

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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**HOUSE BILL 926
Committee Substitute Favorable 4/29/25**

Short Title: Regulatory Reform Act of 2025.

(Public)

Sponsors:

Referred to:

April 14, 2025

A BILL TO BE ENTITLED
AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH
CAROLINA.

The General Assembly of North Carolina enacts:

PART I. HEALTH AND WELLNESS

**EXEMPT CERTIFIED REFLEXOLOGISTS FROM OVERSIGHT FROM THE NORTH
CAROLINA BOARD OF MASSAGE AND BODYWORK THERAPY**

SECTION 1.(a) G.S. 90-624 reads as rewritten:

"§ 90-624. Activities not requiring a license to practice.

Nothing in this Article shall be construed to prohibit or affect:

...

(9) A nationally certified reflexologist engaged in the practice of reflexology, who has a current certification from the American Reflexology Certification Board (ARCB) or its successor entity, or an individual who is a reflexology student working to obtain certification from the ARCB or its successor entity under the supervision of an ARCB-certified reflexologist. Provided, however, that this exemption shall only apply to reflexology students who obtain certification within 12 months of beginning the certification process. For the purposes of this subdivision, "reflexology" means a protocol of manual techniques, including thumb- and finger-walking, hook and backup, and rotating-on-a-point, that are applied to specific reflex areas predominantly on the feet and hands and that stimulate the complex neural pathways linking body systems and support the body's efforts to function optimally.

SECTION 1.(b) This section becomes effective October 1, 2025.

**ALLOW PHYSICAL THERAPISTS TO EVALUATE STUDENT ATHLETE HEAD
INJURIES DURING ATHLETIC ACTIVITIES**

SECTION 2. G.S. 115C-407.57(b)(2) reads as rewritten:

"(2) If a student participating in an interscholastic athletic activity exhibits signs or symptoms consistent with a concussion, the student shall be removed from the activity at that time and shall not be allowed to return to play or practice that day. The student shall not return to play or practice on a subsequent day until the student is evaluated by and receives written clearance for such participation from one of the following:



* H 9 2 6 - V - 2 *

1 ...
2 f. A physical therapist, licensed under Article 18E of Chapter 90 of the
3 General Statutes."
4

5 **PART II. OCCUPATIONAL LICENSING AND ACCREDITATION**

6 7 **EXEMPT LEGISLATORS FROM GENERAL CONTRACTOR CONTINUING** 8 **EDUCATION REQUIREMENTS**

9 **SECTION 3.** G.S. 87-10.2 reads as rewritten:

10 **"§ 87-10.2. Continuing education.**

11 (a) As a condition of license renewal, at least one qualifier or qualifying party of a
12 licensee holding a building contractor, residential contractor, or unclassified contractor license
13 classification shall complete, on an annual basis, eight hours of continuing education approved
14 in accordance with this section. Where an entity holding a building contractor, residential
15 contractor, or unclassified contractor license classification has multiple qualifiers or qualifying
16 parties, at least one qualifier or qualifying party of the licensee shall complete this requirement
17 for the license to remain valid.

18 (a1) A member of the General Assembly is exempt from the continuing education
19 requirements imposed by subsection (a) of this section for any calendar year in which the member
20 serves a term or some portion thereof in the General Assembly.

21 "
22

23 **END DUAL LICENSURE REQUIREMENTS FOR AUDIOLOGISTS**

24 **SECTION 4.(a)** G.S. 93D-14 reads as rewritten:

25 **"§ 93D-14. Persons not affected.**

26 (a) Nothing in this Chapter shall apply to a physician licensed to practice medicine or
27 surgery in the State of North Carolina.

28 (b) Any person who meets the requirements of ~~having both a doctoral degree in~~
29 ~~Audiology and~~ holding a valid ~~permanent-unrestricted~~ license as an ~~audiologist-audiologist,~~
30 ~~audiology assistant, or certified technician~~ under Article 22 of Chapter 90 of the General Statutes
31 of North Carolina is exempt from licensure under this Chapter. ~~A person who does not meet both~~
32 ~~requirements of having a doctoral degree in Audiology and holding a valid permanent license as~~
33 ~~an audiologist under Article 22 of Chapter 90 of the General Statutes of North Carolina must~~
34 ~~become a registered apprentice or be licensed by the Board before fitting or selling hearing aids~~
35 ~~in the State of North Carolina.~~

