

## The Daily Bulletin: 2026-05-05

### PUBLIC/HOUSE BILLS

H 433 (2025-2026) [SFRF/NCPRO REVISIONS. \(NEW\)](#) Filed Mar 18 2025, *AN ACT DIRECTING THE OFFICE OF STATE BUDGET AND MANAGEMENT TO RECLASSIFY UNEXPENDED STATE FISCAL RECOVERY FUND BALANCES AND OTHER FUNDING, AUTHORIZING THE NORTH CAROLINA PANDEMIC RECOVERY OFFICE TO REALLOCATE STATE FISCAL RECOVERY FUNDS, DIRECTING THE OFFICE OF STATE BUDGET AND MANAGEMENT TO USE INTEREST EARNED ON VARIOUS FUNDS FOR OPERATIONS PERTAINING TO PANDEMIC RELIEF, AND EXTENDING THE DATE ON WHICH THE NORTH CAROLINA PANDEMIC RECOVERY OFFICE WILL CEASE TO OPERATE.*

Senate amendment to the 4th edition makes the following changes. Makes conforming changes to act's long title. Amends Section 6.2(5) of SL 2026-1 (making various changes to Medicaid and other budgetary changes) so that the funds remaining from the described grant to the Burke Partnership for Economic Development (Partnership) are not reallocated to Burke County but instead used as matching funds for a grant awarded by the US Department of Commerce. Prevents the Partnership from expending or encumbering funds until a determination regarding the grant is made. If the grant is not awarded by October 1, 2026, directs the Partnership to distribute the funds, including interest, as follows: (1) 80% to Burke County and (2) 20% to McDowell County to construct or improve water, sewer, or both.

**Intro. by Gillespie, White, Cotham, Reeder.**

UNCODIFIED, Burke, McDowell

[View summary](#)

**Government, Budget/Appropriations, Public Safety and Emergency Management, State Agencies, Office of State Budget and Management**

### PUBLIC/SENATE BILLS

S 808 (2025-2026) [BOARD OF COSMETIC ART EXAMINERS AMENDMENTS.](#) Filed Apr 21 2026, *AN ACT TO DEREGULATE NATURAL HAIR CARE; TO LICENSE HAIR DESIGNERS; TO REDUCE THE AMOUNT OF TRAINING REQUIRED FOR COSMETOLOGISTS; AND TO ELIMINATE LICENSURE AS AN APPRENTICE, AS RECOMMENDED BY THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE; AND TO ALLOW MOBILE COSMETIC ART SHOPS.*

Senate amendment to the 3rd edition makes the following changes. Extends the date for: (1) automatic conversions of natural hair care specialist licenses to infection control certifications; (2) granting infection control certification to pending natural hair care specialist licenses; (3) granting cosmetology licenses to pending apprentice licenses; and (4) automatic conversion of apprentice licenses to cosmetologist licenses from October 1, 2026, to December 31, 2026.

Extends the effective date of Sections 1 and 2 of the act, which contain the statutory changes, from October 1, 2026, to December 31, 2026.

**Intro. by Galey, Moffitt, Sanderson.**

GS 86B, GS 88B

[View summary](#)

**Business and Commerce, Occupational Licensing**

S 889 (2025-2026) [PROPERTY TAX REAPPRAISAL MORATORIUM.](#) Filed Apr 28 2026, *AN ACT REQUIRING CERTAIN COUNTIES WITH REAPPRAISALS EFFECTIVE AS OF JANUARY 1, 2026, TO USE A SCHEDULE OF VALUES ADOPTED PRIOR TO THAT*

*DATE FOR THE 2026-2027 FISCAL YEAR, REQUIRING THOSE COUNTIES TO USE THE 2026 SCHEDULE OF VALUES FOR 2027-2028 AND FUTURE FISCAL YEARS UNTIL THE COUNTY'S NEXT GENERAL REAPPRAISAL, AND REQUIRING COUNTY ASSESSORS TO PAY AN EXAMINATION FEE.*

Senate amendment to the 1st edition makes the following changes. Makes conforming changes to act's long title.

Requires only counties with a population of 15,000 or more to not use the schedule of values adopted by the board of county commissioners in accordance with a reappraisal of real property that became effective as of January 1, 2026 (was, applied to all counties). Allows a taxpayer that fails to appeal an appraisal of real property that became effective on January 1, 2026, during the 2026 tax year in the 2027 tax year so long as the property was located in a county of 15,000 or more. Requires counties to accept such timely appeals and specifies that any adjustment made during the appeals process is effective for the taxable year beginning on July 1, 2027.

**Intro. by Berger, Jackson, Jarvis.**

GS 105

[View summary](#)

**Development, Land Use and Housing, Property and Housing, Government, State Agencies, Department of Revenue, Tax, Local Government**

S 1006 (2025-2026) **K-12 INNOVATION AND TRANSFORMATION ACT.** Filed Apr 30 2026, *AN ACT TO APPROPRIATE FUNDS TO SUPPORT ELEMENTARY AND SECONDARY PUBLIC EDUCATION, TO MAKE VARIOUS CHANGES TO THE LAWS AFFECTING ELEMENTARY AND SECONDARY PUBLIC EDUCATION, AND TO ENACT PROVISIONS TO TRANSFORM THE HIGH SCHOOL EXPERIENCE.*

#### Section 1.1

Establishes a fifteen-member NC High School Redesign Commission (Commission), located administratively in the Department of Public Instruction (DPI) to explore and recommend changes to policies and systems governing high school and higher education that will better prepare North Carolina students for success as they transition to higher education or the workforce. Provides for the appointment of members, including four members from named nonprofits, a chair, meetings, terms, and vacancies. Tasks the Commission with examining promising practices in North Carolina and nationally to inform the Commission's recommendations, including the twelve specified. Tasks the chair with designating nonprofit members to plan meetings and providing staff. Instructs that funds appropriated to DPI to be used to contract with one or more organizations to plan and manage Commission meetings pursuant to the act will be divided equally among the organizations designated by the chair unless otherwise agreed by the chair and all designated organizations. Starting on April 30, 2027, requires the Commission to submit an annual report to the specified NCGA committee, including all recommendations approved by a majority of its members and the described summaries. Sunsets the Commission on the earlier of June 30, 2031, or upon the filing of its final annual report.

#### Section 1.2

Appropriates \$3.6 million for 2026-27 from the General Fund to the Department of Public Instruction (DPI) to be allocated as a directed grant to the SME Education Foundation to create a pilot program for 2026-27 and 2027-28 school years for 10 high schools to receive equipment, curriculum, professional development, scholarships, and STEM-focused extracurricular activities for students and teachers that align with the SME Prime (Partnership Response in Manufacturing Education) Program. Specifies that funds do not revert and will remain available until the end of the 2027-28 fiscal year.

#### Section 1.3

Enacts new GS 115C-438.1 requiring DPI to create a procedure for reviewing monthly expenditures by local school administrative units from specific State-funded dollar allotments beginning with October of each school year. Requires local school administrative units that have expended more funds than allotted from a specific allotment to remit payment of the amount overexpended to DPI; requires that the State Board of Education (State Board) exercise its oversight authority when payment is not remitted for more than 60 days. Requires DPI, to the extent practicable, to conduct monthly audits of local

school administrative unit State-funded position allotments to ensure compliance with GS Chapter 115C. Requires DPI to take action when a local school administrative unit is out of compliance.

#### Section 1.4

Changes the school year by which the Board must conduct a review of the operation and student performance of the local school administrative unit operating under an approved renewal school system plan under Section 6 of SL 2018-32 from the 2022-23 school year to the 2028-29 year and extends the followup review obligation from every three years after to every five years. Removes the four listed prongs of information (assessment instruments, described vacancies, student absences, and anything else deemed necessary) that a local school unit must annually report to the superintendent of DPI. Now requires those units submit those annual reports on five matters, including proficiency data on each end-of-grade or end-of-course exam, EVAAS growth data for the local school administrative unit, high school graduation rates, and chronic absenteeism. Authorizes local school administrative units operating under a renewal school system plan to use an alternative evaluation model to the North Carolina Educator Evaluation System (NCEES) when evaluating teacher effectiveness. Directs the NC Collaboratory to study the effect of the Renewal School System on student outcomes, with an analysis of how financial and personnel flexibilities permitted under a renewal school system plan have been utilized. Requires the NC Collaboratory to report its results to the specified NCGA committee by January 15, 2028. Makes conforming changes.

#### Section 1.5

Expands the advanced courses to be offered by local boards of education when practicable to include English Language Arts courses under GS 115C-81.36. Makes conforming changes, including automatic enrollment in advanced learning opportunities for the next school year when a student scores at the highest level on the corresponding end-of-grade test. Requires that a parent or guardian wanting to remove a student from the advance learning opportunities or advanced courses be first given notice that the student's placement was determined by their achievement on the previous end-of-grade or end-of-course test. Specifies that the submission date for the annual report submitted by the Department of Public Instruction (DPI) to the specified NCGA committees is December 15, and requires DPI to include data on socioeconomic status collected for the current school year, as described. Makes technical, conforming, and organizational changes. Applies beginning with the 2026-27 school year.

#### Section 1.6

Adds new Part 12, Experiential Learning, to Article 16 of GS Chapter 115C, providing as follows. Sets out the purpose as allowing public school units to work with eligible partners to develop nontraditional, student-driven pathways through which students may select and complete Learning Accelerators. Defines *Learning Accelerators* as modular learning experiences focused on science, technology, engineering, and mathematics (STEM), that, when aggregated, will provide competency-based equivalency to traditional elective course credit.

Requires partners to be able to provide a menu of modular learning experiences that include opportunities for work-based learning. Requires public school units to enter into a memorandum of understanding with an eligible partner to establish certain requirements for the Learning Accelerator program and sets out four items that must be included in those requirements related to staffing, qualifications and standards for learning lab facilitators, facilitator's duties, and operating schedule.

Allows contracting with additional nonlicensed personnel to provide timely, real-world content, industry expertise, and student learning experiences as part of the program.

Requires that public school units award elective credit in a Learning Accelerator to any student who completes a combination of learning experiences determined by the eligible partner to provide the competency-based equivalent of an elective credit in that course upon verification of successful completion of the learning experiences and integrity of student work products by the learning lab facilitator. Sets out additional parameters governing the award of course credit, including allowing a student to earn up to four credits in Learning Accelerators.

Limits the use of State funds provided to a public school unit for the program to salaries and benefits of learning lab facilitators or hiring contract personnel. Requires the State Board, to the extent funds are made available, to establish a funding allotment for the program learning lab facilitator positions, with funds allocated to provide one facilitator to each local school administrative unit.

Requires DPI to report annually to the specified NCGA committee on specified information about the program, disaggregated for each public school unit by grade level and school.

Appropriates \$8,855,000 in recurring funds for 2026-27 from the General Fund to DPI to administer the Learning Accelerator learning lab facilitator allotment.

Specifies that SparkNC, Inc., is an eligible partner and appropriates \$6.5 million in recurring funds for 2026-27 from the General Fund to DPI to be allocated as a grant to SparkNC, Inc., for administrative costs associated with being an eligible partner.

Appropriates \$5,780,000 for 2026-27 from the General Fund to DPI to be allocated as a directed grant to SparkNC, Inc., for start-up costs associated with expanding to provide services in additional schools, with the goal of providing services statewide. Specifies that funds remain available until June 30, 2029.

Effective July 1, 2026, and applies beginning with the 2026-27 school year.

#### Section 1.7

Adds new Part 7A, Extending Learning and Integrated Student Supports Grant Program, in Article 16 of GS Chapter 115C, providing as follows.

Establishes the Extended Learning and Integrated Student Supports Grant Program (Program). Allows nonprofit corporations and nonprofit corporations working in collaboration with local school administrative units operating relevant programs to apply for the Program. Sets out the Program's purpose as funding high-quality, independently validated extended learning and integrated student support service programs for at-risk students that raise standards for student academic outcomes by focusing on the eight specified areas, including use of an evidence-based model with a proven track record of success, minimizing class size when providing instruction or instructional supports and interventions, and using digital content to expand learning time. Requires DPI to administer the Program in each year in which sufficient funds are available. Requires DPI to use up to \$7 million from the At-Risk Student Services Alternative School Allotment each fiscal year to fund the Program; allows using up to \$200,000 for administration expenses.

Allows grants to be used to award funds for new or existing eligible programs for at-risk students operated by nonprofit corporations and nonprofit corporations working in collaboration with local school administrative units. Requires a focus on serving: (1) at-risk students not performing at grade level as demonstrated by statewide assessments, (2) students at risk of dropout, and (3) students at risk of school displacement due to suspension or expulsion as a result of antisocial behaviors. Gives priority to models that focus services and programs in schools that are identified as low-performing. Limits grant to up to two years in an amount up to \$500,000 each year. Sets out a matching requirement of \$3 in grant funds for every \$1 in nongrant funds.

Requires grant recipients to report annually to DPI on the expenditure of funds and the progress of the Program, as well as a final report with the specified information. Requires DPI to report annually on the Program to the specified NCGA committee.

Effective July 1, 2026, and applies beginning with the 2027-28 school year.

#### Section 1.8

Enacts new GS 160D-917 to require zoning regulations to allow siting school buildings primarily used for instructing students that are under the control of a public school unit in areas zoned for commercial use.

#### Section 1.9

Appropriates \$43.3 million in recurring funds beginning in 2026-27 from the General Fund to DPI to be allocated to public school units participating in the Advanced Teaching Roles program to provide salary supplements.

Appropriates \$4 million in recurring funds beginning in 2026-27 from the General Fund to DPI to expand the Advanced Teaching Roles grant program. Requires for 2026-27 that grant priority be given to public school units that qualified for a grant in 2025-26 but did not receive it due to insufficient funding. Effective July 1, 2026.

#### Section 1.10

Requires the State Board to establish the Teacher Evaluation Pilot Program (Program) for 2026-27 through 2029-30. Sets the purpose as establishing a robust set of meaningful teacher professional evaluation tools that support improved teacher professional development, providing opportunities for career advancement for teachers, providing additional insights for accountability for educator preparation programs, and facilitating licensure renewal.

Requires that the State Board, in consultation with listed entities, select by March 15, 2027, at least three professional evaluation tools for use by the local school administrative units, with tools required to meet the specified requirements. Allows local school administrative units to apply to participate in the Program and requires selecting units to participate beginning in the 2027-28 school year and ending in the 2029-30 school year. Allows participating in more than one school year. Allows participants to use one or more of the Professional Evaluation Tools selected by the State Board to determine proficiency for a teacher to maintain their current license status.

Requires the Board to report on the listed items to the specified NCGA committee.

Appropriates \$6 million for 2026-27 from the General Fund to DPI to implement the Program. Specifies that the funds remain available until June 30, 2030.

#### Section 1.11

Requires the State Board to conduct an expedited revision of the NC Standard Course of Study for Healthful Living, Grades K-12 standards to be adopted and implemented beginning with the 2028-29 school year. Requires the revised standards to include standards on: (1) mental health awareness; (2) common mental health conditions, such as anxiety, depression, and trauma, and their warning signs; (3) help-seeking strategies for self and peers, including school and community resources; (4) the neurological basis of addiction; (5) the risks of alcohol, nicotine and vaping, cannabis, opioids, misuse of prescription drugs, and other illicit substances; (6) the relationship between mental health and substance abuse; (7) treatment, recovery, and prevention of mental health disorders, including reducing the stigma surrounding mental health disorders; (8) the effects of social media and other environmental influences on mental health and addictive behavior; and (9) protective factors, coping skills, and sound decision making.

Requires DPI to report on listed issues on the standards to the specified NCGA committee by December 15, 2028.

#### Section 1.12

Adds new Article 42 to GS Chapter 115C, providing as follows. Enacts GS 115C-650, establishing the AI Instructional Support Program (program). Authorizes public school units to contract with Khan Academy Inc. for use of academic support service Khanmigo, in grades six through twelve, for one-year terms. Describes Khanmigo services. Directs funds be allocated to each unit that decides to participate based on average daily membership and limits units' use of funds to contracting with Khan Academy for the described permitted purposes. Before subsequent contracts may be entered, requires units to perform specified evaluations using six identified data points on the use of the contracted services at the end of the school year. Requires units to submit their evaluations to the Department of Public Instruction (DPI) by July 15 of each year funds are used. Establishes class rostering system requirements for managing access to digital instruction resources and student information systems, and facilitating automated data integration between educational applications and school district systems. Requires DPI approval of class rostering systems. Requires DPI to contract with Khan for 500 Khanmigo licenses for use in schools operated by the Division of Juvenile Justice of the Department of Public Safety (Division). Directs DPI to provide technical support to the Division and requires the Division to comply with contract evaluation requirements in the same manner as public school units. Directs the Office of Learning Research (OLR) at the NC Collaboratory to conduct a study and report to the specified NCGA committee by April 1, 2028, regarding the effectiveness of using Khanmigo. Sets forth directives for the aggregation of evaluation reports and student performance data to be studied. Directs DPI to annually report eight data points to the specified NCGA regarding funds used under the program.

Appropriates \$10,060,560 in recurring funds to DPI for 2026-27 to allocate funds pursuant to new GS 115C-650.

#### Section 1.13

Changes the title of Article 17D of GS Chapter 115 from Educator Preparation Programs to Educator Preparation. Reorganizes the Article into Parts. Recodifies GS 115C-269.31 as GS 115C-269.75 and GS 115C-269.32 as GS 115C-269.77. Makes conforming changes to GS 115C-269.5, GS 115C-269.10, GS 115C-269.45, and GS 115C-269.55.

Adds the following to Part 2 of Article 17D.

Establishes the TeachReadyNC Program to increase the number of professionally licensed teachers in the state and improve teacher competency, student outcomes, and teacher retention in the state. Requires DPI to administer TeachReadyNC in collaboration with ApprenticeshipNC. Requires DPI to issue, by November 1 each year, a request for applications from eligible units to participate in TeachReadyNC, beginning in the subsequent school year. Defines *eligible unit* as a local school administrative unit that is an Advanced Teaching Roles unit. Sets out required content for the applications.

Requires DPI to review applications for participation in TeachReadyNC every three months of each school year following the issuance of the request for applications. Applications are to be approved on a rolling basis for a term of three years as long as the application includes a clear strategy to support apprenticeships that complies with the set requirements. Requires participating units to: (1) be recognized as a registered teacher apprenticeship program under requirements established by the United States Department of Labor; (2) require each apprentice to work full-time in a classroom with an apprentice supervisor; (3) ensure that each apprentice meets the specified requirements related to education, licensing, and teaching; (4) provide each apprentice with the specified annual compensation and financial support for attending an eligible educator preparation program; and (5) provide salary supplements for each apprentice supervisor and each teacher who agrees to become a teacher of record for additional students because of the emergency position conversion allowed under the statute. Sets out the conditions under which a participating unit may be allowed to renew its term in TeachReadyNC.

Allows a participating unit to convert one position allocated to the participating unit for classroom teachers to its dollar equivalent at the salary on the first step of the "A" Teachers Salary Schedule, including benefits, for each apprentice employed by the unit. Funds made available may be used for: (1) salaries for apprentices, (2) annual salary supplements of up to \$5,000 for each teacher accepting additional students as a result of an emergency position conversion occurring pursuant to this subsection, (3) the permitted purposes and maximum amounts identified in GS 115C-269.69(b).

Allows, to the extent funds are appropriated for TeachReadyNC, DPI to retain a certain amount for administration of the program. Allows DPI to establish new positions to support the program. Sets out additional DPI duties for the program.

Requires DPI, in consultation with Apprenticeship NC, to report annually to the specified NCGA committee on the current state of TeachReadyNC, including the specified information.

Requires DPI to allocate grant funds, to the extent funds are appropriated, to participating units each fiscal year for each apprentice position. Sets out steps to be taken if there are insufficient funds. Set out limits on the maximum amount of grant funds that can be used on annual salary supplements, program attendance costs, and salary supplements. Provides that funds awarded to a participating unit do not revert and remain available until October 1 of the subsequent fiscal year.

Amends GS 115C-269.25 by requiring the EEP annual reports reported to the State Board to also include specified information on apprentices.

Appropriates \$1 million for 2026-27 from the General Fund to DPI to be awarded as grants under the TeachReadyNC program.

Effective July 1, 2026.

Requires DPI to issue the initial request for applications for the TeachReadyNC Program by November 1, 2026, for applications to establish registered teacher apprenticeship programs beginning in the 2027-28 school year. Requires DPI to provide its initial report on the impact of the TeachReadyNC Program by March 15, 2028.

## Section 2.1

Establishes the Community College Seamless Skills Initiative (Initiative) to create a CBE model that seamlessly connects high school and community college, as described. Instructs Fayetteville Technical Community College (FTCC) and Wilkes Community College (WCC) to partner to implement the duties of the Initiative. Specifies seven project goals. Provides for a digital wallet as described. Tasks the Community Colleges System Office (Office) with providing ongoing technical support to community colleges participating in the Initiative. Appropriates \$3.75 million from the General Fund to the Office for 2026-27 to be allocated to FTCC and WCC for the Initiative, as described. Specifies that the appropriated funds will not revert and will remain available to WCC until the end of 2029-30.

## Section 2.2

Establishes the Competency-Based High School and Healthcare and High-Tech Pathways Program (Pathways Program) to create pathways that will utilize competency-based education (CBE). Specifies that pathways will result in obtaining either an

associate degree or an industry recognized credential/certification/licensure based on the student's goal of employment or enrollment. Students will decide their college or career track at the end of their junior year with an initial emphasis on healthcare preparation. Instructs Mooresville Graded School District (MGSD) to partner with Mitchell Community College (MCC) to implement the Pathways Program. Establishes a timeline for the Pathways Program. Offers five described flexibilities to the Pathways Program, including permitting MGSD to offer Credit by Demonstrated Mastery assessments and CTE Proof of Learning assessments outside of existing State testing windows and allowing participating students to have access to all community college courses at MCC, regardless of pathway selection. Requires MGSD to partner with a selected a third-party vendor (Vendor) that is an educational support provider as described to develop standards-aligned proficiency scales for all content areas in grades nine through 12 to ensure educators in the participating schools have the tools necessary to successfully transition to CBE approaches. Appropriates \$4 million for 2026-27, which would not revert but instead remain available until the end of 2028-29. Allocates the funds to MGSD for three specified purposes, including to contract with experts in CBE and designing stackable credentials.

### Section 2.3

Establishes the Lighthouse Match Project (LMP) to increase the percentage of high school students who are (1) eligible to complete college level mathematics upon graduation from high school and (2) able to complete college level math either through dual enrollment while in high school or within the first year of college enrollment. Directs Wake Technical Community College (Wake Tech) to partner with the Wake County Public School System (WCPSS) for high school students at the two named schools to be eligible to participate in LMP at the Wake Tech East campus of Wake Tech. Instructs Wake Tech and WCPSS to partner with SparkNC to align LMP participants' ongoing efforts at the Wake Tech East campus with the design and implementation of LMP. Directs WCPSS, in collaboration with Wake Tech, to contract with Khan Academy Inc. (Khan) for use of the artificial intelligence student tutoring program Khanmigo for the purposes described. Requires Khan, in consultation with Wake Tech and WCPSS, to work to develop a self-paced, competency-based modular math course with appropriate student diagnostics and student assessments based on the college readiness math competencies provided as part of LMP. Appropriates \$500,000 from the General Fund to DPI for the 2026-27 fiscal year to contract with Khan for the licenses for the Khanmigo application and to create the course developed as described above. Provides that the appropriated funds will not revert but remain available to accomplish the appropriated purposes until the end of the 2026-27 year. Appropriates \$1 million from the General Fund to the Community Colleges Systems Office (Office) for 2026-27 to be used to establish time-limited positions at Wake Tech, as described. Provides that the appropriated funds will not revert but remain available to accomplish the appropriated purposes until the end of the 2029-30 fiscal year.

### Section 2.4

Requires the Mooresville Graded School District, Mitchell Community College, Wake Technical Community College, Wake County Public School System, Fayetteville Technical Community College, Wilkes Community College, and SparkNC to collaborate to create a Competency-Based Education and High School Redesign Strategic Network (Network) and requires the Network to provide a way for each entity to share what it has learned and developed regarding CBE and high school redesign. States the goal of advancing the goals of developing a CBE approach to education across the state.

### Section 2.5

Establishes the North Carolina Competency-Based Education Innovation Grant and Network Program (Program) to provide funding and support to schools and districts to support the transition to competency-based education (CBE) models that focus on mastery of learning rather than instructional time. Provides that the grant aims to promote innovative instructional practices, flexible assessment models, and systemic shifts to ensure all students progress based on demonstrated proficiency. Sets out Program objects related to redesigning learning pathways, assessment innovation, educator capacity building, and developing strategies for statewide scaling and best practices.

Requires the first phase of the Program begin with the 2026-27 school year and continue until the end of the 2029-30 school year. Sets out application timing and content requirements.

Sets grant awards at \$330,000 to each participating school, which must use \$95,000 each school year on training on implementing CBE in the school, with remaining funds used for costs associated with the transition to CBE. Specifies that grant funds remain available until the end of the 2029-30 fiscal year.

Requires DPI to select a third-party vendor that meets the specified criteria. Requires working with the vendor to develop publicly available, standards-aligned proficiency scales for all content areas and grade levels. Requires the vendor to provide

annual professional development events throughout the state to ensure educators can engage in learning about CBE approaches.

Requires DPI to develop, in collaboration with the vendor, a CBE Network to support long-term transition to CBE and provide support and technical assistance, professional learning opportunities, and access to the CBE network for all grant recipients.

Requires participating schools to submit quarterly progress reports to DPI on implementation of CBE in the school. Requires DPI to submit a final report on the outcomes of Phase One of the Program to the specified NCGA committee by December 1, 2030; sets out what must be included in the report.

Appropriates \$5.3 million from the General Fund to DPI to implement this section; specifies that funds remain available until the end of the 2029-30 fiscal year.

#### Section 2.6

Requires the Office of Learning Research at the North Carolina Collaboratory to study and evaluate the programs and initiatives established in Part II of the act and report to the specified NCGA committee by March 15, 2028, and annually thereafter, culminating in a final report on March 15, 2031, to include at least the three specified matters. Appropriates \$450,000 from the General Fund to the Board of Governors of The University of North Carolina for the 2026-27 fiscal year to be allocated to the North Carolina Collaboratory for the Office of Learning Research to conduct the study and evaluation.

#### Section 3

Effective July 1, 2026, except as otherwise provided.

**Intro. by Lee, Jones, Corbin.**

[APPROP, STUDY, Iredell, Wake, GS 115C, GS 160D](#)

[View summary](#)

**[Development, Land Use and Housing, Land Use, Planning and Zoning, Education, Elementary and Secondary Education, Higher Education, Government, Budget/Appropriations, State Agencies, Community Colleges System Office, UNC System, Department of Public Instruction, State Board of Education](#)**

S 1015 (2025-2026) [CHILD CARE OMNIBUS](#). Filed Apr 30 2026, *AN ACT TO MAKE VARIOUS CHANGES UNDER THE LAWS PERTAINING TO CHILD CARE AND TO APPROPRIATE FUNDS FOR THOSE PURPOSES.*

#### Part I.

Requires the Department of Health and Human Services, Division of Child Development and Early Education (Division) to increase the child care subsidy market rates to the 75th percentile for children in three-, four-, and five-star-rated child care centers and homes beginning October 1, 2026, as recommended by the 2023 Child Care Market Rate Study (2023 Study). Beginning October 1, 2026, payment rates for child care providers in counties that have a county rate below the State rate for center-based and home-based care are set at the 75th percentile statewide market rate as recommended by the 2023 Study for children birth through five years old for licensed centers and homes, unless it is demonstrated that statewide rate application to a county with less than 50 children in each age group is lower than the county market rate and would inhibit the county's ability to purchase child care for low-income children. If that is the case, the county market rate may be applied. Appropriates \$110 million in recurring funds for 2026-27 from the General Fund to the Division to implement the market rate increases and to establish a floor for child care subsidy as set forth above.

#### Part II.

Appropriates \$50 million for 2026-27 from the General Fund to the Division to reinstitute the compensation grants portion of the child care stabilization grant.

#### Part III.

Appropriates \$50 million for 2026-27 from the General Fund to the Division for grants to counties and private employers that provide assistance with capacity building in child care. Requires those seeking grants to provide documentation of 25% match and allows up to 9% of the grant funds to be used for administrative costs.

#### Part IV.

Appropriates \$60 million for 2026-27 from the General Fund to the Division to establish a two-year pilot program for grants to child care providers who are employed providing direct care and employed full time by a licensed child care program to assist in recruiting and retaining more employees to expand the supply of licensed child care. Defines *child care provider* to include lead teachers, teachers, teacher assistants, and administrators.

Specifies that eligible child care providers must earn at or below 85% of the State median income and be employed full time at a licensed child care center or family child care home.

Allows any licensed child-care program to apply to the Division for a grant, but only when there is capacity at the program to serve an eligible employee's child without displacing other children already in care in the program. Mandates that the Division will pay 75% of the published child care tuition rate to the licensed program for each eligible staff member for up to two children, and the child care program employers will cover at least 25% of the published tuition rate for each child. Allows the Division discretion to distribute the grants quarterly or monthly. Requires employers to inform the Division within 30 days of an eligible employee's departure.

Directs the Division to distribute the grants statewide, but prioritize counties with the highest unmet demand or longest wait lists for subsidized child care funded by the federal Child Care Assistance Program.

Requires the Division to provide a progress report to the specified NCGA committee and division by March 31, 2027, and a final report by December 31, 2028. Outlines the items to be included in the report, such as the number of licensed programs and providers participating in the pilot, the new child care slots created, and the additional children served by age, group, and county.

#### Part V.

Requires the Department of Administration (DOA) to report to the specified NCGA committee and commission by March 31, 2027, on the feasibility and advisability of using obsolete and underutilized state-owned buildings (available buildings) to house childcare facilities, giving priority to state employees. Specifies items that must be included in the report, including estimated costs for asbestos and lead remediation and barriers to the use of available buildings for childcare. Requires any state project to build or renovate property with a budget more than \$5 million to include a child care center or adult day care center if more than 250 people would work in the building. Specifies that this includes current projects that have no broken ground by July 1, 2026, unless one of the specified exceptions apply.

#### Part VI.

Requires the Division to establish a pilot program for onsite childcare for state employees, that meets the specified parameters, including that (1) the childcare facility must operate an apprenticeship program in conjunction with a public or private university or community college who operates an early childcare education program; and (2) the State will provide the upfit cost of the space to meet the licensure requirements at reasonable levels that are customary at the operators' other facilities and those similarly situated and provide use of the space rent free. Tasks the Division with creating the apprenticeship program, and with pairing the childcare center with a university or community college early education program, under the described parameters.

Appropriates \$5 million for in recurring funds for 2026-27 from the General Fund to the Department of Health and Human Services (DHHS) for the Division to use in establishing the childcare centers. Provides that if the state incurs any expenses for asbestos or lead remediation in establishing the childcare centers the state is eligible for reimbursement from the Asbestos and Lead Remediation Fund subject to the rules of the fund for up to \$500,000. Effective July 1, 2026.

Requires the Division to report to the specified NCGA committees and division, by April 1, 2028, on the implementation of the pilot program.

#### Part VII.

Appropriates \$6 million for 2026-27 from the General Fund to DHHS for a pilot program giving counties grants to establish third-shift childcare for first responders, with priority to be given to third shift facilities operated in unused or underutilized county-owned buildings. Requires a report by April 1, 2028, to the specified NCGA committees and division on the implementation of the pilot program.

#### Part VIII.

Requires the State Board of Community Colleges (SBCC) to study and report to the specified NCGA committees and division by March 31, 2027, on implementation of a publicly available child care program on every community college campus with priority given to children of community college employees and students. Appropriates \$100,000 from the General Fund to the Community College System Office (Office) for 2026-27 for the study.

Appropriates \$30 million from the General Fund to the Office for 2026-27 for a competitive request for proposal (RFP) process for child care funding for community colleges with early childhood education (ECE) degrees on their campuses. Sets forth criteria for funding awards. Requires the funds to be used to establish a new child care program on a community college campus with 50 or more slots or expand an existing child care program on a community college campus to 50 slots, including subsidies for students, faculty and staff, or one-time capital expenditures to launch programs. Caps grants to each community college at \$3 million. Appropriates \$50,000 from the General Fund to the Office for 2026-27 to promote awareness about existing child care benefits and programs to faculty, staff, and students.

Requires the UNC Board of Governors to study and report to the specified NCGA committees and division by March 31, 2027, on implementation of a publicly available child care program on every constituent institution campus with priority given to children of university employees and students. Appropriates \$100,000 from the General Fund to the UNC Board of Governors for 2026-27 for the study.

#### Part IX.

Enacts GS Chapter 122F, termed the NC Child Care Finance Agency Act. Declares five legislative findings and public purposes in GS 122A-2. Lists seven areas of priority for the new NC Child Care Finance Agency (Agency). Defines thirteen terms. Creates the Agency as a body politic and corporate to be considered a public agency and instrumentality of the State for the performance of essential public functions in GS 122F-4. Provides for a twelve-member Agency Board of Directors, appointed as described to serve four-year terms. Provides for vacancies, removal for the specified reasons, a chair and vice-chair, quorum, and Executive Director of the Agency, appointed by the Board of Directors, subject to approval by the Governor. Instructs that Agency employees are exempt from the State Human Resources Act and eligible to participate in the State Employees' Retirement System. Provides for salary parameters, as described. Requires Agency to maintain its own books and records, subject to periodic review and audit by the State. Specifies duties of the Executive Director, including to administer, manage and direct the affairs and business of the Agency, subject to the policies, control and direction of the members of the Agency's Board of Directors. Designate Secretary of the Agency its custodian of books, documents, and papers filed with the Agency.

Sets forth twenty-six general powers of the Agency in GS 122F-5, including (1) to make or participate in the making of mortgage loans, construction loans, and rehabilitation loans to licensed child care providers for rehabilitation and construction; provided, however, that such loans shall be made only upon the determination by the Agency that mortgage loans, construction loans, and rehabilitation loans are not otherwise available wholly or in part from private lenders upon reasonably equivalent terms and conditions; (2) to provide technical and advisory services to sponsors, builders and developers of child care facilities; and (3) to acquire, hold, rent, encumber, transfer, convey, and otherwise deal with real property and utilities in the same manner as a private person or corporation, subject only to the approval of the Governor and Council of State. The Board of Directors may pledge or encumber income and assets of the Agency to secure financing for real property.

Requires the Agency to periodically adopt, modify or repeal rules and regulations governing the purchase of federally insured securities by the Agency and the purchase and sale of mortgage loans, construction loans, and rehabilitation loans and the application of the proceeds thereof, including rules and regulations on the six matters specified in GS 122F-6. Requires that those rules effectuate the following objectives: (1) the construction of decent, safe and sanitary full day child care facilities; (2) the rehabilitation of present child care facilities; (3) increasing the supply and access to affordable child care for all families, regardless of income level; (4) the encouraging of private enterprise and investment to sponsor, build and rehabilitate child care facilities; and (5) the restriction of the financial return and benefit to that necessary to protect against the realization by lenders of an excessive financial return or benefit as determined by prevailing market conditions. Provides for interest rates to be at

least sufficient to assure the payment of the described bond. Allows for mortgages, construction loans, and rehabilitation loans to be forgivable in full after fifteen years if the licensed child care provider (1) serves at least 25% more children than when the loan was received, and (2) at least 50% of the children served by the child care facility receive a child care subsidy. Requires the Agency to require from any mortgage lender from whom it purchases federally insured securities to proceed as promptly as practicable to make from the sale proceeds, new mortgage loans with respect to child care facilities in the State having a stated maturity of not less than 20 years from the date thereof in an aggregate principal amount equal to the amount of such sale proceeds.

Authorizes the Agency to provide mortgage insurance as described in GS 122F-7 so long as the underlying mortgage loan (1) is made and held by a mortgagee approved by the Agency as responsible and able to properly service the mortgage; (2) do not exceed 90% of the estimated cost of the proposed child care facility; (3) has a maturity satisfactory to the Agency as specified; (4) contains amortization provisions satisfactory to the Agency as specified; and (5) is in such form and contain such terms and provisions with respect to maturity, property insurance, repairs, alterations, payment of taxes and assessments, default reserves, delinquency charges, default remedies, anticipation of maturity, additional and secondary liens, equitable and legal redemption rights, prepayment privileges and other matters as the Agency may prescribe. Provides for fees, premiums, default, and child care mortgage insurance fund.

Authorizes the Agency to periodically adopt, modify, amend or repeal rules and regulations governing the making of loans to lenders and the application of the proceeds thereof, as specified in GS 122F-8. Requires that the rules and regulations serve the same five purposes as set forth in GS 122F-6, except the rehabilitation of present child care facilities. Sets out additional requirements for the loans.

Clarifies, in GS 122F-9 that the obligations issued under GS Chapter 122F are not deemed to constitute a debt, liability or obligation of the State or of any political subdivision thereof or a pledge of the faith and credit of the State or of any such political subdivision, but shall be payable solely from the revenues or assets of the Agency.

Authorizes the Agency in GS 122F-10 to provide for the issuance, at one time or from time to time, (1) of bonds and notes of the Agency to carry out and effectuate its corporate purposes; (2) bond anticipation notes in anticipation of the issuance of such bonds and (3) construction loan notes to finance the making or purchase of mortgage loans, construction loans, and rehabilitation loans, for the construction, rehabilitation or improvement of child care facilities. Caps the total amount of bonds, bond anticipation notes, and construction loan notes outstanding at any one time at \$12 billion. Provides for interest rates, processes for the sale of such bonds, and temporary bonds. Specifies that the proceeds of any bonds or notes must be used solely for the purposes for which issued and disbursed in such manner and under such restrictions, if any, as the Agency may provide as specified. Authorizes, at the discretion of the Agency, any obligations issued under the provisions of GS Chapter 122F to be secured by a trust agreement by and between the Agency and a corporate trustee, as described, in GS 122F-11. Confirms the validity of the Agency's pledge of any its assets or revenues to the payment of the principal of or the interest on any obligations of the from the time when the pledge is made, as specified, in GS 122F-12.

Deems all money received under the authority of GS Chapter 122F to be held and provided solely as provided in GS Chapter 122F, in GS 122F-13. Provides for temporary investments, as described. List three ways money available to the Agency may be invested. Provides for remedies in GS 122F-14 by holders or obligations or coupons appertaining to those obligations under GS Chapter 122F, as described. Makes all obligations and interest coupons appertaining made negotiable instruments under State law in GS 122F-15. Makes, in GS 122F-16, obligations issued under the provisions of GS Chapter 122F securities in which all public officers and public bodies of the State and its political subdivisions, and other specified persons may properly and legally invest funds, including capital in their control or belonging to them. Authorizes the Agency to provide for the issuance of refunding obligations for the purpose of refunding any obligations then outstanding which shall have been issued under GS Chapter 122F, including the payment of any redemption premium thereon and any interest, as specified, in GS 122F-17. Allows for refunding obligations to be sold or exchanged for outstanding obligations, as described.

Designates the specified NCGA committees as those having oversight over the Agency in GS 122F-18. Requires the Agency to submit a comprehensive annual report of its activities to the specified NCGA committees and the Fiscal Research Division, as specified. Requires the Agency to be audited annually. Specifies that no member or other officer of the Agency is subject to any personal liability or accountability by reason of his execution of any obligations or the issuance thereof in GS 122F-19.

Authorizes the Agency to accept appropriated moneys as specified, in GS 122F-20. Specifies, in GS 122F-21, that the Agency is not required to pay any tax or assessments on its property and that any obligations issued by the Agency under GS Chapter 122F are also free from taxation. Prevents conflicts of interest, as described, in GS 122F-22. Specifies, in GS 122F-23, that the

provisions of GS Chapter 122F are in addition to existing powers conferred by other laws, except that the issuance of bonds or notes need not comply with the requirements of any other law applicable to the issuance of bonds or notes. Provides for liberal construction of GS Chapter 122F and that the chapter prevails over any inconsistent general or special laws.

Provides for the initial appointments to the Agency, with the terms to begin on October 1, 2026. Provides for end dates of either June 30, 2028, or June 30, 2030, to stagger reappointments. Requires the State Treasurer to invest 3.5% of the corpus of the NC Innovation Fund with the Agency. Appropriates \$20 million from the General Fund to the Department of Administration for 2026-27 for the Agency to use as directed by the act.

