

## The Daily Bulletin: 2026-05-21

### PUBLIC/HOUSE BILLS

H 1089 (2025-2026) [CONST. AMEND. PROPERTY TAX LEVY LIMIT](#). Filed Apr 28 2026, *AN ACT TO AMEND THE CONSTITUTION OF THE STATE TO REQUIRE THE LEGISLATURE TO ENACT A PROPERTY TAX LEVY LIMIT*.

AN ACT TO AMEND THE CONSTITUTION OF THE STATE TO REQUIRE THE LEGISLATURE TO ENACT A PROPERTY TAX LEVY LIMIT. SL 2026-5. Enacted May 21, 2026. Effective May 21, 2026, except as otherwise provided.

**Intro. by Echevarria, Howard, Setzer, Paré.**

CONST

[View summary](#)

[Constitution, Development, Land Use and Housing, Property and Housing, Government, General Assembly, Tax](#)

### PUBLIC/SENATE BILLS

S 730 (2025-2026) [RATEPAYER PROTECTION ACT. \(NEW\)](#) Filed Mar 25 2025, *AN ACT TO ESTABLISH REQUIREMENTS FOR SITING AND OPERATION OF DATA CENTERS AND TO MAKE VARIOUS CHANGES TO STATE ENERGY AND UTILITIES POLICY*.

House committee substitute to the 2nd edition adds the following new content. Makes conforming changes to act's long and short titles.

Part I.

Section 1.

Enacts GS 160D-974, directing local governments to require a site assessment prior to approving any new data center's application for rezoning, special exceptions, or conditional or special use permits. Requires site assessment to: (1) examine the sound profile of the center on residential units and schools located within 500 feet of the data center property boundary and (2) submit an attestation that the center will employ a closed-loop water or a liquid cooling system that will result in minimization of water consumption for cooling systems to the maximum extent possible. Authorizes local governments to require that the site assessment also examine the effect of the proposed facility on the community with regard to ground and surface water resources, air quality, thermal plumes, agricultural resources, parks, registered historic sites, and forestland on the data center site or immediately contiguous land. Instructs the local government to use the assessment to determine compliance with its comprehensive plan and specified local noise and zoning laws. Specifies that the site assessment requirement does not apply to a site with an existing legislative, quasi-judicial, or administrative approval where an applicant is seeking an expansion or modification of an already existing or approved facility and such expansion does not exceed an additional monthly electrical demand of 100 megawatts or more. Defines *data center* as a facility, campus of facilities, or array of interconnected facilities used by an entity or other business enterprise to operate, manage, or maintain a computer, group of computers, or other organized assembly of hardware and software for the primary purpose of processing, storing, retrieving, or transmitting data and that has a peak monthly electricity demand of 100 megawatts or greater. Clarifies that the statute does not prohibit, limit, or otherwise supersede existing local zoning authority. Applies to applications for rezoning, special exceptions, or conditional or special use permits submitted on or after the date that the act becomes law.

Section 2.

Enacts GS 143-355.5A, requiring all data centers to employ a closed-loop water or a liquid cooling system that will result in minimization of water consumption for cooling systems to the maximum extent possible. Prohibits data centers from

employing an evaporative or open-loop cooling system. Requires data centers to certify that they will employ a closed-loop cooling system as specified, at the time it submits a rezoning or other application for siting and annually thereafter. Defines closed-loop water or a liquid cooling system as a sealed cooling process in which the same water or coolant circulates continuously with de minimis withdrawal from or discharge into municipal systems, groundwater sources, or surface waters. *Data center* is defined as above. Applies to data centers for which construction commences on or after the date that the act becomes law.

### Section 3.

Enacts Article 5, “Prohibit Foreign Government Ownership of Data Centers and Land on which Data Centers are Located,” to GS Chapter 64. Defines ten terms, including *adversarial nation* (China, Iran, North Korea, and Russia), *data center* (as defined above), *de minimis direct interest* (any ownership of land or a data center resulting from ownership of registered equities in a publicly traded company owning the land or data center and if the ownership interest in the company is either of the following: (1) less than 5% of any class of registered equities or (2) less than 5% interest in an entity controlled by a company that is both registered with the SEC as an investment adviser and not a foreign entity).

Prohibits, in GS 64-65 an adversarial nation from either: (1) purchasing, acquiring, leasing or holding any interest in land on which a data center is located or (2) having any significant interest (any interest other than a de minimis direct interest held by those described) in or substantial control of a data center. Bars prohibited foreign parties from obtaining an interest in a data center other than a de minimis interest except that a prohibited foreign party who is a resident alien of the United States has the right to acquire or hold data center land or a significant interest or control of the data center in the State upon the same terms as citizen of the US while the prohibited foreign party resides in the US. Specifies that a prohibited foreign party that has any interest or significant control in a data center or its land before the act becomes law may continue to own or hold that interest but cannot any additional interest or control. Provides for registration with the Secretary of State and Attorney General and for those parties to maintain a joint public database containing those registrants. Provides for a registration form. Imposes a daily civil penalty of not less than \$1000 per day for each day a registration is late, the clear proceeds of which are to be remitted to the Civil Fines and Forfeiture Fund (Fund). Deems any unpaid balance of those penalties a lien against the land with priority from the date and time of recordation.

Requires a prohibited foreign party that acquires land or significant interest or control of a data center on or after the statute’s effective date under the described methods, to divest itself of the land within three years after the acquisition, or the significant interest in or substantial control of the data center. Provides for an affidavit to be signed at the time of any buyer’s purchase of data center land and for attachment of that affidavit to the deed or other document conveying the interest in land in new GS 161-14.04. Directs the Attorney General to enforce matters where the Attorney General has information that a prohibited foreign party has not divested itself of the land or interest. Allows for violations of the statute to be deemed a default under the lending instrument by the noteholder. Clarifies that the State has sole responsibility for determining whether an individual or entity is subject to new Article 5, either under civil or criminal law. Specifies that title to land is not invalid or subject to divestiture due to a violation of the statute by any former owner or other person holding or owning a former interest in the land. Makes it a Class 2 misdemeanor for a person to knowingly sells an interest in land in violation of the statute or to aid or abet another in doing the same. Provides for an affirmative defense that a prohibited foreign party is a resident alien of the State. Specifies that an individual or other entity who is not a prohibited foreign party bears no civil or criminal liability for failing to determine or make inquiry of whether an individual or other entity is a prohibited foreign party. Clarifies that new Article 5 does not create or authorize a private right of action to enforce its provisions.

Provides for a divestiture procedure in new GS 64-66 lead by the Attorney General upon receipt of information that a violation of GS 64-65 has occurred.

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

Makes conforming change to GS 1-507.24 to authorize the appointment of a general receiver as part of that process.

Effective December 1, 2026.

### Section 4.

Enacts GS 62-142.1 requiring each contract between an electric public utility and a data center (defined) for the provision of electric service to include terms and conditions designed to protect residential, other retail, and wholesale electricity customers from costs associated with data center construction and operation, and prevent cross-subsidization between customer classes to

the maximum extent possible, including the four required provisions pertaining to billing, minimum term, performance and credit provisions, and termination provisions. Provides for filing of each such contract with the Utilities Commission (UC), and authorizes the utility, the data center, or both, to designate any portion of the contract confidential or containing sensitive public security information. Provides process for resolution of disputes concerning confidentiality. Applies to agreements between an electric utility and a data center entered into on or after the section becomes law.

#### Section 5.

Adds new GS 40A-14 preventing condemnation to acquire land to facilitate the siting of a data center.

#### Section 6.

Prevents in GS 158-7.1, a local government from providing any economic development incentives for siting of a data center within their jurisdiction. Specifies that the section cannot be construed to impair agreements for incentives executed on or after the section becomes law.

#### Part II.

#### Section 7.

Removes the prior edition's changes to GS 62-133.8 (clean energy and energy efficiency portfolio standards [CEPS]) and instead makes the following changes. Requires electric power suppliers of solar energy, swine waste resources, and poultry waste resources to comply with the CEPS requirements only if the incremental costs do not exceed 200% of the cost to supply, or contract for supply, an equivalent amount of megawatt hours sold to retail customers in the State using any other clean energy resources. Directs electric power suppliers to satisfy the GS 62-133.8(b) and (c) compliance with current law and practice with respect to the least cost planning for generation in a manner that maintains or improves upon the adequacy and reliability of the existing grid. States the NCGA's goal that the cap on per account annual charges in the statute will be reduced by 50% for all customer classes by 2035. Clarifies that nothing in Section 7 should be construed to impair any contract executed on or before July 1, 2026, for purposes of complying with the requirements of GS 62-133.8 as existed prior to the changes to the statute as enacted by the act. Provides for cost recovery, as described.