36 (c) ~~Nothing in this Chapter shall be construed to exempt an audiology assistant or~~
37 ~~certified technician, working under the supervision of a licensee or a person exempt from~~
38 ~~licensure under this Chapter, from being subject to the provisions of this Chapter. Such a person,~~
39 ~~before engaging in fitting or selling hearing aids, as defined in this Chapter, must be registered~~
40 ~~as an apprentice under a Registered Sponsor or be licensed by the Board.~~

41 (d) The provisions of this Chapter shall not apply to the activities and services of an
42 audiology student pursuing a course of study in an accredited college or university, if these
43 activities and services constitute a part of such person's course of study."

44 **SECTION 4.(b)** This section is effective when it becomes law.

45 46 **LOCKED HEARING AID DISCLOSURES FOR HEARING AID FITTERS, DEALERS,** 47 **AND AUDIOLOGISTS**

48 **SECTION 5.(a)** Chapter 93D of the General Statutes is amended by adding a new
49 section to read:

50 **"§ 93D-7.1. Disclosure of locked hearing aid software; additional disclosures and record**
51 **keeping.**

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

(1) Locked hearing aid. – A hearing aid that uses either proprietary programming software or locked, nonproprietary programming software that restricts programming or servicing of the device to specific facilities or providers.

(2) Locked, nonproprietary programming software. – Software that any provider or seller can render inaccessible to other hearing aid programmers.

(3) Proprietary programming software. – Software used to program hearing aids that is supplied by a hearing aid distributor or manufacturer for exclusive use by affiliated providers or sellers. This software is locked and inaccessible to nonaffiliated providers or sellers.

(b) Disclosure of Locked Programming Software. – To the extent not inconsistent with federal law, any person licensed under this Chapter who sells locked hearing aids shall, before consummating the sale of any locked hearing aid, provide the purchaser with a written notice, in 12-point type or larger, stating:

"The hearing aid being purchased uses proprietary or locked programming software and can only be serviced or programmed at specific facilities or locations."

The purchaser shall sign the notice prior to sale completion. The seller shall retain a copy of the signed notice for at least seven years, subject to the conditions of subsection (d) of this section.

(c) Written Receipt of Sale. – Upon consummation of a sale of a locked hearing aid, in addition to complying with G.S. 93D-7, the licensee shall deliver to the purchaser a written receipt signed by or on behalf of the licensee, containing all of the following information:

(1) The date of consummation of the sale.

(2) The make, model number, and serial number of the hearing aid sold.

(3) Whether the hearing aid is new, used, or reconditioned.

(4) The licensee's name and license number, and the name and license number of any other hearing aid dispenser, apprentice, temporary licensee, or trainee licensee who provided any recommendation or consultation regarding the purchase.

(5) The address of the principal place of business of the licensee, and the address and office hours at which the licensee shall be available for fitting or post-fitting adjustments and servicing of the hearing aid sold.

(6) The terms of any guarantee or written warranty made to the purchaser with respect to the hearing aid.

If multiple locked hearing aids are sold in a single transaction, a single written notice under subsection (b) of this section and a single written receipt under this subsection may be used to satisfy the requirements of this section, provided that the required information for each hearing aid sold is clearly documented.

(d) Record Keeping. – The licensee shall maintain, for a period of at least seven years after the sale, the following records for each hearing aid sold:

(1) A copy of the written notice described in subsection (b) of this section as signed by the purchaser.

(2) A copy of the written receipt described in subsection (c) of this section.

(3) The results of any audiologic tests or measurements performed as part of the fitting and dispensing of the hearing aid or aids.

(4) A copy of any written recommendations prepared as part of the fitting and dispensing of the hearing aid or aids.

These records shall be kept at the licensee's principal place of practice and shall be made available for inspection by the Board."

SECTION 5.(b) The North Carolina State Hearing Aid Dealers and Fitters Board may adopt rules to implement subsection (a) of this section.

SECTION 5.(c) This section becomes effective October 1, 2025.