Appropriates \$20 million for 2026-27 from the General Fund to the Department of Administration for the Agency and requires the Agency to use the funds as provided in GS 122F-20.

#### Part X.

Removes the individual income rates for taxable years beginning in 2022 through 2025 and beyond, in GS 105-153.7 and instead requires those taxes to be computed at the following percentages of the taxpayer's income for taxable year 2026 and computed at the specified percentages reduced by .26% for taxable years after 2026. Sets rates based on income and filing status (i.e., married individuals filing jointly, heads of household, unmarried individuals other than surviving spouses and heads of household, and married individuals that do not file a joint return). Applies those amounts to the withholding tables established under GS 105-153.7(b). Expands the other deductions that a taxpayer may deduct from their adjusted gross income under GS 105-153.5 to include income for work performed as either a firefighter, emergency service services personnel, emergency management worker, 911 call center workers, sworn law enforcement officers with the power of arrest, child care workers, public school unit employees, probation or parole officers, and corrections officers. Effective for taxable years beginning on or after January 1, 2026.

Appropriates \$165 million from the General Fund to the Division in recurring funds for each year of the 2026-27 fiscal biennium to provide subsidized child care services to a family that includes an individual employed as a qualifying caregiver worker (defined). Requires the Division to give priority to child care workers in award of these subsidies.

#### Part XI.

Contains whereas clauses.

Adds new Part 10D, Child and Adult Care Food Program (CACFP) for Child Care Providers, to Article 3 of GS Chapter 143B.

New GS 143B-168.40 (a) defines *CACFP* as authorized by specified federal law and as administered by the Division. Defines *family, friend, and neighbor (FFN) child care provider* as an individual who is legally operating under applicable State law providing child care in specified settings and inclusive of individuals providing (i) child care that falls below the threshold requiring licensure under GS 110-86(3)b., (ii) arrangements excluded from the definition of child care under GS 110-86(2), and (iii) child care holding a license-exempt status recognized by DHHS.

New GS 143B-168.40(b) directs DHHS to take all feasible administrative action to extend CACFP access to FFN child care providers, which may include but is not limited to identifying sponsoring organizations capable of administering CACFP reimbursements to FFN providers, developing or modifying application/training/record-keeping requirements, applying for available federal programs, establishing tiered compliance mechanisms, and coordinating with USDA's Food and Nutrition Services to ensure State plan amendments, as necessary, reflect expanded eligibility for FFN providers

New GS 143B-168.40(c) directs DHHS to report annually to the specified NCGA committee and division by July 1 and specifies four report requirements.

New GS 143B-168.40(d) provides that nothing in this statute should be construed to require an FFN provider to participate in CACFP, alter license requirements of GS Chapter 110, or conflict with federal law or regulations governing CACFP.

Directs the Division to publish an implementation plan including timelines, required rule changes, any necessary federal approvals, and resource requirements within 180 days of the act's effective date.

Directs the Division to submit initial report required by new GS 143B-168.40(c) within 12 months of the act's effective date.

Appropriates \$150,000 for 2025-26 from the General Fund to the Division to develop the required implementation plan, including identifying feasible administrative approaches, piloting application/training/record-keeping procedures, and applying

for available federal USDA flexibilities as described. Appropriates \$500,000 in recurring funds for 2025-26 for administrative costs and lists some included costs. Provides that funding will continue until federal CACFP reimbursements can cover these costs, at which point the Division must notify the Office of State Budget and Management (OSBM) and the Fiscal Research Division so appropriations can be reduced accordingly. Specifies that funds do not revert until expended or until June 30 of the second fiscal year following appropriation, whichever is first.

Adds new Article 7A, Protection of Family Child Care Home Operations, to GS Chapter 110. Defines four terms, including *HOA governing document* (any declaration, covenant, condition, restriction, bylaw, rule, or regulation of a homeowners association, condominium association, planned community, or similar entity that governs the use of residential property).

Voids any provision of an HOA governing document that prohibits, restricts, conditions, or penalizes the operation of a licensed family childcare home by an appropriately licensed member or resident. Prohibits a homeowners association (HOA) or condominium association (COA) from (1) denying, suspending, revoking, or conditioning membership rights or community privileges based solely on operation of a licensed family child care home; (2) imposing fees, assessments, fines, or penalties based solely on operation of a licensed family child care home; or (3) requiring HOA or COA approval to operate a licensed family child care home. States that nothing in this section prohibits an HOA or COA from enforcing rules of general applicability to the extent such rules do not impose more burdensome requirements on licensed family child care homes than on other residential uses.

Prohibits landlords from including lease provisions that prohibit, restrict, or penalize tenants for operating a licensed family child care home at the leased premises and voids any such provision. Prohibits landlords from taking adverse action against tenants based solely on operation or intent to operate a licensed family child care home. Provides that a tenant operating a licensed family child care home must comply with other applicable lease terms and carry sufficient liability insurance. Authorizes landlords to require tenant's written notice of intent to operate a licensed family child care home, copy of license issued pursuant to GS 110-88, and maintenance of liability insurance coverage.

Provides that a licensed family child care home is a residential use of property for the purposes of local land use and zoning regulation and is permitted in any zoning district where single-family or multi-family residential uses are permitted. Prohibits local governments from adopting or enforcing a zoning ordinance, development regulation, or land use restriction that (1) unfairly burdens a licensed family child care home relative to other residential dwellings in the zoning district, (2) imposes discretionary approval processes applicable to licensed family child care homes but not to other residential uses, (3) limits the number of licensed family child care homes in a zoning district based solely on the child care use, or (4) requires compliance with commercial or institutional zoning standards. Allows a local government to impose only development standards that would apply to the residential use of the property generally. Provides that nothing in this section limits Child Care Commission or Department of Health and Human Services (DHHS) standards regarding the health, safety, and physical environment of licensed child care facilities.

Permits a licensed operator to bring a civil action in superior court for violations of this Article seeking declaratory and injunctive relief, actual damages, and (if prevailing party) attorneys' fees and costs. Permits Attorney General to bring an enforcement action on State's behalf.

Specifies that Article applies to all HOA governing documents, lease agreements, and local zoning ordinances adopted before, on, or after the effective date of this act and any conflicting document provisions are void and unenforceable to the extent of the conflict.

Adds new GS 47F-3-123 to prohibit HOAs from prohibiting, restricting, or penalizing the operation of a licensed family child care home by a lot owner or tenant with a valid license issued pursuant to GS 110-88.

States that nothing in this act is intended to abrogate reasonable health, safety, building code, or fire code requirements applicable to child care facilities.

Appropriates \$75,000 for 2025-26 from the General Fund to the Division to (1) develop and disseminate plain-language guidance for licensed family child care home operators regarding their rights under Article 7A of GS Chapter 110; (2) create model response templates and informational materials for licensed operators in disputes with HOAs, landlords, and local governments; and (3) update specified DHHS materials to inform current and prospective licensees of this act's protections.

Appropriates \$100,000 for 2025-26 from the General Fund to the Department of Justice, Office of the Attorney General to (1) train attorneys and staff in the Consumer Protection or other appropriate division on the enforcement provisions of Article 7A of GS Chapter 110, (2) establish a complaint intake process for licensed operators alleging violations of specified Article provisions, and (3) prepare and publish an annual summary of complaints received and enforcement actions taken under this act for annual submission by October 1 to the specified NCGA committee.

Effective when the act becomes law and applies to all acts, ordinances, and agreements entered into on or after that date. Voids all contrary existing provisions of HOA governing documents and lease agreements as of the effective date.

Repeals GS 110-103(b) (creating Class 1 felonies relating to the operation of a child care facility). Adds GS 110-103.1(b1), creating a civil penalty capped at \$5,000 per day for child care facility operators who either willfully violate GS 110-99(a) (operating without a license) or Article 7 of GS Chapter 110 (governing child care facilities) while providing child care for three or more children for more than four hours per day on two consecutive days.

Appropriates \$50,000 for 2025-26 from the General Fund to the Division to implement the specified enforcement protocols, guidance to child care facility operators and the public about the new civil penalties, and to coordinate with the named agencies to ensure consistent implementation of the revised penalty framework. Appropriates \$25,000 for 2025-26 from the General Fund to the Administrative Office of the Courts (AOC) to implement updated charging instruments and other forms to reflect the repeal of GS 110-103 and to provide notice to DA's clerks and other court personnel of the statutory changes.

Effective when it becomes law and applies to violations occurring on or after that date. Contains prosecutorial savings clause for offenses committed before the act becomes law.

Amends GS 110-86 by adding new subdivision (6a) defining a *license-exempt family, friend, and neighbor (FFN) child care provider* as an individual who (1) provides childcare to one or more children who are not the individual's own biological, adopted, or step-children, or children the individual is a legal guardian of; (2) operates in a setting, including their home or the child's home, not required to be licensed as a child care facility due to the number of children served, nature of the arrangement, or an applicable exemption; (3) has a preexisting familial, social, or community relationship with the child or child's family, including but not limited to a grandparent, aunt, uncle, sibling over 18 years old, family friend, or neighbor; and (4) is in compliance with all applicable requirements for legally operating a child care arrangement under State law. Provides that the term does not include individuals required to obtain a license under Article 7, Child Care Facilities. Clarifies that the subdivision must not be construed to require license-exempt FFN providers to obtain a license, register with the State, or comply with any requirement not otherwise applicable to unlicensed child care arrangements.

Appropriates \$30,000 for 2025-26 from the General Fund to the Division to update public-facing materials to incorporate the definition of *license-exempt FFN child care provider* and to communicate to the public the legal status of FFN providers and the distinction between license-exempt FFN arrangements and licensed child care facilities, to revise internal legal guidance documents, policy manuals, and staff training materials to reflect the new statutory definition and its application, and to update the Division's data collection and reporting systems to enable tracking of license-exempt FFN providers as a distinct provider category.

Provides that existing exemptions from child care facility licensing requirements under GS 110-86(2) are retained without modification and that new GS 110-86(6a) must be construed consistently with those exemptions.

Part XII.

Effective on July 1, 2026, except as otherwise provided.

**Intro. by Chitlik, Chaudhuri.**

[APPROP, GS 47F, GS 105, GS 110, GS 122F, GS 143B](#)

[View summary](#)

[Business and Commerce, Occupational Licensing, Courts/Judiciary, Court System, Administrative Office of the Courts, Criminal Justice, Criminal Law and Procedure, Education, Higher Education, Government, Budget/Appropriations, State Agencies, Community Colleges System Office, UNC System, Department of Administration, Department of Health and Human Services, State](#)

S 1039 (2025-2026) **CONSTRUCTION INSPECTION EFFICIENCY ACT**. Filed Apr 30 2026, *AN ACT TO AUTHORIZE OWNERS, PERMIT HOLDERS, CONTRACTORS LISTED ON A PERMIT, AND AUTHORIZED AGENTS TO USE CERTIFIED AND REGISTERED PRIVATE CONSTRUCTION INSPECTORS OR REGISTERED PRIVATE CONSTRUCTION INSPECTION FIRMS FOR RESIDENTIAL AND COMMERCIAL BUILDINGS AND STRUCTURES WHEN A LOCAL INSPECTION DEPARTMENT FAILS TO CONDUCT A REQUESTED INSPECTION WITHIN TEN BUSINESS DAYS OR BY AN AGREED-UPON DATE, AND TO ESTABLISH REQUIREMENTS FOR QUALIFICATION, REGISTRATION, REPORTING, CONFLICTS OF INTEREST, FEES, FORMS, FEE RECONCILIATION, AND PRIVATE CERTIFICATES OF STATE BUILDING CODE COMPLIANCE RELATED TO PRIVATE CONSTRUCTION INSPECTIONS.*

Amends Article 9C of GS Chapter 143 as follows.

Adds *commercial building or structure, private construction inspection, private construction inspection firm, private construction inspector (Inspector), and residential building or structure* to the definitions in GS 143-51.8. Expands the acts that constitute "willful misconduct, gross negligence, or gross incompetence" under the Article to include, refusing to accept, without legal authority, a private construction inspection report or private certificate of State Building Code (SBC) compliance that is required to be accepted under law.

Adds the following to the powers of the NC Code Officials Qualification Board (Board) under GS 143-151.12: (1) certification and registration of individuals as qualified private construction inspectors and registration of private commercial inspection firms for the purpose of conducting private construction inspections; (2) ensuring minimum standards and level of education and experience for private construction inspector instructors are met; and (3) establishing criteria to be used by the Office of State Fire Marshal (Office) to verify that private construction inspectors and firms meet the standards of the profession.

Enacts GS 143-151.14A to require certification to engage in private construction inspection. Provides for a standard private construction inspector certificate (Certificate). Upon successfully passing an examination, provides for issuance of a certificate to building, electrical, mechanical, plumbing, fire, or residential changeout inspectors, with the certificate limiting the scope of practice to the specific inspection area and level. Allows for qualification for more than one standard certificate. Requires the Board to issue a Certificate to an individual currently certified as a Code-enforcement official under the Article for the same type of position and level for which the individual holds a valid Code-enforcement certificate as well licensed architects and engineers, without further examination. Authorizes the Board to require a short course on the Code before issuing a Certificate to an architect or engineer. Requires the Board to adopt rules on the qualifications, certificate levels, experience requirements, examinations, short courses, and other standards necessary to implement the statute. Enacts GS 143-151.14B, requiring annual professional development, as developed by the Board for Inspectors of not more than six credit hours. Authorizes initial professional development courses in the first year a person is certified as an Inspector, not exceeding six credit hours in each area they are certified. Allows the Board to impose continuing education as a condition of reactivating a Certificate. Authorizes the Board to adopt rules to implement the statute.

Expands the conditions under which a certificate issued by the Board is valid under GS 143-151.15 to include persons who are employees or contractors of private construction inspection firms or self-employed Inspectors. Makes conforming changes. Adds application fee of not more than \$200 for certification as an Inspector in GS 143-151.16 and a renewal fee of not more than \$50. Makes conforming changes. Expands the disciplinary provisions of GS 143-151.17 to Inspectors and private construction inspection firms (Firms). Adds conflict of interest provisions barring Inspectors, from inspecting property where they, their Firm, or a person with whom they have a close relationship with has ownership or a direct financial interest. Bars Inspectors from inspecting property where they or the firm have furnished labor, materials, designs, or other specified items or services for the project. Clarifies that compensation paid to an Inspector or Firm for inspection services does not, by itself, create a prohibited financial interest. Makes technical and conforming changes.

Prohibits, in GS 143-151.18, a person from representing that they are a code enforcement official or Inspector unless they currently hold a valid Board certificate and/or registration (Inspector). Prevents a legal entity from holding itself out as a Firm unless registered under GS 143-151.19A. Prohibits persons from engaging in code enforcement or inspecting unless they hold a valid certificate to do so. Applies to offenses committed on or after July 1, 2027.

Makes conforming changes to GS 143-151.19, concerning records kept by the Board, to account for Inspectors and Firms established by the act. Enacts GS 143-151.19A, requiring registration as an Inspector or Firm before conducting any inspections. Provides for application and submission of an inspection procedure plan. Requires the Board to maintain a public registry with the identifying information of Inspectors and Firms. Allows an Inspector or Firm to amend their registration with the Board within 30 days after any material change in the material required by the statute. Authorizes registration fee not to exceed \$50 for an individual Inspector and \$200 for each Firm.

Effective July 1, 2027.

## Part II.

Adds *private construction inspection*, *Inspector*, and *Firm* to GS 160D-1101 (definitions pertaining to building code enforcement). Prohibits local governments or the State Fire Marshal (Marshal) from barring inspections conducted by a Firm or Inspector in GS 160D-1102. Enacts GS 160D-1103.1 limiting private construction inspections to only being conducted by an Inspector qualified to conduct the type and level of inspection required for the building, structure, trade, system, or work being inspected. Clarifies that the duties and responsibilities of an inspection department do not include inspections by an Inspector. Increases the department's duties relating to certificates of compliance to include acceptance of such certificates in GS 160D-1104.

Authorizes, in GS 160D-1105, a local government to contract with an Inspector or Firm to conduct inspections. Allows the owner, permit holder, contractor, or other authorized agents to contract with an Inspector or Firm to conduct inspections of residential or commercial buildings and structures for compliance with the SBC. Prevents an employment contract or other device from barring a code enforcement official employed by a local government and certified and registered as an Inspector from engaging in private construction inspection outside of their local government employer's jurisdiction.

Enacts GS 160D-1105.1 (private construction inspection authorized after delayed local inspection). Defines *associated inspection*, *delayed inspection*, and *requestor*. Allows a requestor (owner, permit holder, contractor, or other authorized agents) to request an inspection from the local inspection department and requires the local inspection department to conduct that inspection within ten business days after the inspection is first requested. Requires a local inspection department to inform the requestor in writing if it is unable to meet the inspection deadline. Authorizes the parties to agree to a different inspection day and time. If all that occurs, then allows the requestor to use an Inspector or Firm to conduct the inspection. Provides for notice of election and amended notices, a written contract between the requestor and the Firm or Inspector, and an inspection report. Requires the local government and/or the Marshal (if applicable) to accept an inspection report stating that the work complies with the SBC so long as the eight listed conditions are met.

Preserves a local government's and/or the Marshal's authority to:

1. Conduct inspections necessary to determine compliance with any local law applicable to the construction of residential or commercial buildings or structures if that local law is not part of the SBC;
2. Conduct acceptance testing of, or to approve, a fire prevention system before issuing a certificate of compliance or temporary certificate of occupancy under new GS 160D-1105.2;
3. To, along with the Marshal, issue a stop work order, notice of violation, or other enforcement action when the local government or Marshal has reasonable cause to believe that construction is being performed in violation of the SBC or that an immediate danger to life, limb, or property exists;
4. Authorize an Inspector to inspect or enforce Code provisions pertaining to boilers or elevators;
5. Reject an incomplete inspection report or a report submitted by an unqualified inspector, or one who is in violation of the conflict-of-interest provisions set forth below or discussed above.

Prohibits an Inspector or Firm from conducting an inspection under the statute if the Inspector, Firm or a person affiliated with is currently employed by, affiliated with, or under common ownership or control with the owner, permit holder, contractor listed on the permit, or authorized agent, other than through the contract for private construction inspection services authorized by the statute. Authorizes the Board to establish by rule a look-back period for prior employment, affiliation, ownership, or control that disqualifies a private construction inspector or private construction inspection firm from inspecting a project. Upon acknowledging receipt of an inspection report, specifies that the local government or Marshal, its inspection departments, and its inspectors are not liable for a claim arising from or attributable to the inspection for which the inspection report was submitted pursuant to the statute.

Clarifies that the statute does not limit the ability of a permit holder to request that the Marshal assign personnel to conduct an inspection. If a request for an inspection has been made and the inspection has not been conducted when an election is made under the statute for the same item of work under the SBC, specifies that the election is not effective until the permit holder or requestor withdraws the request in writing or the Marshal declines to assign personnel to conduct the inspection. Prevents a person from using both a report of an inspection performed by the Marshal or its staff and an inspection report submitted under the statute to establish compliance of the same item of work with the SBC. Directs the local government to return any inspection fee at the conclusion of a project when the inspection fee is done by a Firm or Inspector in new GS 160D-1105.3. If a Firm or Inspector stops or otherwise abandons the inspection work and no substitute is provided, requires the local government to resume responsibility for the inspection upon request. Authorizes the local government to require submission of all accepted private construction inspection reports before resuming inspections and to charge a separate fee for resuming the inspection. Tasks the Board with developing uniform forms for private construction inspections in GS 160D-1105.4. Prohibits a local government from modifying those forms or requiring other information except for requiring a permit number, project number, parcel number, or other local identifier necessary to match the form to the local government's permit record.

Effective July 1, 2027, and apply to inspection requests made on or after that date.

### Part III.

Specifies that a member of a local government inspection department is not in violation of GS 160D-1109 (failure to perform duties) when it acknowledges receipt of or accepts an inspection report by an Inspector or Firm or a private certificate of SBC compliance.

Directs a local inspection department to maintain the required notices pertaining to use of an Inspector or Firm under new GS 160D-1105.1, in GS 160D-1110. Clarifies that the election to use an Inspector or Firm does require a new building permit or amendment of the existing permit. Clarifies that a local government issuing a building permit for a project for which one or more private construction inspections are conducted under new GS 160D-1105.1 should continue to perform any inspection or review that the local government is otherwise authorized or required by law to perform and that is not within the scope of the private construction inspection. Specifies that an election to use a Firm or Inspector is not, by itself, a change or deviation from the application, plans, or permit under GS 160D-1112 (changes in work).

For a project for which one or more private construction inspections are conducted, provides that the inspection department may rely on an inspection report submitted or a private certificate of SBC compliance in determining whether to issue a certificate of compliance under GS 160D-1116. Authorizes an Inspector to issue a private certificate of compliance with the SBC only for the building, structure, unit, trade, system, phase, or portion of the project within the scope of the private construction inspector's certificate, registration, notice, and written contract. Specifies that a private certificate is not a certificate of compliance issued by the inspection department and does not, by itself, authorize occupancy. Directs an Inspector issuing a private certificate of SBC compliance to provide the inspection department with a copy of the private certificate. For a project for which one or more private construction inspections are conducted, authorizes the inspection department to rely on an inspection report submitted or a private certificate of SBC compliance in determining whether to issue a temporary certificate of occupancy. Prohibits an inspection department from withholding a certificate of compliance or temporary certificate of occupancy solely because an inspection report or private certificate of SBC compliance has been submitted by an Inspector. Authorizes the local government to rely on an Inspector's inspection report or certificate of SBC compliance as evidence that the inspected work complies with the SBC and are not liable for a claim arising from or attributable to the Inspector's inspection report or private certificate of SBC compliance. Clarifies that a private certificate of SBC compliance issued by an Inspector does not constitute approval of compliance with zoning, subdivision, stormwater, erosion and sedimentation control, driveway, utility, fire prevention system acceptance testing, or any other local or State law that is not part of the North Carolina State Building Code. Makes organizational and clarifying changes.

Makes conforming change to GS 160D-402 to account for credit or refund of local government inspection fee when a private inspection occurs under new GS 160D-1105.1. Clarifies that GS 143-139.4 does not limit the authority of an owner or other specified person to elect to use a Firm or Inspector under GS 160-1105.1. Specifies, if a request for work has already been made to the Marshal, that the election is not effective until the permit holder or requestor withdraws the request in writing or the Marshal declines to assign personnel to conduct the inspection. Prevents a person from using both a report of an inspection performed by the Marshal or its staff and an inspection report submitted under the statute to establish compliance of the same item of work with the SBC.

Effective July 1, 2027.

Part IV.

Authorizes the Board and the Marshal to adopt temporary rules and begin rulemaking no later than 90 days after the act's effective date. Allows a rule to become effective before July 1, 2027, but does not authorize private construction inspection before July 1, 2027. Allows the Board to develop the forms, registration process, the registry, and accept applications for certification and registration before July 1, 2027. A certificate or registration issued before July 1, 2027, does not authorize a person or firm to conduct a private construction inspection before July 1, 2027.

**Intro. by Chaudhuri, Lee.**

GS 143

[View summary](#)

**[Business and Commerce, Occupational Licensing, Courts/Judiciary, Development, Land Use and Housing, Building and Construction, Government, Local Government](#)**

S 1041 (2025-2026) **PUBLIC WORKFORCE MODERNIZATION ACT**. Filed Apr 30 2026, *AN ACT TO MODERNIZE AND SIMPLIFY THE STATE HUMAN RESOURCES SYSTEM AND TO APPROPRIATE FUNDS FOR THAT PURPOSE.*

Part I.

Effective October 1, 2026, repeals GS Chapter 126, North Carolina Human Resources Act, and enacts new GS Chapter 126A, Public Workforce Modernization Act instead. The new Chapter consists of Articles on the following topics:

- Article 1, Human Resources System Goals and Definitions
- Article 2, Oversight of the State Human Resources System
- Article 3, Classification and Minimum Qualifications
- Article 4, Compensation
- Article 5, Recruitment and Hiring
- Article 6, Verification and Onboarding
- Article 7, Benefits, Terms, and Conditions of Employment
- Article 8, Just Cause, Disciplinary Actions, and Grievances
- Article 9, Separation, Offboarding, and Reductions in Force
- Article 10, Inappropriate Political Activity
- Article 11, Temporary Employees
- Article 12, Local Discretion as to Local Government Employees
- Article 13, Executive Branch State Employees Workplace Requirements Program for Safety, Health, and Workers' Compensation
- Article 14, Protection for Reporting Improper Government Activities
- Article 15, Equal Employment and Compensation Opportunity
- Article 16, The Privacy of State Employee Personnel Records
- Article 17, Exemptions from the Public Employment Modernization Act

Part II.

Makes conforming changes by updating statutory cross-references in: GS 95-127(3) (classified service); GS 115C-21(a)(1) (administrative duties of the Superintendent of the Department of Public Instruction); GS 115C-64.28(b) (superintendent staff); GS 115C-238.68(8) (paid parental leave for teachers); GS 115C-268.1(g)(staff of the Professional Educator Preparation and Standards Commission); GS 115C-407.61(a)(6) (memorandum of understanding requirements pertaining to the Superintendent); GS 120-86.1 (personnel-related action unethical); GS 122C-121(a1) (area director under the Mental Health, Developmental Disabilities, and Substance Abuse Act of 1985-Act); GS 122C-154 (personnel under the direct supervision of an area director under the Act); GS 122C-156(a) (area authority salary plans); GS 122C-191(b) (requiring area authorities and state facilities under the Act to comply with specified rules); GS 122C-270(f) (attorneys assigned to facilities for the mentally ill); GS 128-24(6) (intergovernmental exchanges of personnel); GS 135-3(c) (intergovernmental exchanges of personnel); GS 135-48.23(c1) (State Treasurer staff); GS 143-202.4 (Roanoke Island Festival Park staff); GS 143-554(a) (state local educational entity employees' rights of appeal); GS 143-728(e) (NCInnovation); GS 143-747(a1) (Council of Internal

Auditing); GS 143B-53.2(c) (pertaining to employees of the Department of Natural and Cultural Resources); GS 143B-168.12(a)(2) (NC Partnership and local partnerships); GS 143B-168.14(a)(2) (NC Partnership and local partnerships); GS 143B-431.01(j) (Department of Commerce contractors); GS 143B-1209.11(f) (criminal background checks for employees and volunteers of schools within the Department of Health and Human Services); GS 150B-23(a) (contested case provisions of the APA); GS 150B-25.1 (burdens in contested cases); and GS 150B-33(b)(11) (attorneys' fees in contested cases).

Updates references to the "State Merit System of Personnel Administration" to the "State Merit System of Human Resources" in GS 95-127(3).

Effective October 1, 2026.

Part III.

Directs that the provisions of GS Chapter 126 as they existed immediately prior to its repeal will continue to govern the following five matters:

1. Any contested case pending before the State Human Resources Commission or the Office of Administrative Hearings on the effective date of the Public Workforce Modernization Act (PWMA) as enacted by the act, including any judicial review of such a case pending in the General Court of Justice.
2. Any grievance, disciplinary action, or appeal initiated under GS Chapter 126 prior to the effective date of the PWMA and not finally resolved as of that date.
3. Any claim for back pay, reinstatement, or other relief arising from employment actions that occurred prior to the effective date the PWMA.
4. Any right to career State employee status vested under GS 126-1.1 prior to the effective date of the PWMA.
5. Any cause of action arising under GS Chapter 126 that accrued prior to the effective date of the PWMA, regardless of when suit or administrative action is initiated.

Clarifies that the following occurs on the PWMA's effective date: (1) the extension of the probationary period authorized in GS 126A-34(a)(2) will only apply to employees hired on or after the effective date; (2) any employee designated as a confidential assistant or confidential secretary under former GS 126-5(c)(2) is automatically redesignated as a confidential assistant under GS 126A-176(a)(1); any employee designated as an exempt warden under former GS 126-5(c17) or GS 126-5(c18) is automatically redesignated as an exempt warden under GS 126A-177(a)(2); and (4) the provisions of GS 126A-174 will only apply to employees hired on or after the effective date.

Clarifies that if a provision of new GS Chapter 126A conflicts with an existing rule in Title 25, Chapter 01 of the North Carolina Administrative Code (Code), new GS Chapter 126A prevails. Clarifies that this doesn't repeal any rule by provision of this act. Instructs the Office of State Human Resources to submit a revised disciplinary policy to the State Human Resources Commission (Commission) and the Governor. Requires the Commission to adopt the revised policy within 180 days after the effective date of new GS Chapter 16A, subject to the approval of the Governor. Instructs the Commission to repeal any rules in the Code that are unnecessary after the enactment of the act.

Specifies that all decentralization agreements, delegation agreements, and memoranda of understanding between the Office of State Human Resources (Office) and any agency, department, or institution in effect on the effective of the PWMA remains in effect until modified or terminated in accordance with their terms or superseded by agreements executed under the authority of GS Chapter 126A.

Specifies that no action or proceeding brought by or against the Commission or the Office, or against the State concerning either, that is pending on the effective date of the PWMA will be abated, suspended, or otherwise affected by the enactment of that act. Any such action or proceeding will be prosecuted or defended under the law applicable at the time the action or proceeding was initiated, provided that nothing herein will preclude any party from citing provisions for persuasive guidance where the language of GS Chapter 126A and former GS Chapter 126 is identical or substantially identical.

Directs the Office to assess the State's classification and compensation system and identify opportunities for improvement, consulting with agencies and outside experts as needed. Requires the Office to report its findings and recommendations to the specified NCGA committees and division by October 1, 2027. Starting March 1, 2027, and annually thereafter, requires each executive branch State agency to report the specified information on the top five job classifications most difficult to recruit and retain during the prior fiscal year. Instructs the Office to incorporate trends and recommended legislation to the annual State of the State Workforce Report. Directs the Office to contemplate executing a pilot on classification and compensation

recommendations in one or more executive branch agencies that volunteer to participate, following the initial assessment and review of agency data. Requires the Office to submit a revised disciplinary policy to the Commission and Governor by December 1, 2026. Directs the Commission to adopt that policy, subject to the Governor's approval, by April 1, 2027.

Effective October 1, 2026.

Part IV.

Effective July 1, 2026, appropriates \$1.4 million from the General Fund to the Commission for 2026-27 to provide funding for up to six time-limited positions, and resources required, to implement the changes to the State human resources system created by the act. Limits use of the funds to the six enumerated purposes, including resources required to update State-wide policies and review rules, training for agency leadership, human resources division staff, and hiring managers, and technical assistance. Requires the Office to report on the use of the funds each June 1 and December 1 to the specified NCGA committees and division.

**Intro. by Corbin, Johnson, Lee.**

[APPROP, GS 95, GS 115C, GS 120, GS 122C, GS 126, GS 128, GS 135, GS 143, GS 143B, GS 150B](#)

[View summary](#)

[Government, APA/Rule Making, Budget/Appropriations, General Assembly, State Agencies, Office of State Human Resources \(formerly Office of State Personnel\), State Government, Executive, State Personnel](#)

S 1045 (2025-2026) [UTILITY PROFIT OVERSIGHT ACT](#). Filed Apr 30 2026, *AN ACT TO REQUIRE RATIFICATION BY THE GENERAL ASSEMBLY OF ANY RATES PROPOSED BY AN ELECTRIC PUBLIC UTILITY THAT INCREASES THE UTILITY'S AUTHORIZED RATE OF RETURN ON EQUITY*.

Adds new GS 62-130.1 to prohibit the Utilities Commission (NCUC) from establishing or allowing any retail electric rates that increase an electric public utility's authorized rate of return on equity without NCGA ratification of an act that specifically approves such rates. Directs NCUC to order suspension of a retail electric rate that would allow such excess revenue recovery for the electric public utility upon filing of such rate. Provides that the suspension order shall remain in effect until the proposed rates are ratified by the NCGA. States that nothing in this section shall limit NCUC's general authority to oversee electric public utilities and to prevent the charge of unreasonable rates. For retail electric rates ratified by NCGA, authorizes NCUC (1) to disallow the recovery of rates found to be unjust, unreasonable, discriminatory, or in violation of any other applicable law; (2) to impose conditions on the approval of rates; (3) to rescind, alter, or amend an order approving the rates; or (4) to revise or change the rates in a subsequent rate proceeding.

Amends GS 62-133.16(d)(3) to provide that a suspension of proposed rates subject to NCGA ratification under new GS 62-130.1 may exceed 330 days. Makes technical changes.

Amends GS 62-134(b) to except NCUC suspension orders issued for rates subject to NCGA ratification under new GS 62-130.1 from the requirements of this subsection.

Amends GS 62-135(a) to allow electric public utilities subject to new GS 62-130.1 to temporarily put such suspended rates into effect subject to the existing provisions of this section concerning hearing and suspension of rates. Makes technical changes.

Requires NCUC to conduct a study evaluating the cost of equity capital for electric public utilities doing business in North Carolina and sets out four specified considerations for evaluation. Directs NCUC to submit the study to the specified NCGA committees by January 1, 2027.

Appropriates \$10,000 for 2026-27 from the General Fund to NCUC to implement this act.

Effective July 1, 2026.

**Intro. by Salvador, Garrett, Grafstein.**

[APPROP, STUDY, GS 62](#)

S 1046 (2025-2026) [A.I. IN ENVIRONMENTAL PERMITTING](#). Filed Apr 30 2026, *AN ACT TO PROMOTE THE USE OF ARTIFICIAL INTELLIGENCE AS A DECISION-SUPPORT TOOL IN THE REVIEW AND DRAFTING OF ENVIRONMENTAL PERMITS*.

Sets out legislative findings.

Adds new GS 143B-279.22, "Artificial Intelligence in Environmental Permitting." Defines terms. Directs the Department of Environmental Quality (DEQ) and the Environmental Management Commission (EMC) to establish the Joint A.I. Environmental Permitting Program to implement the use of artificial intelligence ("A.I.") to assist agency staff in drafting and reviewing environmental permit applications. Authorizes EMC to adopt rules not subject to specified provisions of GS Chapter 150B for DEQ staff use of such A.I. systems to (1) define permissible uses of A.I. in the permitting process, (2) establish quality assurance and control requirements, (3) adopt staff training requirements, (4) establish confidentiality, cybersecurity, and data protection requirements, (5) prohibit the use of A.I. systems that use applicant information, permit application materials, or agency records to train a vendor-owned or third-party A.I. model without particular approval, and (6) establish protocols for monitoring A.I. accuracy and performance and potentially discontinuing use of A.I. based on such metrics. Provides that no environmental permit application shall be acted upon solely on the basis of A.I. output and must be independently reviewed by agency staff. Directs DEQ to maintain and publish documents describing these A.I. systems and their functions in the permitting process and to inform permit applicants that A.I. was used to assist staff review. Directs EMC and DEQ to implement the program consistent with State and federal laws. Requires DEQ to submit a report to the specified NCGA committees and division by January 15 annually and sets out report requirements.

Directs DEQ and EMC to implement the program in four specified phases based on the type of permit. Provides that appropriated funds may be used to hire temporary EMC staff with A.I. experience to improve the efficiency and quality of environmental permit processing and that these positions shall not be subject to the position and salary requirements of GS Chapter 126.

Appropriates \$1 million for 2026-27 from the General Fund to DEQ to implement the program and specifies that funds do not revert.

Effective July 1, 2026.

**Intro. by Jarvis.**

[APPROP, GS 143B](#)

[View summary](#)

**[Environment, Environment/Natural Resources, Government, Budget/Appropriations, State Agencies, Department of Environmental Quality \(formerly DENR\)](#)**

S 1047 (2025-2026) [REGULATORY REFORM ACT OF 2026](#). Filed Apr 30 2026, *AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH CAROLINA*.

Section 1

Adds new Part 3, "Guaranteed Energy Savings Contracts," to GS Chapter 143, Article 3B. Provides citations for provisions recodified in new Part 3: GS 143-64.18 (was, GS 143-64.17B), GS 143-64.18D (was, GS 143-64.17D), GS 143-64.18E (was, GS 143-64.17E), GS 143-64.18F (was, GS 143-64.17F), GS 143-64.18J (was, GS 143-64.17G), and GS 143-64.18K (was, GS 143-64.17H).

As part of new Part 3, enacts GS 143-64.18A requiring a governmental unit to issue a request for qualifications (RFQ) before entering a guaranteed energy savings contract. Provides notice requirements for RFQs. Provides minimum content requirements of RFQ.

Requires the governmental unit to select the qualified provider that best meets the needs of the governmental unit based on an evaluation of: (1) demonstrated competence of the provider; (2) provider's past performance on energy saving projects; (3) technical feasibility of the proposal; (4) the life cycle cost analysis; (5) certification by a licensed professional engineer that proposed measurement and verification protocol is capable of measuring actual savings; (6) the total project cost with a side-by-side comparison if multiple financing options are available; (7) for state governmental units, inclusion of a contract provision that requires an impartial third-party to conduct the annual measurement and verification review and include the third-party's compensation in the total cost; and (8) any other criteria stated in the RFQ.

Requires the governmental unit to evaluate RFQ responses and develop a shortlist of the most highly qualified respondents. Permits the unit to proceed with the evaluation and selection without resolicitation, if only one response is received from a qualified provider and the unit makes a written determination that resolicitation is unlikely to increase competition. For state governmental units, if only one response is received, the State Energy Office must concur with the determination. Requires a qualified reviewer to review the shortlist and provide the unit with a written evaluation. Provides minimum requirements for that evaluation. Then, the unit must rank the shortlisted respondents, select the highest-ranked qualified provider, and negotiate the terms of the contract. If negotiations are unsuccessful, the unit can proceed to the next-ranked provider.

Requires the qualified provider to: (1) submit, prepare, and make available for public inspection a report that summarizes the estimated costs of installation, maintenance, repairs, and debt service, in addition to estimates of the amounts of energy or operating costs' reduction, and includes a life-cycle cost analysis and (2) conduct an investment grade audit that includes a life cycle cost analysis of each energy conservation measure in the final proposal, unless the local governmental unit waives the audit requirement, permitted for a contract with a total cost below \$250,000. If the audit results are not within 10% (state units) or 15% (local units) of both the guaranteed savings in the proposal and total proposal amount, either the governmental unit or the qualified provider may terminate the project with no additional obligation to the other party. If the governmental unit terminates the project after an audit is conducted and results are within the applicable variance, the unit must reimburse the qualified provider the reasonable cost incurred in conducting the audit, and the results of the audit must become the property of the unit.

Requires the qualified reviewer to review the qualified provider's final proposal, cost-benefit analysis, and other relevant documents prior to the governmental unit entering a contract. Details process and requirements for the State Energy Office's completion of such review for state units. Prohibits a unit from entering a contract until the State Energy Office has determined the proposal complies with Article 3B. Clarifies that nothing in GS 143-64.18A limits governmental unit authority as provided in GS Chapter 143, Article 3D.

Amends recodified GS 143-64.18B by (1) adding new subsection (c1) requiring a qualified provider to pay a non-refundable administrative fee of \$1,000 to the State Energy Office to be applied to the costs of reviewing contracts and administering the program, within 30 days of entering a guaranteed energy savings contract. Prohibits provider from charging or seeking reimbursement of the administrative fee cost from the governmental unit and prohibits provider from including the cost in the total cost of the contract; (2) amending subsection (d), which provides what costs are included in the total cost, by adding capital funding to the list of funds to be subtracted out of the listed costs provided; (3) removes subsection (f) related to the investment grade audit qualified providers must complete.

## Section 2

Makes conforming changes to GS 115C-47, GS 115D-20, GS 133-4.1, GS 143-129.4, GS 143-135.37, GS 160A-20, GS 143-64.12, GS 142-61, GS 142-63, GS 159-151, GS 143-64.17K, GS 142-63, and GS 143-64.17L .

## Section 3

Amends GS 143-64.17 to make clear that the definitions apply both to Part 2 and new Part 3 of Article 3B and removes the *request for proposals* definition. Repeals GS 143-64.17A, related to solicitation of guaranteed energy savings contracts. Makes technical change to GS 143-64.17I through 143-64.17L, deleting the word "Part" wherever it appears and substituting the word "Article."

## Section 4

Requires the Department of Administration (Department) to adopt temporary rules (effective until permanent rules replace them) to implement Sections 1-3 and permanent rules to replace those temporary rules.

