or air as defined
27 in this Article, in such quantity, concentration or manner that fish or
28 wildlife are killed as the result thereof, the Commission, may recover, in
29 the name of the State, damages from such person. The measure of
30 damages shall be the amount determined by the Department and the
31 North Carolina Wildlife Resources Commission, whichever has
32 jurisdiction over the fish and wildlife destroyed to be the replacement
33 cost thereof plus the cost of all reasonable and necessary investigations
34 made or caused to be made by the State in connection therewith. Upon
35 receipt of the estimate of damages caused, the Department shall notify
36 the persons responsible for the destruction of the fish or wildlife in
37 question and may effect such settlement as the Commission may deem
38 proper and reasonable, and if no settlement is reached within a
39 reasonable time, the Commission shall bring a civil action to recover
40 such damages in the superior court in the county in which the discharge
41 took place. Upon such action being brought the superior court shall have
42 jurisdiction to hear and determine all issues or questions of law or fact,
43 arising on the pleadings, including issues of liability and the amount of

1 damages. On such hearing, the estimate of the replacement costs of the
2 fish or wildlife destroyed shall be prima facie evidence of the actual
3 replacement costs of such fish or wildlife. In arriving at such estimate,
4 any reasonably accurate method may be used and it shall not be
5 necessary for any agent of the Wildlife Resources Commission or the
6 Department to collect, handle or weigh numerous specimens of dead
7 fish or wildlife.

8 The State of North Carolina shall be deemed the owner of the fish or
9 wildlife killed and all actions for recovery shall be brought by the
10 Commission on behalf of the State as the owner of the fish or wildlife.
11 The fact that the person or persons alleged to be responsible for the
12 pollution which killed the fish or wildlife holds or has held a certificate
13 of approval, permit or other document of approval authorized by this
14 Article or any other law of the State shall not bar any such action. The
15 proceeds of any recovery, less the cost of investigation, shall be used to
16 replace, insofar as and as promptly as possible, the fish and wildlife
17 killed, or in cases where replacement is not practicable, the proceeds
18 shall be used in whatever manner the responsible agency deems proper
19 for improving the fish and wildlife habitat in question. Any such funds
20 received are hereby appropriated for these designated purposes. Nothing
21 in this paragraph shall be construed in any way to limit or prevent any
22 other action which is now authorized by this Article.

- 23 (8) After issuance of an appropriate order, to withhold the granting of any
24 permit or permits pursuant to G.S. 143-215.1 or G.S. 143-215.108 for
25 the construction or operation of any new or additional disposal system
26 or systems or air-cleaning device or devices in any area of the State.
27 Such order may be issued only upon determination by the Commission,
28 after public hearing, that the permitting of any new or additional source
29 or sources of water or air pollution will result in a generalized condition
30 of water or air pollution within the area contrary to the public interest,
31 detrimental to the public health, safety, and welfare, and contrary to the
32 policy and intent declared in this Article or Article 21B of this Chapter.
33 The Commission may make reasonable distinctions among the various
34 sources of water and air pollution and may direct that its order shall
35 apply only to those sources which it determines will result in a
36 generalized condition of water or air pollution.

37 The determination of the Commission shall be supported by detailed
38 findings of fact and conclusions set forth in the order and based upon
39 competent evidence of record. The order shall describe the geographical
40 area of the State affected thereby with particularity and shall prohibit the
41 issuance of permits pending a determination by the Commission that the
42 generalized condition of water or air pollution has ceased.

1 Notice of hearing shall be given in accordance with the provisions of
2 G.S. 150B-21.2.

3 A person aggrieved by an order of the Commission under this
4 subdivision may seek judicial review of the order under Article 4 of
5 Chapter 150B of the General Statutes without first commencing a
6 contested case. An order may not be stayed while it is being reviewed.

7 (9) If an investigation conducted pursuant to this Article or Article 21B of
8 this Chapter reveals a violation of any rules, standards, or limitations
9 adopted by the Commission pursuant to this Article or Article 21B of
10 this Chapter, or a violation of any terms or conditions of any permit
11 issued pursuant to G.S. 143-215.1 or 143-215.108, or special order or
12 other document issued pursuant to G.S. 143-215.2 or G.S. 143-215.110,
13 the Commission may assess the reasonable costs of any investigation,
14 inspection or monitoring survey which revealed the violation against the
15 person responsible therefor. If the violation resulted in an unauthorized
16 discharge to the waters or atmosphere of the State, the Commission may
17 also assess the person responsible for the violation for any actual and
18 necessary costs incurred by the State in removing, correcting or abating
19 any adverse effects upon the water or air resulting from the
20 unauthorized discharge. If the person responsible for the violation
21 refuses or fails within a reasonable time to pay any sums assessed, the
22 Commission may institute a civil action in the superior court of the
23 county in which the violation occurred or, in the Commission's
24 discretion, in the superior court of the county in which such person
25 resides or has his or its principal place of business, to recover such
26 sums.

27 (10) To require a laboratory facility that performs any tests, analyses,
28 measurements, or monitoring required under this Article or Article 21B
29 of this Chapter to be certified annually by the Department, to establish
30 standards that a laboratory facility and its employees must meet and
31 maintain in order for the laboratory facility to be certified, and to charge
32 a laboratory facility a fee for certification. Fees collected under this
33 subdivision shall be credited to the Water and Air Account and used to
34 administer this subdivision. These fees shall be applied to the cost of
35 certifying commercial, industrial, and municipal laboratory facilities.

36 (11) Repealed by Session Laws 1983, c. 296, s. 6.

37 (12) To declare an emergency when it finds that a generalized condition of
38 water or air pollution which is causing imminent danger to the health or
39 safety of the public. Regardless of any other provisions of law, if the
40 Department finds that such a condition of water or air pollution exists
41 and that it creates an emergency requiring immediate action to protect
42 the public health and safety or to protect fish and wildlife, the Secretary
43 of the Department with the concurrence of the Governor, shall order

1 persons causing or contributing to the water or air pollution in question
2 to reduce or discontinue immediately the emission of air contaminants
3 or the discharge of wastes. Immediately after the issuance of such order,
4 the chairman of the Commission shall fix a place and time for a hearing
5 before the Commission to be held within 24 hours after issuance of such
6 order, and within 24 hours after the commencement of such hearing, and
7 without adjournment thereof, the Commission shall either affirm,
8 modify or set aside the order.

9 In the absence of a generalized condition of air or water pollution of
10 the type referred to above, if the Secretary finds that the emissions from
11 one or more air contaminant sources or the discharge of wastes from
12 one or more sources of water pollution is causing imminent danger to
13 human health and safety or to fish and wildlife, he may with the
14 concurrence of the Governor order the person or persons responsible for
15 the operation or operations in question to immediately reduce or
16 discontinue the emissions of air contaminants or the discharge of wastes
17 or to take such other measures as are, in his judgment, necessary,
18 without regard to any other provisions of this Article or Article 21B of
19 this Chapter. In such event, the requirements for hearing and affirmance,
20 modification or setting aside of such orders set forth in the preceding
21 paragraph of this subdivision shall apply.

22 (13) Repealed by Session Laws 1983, c. 296, s. 6.

23 (14) To certify and approve, by appropriate delegations and conditions in
24 permits required by G.S. 143-215.1, requests by publicly owned
25 treatment works to implement, administer and enforce a pretreatment
26 program for the control of pollutants which pass through or interfere
27 with treatment processes in such treatment works; and to require such
28 programs to be developed where necessary to comply with the Federal
29 Water Pollution Control Act and the Resource Conservation and
30 Recovery Act, including the addition of conditions and compliance
31 schedules in permits required by G.S. 143-215.1. Pretreatment programs
32 submitted by publicly owned treatment works shall include, at a
33 minimum, the adoption of pretreatment standards, a permit or equally
34 effective system for the control of pollutants contributed to the
35 treatment works, and the ability to effectively enforce compliance with
36 the program.