1 **SECTION 6.(a)** Article 22 of Chapter 90 of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 90-308. Disclosure of locked hearing aid software by audiologists; receipt and record**
4 **requirements.**

5 (a) Disclosure of Locked Programming Software. – To the extent not inconsistent with
6 federal law, a licensed audiologist who engages in the fitting or selling of locked hearing aids, as
7 defined in G.S. 93D-7.1(a)(1), shall, before consummating the sale of any locked hearing aid,
8 provide the purchasing patient with a written notice in at least 12-point type stating:

9 "The hearing aid being purchased uses proprietary or locked programming software and can
10 only be serviced or programmed at specific facilities or locations."

11 This notice must be signed by the purchasing patient prior to sale completion. The audiologist
12 shall retain a copy of the signed notice in the patient's file in addition to the record requirements
13 of subsection (c) of this section.

14 (b) Receipt of Sale. – Upon the consummation of a sale of a locked hearing aid, in
15 addition to complying with G.S. 93D-7, the audiologist shall give the purchasing patient a written
16 receipt, signed by or on behalf of the audiologist, containing all of the following information:

17 (1) The date of consummation of the sale.

18 (2) The make, model, and serial number of the hearing aid sold.

19 (3) Whether the hearing aid is new, used, or reconditioned.

20 (4) The audiologist's name and license number. If any other hearing care
21 professionals licensed under this Article, such as another audiologist or
22 temporary licensee, provided any recommendation or consultation for the
23 purchase, their name and applicable license number shall also be noted.

24 (5) The address of the principal place of business of the audiologist, and the
25 address and office hours at which the audiologist shall be available for fitting
26 or post-fitting adjustments and servicing of the hearing aid sold.

27 (6) The terms of any guarantee or written warranty made to the purchasing patient
28 with respect to the hearing aid.

29 If multiple locked hearing aids are sold in a single transaction, a single written notice under
30 subsection (a) of this section and a single written receipt under this subsection may be used to
31 satisfy the requirements of this section, provided that the required information for each hearing
32 aid sold is clearly documented.

33 (c) Record Keeping. – A licensed audiologist shall maintain, for a period of at least seven
34 years after the sale, the following records for each locked hearing aid transaction:

35 (1) A copy of the written notice described in subsection (a) of this section as
36 signed by the purchasing patient.

37 (2) A copy of the written receipt described in subsection (b) of this section.

38 (3) The results of any audiologic tests or measurements performed as part of the
39 fitting and dispensing of the locked hearing aid or aids.

40 (4) A copy of any written recommendations prepared as part of the fitting and
41 dispensing of the hearing aid or aids.

42 These records shall be kept at the audiologist's principal place of practice and shall be made
43 available for inspection by the Board."

44 **SECTION 6.(b)** The North Carolina Board of Examiners for Speech and Language
45 Pathologists and Audiologists may adopt rules to implement subsection (a) of this section.

46 **SECTION 6.(c)** This section becomes effective October 1, 2025.

47
48 **AUTHORIZE BROKERS TO REGISTER WITH MULTIPLE DEALERS**

49 **SECTION 7.** G.S. 78A-36 reads as rewritten:

50 **"§ 78A-36. Registration requirement.**

(a) It is unlawful for any person to transact business in this State as a dealer or salesman unless he is registered under this Chapter. No dealer shall be eligible for registration under this Chapter, or for renewal of registration hereunder, unless such dealer is at the time registered as a dealer with the Securities and Exchange Commission under the Securities Exchange Act of 1934.

(b) It is unlawful for any dealer to employ a salesman unless the salesman is registered. The registration of a salesman is not effective during any period when he is not associated with a particular dealer registered under this Chapter. When a salesman begins or terminates those activities which make him a salesman, the salesman as well as the dealer shall promptly notify the Administrator.

The Administrator may by rule or order require the return of a salesman's license upon the termination of those activities which make him a salesman or, if such return is impossible, require a bond or evidence satisfactory to the Administrator of such impossibility. No salesman may be registered with more than one ~~dealer-dealer~~ unless each of the dealers which employs or associates with the salesman is under common ownership or control, or the registration is otherwise allowed by a rule or order of the Administrator.

(c) Every registration expires on the thirty-first day of March of each year (or such other date not more than one year from its effective date as the Administrator may by rule or order provide) unless renewed."