## Section 5

Defines *Financing Disclosure Rule* by reference to 01 NCAC 41B .0302 (Solicitation Documents). Requires the Department to implement the Financing Disclosure Rule as provided in this section until the effective date of the revised permanent rule. Provides that solicitation documents must include the estimated cost of financing obtained from the Director of Debt Management, Office of the Treasurer, for state governmental units and permits local governmental units to obtain information on estimated cost of financing from the Office of the State Treasurer or from a qualified provider. Requires the Department to adopt a rule to amend the Financing Disclosure Rule consistent with this section and requires the permanent rule to be substantively identical. Section 5 expires when permanent rules adopted become effective.

## Section 6

Defines *Federal Funds Certification Rule* by reference to 01 NCAC 41B .0305 (Prohibition on Federal Funds). Requires the Department to implement the Federal Funds Certification Rule as provided in this section until the effective date of the revised permanent rule. Provides that when a guaranteed energy savings contract will be paid in whole or in part with federal funds, the agency must certify prior to executing the contract that the use of federal funds complies with all applicable federal requirements. Requires certification and supporting confirmation to be included in the contract documents submitted to the Office of State Budget and Management. Requires written confirmation from one of the listed people to support the certification and that the confirmation's form is appropriate to the funding source and addresses whether the proposed contract structure, procurement method, and use of funds are permissible under applicable federal award terms. Requires the Department to adopt a rule to amend the Federal Funds Certification Rule consistent with this section and requires the permanent rule to be substantively identical. Section 6 expires when permanent rules adopted become effective.

## Section 7

Act is effective July 1, 2026, and applies to requests for qualifications issued on or after that date.

**Intro. by Jarvis.**

GS 143

[View summary](#)

**Environment, Energy, Government, State Agencies,  
Department of Administration, Department of State Treasurer,  
Office of State Budget and Management, State Government,  
Local Government**

S 1048 (2025-2026) **CERTIFICATE OF TITLE/OFF-ROAD MOTORCYCLE**. Filed Apr 30 2026, *AN ACT TO AUTHORIZE CERTIFICATES OF TITLE FOR OFF-ROAD MOTORCYCLES*.

Amends GS 20-53.6 to add off-road motorcycles to the section's title, add new subsection (a) defining *off-road motorcycle* as a motorcycle, as defined in GS 20-4.01(27)h., designed exclusively for off-road use by an individual rider with no more than two wheels in contact with the ground. Makes technical change to add subsection (b), Certificate of Title, to GS 20-53.6 to account for adding new subsection (a) (formerly, no subsections). Adds off-road motorcycle to the list of vehicles an owner can apply to the Division of Motor Vehicles (DMV) for a certificate of title by completing an application form.

Makes conforming change to GS 20-54(8), concerning the DMV's authority for refusing registration or certificate of title, to add off-road motorcycle to the list of vehicles the DMV must refuse registration or any transfer of registration to, but requires DMV to issue a certificate of title as provided by GS 20-53.6.

Effective October 1, 2026.

**Intro. by Jarvis.**

GS 20

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**Courts/Judiciary, Motor Vehicle, Transportation**

Part I.

Adds new Part 6A, Certain Emergency Response Planning and Operations, to Article 1 of GS Chapter 166A with the purpose of aligning operational authority between certain State agencies and associated emergency response activities. Directs the Office of the State Fire Marshal (Office) to manage firefighting, search and rescue, and hazardous materials response during emergency response. Directs the Office of the State Fire Marshal to support implementation costs with the Insurance Regulatory Fund in accordance with GS 58-6-25. Defines terms.

Sets out twelve powers and duties of the Office (as Lead State Agency) through the State Fire Marshal or their designee, as the designated Emergency Coordinating Officer for certain emergency support functions (ESFs) listed in new GS 166A-19.47, including coordinating State agency activities; preparing State plans for emergencies; promulgating requirements for local plans; developing training programs; conducting resource surveys; coordinating use of private property; preparing for Governor's executive orders; cooperating with other states, the federal government, and other entities; coordinating communications network; administering grant funds; utilizing effective technology; and maintaining an effective statewide urban search and rescue program.

Requires the State Fire Marshal or their designee be integrated into the North Carolina Emergency Operations Plan (NCEOP) as an Emergency Coordinating Officer (ECO) for ESFs related to firefighting, search and rescue, and hazardous materials response and coordinate emergency response for those ESFs, including collaborating with the State Emergency Response Team. Requires ECO to coordinate mutual aid requests from local government units if requested pursuant to this Part or by contract or agreement.

Provides that nothing in this Part limits the Emergency Management Assistance Compact (EMAC) under Article 4 of this Chapter and the established EMAC Assistance Team. Provides that an ECO request for EMAC resources will be directed to the specified EMAC personnel after a verified state of emergency declaration by the Governor.

Provides that nothing in this Part limits a local fire department's authority to send personnel and equipment outside territorial limits under Article 83 of GS Chapter 58.

Requires all ESF duties and associated functions of the Office and ECO to be consistent with federal law and policies including specified Presidential Policy Directive and Incident Command System (ICS) best practices.

Sets out ESF responsibilities of the Office for firefighting, search and rescue, and hazardous materials.

Specifies fifteen firefighting responsibilities, including providing guidelines to involved agencies; managing State firefighting activities (including detecting and suppressing fires, providing personnel/equipment/supplies, supporting local agencies, mobilizing resources, and using established procedures); managing mutual aid using the Incident Command System; assisting specified State agencies with fire suppression; ensuring coordination among resource providers and supporting agencies; providing search and rescue resources as may be required in a fire suppression scenario; providing coordination of necessary personnel into the fire suppression area; preparing Fire Management Assistance Grant request for Governor's signature if recommended by State Forest Service; using any available resources to fulfill its mission as authorized by Article 78A of GS Chapter 58; exercising the primary support function for forest fire suppression; overseeing statewide fire training; coordinating personnel/equipment/resource reallocation as needed during major fire suppression; assuming responsibility for loaned equipment and personnel; providing engineers to assist with damage reassessment; and implementing the North Carolina Association of Fire Chief's Emergency Response Plan as necessary.

Specifies fourteen search and rescue responsibilities, including providing State support to local governments by using State resources in daily disaster search and rescue activities; managing search and rescue activities including Urban Search and Rescue (USAR) teams, swift water rescue, helicopter-aquatic search and rescue, wilderness search and rescue, mountain search and rescue, and daily situation reports; coordinating and directing local search and rescue efforts; coordinating with local emergency managers and governments; coordinating the deployment of USAR teams with the Emergency Services Branch (ESB) in the event of a catastrophic disaster with widespread building collapse or other qualifying incident; requesting federal USAR assistance if needed; coordinating with ESB for specialized resource database maintained outside the scope of this ESF; maintaining resources database for search and rescue; providing a liaison to local governments and coordinating State, federal,

and private search and rescue response; organizing and training emergency management personnel; coordinating additional training for State and local government units and volunteer agencies; ensuring specialized resources are capable through appropriate records; maintaining directory of qualified resources for search and rescue through specified professional organizations; and coordinating air assets to timely transport specialized resources.

Specifies eleven hazardous materials responsibilities, including managing procedures for multi-organization response to manage hazardous material discharge; responding to oil and hazardous substance discharges in accordance with North Carolina Area Contingency Plan as required by specified federal laws; submitting a federal resource request in a large-scale response; coordinating efforts to identify and consult with responsible party; coordinating deployment of State resources to provide operations in accordance with specified federal law; coordinating unified command in conjunction with specified and other State and federal agencies; coordinating with federal on-scene coordinator for command post location; ensuring State Emergency Response Team notifies National Response Center; activating the Environmental Technical Advisory Group as necessary; obtaining and providing data on resources in the State that may be endangered by the discharge; and coordinating with other State agencies responsible for coastal waterways.

Provides that the United States Coast Guard will assume control of response efforts in the event of a release or discharge from an underwater legacy environmental threat within the State's coastal waters or that could otherwise impact the State.

Directs the Division of Emergency Management to have a representative on the Regional Response team and a representative on another state's emergency operations center if the incident involves two or more states.

Provides that local Incident Commanders are responsible for situation assessment and determination of resource needs for the emergency, supporting the ICS and National Incident Management System (NIMS) structure.

Provides that local Incident Commanders are responsible for situation assessment and determination of resource needs for an incident in their jurisdiction and requests for firefighting assistance and resources are to be handled in accordance with mutual aid agreements or from the local emergency management agency to the ECO if the requests align with the enumerated ESFs.

Requires the Office to report to the specified NCGA committee and the Governor on a monthly basis during the state of emergency and sets out information to be included in the report.

Amends GS 166A-19.3 to add the Office of State Fire Marshal to the State Emergency Response Team.

Amends GS 166A-19.12 to add an exception for responsibilities listed in new GS 166A-19.46 from the list of the Division of Emergency Management's powers and duties.

Amends GS 58-6-25 to provide that money credited to the Insurance Regulatory Fund will be used to reimburse the General Fund for money appropriated to the Department of Insurance incurred in connection with ESFs pursuant to new Part 6A of Article 1A of GS Chapter 166A during a declared state of emergency or major disaster.

Amends GS 58-78A-1 to provide that the Office of State Fire Marshal is responsible for controlling ESFs and associated provisions of new Part 6A of Article 1A of GS Chapter 166A, associated duties of membership on the State Emergency Response Team, and associated duties of assisting the Division of Emergency Management (NCEM) and Department of Public Safety (DPS) in updating and maintaining pertinent ESFs within the NCEOP.

Directs the Governor, DPS, NCEM, and the Office to revise the NCEOP to reflect the provisions of Part 6A of Article 1A of GS Chapter 166A by October 1, 2026. Addresses roles for lead technical agencies and support agencies, including changing NCEM from the lead state agency to a support agency for the firefighting ESFs. Effective when the act becomes law.

Directs NCEM and any other agency transferring lead state agency powers under Part 6A of Article 1A of GS Chapter 166A to transfer all personnel and resources to the Office that are necessary for the office to execute the firefighting, search and rescue, and hazardous materials ESFs. Provides that all memoranda of understanding, contracts, and agreements with a lead state agency pertaining to these ESFs are to be transferred to the Office as soon as practicable. Effective when the act becomes law.

## Part II.

Reallocates any unspent or unencumbered funds under Section 2A.3(a)(10) of SL 2025-26 (\$18 million Hurricane Helene Fire Department and Rescue Squad grant to the Office for listed counties) to new Office of State Fire Marshal Disaster Response Fund.

Adds new GS 166A-19.50, enacting the Office of State Fire Marshal Disaster Response Fund as a nonreverting special fund within the Office within the Department of Insurance. Sets out purpose and uses for the funds (including emergency grants to fire departments and rescue squads, disaster readiness and response). Provides that the Office may use up to 5% of the Fund to administer the fund each year. Allows the Office to use funds for procurement of specified resources if warranted by a large scale emergency or disaster, notwithstanding specified laws. Directs the Office to seek competitive pricing and maintain documentation to the extent practicable. Requires the Office to report on the Fund annually to the specified NCGA committees and division.

Effective July 1, 2026.

Part III.

Authorizes the Office to adopt rules to implement the provisions of this act.

Except as otherwise provided, effective October 1, 2026.

**Intro. by Johnson.**

GS 58, GS 166A

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**Government, Public Safety and Emergency Management**

S 1051 (2025-2026) **DON'T ZONE OUT CHILD CARE**. Filed Apr 30 2026, *AN ACT TO PROTECT THE RIGHTS OF HOMEOWNERS AND TENANTS TO OPERATE LICENSED FAMILY CHILD CARE HOMES BY LIMITING RESTRICTIONS BY HOMEOWNERS ASSOCIATIONS, LANDLORDS, AND LOCAL GOVERNMENTS*.

Contains whereas clauses.

Section 1.

Adds new Article 7A, Protection of Family Child Care Home Operations, to GS Chapter 110. Defines four terms, including *HOA governing document* (any declaration, covenant, condition, restriction, bylaw, rule, or regulation of a homeowners association, condominium association, planned community, or similar entity that governs the use of residential property).

voids any provision of an HOA governing document that prohibits, restricts, conditions, or penalizes the operation of a licensed family childcare home by an appropriately licensed member or resident. Prohibits a homeowners association (HOA) or condominium association (COA) from (1) denying, suspending, revoking, or conditioning membership rights or community privileges based solely on operation of a licensed family child care home; (2) imposing fees, assessments, fines, or penalties based solely on operation of a licensed family child care home; or (3) requiring HOA or COA approval to operate a licensed family child care home. States that nothing in this section prohibits an HOA or COA from enforcing rules of general applicability to the extent such rules do not impose more burdensome requirements on licensed family child care homes than on other residential uses.

Prohibits landlords from including lease provisions that prohibit, restrict, or penalize tenants for operating a licensed family child care home at the leased premises and voids any such provision. Prohibits landlords from taking adverse action against tenants based solely on operation or intent to operate a licensed family child care home. Provides that a tenant operating a licensed family child care home must comply with other applicable lease terms and carry sufficient liability insurance. Authorizes landlords to require tenant's written notice of intent to operate a licensed family child care home, copy of license issued pursuant to GS 110-88, and maintenance of liability insurance coverage.

Provides that a licensed family child care home is a residential use of property for the purposes of local land use and zoning regulation and is permitted in any zoning district where single-family or multi-family residential uses are permitted. Prohibits local governments from adopting or enforcing a zoning ordinance, development regulation, or land use restriction that (1) unfairly burdens a licensed family child care home relative to other residential dwellings in the zoning district, (2) imposes discretionary approval processes applicable to licensed family child care homes but not to other residential uses, (3) limits the number of licensed family child care homes in a zoning district based solely on the child care use, or (4) requires compliance with commercial or institutional zoning standards. Allows a local government to impose only development standards that would apply to the residential use of the property generally. Provides that nothing in this section limits Child Care Commission

or Department of Health and Human Services (DHHS) standards regarding the health, safety, and physical environment of licensed child care facilities.

Permits a licensed operator to bring a civil action in superior court for violations of this Article seeking declaratory and injunctive relief, actual damages, and (if prevailing party) attorneys' fees and costs. Permits Attorney General to bring an enforcement action on State's behalf.

Specifies that Article applies to all HOA governing documents, lease agreements, and local zoning ordinances adopted before, on, or after the effective date of this act and any conflicting document provisions are void and unenforceable to the extent of the conflict.

#### Section 2.

Adds new GS 47F-3-123 to prohibit HOAs from prohibiting, restricting, or penalizing the operation of a licensed family child care home by a lot owner or tenant with a valid license issued pursuant to GS 110-88.

#### Section 3.

States that nothing in this act is intended to abrogate reasonable health, safety, building code, or fire code requirements applicable to child care facilities.

#### Section 4.

Appropriates \$75,000 for 2025-26 from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education to (1) develop and disseminate plain-language guidance for licensed family child care home operators regarding their rights under Article 7A of GS Chapter 110; (2) create model response templates and informational materials for licensed operators in disputes with HOAs, landlords, and local governments; and (3) update specified DHHS materials to inform current and prospective licensees of this act's protections.

Appropriates \$100,000 for 2025-26 from the General Fund to the Department of Justice, Office of the Attorney General to (1) train attorneys and staff in the Consumer Protection or other appropriate division on the enforcement provisions of Article 7A of GS Chapter 110, (2) establish a complaint intake process for licensed operators alleging violations of specified Article provisions, and (3) prepare and publish an annual summary of complaints received and enforcement actions taken under this act for annual submission by October 1 to the specified NCGA committee.

Effective when the act becomes law and applies to all acts, ordinances, and agreements entered into on or after that date. Voids all contrary existing provisions of HOA governing documents and lease agreements as of the effective date.

**Intro. by Chaudhuri, Burgin.**

**APPROP, GS 47F, GS 110**

**Development, Land Use and Housing, Property and Housing, Government, Budget/Appropriations, State Agencies, Department of Health and Human Services, Department of Justice, Health and Human Services, Social Services, Child Welfare**

[View summary](#)

S 1052 (2025-2026) **AMEND CHILD CARE DEFINITIONS/FFN PROVIDERS**. Filed Apr 30 2026, *AN ACT TO ADD A DEFINITION FOR LICENSE-EXEMPT FAMILY, FRIEND, AND NEIGHBOR CHILD CARE PROVIDERS UNDER THE LAWS REGULATING CHILD CARE*.

Contains whereas clauses.

Amends GS 110-86 by adding new subdivision (6a) defining a *license-exempt family, friend, and neighbor (FFN) child care provider* as an individual who (1) provides childcare to one or more children who are not the individual's own biological, adopted, or step-children, or children the individual is a legal guardian of; (2) operates in a setting, including their home or the child's home, not required to be licensed as a child care facility due to the number of children served, nature of the arrangement, or an applicable exemption; (3) has a preexisting familial, social, or community relationship with the child or

child's family, including but not limited to a grandparent, aunt, uncle, sibling over 18 years old, family friend, or neighbor; and (4) is in compliance with all applicable requirements for legally operating a child care arrangement under State law. Provides that the term does not include individuals required to obtain a license under Article 7 – Child Care Facilities. Clarifies that the subdivision must not be construed to require license-exempt FFN providers to obtain a license, register with the State, or comply with any requirement not otherwise applicable to unlicensed child care arrangements.

Appropriates \$30,000 for 2025-26 from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education (Division) to update public-facing materials to incorporate the definition of *license-exempt FFN child care provider* and to communicate to the public the legal status of FFN providers and the distinction between license-exempt FFN arrangements and licensed child care facilities, to revise internal legal guidance documents, policy manuals, and staff training materials to reflect the new statutory definition and its application, and to update the Division's data collection and reporting systems to enable tracking of license-exempt FFN providers as a distinct provider category.

Provides that existing exemptions from child care facility licensing requirements under GS 110-86(2) are retained without modification and that new GS 110-86(6a) must be construed consistently with those exemptions.

**Intro. by Chaudhuri, Burgin.**

[APPROP, GS 110](#)

[View summary](#)

**[Government, Budget/Appropriations, State Agencies, Department of Health and Human Services, Health and Human Services, Social Services, Child Welfare](#)**

S 1053 (2025-2026) [CHILD CARE LICENSING PENALTY REFORM](#). Filed Apr 30 2026, *AN ACT TO REDUCE THE SEVERITY OF THE FELONY LEVEL AND GRANT PROSECUTORIAL DISCRETION IN CHILD CARE LICENSING VIOLATIONS*.

Includes whereas clauses.

Amends GS 110-103(b), which makes it a Class I felony to willfully operate an unlicensed child care facility or to operate a licensed child care facility in willful violation of the provisions in Article 7 while providing child care to three or more children for over four hours per day on two consecutive days. Reduces the offense to a Class A1 misdemeanor for the first offense and a Class I felony for second or subsequent offenses. Grants the prosecutor discretion to charge any violation that poses a substantial risk of harm to the child as a Class I felony upon consideration of the nature and circumstances of the violation, the number of children placed at risk, the history of prior violations, and whether the operator took prompt corrective action. Specifies that the Department of Health and Human Services (DHHS) maintains authority to pursue civil or administrative remedies concurrently or in lieu of criminal prosecution.

Appropriates \$50,000 from the General Fund to DHHS, Division of Child Development and Early Education for 2025-26. Requires funds be used to update enforcement protocols, internal policy, and staff training materials; develop and distribute guidance to child care facility operators and the public; and coordinate with the Department of Justice and the Administrative Office of the Courts (AOC) with regard to the reclassifications and prosecutorial discretion granted under GS 110-103(b).

Appropriates \$25,000 from the General Fund to AOC for 2025-26 to be used to update charging instruments, case management systems, and related forms, and provide notice and guidance to district attorneys, clerks of superior court, and other court personnel, with regard to the reclassifications and prosecutorial discretion granted under GS 110-103(b).

Includes a savings clause for prosecution or punishment related to offenses committed before the date the act becomes law.

**Intro. by Chaudhuri, Burgin.**

[APPROP, GS 110](#)

**Courts/Judiciary, Court System, Administrative Office of the Courts, Criminal Justice, Criminal Law and Procedure, Education, Government, Budget/Appropriations, State Agencies, Department of Health and Human Services, Department of Justice, Health and Human Services, Social Services, Child Welfare**

[View summary](#)

S 1054 (2025-2026) **NO CHILD LEFT UNFED**. Filed Apr 30 2026, *AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO EXTEND ACCESS TO THE FEDERAL CHILD AND ADULT CARE FOOD PROGRAM TO CHILD CARE PROVIDERS OPERATING LICENSED CHILD CARE HOMES.*

Contains whereas clauses.