37 (15) To adopt rules for the prevention of pollution from underground tanks
38 containing petroleum, petroleum products, or hazardous substances.
39 Rules adopted under this section may incorporate standards and
40 restrictions which exceed and are more comprehensive than comparable
41 federal regulations.

42 (16) To adopt rules limiting the manufacture, storage, sale, distribution or
43 use of cleaning agents containing phosphorus pursuant to G.S. 143-

1 214.4(e), and to adopt rules limiting the manufacture, storage, sale,
2 distribution or use of cleaning agents containing nitrilotriacetic acid.

3 (17) To adopt rules to implement Part 2A of Article 21A of Chapter 143."

4 Section 5.3. G.S. 143-215.3A reads as rewritten:

5 "**§ 143-215.3A. Water and Air Quality Account; use of application and permit fees;**
6 **Title V Account; I & M Air Pollution Control Account; reports.**

7 (a) The Water and Air Quality Account is established as a nonreverting account
8 within the Department. Revenue in the Account shall be applied to the costs of
9 administering the programs for which the fees were collected. Revenue credited to the
10 Account pursuant to G.S. 105-449.125, 105-449.134, and 105-449.43 shall be used to
11 administer the air quality program. Except for the following fees, all application fees and
12 permit administration fees collected by the State for permits issued under Articles 21,
13 21A, 21B, and 38 of this Chapter shall be credited to the Account:

14 (1) Fees collected under Part 2 of Article 21A and credited to the Oil or
15 Other Hazardous Substances Pollution Protection Fund.

16 (2) Fees credited to the Title V Account.

17 (3) Fees credited to the Wastewater Treatment Works Emergency
18 Maintenance, Operation and Repair Fund under G.S. 143-215.3B.

19 (4) Fees collected under G.S. 143-215.28A.

20 (5) Fees collected under G.S. 143-215.94C shall be credited to the
21 Commercial Leaking Petroleum Underground Storage Tank Cleanup
22 Fund.

23 (a1) The total monies collected per year from fees for permits under G.S. 143-
24 215.3(a)(1a), after deducting those monies collected under G.S. ~~143-215.3(A)(1d)~~, ~~143-~~
25 ~~215.3(a)(1d)~~, shall not exceed thirty percent (30%) of the total budgets from all sources
26 of environmental permitting and compliance programs within the Department. This
27 subsection shall not be construed to relieve any person of the obligation to pay a fee
28 established under this Article or Articles 21A, 21B, or 38 of this Chapter.

29 (b) The Title V Account is established as a nonreverting account within the
30 Department. Revenue in the Account shall be used for developing and implementing a
31 permit program that meets the requirements of Title V. The Title V Account shall consist
32 of fees collected pursuant to G.S. 143-215.3(a)(1d) and G.S. 143-215.106A. Fees
33 collected under G.S. 143-215.3(a)(1d) shall be used only to cover the direct and indirect
34 costs required to develop and administer the Title V permit program, and fees collected
35 under G.S. 143-215.106A shall be used only for the eligible expenses of the Title V
36 program. Expenses of the Air Quality Compliance Advisory Panel, the ombudsman for
37 the Small Business Stationary Source Technical and Environmental Compliance
38 Assistance Program, support staff, equipment, legal services provided by the Attorney
39 General, and contracts with consultants and program expenses listed in section
40 502(b)(3)(A) of Title V shall be included among Title V program expenses.

41 (b1) The I & M Air Pollution Control Account is established as a nonreverting
42 account within the Department. Fees transferred to the Division of Air Quality of the
43 Department pursuant to G.S. 20-183.7(c)(2) shall be credited to the I & M Air Pollution

1 Control Account and shall be applied to the costs of developing and implementing an air
2 pollution control program for mobile sources.

3 (c) The Department shall make an annual report to the General Assembly and its
4 Fiscal Research Division on the cost of the State's environmental permitting programs
5 contained within such Department. In addition, the Department shall make an annual
6 report to the General Assembly and its Fiscal Research Division on the cost of the Title V
7 program. The reports shall include, but are not limited to, fees set and established under
8 this Article, fees collected under this Article, revenues received from other sources for
9 environmental permitting and compliance programs, changes made in the fee schedule
10 since the last report, anticipated revenues from all other sources, interest earned and any
11 other information requested by the General Assembly."