PART III. BUSINESS REFORMS

ALLOW BUYER'S AGENT COMPENSATION TO BE INCLUDED IN THE OFFER TO PURCHASE

SECTION 8.(a) Definitions. – For purposes of this section, "Offer and Sales Contracts Rule" means 21 NCAC 58A .0112 (Offer and Sales Contracts).

SECTION 8.(b) Offer and Sales Contracts Rule. – Until the effective date of the revised permanent rule that the Real Estate Commission is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the Offer and Sales Contracts Rule as provided in subsection (c) of this section.

SECTION 8.(c) Implementation. – A broker acting as an agent in a real estate transaction may use a preprinted offer or sales contract form containing provisions concerning the payment of a commission or compensation, including the forfeiture of earnest money, to a broker or firm.

SECTION 8.(d) Additional Rulemaking Authority. – The Commission shall adopt a rule to amend the Offer and Sales Contracts Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 8.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

LIMIT LOCAL GOVERNMENT AUTHORITY TO ADOPT REQUIREMENTS FOR WATER AND SEWER INFRASTRUCTURE THAT ARE MORE STRINGENT THAN STATE LAW

SECTION 9.(a) Article 1 of Chapter 160D of the General Statutes is amended by adding a new section to read:

"§ 160D-103.1. Limitation on certain development regulations pertaining to water and sewer infrastructure.

No local government unit, as that term is defined in G.S. 159G-20, may adopt or enforce a requirement for the construction, alteration, or operation of a water or sewer system in association with development, including specific materials and components required to be used, that is more stringent than a corresponding requirement set forth in Subchapters 2T and 18C of Title 15A of the North Carolina Administrative Code, as applicable, unless both of the following are satisfied:

- (1) The more stringent requirement has been approved by the Environmental Management Commission. The Environmental Management Commission shall only approve a more stringent requirement where it has determined that the more stringent requirement is necessary or advisable to address specific concerns of the jurisdiction in question due to geography or other factors and, if so, whether the requirement is a cost-effective approach to meet the regulatory objective. In issuing its approval or denial of a requirement, the Commission shall include written findings of fact to support its decision.
- (2) After approval of the Environmental Management Commission, the unit of local government adopts the requirement by ordinance."

SECTION 9.(b) This section becomes effective December 1, 2025, and applies to a requirement for the construction, alteration, or operation of a water or sewer system in association with development adopted or enforced on or after that date.

ALLOWING THE USE OF UNGRADED LUMBER IN CERTAIN CIRCUMSTANCES

SECTION 10.(a) Definitions. – For purposes of this section, the following definitions apply:

- (1) Dimension lumber. – Lumber that has not been grade-stamped under the authority of a lumber grading bureau.
- (2) Small mill. – A sawmill that mills less than 1,000,000 board feet of lumber per year.

SECTION 10.(b) The North Carolina Residential Code Council shall amend the North Carolina Residential Code in order to permit dimension lumber that has not been grade-stamped under the authority of a lumber grading bureau to be used in the construction of one- and two-family dwellings, when that use meets all of the following requirements:

- (1) The lumber is sold directly by the owner or employee of the sawmill that milled the lumber to the owner of the dwelling to be constructed or that person's authorized representative.
- (2) The dimension lumber meets or exceeds the requirements of the North Carolina Residential Code other than the requirements that only grade-stamped lumber be used in residential construction.
- (3) The operator of the sawmill has a certificate from a State-approved lumber grading training program, certifies that the lumber conforms with product and inspection standards under American Softwood Lumber Standard PS20, and marks the lumber with (i) the mill number, name, or abbreviation, (ii) the species or combination of species of the lumber, (iii) whether the lumber was dry or green when manufactured as required by American Softwood Lumber Standard PS20, and (iv) whether the lumber conforms with PS20 standards.
- (4) The appropriate code enforcement official reviews the framing of the dwelling to ensure that it meets the requirements of the North Carolina Residential Code in all respects other than the requirements that only grade-stamped lumber be used in residential construction. The code enforcement official shall not be liable for any structural failure that occurs as a result of the use of dimension lumber rather than grade-stamped lumber.
- (5) The sawmill provides to the purchaser a certificate containing all of the following information:

- a. A statement of the species of wood, quantity milled, and address where the lumber will be used.
- b. The name of the sawmill operator certified pursuant to G.S. 143-138.2 who milled the lumber.
- c. A certification that the lumber meets or exceeds the requirements of the North Carolina Residential Code with the exception that it has not been grade-stamped by an accredited lumber grading bureau.
- d. The date of sale of the lumber.