Adds new Part 10D, Child and Adult Care Food Program (CACFP) for Child Care Providers, to Article 3 of GS Chapter 143B.

New GS 143B-168.40 (a) defines *CACFP* as authorized by specified federal law and as administered by the State Division of Child Development and Early Education (Division) within the Department of Health and Human Services (DHHS). Defines *family, friend, and neighbor (FFN) child care provider* as an individual who is legally operating under applicable State law providing child care in specified settings and inclusive of individuals providing (i) child care that falls below the threshold requiring licensure under GS 110-86(3)b., (ii) arrangements excluded from the definition of child care under GS 110-86(2), and (iii) child care holding a license-exempt status recognized by DHHS.

New GS 143B-168.40(b) directs DHHS to take all feasible administrative action to extend CACFP access to FFN child care providers, which may include but is not limited to identifying sponsoring organizations capable of administering CACFP reimbursements to FFN providers, developing application/training/record-keeping requirements, applying for available federal programs, and establishing tiered compliance mechanisms.

New GS 143B-168.40(c) directs DHHS to report annually to the specified NCGA committee and division by July 1 and specifies four report requirements.

New GS 143B-168.40(d) provides that nothing in this statute should be construed to require an FFN provider to participate in CACFP, alter license requirements of GS Chapter 110, or conflict with federal law or regulations governing CACFP.

Directs the Division to publish an implementation plan including timelines, required rule changes, any necessary federal approvals, and resource requirements within 180 days of the act's effective date.

Directs the Division to submit initial report required by new GS 143B-168.40(c) within 12 months of the act's effective date.

Appropriates \$150,000 for 2025-26 from the General Fund to the Division to develop the required implementation plan, including identifying feasible administrative approaches, determining required resources, outreach to existing and potential sponsoring organizations, piloting application/training/record-keeping procedures, and applying for available federal USDA flexibilities as described in new GS 143B-168.40(b). Appropriates \$500,000 in recurring funds for 2025-26 for administrative costs and lists some included costs. Provides that funding will continue until federal CACFP reimbursements can cover these costs, at which point the Division must notify the Office of State Budget and Management and the Fiscal Research Division so appropriations can be reduced accordingly. Specifies that funds do not revert until expended or until June 30 of the second fiscal year following appropriation, whichever is first.

**Intro. by Chaudhuri, Burgin.**

**APPROP, GS 143B**

**Government, Budget/Appropriations, State Agencies, Department of Health and Human Services, Health and Human Services, Social Services, Child Welfare**

[View summary](#)

Section 1.

Increases the cap in GS 122A-8 on bonds and notes issued by the NC Housing Finance Agency from \$12 billion to \$18 billion.

Modifies the excise tax in GS 105-228.30 levied on each instrument by which any interest in real property is conveyed to another person by creating the following two tiers: (1) \$1 on each \$500 or fractional part thereof on the consideration or value of the interest conveyed up to \$500,000 and (2) \$1 on each \$400 or fractional part thereof on any remaining consideration or value of the interest conveyed (currently, just \$1 for every \$500 of the value of the interest or consideration conveyed). Now requires the finance officer of each county to credit one-half of the proceeds of the tax levied at a rate of 0.2% to the county's general fund and credit the remainder as described. Allows the county to retain 2% of the tax proceeds of the tax levied at a rate of .2% (was, county retained 2% of the tax proceeds) allocated for remittance to the Department of Revenue (DOR). Applies to conveyances made on or after July 1, 2026.

Offset by the excise tax described above, appropriates \$5 million from the General Fund to the Housing Finance Agency (Agency) in recurring funds beginning in 2026-27 to be allocated to the Housing Innovation Office (Office) for administrative and operational costs and research and implementation of housing solutions, including technical assistance, grants, loans, and other measures designed to address the housing crisis by supporting the construction and maintenance of affordable, supportive, and sustainable homes and developing innovative funding models and building techniques. Effective July 1, 2026.

Appropriates \$50 million from the General Fund to the Housing Trust Fund (Fund) in recurring funds beginning in 2026-27 to be used for its statutory purposes, and at the discretion of the Housing Finance Authority (Authority) for a competitive program to provide funds to local housing authorities, local housing trust funds, or other entities that have the primary purpose, and agree to use the funds for, loans, grants, or both for construction and maintenance of affordable housing units in the State. Tasks the Office with developing the application process. Specifies that funding in the program is reserved for properties that (1) financial assistance to an area served by a local housing trust fund does not exceed \$ 2 million and (2) the local housing trust fund contributes \$1 of private funds for every dollar of assistance received from the Office. Effective July 1, 2026.

Enacts GS 105-153.12, authorizing a taxpayer making a qualified contribution to take a credit against their individual income tax imposed under Article 4, Part 2 of GS Chapter 105 equal to 30% of the donation. Defines qualified contribution as a monetary donation to the Fund for the construction, maintenance, or both, of affordable housing. Provides for an application to claim the credit. Requires the taxpayer to maintain and make available for inspection records the Secretary of Revenue (Secretary) considers necessary to establish and verify the amount of the credit to which they are entitled to claim. Limits the total aggregate amount of all credits allowed to taxpayers under GS 105-153.12 to \$20 million. Establishes priority tiers for funding of credits. Allows for prorating of credit, if the amount claimed in total exceeds the \$20 million cap. Requires a taxpayer claiming a credit to add back to taxable income any amount deducted under the tax code for qualified contribution. Prevents a taxpayer claiming the credit from claiming another credit for the same qualified contribution. Effective for taxable years on or after January 1, 2026, and applies to qualified contributions made on or after that date.

Section 2.

Enacts Part 1A, concerning housing production and affordability to Article 9 of GS Chapter 160D.

Requires, in GS 160D-917, a local government to allow by right, without requiring a conditional use or special use permit, the following: (1) the development of at least one attached and one detached accessory dwelling unit which conforms to the North Carolina Residential Code for One- and Two-Family Dwellings, including applicable provisions from fire prevention codes, for each single-family detached dwelling in areas zoned for residential use that allow for development of single-family detached dwellings, as specified; and (2) a development in an area zoned for residential use with at least 20 units per acre that is located with one-half mile of a transit stop or that is within a transit-oriented development district or similar designation. Provides for administrative review by a local government of any application for development approval of a qualifying affordable development (defined) in GS 160D-917.1. Provides for lot size and density for affordable housing, as described, in GS 160D-917.2. Effective July 1, 2026.

Section 3.

Increases the number of other deductions a taxpayer may deduct from its adjusted gross income under GS 105-153.5 to include the amount deposited during the taxable year, not to exceed \$15,000, to a first-time homebuyer savings account (that has less than \$150,000) to be used for eligible expenses (downpayment and any closing costs included on a real estate settlement statement, including appraisal fees, mortgage origination fees, and inspection fees) by a qualified beneficiary. If the taxpayer withdraws funds from a homebuyer savings account and does not use it for eligible expenses, and it was listed as a deduction during the prior tax year, requires the taxpayer to add it to the taxpayer's adjusted gross income during the year it was withdrawn. Effective for taxable years beginning January 1, 2026.

Appropriates \$3 million from the General Fund to the Agency in recurring funds beginning in 2026-27 to be used for the NC 1st Home Advantage Down Payment Program for uses consistent with that program. Effective July 1, 2026.

Appropriates \$10 million from the General Fund to the Agency in recurring funds beginning in 2026-27 to be used for a program to establish new, and expand existing, community land trusts so as to build and amplify overall availability of housing through entities that retain ownership of the land and leasing it to homeowners who purchase the house on that land at below-market pricing. Requires the Agency to develop an application process in line with the seven listed required program guidelines including that recipients provide at least 3% down payment and have less than \$100,000 in total household assets. Effective July 1, 2026.

Appropriates \$15 million from the General Fund to the Department of Commerce (DOC) in recurring funds beginning in 2026-27 to be used for the Rural Water Extension Program, open to rural communities with populations of 10,000 or less that apply to obtain technical assistance and necessary financing necessary for the purpose of developing drinking water and waste disposal systems to ensure safe drinking water and sanitary waste disposal systems for public health and economic vitality of rural communities of the State. Effective July 1, 2026.

Enacts GS 105-153.13, establishing a tax credit for rural affordable rental housing for a taxpayer that is allowed for the taxable year a federal income tax credit for low-income housing under section 42 of the IRS Code with respect to a qualified North Carolina low-income building located in a qualifying rural area, allowing a credit for each affordable rental unit for the taxable year within which the construction of the affordable rental unit is completed. Specifies that the amount of the credit is equal to the lesser of \$25,000 or 30% of the construction costs incurred. Specifies that credit allowed may not exceed the amount of tax imposed for the taxable year reduced by the sum of all credits allowable, except payments of tax by or on behalf of the taxpayer. Prevents a taxpayer claiming the credit from claiming another credit for the same activity. Effective for taxable years beginning January 1, 2026.

Appropriates \$10 million from the General Fund to the Authority in recurring funds beginning in 2026-27 to be used for a manufactured home supply program for local governments, as described, not to exceed \$25,000 per manufactured home. Effective July 1, 2026.

#### Section 4.

Appropriates \$150 million from the General Fund to the Department of Public Safety (DPS), Office of Recovery and Resiliency (NCORR) for 2026-27 to be allocated as follows: (1) \$100 million to establish an emergency housing response fund available to NCORR to respond to housing needs after, and due to the event on which is based, a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) and (2) \$50 million to establish a voluntary buyout fund to purchase homes undergoing, and located in areas subjected to, repeated flooding due to natural disasters. Directs NCORR to ensure the proper use and effect of such funds through requirements that any funds received or used for improper or nonqualifying purposes will be returned or forfeited if the recipient does not fulfill its responsibilities under the terms of receipt of the funds, contract, or both. Authorizes NCORR to purchase a qualifying home for up to 110% of the pre-disaster fair market value of the home. Directs NCORR to submit quarterly reports to the specified NCGA committee and division on the use of the funds, as specified until the quarter after the funds have been spent. Effective July 1, 2026.

Requires the Department of Insurance (DOI) to study the feasibility, and the best method of implementing, a low-interest loan program to provide loans to homeowners for costs associated with strengthening residential structures to withstand hurricanes, as specified, and report its findings to the General Assembly and the Fiscal Research Division (FRD) by no later than January 1, 2027.

#### Section 5.

Directs the Office to study methods of incentivizing the construction of, and increasing the affordability of, housing options for rent or sale, as specified, and report its findings to the General Assembly and FRD by no later than January 1, 2027. Starting July 1, 2026, and at least once every biennium, requires the State Auditor to audit all housing programs administered by a State agency that have a budget of \$10 million or more.

#### Section 6.

Enacts GS 105-153.14 authorizing an owner of a hotel or motel providing lodging accommodations for pay located in this State with at least 30 rooms for short-term rental is to claim a credit against the tax imposed for each affordable rental unit created from the conversion of one or more rooms. Sets the amount of the credit as equal to the lesser of (1) 30% of the cost of conversion or \$40,000. The credit is allowed for the taxable year within which the conversion is completed. Specifies that credit allowed may not exceed the amount of tax imposed for the taxable year reduced by the sum of all credits allowable, except payments of tax by or on behalf of the taxpayer. Specifies that the tax credit does not apply to costs paid with funds provided by a State or federal agency or program. Prevents a taxpayer claiming the credit from claiming another credit for the same activity. Effective for taxable years beginning January 1, 2026. Directs the State Building Code Council to adopt rules establishing an expedited permitting process of no more than 45 days and code flexibility for the conversion of hotel and motel rooms into affordable rental units (1) for which a tax credit is allowed as described above and (2) where there is an existing building footprint.

Appropriates \$2 million from the General Fund to the Agency for 2026-27 to be used for an accommodation conversion program to provide funding to offset certain costs involved in converting hotels and motels into affordable rental units for permanent housing, as specified. Effective July 1, 2026.

#### Section 7.

Appropriates \$30 million from the General Fund to the Agency in recurring funds beginning in 2026-27 to be used for an Emergency Rental Assistance Fund established by the Agency, to provide assistance to persons of low income or who are homeless, as described. Effective July 1, 2026. Entitles indigent persons to assistance of counsel in summary ejectment proceedings under GS 7A-541. Effective October 1, 2026, and applies to actions for summary ejectment brought on or after that date. Authorizes tenants to either (1) pay their security deposit in an installment payment plan agreed upon by the landlord and tenant, not to exceed the lease term or the six months from the start of the lease term, whichever is less; or (2) to provide security deposit insurance (defined) as a substitute for a security deposit, as described, in new GS 42-57. Requires the Agency to ensure the reporting to credit agencies of timely rental payments by receipts of assistance.

#### Section 8.

Appropriates \$35 million from the General Fund to the Agency in recurring funds beginning in 2026-27 to be used to work with local housing authorities to use the funds appropriated in this section to provide combined housing and wraparound services to persons and families experiencing homelessness. Appropriates \$20 million for 2026-27 from the General Fund to the Agency to be used for a Rapid Rehousing Program established by the Agency to work with local housing authorities to use the funds appropriated to provide temporary, short-term rental and housing assistance and case management services to persons experiencing homelessness. Authorizes the funds appropriated to also be allocated by the Agency to any local housing authorities established under GS Chapter 157 that request funds to establish coordinated entry systems designed to ensure that all people experiencing a housing crisis have fair and equal access to rental and housing assistance.

Effective July 1, 2026.

#### Section 9.

Enacts new Part 21A to Article 10 of GS Chapter 143B termed, "The Housing Innovation and Affordability Advancement Act", as follows. Defines Department, construction skilled trade, and institution of higher education. Establishes the Housing Construction Development Program (HCDP) in DOC, comprised of a workforce development grant program, apprenticeship development grant program, and innovation assistance grant program. Appropriates \$50 million from the General Fund to DOC in recurring funds beginning in 2026-27 for the HCDP to be allocated in the specified amounts for the described purposes. Effective July 1, 2026.

#### Section 10.

Appropriates \$3 million from the General Fund to the NC Human Relations Commission (HRC) in recurring funds for beginning in 2026-27 to be used by HRC to actively investigate, identify, and report to the Attorney General discriminatory practices in the housing market that violate the State Fair Housing Act. Appropriates \$25 million from the General Fund to DOC in recurring funds beginning in 2026-27 to establish a special account known as the Equitable Development Account to identify communities with persistent poverty, areas with housing cost burdens exceeding 40% of median household income, or opportunity zone census tracts and to provide funds to the local government units in which identified neighborhoods are located to construct, improve, and repair water, sewer, electrical, transportation, and other infrastructure. Effective July 1, 2026.

Expands the contents of a comprehensive plan under GS 160D-501 so that it must also analyze, evaluate, and require the implementation of equitable distribution of affordable housing.

**Intro. by Garrett, Bradley.**

[APPROP, GS 7A, GS 42, GS 105, GS 122A, GS 160D](#)

[View summary](#)

[Courts/Judiciary, Civil, Civil Law, Court System, Development, Land Use and Housing, Building and Construction, Community and Economic Development, Education, Higher Education, Government, Budget/Appropriations, State Agencies, Community Colleges System Office, UNC System, Department of Insurance, Department of Public Safety, Department of Revenue, Tax, Local Government](#)

S 1056 (2025-2026) [NC SMALL BUSINESS CAPITAL & JOBS ACT](#). Filed Apr 30 2026, *AN ACT TO ENACT THE NC SMALL BUSINESS CAPITAL AND JOBS ACT*.

Enacts Part 20A, Article 10, GS Chapter 143B. Cites the Part as the "North Carolina Small Business Capital Access Act". Sets forth five legislative findings; the Part's purpose; and 11 defined terms. Establishes the Office of Small Business Capital Access (Office) within the Department of Commerce (Department) with seven specified duties relating to the administration of the North Carolina Small Business Capital Access Program (Program), including submitting annual reports to the Governor and the NCGA. Provides for appointment of an Office Director by the Secretary of the Department. Sets forth qualifications of the Director. Establishes the 11-member Small Business Capital Access Oversight Board (Board) and charges the Board with providing strategic oversight of the Program as specified, including submitting annual recommendations to the Governor and the NCGA. Provides for Board appointment, terms, and meetings.

Establishes the Program includes seven described components as follows. Requires the Office to develop an application process and compliance guidelines for each component in consultation with the Board and to ensure coordination among Program components. For the Small Business Loan Guarantee Program component, lists the purpose of the component and five minimum required guidelines for the program component, including, among other requirements, requiring guarantees for loans made by qualified lenders to eligible small businesses (defined to mean a business that employs less than 500 full-time employees) and qualifying businesses (defined as a business located in an underserved community, which is a census tract designated as a low-income community according to the most recent data from the US Census Bureau or is located in a rural area as defined by the North Carolina Rural Center) with coverage up to 90% of the loan amount for businesses located in development tier one area or in a persistent poverty census tract and up to 80% of the loan amount for other small business. Establishes and lists the purpose of the North Carolina Qualifying Business Growth Fund component, and sets forth three minimum required guidelines for the Growth Fund, including, among other requirements, requiring direct investments to qualified businesses ranging from \$250,000 to \$2 million. Provides for the purpose of the CDFI (defined as a Community Development Financial Institution certified by the US Department of Treasury) Support Initiative component and sets forth four minimum required guidelines, including, among other requirements, requiring the provision of direct grants to certified CDFIs operating in the State to be used for loan loss reserves, operating support, technological improvements, product development, and technical assistance capacity. Provides for the purpose of the Small Business Technical Assistance Network component and sets forth four required minimum guidelines, including, among other requirements, the provision of business development services to participants in all Program components and ensuring services are accessible in all regions of the State.

Provides for the State Procurement Financing Initiative component and sets forth four minimum required guidelines, including, among other requirements, a bonding assistance program to help contractors secure required performance and payment bonds. Provides for the Small Business Innovation Fund component and sets forth four minimum required guidelines, including, among other requirements, the provision of matching grants of up to 50%, not to exceed \$100,000, for recipients of federal Small Business Innovation research and Small Business Technology Transfer awards.

Establishes the Small Business Capital Access Fund (Fund) within the Department to consist of legislative appropriations, federal grant funds, private contributions and donations, loan repayments and investment returns, fees collected from program participants, and interest earnings. Limits use of funds to the purposes established by the section, including reasonable administrative expenses. Provides for separate accounting for program components as necessary.

Directs the Office to develop and implement a comprehensive evaluation framework to measure the impact and effectiveness of the Program. Sets forth eight required performance metrics, including business revenue growth following program participation and default rates and program sustainability. (Appears to) direct the Office to contract for and procure an independent evaluation by a qualified external entity every three years. Requires annual reporting to the NCGA and Governor with six required components, including financial statements of the Fund.

Reenacts Part 5, Tax Credits for Qualified Business Investments, of Article 4, GS Chapter 105 as it existed immediately before its repeal in 2014. Revises and adds to the Part as follows. Adds the following terms. Defines *eligible investor* to include a person subject to the franchise tax, income tax, or gross premium tax levied under state law. Defines *eligible business* as a business that meets the following seven criteria: is registered with the Secretary of State pursuant to state law; has received during the current year or preceding three years assistance from the Office; is headquartered and primarily operating in the State; has been in operation for at least one year; had gross revenues of \$5 million or less on a consolidated basis during its most recent fiscal year before filing an application for registration; has 100 or fewer full-time employees; and at least an undetermined number of its full-time employees are new employees and were employed for a yet to be defined number of weeks of year for which a credit is allowed. Modifies *subordinated debt* to exclude any portion of indebtedness that matures earlier than three years (was, five years) after its issuance. Deletes the terms granting entity; North Carolina Enterprise Corporation; qualified business; qualified business venture; qualified grantee business; qualified licensee business; real estate related business; related person; selling or leasing at retail; and service related industry.

Amends GS 105-163.011 to repeal subsection (b1), providing for the tax credit previously allowed for a pass through entity that purchases the equity securities or subordinated debt of a qualified business directly from the business. Modifies the tax credit allowed under subsection (b), making the credit available to eligible investors (was, individuals) who purchase the equity securities or subordinated debt of an eligible business (was, qualified business) directly from that business. Sets a new aggregate minimum for the credit at \$10,000 and increases the aggregate cap from \$50,000 to \$500,000. Establishes new subsection (b2) to increase the credit allowed by 10% if the amount generating the credit is invested in an eligible business that is located in a development tier one or tier two area, or a MWBE (might intend qualifying business instead of MWBE). Makes conforming changes.