12 Section 5.4. G.S. 143-215.10G reads as rewritten:

13 "**§ 143-215.10G. Fees for animal waste management systems.**

14 (a) Department shall charge an annual permit fee of all animal operations that are
15 subject to a permit under G.S. 143-215.10C for animal waste management systems
16 according to the following schedule:

17 (1) For a system with a design capacity of 38,500 or more and less than
18 100,000 pounds steady state live weight, fifty dollars (\$50.00).

19 (2) For a system with a design capacity of 100,000 or more and less than
20 800,000 pounds steady state live weight, one hundred fifty dollars
21 ~~(\$100.00)-(\$150.00)~~.

22 (3) For a system with a design capacity of 800,000 pounds or more steady
23 state live weight, ~~two-three~~ three hundred dollars ~~(\$200.00)-(\$300.00)~~.

24 (b) An application for a new permit under this section shall be accompanied by an
25 initial application fee equal to the annual fee for that permit. If a permit is issued, the
26 application fee will be applied as the annual fee for the first year that the permit is in
27 effect. If the application is denied, the application fee shall not be refunded.

28 (c) Fees collected under this section shall be credited to the Water and Air Quality
29 Account. The Department shall use fees collected pursuant to this section to cover the
30 costs of administering this Part."

31 Section 5.5. G.S. 90A-42(a) reads as rewritten:

32 "(a) The Commission, in establishing procedures for implementing the
33 requirements of this Article, shall impose the following schedule of fees:

34 (1) Examination including Certificate, ~~\$75.00;~~ \$85.00;

35 (2) Temporary Certificate, \$200.00;

36 (3) Temporary Certification Renewal, \$300.00;

37 (4) Conditional Certificate, \$75.00;

38 (5) Repealed by Session Laws 1987, c. 582, s. 3.

39 (6) Reciprocity Certificate, \$100.00;

40 (6a) Voluntary Conversion Certificate, \$50.00;

41 (7) Annual Renewal, ~~\$30.00;~~ \$35.00;

42 (8) Replacement of Certificate, \$20.00;

1 (9) Late Payment of Annual Renewal, \$50.00 penalty in addition to all
2 current and past due annual renewal fees plus one hundred dollars
3 (\$100.00) penalty per year for each year for which annual renewal fees
4 were not paid prior to the current year; and

5 (10) Mailing List Charges – The Commission may provide mailing lists of
6 certified water pollution control system operators and of water pollution
7 control system operators to persons who request such lists. The charge
8 for such lists shall be twenty-five dollars (\$25.00) for each such list
9 provided."

10 Section 5.6. G.S. 90A-47.4(a) reads as rewritten:

11 "(a) An applicant for certification under this Part shall pay a fee of ~~ten dollars~~
12 ~~(\$10.00)~~ twenty-five dollars (\$25.00) for the examination and the certificate."

13 Section 5.7. Subsection (d) of Section 27.13 of Chapter 18 of the 1995 Session
14 Laws (1996 Second Extra Session) is repealed.

15 Section 5.8. This Part of this act shall not be construed to relieve any person of
16 the obligation to pay any fee due for any activity described in this Part under the schedule
17 of fees in effect prior to the date this Part becomes effective.

18 **PART VI. INSURANCE LAW CHANGES**

19 Section 6.1. G.S. 58-7-50(d) reads as rewritten:

20 "(d) This section is subject to the exceptions provided in G.S. 58-7-55. The
21 Commissioner may allow a domestic insurer to maintain certain records or assets outside
22 this State."

23 Section 6.2. G.S. 58-2-131(a) reads as rewritten:

24 "(a) This section and G.S. 58-2-132 ~~and G.S. 58-2-133~~ through G.S. 58-2-134 shall
25 be known and may be cited as the Examination Law. The purpose of the Examination
26 Law is to provide an effective and efficient system for examining the activities,
27 operations, financial condition, and affairs of all persons transacting the business of
28 insurance in this State and all persons otherwise subject to the Commissioner's
29 jurisdiction; and to enable the Commissioner to use a flexible system of examinations
30 that directs resources that are appropriate and necessary for the administration of the
31 insurance statutes and rules of this State."