#### Section 8.

Directs the Legislative Services Officer (LSO) to issue a request for proposals for a study to be conducted by an entity with nationally recognized expertise in research and analysis of utility policy and rates to: (1) ascertain the current impacts, and projected impacts over the next 25 years, to residential, commercial and industrial customer bills from the 2050 carbon neutrality goal, and whether any changes to this policy or other policies are advisable to enhance customer affordability; and (2) provide recommendations for effective policies to prevent rate impacts from large load customers on other customer classes, including requirements that large load customers generate a portion of their own power, as well as curtailment policies for large load customers. Provides for timeline for commencement of and reporting of study results, including submission to the LSO on or before May 1, 2027, to inform the development of utility policy during the 2027 Regular NCGA Session. Provides for assistance by the UC and Public Staff.

#### Section 9.

Directs the Department of Environmental Quality (DEQ), in GS 143B-279.13 to create a voluntary express review program for all permits, authorizations, and certifications required by DEQ for projects involving energy or fuel, including natural gas, diesel petroleum, or electricity. Provides for the express review program support from the application fees for those permits. Expands on the matters that DEQ must report on under GS 143B-279.20 (applications for natural gas pipelines and gas-fired electric generation facilities) to include applications received for authorizations or certifications for natural gas pipelines and gas-fired electric generation facilities in the state, including all activities under the express review program created by the act in GS 143B-279.13. Requires DEQ to inform entities with the described pending applications of the express review program enacted by the act within 30 days of the date the section becomes law. Applies to applications for permits, authorizations, and certifications pending or submitted on or after the date that the section becomes law.

#### Section 10.

Prohibits the UC from authorizing retirement of a baseload electric generating facility until such time as a certificate of public convenience and necessity has been issued to an electric public utility for construction of a nuclear facility to ensure the

adequacy of baseload generation from a clean energy resource in GS 60-110.9.

Part III.

Section 11.

Adds new GS 62-24 preventing an employee of the UC or Public Staff or member of the UC, or executive director of the Public Staff from accepting or beginning employment with a utility regulated by the UC within six months after separation from employment at the UC or Public Staff.

Section 12.

Contains a severability clause.

**Intro. by Jarvis.**

STUDY, GS 1, GS 40A, GS 62, GS 64, GS 143, GS 143B, GS 158, GS 160D, GS 161

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**Development, Land Use and Housing, Land Use, Planning and Zoning, Environment, Energy, Government, General Assembly, State Agencies, Department of Environmental Quality (formerly DENR), Department of Justice, Local Government, Public Enterprises and Utilities**

S 1080 (2025-2026) **LOWER TAXES FOR ALL NC.** Filed May 13 2026, *AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION TO PROVIDE THAT THE MAXIMUM TAX RATE ON INCOMES CANNOT EXCEED THREE AND ONE-HALF PERCENT.*

AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION TO PROVIDE THAT THE MAXIMUM TAX RATE ON INCOMES CANNOT EXCEED THREE AND ONE-HALF PERCENT. SL 2026-4. Enacted May 21, 2026. Effective May 21, 2026, except as otherwise provided.

**Intro. by Lee, Sawrey, Barnes.**

CONST

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**Constitution, Government, Tax**

## ACTIONS ON BILLS

## PUBLIC BILLS

### **H 198: AMEND LAW ON NOTICE OF ABC VIOLATION.**

*Senate: Sequential Referral To Finance Added After Commerce and Insurance*

*Senate: Sequential Referral To Judiciary Added After Finance*

### **H 1042: AFFORDABLE HOUSING EXEMPTION MODS.**

*House: Regular Message Sent To Senate*

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

*House: Ratified*

*House: Ch. SL 2026-5*

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

*Senate: Regular Message Received From House*

*Senate: Passed 1st Reading*

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

**S 730: RATEPAYER PROTECTION ACT. (NEW)**

*House: Reptd Fav Com Substitute*

*House: Reptd Fav Com Substitute*

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

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

**No local actions on bills**

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