Amends GS 105-163.012, increasing the cap for the total of all tax credits allowed under the Part for investments made in a calendar year from \$7.5 million to \$10 million.

Deletes GS 105-163.013 (providing for registration of qualified business ventures, qualified licensee businesses, and qualified grantee businesses and reporting to the Revenue Laws Study Committee by the Secretary of State).

Amends GS 105-163.014 to specify that a credit under the Part is forfeited when, among other described events, (1) the eligible business received assistance pursuant to state law as a result of providing false information to the Office and assistance was withdrawn as a result; (2) within three years (was, one year) after the investment was made, the taxpayer transfers any of the qualifying securities received therefrom to another person or entity, subject to three listed exceptions; or (3) within three years (was, five years) after the investment was made, the eligible business in which the investment was made makes a redemption with respect to the securities received in the investment. Deletes subsection (d1), which provided an exception to forfeiture for qualified business ventures engaging primarily in motion picture film production.

Deletes the previous sunset provisions set forth in GS 105-163.015.

Appropriates \$50 million in recurring funds from the General Fund to the Department beginning with 2026-27 to establish and implement the Program. Provides that the funds do not revert. Allocates the funds in specified amounts to the seven components of the Program. Directs the Department to adopt implementing rules.

Provides a severability clause.

Effective July 1, 2026. Requires the Office Director be appointed within 60 days of that date and the Board be appointed and hold its first meeting within 90 days of that date. Requires the Office to develop and publish program guidelines for all Program components within 180 days of the effective date. Requires the Office to implement the Small Business Loan Guarantee Program, the CDFI Support Initiative, the Small Business Technical Assistance Network, and a unified application system for all components within one year of the effective date. Directs the Office to implement the MWBE Growth Fund (appears to intend the North Carolina Qualifying Business Growth Fund), the State Procurement Financing Initiative, and the initial regional innovation hubs within two years of the effective date.

**Intro. by Garrett, Batch, Salvador.**

[APPROP, GS 105, GS 143B](#)

[View summary](#)

**Business and Commerce, Government,  
Budget/Appropriations, State Agencies, Department of  
Commerce, Tax**

S 1063 (2025-2026) [FISCAL NOTE FOR ALL BILLS CONSIDERED](#). Filed Apr 30 2026, *AN ACT TO REQUIRE FISCAL NOTES ON ALL BILLS PRIOR TO CONSIDERATION*.

Amends GS 120-36.7 regarding long-term fiscal analyses of proposed legislation as follows. Enacts a new general requirement for every bill and resolution introduced that does not require a fiscal note pursuant to Article 6D (concerning those that would have a fiscal impact on local governments) to have a fiscal note prepared by the Fiscal Research Division attached before it may be scheduled for committee consideration. Details required content of the fiscal note including five-year cost estimates.

Modifies existing requirements to mandate the Division prepare a fiscal analysis of proposed legislation which appropriate funds for a State building, create a new state program, or make changes that could cause a net increase in incarceration, prior to being scheduled for committee consideration (was upon member request only). Maintains the required content of such notes prepared for proposals involving a state building, new program, or increased incarceration.

Specifies that for any fiscal analysis required under the statute for which the Division determines no dollar estimate is possible, the Division must include a statement to that effect in the note.

Appropriates \$50,000 from the General Fund to the NCGA for 2026-27 to implement the act.

**Intro. by Burgin.**

[APPROP, GS 120](#)

[View summary](#)

**Government, Budget/Appropriations, General Assembly**

S 1064 (2025-2026) [OUTDOOR ADVERTISING REVISIONS](#). Filed Apr 30 2026, *AN ACT TO REVISE LAWS GOVERNING OUTDOOR ADVERTISING*.

Amends GS 136-33 to add new subsections (d) and (e). New subsection (d) requires the Department of Transportation (DOT) to approve or deny a permit for a new outdoor advertising sign within 30 days of receiving the completed application (complete if it has all information and supporting documents required by DOT's rules), all required fees, and documentation. If DOT does not provide written notice of its decision within 30 days, the application must be deemed approved and DOT must issue the permit. New subsection (e) prohibits DOT from revoking an outdoor advertising permit for a first-time violation of Article 11 or DOT rules, except as provided in GS 136-133.1(i). Requires DOT to provide written notice to a permit holder and at least 60 days to cure a subsequent violation associated with the same permit before revoking it. Permits DOT to pursue any other lawful remedies during the cure period. Clarifies that subsection (e) does not limit DOT's authority to address immediate threats to public safety or fraud in the application process.

Amends GS 136-138 by adding limitations on DOT's delegation authority. Requires any amendment or modification of the January 7, 1972, agreement between the State and US DOT implementing the federal Highway Beautification Act of 1965 to

have prior approval of NCGA by joint resolution to be effective. Prohibits DOT from delegating or transferring permitting, enforcement, or other core regulatory authority under Article 11 to any county, municipality, or other political subdivision of North Carolina. Clarifies that this does not prohibit DOT from cooperating with local governments or enforcing local ordinances consistent with Article 11.

Amends GS 136-133.1 by:

- (1) Removing all current text of subsection (a) concerning limitations on the cutting or removal zone for vegetation and replacing it with a provision allowing the owner of an outdoor advertising sign permitted under GS 136-129(4) or 136-129(5) to obtain an annual vegetation maintenance permit from DOT upon payment of a \$400 fee;
- (2) Removing all current text of subsection (b) and replacing it with a provision allowing the owner and owner's designees to cut, thin, prune, remove, or maintain any tree, shrub, or underbrush within the maximum cut or removal zone for each sign face at any time during the permit year, upon issuance of the annual vegetation maintenance permit;
- (3) Removing all current text of subsection (c) concerning submission of a site plan and replacing it with a provision requiring native dogwoods to be preserved, prohibiting any person from cutting or removing a native dogwood under GS 136-133.1. Clarifies that all other vegetation within the authorized zone can be cut, thinned, pruned, removed, or maintained without further application, site plan, tree survey, or additional fees;
- (4) Removing all current text of subsection (d) concerning removal of existing trees and replacing it with a provision that states that the annual vegetation maintenance permit is valid for one year from the issue date and it may be renewed annually upon payment of a \$500 fee;
- (5) Removing all current text of subsection (e), which allowed removal of trees and vegetation of any age in the cut or removal zone upon submitting a plan for beautification and replanting and replacing it with a provision that clarifies that GS 136-133.1 is the sole authority for vegetation cutting or removal associated with outdoor advertising signs and that all prior requirements for selective vegetation removal permits, caliper-inch fees, replanting plans, and related processes are repealed and replaced by the annual permit process; and
- (6) Removing all current text of subsection (f) concerning pruning of tree branches in the highway right-of-way and replacing it with a provision permitting an owner of an outdoor advertising sign permitted under GS 136-129(4) or 136-129(5) or owner's designees to apply herbicides from the private property side along the fence line for the purpose of controlling vegetation encroachment. Defines *fence line* as the boundary line between the private property the outdoor advertising is located on and the adjacent state highway right-of-way. Limits use of applicators by an owner or designee to include only those licensed by the NC Department of Agriculture and Consumer Services and requires compliance with all federal and state pesticide laws and rules. Limits application to five feet into the right-of-way and prohibits its application to native dogwoods or trees with a diameter of four inches or more, measured six inches from the ground.

Amends GS 136-133.2 by (1) removing all current text of subsection (a) and replacing it with a provision that requires DOT to approve or deny an application for an annual vegetation maintenance permit, including the required \$400 fee, within 30 days of receiving the application and provides that if DOT fails to provide written notice of its decision within 30 days, the application must be deemed approved and the permit must be issued and (2) removing all current text of subsection (b) and replacing it with a provision permitting DOT to deny an application only for failure to pay the required fee or failure to hold a valid outdoor advertising permit under GS 136-129(4) or 136-129(5).

**Intro. by Jarvis, Moffitt.**

GS 136

[View summary](#)

**Business and Commerce, Environment, Environment/Natural Resources, Transportation**

Sets out NCGA findings related to the loss of millions of acres of land farmed by small farmers and how to assist through targeted grants, as well as the purpose of the act.

Amends GS Chapter 106 to add new Article 61B. Small Farmers Support Grant Program.

Enacts GS 106-748, which defines (1) *Commissioner* (Commissioner of Agriculture and Consumer Services); (2) *Department* (NC Department of Agriculture and Consumer Services); (3) *eligible individual* (resident of NC who is at least 21 years old, is a small farmer, and had an annual income from farming operations of at least \$1,000 for the preceding taxable year); and (4) *small farmer* (a farmer with a gross cash farm income of \$1 million or less, as determined in a manner as the Department may specify).

Enacts GS 106-749, establishing the Small Farmers Support Grant Program (Program) within the NC Department of Agriculture and the Small Farmer Grant Fund (Fund) as a special revenue fund consisting of gifts, grants, and donations from non-State entities and General Fund appropriations for the support of the Program. Requires the Fund to be used for providing grants to eligible individuals for essential inputs, equipment, and operational improvements to their farming operations. Provides required procedures and restrictions for grants from the Fund. Requires the Department to establish an advisory committee to monitor the Program's effectiveness and make recommendations for improvements and to adopt rules to carry out provisions of Article 61B.

Appropriates \$15 million in recurring funds for 2026-27 from the General Fund to the Department for the Fund to be used for the Program.

Effective July 1, 2026.

**Intro. by Smith.**

[APPROP, GS 106](#)

[View summary](#)

[Agriculture, Government, Budget/Appropriations, State Agencies, Department of Agriculture and Consumer Services](#)

S 1072 (2025-2026) [CONSTITUTIONAL AMENDMENTS - CANNABIS](#). Filed May 4 2026, *AN ACT TO AMEND THE CONSTITUTION OF NORTH CAROLINA TO PROVIDE FOR THE QUALIFIED DECRIMINALIZATION AND MEDICAL USE OF CANNABIS*.

Section 1

Subject to voter approval at the general election in November 2026, adds new Section 39 to Article I of the North Carolina Constitution, which provides that the possession of limited amounts of cannabis for personal use is not a criminal offense in this State. Directs the NCGA to enact general laws consistent with this section. If approved, effective upon certification.

Section 2

Subject to voter approval at the general election in November 2026, adds new Section 39 to Article I of the North Carolina Constitution, which provides that the possession of limited amounts of cannabis for medical use by patients with qualifying conditions is not a criminal offense in this State. Directs the NCGA to enact general laws consistent with this section. If approved, effective upon certification.

**Intro. by Smith, Theodros, Lowe.**

[CONST](#)

[View summary](#)

[Constitution](#)

## LOCAL/HOUSE BILLS

H 1035 (2025-2026) [EVEN-YR ELECTIONS/PINK HILL. \(NEW\)](#) Filed Apr 21 2026, *AN ACT TO REQUIRE THAT MUNICIPAL ELECTIONS IN THE TOWN OF PINK HILL BE CONDUCTED IN EVEN-NUMBERED YEARS.*

House committee substitute makes the following changes to the 1st edition. Moves the proposed language replacing Section 3 of the Charter of the Town of Pink Hill (SL 1915-31, as amended), providing for even-numbered year elections, to new Section 3.2. Makes clarifying changes. Repeals existing Section 3 of the Charter, which provided for odd-numbered year elections. Makes clarifying changes to the proposed language in Section 3.1 regarding terms of office for the mayor and commissioners.

Repeals SL 1955-760, providing for elections in Pink Hill to be conducted in accordance with specified provisions of GS Chapter 160 (since repealed and recodified).

Changes the act's titles.

**Intro. by Humphrey.**

UNCODIFIED, Lenoir

[View summary](#)

**Government, Elections, Local Government**

H 1067 (2025-2026) [RURAL HALL - UNAFFILIATED CANDIDATES. \(NEW\)](#) Filed Apr 28 2026, *AN ACT TO AMEND THE CHARTER OF THE TOWN OF RURAL HALL TO PROVIDE A PROCESS FOR UNAFFILIATED CANDIDATES TO RUN FOR ELECTED OFFICE.*

House committee substitute to the 1st edition makes the following changes. Removes provisions in new Section 4.1 of the Town of Rural Hall's Charter (SL 1973-1100) that authorized the Forsyth County Board of Elections to set rules on (1) the date and time that a petition of unaffiliated candidates seeking nomination by petition for municipal office must be timely submitted for verification and (2) imposing a signature requirement in the petition itself. Instead, specifies that the date and time such petitions must be filed with the county board of elections in GS 163-122(a)(3) apply instead.

Changes the effective date to January 1, 2027 (was, when act becomes law) and now applies to elections held in 2028 and thereafter (was, applies to elections held after the act becomes law).

Changes the act's titles.

**Intro. by K. Hall.**

UNCODIFIED, Forsyth

[View summary](#)

**Government**

H 1217 (2025-2026) [NORLINA/EVEN-YR ELECT./4-YR STAGGERED TERMS.](#) Filed May 4 2026, *AN ACT TO REQUIRE THAT MUNICIPAL ELECTIONS IN THE TOWN OF NORLINA BE CONDUCTED IN EVEN-NUMBERED YEARS AND THAT MUNICIPAL OFFICERS IN THE TOWN OF NORLINA SERVE FOUR-YEAR STAGGERED TERMS.*

Amends Section 4 of the Charter of the Town of Norlina, set out in SL 1947-1020, as amended. Provides that the election for the board of commissioners and mayor will be conducted in a manner provided in GS Chapter 163 (was, in the manner provided in the Charter). Sets the mayor's term of office to four years (was, two) and until a successor is elected and qualified and the board of commissioners' term of office to four years on a staggered basis (was, two years and not staggered) and until successors are elected and qualified. Further amends Section 12 of the Charter to require regular municipal elections be conducted on the Tuesday following the first Monday in November (was, May) in even-numbered years (was, odd-numbered years).

Provides that no regular municipal elections will be conducted in the Town of Norlina in 2027 and extends the terms of office for the mayor and five commissioners serving on the effective date of this act, whose terms are set to expire in 2027, by one year. Clarifies that regular municipal elections will resume in even-numbered years beginning in 2028. Directs that after the 2028 municipal elections, the mayor and two board of commissioner candidates with the highest number of votes will be elected to serve four-year terms and the three board of commissioner candidates receiving the next highest number of votes

will be elected to serve two-year terms. Directs that in 2030 and every four years thereafter, three members of the board of commissioners will be elected to serve four-year terms and in 2032 and every four years thereafter, a mayor and two commissioners will be elected to serve four-year terms.

Applies to elections held on or after this act's effective date.

**Intro. by R. Pierce.**

[Warren](#)

[View summary](#)

[Government, Elections, Local Government](#)

H 1218 (2025-2026) [NAVIGABLE WATERS/PINE KNOLL SHORES](#). Filed May 4 2026, *AN ACT TO PROVIDE THE TOWN OF PINE KNOLL SHORES WITH THE AUTHORITY TO PLACE AIDS TO NAVIGATION AND ESTABLISH NO-WAKE ZONES*.

Empowers the Town of Pine Knoll Shores (Town) to make, adopt, and enforce ordinances for the navigable waters of canals and Bogue Sound within the corporate limit and extraterritorial jurisdiction of the Town concerning:

- (1) Placement and maintenance of channel aids and markers, anchoring aids and markers, and navigational aids and markers in conformity with the US Aids to Navigation System and the rules of the Wildlife Resources Commission (WRC) as adopted for use on the waters of NC. Requires the Town Board of Commissioners (Board), by ordinance or resolution, to identify the location of the devices by use of Global Positioning System (GPS) coordinates and to notify both the US Coast Guard and US Army Corps of Engineers in writing of the intent to place the devices, prior to doing so. Provides notice requirements.
- (2) Enacting no-wake zones, areas where the speed of a vessel is limited to a no-wake speed as defined in GS 75A-2. Prior to designating areas as such, the Board, by ordinance or resolution, must identify the location of such areas by use of GPS coordinates and notify the WRC, US Coast Guard, and US Army Corps of Engineers in writing of the intent to make the designation. Requires such zones to be marked with buoys or markers in the style of no-wake zones marked and placed by WRC. Provides notice requirements.
- (3) Enforcement of ordinances adopted under the authority of this act in accordance with GS 160A-175.

Clarifies that this act is intended to supersede GS 75A-15(a) and (b) within Town limits, but that any other State or federal rule or regulation will supersede and prevail over a local ordinance to the extent of any conflict between the two.

Provides that law enforcement officers of the Town, the Carteret County Sheriff's Office, and WRC have authority to enforce any local ordinance adopted under the act's authority.

**Intro. by Cairns.**

[Carteret, GS 75A](#)

[View summary](#)

[Transportation](#)

H 1219 (2025-2026) [MEM. OF UNDERSTANDING TENNESSEE CNTYS/MADISON](#). Filed May 4 2026, *AN ACT TO ALLOW MADISON COUNTY TO SIGN MEMORANDUMS OF UNDERSTANDING WITH UNICOI, GREENE, AND COCKE COUNTIES*.

Authorizes the Madison County Sheriff's Office to enter into memorandums of understanding (MOUs) with sheriffs' offices located in three identified Tennessee counties to permit those offices to conduct law enforcement special operations mission and cooperative enforcement actions across state lines. Requires MOUs to address shared or assigned liability for any claims arising from actions taken pursuant to agreements and limit liability of Madison County and the State to the greatest extent possible. Requires annually reporting any new MOUs entered into during the year to the Department of Justice. Applies to Madison County only.

**Intro. by Pless.**

[UNCODIFIED, Madison](#)

[View summary](#)

[Government, Public Safety and Emergency Management](#)

H 1220 (2025-2026) [AMEND STEDMAN CHARTER](#). Filed May 4 2026, *AN ACT TO REPEAL A PROVISION OF THE CHARTER OF THE TOWN OF STEDMAN CONCERNING SALE OF ALCOHOLIC BEVERAGES.*

Repeals SL 1913-67, Section 8 of the Charter of the Town of Stedman, which bars the manufacture or sale of spirituous, vinous, or malt liquors within corporate limits of the Town.

**Intro. by Wheatley.**

[Cumberland](#)

[View summary](#)

[Alcoholic Beverage Control](#)

H 1221 (2025-2026) [4-YR TERMS/TOWN OF EVERETTS](#). Filed May 5 2026, *AN ACT TO REQUIRE THAT MUNICIPAL ELECTIONS IN THE TOWN OF EVERETTS TAKE PLACE EVERY FOUR YEARS AND THAT MUNICIPAL OFFICERS IN THE TOWN OF EVERETTS HAVE FOUR-YEAR TERMS.*

Adds new Section 3.1 to the Charter of the Town of Everetts (SL 1893-321, as amended) establishing the composition of the Town's governance to be a mayor and three commissioners. Sets terms for each municipal officer at four years. Provides for nonpartisan plurality elections in accordance with GS 163-292.

Directs that election of the mayor and commissioners be held beginning in 2027 and quadrennially thereafter.

**Intro. by Willingham.**

[Martin](#)

[View summary](#)

[Government, Elections](#)

H 1222 (2025-2026) [RECORD DEVELOPMENT APPROVAL VOTES/BRUNSWICK](#). Filed May 5 2026, *AN ACT TO REQUIRE ALL DEVELOPMENT APPROVALS IN BRUNSWICK COUNTY TO BE DECIDED BY ROLL CALL VOTE OF THE COUNTY BOARD OF COMMISSIONERS.*

Repeals SL 2019-99, which amended GS 153A-343 as it applies to Brunswick County, to allow the board of commissioners to, by ordinance, delegate to the planning board the authority to conduct required public hearings and make the final decision on zoning map amendment proposals, with a right of appeal from the planning board's final decision to the board of commissioners.

Mandates the Brunswick County Board of Commissioners to make final decisions on all development approvals in the county and directs that meeting records where approvals are decided must include the roll call vote on each approval. Defines *development approval* by statutory cross-reference.

**Intro. by Miller.**

[Brunswick](#)

[View summary](#)

[Development, Land Use and Housing, Land Use, Planning and Zoning](#)

H 1223 (2025-2026) [REENACT FUNDING/MECK. EMERG. PENSION FUND](#). Filed May 5 2026, *AN ACT TO REENACT AND INCREASE THE FUNDING FOR THE EMERGENCY PENSION FUND FOR SWORN LAW ENFORCEMENT OFFICERS OF MECKLENBURG COUNTY.*

Reenacts SL 1931-446, Sections 4 and 7, relating to the Emergency Pension Fund for the County of Mecklenburg, as they existed immediately prior to their repeal.

