

The Daily Bulletin: 2026-05-20

PUBLIC/HOUSE BILLS

H 308 (2025-2026) **2026 CRIMINAL LAW CHANGES. (NEW)** Filed Mar 5 2025, *AN ACT TO MODIFY CERTAIN GENERAL STATUTES RELATED TO CRIMINAL PROCEDURE, SENTENCING, OFFENSES, AND OTHER LAWS.*

Senate committee substitute makes the following changes to the 3rd edition. Makes conforming changes to the act's long and short titles.

Removes prior edition's changes to the domestic violence laws found at GS 14-33, GS 14-33.2, GS 15A-401, GS 15A-534.1. Removes new GS 14-32.6, which would have created the crime of habitual domestic violence. Removes the prior edition's changes to the expunction laws found at GS 15A-145, GS 15A-145.1, GS 15A-145.2, GS 15A-145.3, GS 15A-145.4, GS 15A-145.6, GS 15A-145.8A, GS 15A-145.9, GS 15A-151(a)(2). Removes changes to GS 15A-1354(a) removing the default that sentences run concurrently.

Section 6

Extends the effective date of the changes made to GS 14-32.4 and GS 143B-1023 by one year.

Adds the following new content.

Section 6.1

Enacts GS 14-223.1, which (1) defines *first responder* to include a law enforcement officer, firefighter, emergency medical technician or medical responder, a probation or parole officer, or any person whose employment duties include the custody, transportation, or management of persons who are detained or confined to a detention facility, youth development center, or correctional institution operated under the jurisdiction of the State or a local government; (2) defines *harass* as willfully engaging in a course of conduct directed at a first responder which intentionally causes that responder substantial emotional distress and serves no legitimate purpose; and (3) makes it a Class 2 misdemeanor for a person, after receiving a verbal warning not to approach from a person he or she knows or reasonably should know is a first responder, who is engaged in the lawful performance of a legal duty, to knowingly and willfully violate that warning and approach/remain within 25 feet of the first responder with the intent to either impede or interfere with the first responder's ability to perform his or her duty, threaten physical harm, or harass the first responder. Clarifies that merely recording or taking photos of the first responder, without another overt act does not constitute harassment under the statute. Effective December 1, 2026, and applies to offenses committed on or after that date.

Section 7

Extends the time that a judge has to make determination under GS 15A-534.8 (pretrial release provisions pertaining to looting, rioting, or failure to disperse) from 24 hours to 48 hours. Clarifies that nothing in the section should be construed to prevent or prohibit an individual from exercising their right to free speech or freedom of assembly. Applies to offenses committed on or after December 1, 2026.

Section 8

Enacts GS 14-72.13, making it a Class I felony if the person is located within the area of a retail establishment where goods are stored or offered for sale while knowingly possessing any theft tools with the intent to use the theft tools to commit larceny from a merchant. Defines *theft tools* and *theft detection shielding device*. Applies to offenses committed on or after December 1, 2026.

Section 9

Requires, in GS 14-190.9 a person convicted of indecent exposure by willfully exposing their private parts in any public place in the presence of a minor for the purpose of arousing or gratifying sexual desires to register as a sex offender. Creates the Class F felony of Habitual Indecent Exposure for subsequent convictions of the specified subsections of GS 14-190.9 and the Class E felony of Aggravated Habitual Indecent Exposure which is triggered by conviction of indecent exposure to a minor as described above subsequent to a conviction of any of the specified subsections of GS 14-190.9. Requires any persons convicted of those felonies to register as a sex offender. Makes conforming change to GS 14-208.6 (list of sexually violent offenses). Applies to offenses committed on or after December 1, 2026.

Section 10

Clarifies that the law enforcement, social services, and other agencies and entities that can obtain records from a Children's Advocacy Center (CAC) under GS 108A-77.4 are able to do so without a court order. Deems such information to be in need of a judicial protective order without a separate need for an in-camera inspection. Authorizes such orders to be granted ex parte and requires the order to accompany the release of any CAC information. Makes technical changes. Specifies that CAC records can only be released in civil or criminal actions unrelated to the victim under court order. Effective December 1, 2026.

Section 10.1

Amends GS 20-17.8 (restoration of license after driving while impaired) so that if a person's license was revoked a result of a conviction in another jurisdiction, any period of time for which a person complied with the ignition interlock requirement there is applied towards the length provisions in the statute.

Section 10.2

Expands *criminal activity* under GS 42-59 (pertaining to expedited eviction of drug traffickers and other criminals) so that it includes obtaining rental property or other lodging by use of any manner or type of fraud or false pretenses. Expands the types of property falling under GS 14-100 (obtaining property by false pretenses) to include rental housing or lodging. Applies to offenses committed on or after December 1, 2026.

Section 11

Adds seasonal child care camps when operating as a seasonal child care camp to the list of places where sex offenders are prohibited under GS 14-208.18.

Section 11.1

Enacts GS 114-66, providing for rights of sexual assault victims related to the sexual assault evidence collection kit (if so used), as follows:

- (1) The right to information, upon request, from the appropriate person or entity of the testing status and location of the sexual assault evidence collection kit.
- (2) The right to receive written notification, upon request, from the appropriate person or entity of the intended destruction or disposal of the kit at least 60 days before the date of the intended destruction or disposal.
- (3) The right to further preservation of the sexual assault evidence collection kit in accordance with GS 15A-266.5A.

Directs that these rights apply to both reported and unreported sexual assault examination kits. Effective December 1, 2026, and applies to sexual assault evidence collection kits in the possession of any hospital, law enforcement agency, or the Department of Public Safety on or after that date. Requires the Office of the Attorney General to prepare and publish on its website a list of those rights in plain, easily understandable language by December 1, 2026.

Section 11.2

Expands the prohibited acts under GS 14-159.4 (defacing property to obtain nonferrous metals) to include attempts to commit any of the listed acts. Defines *critical infrastructure*. Increases the punishment class for defacement of property that disrupts critical infrastructure from a Class 1 misdemeanor if a certain amount of customers are impacted to a Class G felony, regardless of how many customers are impacted. Provides for mandatory restitution, as described.

Enacts GS 14-159.5, making it a Class 1 misdemeanor for any person to intentionally or knowingly possess nonferrous metals used or intended to be used, in the provision of critical infrastructure without authorization from any of the seven listed persons

described in the statute. Makes second or subsequent violations a Class H felony. Applies to Offenses committed on or after December 1, 2026.

Section 12

Modifies the requirements for the formerly incarcerated individual appointed by the Chairmen of the Sentencing Commission to the Commission so that it is now a previously justice-involved individual (was, a rehabilitated former prison inmate). Authorizes members of the Sentencing Commission to receive necessary travel expenses at the rate applicable to members of the Commission employed by the Judiciary. Makes technical change to GS 164-50. Sets a March 1 deadline for the Sentencing Commission to report its projection annually under GS 164-51. Effective December 1, 2026.

Section 13

Amends GS 14-202.1 (crimes for taking indecent liberties with children, as follows). Creates degrees of the offense, as follows. A first-degree, Class C felony when the person is 16 years of age or more and at least five years older than the child in question, and willfully commits or attempts to commit any lewd or lascivious act upon or with the body or any part or member of the body of any child of either sex less than 13 years of age. A second-degree, Class D felony when the person of that same age and with the same age difference between the victim and the offender, commits the acts above and the child is less than 16 years of age but at least 13 years of age. A third degree, Class E felony, when a person is 16 years of age or more and at least five years older than the child in question, and willfully takes or attempts to take any immoral, improper, or indecent liberties with any child of either sex less than 13 years of age for the purpose of arousing or gratifying sexual desire. Makes it a fourth degree, Class F felony when the person of that same age and with the same age difference between the victim and the offender, commits the acts constituting a Class E felony, and the person is less than 16 years of age but at least 13 years of age. Creates a Class B1 felony for a repeat offenders under the statute if the offender is years of age or older, commits any of the offenses in this section, and was previously convicted of an offense requiring the person to register as a sex offender. Applies to offenses committed on or after December 1, 2026.

Section 14

Enacts GS 14-256.2 making it a Class 1 misdemeanor for a person lawfully detained in any detention facility, holdover facility, or youth development center to break or escape from the lawful custody of any employee, guard, or officer of the Division. Enhances the offense to a Class H felony if one of these three conditions apply: (1) the person has been charged with a felony and has been committed to the facility pending trial or transfer to the State prison system, (2) the person is alleged to be within the jurisdiction of juvenile court for an offense that would be a felony if committed by an adult and has been placed in secure custody, or (3) the person has been adjudicated delinquent for an offense that would be a felony if committed by an adult and has been placed in secure custody or committed to the custody of the Division for placement in a youth development center. Defines terms by statutory cross-reference. Applies to offenses committed on or after December 1, 2026.

Section 15

Makes it a Class 3 misdemeanor in GS 20-111 for a person to manufacture, create, sell, or give a fictitious license plate (defined) to another. Applies to offenses committed on or after December 1, 2026.

Section 16

Authorizes the NC Criminal Justice Education and Training Standards Commission (CJETS) and the NC Sheriffs' Education and Training Standards Commission to take the described adverse action on a person's certification based on commission of a crime regardless of whether the charge or conviction was expunged. Provides for establishing commission of a crime. Authorizes CJETS to take an adverse action on a person's certification based upon failure to disclose, recite, report, or acknowledge an expunged arrest, apprehension, charge, indictment, information, trial, or conviction, unless one of the described expunction orders was granted.

Intro. by Stevens.

GS 14, GS 15A, GS 17C, GS 17E, GS 20, GS 42, GS 108A, GS 114, GS 143B, GS 164

[View summary](#)

Courts/Judiciary, Motor Vehicle, Criminal Justice, Corrections (Sentencing/Probation), Criminal Law and Procedure, Government, State Agencies, Department of

H 377 (2025-2026) 2026 COURT CHANGES. (NEW) Filed Mar 11 2025, *AN ACT TO ENACT CERTAIN MODIFICATIONS TO THE LAWS RELATED TO THE NORTH CAROLINA COURT SYSTEM AND TO MAKE TECHNICAL CORRECTIONS TO ESTATE PLANNING STATUTES.*

Senate committee substitute to the 2nd edition removes the content of the previous edition and replaces it with the following. Makes conforming changes to the act's titles.

Section 1

Amends GS 48-2-304 by no longer requiring that the original and two copies of a petition for adoption be filed with clerk of court. Amend GS 48-9-102 to require copies of all records filed in connection with an adoption proceeding be made available by the clerk of superior court to the Division of Social Services (Division) of the Department of Health and Human Services (DHHS) within 10 days after the appeal period has expired or 10 days following the final disposition of an appeal. Allows copies to be made available through electronic transfer or by providing the Division with electronic access within the electronic filing and case management system. Also allows the Division to transmit it's report of each adoption and name changes to the State Registrar electronically. Effective October 1, 2026.

Section 2

Amends GS 42-34.1 by adding that if a renter, who is a defendant appellant, previously filed an undertaking after appealing the magistrate's judgment and continues to pay periodic rent required by the prior undertaking after the judgment from the district court, then the continued periodic payments towards this undertaking satisfy the bond provision and maintain the stay of execution during the 30-day time period for taking an appeal. Sets out the same allowance for when the judgment in district court is against the defendant appellant and the defendant appellant appeals the judgment.

Section 3

Amend GS 28A-8-2 by no longer requiring a bond that is secured by a first mortgage or first deed of trust to be in a form approved by the administrate officer of the courts.

Amends GS 35A-1230, concerning bonds required before a guardian can receive a ward's property in specified circumstances, to require that a surety secured by cash be in an amount equal to the amount of the bond or by a mortgage this is executed under Article 74 of GS Chapter 58 (was, under GS Chapter 109).

Section 4

Amend GS 14-159.53 to allow an authorized property owner appealing a court order in a case for the removal of an authorized person to the district court to give notice of appeal orally in open court upon announcement or after a judgment is entered. If it is not announced in open court, requires written notice to be filed with the superior court clerk's office within three busies days after the judgment is entered.

Amends GS 42A-25 to allow a tenant or landlord appealing a court order in an expedited eviction of residential property subject to a vacation rental agreement to give notice of appeal orally in open court upon announcement or after a judgment is entered. Requires when a judgement is not announced in open court for written notice to be given in the superior court clerk's office within 10 days after judgement is entered.

Section 5

Amends GS 50-10 to allow the clerk of superior court, when requested by the plaintiff, to enter judgment in cases where the plaintiff's only claim against the defendant is for absolute divorce, or absolute divorce and resumption of a former name, and the defendant failed to appear (was, defendant has been defaulted for failure to appear).

Section 6

Repeals GS 7A-343.6 which allowed the North Carolina Administrative Office of the Courts (AOC) to develop a program for electronic filing in GS Chapter 50B and GS Chapter 50C cases in district court.

Section 7

Amends GS 8B-8 to require the AOC Director to fix the fee for interpreters appointed to interpret proceedings in the General Courts of Justice. Effective October 1, 2026.

Section 8

Amends GS 7A-98 to make any matter required or allowed to be supported, evidenced, established, or proved in writing under oath or affirmation, if filed in the General Court of Justice (was, if filed electrically under rules developed by the Supreme Court under GS 7A-49.5) with like force and effect be supported, evidenced, established, or proved by an unsworn declaration in writing that the statement is true under penalty of perjury. Amends GS 8C-1, Rule 803(6) by amending the hearsay exception for records of regularly conducted activity to allow the testimony of the custodian or other qualified witness to be done by a certification that complies with GS 7A-98.

Section 9

Amends GS 7A-452 to require the clerk of superior court to make the complete trial division file in a case where an indigent person has entered notice of appeal and appellate counsel has been appointed, available to the appointed attorney via electronic access within the electronic filing and case management system. Also requires furnishing copies of digital storage media containing exhibits to the appointed attorney. Effective October 1, 2026.

Section 10

Amends GS 31-11 by amending who can deposit with the superior court clerk the will of a living person, to only include testator agents if they have sufficient authority under a power of attorney to deposit the will. Provides that the will is to remain in the clerk's receptacle or depository until the will is offered for probate or filed with the clerk without probate. Makes conforming changes. Effective October 1, 2026.

Section 11

Updates statutory cross-references in GS 30-15 and GS 30-17.

Section 12

Amends GS 31-33 to require a caveat to be served on all interested parties in a manner allowed under GS 1A-1, Rule 4, without issuing a summons. Effective October 1, 2026.

Section 13

Amends GS 7B-536 by expanding the prevue of safe babies court to include families with at least one child no more than five (was, three) years of age involved in juvenile actions alleging abuse, neglect, or dependency. Effective October 1, 2026.

Section 14

Amends GS 9-1 by adding that if an appointment to a county jury commission is not made by September 1, then the incumbent must serve for an additional two-year term.

Amends GS 9-2 to require a master list of prospective jurors to be completed by November 15.

Amends GS 20-43.4 to adding a September 1 deadline for the Commissioner of Motor Vehicles' list to the county jury commission of persons who are residents of the county, are age 18 or older as of January 1 of the following year, and are licensed to drive as of July 1 of each odd-numbered year, by September 1.

Section 14.1

Amends GS 143B-1278, concerning compensation for services related to veterans' benefits matters, by adding that the statute does not apply to, limit, or expand, the requirements imposed on agents, attorneys, or other representatives accredited and regulated by the US Department of Veterans Affairs or the NC Department of Military and Veterans Affairs.

Section 15

Amends GS 7B-2901 by adding that the statute does not prevent the presiding district court judge or designated judicial court staff from inspecting confidential juvenile court records in cases alleging abuse, neglect, or dependency, for purposes of discharging any obligation under GS Chapter 7B. Requires hearing records to be copied electronically or mechanically only when ordered by the court. Allows a person who is not authorized to examine a juvenile's court record without a court order, who is seeking information in the file or court record, to file a motion in the cause setting out why the information is needed. Allows a district court judge, after giving the parties to the proceeding for which the records are sought reasonable notice and an opportunity to be heard, to issue an order to disclose information in the record upon finding that the order is appropriate under the circumstances and in the best interest of the juvenile.

Amends GS 7B-3506 to make all court records made in proceedings under Article 35, emancipation, confidential and not open to public inspection, except certificates of emancipation. Allows specified individuals to examine and obtain copies of the written court record without a court order.

Section 17

Makes GS 15A-151(a)(1) (which requires AOC to keep a confidential file for expungements containing the petitions granted under this Article and the names of those people for whom it received a notice under GS 15A-150, and limits disclosure to when it is requested by a judge to ascertain whether a person charged with an offense has been previously granted a discharge or an expunction) applicable to all petitions granted under Article 5 of GS Chapter 15A that are maintained by AOC.

Section 18

Amends GS 7A-808 to allow the Conference of Clerks of Superior Court of North Carolina to employ an executive director (was, executive secretary).

Section 19

Amend GS 163-127.6 to allow an appeal of a decision made by a panel to hear a challenge to candidacy to be electronically filed. Requires that the written appeal be filed, delivered, or deposited in the mail according to the rules of appellate procedure by the end of the second business day after the written decision was filed. Effective October 1, 2026.

Section 20

Amends GS 1-110 as follows. Requires presenting to a superior court judge a motion to proceed as an indigent that is filed pro se by an inmate in the custody of any sheriff in the state. Requires an action to be dismissed if it is frivolous or malicious, fails to state a claim on which relief may be granted, or seeks relief against a defendant who is immune from such relief. Adds that the proceeding is automatically stayed until the judge rules on the motion to proceed as indigent. Adds that when a motion to proceed as an indigent is filed pro se by any person or entity and the complaint is brought against a federal, state, or local government entity, or government employee in their official capacity, or government employee in their individual capacity but based on the employee's work for the government, the motion to proceed as an indigent and the complaint must be presented to any superior court judge of the judicial district. Requires the judge to decide if the complaint is frivolous and requires dismissal if the action is frivolous or malicious, fails to state a claim on which relief may be granted, or seeks relief against a defendant who is immune from such relief. Automatically stays the proceeding until the judge rules on the motion to proceed as indigent. Makes conforming changes.

Amends GS 7A-305 to allow a clerk of superior court to reject a filing that initiates an action that is not accompanied by the required fees until the filing includes a motion to proceed as indigent or if the filing is made by a county or municipality that pays costs under GS 7A-317.

Amends GS 7A-306 by removing the specified facilities fee and instead allows the clerk to reject a filing that does not include the fees required under the statute unless it is accompanied by a motion to proceed as indigent or if the filing is made by a county or municipality that pays costs under GS 7A-317.

Amends GS 7A-307 by amending the costs that are assessed for administration of the estates of decedents, minors, incompetents, of missing persons, in the administration of trusts under wills and under powers of attorney, in trust proceedings under GS 36C-2-203, in estate proceedings under GS 28A-2-4, in power of attorney proceedings under GS 32C-1-116(a), and in collections of personal property by affidavit, to allow where the clerk is required to assess the fee in GS 7A-307(a)(1), the

fee in GS 7A-307(a)(1a), and the \$106 fee in GS 7A-307(a)(2), for the clerk to reject a filing that is not accompanied by these fees, unless the filing is accompanied by a motion to proceed as indigent, or the filing is made by a county or municipality that pays costs in accordance with GS 7A-317. Allows a Public Administrator or Public Guardian to delay paying the required fees described until filing the inventory or first accounting.

Amends GS 7A-308 to allow a clerk to reject a filing that does not include the fees required under the statute unless it is made by a county or municipality paying costs according to GS 7A-317.

Effective October 1, 2026.

Section 21

Amends GS 7A-47.3 to require that the Chief Justice of the Supreme Court, when assigning superior court judges for a district consisting of at least one county with a population over 1 million, to include superior court judges from: (1) other districts in that same judicial division and (2) districts from any judicial division adjacent to the district consisting of at least one county with a population over 1 million. Limits how often a superior court judge from an adjacent division may be assigned under this provision to one six-month term every five years, except with the judge's consent.

Section 22

Amends GS 7A-300.1 to allow AOC to contract with the governing bodies of cities and counties to provide local funds to supplement the salaries for magistrates.

Section 25

Amends GS 7A-305 by adding that for the specified civil actions, the listed fees are recoverable by the prevailing party who paid for them.

Section 26

Requires AOC to consult with the Office of Indigent Defense Services (IDS) and do the following by March 1, 2027: (1) report on the processes to enforce correction of errors in global party records in Enterprise Justice and update records of civil judgements owed to the State; and (2) identify any potential legislative changes that would facilitate speedy correction of erroneous court records and to enforce requirement of judicial finding of indigency before appointing counsel. Requires IDS to study the location of duty stations for employees of the Office of Capital Defender, review use of all leased office space by all IDS employees stationed in Durham, and report to the NCGA by March 1, 2027, on any costs savings that might result by reducing the footprint of leased office space.

Section 27.1

Amends GS 30-3.4, procedure for determining the elective share. Require that the summons and claims in the petition relate back to the date of the filing of the petition. Specifies that the requirement that a summons be issued within five days of the filing of the petition set out in GS 1A-1, Rule 4(a) does not apply. Makes other technical and organizational changes.

Section 27.4

Amends GS 36C-6-606, concerning revocation of provisions in revocable trust by divorce or annulment by specifying that the statute does not apply to a revocable trust if the settlor executes a subsequent valid amendment to the revocable trust which makes express reference to the revocable trust.

Intro. by Stevens.

[GS 1](#), [GS 7A](#), [GS 7B](#), [GS 8B](#), [GS 9](#), [GS 14](#), [GS 20](#), [GS 28](#), [GS 30](#), [GS 31](#), [GS 36C](#), [GS 42](#), [GS 42A](#), [GS 48](#), [GS 50](#), [GS 143B](#), [GS 163](#)

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[Courts/Judiciary](#), [Civil](#), [Civil Law](#), [Civil Procedure](#), [Family Law](#), [Juvenile Law](#), [Abuse](#), [Neglect and Dependency](#), [Motor Vehicle](#), [Court System](#), [Administrative Office of the Courts](#), [Criminal Justice](#), [Criminal Law and Procedure](#), [Development](#), [Land Use and Housing](#), [Property and Housing](#), [Government](#),

H 1094 (2025-2026) [FERRY DIVISION PERFORMANCE AUDIT](#). Filed Apr 29 2026, *AN ACT TO DIRECT THE OFFICE OF THE STATE AUDITOR TO CONDUCT A PERFORMANCE AUDIT OF THE FERRY DIVISION OF THE DEPARTMENT OF TRANSPORTATION, AS RECOMMENDED BY THE JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE.*

House committee substitute to the 1st edition makes the following changes.

Changes the due date of the Office of State Auditor's report on the performance audit of the Ferry Division to the specified NCGA committee and division to January 15, 2027 (was, October 1, 2026).

Intro. by Iler, Shepard.

[UNCODIFIED](#)

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[Government, State Agencies, Department of Transportation,
Office of State Auditor, Transportation](#)

H 1109 (2025-2026) [NCDOT STI STUDY RECOMMENDATION](#). Filed Apr 29 2026, *AN ACT TO DIRECT THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION TO STUDY THE STRATEGIC PRIORITIZATION FUNDING PLAN FOR TRANSPORTATION INVESTMENTS LAWS, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON NORTH CAROLINA'S TRANSPORTATION FUTURE.*

House committee substitute to the 1st edition makes the following changes.

Amends what must be in the Department of Transportation (DOT) study on project delivery performance of projects prioritized using the Strategic Prioritization Funding Plan of Transportation Investments (STI) laws and factors negatively affecting project delivery of projects prioritized using the STI laws, to also include studying related alternative funding scenarios.

Intro. by Shepard, Iler.

[STUDY](#)

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[Government, State Agencies, Department of Transportation,
Transportation](#)

PUBLIC/SENATE BILLS

S 445 (2025-2026) [REGULATORY REFORM ACT OF 2026. \(NEW\)](#) Filed Mar 24 2025, *AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH CAROLINA.*

House committee substitute to the 2nd edition removes the content of the previous edition and replaces it with the following. Makes conforming changes to the act's titles.

Part I.

Section 1

Repeals GS 113-170.3(d) (which required reporting the recreation harvest of Red Drum, Flounder, Spotted Seatrout, Striped Bass, and Weakfish), (e) (which required a commercial fishing license engaged in a commercial fishing operation who harvests any fish in coastal or joint fishing waters to report that harvest), (f) (which set out punishments for violations of these reporting requirements), and (g) (which required the Department of Environmental Quality and the Wildlife Resources Commission to report on the implementation and response to the fishery reporting requirements). Changes the catchline of GS 113-170.3 by removing reference to mandatory reporting for certain fisheries.

Section 2

Amend SL 2025-74 by extending the deadline for the North Carolina Collaboratory's study on the statutory process for approving surface water transfers so that the report is now due to the 2028 General Assembly (was, 2027), by January 15, 2028. Also extends the moratorium on issuing certificates allowing a significant new surface water transfer or a significant increase in an existing surface water transfer so that it ends August 1, 2028, instead of March 1, 2027. Makes a clarifying change.

Section 3

Amends GS 103-6 to change Arbor Week from the week containing March 15 to the week containing November 15.

Section 4

Amends GS 14-151(a)(4), which makes it illegal to willfully, with intent to injure or defraud, to turn on or off, make any connection or reconnections, or enlarge the orifice of mixers, or to interfere with the valves, stopcocks, wires, or other appliances of gas, electric, and water without permission, by adding that water pipes means water pipes, fire hydrants, flushing assemblies, blow-offs, sampling stations, and all other appurtenances connected to a water distribution system, whether above or below ground. Also amends (e) to make a person found in a civil action to have violated (a)(4) by the connection or reconnection with any water pipe to be liable to the water supplier an amount that is the greater of triple the amount of loss and damages or \$10,000, plus attorneys' fees. Applies to offenses committed on or after December 1, 2026.

Section 5

Amend GS 119-58 by limiting the application of the requirements for identifying liquified petroleum gas supply tanks or containers to those that have a total capacity greater than five gallons. Expands upon the identifying information that must be provided to also include the address and contact information of the person supplying liquified petroleum gas to the system, as well as the name of the tank or container owner. Expands upon the actions that must be taken by a new supplier requested by a consumer to also include performing a leak test. Allows a person other than the supplier or the owner of the system to fill or refill a properly inspected and certified system with liquefied petroleum gas when a qualifying emergency is in effect if the six listed conditions are met, including: (1) the consumer demonstrates that they have less than a 20% supply remaining for use as the primary energy for eating or cooking; (2) the consumer makes a good faith effort to procure delivery of liquefied petroleum gas from the current supplier or owner; (3) the current supplier or owner is unable to make a scheduled fill or refill within three business days of the good faith procurement effort; and (4) the emergency supplier provides no more than 20% of the capacity of the tank or container in liquified petroleum gas as part of the emergency refill. Makes conforming changes.

Amends GS 119-54 by defining emergency supplier as a Class A dealer that provides liquified petroleum gas to a consumer during a qualified emergency. Defines a qualified emergency as: (1) a state of emergency as declared by the Governor, NCGA, or governing body of a municipality or county, (2) a state of emergency declared by the President, (3) when severe weather or similar circumstances exist that may result in a person being placed in imminent danger of death or injury due to lack of heat caused by a lack of liquified petroleum gas, or (4) when a waiver from delivery limitation affecting the delivery of liquified petroleum gas has been lawfully ordered.

Amends GS 119-59 to make violations of GS 119-58(b) concerning labeling requirements, prohibiting a person other than the supplier or system owner from disconnecting, interrupting or filling the system without the supplier's consent, and requiring new suppliers who are requested by the consumer to take specified actions, a Class A1 misdemeanor (was, Class 1 misdemeanor). Also allows assessing a civil penalty for these violations of up to \$1,000 for a first violation, up to \$2,000 for a second violation, and up to \$3,000 for a third or subsequent violation.

Amends GS 119-60 to exempt a person acting as an emergency supplier from liability for any civil damages resulting from any act of commission or omission on his part in the course of rendering assistance unless the acts or omissions amount to willful or wanton negligence or intentional wrongdoing.

Requires that the Department of Agriculture and Consumer Services (DACS) only issue warnings for the failure of a supplier under GS 119-58(b) to either attach a tag, label, or other marking to a tank or container that includes the address and contact information for the person supplying the gas to the system and that identifies whether it is owned by the supplier, or to conduct a leak test. Expires December 1, 2027.

Applies to offenses committed on or after December 1, 2026.

Section 6

Amends GS 143-215.94V by adding that for noncommercial petroleum underground storage tanks where the Environmental Management Commission (EMC) has received the information necessary to determine the degree of risk to human health and the environment that is posed by a discharge or release from a petroleum underground storage and to identify the most cost-effective cleanup that addresses imminent threats to human health and the environment, the EMC, must within five years of receiving that information, (1) determine the level of risk of the discharge, and cleanup or other measures to be required, and (2) notify the owner, operator, or landowner of that determination. Provides that in order for a discharge to be determined to be low-risk from a noncommercial tank, if the EMC does not notify the owner, operator, or landowner in the required time, then the EMC is prohibited from requiring cleanup, further cleanup, or further action unless the EMC later determines that the release or discharge poses an unacceptable level of risk or a potentially unacceptable level of risk to human health or environment, in which case the EMC must produce written findings of fact.

Applies to discharges occurring before, on, or after the date that act becomes law as follows: (1) for discharges from noncommercial tanks occurring five or more years prior to the effective date of this act for which the EMC has not previously notified an owner, operator, or landowner of its determination as to the level of risk of the discharge, and actions required in response to the discharge, the EMC has one year from the effective date of this act to notify the owner, operator, or landowner accordingly; and (2) for all other discharges occurring before the effective date of this act for which the EMC has not previously notified an owner, operator, or landowner of its determination as to the level of risk of the discharge, and actions required in response to the discharge, the EMC has five years from the effective date of this act to notify the owner, operator, or landowner accordingly.

Part II.

Section 7

Moves GS 115C-174.22 from Part 4 of Article 10A of GS Chapter 115C into Part 5. Also amends Part 5 by adding new GS 115C-174.23 which requires the State Board of Education (State Board), to the extent funds are made available, to use a competitive bid process to adopt one nationally norm-reference college admissions text and to make the test available to public school units to administer to all students in the 11th grade unless the student has completed a comparable test and scored at or above the set level. Requires administering an alternate to the nationally norm-referenced college admissions test or an alternative precursor test to the nationally norm-referenced college admissions test to a student who meets the specified criteria concerning specified delays and course of study that may not lead to college admission. Allows students to complete any surveys included as part of administering the test; requires giving notice of the collecting of information in the surveys to parents and allows parents to opt their student out of a survey. Requires the State Board to ensure that parents have the necessary information to make informed decisions on the test, precursor test, and any associated surveys. Requires the State Board to include alternate assessment and nationally norm-referenced college admissions test assessment results for students with disabilities in public school unit accountability reports. Makes conforming and organizational changes to GS 115C-76.65, conforming changes to GS 115C-174.11 (which previously required the State Board to use a competitive bid process to adopt one nationally norm-referenced college admissions test), and GS 115C-174.22.

Repeals Part 4 of Article 10A of GS Chapter 115C, Student Diagnostic Tests, which previously consisted of only GS 115C-174.22, which is now in Part 5.

Applies to administrations of the nationally norm-referenced college admissions test under GS 115C-174.23, beginning with the 2026-27 school year.

Section 8

Amends GS 115C-595 to allow using scholarship funds from the State Education Assistance Authority (Authority) that have been deposited into a personal education student account for a student with disabilities enrolled in a Part 1 (Private Church Schools and Schools of Religious Charter) or 2 (Qualified Nonpublic Schools) nonpublic school to be used for education-related support services provided by a one-to-one classroom aide (as now defined in GS 115C-591). Sets out documentation requirements and prohibits the one-to-one classroom aide from providing services to other students during the instructional day. The funds cannot be used for services provided by a one-to-one aid who is a parent, guardian, legal custodian, sibling, or grandparent of the student, or who is an employee or independent contractor of the school where the student is enrolled. Applies beginning with the 2026-27 school year.

Section 9

Repeals: (1) Section 7(b) of SL 2017-189, which required that any rules required by the act, which concerned the Educator Preparation Program, be adopted by February 1, 2018; (2) Section 7(f) of SL 2017-189, which prohibited the State Board from assigning an accountability status to any EPP during the specified past school years, only allowed assigning the accountability statuses of "warned" and "probation" during the specified past school years, and allowed assigning the accountability status of "revoked" beginning with the 2023-2024 school year; and (3) Section 4 of SL 2019-149, which required the State Board to adopt the rule required by GS 115C-269.45(c1), and make the required report by October 1, 2019, and required the State Board to apply the rule beginning with data collected from the 2018-2019 academic year for the purposes of the annual report.

Requires the State Board, by October 15, 2026, in consultation with the specified entities, to report to the specified NCGA committee on recommendations for an educator preparation program accountability model.

Part III.

Section 10

Amend GS 160-108.1 to provide that a vested right for a site-specific vesting plan remains vested for five (was, two) years. Allows a local government to provide for rights to be vested for a period exceeding five years (was, two years) but not exceeding eight (was, five) years when warranted in light of all relevant circumstances. Provides that a vested right precludes any land development regulation (was, any zoning action) by a local government that would change, alter, impair, prevent, diminish, or otherwise delay the development or use of the property as set forth in the approved site-specific vesting plan, except in the listed circumstances. Makes conforming changes.

Section 11

Amends GS 136-93 by amending the requirements for a bond for driveway and road encroachment projects to allow a performance guarantee instead of a bond. Specifies that the form of the performance guarantee may consist of a bond, irrevocable letter of credit, parent guaranty, or other instrument that provides equivalent security to a surety bond or irrevocable letter of credit at the election of the applicant.

Section 12

Amends GS 160D-602, applicable to Winston-Salem only, to allow its governing board to delegate or assign, by ordinance, the authority for the rezoning of property to a designated planning board. Requires providing a right of appeal and review before the governing board.

Section 13

Amends GS 160D-703 by adding the requirement that a local government zoning regulation allow siting buildings and structures subject to the NC Residential Code and multifamily housing with more than four dwelling units, in areas zoned for non-agricultural commercial, business, or industrial use. Requires a maximum height restriction of no less than 60 feet.

Section 14

Enacts new GS 160D-917 requiring local governments to allow at least one accessory dwelling that conforms to the North Carolina Residential Code for One- and Two-Family Dwellings for each single-family detached dwelling in areas zoned for residential use that allow for development of single-family detached dwellings. Defines accessory dwelling unit as an attached or detached residential structure that is used in connection with, or that is an accessory to, a primary single-family detached dwelling and that has less total square footage than the primary single-family detached dwelling. Allows the accessory dwelling unit to be built or sited concurrently or after the primary detached dwelling has been constructed or sited. Prohibits a local government from taking six specified actions when permitting accessory dwelling units, including requiring placement in a conditional zoning district, establishing minimum parking requirements or parking restrictions, or setting a maximum unit size of less than 800 square feet. Sets out what a local government can do concerning setbacks, and unit location requirements and size. Specifies that the statute does not apply to: (1) the validity or enforceability of private covenants or other contractual agreements among property owners related to dwelling type restrictions; (2) properties located in a historic preservation district established pursuant to Part 4 of this Article; (3) properties designated as a National Historic Landmark by the US Department of Interior; or (4) an accessory dwelling unit that is not connected to water, well and septic, and sewer. Applies to applications for accessory dwelling unit permits submitted on or after October 1, 2026.

Specifies that a local government that has enacted an ordinance meeting the requirements of this section and GS 160D-917, is not required to adopt a new ordinance.

Requires local governments to adopt development regulations to implement the provisions in this section by July 1, 2027; if they fail to do so, accessory dwelling units will be allowed in that local government without any limitations.

Section 15

Amends GS 150B-34 to require in contested cases before an administrative law judge that the judge apply traditional de novo review to the interpretation of State rules and regulations. Allows the judge to be informed by (was, must give due regard to) the demonstrated knowledge and expertise of the agency with respect to acts and inferences within the specialized knowledge of the agency.

Amends GS 150B-51 by adding that a court conducts its review of a final decision in a contested case may be informed by the agency's interpretation of its own rules or regulations but must apply traditional de novo review to the interpretation of State rules and regulations.

Section 16

Makes it illegal for a local government to withhold a license, permit, zoning approval, financial incentives, or any other type of assistance from an employer for its refusal to negotiate or sign an agreement with a labor organization except as required by law.

Section 17

Amends GS 160D-912.1, which concerns on-premises advertising, by adding that the statute does not apply to an ordinance regulating on-premises advertising signs that was lawfully adopted by a local government and: (1) included an amortization period of 10 or more years during which nonconforming signs were allowed to remain in place before it was required to be removed or brought into compliance, and (2) the date of compliance under the amortization period expired on or before July 1, 2024.

Part IV.

Section 18

Amends GS 14-415.12 to include courses certified or sponsored by the North Carolina Concealed Carry Association among those that meet the requirements for the firearms safety and training course for the issuance of a concealed handgun permit. Makes conforming changes. Applies to permit applications submitted on or after July 1, 2026.

Section 19

Amends GS 15A-298 as follows. Under current law, the Director of the State Bureau of Investigation (SBI) or their designee may issue an administrative subpoena to a communications common carrier or an electronic communications service provider to compel the production of business records if the records: (1) disclose information concerning local or long distance toll records or subscriber information and (2) are material to an active criminal investigation. Amends the statute to no longer limit the subpoena to when the records disclose information concerning local or long distance toll records or subscriber information. Allows using the subpoena to compel production of business records or other information pertaining to a subscriber or customer of such service, exclusive of the contents of the communications when they are material to an active criminal investigation. Sets out information that must be disclosed to the SBI in response to the subpoena. Authorizes the SBI to disseminate any information it acquires under the subpoena to any federal, State, tribal, or local law enforcement agency in furtherance of a criminal investigation. Prohibits the carrier or service provider from notifying subscribers or customers of the subpoena.

Section 20

Allows municipalities and cities to contract with third-parties for conducting criminal history record checks under GS 153A-94.2 and GS 160A-164.2. Such contracts must terminate on or before the later of December 1, 2026, or when the SBI require for proposal is awarded. Requires the third-party vendors to comply with any restrictions or requirements set by law governing fingerprints and other information collected by the SBI for a criminal record check.

Part V.

Section 21

Includes a severability clause.

Intro. by Jarvis.

STUDY, Forsyth, GS 14, GS 15A, GS 95, GS 103, GS 113, GS 115C, GS 119, GS 136, GS 143, GS 150B, GS 160D

[View summary](#)

Courts/Judiciary, Criminal Justice, Criminal Law and Procedure, Development, Land Use and Housing, Building and Construction, Land Use, Planning and Zoning, Property and Housing, Education, Elementary and Secondary Education, Employment and Retirement, Environment, Aquaculture and Fisheries, Environment/Natural Resources, Government, APA/Rule Making, Cultural Resources and Museums, State Agencies, UNC System, Department of Agriculture and Consumer Services, Department of Environmental Quality (formerly DENR), State Board of Education, Local Government, Public Enterprises and Utilities, Transportation

S 595 (2025-2026) **VARIOUS REVENUE LAWS CHANGES. (NEW)** Filed Mar 25 2025, *AN ACT TO MAKE VARIOUS TECHNICAL, CLARIFYING, AND ADMINISTRATIVE CHANGES TO THE REVENUE LAWS; TO CONFORM TO THE FEDERAL SYSTEM FOR AUDITING PARTNERSHIPS BY IMPOSING TAX AT THE PARTNERSHIP LEVEL FOR FEDERAL CHANGES AND BY AUTHORIZING REFUNDS FOR FEDERAL CHANGES; TO PROVIDE TAX PARITY FOR SHORT-TERM CAR RENTALS BY EXPANDING ALTERNATE HIGHWAY USE TAX TO INCLUDE PEER-TO-PEER RENTALS; TO SHIFT ENFORCEMENT OF VAPOR DIRECTORY VIOLATIONS TO THE ALE DIVISION; TO ENHANCE TAX FORECLOSURE AND SPECIAL ASSESSMENT COLLECTION EFFORTS; AND TO UPDATE LAWS RELATED TO CREDIT UNIONS.*

Conference report to the 3rd edition makes the following changes.

Makes technical changes and organizational changes. Makes conforming changes to act's long title.

Part I.

Extends the effective date of the act's changes to GS 105-153.5, GS 105-153.A, GS 105-160.2, by one year. Makes technical changes.

Section 1.7.

Changes the start-date for the interest accrued for the fourth calendar quarter of 2024 pertaining to underpayments of tax in Section 13.1 of SL 2024-51 (withholding taxes interest waivers) so that it begins on January 31, 2025 (was, January 31, 2024).

Part II.

Extends the effective date of the changes made by the part by one taxable year.

Part III.

Section 3.2.

Modifies the term *streamlined agreement* in GS 105-164.3 so that it refers to the Streamlined Sales Tax and Use Tax Agreement as amended as of May 20, 2025 (was, as amended November 7, 2023).

Section 3.3.

Changes the effective date of the changes to GS 105-187.90 and GS 105-187.95 to when the section becomes law (was, July 1, 2025).

Section 4.3.

Changes the effective date of the changes to GS 105-113.39A(a2), GS 105-113.83A(a), and GS 105-449.42, to when the section becomes law (was, July 1, 2025).

Section 4.5.

Changes the effective date of the changes to GS 105-449.60, GS 105-449.97, and GS 105-449.72 to when the section becomes law (was, July 1, 2025).

Section 4.11.

Extends the effective date on the section's changes to GS 105-113.4 and GS 105-113.36A(a) by one year.

Part V.

Section 5.1.

Removes proposed change to definition of *Code* in GS 105-228.90.

Part VI.

Section 6.4.

Makes technical change to part's effective date.

Part VII.

Extend the part's effective date by one year.

Section 7.2.

Removes the prior edition's changes to the definitions provisions of GS 153A-156 and GS 160A-215.1 (county and city gross receipts tax on short-term leases or rentals).

Part IX.

Section 9.

Clarifies that the Secretary imposes the penalties set forth in GS 14-313 for violations of the certification requirements for consumable products. Makes technical changes. Specifies that the reinspection that occurs when a retailer, distributor, or wholesaler offers a product in violation of the statute for sale is conducted by the Alcohol Law Enforcement (ALE) Division and removes provisions setting thirty day time limit for the inspection. Specifies that goods taken, forfeited, or destroyed in subsequent inspections are done so by the ALE Division. Authorizes the ALE Division (was, Secretary) to store and dispose of seized products as appropriate. Replaces reference to "compliance check(s)" with "inspection" in GS 143B-245.15 (compliance). Allows for unannounced investigations along with general investigations. Makes conforming changes. Removes provisions requiring the ALE Division to publish the results of all compliance checks at least annually. Instead requires the Secretary to maintain a database of documented violations and make the results available to the public. Makes conforming changes to GS 18B-500 (subject matter jurisdiction for ALE agents).

Part X.

Section 10.

Extends the effective date for the section's changes to GS 1-339.1 and GS 160A-233(c) by one year.

Part XI.

Section 11.

Modifies definition of *credit union* in GS 54-109.1. Modifies a credit union's lending power under GS 54-109.21 (general powers) so that it can lend its funds to its members as provided in Articles 14A to 15A (was, 14L) of GS Chapter 54. Removes provisions authorizing loans to other credit unions or cities. Removes provisions in GS 54-109.26 (defining credit union membership) that would have allowed immediate family members of all the subject groups (not just employees) to obtain membership in a credit union. Removes prior edition's changes to GS 54-109.27 (societies and other associations). Replaces references to "14L" with "14N" in GS 54-109.25 (other credit unions and specially designated common bonds). Modifies the persons to whom a credit union can also permit membership so that the account holder for individuals and families who are at or below the federal poverty line must be at least 25 years of age. Expands the mileage requirement for when a person can join because of lack of access to a bank branch from eight to nine from any bank branch. Defines branch. Requires a credit union to establish a branch located in the census tract if it does not have a branch already present there. Makes technical changes to GS 54-109.29 (members who leave the field of membership). Removes the prior edition's changes to GS 54-109.30 (liability of shareholders) and GS 54-109.31 (meetings of members).

Adds the following new content to Part XI.

Reduces the number of persons with a common bond to apply to organize a credit union under GS 54-109.2 from twelve to seven State residents.

Replaces references to the "Administrator of Credit Unions" with "Administrator" in GS 54-109.11 (duties of administrators). Removes provisions pertaining to surety coverage to the credit union with reference to loss by reason of acts or fraud or dishonesty, provisions pertaining to the amount of surety bonds, including the assets and coverage schedule, provisions relating to compromise and settlement of claims between the credit union and any surety or surety company. Requires the credit union's board of directors to obtain bond (and insurance) coverage in excess of the minimum required by the Administrator if the board determines additional coverage is appropriate in relation to potential risks facing the credit union. Makes technical changes.

Limits a credit union's ability to issue and operate a share or deposit account to minors under GS 54-109.60A to only those minors who receive payments, pay withdrawals, accept a pledge of the account, issue automated teller machine (ATM) and debit cards, and act in any other matter with respect to the account on the order of the minor with like effect as if the minor were of full age and legal capacity. Specifies that such accounts are free from the control of any other persons except creditors. Expands the documents that a minor obtaining an account must comply with to include agreements governing or permitting electronic access to the share or deposit account. Authorizes a credit union to lease minor(s) a safety deposit box, as described. Specifies that the provisions of GS 28A-15-13 will control the opening, inventory, and release of contents of the safe deposit box in the event of the minor's death. Instructs the Administrator to submit a report to the specified NCGA committee by December 1, 2027, on the three matters specified pertaining to credit union parity requests.

Effective July 1, 2026.

Adds the following new content to the act.

Section 1.8.

Modifies GS 105-153.5(a) and (b) (modifications to adjusted gross income), as follows. Modifies the calculation of repayment in the current taxable year of an amount included in adjusted gross income so that it is as modified under GS 105-153.5 and GS 105-153.6. Removes amounts received from the Business Recovery Grant Program and the ReTOOLNC COVID-19 relief program as deductible amounts from a taxpayer's adjusted gross income. Effective for taxable years beginning on or after January 1, 2026.

Section 1.9.

Makes clarifying change to GS 105-154.1 by providing the statutory subsection where the partners of a taxed partnership are described for purposes of the tax credit. Effective for taxable years beginning on or after January 1, 2026.

Section 1.10.

Specifies that the amount of tax payable as shown on a return has to be paid within the time allowed for filing the return determined without regard to the extension allowed under other provisions of the tax code, in GS 105-157.

Section 1.11

Changes the amount where interest on a late estimated income tax is not charged under GS 105-163.15 from an amount specified in the IRS Code to less than \$1,000.

Part III.

Section 3.4.

Adds term *related person* to the definitions pertaining to sales and use taxes (GS 105-164.3). Makes technical change to GS 105-164.13(5m) (exemptions for agricultural groups for retail sales and use taxes). Makes conforming change to GS 105-164.13B. Amends GS 105-164.16(b2) (prepayment of taxes) to allow the Secretary of Revenue (Secretary) to reduce the prepayment amount required from a taxpayer when the taxpayer demonstrates the tax collected during the current month is held in trust for another person.

Part IV.

Section 4.12.

Exempts locations where wholesale and retail dealers sell or make alternative nicotine products from the licensure requirements for other tobacco products in GS 105-113.39A. Instead makes those wholesale and retail dealers obtain a vapor and alternative nicotine products license.

Section 4.13.

Requires a distillery to remit the excise tax on all liquor sales occurring within a distillery estate district under GS 105-113.83.

Section 4.14.

Expands the Alcoholic Beverage Commission permittees required to register with the Secretary under GS 105-113.83A to include a local ABC Board. Makes technical and organizational changes.

Section 4.15.

No longer requires a resident brewery, resident winery, or resident wine producer to file a monthly information report with the Secretary under GS 105-113.84. Makes conforming changes. Effective July 1, 2026.

Section 4.16.

Modifies *international fuel tax agreement* in GS 105-449.37 so that refers to the Articles of Agreement amended January 1, 2025 (was, January 1, 2022).

Part V.

Section 5.5.

Modifies the type of information defined in GS 105-259 (secrecy required of tax officials) so that the definition of *tax information* includes information contained on a tax return, tax report, or an application for a license (currently, it includes information contained on a tax return, a tax report, or an application for a license for which a tax is imposed). Removes authorization to disclose tax information to provide a governmental agency or an officer of an organized association of taxpayers with a list of taxpayers who have paid a privilege license tax.

Section 5.6.

Extends the effective date of SL 2022-13's changes to GS 105-236(a)(4) from July 1, 2027, to July 1, 2030.

Part VIII.

Section 8.6.

Removes amounts received from the Business Recovery Grant Program and the ReTOOLNC COVID-19 relief program as an allowable deduction from federal income made in determining State net income under GS 105-130.5. Effective for taxable years beginning on or after January 1, 2026.

Section 8.7.

Removes adjustment to corporate net worth under GS 105-122 (franchise or privilege tax on domestic and foreign corporations) for when the creditor corporation is taxable under GS Chapter 105's Article 3, allowing the creditor corporation to deduct the amount of indebtedness owed to it by a parent, subsidiary, or affiliated corporation to the extent that such indebtedness has been added by the debtor corporation. Effective retroactively for taxable years beginning on or after January 1, 2021, and applicable to the calculation of franchise tax reported on the 2020 and later corporate income tax returns.

Part XII.

Updates the definition of *Code* in GS 105-228.90 to refer to the IRS Code enacted on July 5, 2025.

Enacts GS 105-103.5C and GS 105-153.6A, concerning adjustments when the State decouples from federal first-year expensing of domestic research and experimental expenditures, as follows. Specifies that a taxpayer who takes a deduction for research and experimental expenditures must add to the taxpayer's federal taxable income 80% of the amount taken for that year under the Code provision. Authorizes a taxpayer to deduct 25% of the add-back in each of the first four taxable years following the year the taxpayer is required to include the add-back in income. Specifies that the statute's purpose is to decouple from the allowance of full first-year expensing of domestic research and experimental expenditures under section 70302 of the One Big Beautiful Bill Act. Specifies that the adjustments made in the statute do not result in a difference in basis of the affected assets for State and federal income tax purposes. Makes conforming change to GS 105-130.5 (adjustments to federal taxable income in determining State net income) and GS 105-153.5 (modifications to adjusted gross income). Applicable to: (1) taxable years beginning on or after January 1, 2022, for taxpayers who elect for federal income tax purposes the retroactive application of section 174A(a) of the Code for a taxable year beginning in 2022, 2023, or 2024 and (2) to taxable years beginning on or after January 1, 2025, for taxpayers who do not make that election.

Part XIII.

Section 13.1.

Expands the General Assembly's legislative intent and purpose in GS 108A-112 to include findings about the vulnerability of older adults and statements of the General Assembly's intent to balance the rights of older adults and disabled adults to direct and control their assets, funds, and investments and to exercise their constitutional rights consistent with due process with the need to provide financial institutions the ability to place narrow, 30-day limited restrictions on these rights in an effort to decrease older adults or disabled adults' risk of loss due to abuse, neglect, or financial exploitation. Makes clarifying changes and broadens definition of *financial exploitation* to include any acts or omissions by a person, including through the use of power of attorney, guardianship, or conservatorship, to do either of the following: (1) obtain control over the older adult's or disabled adult's money, assets, or property through deception, intimidation, or undue influence to deprive him or her of the ownership, use, benefit, or possession of the money, assets, or property or (2) divert the older adult's or disabled adult's money, assets, or property to deprive him or her of the ownership, use, benefit, or possession of the money, assets, or property. Adds term *trusted contact* to encompass any of four listed persons, including a natural person aged 18 or older whom a customer has expressly identified in a financial institution's records who may be contacted about either the account or account owner to discuss the specified matter.

Expands good faith immunity for making a report of suspected fraud under GS 108A-115 to include agents of a financial institution. Further instructs that the financial institution, and, and its officers, employees, and agents, cannot be compelled in any action to identify the existence of or the contents of a suspicious activity report related to suspected financial abuse activity that may have been filed with the US Department of the Treasury. Makes technical changes.

Enacts GS 108A-118, authorizing a financial institution to choose to delay or refuse a disbursement or transaction from an account of a disabled adult or older adult or an account for which a disabled adult or older adult is a beneficiary or beneficial owner if: (1) the financial institution and its employees believe, based on individual observation or information received, that financial exploitation may have attempted or occurred or is currently being attempted or occurring; (2) the belief is based on an observation or the receipt of information; and (3) it initiates an internal review. Authorizes to a financial institution to take any six listed actions in response, including delaying or refusing transactions or withdrawals. Specifies that a financial institution's authority to delay expires at the earlier of (1) 30 business days after the date on which the depository institution first acted under the authority in GS 108A-118; (2) when the institution is satisfied that the transaction or act will not likely result in financial exploitation of the older adult or disabled adult; and (3) upon court order. Allows for an additional 30-day extension based on the institution's reasonable belief that financial exploitation may continue to occur or be attempted. Provides for 5-year record keeping of each incident. Provides for good faith immunity for financial institutions. Requires a financial

institution to conduct training and adopt policies, as specified, before it can exercise the statutory authority in GS 108A-118 to delay or deny transactions. Clarifies how GS 108A-112 operates in relation to other statutes. Enacts GS 108A-119, authorizing a financial institution to notify a trusted contact if it believes that financial exploitation has or may have occurred, is being attempted, or has been or may have been attempted. Authorizes the financial institution to not notify the trusted contact if it believes that the contact is involved in the financial exploitation. Exempts any such disclosures from State privacy laws.

Section 13.2.

Adds term *public notice* to the 32 defined terms pertaining to savings banks in GS 54C-4. Removes proviso that the definitions apply to those terms unless “the context otherwise requires.” Removes process for a savings bank to obtain permission to establish a branch office in GS 54C-23. Expands the ways that State savings bank may establish branches in the State or another State to include de novo and by acquisition of existing branch offices of another depository institution. Sets deadline for the Commissioner of Banks (Commissioner) to make a decision on an application within fourteen days of the date of publication of the public notice required under GS 54C-4. Now requires the Commissioner to consider such factors as the financial condition and history of the applicant; the adequacy of its capital; the applicant's future earnings prospects; the character, competency, and experience of its management; the probable impact of the branch on the condition of the applicant State savings bank and existing depository institutions in the community to be served; and the convenience and needs of the community the proposed branch is to serve. (Currently, Commissioner must approve applications when four factors are met, including that the applicant has gross assets of at least \$10 million). Now requires State savings banks to publish public notice as part of its request a change of location for its principal office or a branch to the Commissioner under GS 54C-24. Instructs the Commissioner to take into account any public comments received in response to the notice. Requires the Commissioner to approve the request if any of four conditions apply, including that the relocation does not result in a material change in the primary service area of the principal office or branch. Makes conforming changes, including to the statute's title. Removes content of GS 54C-60, pertaining to confidential information of the Commissioner, and/or the State Banking Commission, and instead directs that GS 53C-2-7 applies to records of the Office of the Commissioner pertaining to State saving banks.

Removes provisions in GS 54C-101 requiring a director of a State savings bank to have significant ownership in the bank. Directs that the corporate powers of the State savings bank are exercised by, or under the authority of, its board of directors, and the business and affairs of the State savings bank are managed by, or under the direction of, its board of directors. Allows the Commissioner to reduce the number of a board of directors to less than five members for good cause. Provides for quarterly meetings, and liability of the board of directors. Allows for the appointment of advisory directors, and specifies that no advisory director is liable for acts or omissions undertaken as an advisory director under the laws applicable to the performance of the duties of a director of a State savings bank, unless and only to the extent the advisory director undertakes or is delegated authority as a director of the State savings bank. Repeals GS 54C-102 (requiring a State savings bank's bylaws to be approved by the Commissioner). Directs the Commissioner to review GS Chapter 54C and form a drafting group, if appropriate, to prepare updates and revisions to modernize the Chapter or to make recommendations on more fully integrating the supervision of savings banks into GS Chapter 53C (Regulation of Banks). Requires the Commissioner to submit a report on its findings and recommendations to the specified NCGA committee within one year of the act's effective date.