SECTION 10.(c) The North Carolina Residential Code Council shall amend the North Carolina Residential Code and the North Carolina Building Code Council shall amend the North Carolina Building Code in order to permit dimension lumber that has not been grade-stamped under the authority of a lumber grading bureau to be used in the construction of one- and two-family dwellings and structures classified as Residential Group R-2 or R-3, when that use meets all of the following requirements:

- (1) The lumber is sold directly by the owner or employee of a small mill or a mobile sawmill that milled the lumber to the owner of the structure to be constructed or that person's authorized representative.
- (2) The dimension lumber meets or exceeds the requirements of the North Carolina Residential Code or the North Carolina Building Code, as applicable, other than the requirements that only grade-stamped lumber be used in residential construction.
- (3) The operator of the small mill or mobile sawmill has a certificate from a State-approved lumber grading training program, certifies that the lumber conforms with product and inspection standards under American Softwood Lumber Standard PS20, and marks the lumber with (i) the mill number, name, or abbreviation, (ii) the species or combination of species of the lumber, (iii) whether the lumber was dry or green when manufactured as required by American Softwood Lumber Standard PS20, and (iv) whether the lumber conforms with PS20 standards.
- (4) The appropriate code enforcement official reviews the framing of the structure to ensure that it meets the requirements of the North Carolina Residential Code or the North Carolina Building Code, as applicable, in all respects other than the requirements that only grade-stamped lumber be used in residential construction. The code enforcement official shall not be liable for any structural failure that occurs as a result of the use of dimension lumber rather than grade-stamped lumber.
- (5) The small mill or mobile sawmill provides to the purchaser a certificate containing all of the following:
 - a. A statement of the species of wood, quantity milled, and address where the lumber will be used.
 - b. The name of the sawmill operator certified pursuant to G.S. 143-138.2 who milled the lumber.
 - c. A certification that the lumber meets or exceeds the requirements of the North Carolina State Building Code with the exception that it has not been grade-stamped by an accredited lumber grading bureau.
 - d. The date of sale of the lumber.

SECTION 10.(d) The Residential Code Council and Building Code Council shall adopt temporary rules to implement the requirements of this section no later than 180 days after the effective date of this section. The Residential Code Council and Building Code Council shall also adopt permanent rules to replace the temporary rules.

1 **SECTION 11.(a)** Article 9 of Chapter 143 of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 143-138.2. Lumber grading training program.**

4 (a) The North Carolina Cooperative Extension Service shall establish a basic lumber
5 grading training program for individuals and establish the general requirements for successfully
6 completing the training program, including requirements for initial certification and for
7 recertification. The North Carolina Cooperative Extension Service shall offer the training
8 program at least annually. The Extension Forestry staff, in cooperation with the staff of the North
9 Carolina Forest Service, shall develop and establish the content of the training program,
10 determine the certification requirements for instructors teaching the training program, and
11 determine the criteria for determining successful completion of the training program. Instructors
12 shall be approved by the North Carolina Cooperative Extension Service.

13 (b) The North Carolina Cooperative Extension Service may, in its discretion, authorize
14 one or more private lumber grading training programs, provided that the content of the private
15 programs and certification requirements for instructors and criteria for successful completion of
16 the training program are at least as stringent as the program offered by the North Carolina
17 Cooperative Extension Service. An authorized private training program may issue initial
18 certifications and recertifications.

19 (c) An individual holding an initial certification from the program established by
20 subsection (a) of this section, from a private program authorized under subsection (b) of this
21 section, or from a State-approved lumber grading program in another state who mills lumber in
22 this State shall be recertified under the training program every five years.

23 (d) An individual who holds an initial certification from the program established by
24 subsection (a) of this section, from a private program authorized under subsection (b) of this
25 section, or from a State-approved lumber grading program in another state shall register with the
26 North Carolina Forest Service before selling lumber that has not been grade-stamped under the
27 authority of a lumber grading bureau directly to the owner of a structure for use in construction
28 of the structure."

29 **SECTION 11.(b)** The North Carolina Cooperative Extension Service shall establish
30 the basic lumber grading training program no later than 180 days after the effective date of this
31 section.

32 **SECTION 12.** G.S. 160D-1110 is amended by adding a new subsection to read:

33 "(b1) For a structure constructed with lumber that has not been grade-stamped under the
34 authority of a lumber grading bureau, a building permit applicant shall submit with the building
35 permit application all of the following:

36 (1) A statement of the species of wood, quantity, and address where the lumber
37 will be used.

38 (2) The name of the sawmill operator certified pursuant to G.S. 143-138.2 who
39 milled the lumber.

40 (3) A certification that the lumber meets or exceeds the requirements of the North
41 Carolina State Building Code with the exception that it has not been
42 grade-stamped by an accredited lumber grading bureau.

43 (4) The date of sale of the lumber."

44 **SECTION 13.** Section 10 of this act is effective when it becomes law and expires
45 when the Residential Code Council and Building Code Council have issued permanent rules
46 substantially similar to Sections 10(b) and 10(c) of this act and notified the Codifier of Statutes
47 that it has done so. Section 12 of this act becomes effective on the date that the temporary rules
48 required to be adopted by the Residential Code Council and Building Code Council by Section
49 10 of this act become effective.
50

DELAY PHASED-IN MANDATORY COMMERCIAL AND RECREATIONAL REPORTING OF CERTAIN FISH HARVESTS, AS ENACTED BY S.L. 2023-137 AND AMENDED BY S.L. 2024-45

SECTION 14. Section 6(f) of S.L. 2023-137, as amended by Section 8 of S.L. 2024-45, reads as rewritten:

"**SECTION 6.(f)** Subsection (a) of this section becomes effective ~~December 1, 2025,~~ December 1, 2026, and applies to violations committed on or after that date. Subsection (b) of this section becomes effective ~~December 1, 2026,~~ December 1, 2027, and applies to violations committed on or after that date. Subsection (c) of this section becomes effective ~~December 1, 2027,~~ December 1, 2028, and applies to violations committed on or after that date. The remainder of this section is effective when it becomes law."

CARRIER LIABILITY FOR FAILURE TO USE CUSTOMER PROVIDED PARCEL LOCKER FOR PACKAGE DELIVERY

SECTION 15. Article 13 of Chapter 66 of the General Statutes is amended by adding a new section to read:

"§ 66-67.6. Carrier liability when parcel locker provided by consignee for package delivery.

Notwithstanding any other provision of law, where a consignee provides a parcel locker compatible with a carrier's requirements for delivery, and has otherwise complied with any requirements of the carrier with respect to use of the parcel locker, the failure of a carrier to deliver goods to the parcel locker shall shift the risk of loss to the carrier if the consignee does not receive the goods due to theft or other loss. For purposes of this section (i) the term "parcel locker" shall mean a lockable storage unit designed to store packages for recipients securely and (ii) the terms "carrier" and "consignee" shall have the same meanings as set forth in G.S. 25-7-102."

NO DISCRIMINATION IN HIGHER EDUCATION AGAINST CREDITS, DEGREES, OR CERTIFICATIONS BASED ON ACCREDITOR IDENTITY WHERE THE ACCREDITOR IS RECOGNIZED BY THE U.S. DEPARTMENT OF EDUCATION

SECTION 16.(a) Article 1 of Chapter 115D of the General Statutes is amended by adding a new section to read:

"§ 115D-1.4. No discrimination against potential transfer credits, degrees, or certifications based on accreditor identity.

The State Board of Community Colleges shall adopt a policy that prohibits any community college from denying or treating disparately any potential transfer credit, degree, or other certification, for any purposes, solely on the basis of the identity of the accreditor, provided that the credits, degree, or other certification came from an institution or program that held accreditation from any accreditor recognized by the United States Department of Education where earned."

SECTION 16.(b) G.S. 116-11 is amended by adding a new subdivision to read:

"(8c) The Board of Governors shall adopt a policy that prohibits any constituent institution from denying or treating disparately any potential transfer credit, degree, or other certification, for any purposes, solely on the basis of the identity of the accreditor, provided that the credits, degree, or other certification came from an institution or program that held accreditation from any accreditor recognized by the United States Department of Education where earned."

