

(c) Use of Funds. – The North Carolina Housing Finance Agency, in consultation with the Department of Health and Human Services, shall be responsible for administering the Community Living Housing Fund. The monies in the Fund shall be available for expenditure only upon an act of appropriation by the General Assembly and only for the following purposes:

- (1) To provide permanent community-based housing in integrated settings appropriate for individuals with severe mental illness and severe and persistent mental illness.
- (2) To support an increase in the number of targeted units for individuals with disabilities located in housing projects funded by the Housing Finance Agency from ten percent (10%) to fifteen percent (15%). The additional targeted units funded shall be made available to the Department of Health and Human Services for use in the North Carolina Supportive Housing Program under Article 1B of Chapter 122C of the General Statutes. Priority for funding of the additional targeted units shall be given to units to be located in catchment areas identified by the Department of Health and Human Services, in consultation with the North Carolina Housing Finance Agency and ~~LMECOs~~, LME/MCOs, as having the greatest need for targeted units.
- (3) To recruit property owners who are willing to rent targeted units to individuals with disabilities."

PART XXVI. OFFICE OF STATE HUMAN RESOURCES

PERSONAL SERVICES CONTRACTS/TEMPORARY SOLUTIONS

SECTION 26.2.(a) Article 3 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-48.6. Personal services contracts subject to Article.

(a) Requirement. – Notwithstanding any other provision of law, personal services contracts for executive branch agencies shall be subject to the same requirements and procedures as service contracts.

(b) Personal Services Contract Defined. – For purposes of this section, the term "personal services contract" means a contract for services provided by a professional individual as an independent contractor on a temporary or occasional basis.

(c) Rules Required. – The Department of Administration shall adopt rules consistent with this section."

SECTION 26.2.(b) Part 4 of Article 14 of Chapter 143B of the General Statutes, as enacted by Part 7A of this act, is amended by adding a new section to read:

"§ 143B-1334.1. Personal services contracts subject to Article.

(a) Requirement. – Notwithstanding any other provision of law, information technology personal services contracts for executive branch agencies shall be subject to the same requirements and procedures as information technology service contracts, except as provided in this section.

(b) Certain Approvals Required. – Notwithstanding any provision of law to the contrary, no information technology personal services contract, nor any contract that provides personnel to perform information technology functions regardless of the cost of the contract, may be established or renewed without written approval from the Department of Information Technology and the Office of State Budget and Management. To facilitate compliance with this requirement, the Department of Information Technology shall develop and document the following:

- (1) Standards for determining whether it is more appropriate for an agency to hire an employee or use the services of a vendor.
- (2) A process to monitor all State agency information technology personal services contracts, as well as any other State contracts providing personnel to perform information technology functions.
- (3) A process for obtaining approval of contractor positions.

(c) Creation of State Positions in Certain Cases. – The Department of Information Technology shall review current information technology personal services contracts on an ongoing basis and determine if each contractor is performing a function that could more

appropriately be performed by a State employee. Where the determination is made that a State employee should be performing the function, the Department of Information Technology shall work with the impacted agency and the Office of State Human Resources to identify or create the position.

(d) Compliance Audits Required. – The Department of Information Technology shall conduct periodic audits of State agencies that are subject to this Article to determine the degree to which those agencies are complying with the rules and procedures that govern information technology personal services contracts.

(e) Reporting Required. – The Department of Information Technology shall report biennially to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on all of the following:

- (1) Its progress toward standardizing information technology personal services contracts.
- (2) The number of information technology service contractors in each State agency, the cost for each, and the comparable cost, including benefits, of a State employee serving in that capacity rather than a contractor.
- (3) The results of the compliance audits conducted pursuant to subsection (d) of this section.

(f) Information Technology Personal Services Contract Defined. – For purposes of this section, the term "personal services contract" means a contract for services provided by a professional individual as an independent contractor on a temporary or occasional basis.

(g) Rules Required. – The Department of Information Technology shall adopt rules consistent with this section."

SECTION 26.2.(c) Personal services contracts and information technology personal services contracts in effect on the effective date of this act shall be allowed to expire in accordance with the terms of the contract. A personal services contract or an information technology personal services contract that can be terminated at any time shall be reviewed within 60 days of the effective date of this act and shall only be continued if the contract complies with the requirements of G.S. 143-48.6 and G.S. 143B-1334.1, as enacted by subsections (a) and (b) of this section, respectively. A personal services contract or information technology personal services contract entered into after the effective date of this act shall comply with the requirements of G.S. 143-48.6 or G.S. 143B-1334.1, as applicable.

SECTION 26.2.(d) G.S. 143-64.70 is repealed. The Office of State Budget and Management shall notify State agencies of the repeal of G.S. 143-64.70 and about the new requirements imposed by this act.