Part XIV.

Section 14.

Adds new Article 52, Rounding of Cash Transactions, to GS Chapter 66, providing as follows.

Defines an entity as: (1) a private entity, or its employees or contractors, engaged in business with the public that accepts cash payments, or (2) a unit, department, or agency of the State government, or any division or subdivision of the unit, department, or agency, or a unit of local government, when the entity is engaged in business as a retailer and accepts cash as a method of payment. Excludes ABC stores from the definition of entity.

Allows an entity, if the penny is no longer in production, to round the total transaction amount to the nearest five-cent interval instead of to the nearest one-cent interval. Sets out principals to follow when rounding, including that rounding to the nearest five-cent interval does not apply to transactions for which payment is made by a noncash method, that the total transaction amount may be paid without rounding if the customer has the exact legal tender, and that any unit, department, or agency of the State government or any of their divisions or subdivisions, and local governments must keep the funds derived from rounding up cash transactions. Sets out the methods to use for rounding. Specifies that round does not alter the sales price, the amount of tax owed, or any surcharges, assessments, or fees imposed on the sale. Also specifies that the statute does not authorize

rounding the amount of sales tax due. Provides that there is no civil cause of action against an entity based on a rounding adjustment done according to this statute.

Allows an ABC store, if the penny is no longer in production, to round the total transaction amount to the nearest five-cent interval instead of to the nearest one-cent interval. Sets out principals to follow when rounding, including that rounding to the nearest five-cent interval does not apply to transactions for which payment is made by a noncash method, and that funds derived from round up are treated as gross receipts and must be distributed according to GS 18B-805. Sets out the methods to use for rounding. Specifies that round does not alter the sales price, the amount of tax owed, or any surcharges, assessments, or fees imposed on the sale. Also specifies that the statute does not authorize rounding the amount of sales tax due. Provides that there is no civil cause of action against an entity based on a rounding adjustment done according to this statute. Further amends this statute, effective July 1, 2027, to require, instead of allowing, ABC stores to round the total transaction amount to the nearest five-cent interval if the penny is no longer in production; makes conforming changes.

Makes conforming changes to GS 18B-804 and GS 18B-805.

Amends GS 105-164.10, concerning the calculation of retail tax, by adding that the sale price of a cash transaction does not change due to any rounding of the total transaction amount to the nearest dollar or cent amount still in production.

Amends GS 105-164.11, concerning excessive and erroneous collections, by adding that a seller is presumed to have a reasonable business practice if in the collection of sales and use taxes, the seller round a sale to the nearest five-cent interval according to GS 66-515 or GS 18B-804A if the penny is no longer in production.

Enacts new GS 75-45 and GS 81A-32 providing that rounding of a consumer sale by a business to the nearest five-cent interval according to GS 66-515 or GS 18B-804A if the penny is no longer in production is not a violation of the respective GS Chapter (Chapter 75, Monopolies, Trusts and Consumer Protection; Chapter 81A, Weights and Measures Act of 1975).

Amends GS 105-357 to require that taxing units, when the penny is no longer in production and not available for in-person tax payments made in cash, to round the final digit of the amount owed down to the nearest five-cent interval. Tax payments rounded down are treated as paid in full. Makes additional clarifying changes.

Part XV.

Section 15.

Amends GS 160A-635 to increase payment for members of the Board of Trustees of the Piedmont Authority for Regional Transportation from \$50 to \$100 as compensation for attendance at each duly conducted meeting.

Part XVI.

Section 16.

Enacts new GS 105-163.2C requiring (1) licensed interactive sports wagering operations and (2) ADW licensees, to deduct and withhold State income taxes from the payment of winnings in an amount of \$600 or more. Requires the amount of taxes withheld to be a percentage of the winnings that is based on the individual income tax rate. Requires gaming operators to file a return, pay the withheld taxes, and report the amount withheld in the manner required in the specified statutes as if the winnings were wages. Applies to winnings paid on or after July 1, 2026.

Intro. by McInnis, Craven.

[GS 1](#), [GS 14](#), [GS 18B](#), [GS 18C](#), [GS 20](#), [GS 54](#), [GS 54C](#), [GS 66](#),
[GS 75](#), [GS 81A](#), [GS 105](#), [GS 108A](#), [GS 143B](#), [GS 150B](#), [GS 153A](#), [GS 160A](#)

[View summary](#)

Alcoholic Beverage Control, Banking and Finance, Business and Commerce, Consumer Protection, Corporation and Partnerships, Courts/Judiciary, Motor Vehicle, Criminal Justice, Criminal Law and Procedure, Government, APA/Rule Making, State Agencies, Department of Revenue, Tax, Local Government, Health and Human Services, Social Services, Adult Services, Lottery and Gaming, Transportation

ACTIONS ON BILLS

PUBLIC BILLS

H 87: EDUCATIONAL CHOICE FOR CHILDREN ACT (ECCA). (NEW)

House: Veto Overridden

Senate: Veto Received from House

Senate: Ref To Com On Rules and Operations of the Senate

H 308: 2026 CRIMINAL LAW CHANGES. (NEW)

Senate: Reptd Fav Com Substitute

Senate: Com Substitute Adopted

Senate: Re-ref Com On Rules and Operations of the Senate

H 377: 2026 COURT CHANGES. (NEW)

Senate: Reptd Fav Com Substitute

Senate: Com Substitute Adopted

Senate: Re-ref Com On Rules and Operations of the Senate

H 443: CONST. AMENDMENT: COUNCIL OF STATE VACANCIES.

House: Amend Failed A1

House: Passed 2nd Reading

House: Passed 3rd Reading

House: Special Message Sent To Senate

Senate: Special Message Received From House

Senate: Passed 1st Reading

Senate: Ref To Com On Rules and Operations of the Senate

H 1042: AFFORDABLE HOUSING EXEMPTION MODS.

House: Passed 3rd Reading

H 1089: CONST. AMEND. PROPERTY TAX LEVY LIMIT.

House: Passed 2nd Reading

House: Passed 3rd Reading

House: Special Message Sent To Senate

Senate: Special Message Received From House

Senate: Passed 1st Reading

Senate: Ref to Finance. If fav, re-ref to Rules and Operations of the Senate

Senate: Reptd Fav

Senate: Re-ref Com On Rules and Operations of the Senate

Senate: Reptd Fav

Senate: Placed on Today's Calendar

Senate: Amend Tabled A1
Senate: Amend Tabled A2
Senate: Amend Tabled A3
Senate: Passed 2nd Reading
Senate: Passed 3rd Reading
Senate: Ordered Enrolled

H 1094: FERRY DIVISION PERFORMANCE AUDIT.

House: Reptd Fav Com Substitute
House: Re-ref Com On Rules, Calendar, and Operations of the House

H 1109: NCDOT STI STUDY RECOMMENDATION.

House: Reptd Fav Com Substitute
House: Re-ref Com On Rules, Calendar, and Operations of the House

H 1123: UNC OMNIBUS & CAPITAL CONTRACTING LAW CHANGES.

House: Regular Message Sent To Senate

S 445: REGULATORY REFORM ACT OF 2026. (NEW)

House: Reptd Fav Com Substitute
House: Re-ref Com On Rules, Calendar, and Operations of the House

S 595: VARIOUS REVENUE LAWS CHANGES. (NEW)

Senate: Conf Com Reported
House: Conf Com Reported
House: Ruled Material
House: Cal Pursuant Rule 44(d)
House: Placed On Cal For 06/02/2026
Senate: Placed On Cal For 06/02/2026

LOCAL BILLS

H 1119: ANNEXATION OF PUV LAND/SCHOOL CAPACITY.

House: Reptd Fav
House: Re-ref Com On State and Local Government

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