32 Section 6.3. G.S. 58-2-131(b) reads as rewritten:

33 "(b) As used in this ~~section, G.S. 58-2-132 and G.S. 58-2-133,~~ section and G.S. 58-2-
34 132 through G.S. 58-2-134, unless the context clearly indicates otherwise:

35 (1) 'Commissioner' includes an authorized representative or designee of the
36 Commissioner.

37 (2) 'Examination' means an examination conducted under the Examination
38 Law.

39 (3) 'Examiner' means any person authorized by the Commissioner to
40 conduct an examination.

41 (4) 'Insurance regulator' means the official or agency of another jurisdiction
42 that is responsible for the regulation of a foreign or alien insurer.

43 (5) 'Person' includes a trust or any affiliate of a person."

1 Section 6.4. Article 2 of Chapter 58 of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 58-2-134. Cost of certain examinations.**

4 An insurer shall reimburse the Department for the actual expenses incurred by the
5 Department in any examination of those records or assets conducted pursuant to G.S. 58-
6 2-131, 58-2-132, or 58-2-133 when:

7 (1) The insurer maintains part of its records or assets outside this State
8 under G.S. 58-7-50 or G.S. 58-7-55 and the examination is of the
9 records or assets outside this State.

10 (2) The insurer requests an examination of its records or assets.

11 (3) The Commissioner examines an insurer that is impaired or insolvent or
12 is unlikely to be able to meet obligations with respect to known or
13 anticipated claims or to pay other obligations in the normal course of
14 business.

15 The amount paid by an insurer for an examination of records or assets shall not
16 exceed one hundred thousand dollars (\$100,000), unless the insurer and the
17 Commissioner agree on a higher amount."

18 Section 6.5. G.S. 58-7-16(f) reads as rewritten:

19 "(f) The Commissioner has sole authority to regulate the issuance and sale of
20 funding agreements on behalf of insurers. In addition to the authority in G.S. 58-2-40, the
21 Commissioner may adopt rules relating to:

22 (1) Standards to be followed in the approval of forms of funding
23 agreements.

24 (2) Reserves to be maintained by insurers issuing funding agreements.

25 (3) Accounting and reporting of funds credited under funding agreements.

26 (4) Disclosure of information to be given to holders and prospective holders
27 of funding agreements.

28 (5) Qualification and compensation of persons selling funding agreements
29 on behalf of insurers.

30 In determining minimum valuation reserves to be maintained by insurers issuing
31 funding agreements, the Commissioner may use any relevant actuarial guideline,
32 regulation, interpretation, or paper published by the Society of Actuaries or the American
33 Academy of Actuaries that the Commissioner considers reasonable."

34 Section 6.6. G.S. 58-2-131(d) reads as rewritten:

35 "(d) The Commissioner may conduct an examination of any insurer whenever the
36 Commissioner deems it to be prudent for the protection of policyholders but shall at a
37 minimum conduct ~~an~~ a regular examination of every domestic insurer not less frequently
38 than once every ~~three~~ five years. In scheduling and determining the nature, scope, and
39 frequency of examinations, the Commissioner shall consider such matters as the results
40 of financial statement analyses and ratios, changes in management or ownership,
41 actuarial opinions, reports of independent certified public accountants, and other criteria
42 as set forth in the NAIC Examiners' Handbook."

43 Section 6.7. G.S. 58-2-205 reads as rewritten:

1 **"§ 58-2-205. CPA audits of financial statements.**

2 The Commissioner ~~is authorized to~~ may adopt rules to provide for audits and opinions
3 of insurers' financial statements by certified public accountants. ~~Such~~ These rules shall be
4 ~~in accordance with~~ substantially similar to the NAIC model rule that requires audited
5 financial reports, as amended. The Commissioner may adopt, amend, or repeal
6 provisions of these rules under G.S. 150B-21.1 in order to keep these rules current with
7 the NAIC model rule."