SECTION 26.2.(e) Article 1 of Chapter 126 of the General Statutes is amended by adding a new section to read:

"§ 126-6.3. Temporary employment needs of State agencies shall be met through the Temporary Solutions Program.

(a) Use of Temporary Solutions Required. – Notwithstanding G.S. 126-5 or any other provision of law, all State agencies that utilize temporary employees to perform work that is not information technology-related shall employ them through the Temporary Solutions Program administered by the Office of State Human Resources. The Director of the Office of State Human Resources may create exceptions to this requirement when doing so would be in the best interests of the State in the sole discretion of the Director. An exception shall be invalid unless it is in writing.

(b) Compliance Monitoring. – The Office of State Human Resources shall monitor the employment of temporary employees by agencies subject to this section and shall report biannually to the Joint Legislative Oversight Committee on General Government and to the Fiscal Research Division on agency compliance with this section and policies and rules adopted pursuant to it.

(c) State Agency Defined. – For purposes of this section, "State agency" means a unit of the executive branch of State government, such as a department, an institution, a division, a commission, a board, or a council, regardless of whether or not the agency is part of the Council of State."

SECTION 26.2.(f) G.S. 126-4 is amended by adding a new subdivision to read:

"§ 126-4. Powers and duties of State Human Resources Commission.

Subject to the approval of the Governor, the State Human Resources Commission shall establish policies and rules governing each of the following:

...
(19) The implementation of G.S. 126-6.3 in a manner that is consistent across all affected State agencies."

PART XXVII. DEPARTMENT OF ADMINISTRATION

DOA PROVIDE ADMINISTRATIVE SUPPORT TO SEC FREE OF CHARGE

SECTION 27.1. G.S. 138A-9 reads as rewritten:

"§ 138A-9. Staff and offices.

(a) The Commission may employ professional and clerical staff, including an executive director.

(b) The Commission shall be located within the Department of Administration for administrative purposes only, but shall exercise all of its powers, including the power to employ, direct, and supervise all personnel, independently of the Secretary of Administration, and is subject to the direction and supervision of the Secretary of Administration only with respect to the management functions of coordinating and reporting. The Department shall provide administrative support to the Commission free of charge."

STREAMLINE SEIZED VEHICLE DISPOSAL

SECTION 27.3.(a) G.S. 20-28.2(a1) is amended by adding a new subdivision to read:

"(a1) Definitions. – As used in this section and in G.S. 20-28.3, 20-28.4, 20-28.5, 20-28.7, 20-28.8, 20-28.9, 20-54.1, and 20-141.5, the following terms mean:

...
(9) State Surplus Property Agency. – The Department of Administration."

SECTION 27.3.(b) G.S. 20-28.3 reads as rewritten:

"§ 20-28.3. Seizure, impoundment, forfeiture of motor vehicles for offenses involving impaired driving while license revoked or without license and insurance, and for felony speeding to elude arrest.

...
(d) Custody of Motor Vehicle. – Unless the motor vehicle is towed pursuant to a statewide or regional contract, or a contract with the county board of education, the seized motor vehicle shall be towed by a commercial towing company designated by the law enforcement agency that seized the motor vehicle. Seized motor vehicles not towed pursuant to a statewide or regional contract or a contract with a county board of education shall be retrieved from the commercial towing company within a reasonable time, not to exceed 10 business days, by the county board of education or their agent who must pay towing and storage fees to the commercial towing company when the motor vehicle is retrieved. If either a statewide or regional contractor, or the county board of education, chooses to contract for local towing services, all towing companies on the towing list for each law enforcement agency with jurisdiction within the county shall be given written notice and an opportunity to submit proposals prior to a contract for local towing services being awarded. The seized motor vehicle is under the constructive possession of the county board of education for the county in which the operator of the vehicle is charged at the time the vehicle is delivered to a location designated by the county board of education or delivered to its agent pending release or sale, or in the event a statewide or regional contract is in place, under the constructive possession of the ~~Department of Public Instruction, State Surplus Property Agency~~ on behalf of the State at the time the vehicle is delivered to a location designated by the ~~Department of Public Instruction~~ State Surplus Property Agency or delivered to its agent pending release or sale. Absent a statewide or regional contract that provides otherwise, each county board of education may elect to have seized motor vehicles stored on property owned or leased by the county board of education and charge a reasonable fee for storage, not to exceed ten dollars (\$10.00) per calendar day. In the alternative, the county board of education may contract with a commercial towing and storage facility or other private entity for the towing, storage, and disposal of seized motor vehicles, and a storage fee of not more than ten dollars (\$10.00) per calendar day may be charged. Except for gross negligence or intentional misconduct, neither the State Surplus Property Agency, the county board of education, or nor any of its their employees, shall not be liable to the owner or lienholder for damage to or loss of the motor vehicle or its contents, or to