Amends Section 6, as reenacted, as follows. Updates reference to the Fund to specify it is the Emergency Pension Fund for Sworn Law Enforcement Officers of Mecklenburg County. Increases the fee to be assessed from court costs in the county from \$1 to \$2 to be paid to the Fund's Board, now the Emergency Pension Fund for Sworn Law Enforcement Officers of Mecklenburg County Board. Eliminates the exemption for cases where the defendant committed a traffic offense if the defendant serves the sentence imposed by the court. Makes conforming changes.

Applies to bills of costs of applicable convictions or guilty pleas occurring on or after October 1, 2026.

**Intro. by Cotham.**

[Mecklenburg](#)

[View summary](#)

[Courts/Judiciary, Court System, Employment and Retirement, Government, Public Safety and Emergency Management](#)

H 1224 (2025-2026) [LOCAL GOV. ASSISTING AFFORDABLE HOUSING](#). Filed May 5 2026, *AN ACT GRANTING ADDITIONAL AUTHORITY TO LOCAL GOVERNMENTS TO ASSIST OR INCENTIVIZE DEVELOPERS OF AFFORDABLE HOUSING*.

Modifies GS 162A-203, applying only to the City of Winston Salem, to add new subsection (c) allowing local government units (LGUs) or a joint agency created pursuant to GS 160A-461 (permitting interlocal cooperation) to exempt affordable housing developments from or reduce the cost of a system development fee imposed by GS Chapter 162A, Article 8. Requires the LGU or joint agency to adopt criteria for determining whether a development qualifies for the exemption or reduction.

**Intro. by K. Brown.**

[Forsyth](#)

[View summary](#)

[Public Enterprises and Utilities](#)

H 1225 (2025-2026) [WINSTON-SALEM ZONING PROCEDURE CHANGES](#). Filed May 5 2026, *AN ACT TO ALLOW FOR THE PLANNING BOARD TO HOLD HEARINGS AND MAKE FINAL DECISIONS FOR ZONING AMENDMENT REQUESTS IN THE CITY OF WINSTON-SALEM*.

Applies only to the City of Winston-Salem.

Adds subsection GS 160D-602(f) to allow the governing board, by ordinance, to delegate rezoning authority to a designated planning board. Requires the governing board to provide a right of appeal and review before the governing board in accordance with rules adopted by the governing board. Provides that such authority is to be exercised by the designated planning board under rules established by the governing board.

**Intro. by Zenger, K. Brown.**

[Forsyth, GS 160D](#)

[View summary](#)

[Development, Land Use and Housing, Land Use, Planning and Zoning](#)

H 1226 (2025-2026) [WINSTON-SALEM/FORSYTH CO. PLANNING & ZONING](#). Filed May 5 2026, *AN ACT AUTHORIZING THE CITY OF WINSTON-SALEM TO DELEGATE REZONING AUTHORITY TO THE JOINT CITY-COUNTY PLANNING BOARD SUBJECT TO APPEAL AND FINAL REVIEW RETAINED BY THE CITY COUNCIL*.

Identical to [S 932](#), filed 4/29/26.

Clarifies, under Section 41 of SL 1947-677 (definitions provision of the act authorizing Winston-Salem and Forsyth County to adopt zoning laws), that Board of Alderman and City Council have the same meaning. Directs, under Section 23 of SL 1947-677, as amended, that the City of Winston-Salem and Forsyth County must enact an ordinance to confer authority upon the joint City and County Planning Board to either revise existing zoning ordinances or to prepare new ordinances. Allows the city to enact ordinances to confer the authority for the rezoning of property, including site plan amendments, to the joint City and County Planning Board. Requires the City Council to establish rules, regulations, and guidelines under which the joint Board can exercise its rezoning authority. Also requires City Council to provide appropriate rights of appeal and final review. Makes technical changes, including replacing references to the Board of Alderman with City Council. Applicable to Winston-Salem only.

**Intro. by K. Brown.**

[UNCODIFIED, Forsyth](#)

[View summary](#)

[Development, Land Use and Housing, Land Use, Planning and Zoning](#)

H 1227 (2025-2026) [COA TO DEMOLISH HISTORIC DISTRICTS/DAVIDSON](#). Filed May 5 2026, *AN ACT AUTHORIZING THE TOWN OF DAVIDSON TO ADOPT ORDINANCES REGULATING THE DEMOLITION OF HISTORIC STRUCTURES*.

Amends Section 2 of SL 2007-66, as the title indicates.

**Intro. by Helfrich.**

[Iredell, Mecklenburg](#)

[View summary](#)

[Development, Land Use and Housing, Land Use, Planning and Zoning](#)

H 1228 (2025-2026) [DOWN-ZONING/HISTORIC DISTRICTS-MECKLENBURG CO](#). Filed May 5 2026, *AN ACT TO EXCLUDE THE DESIGNATION OF HISTORIC DISTRICTS AS DOWN-ZONING IN MECKLENBURG COUNTY*.

Amends GS 160D-601, which prohibits any amendment to zoning regulations or a zoning map that down-zones property from being initiated, enacted, or enforced without the written consent of all property owners whose property is the subject of the down-zoning amendment. Adds that designating a historic district by zoning regulation under GS is not deemed "down-zoning" for the purposes of this statute. Applicable to Mecklenburg County only. Applies retroactively to December 11, 2024.

**Intro. by Carney, T. Brown, Belk, Lofton.**

[Mecklenburg, GS 160D](#)

[View summary](#)

[Development, Land Use and Housing, Land Use, Planning and Zoning](#)

## LOCAL/SENATE BILLS

S 1071 (2025-2026) [ELEC. NOTICE OF PUBLIC HEARINGS/CABARRUS CO](#). Filed May 4 2026, *AN ACT AUTHORIZING THE COUNTY OF CABARRUS TO USE ELECTRONIC MEANS FOR PUBLICATION OF NOTICE OF PUBLIC MEETINGS*.

Amends Section 1 of SL 2003-81, which authorized Cabarrus County to adopt ordinances allowing public notice to be published electronically, to remove the ordinance requirement.

As amended, provides that the county may provide electronic notice for any county business which requires public notice. States that electronic notice may be provided on the county's website or by any other electronic means to be deemed appropriate by the county to communicate said notice to the public.

Provides that electronic notice provided (was, ordinances adopted) pursuant to this act do not supersede other specified State law requirements and do not alter the State publication schedule.

Applies only to Cabarrus County.

**Intro. by Measmer.**

[Cabarrus](#)

[View summary](#)

[Government, Local Government](#)

S 1074 (2025-2026) [EDEN/DUKE ENERGY ANNEXATION AGREEMENT](#). Filed May 4 2026, *AN ACT AUTHORIZING THE CITY OF EDEN TO ENTER INTO AN ANNEXATION AGREEMENT WITH DUKE ENERGY FOR PAYMENTS IN LIEU OF ANNEXATION.*

Provides that the City of Eden may enter into an agreement to provide that specified property, described as the "Dan River Plant Property," may not be involuntarily annexed by the city from July 1, 2025, to June 30, 2030, under the General Statutes except as provided in the agreement. Provides that the city shall not seek to repeal this act. Provides that the agreement is specifically determined to be proprietary and commercial in nature, consistent with State public policy, and continuing and enforceable against future members of the city council for the full term of the agreement. Sets out requirements in order to modify the agreement.

Allows the city to accept payments in lieu of taxes in the amount of \$1 million from Duke Energy as consideration for the agreement, to be paid as \$200,000 annually for five consecutive years.

Describes the specified property by metes and bounds.

**Intro. by Berger.**

[UNCODIFIED, Rockingham](#)

[View summary](#)

[Development, Land Use and Housing, Land Use, Planning and Zoning, Government, Local Government](#)

S 1075 (2025-2026) [RESTORE DOWN-ZONING AUTH./MILITARY COUNTIES](#). Filed May 5 2026, *AN ACT TO RESTORE THE AUTHORITY TO INITIATE DOWN-ZONING IN THE MILITARY HOST COUNTIES OF CRAVEN, CARTERET, ONSLOW, JONES, AND LENOIR.*

Amends GS 160D-601(d), as amended by Section 3K.1 of SL 2024-57, as follows. Allows down-zoning amendments to be initiated by a local government without the written consent of all property owners whose property is the subject of the amendment. Removes prohibition on enacting such amendments without the written consent of the property owners whose property owners are subject to the amendment, but specifies that such amendments cannot be initiated or enforced without such written consent. Narrows the list of what is considered down-zoning under the statute by removing a zoning ordinance that affects an area of land by creating any type of nonconformity on land not in a residential zoning district, including a nonconforming use, nonconforming lot, nonconforming structure, nonconforming improvement, or nonconforming site element. Applicable only to Craven, Carteret, Onslow, Jones, and Lenoir counties and the municipalities therein. Effective when the act becomes law and applies retroactively to December 11, 2024. Directs that any adopted ordinance affected by Section 3K.1 of SL 2024-57 will be in effect as it was on or before December 11, 2024.

**Intro. by Brinson, Lazzara.**

[Carteret, Craven, Jones, Lenoir, Onslow, GS 160D](#)

[View summary](#)

[Development, Land Use and Housing, Land Use, Planning and Zoning](#)

S 1076 (2025-2026) [ROCKY MOUNT/LIMIT ELECTRIC POWER REVENUE USES](#). Filed May 5 2026, *AN ACT TO PROHIBIT THE CITY OF ROCKY MOUNT FROM TRANSFERRING THE REVENUES OF ITS ELECTRIC SYSTEM TO OTHER MUNICIPAL FUNDS*.

Modifies GS 159B-39 for only the City of Rocky Mount removing the authorization to transfer revenue from rates for electric service to other municipal funds a sum that reflects a rate of return on the investment in the electric system, including removing subsection (c) related to calculating the rate of return and total amount that can be transferred.

Effective July 1, 2026.

**Intro. by Barnes, B. Newton, Moffitt.**

[Edgecombe, Nash](#)

[View summary](#)

[Public Enterprises and Utilities](#)

S 1077 (2025-2026) [CITY OF NEW BERN EVEN-YEAR ELECTIONS](#). Filed May 5 2026, *AN ACT TO CHANGE THE TIMING AND MANNER OF REGULAR MUNICIPAL ELECTIONS FOR THE CITY OF NEW BERN*.

Amends Section 3.1 of the Charter of the City of New Bern, set out in SL 2016-41, so that elections are conducted in even-numbered years (was, odd-numbered years) and the Mayor and Board of Alderman are elected by the plurality method as provided in GS 163-292 (was, election and runoff as provided in GS 163-293).

Provides a special election will take place to fill a vacancy on the Board of Alderman if the vacancy is not filled after 90 days. States that the special election will be conducted in accordance with the City charter and GS Chapter 163. Details appointment deadlines and specific manner requirements.

Provides that the City will not hold municipal elections in 2029, and terms of office set to expire in 2029 will be extended by one year. States that regular municipal elections will be held in 2030 and every four years thereafter.

Effective when the act becomes law and applicable to elections held on or after January 1, 2030.

**Intro. by Brinson.**

[Craven](#)

[View summary](#)

[Government, Elections](#)

S 1078 (2025-2026) [9TH SENATORIAL DISTRICT LOCAL ACT-2](#). Filed May 5 2026, *AN ACT RELATING TO THE 9TH SENATORIAL DISTRICT*.

Blank bill.

**Intro. by Jackson.**

[Alamance, Chatham, Cumberland, Guilford, Hoke, Moore, Randolph](#)

[View summary](#)

S 1079 (2025-2026) [RECORD DEVELOPMENT APPROVAL VOTES/BRUNSWICK](#). Filed May 5 2026, *AN ACT TO REQUIRE ALL DEVELOPMENT APPROVALS IN BRUNSWICK COUNTY TO BE DECIDED BY ROLL CALL VOTE OF THE COUNTY BOARD OF COMMISSIONERS*.

Identical to [H 1222](#), filed 5/5/26.

Repeals SL 2019-99, which amended GS 153A-343 as it applies to Brunswick County, to allow the board of commissioners to, by ordinance, delegate to the planning board the authority to conduct required public hearings and make the final decision on

zoning map amendment proposals, with a right of appeal from the planning board's final decision to the board of commissioners.

Mandates the Brunswick County Board of Commissioners to make final decisions on all development approvals in the county and directs that meeting records where approvals are decided must include the roll call vote on each approval.

Defines development approval by statutory cross-reference.

**Intro. by Rabon.**

Brunswick

[View summary](#)

**Development, Land Use and Housing, Land Use, Planning and Zoning**

## ACTIONS ON BILLS

### PUBLIC BILLS

#### **H 390: MEDICAID PREPAID HEALTH PLAN PRACTICES. (NEW)**

*Senate: Reptd Fav*

#### **H 433: SFRF/NCPRO REVISIONS. (NEW)**

*Senate: Amend Adopted A1*

*Senate: Passed 2nd Reading*

*Senate: Passed 3rd Reading*

*Senate: Engrossed*

#### **H 727: LIMIT MEDICAID REIMB. FOR FACILITY FEES (NEW).**

*Senate: Reptd Fav*

#### **H 1123: UNC OMNIBUS & CAPITAL CONTRACTING LAW CHANGES.**

*House: Serial Referral To Rules, Calendar, and Operations of the House Stricken*

*House: Serial Referral To Finance Added*

*House: Serial Referral To Rules, Calendar, and Operations of the House Added*

#### **H 1124: INTERSTATE COMPACT FOR SCHOOL PSYCHOLOGISTS.**

*House: Serial Referral To Appropriations Stricken*

*House: Serial Referral To Rules, Calendar, and Operations of the House Stricken*

*House: Withdrawn From Com*

*House: Re-ref to the Com on Education - K-12, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House*

#### **H 1183: DEFEND NC.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

#### **H 1184: VOUCHER SCHOOL TRANSPARENCY ACT.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

#### **H 1185: MANDATE MOWING IN MAY FOR MAJOR EVENTS.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

**H 1186: EQUIPPING LAW ENF. FOR BETTER DRUG DETECTION.**

*House: Passed 1st Reading*

*House: Ref to the Com on Judiciary 2, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1187: SAVE OUR BEACHES.**

*House: Passed 1st Reading*

*House: Ref to the Com on Agriculture and Environment, if favorable, State and Local Government, if favorable, Rules, Calendar, and Operations of the House*

**H 1188: LIMITS ON IMMIGRATION DETENTION FACILITIES.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

**H 1189: DATACENTER TRANSPARENCY ACT.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

**H 1190: MINDSET ADVANTAGE PILOT PROGRAM.**

*House: Passed 1st Reading*

*House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1191: FOSTERING CARE IN NC ACT 2026.**

*House: Passed 1st Reading*

*House: Ref to the Com on Judiciary 2, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1192: ENERGY AND HOUSING AFFORDABILITY ACT.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

**H 1193: REP. MIKE CLAMPITT BONE MARROW DONATION ACT.**

*House: Passed 1st Reading*

*House: Ref to the Com on Health, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1194: WINSTON-SALEM/FORSYTH JOINT EOC FUNDS.**

*House: Passed 1st Reading*

*House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1195: MOMNIBUS 3.5.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

**H 1196: REQUIRE FREE WATER IN BARS.**

*House: Passed 1st Reading*

*House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1197: REVISE NC TEACHING FELLOWS PROGRAM.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

**H 1198: SANE NURSES DATA/REGISTRATION INFO REQS.**

*House: Passed 1st Reading*

*House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1199: THE SEATBELT ACT.**

*House: Passed 1st Reading*

*House: Ref to the Com on Judiciary 1, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1200: TAX-FREE FAMILY ESSENTIALS ACT.**

*House: Passed 1st Reading*

*House: Ref to the Com on Finance, if favorable, Rules, Calendar, and Operations of the House*

**H 1201: YOUTH PLACEMENT STUDY.**

*House: Passed 1st Reading*

*House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1202: FIRST RESPONDER TRAINING TRACK.**

*House: Passed 1st Reading*

*House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1203: FAMILY SUPPORT FOR THOSE WHO SERVE ACT.**

*House: Passed 1st Reading*

*House: Ref to the Com on Higher Education, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1204: REQUIRE SEAT BELTS ON SCHOOL BUSES.**

*House: Passed 1st Reading*

*House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1205: ORTHODONTIC TREATMENT IN-PERSON EXAM REQ.**

*House: Passed 1st Reading*

*House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1206: PREGNANT WORKERS FAIRNESS ACT/FUNDS.**

*House: Passed 1st Reading*

*House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1207: KEEPING NC OPEN FOR BUSINESS.**

*House: Passed 1st Reading*

*House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1208: COMMUNITY SAFETY RISK PROTECTION ACT.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

**H 1209: STRENGTHEN ED BY EMBEDDED NEW TEACHER SUPPORT.**

*House: Passed 1st Reading*

*House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1210: FIREARM & AMP CONFLICT DE-ESCALATION TRAINING ACT.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

**H 1211: HOME EQUITY INVESTMENT LOAN ACT.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

**H 1212: HOA ACCESSORY LIMITATION BAN.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

**H 1213: PROTECT TAXPAYERS AND CONSUMERS.**

*House: Passed 1st Reading*

*House: Ref to the Com on Finance, if favorable, Rules, Calendar, and Operations of the House*

**H 1214: MAKE E-VERIFY GREAT AGAIN.**

*House: Passed 1st Reading*

*House: Ref to the Com on Judiciary 2, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**H 1215: GARNER MGR/WAKE MUNIC. MEALS TAX REALLOCATION.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

**H 1216: JOHN ROLLINS SCHOLARSHIP PROTECTION ACT.**

*House: Passed 1st Reading*

*House: Ref to the Com on Appropriations, if favorable, Rules, Calendar, and Operations of the House*

**S 310: RELIGIOUS PROPERTY - TAX EXEMPTION.**

*House: Withdrawn From Com*

*House: Re-ref to the Com on Judiciary 2, if favorable, Rules, Calendar, and Operations of the House*

**LOCAL BILLS**

**H 1035: EVEN-YR ELECTIONS/PINK HILL. (NEW)**

*House: Reptd Fav Com Substitute*

*House: Re-ref Com On Rules, Calendar, and Operations of the House*

**H 1067: RURAL HALL - UNAFFILIATED CANDIDATES. (NEW)**

*House: Reptd Fav Com Substitute*

*House: Re-ref Com On Rules, Calendar, and Operations of the House*

**H 1217: NORLINA/EVEN-YR ELECT./4-YR STAGGERED TERMS.**

*House: Passed 1st Reading*

*House: Ref To Com On Rules, Calendar, and Operations of the House*

**H 1218: NAVIGABLE WATERS/PINE KNOLL SHORES.**

*House: Passed 1st Reading*

*House: Ref to the Com on State and Local Government, if favorable, Rules, Calendar, and Operations of the House*

**H 1219: MEM. OF UNDERSTANDING TENNESSEE CNTYS/MADISON.**

*House: Passed 1st Reading*

*House: Ref to the Com on State and Local Government, if favorable, Rules, Calendar, and Operations of the House*

**H 1220: AMEND STEDMAN CHARTER.**

*House: Passed 1st Reading*

*House: Ref to the Com on State and Local Government, if favorable, Rules, Calendar, and Operations of the House*

**H 1221: 4-YR TERMS/TOWN OF EVERETTS.**

*House: Filed*

**H 1222: RECORD DEVELOPMENT APPROVAL VOTES/BRUNSWICK.**

*House: Filed*

**H 1223: REENACT FUNDING/MECK. EMERG. PENSION FUND.**

*House: Filed*

**H 1224: LOCAL GOV. ASSISTING AFFORDABLE HOUSING.**

*House: Filed*

**H 1225: WINSTON-SALEM ZONING PROCEDURE CHANGES.**

*House: Filed*

**H 1226: WINSTON-SALEM/FORSYTH CO. PLANNING & ZONING.**

*House: Filed*

**H 1227: COA TO DEMOLISH HISTORIC DISTRICTS/DAVIDSON.**

*House: Filed*

**H 1228: DOWN-ZONING/HISTORIC DISTRICTS-MECKLENBURG CO.**

*House: Filed*

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