8 Section 6.8. G.S. 150B-21.1 is amended by adding a new subsection to read:

9 "(a2) Notwithstanding the provisions of subsection (a) of this section, the
10 Commissioner of Insurance may adopt a temporary rule to implement the provisions of
11 G.S. 58-2-205 after prior notice or hearing or upon any abbreviated notice or hearing.
12 When the Commissioner adopts a temporary rule pursuant to this subsection, the
13 Commissioner must submit the reference to this subsection as the Commissioner's
14 statement of need to the Codifier of Rules."

15 Section 6.9. G.S. 58-7-170(c) reads as rewritten:

16 ~~"(c) The cost of investments made by insurers in mortgage loans, authorized by~~
17 ~~G.S. 58-7-179, with any one person shall not exceed the lesser of five percent (5%) of the~~
18 ~~insurer's admitted assets or ten percent (10%) of the insurer's capital and surplus. An~~
19 ~~insurer shall not invest in additional mortgage loans without the Commissioner's consent~~
20 ~~if the admitted value of all mortgage loans held by the insurer exceeds an aggregate of~~
21 ~~sixty percent (60%) of the admitted assets of the insurer, if (i) the admitted value of all~~
22 ~~mortgage pass-through securities permitted by G.S. 58-7-173(17) does not exceed~~
23 ~~twenty five percent (25%) of the admitted assets of the insurer and (ii) the admitted value~~
24 ~~of other mortgage loans permitted by G.S. 58-7-179 does not exceed forty percent (40%)~~
25 ~~of the admitted assets of the insurer.~~

26 ~~An insurer that, as of October 1, 1993, has mortgage investments that exceed the~~
27 ~~aggregate limitation specified in this subsection shall submit to the Commissioner no~~
28 ~~later than January 31, 1994, a plan to bring the amount of mortgage investments into~~
29 ~~compliance with the limitations by January 1, 2001.~~

30 The cost of investments made by an insurer in mortgage loans authorized by G.S. 58-
31 7-179 with any one person, or in mortgage pass-through securities and derivatives of
32 mortgage pass-through securities authorized by G.S. 58-7-173(1), (2), (8), or (17), and
33 backed by a single collateral package, shall not exceed three percent (3%) of the insurer's
34 admitted assets. An insurer shall not invest in additional mortgage loans or mortgage
35 pass-through securities and derivatives of mortgage pass-through securities without the
36 Commissioner's consent if the admitted value of all those investments held by the insurer
37 exceeds an aggregate of sixty percent (60%) of the admitted assets of the insurer. Within
38 the aggregate sixty percent (60%) limitation, the admitted value of all mortgage pass-
39 through securities and derivatives of mortgage pass-through securities permitted by G.S.
40 58-7-173(17) shall not exceed thirty-five percent (35%) of the admitted assets of the
41 insurer. The admitted value of other mortgage loans permitted by G.S. 58-7-179 shall not
42 exceed forty percent (40%) of the admitted assets of the insurer. Mortgage pass-through
43 securities authorized by G.S. 58-7-173(1), (2), or (8) shall only be subject to the single

1 collateral package limitation and the sixty percent (60%) aggregate limitation. No later
2 than January 31, 1999, an insurer that has mortgage investments that exceed the
3 limitations specified in this subsection shall submit to the Commissioner a plan to bring
4 the amount of mortgage investments into compliance with the specified limitations by
5 January 1, 2004."

6 **PART VII. EFFECTIVE DATES**

7 Section 7.1. Part I of this act becomes effective July 1, 1998.

8 Section 7.2. Part II of this act becomes effective January 1, 1998.

9 Section 7.3. Part III of this act becomes effective January 1, 1999.

10 Section 7.4. Part IV of this act becomes effective January 1, 1999, and applies
11 to fees assessed or paid on or after that date.

12 Section 7.5. Part V of this act becomes effective January 1, 1999.

13 Section 7.6. Part VI of this act is effective when it becomes law.

14 Section 7.7. The remainder of this act is effective when it becomes law.