PART IV. ADMINISTRATIVE PROCEDURE ACT AMENDMENTS

EXTEND NOTICE REQUIRED BEFORE CONTESTED CASE HEARINGS

SECTION 17.(a) G.S. 150B-23(b) reads as rewritten:

"(b) The parties to a contested case shall be given a notice of hearing not less than ~~15 days~~ 45 days before the hearing by the Office of Administrative Hearings. If prehearing statements have been filed in the case, the notice shall state the date, hour, and place of the hearing. If prehearing statements have not been filed in the case, the notice shall state the date, hour, place, and nature of the hearing, shall list the particular sections of the statutes and rules involved, and shall give a short and plain statement of the factual allegations."

SECTION 17.(b) G.S. 150B-38 reads as rewritten:

"§ 150B-38. Scope; hearing required; notice; venue.

(a) The provisions of this Article shall apply to:

- (1) Occupational licensing agencies.
- (2) The State Banking Commission, the Commissioner of Banks, and the Credit Union Division of the Department of Commerce.
- (3) The Department of Insurance and the Commissioner of Insurance.
- (4) The State Chief Information Officer in the administration of the provisions of Article 15 of Chapter 143B of the General Statutes.
- (5) The North Carolina State Building Code Council.
- (5a) The Office of the State Fire Marshal and the State Fire Marshal.
- (6) Repealed by Session Laws 2018-146, s. 4.4(b), effective December 27, 2018.

(b) Prior to any agency action in a contested case, the agency shall give the parties in the case an opportunity for a hearing without undue delay and notice not less than ~~15 days~~ 45 days before the hearing. Notice to the parties shall include all of the following:

- (1) A statement of the date, hour, place, and nature of the hearing.
- (2) A reference to the particular sections of the statutes and rules involved.
- (3) A short and plain statement of the facts alleged.

...."

REQUIRE AGENCY ATTORNEYS TO COMPLY WITH RULE 4.2 OF THE RULES OF PROFESSIONAL CONDUCT IN CONTESTED CASES

SECTION 18.(a) Article 3 of Chapter 150B of the General Statutes is amended by adding a new section to read:

"§ 150B-35.1. Agency communications with person represented by counsel.

(a) A lawyer for an agency shall not communicate about the subject of the representation with a person the lawyer knows to be represented by another lawyer in the matter, unless the lawyer has the consent of the other lawyer or is authorized to do so by law or a court order. It is not a violation of this section for a lawyer to encourage his or her client to discuss the subject of the representation with the opposing party in a good-faith attempt to resolve the controversy.

(b) A lawyer who violates this section shall be considered in violation of Rule 4.2 of the Rules of Professional Conduct of the North Carolina State Bar and shall be subject to discipline by the State Bar."

SECTION 18.(b) G.S. 150B-40 is amended by adding a new subsection to read:

"(d1) A lawyer for an agency shall not communicate about the subject of the representation with a person the lawyer knows to be represented by another lawyer in the matter, unless the lawyer has the consent of the other lawyer or is authorized to do so by law or a court order. It is not a violation of this section for a lawyer to encourage his or her client to discuss the subject of the representation with the opposing party in a good-faith attempt to resolve the controversy. A lawyer who violates this subsection shall be considered in violation of Rule 4.2 of the Rules of Professional Conduct of the North Carolina State Bar and shall be subject to discipline by the State Bar."

ENCOURAGE ARTICLE 3A AGENCIES TO NEGOTIATE INFORMALLY

SECTION 19. G.S. 150B-22 reads as rewritten:

"§ 150B-22. Settlement; contested case.

(a) It is the policy of this State that any dispute between an agency and another person that involves the person's rights, duties, or privileges, including licensing or the levy of a monetary penalty, should be settled through informal procedures. In trying to reach a settlement through informal procedures, the agency may not conduct a proceeding at which sworn testimony is taken and witnesses may be cross-examined.

(b) If the agency and the other person do not agree to a resolution of the dispute through informal procedures, either the agency or the person may commence an administrative proceeding to determine the person's rights, duties, or privileges, at which time the dispute becomes a "contested case." A party or person aggrieved shall not be required to petition an agency for rule making or to seek or obtain a declaratory ruling before commencing a contested case pursuant to G.S. 150B-23.

(c) This section applies to agencies covered under both this Article and Article 3A of this Chapter."

PART V. EFFECTIVE DATE

SECTION 20. Except as otherwise provided, this act is effective when it becomes law.