

GENERAL ASSEMBLY OF NORTH CAROLINA
1991 SESSION

CHAPTER 688
SENATE BILL 828

AN ACT TO REORGANIZE THE LANGUAGE OF A STATUTE IN ORDER TO MAKE THE STATUTE MORE READABLE AND TO PERMIT PUBLIC SCHOOL EMPLOYEES TO AUTHORIZE THE PERIODIC DEDUCTION FROM THEIR SALARIES OF PAYMENTS TO THE EMPLOYEES' ASSOCIATION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 143-3.3 reads as rewritten:

"§ 143-3.3. Assignments of claims against State.

(a) Definitions. The following definitions apply in this section:

- (1) Assignment. An assignment or transfer of a claim, or a power of attorney, an order, or another authority for receiving payment of a claim.
- (2) Claim. A claim, a part or a share of a claim, or an interest in a claim, whether absolute or conditional.
- (3) Qualified charitable organization. A charitable organization that is exempt from federal income tax pursuant to section 501(c)(3) of the Internal Revenue Code.
- (4) State employee credit union. A credit union organized under Chapter 54 of the General Statutes whose membership is at least one-half employees of the State.
- (5) The State. The State of North Carolina and any department, bureau, or institution of the State of North Carolina.

(b) Assignments Prohibited. Except as otherwise provided in this section, any assignment of a claim against the State is void, regardless of the consideration given for the assignment, unless the claim has been duly audited and allowed by the State and the State has issued a warrant for payment of the claim. Except as otherwise provided in this section, the State shall not issue a warrant to an assignee of a claim against the State.

(c) Assignments in Favor of Certain Entities Allowed. This section does not apply to an assignment in favor of:

- (1) A hospital.
- (2) A building and loan association.
- (3) A uniform rental firm in order to allow an employee of the Department of Transportation to rent uniforms that include day-glo orange shirts or vests as required by federal and State law.

(4) An insurance company for medical, hospital, disability, or life insurance.

(d) Assignments to Meet Child Support Obligations Allowed. This section does not apply to assignments made to meet child support obligations pursuant to G.S. 110-136.1.

(e) Assignments for Prepaid Legal Services Allowed. This section does not apply to an assignment for payment for prepaid legal services.

(f) Payroll Deduction for State Employee Credit Union Accounts Allowed. An employee of the State who is a member of a State employee credit union may authorize, in writing, the periodic deduction from the employee's salary or wages paid for employment by the State of a designated lump sum for deposit to any credit union accounts, purchase of any credit union shares, or payment of any credit union obligations agreed to by the employee and the State employee credit union.

(g) Payroll Deduction for Payments to Certain Employees' Associations Allowed. An employee of the State or any of its institutions, departments, bureaus, agencies or commissions, or any of its local boards of education or community colleges, who is a member of a domiciled employees' association that has at least 2,000 members, the majority of whom are employees of the State or public school employees, may authorize, in writing, the periodic deduction from the employee's salary or wages a designated lump sum to be paid to the employees' association. A plan of payroll deductions pursuant to this subsection for employees of the State and other association members shall become void if the employees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit. This subsection does not apply to county or municipal governments or any local governmental unit, except for local boards of education.

(h) Payroll Deduction for State Employees Combined Campaign Allowed. Subject to rules adopted by the State Controller, an employee of the State may authorize, in writing, the periodic deduction from the employee's salary or wages paid for employment by the State of a designated lump sum to be paid to satisfy the employee's pledge to the State Employees Combined Campaign.

(i) Payroll Deduction for Public School and Community College Employees' Contributions to Charitable Organizations Allowed. Subject to rules adopted by the State Controller, an employee of a local board of education or community college may authorize, in writing, the periodic deduction from the employee's salary or wages paid for employment by the board of education or community college of a designated lump sum to be contributed to a qualified charitable organization that has first been approved by the employee's board of education or community college board.

(j) Payroll Deduction for University of North Carolina System Employees' Contributions to Certain Charitable Organizations Allowed. Subject to rules adopted by the State Controller, if a constituent institution of The University of North Carolina approves a payroll deduction plan under this subsection, an employee of the constituent institution may authorize, in writing, the periodic deduction from the employee's salary or wages paid for employment by the constituent institution of a designated lump sum to be contributed to a qualified charitable organization that exists to support athletic or

charitable programs of the constituent institution and that has first been approved by the President of The University of North Carolina as existing to support athletic or charitable programs. If a payroll deduction plan under this subsection results in additional costs to a constituent institution, these costs shall be paid by the qualified charitable organizations receiving contributions under the plan.

~~All transfers and assignments made of any claim upon the State of North Carolina or any of its departments, bureaus or commissions or upon any State institution or of any part or share thereof or interest therein, whether absolute or conditional and whatever may be the consideration therefor and all powers of attorney, orders or other authorities for receiving payment of any such claim or any part or share thereof shall be absolutely null and void unless such claim has been duly audited and allowed and the amount due thereon fixed and a warrant for the payment thereof has been issued; and no warrant shall be issued to any assignee of any claim or any part or share thereof or interest therein: Provided that this section shall not apply to assignments made in favor of hospitals, building and loan associations, prepaid legal services, uniform rental firms to allow employees of the Department of Transportation to rent uniforms that include day-glo orange shirts or vests as required by federal and State law, and medical, hospital, disability and life insurance companies: Provided further, that any employee of the State or of any of its institutions, departments, bureaus, agencies or commissions, who is a member of any credit union organized pursuant to Chapter 54 of the North Carolina General Statutes having a membership at least one half of whom are employed by the State or its institutions, departments, bureaus, agencies or commissions, may authorize, in writing, the periodic deduction from his salary or wages as such employee of a designated lump sum, which shall be paid to such credit unions when said salaries or wages are payable, for deposit to such accounts, purchase of such shares or payment of such obligations as the employee and the credit union may agree: Provided further, that any employee of the State or of any of its institutions, departments, bureaus, agencies or commissions, or any of its community colleges, who is a member of a domiciled State employees' association with a membership of not less than 5,000 members, the majority of whom are State employees, may authorize in writing the periodic deduction from his salary or wages a designated sum to be paid to the employees' association. This plan of payroll deductions for State employees and other association members shall become null and void at such time as the employee association engages in collective bargaining. Except as otherwise provided, nothing in this last proviso shall apply to local boards of education, county or municipal governments or any local governmental units. Provided further, that subject to the rules and regulations adopted by the State Controller, any employee of the State or of any of its institutions, departments, bureaus, agencies or commissions may authorize in writing the withholding from his salary or wages an amount to satisfy his pledge to the State Employees Combined Campaign. Provided further, that subject to any rules and regulations adopted by the State Controller, any employee of a local board of education or community college may authorize in writing the withholding from his salary or wages a periodic deduction of a designated sum to be paid to any organization which qualifies for recognition of exemption by the Internal Revenue Service as a charitable organization as defined in Section 501(c)(3) of the~~

~~Internal Revenue Code which has first been approved by his local board of education or community college board. Provided further, that subject to any rules and regulations adopted by the State Controller, any employee of a constituent institution of The University of North Carolina that processes its own payroll may authorize in writing the withholding from his salary or wages a periodic deduction of a designated sum to be paid to any organization that qualifies for recognition of exemption by the Internal Revenue Service as a charitable organization as defined in Section 501(c)(3) of the Internal Revenue Code and that exists to support athletic or charitable programs at the constituent institution where the employee is employed; Provided further that such organization must be approved by the President of The University of North Carolina as existing to support such athletic or charitable programs; Provided, further that such withholding is allowed only at those eligible constituent institutions that have authorized withholding plans under this proviso. If a withholding plan results in additional costs to a campus, these costs shall be paid by those charitable organizations receiving contributions under the withholding plan.~~

~~(b) Subsection (a) of this section shall not apply to assignments made to meet child support obligations pursuant to G.S. 110-136.1."~~

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 13th day of July, 1991.

James C. Gardner
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives