

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 1047
Regulatory Reform Committee Substitute Adopted 6/10/26
Judiciary Committee Substitute Adopted 6/17/26
Finance Committee Substitute Adopted 6/18/26

Short Title: Regulatory Reform Act of 2026.

(Public)

Sponsors:

Referred to:

May 4, 2026

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

4 The General Assembly of North Carolina enacts:

5
6 **GUARANTEED ENERGY SAVINGS CONTRACTS – REFORM AND**
7 **RECODIFICATION**

8 **SECTION 1.(a)** Article 3B of Chapter 143 of the General Statutes is amended by
9 adding a new Part 3 to be entitled "Guaranteed Energy Savings Contracts."

10 **SECTION 1.(b)** The following provisions are recodified in Part 3 of Article 3B of
11 Chapter 143 of the General Statutes, as created by subsection (a) of this section, as set forth in
12 the table below:

| <u>Former Citation</u> | <u>Recodified Citation</u> |
|------------------------|----------------------------|
| G.S. 143-64.17B | G.S. 143-64.18B |
| G.S. 143-64.17D | G.S. 143-64.18D |
| G.S. 143-64.17E | G.S. 143-64.18E |
| G.S. 143-64.17F | G.S. 143-64.18F |
| G.S. 143-64.17G | G.S. 143-64.18J |
| G.S. 143-64.17H | G.S. 143-64.18K |

20 **SECTION 1.(c)** Part 3 of Article 3B of Chapter 143 of the General Statutes, as
21 created by subsection (a) of this section, as amended by subsection (b) of this section, reads as
22 rewritten:

23 "Part 3. Guaranteed Energy Savings Contracts.

24 "**§ 143-64.18A. Solicitation of guaranteed energy savings contracts.**

25 (a) RFQ Issuance. – Before entering into a guaranteed energy savings contract, a
26 governmental unit shall issue a request for qualifications. Notice of the request shall be published
27 at least 15 days in advance of the closing date for receipt of qualifications on a State-maintained
28 electronic procurement portal accessible to the public and, in the case of a local governmental
29 unit, in at least one newspaper of general circulation in the geographic area for which the local
30 governmental unit is responsible or on the unit's publicly accessible website.

31 (b) Minimum Content of RFQ. – The request for qualifications shall include, at a
32 minimum, each of the following:

33 (1) The name and address of the governmental unit and a contact person.



- 1 (2) A general description of the facilities and scope of energy conservation
2 measures being considered.
- 3 (3) The evaluation criteria and relative criteria weighting to be applied in the
4 selection process.
- 5 (4) The closing date and time for receipt of qualifications.
- 6 (5) A statement reserving the right of the governmental unit to reject any or all
7 responses.

8 (c) Criteria for Selection of Provider. – The governmental unit shall select the qualified
9 provider that it determines to best meet the needs of the governmental unit by evaluating all of
10 the following and following the procedures set forth in this section:

- 11 (1) Demonstrated competence of the qualified provider.
- 12 (2) The qualified provider's past performance on energy savings projects.
- 13 (3) For State governmental units, the inclusion of a provision in a guaranteed
14 energy savings contract that requires the annual measurement and verification
15 review to be conducted by an impartial third party whose compensation is
16 included in the total cost of the proposed contract.
- 17 (4) Any other criteria stated in the request for qualifications.

18 (d) Initial Evaluation; Shortlist. – The governmental unit shall evaluate responses to the
19 request for qualifications and develop a shortlist of the most highly qualified respondents based
20 on the criteria set forth in subsection (c) of this section. If only one response is received from a
21 qualified provider, the governmental unit may proceed with the evaluation and selection of that
22 provider without resolicitation, provided that the governmental unit makes a written
23 determination that resolicitation is unlikely to increase competition. The determination shall state
24 the basis for that conclusion and shall be included in the public award file. For State governmental
25 units, if only one response is received, the State Energy Office shall concur in the determination
26 before the governmental unit may select the qualified provider.

27 (e) Ranking; Selection. – A qualified reviewer shall review the shortlisted respondents'
28 qualifications and provide the governmental unit with a written evaluation addressing, at a
29 minimum, any material concerns regarding the respondents' ability to perform. The governmental
30 unit shall then rank the shortlisted respondents, select the highest-ranked qualified provider, and
31 negotiate the terms of a guaranteed energy savings contract. If negotiations with the
32 highest-ranked provider are unsuccessful, the governmental unit may proceed to the next-ranked
33 provider.

34 (f) Investment Grade Audit. – Prior to entering into a guaranteed energy savings contract
35 under this section, the qualified provider selected by the governmental unit shall conduct an
36 investment grade audit that includes a life cycle cost analysis of each energy conservation
37 measure in the final proposal.

38 (g) Qualified Reviewer; Final Evaluation. – Prior to a State governmental unit's award of
39 a guaranteed energy savings contract under this section, the qualified reviewer shall review the
40 qualified provider's final proposal and the terms of the negotiated contract and shall provide the
41 governmental unit with a written evaluation addressing whether the negotiated scope is
42 materially consistent with the qualifications and approach presented in the RFQ response,
43 whether the savings methodology remains technically sound, and whether any changes
44 introduced during the negotiation materially affect the projected savings or risk profile.

45 (h) State Energy Office Review. – The State Energy Office shall review the qualified
46 provider's proposal, cost-benefit analysis, and other relevant documents prior to the governmental
47 unit entering a guaranteed energy savings contract. For State governmental units, the State
48 Energy Office shall complete its review within 10 business days of receiving the proposal. The
49 State Energy Office shall advise the governmental unit on the suitability of the proposed
50 guaranteed energy savings contract. However, if the State Energy Office identifies in the proposal
51 any instances of noncompliance with the requirements of this Article, the State Energy Office

1 shall notify the governmental unit of such noncompliance. A governmental unit may not enter
2 into the proposed guaranteed energy savings contract until the State Energy Office has
3 determined the proposal to be in compliance with this Article.

4 (i) Governmental Unit Authority Preserved. – Nothing in this section shall limit the
5 authority of the governmental unit as set forth in Article 3D of this Chapter.

6 **"§ 143-64.18B. Guaranteed energy savings contracts.**

7 (a) A governmental unit may enter into a guaranteed energy savings contract with a
8 qualified provider if all of the following apply:

9 (1) The term of the contract does not exceed 20 years from the date of the
10 installation and acceptance by the governmental unit of the energy
11 conservation measures provided for under the contract.

12 (2) The governmental unit finds that the energy savings resulting from the
13 performance of the contract will equal or exceed the total cost of the contract.

14 (3) The energy conservation measures to be installed under the contract are for an
15 existing building or utility system, or utility consuming device or equipment
16 when the utility cost is paid by the governmental unit.

17 (b) Before entering into a guaranteed energy savings contract, the governmental unit shall
18 provide published notice of the time and place or of the meeting at which it proposes to award
19 the contract, the names of the parties to the proposed contract, and the contract's purpose. The
20 notice must be published at least 15 days before the date of the proposed award or meeting.

21 (c) A qualified provider entering into a guaranteed energy savings contract under this
22 Part shall provide security to the governmental unit in the form acceptable to the Office of the
23 State Treasurer and in an amount equal to one hundred percent (100%) of the guaranteed savings
24 for the term of the guaranteed energy savings contract to assure the provider's faithful
25 performance. Any bonds required by this subsection shall be subject to the provisions of Article
26 3 of Chapter 44A of the General Statutes. If the savings resulting from a guaranteed energy
27 savings contract are not as great as projected under the contract and all required shortfall
28 payments to the governmental unit have not been made, the governmental unit may terminate the
29 contract without incurring any additional obligation to the qualified provider.

30 (d) As used in this section, "total cost" shall include, but not be limited to, costs of
31 construction, costs of financing, and costs of maintenance and training during the term of the
32 contract less the application of the utility company, State, or federal incentives, grants, ~~or rebates.~~
33 rebates, or capital funding. "Total cost" does not include any obligations on termination of the
34 contract before its expiration, provided that those obligations are disclosed when the contract is
35 executed.

36 (e) A guaranteed energy savings contract may not require the governmental unit to
37 purchase a maintenance contract or other maintenance agreement from the qualified provider
38 who installs energy conservation measures under the contract if the unit of government takes
39 appropriate action to budget for its own forces or another provider to maintain new systems
40 installed and existing systems affected by the guaranteed energy savings contract.

41 ~~(f) In the case of a State governmental unit, a qualified provider shall, when feasible,~~
42 ~~after the acceptance of the proposal of the qualified provider by the State governmental unit,~~
43 ~~conduct an investment grade audit. During this investment grade audit, the qualified provider~~
44 ~~shall perform in accordance with Part 1 of this Article a life cycle cost analysis of each energy~~
45 ~~conservation measure in the final proposal. If the results of the audit are not within ten percent~~
46 ~~(10%) of both the guaranteed savings contained in the proposal and the total proposal amount,~~
47 ~~either the State governmental unit or the qualified provider may terminate the project without~~
48 ~~incurring any additional obligation to the other party. However, if the State governmental unit~~
49 ~~terminates the project after the audit is conducted and the results of the audit are within ten~~
50 ~~percent (10%) of both the guaranteed savings contained in the proposal and the total proposal~~
51 ~~amount, the State governmental unit shall reimburse the qualified provider the reasonable cost~~

1 incurred in conducting the audit, and the results of the audit shall become the property of the
2 State governmental unit.

3 (g) A qualified provider shall provide an annual reconciliation statement based upon the
4 results of the measurement and verification review. The statement shall disclose any shortfalls or
5 surplus between guaranteed energy and operational savings specified in the guaranteed energy
6 savings contract and actual, not stipulated, energy and operational savings incurred during a
7 given guarantee year. Any guaranteed energy and operational savings shall be determined by
8 using one of the measurement and verification methodologies listed in the United States
9 Department of Energy's Measurement and Verification Guidelines for Energy Savings
10 Performance Contracting, the International Performance Measurement and Verification Protocol
11 (IPMVP) maintained by the Efficiency Valuation Organization, or Guideline 14-2002 of the
12 American Society of Heating, Refrigerating, and Air-Conditioning Engineers. If due to existing
13 data limitations or the nonconformance of specific project characteristics, none of the three
14 methodologies listed in this subsection is sufficient for measuring guaranteed savings, the
15 qualified provider shall develop an alternate method that is compatible with one of the three
16 methodologies and mutually agreeable to the governmental unit. The guarantee year shall consist
17 of a 12-month term commencing from the time that the energy conservation measures become
18 fully operational. A qualified provider shall pay the governmental unit or its assignee any
19 shortfall in the guaranteed energy and operational savings after the total year savings have been
20 determined. In the case of a governmental unit, a surplus in any one year shall not be carried
21 forward or applied to a shortfall in any other year.
22"

24 GUARANTEED ENERGY SAVINGS CONTRACTS – CONFORMING CHANGES

25 **SECTION 2.(a)** The following statutes are amended by deleting the language "Part
26 2 of Article 3B" wherever it appears and substituting "Part 3 of Article 3B": G.S. 115C-47,
27 115D-20, 133-4.1, 143-129.4, and 143-135.37.

28 **SECTION 2.(b)** G.S. 160A-20 is amended by deleting the language "Part 2 of
29 Article 3B" wherever it appears and substituting "Article 3B".

30 **SECTION 2.(c)** G.S. 143-64.12 is amended by deleting the language "Part 2 of this
31 Article" wherever it appears and substituting "Part 3 of this Article".

32 **SECTION 2.(d)** The following statutes are amended by deleting the language
33 "G.S. 143-64.17A" wherever it appears and substituting "G.S. 143-64.18A": G.S. 142-61 and
34 G.S. 142-63.

35 **SECTION 2.(e)** G.S. 159-151 is amended by deleting the language
36 "G.S. 143-64.17A(a1)" wherever it appears and substituting "G.S. 143-64.18A(a1)".

37 **SECTION 2.(f)** G.S. 143-64.17K is amended by deleting the language
38 "G.S. 143-64.17A(c1)" wherever it appears and substituting "G.S. 143-64.18A(c1)".

39 **SECTION 2.(g)** G.S. 142-63 is amended by deleting the language
40 "G.S. 143-64.17B" wherever it appears and substituting "G.S. 143-64.18B".

41 **SECTION 2.(h)** G.S. 143-64.17L is amended by deleting the language
42 "G.S. 143-64.17B(d)" wherever it appears and substituting "G.S. 143-64.18B(d)".

43 **SECTION 3.(a)** G.S. 143-64.17 reads as rewritten:

44 "Part 2. Energy Saving Measures for Governmental Units.

45 "§ 143-64.17. Definitions.

46 As used in this ~~Part~~Part and Part 3 of this Article:

47 ...

48 (6) ~~"Request for proposals" means a negotiated procurement initiated by a~~
49 ~~governmental unit by way of a published notice that includes the following:~~

50 a. ~~The name and address of the governmental unit.~~

- 1 b. The name, address, title, and telephone number of a contact person in
2 the governmental unit.
3 e. Notice indicating that the governmental unit is requesting qualified
4 providers to propose energy conservation measures through a
5 guaranteed energy savings contract.
6 d. The date, time, and place where proposals must be received.
7 e. The evaluation criteria for assessing the proposals.
8 f. A statement reserving the right of the governmental unit to reject any
9 or all the proposals.
10 g. Any other stipulations and clarifications the governmental unit may
11 require.

12 (7) "State governmental unit" means the State or a department, an agency, a
13 board, or a commission of the State, including the Board of Governors of The
14 University of North Carolina and its constituent institutions."

15 **SECTION 3.(b)** G.S. 143-64.17A is repealed.

16 **SECTION 3.(c)** The following statutes are amended by deleting the word "Part"
17 wherever it appears and substituting the word "Article": G.S. 143-64.17I, 143-64.17J,
18 143-64.17K, and 143-64.17L.

19 **SECTION 4.** The Department of Environmental Quality shall adopt temporary rules
20 to implement Sections 1 through 3 of this act and shall adopt permanent rules to replace the
21 temporary rules. Temporary rules adopted in accordance with this section shall remain in effect
22 until permanent rules that replace the temporary rules become effective.

23
24 **LIMIT DEPARTMENT OF ENVIRONMENTAL QUALITY FEE INCREASE**
25 **AUTHORITY AND LOWER FEES FOR COMMERCIAL UNDERGROUND STORAGE**
26 **TANKS**

27 **SECTION 5.(a)** G.S. 143B-279.19 reads as rewritten:

28 "**§ 143B-279.19. Quadriennial adjustment of certain fees and rates.**

29 (a) Adjustment for Legislatively Mandated Salaries and Benefits. – Beginning July 1,
30 2025, and every four years thereafter, the Department shall adjust the fees and rates imposed
31 pursuant to the statutes listed in this subsection in accordance with the Consumer Price Index
32 computed by the Bureau of Labor Statistics during the prior two ~~bienniums.~~ bienniums, subject
33 to approval by the Environmental Management Commission. The adjustment for per transaction
34 rates shall be the lesser of the Consumer Price Index increase and the actual incremental cost to
35 the Department to operate the relevant program rounded to the nearest dollar (\$1.00):

- 36 (1) G.S. 74-54.1.
37 (2) G.S. 90A-42.
38 (3) G.S. 90A-47.4.
39 (4) G.S. 113A-54.2.
40 (5) G.S. 113A-119.1.
41 (6) G.S. 130A-291.1.
42 (7) G.S. 130A-294.1.
43 (8) G.S. 130A-295.8.
44 (9) G.S. 130A-310.9.
45 (10) G.S. 130A-310.39.
46 (11) G.S. 130A-310.76.
47 (12) G.S. 130A-328(b).
48 (13) G.S. 130A-328(c).
49 (14) G.S. 143-215.3D.
50 (15) G.S. 143-215.10G.
51 (16) G.S. 143-215.28A

- 1 (17) ~~G.S. 143-215.94C.~~
 2 (18) G.S. 143-215.119.
 3 (19) G.S. 143-215.125A.
 4 (20) G.S. 143B-279.13.

5 (b) Rulemaking Exemption. – The fee adjustments required by this section are not subject
 6 to the requirements of Article 2A of Chapter 150B of the General Statutes.

7 (c) ~~Consultation~~–Consultation, Approval, and Publication. – Notwithstanding any
 8 provision of G.S. 12-3.1 to the contrary, prior to implementing an adjustment pursuant to
 9 subsection (a) of this section the Department must, no later than 90 days prior to the end of the
 10 fiscal biennium, (i) consult with the Joint Legislative Oversight Committee on Agriculture and
 11 Natural and Economic Resources, (ii) report the proposed fee adjustments to the chairs of the
 12 Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs
 13 of the House of Representatives Appropriations Committee on Agriculture and Natural and
 14 Economic Resources, and the Fiscal Research Division, ~~and~~(iii) publish notice of the fees that
 15 will be in effect in the offices of the Department and on the Department's ~~website.~~website,
 16 pending approval by the Environmental Management Commission, and (iv) submit the proposed
 17 fee adjustments to the Environmental Management Commission for approval. The
 18 Environmental Management Commission shall make a determination on the proposed fee
 19 adjustments at the next regularly scheduled meeting after receiving the Department's proposal.
 20 After making the adjustment, the Department shall notify the Revisor of Statutes, who shall adjust
 21 the amounts in statute.

22 (d) Effective Date; Grandfathering. – Any adjustment to fees or rates under this section
 23 applicable to an application or request for a permit, certification, or other Department approval
 24 submitted to the Department is only applicable to an application or request for a permit,
 25 certification, or other Department approval submitted to the Department on or after the effective
 26 date of the fee or rate adjustment. No adjustment to fees or rates under this section applies to an
 27 application or request for a permit, certification, or other Department approval submitted to the
 28 Department prior to the effective date of the fee or rate adjustment."

29 **SECTION 5.(b)** G.S. 143-215.94C reads as rewritten:

30 **"§ 143-215.94C. Commercial leaking petroleum underground storage tank cleanup fees.**

31 (a) For purposes of this subsection, each compartment of a commercial underground
 32 storage tank that is designed to independently contain a petroleum product is a separate petroleum
 33 commercial underground storage tank. The owner or operator of a commercial petroleum
 34 underground storage tank shall pay to the Secretary for deposit into the Commercial Fund an
 35 annual operating fee of ~~four hundred ninety eight dollars (\$498.00)~~ one hundred dollars
 36 (\$100.00) for each petroleum commercial underground storage tank.

37 ...

38 (e) An owner or operator of a commercial underground storage tank who fails to pay an
 39 annual operating fee due under this section within 30 days of the date that the fee is due shall
 40 pay, in addition to the fee, a late penalty of ~~six dollars (\$6.00)~~ five dollars (\$5.00) per day per
 41 commercial underground storage tank, up to a maximum equal to the annual operating fee due.
 42 The Department may waive a late penalty in whole or in part if:

- 43 (1) The late penalty was incurred because of the late payment or nonpayment of
 44 an annual operating fee by a previous owner or operator.
 45 (2) The late penalty was incurred because of a billing error for which the
 46 Department is responsible.
 47 (3) Where the late penalty was incurred because the annual operating fee was not
 48 paid by the owner or operator due to inadvertence or accident.
 49 (4) Where payment of the late penalty will prevent the owner or operator from
 50 complying with any substantive law, rule, or regulation applicable to

1 underground storage tanks and intended to prevent or mitigate discharges or
 2 releases or to facilitate the early detection of discharges or releases.

3"

4 **SECTION 5.(c)** This section is effective October 1, 2026, and applies to any fees
 5 due on or after that date.

6
 7 **AUTHORIZE JOB ORDER CONTRACTING FOR CONSTRUCTION OR REPAIR**
 8 **PUBLIC CONTRACTS**

9 **SECTION 6.(a)** G.S. 143-49 reads as rewritten:

10 **"§ 143-49. Powers and duties of Secretary.**

11 The Secretary of Administration has the power and authority, and it is the Secretary's duty,
 12 subject to the provisions of this Article:

13 ...

14 (17) To establish procedures to permit State government, or any of its departments,
 15 institutions, or agencies, to join with any federal, State, or local government
 16 agency, entity, or subdivision, or any nonprofit organization in this State or
 17 another state in cooperative purchasing plans, projects, arrangements, or
 18 agreements-agreements, including for construction or repair work through job
 19 order contracting pursuant to G.S. 143-128.1D, if the interest of the State
 20 would be served thereby. The procedures shall not require a governmental
 21 entity to secure informal quotes or any additional competition for construction
 22 or repair work through job order contracting if the initial contract was
 23 competitively bid as provided by G.S. 143-128.1D."

24 **SECTION 6.(b)** G.S. 143-128 reads as rewritten:

25 **"§ 143-128. Requirements for certain building contracts.**

26 ...

27 (a1) Construction methods. – The State, a county, municipality, or other public body shall
 28 award contracts to erect, construct, alter, or repair buildings pursuant to any of the following
 29 methods:

- 30 (1) Separate-prime bidding.
 31 (2) Single-prime bidding.
 32 (3) Dual bidding pursuant to subsection (d1) of this section.
 33 (4) Construction management at risk contracts pursuant to G.S. 143-128.1.
 34 (5) Alternative contracting methods authorized pursuant to G.S. 143-135.26(9).
 35 (6) Design-build contracts pursuant to G.S. 143-128.1A.
 36 (7) Design-build bridging contracts pursuant to G.S. 143-128.1B.
 37 (8) Public-private partnership construction contracts pursuant to
 38 G.S. 143-128.1C.
 39 (9) Job order contracting contracts pursuant to G.S. 143-128.1D.

40"

41 **SECTION 6.(c)** Article 8 of Chapter 143 of the General Statutes is amended by
 42 adding a new section to read as follows:

43 **"§ 143-128.1D. Job order contracting contracts.**

44 (a) **Definitions.** – For purposes of this section, the following definitions shall apply:

- 45 (1) Adjustment factor. – The job order contractor's competitively bid adjustment
 46 to the governmental entity's prices as published in the unit price catalog.
 47 (2) Governmental entity. – Every officer, board, department, commission, or
 48 commissions charged with responsibility of preparation of specifications or
 49 awarding or entering into contracts for construction or repair work for the
 50 State or for any county, municipality, political subdivision of the State, or
 51 other public body.

- 1 (3) Indefinite quantity. – One or more of the construction or repair tasks listed in
2 the unit price catalog.
- 3 (4) Job order. – A firm, fixed priced, lump sum order issued by a governmental
4 entity to a job order contractor for a definite project scope of construction or
5 repair work as compiled from the unit price catalog to be performed pursuant
6 to a job order contract.
- 7 (5) Job order contract. – A competitively bid, fixed priced, indefinite quantity
8 procurement contract, as compiled from a unit price catalog of construction or
9 repair tasks that is awarded to the most qualified job order contractor bidder,
10 as described in subsection (b) of this section, by or under the authority of a
11 governmental entity. In a job order contract, the contractor agrees to an
12 indefinite quantity contract that provides for the use of job orders for
13 construction or repair projects. A job order contract does not constitute a
14 construction contract for the purposes of Article 3 of Chapter 44A of the
15 General Statutes.
- 16 (6) Job order contract technical specifications. – The technical specifications
17 detailing the quality of materials and workmanship to be used by the job order
18 contractor in accomplishing the tasks listed in the unit price catalog.
- 19 (7) Job order contractor. – A contractor awarded a job order contract.
- 20 (8) Project. – The specific requirements and work to be accomplished by the job
21 order contractor in connection with an individual job order.
- 22 (9) Project scope of work. – The documents and related drawings, specifications,
23 and writings referenced therein which together set forth the specific
24 requirements and work to be accomplished by the job order contractor in
25 connection with an individual job order.
- 26 (10) Proposal. – The job order contractor prepared documents quoting those
27 construction or repair tasks listed in the unit price catalog that the job order
28 contractor requires to complete the project scope of work and the appropriate
29 quantities of tasks. The pricing of each task shall be accomplished by
30 multiplying the task unit price by the proposed quantity of tasks and the
31 contractor's competitively bid adjustment factor. The proposal shall also
32 contain a schedule for the completion of a specific project scope of work as
33 requested by the governmental entity. The proposal may also contain
34 approved drawings, work schedule, permits, or other documentation as the
35 governmental entity may require for a specific job order.
- 36 (11) Subcontractor. – Any person, firm, or corporation, other than the employees
37 of the job order contractor, who contracts to furnish labor or labor and
38 materials at the work site or in connection with a job order, whether directly
39 or indirectly, on behalf of the job order contractor.
- 40 (12) Unit price catalog. – A compilation of specific construction or repair tasks and
41 the unit prices to undertake each construction or repair task. The listed tasks
42 shall be based on generally accepted industry standards and information,
43 where available, for various items of work to be performed by the job order
44 contractor. The prices shall include the cost of materials, labor, and equipment
45 for performing the items of work. The prices shall not include overhead and
46 profit. All unit prices shall be developed using local prevailing wages.
- 47 (b) Contracting Procedures. – A governmental entity shall award a job order contract
48 subject to the following requirements:
- 49 (1) The governmental entity shall prepare a set of solicitation documents for job
50 order contracts. The solicitation documents shall include a unit price catalog
51 and preestablished unit prices, job order contract technical specifications, and

- 1 any other information deemed necessary to describe adequately the needs of
2 the governmental entity. Any architect, engineer, or consultant retained by the
3 governmental entity to assist in the development of the job order contract
4 solicitation documents shall not assist the job order contractor in preparing the
5 contractor's bid.
- 6 (2) The governmental entity shall provide a guaranteed minimum amount of
7 construction or repair work of not less than thirty thousand dollars (\$30,000)
8 to be awarded under the job order contract. Once the guaranteed minimum
9 amount has been met, the governmental entity may, for any reason, elect to
10 not award any additional amount of construction or repair work under the job
11 order contract.
- 12 (3) In response to a request for bids, a job order contractor shall bid one or more
13 adjustment factors to the unit prices listed in the unit price catalog based on
14 the job order contract technical specifications. The combined average lowest
15 adjustment factor shall constitute the lowest bid.
- 16 (4) The governmental entity shall award the job order contract to the lowest
17 responsive, responsible bidder when awarding a single job order contract.
- 18 (5) The governmental entity may award multiple job order contracts through a
19 single request for bid as follows:
- 20 a. Job order contracts shall be awarded to the bidders that bid the lowest
21 adjustment factors as described in this subsection.
- 22 b. The governmental entity shall not award more than five job order
23 contracts under a single solicitation, provided no more than one job
24 order contract under a single solicitation is awarded to a single
25 contractor.
- 26 c. The governmental entity may issue job orders on a rotating basis or
27 other method, as determined by the governmental entity, provided that
28 method is included in the solicitation documents, but in no
29 circumstance shall the government entity require additional
30 competition among the contractors who have been awarded job order
31 contracts.
- 32 (6) The governmental entity may prequalify job order contractors as provided in
33 subsection (c) of this section and may award to bidders as provided in
34 subdivisions (4) and (5) of this subsection.
- 35 (c) Prequalification. – A governmental entity soliciting job order contracts pursuant to
36 this section shall comply with the prequalification requirements set forth by G.S. 143-135.8 that
37 apply to construction or repair work contracts.
- 38 (d) Limitations. – The following limitations apply to contracts awarded pursuant to this
39 section:
- 40 (1) The maximum total dollar amount that may be awarded under a single job
41 order contract shall not exceed twenty million dollars (\$20,000,000) in the
42 first term of the job order contract and, if extended or renewed pursuant to
43 subdivision (2) of this subsection, a maximum of forty million dollars
44 (\$40,000,000) over the subsequent two terms of the job order contract. The
45 maximum total dollar amount for any individual job order shall not exceed
46 two million dollars (\$2,000,000).
- 47 (2) Job order contracts may be executed for an initial contract term of no more
48 than 12 months, with the option of extending or renewing the job order
49 contract for two 12-month periods. The term of the job order contract shall be
50 for the contract term or whenever the maximum value of the contract is
51 achieved, whichever is less. All extensions or renewals shall be priced as

provided in the request for bids. The extension or renewal shall be mutually agreed to by the governmental entity and job order contractor.

(3) The governmental entity may issue job orders to the job order contractor that has been awarded the job order contract. The job order shall be based on a project scope of work prepared by the governmental entity as well as a proposal from the job order contractor who is awarded the job order contract. No single job order may exceed the available aggregate contract value.

(4) The governmental entity shall not use job order contracting for procuring or receiving architectural, engineering, or survey services, but shall procure those services pursuant to Article 3D of Chapter 143 of the General Statutes.

(5) The amounts specified in subdivisions (1) and (2) of this subsection shall be adjusted on January 1, 2027, and each January 1 thereafter, to reflect the percentage change in the North Carolina Consumer Price Index, as determined and published by the Department of Administration.

(e) Performance and Payment Bonds. – The job order contractor shall provide a payment and performance bond to the governmental entity for job orders in accordance with the provisions of Article 3 of Chapter 44A of the General Statutes when applicable.

(f) Historically Underutilized Businesses. – A governmental entity shall make a good-faith effort to comply with the provisions of G.S. 143-128.2 and G.S. 143-128.4, if applicable for job orders. Notwithstanding the provisions of G.S. 143-128.2 and G.S. 143-128.4, the goal for participation by minority businesses shall be based on the entire job order contract."

SECTION 6.(d) G.S. 143-129 reads as rewritten:

"§ 143-129. Procedure for letting of public contracts.

...

(e) Exceptions. – The requirements of this Article do not apply to:

...

(3) ~~Purchases~~ Construction or repair work, including construction or repair work through job order contracting pursuant to G.S. 143-128.1D, or purchases of apparatus, supplies, materials, or equipment made through a competitive bidding group purchasing program, which is a formally organized program that offers competitively obtained purchasing services at discount prices to two or more public agencies.

...

(9) ~~Purchases~~ Construction or repair work, including construction or repair work through job order contracting pursuant to G.S. 143-128.1D, or purchases of apparatus, supplies, materials, or equipment from contracts established by the State or any agency of the State, if the contractor is willing to extend to a political subdivision of the State the same or more favorable prices, terms, and conditions as established in the State contract.

...."

AUTHORITY FOR MOBILE HOME PARK AND TINY HOME COMMUNITY LANDLORDS TO BILL TENANTS FOR MASTER-METERED WATER SERVICE

SECTION 7. G.S. 62-110(g) reads as rewritten:

"(g) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, for the purpose of encouraging water conservation, the Commission may, consistent with the public interest, adopt procedures that allow (i) a lessor of any leased residential premises, as that term is defined under G.S. 42-59(3), to charge for the costs of providing water or sewer service to persons who occupy the leased premises, (ii) an owners' association, as that term is defined under G.S. 47F-1-103(3), to charge for the costs of providing water or sewer service to persons who occupy townhomes within a

1 planned community, as that term is defined under G.S. 47F-1-103(23), and (iii) a unit owners'
2 association, as that term is defined under G.S. 47C-1-103(3), to charge for the costs of providing
3 water or sewer service to persons who occupy a condominium, as that term is defined under
4 G.S. 47C-1-103(7). For purposes of this subsection, the term "townhome" means a single-family
5 dwelling unit constructed in a group of three or more attached units. The following provisions
6 shall apply:

7 (1) Except as provided in subdivisions (1a), (1b), ~~and (1c)~~, and (1d) of this
8 subsection, all charges for water or sewer service shall be based on the user's
9 metered consumption of water, which shall be determined by metered
10 measurement of all water consumed. The rate charged by the lessor, owners'
11 association, or unit owners' association, as applicable, shall not exceed the unit
12 consumption rate charged by the supplier of the service.

13 (1a) If the leased premises are contiguous dwelling units built prior to 1989, and
14 the lessor determines that the measurement of the lessee's total water usage is
15 impractical or not economical, the lessor may allocate the cost for water and
16 sewer service to the lessee using equipment that measures the lessee's hot
17 water usage. In that case, each lessee shall be billed a percentage of the lessor's
18 water and sewer costs for water usage in the dwelling units based upon the hot
19 water used in the lessee's dwelling unit. The percentage of total water usage
20 allocated for each dwelling unit shall be equal to that dwelling unit's
21 individually submetered hot water usage divided by all submetered hot water
22 usage in all dwelling units. The following conditions apply to billing for water
23 and sewer service under this subdivision:

24 a. A lessor shall not utilize a ratio utility billing system or other allocation
25 billing system that does not rely on individually submetered hot water
26 usage to determine the allocation of water and sewer costs.

27 b. The lessor shall not include in a lessee's bill the cost of water and sewer
28 service used in common areas or water loss due to leaks in the lessor's
29 water mains. A lessor shall not bill or attempt to collect for excess
30 water usage resulting from a plumbing malfunction or other condition
31 that is not known to the lessee or that has been reported to the lessor.

32 c. All equipment used to measure water usage shall comply with
33 guidelines promulgated by the American Water Works Association.

34 d. The lessor shall maintain records for a minimum of 12 months that
35 demonstrate how each lessee's allocated costs were calculated for
36 water and sewer service. Upon advanced written notice to the lessor, a
37 lessee may inspect the records during reasonable business hours.

38 e. Bills for water and sewer service sent by the lessor to the lessee shall
39 contain all the following information:

40 1. The amount of water and sewer services allocated to the lessee
41 during the billing period.

42 2. The method used to determine the amount of water and sewer
43 services allocated to the lessee.

44 3. Beginning and ending dates for the billing period.

45 4. The past-due date, which shall not be less than 25 days after
46 the bill is mailed.

47 5. A local or toll-free telephone number and address that the
48 lessee can use to obtain more information about the bill.

49 (1b) Notwithstanding the provisions of subdivisions (1), (1a), and (1c) of this
50 subsection, if the Commission approves a flat rate to be charged by a water or
51 sewer utility for the provision of water or sewer services to contiguous

dwelling units, the lessor, owners' association, or unit owners' association, as applicable, may pass through and charge the tenants or occupants of the contiguous dwelling units the same flat rate for water or sewer services, rather than a rate based on metered consumption, and an administrative fee as authorized in subdivision (2) of this subsection. Bills for water and sewer service sent by the lessor, owners' association, or unit owners' association, as applicable, to the lessee or occupant shall contain all the information required by sub-sub-subdivisions e.2. through e.5. of subdivision (1a) of this subsection.

(1c) The lessor may equally divide the amount of the water and sewer bill for a unit among all the lessees in the unit and may send one bill to each lessee. The amount charged shall be prorated when a lessee has not leased the unit for the same number of days as the other lessees in the unit during the billing period. Each bill may include an administrative fee up to the amount of the then-current administrative fee authorized by the Commission in Rule 18-6 for water service and, when applicable, a late fee in an amount determined by the Commission. The lessor shall not charge the cost of water and sewer from any other unit or common area in a lessee's bill sent pursuant to this subdivision.

(1d) Notwithstanding the provisions of subdivisions (1), (1a), and (1c) of this subsection, if the leased premises is a mobile home located within a mobile home park, or a tiny home located within a tiny home community, and the lessor determines that the measurement of the lessee's total water usage is impractical or not economical, the lessor may allocate the cost for water and sewer service to the lessee using either of the following:

a. Equipment that measures the lessee's hot water usage. In that case, each lessee shall be billed a percentage of the lessor's water and sewer costs for water usage in the mobile home park or tiny home community, as applicable, based upon the hot water used in the lessee's mobile home or tiny home. The percentage of total water usage allocated for each mobile home or tiny home, as applicable, shall be equal to that mobile home's or tiny home's individually submetered hot water usage divided by all submetered hot water usage in all mobile homes located within the mobile home park or tiny homes within the tiny home community, as applicable.

b. A ratio utility billing system or other allocation billing system that does not rely on individually submetered hot water usage to determine the allocation of water and sewer costs.

The conditions set forth in sub-subdivisions b. through e. of subdivision (1a) of this subsection shall apply to billing for water and sewer service under this subdivision. For purposes of this subsection, the term "tiny home" means a single-family detached dwelling unit that is 400 square feet or less in floor area, specifically excluding lofts.

...."

MINING PERMIT MODIFICATIONS

SECTION 8.(a) G.S. 74-49 reads as rewritten:

"§ 74-49. Definitions.

Wherever used or referred to in this Article, unless a different meaning clearly appears from the context:

...

(7) "Mining" means any of the following: (i) the breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid matter; (ii) any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, soils, and other solid matter from their original location; or (iii) the preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use.

"Mining" does not include:

...
 h. Activities undertaken at any time within the mine permit boundaries for the production and harvesting of timber and timber products and conducted in accordance with standards defined by the Forest Practice Guidelines Related to Water Quality, as adopted by the Department of Agriculture and Consumer Services.

...."

SECTION 8.(b) G.S. 74-50 reads as rewritten:

"§ 74-50. Permits – General.

...
 (b2) The notice shall inform the owners of record and chief administrative officers of the opportunity to submit written comments to the Department regarding the proposed new or modified mining operation that adds land to the permitted area and the opportunity to request a public hearing regarding the proposed new or modified mining operation. Requests for public hearing shall be made within 30 days of issuance of the ~~notice~~notice or receipt of the application by the Department, whichever is later.

...
 (c) No permit shall become effective until the operator has deposited with the Department an acceptable performance bond or other security pursuant to G.S. 74-54.

(1) If at any time the bond or other security, or any part thereof, shall lapse for any reason other than a release by the Department, and the lapsed bond or security is not replaced by the operator within 30 days after notice of the lapse, the permit to which the lapsed bond or security pertains shall be automatically revoked.

(2) If the Department is noticed of pending cancellation of a bond by the surety pursuant to G.S. 74-54(a) and the bond is not replaced within 45 days of the Department's receipt of the notice, the permit to which the bond or security pertains shall be automatically revoked.

...
 (e) Public comment periods and time frames for conducting public hearings as established by this Article shall not be extended nor altered by the Department. When the Department holds a public hearing pursuant to G.S. 74-51(c), the 60-day technical review period established in G.S. 74-51(b1) shall not conclude until either 30 days following the public hearing or the original 60-day technical review period, whichever is later."

SECTION 8.(c) G.S. 74-51 reads as rewritten:

"§ 74-51. Permits – Application, granting, conditions.

...
 (b) Before deciding whether to grant a new permit, the Department shall circulate copies of a notice of application for review and comment as it deems advisable. The Department shall grant or deny the permit requested as expeditiously as possible, ~~but in no event later than 60 days after the application form and any relevant and material supplemental information reasonably required shall have been filed with the Department, or if a public hearing is held, within 30 days following the hearing and the filing of any relevant and material supplemental information~~

1 ~~reasonably required by the Department, possible.~~ Priority consideration shall be given to
2 applicants who submit evidence that the mining proposed will be for the purpose of supplying
3 materials to the Board of Transportation. In accordance with G.S. 143B-279.18, except to the
4 extent required by federal or State law, the Department shall not refuse to accept an application
5 for, nor refuse to issue, a new, modified, or transferred mining permit based solely on the failure
6 of an applicant to obtain another permit, authorization, or certification required for the same
7 project. For purposes of this section, failure to obtain a permit, authorization, or certification shall
8 not include denial of the permit, authorization, or certification by the Department based on the
9 standards for approval of the permit, authorization, or certification provided by law.

10 (b1) The Department shall act on a permit application as quickly as possible. The
11 Department may conduct any inquiry or investigation it considers necessary before acting on an
12 application and may require an applicant to submit plans, specifications, and other information
13 the Department considers necessary to evaluate the application. If the Department fails to act on
14 an application for a new, modified, or transferred mining permit as specified in this subsection
15 after the applicant submits all information required by the Department, the application shall be
16 deemed approved without modification. The following provisions apply:

17 (1) The Department shall perform an administrative review of an application and
18 of a resubmittal of an application determined to be incomplete under
19 subdivision (3) of this subsection within 10 working days of receipt to
20 determine if the information is administratively complete. If complete, the
21 Department shall issue a receipt letter or electronic response stating that the
22 application is complete and that a 60-calendar day technical review period has
23 started as of the original date the application was received. If required items
24 or information is not included, the application shall be deemed incomplete,
25 and the Department shall issue an application receipt letter or electronic
26 response identifying the information required to complete the application
27 package before the technical review begins. When the required information is
28 received, the Department shall then issue a receipt letter or electronic response
29 specifying that it is complete and that the 60-calendar day technical review
30 period has started as of the date of receipt of all required information. The
31 Department shall develop an application package checklist identifying the
32 items and information required for an application to be considered
33 administratively complete.

34 (2) If, during the 60-calendar day technical review period, the Department
35 determines that the application meets the standards for issuance of a new,
36 modified, or transferred mining permit, it shall approve the application.

37 (3) If, during the 60-calendar day technical review period, the Department
38 determines that additional information is required to continue processing the
39 application, the Department and the applicant shall comply with the following:

40 a. The Department shall issue a letter or electronic response with a list of
41 the additional information required to issue the permit.

42 b. The applicant shall have up to 180 calendar days from the date the
43 letter or electronic response is sent to submit the additional
44 information to the Department.

45 c. If the applicant is unable to provide the required information within
46 the time frame specified in sub-subdivision b. of this subdivision, the
47 applicant may request, with good cause, that a one-year extension be
48 granted by the Department; if the one-year extension granted by the
49 Department is insufficient, the applicant may then request another
50 one-year extension granted by the Mining Commission.

1 shall have 60 days after the Department mails a notice of the required bond to the operator in
 2 which to deposit the required bond or security with the ~~Department.~~ Department or the permit
 3 application will be automatically denied. The operating permit shall not be issued until receipt of
 4 this deposit.

5"

6 **SECTION 8.(d)** This section becomes effective October 1, 2026, and applies to
 7 permit applications filed on or after that date.

8
 9 **EXEMPT CERTAIN COMPOST FACILITIES FROM FINANCIAL ASSURANCE**
 10 **REQUIREMENTS**

11 **SECTION 8.5.** G.S. 130A-295.2 is amended by adding a new subsection to read:

12 "(k) An owner or operator of a permitted Small or Large Type 1, Type 2, or Type 3
 13 compost facility shall be exempt from financial assurance requirements under this section."

14
 15 **ALIGN NORTH CAROLINA LEAD-DUST HAZARD STANDARDS WITH FEDERAL**
 16 **STANDARDS ADOPTED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY**

17 **SECTION 9.(a)** G.S. 130A-131.7 reads as rewritten:

18 **"§ 130A-131.7. Definitions.**

19 The following definitions apply in this Part:

20 ...

21 (7) "Lead poisoning hazard" means any of the following:

22 ...

23 c. Any concentration of lead dust that is equal to or greater than ~~40~~
 24 ~~micrograms~~ 5 micrograms per square foot on floors, ~~100 micrograms~~
 25 40 micrograms per square foot on interior windowsills, or 250
 26 micrograms per square foot on vinyl miniblinds, bathtubs, kitchen
 27 sinks, or lavatories.

28 d. Any lead-based paint or other substance that contains lead on a friction
 29 or impact surface that is subject to abrasion, rubbing, binding, or
 30 damage by repeated contact and where the lead dust concentrations on
 31 the nearest horizontal surface underneath the friction or impact surface
 32 are equal to or greater than ~~40 micrograms~~ 5 micrograms per square
 33 foot on floors or ~~250 micrograms~~ 40 micrograms per square foot on
 34 interior windowsills.

35"

36 **SECTION 9.(b)** G.S. 130A-131.9C(i) reads as rewritten:

37 "(i) All remediation plans shall require that the lead poisoning hazards be reduced to the
 38 following levels:

39 (1) Less than ~~40 micrograms~~ 5 micrograms per square foot for lead dust on floors.

40 (2) Less than ~~400 micrograms~~ 40 micrograms per square foot for lead dust on
 41 interior windowsills.

42 (2a) Less than 250 micrograms per square foot for lead dust on vinyl miniblinds,
 43 bathtubs, kitchen sinks, and lavatories.

44 (3) Less than ~~400 micrograms~~ 100 micrograms per square foot for lead dust on
 45 window troughs.

46 (4) Less than 400 parts per million for lead in bare soil in play areas, gardens, pet
 47 sleeping areas, and areas within three feet of the residential housing unit or
 48 child-occupied facility. Lead in bare soil in other locations of the yard shall
 49 be reduced to less than 1,200 parts per million.

50 (5) Less than 10 parts per billion for lead in drinking water."

51 **SECTION 9.(c)** This section becomes effective January 1, 2027.

1
2 **ALIGN STATUTORY REFERENCE WITH PRESIDENTIAL EXECUTIVE ORDER**
3 **14172**

4 **SECTION 9.1.** G.S. 143-215.94BB(7) reads as rewritten:

5 "(7) "Offshore waters" shall include both the territorial sea extending seaward
6 from the coastline of North Carolina or any other coastal state bordering the
7 Atlantic Ocean, including the ~~Gulf of Mexico, Gulf of America,~~ and the
8 exclusive economic zone extending seaward from the territorial sea of each
9 such state."

10
11 **CONFORM DEFINITION OF "MANUFACTURED HOME" WITH FEDERAL**
12 **DEFINITION**

13 **SECTION 9.2.(a)** G.S. 25-9-102(53) reads as rewritten:

14 "(53) Manufactured home. – ~~A structure, transportable in one or more sections that~~
15 ~~satisfies all of the following requirements:~~

- 16 a. ~~In the traveling mode, is eight body feet or more in width or 40 body~~
17 ~~feet or more in length, or, when erected on site, is 320 or more square~~
18 ~~feet.~~
19 b. ~~Is built on a permanent chassis and designed to be used as a dwelling~~
20 ~~with or without a permanent foundation when connected to the~~
21 ~~required utilities.~~
22 c. ~~Includes plumbing, heating, air conditioning, and electrical systems.~~

23 ~~The term includes any structure that meets all of the requirements of this subdivision~~
24 ~~except the size requirements and with respect to which the manufacturer~~
25 ~~voluntarily files a certification required by the United States Secretary of~~
26 ~~Housing and Urban Development and complies with the standards established~~
27 ~~under Title 42 of the United States Code. As defined in 42 U.S.C. § 5402(6),~~
28 ~~as amended."~~

29 **SECTION 9.2.(b)** G.S. 143-143.9(6) reads as rewritten:

30 "(6) Manufactured home. – ~~A structure, transportable in one or more sections,~~
31 ~~which, in the traveling mode, is eight feet or more in width or is 40 feet or~~
32 ~~more in length, or when erected on site, is 320 or more square feet, and which~~
33 ~~is built on a permanent chassis and designed to be used as a dwelling with or~~
34 ~~without a permanent foundation when connected to the required utilities, and~~
35 ~~includes the plumbing, heating, air conditioning and electrical systems~~
36 ~~contained therein. As defined in 42 U.S.C. § 5402(6), as amended."~~

37 **SECTION 9.2.(c)** G.S. 143-145(7) reads as rewritten:

38 "(7) Manufactured home. – ~~A structure, transportable in one or more sections,~~
39 ~~which in the traveling mode is eight body feet or more in width, or 40 body~~
40 ~~feet or more in length, or, when erected on site, is 320 or more square feet;~~
41 ~~and which is built on a permanent chassis and designed to be used as a~~
42 ~~dwelling, with or without permanent foundation when connected to the~~
43 ~~required utilities, including the plumbing, heating, air conditioning and~~
44 ~~electrical systems contained therein. "Manufactured home" includes any~~
45 ~~structure that meets all of the requirements of this subsection except the size~~
46 ~~requirements and with respect to which the manufacturer voluntarily files a~~
47 ~~certification required by the Secretary of HUD and complies with the~~
48 ~~standards established under the Act. For manufactured homes built on or after~~
49 ~~June 15, 1976, as defined in 42 U.S.C. § 5402(6), as amended. For~~
50 ~~manufactured homes built before June 15, 1976, "manufactured home" means~~
51 ~~a portable manufactured housing unit designed for transportation on its own~~

1 chassis and placement on a temporary or semipermanent foundation having a
2 measurement of over 32 feet in length and over eight feet in width.
3 "Manufactured home" also means a double-wide manufactured home, which
4 is two or more portable manufactured housing units designed for
5 transportation on their own chassis that connect on site for placement on a
6 temporary or semipermanent foundation having a measurement of over 32 feet
7 in length and over eight feet in width."

8 **SECTION 9.2.(d)** G.S. 20-58.4A(e) reads as rewritten:

9 "(e) Notwithstanding any requirement in this Chapter that a lien on a motor vehicle shall
10 be noted on the face of the certificate of title, if there are one or more liens or encumbrances on
11 the motor vehicle or ~~mobile~~ manufactured home, the Division may electronically transmit the
12 lien to the first lienholder and notify the first lienholder of any additional liens. Subsequent lien
13 satisfactions may be electronically transmitted to the Division and shall include the name and
14 address of the person satisfying the lien."

15 **SECTION 9.2.(e)** G.S. 24-1.1E(a)(4) reads as rewritten:

16 "(4) A "high-cost home loan" means a loan other than a reverse mortgage
17 transaction in which:

- 18 a. The principal amount of the loan (or, in the case of an open-end credit
19 plan, the borrower's initial maximum credit limit) does not exceed the
20 lesser of (i) the conforming loan size limit for a single-family dwelling
21 as established from time to time by Fannie Mae, or (ii) three hundred
22 thousand dollars (\$300,000);
- 23 b. The borrower is a natural person;
- 24 c. The debt is incurred by the borrower primarily for personal, family, or
25 household purposes;
- 26 d. The loan is secured by either (i) a security interest in a manufactured
27 home (as defined in ~~G.S. 143-147(7)~~ G.S. 143-145(7)) which is or
28 will be occupied by the borrower as the borrower's principal dwelling,
29 or (ii) a mortgage or deed of trust on real estate upon which there is
30 located or there is to be located a structure or structures designed
31 principally for occupancy of from one to four families which is or will
32 be occupied by the borrower as the borrower's principal dwelling; and
- 33 e. The terms of the loan exceed one or more of the thresholds as defined
34 in subdivision (6) of this section."

35 **SECTION 9.2.(f)** G.S. 47-20.6 is amended by adding a new subsection to read:

36 "(e) For purposes of this section, the term "manufactured home" is as defined in 42 U.S.C.
37 § 5402(6), as amended."

38 **SECTION 9.2.(g)** G.S. 41-56(d) reads as rewritten:

39 "(d) When spouses become co-owners of a mobile home, in the absence of a contrary
40 intention appearing in the instrument of title, the spouses become tenants by the entirety with all
41 the incidents of an estate by the entirety in real property, including the right of survivorship in
42 the case of death of either spouse. For the purposes of this subsection, it is immaterial whether
43 the property at any particular time is classified for any purpose as either real or personal. Nothing
44 in this subsection is deemed to limit or prohibit any other type of ownership otherwise authorized
45 by law. For the purposes of this subsection, the term "mobile home" means a-any of the following:

- 46 (1) A portable manufactured housing unit designed for transportation on its own
47 chassis and placement on a temporary or semipermanent foundation having a
48 measurement of over 32 feet in length and over eight feet in width.
- 49 (2) ~~As used in this subsection, the term "mobile home" also means a~~ A
50 double-wide mobile home consisting of two or more portable manufactured
51 housing units that are designed for transportation on their own chassis and are

1 connected on site for placement on a temporary or semipermanent foundation
2 having a measurement of over 32 feet in length and over eight feet in width.

3 (3) A "manufactured home" as defined in 42 U.S.C. § 5402(6), as amended."

4 **SECTION 9.2.(h)** G.S. 47H-1(5) reads as rewritten:

5 "(5) Property. – Either (i) real estate located in this State, upon which there is
6 located or there is to be located a structure or structures designed principally
7 for occupancy of from one to four families that is or will be occupied by the
8 purchaser as the purchaser's principal dwelling, or (ii) a manufactured home,
9 as that term is defined in ~~G.S. 143-149.9~~, G.S. 143-143.9(6), that is located in
10 this State and is or will be occupied by a purchaser as the purchaser's principal
11 dwelling, if the purchase price is five thousand dollars (\$5,000) or more."

12 **SECTION 9.2.(i)** G.S. 58-36-90(a)(6) reads as rewritten:

13 "(6) "Residential property" means real property with not more than four housing
14 units located in this State, the contents thereof and valuable interest therein,
15 and insurance coverage written in connection with the sale of that property. It
16 also includes mobile homes, manufactured homes as defined in
17 G.S. 143-143.9(6), modular homes, townhomes, condominiums, and
18 insurance on contents of apartments and rental property used for residential
19 purposes."

20 **SECTION 9.2.(j)** This section becomes effective July 1, 2026.

21 **ON-SITE WASTEWATER PRODUCTS FOR STORMWATER**

22 **SECTION 10.** The Department of Environmental Quality shall approve for use as a
23 new stormwater technology any prefabricated permeable block panel system approved for use in
24 the State, as defined in G.S. 130A-343(a)(6a). In developing Minimum Design Criteria for this
25 technology, the Department shall ensure that the MDC follows the manufacturer's installation
26 and service requirements as closely as possible while still complying with federal requirements.
27 When utilized in traffic-rated areas, a person licensed as a professional engineer pursuant to
28 Chapter 89C of the General Statutes may use the approved prefabricated permeable block panel
29 system upon a showing that the system meets H-20 structural loading requirements. For the
30 purposes of this section, "traffic-rated areas" does not include Department of Transportation rated
31 areas but does include driveways and private parking areas with impervious or pervious
32 pavement areas.

33 **TEMPORARY EVENT EXEMPTION FOR ELECTRIC WORK**

34 **SECTION 11.(a)** G.S. 87-43.1 is amended by adding a new subdivision to read:

35 "(12) To any person when that person is temporarily attaching listed single 3-prong
36 (NEMA 5-15R or 5-20R) receptacles or power taps to existing temporary
37 luminaires or lighting fixtures and plugging those luminaires or fixtures into
38 existing permanent receptacles, only when all of the following apply:

39 a. The work is performed solely for a permitted international wholesale
40 trade show in an exhibition hall, mercantile, or assembly occupancy
41 space in this State.

42 b. A valid electrical permit is obtained from the local authority having
43 jurisdiction prior to the work.

44 c. The work is inspected and approved by the local electrical inspector
45 before the international wholesale trade show opens."

46 **SECTION 11.(b)** This section is effective when it becomes law and applies to
47 permitted events occurring on or after that date.

1 **PLUMBING LICENSE EXEMPTION FOR CERTAIN SEWER LINE CONNECTIONS**
2 **SERVING MOBILE HOMES**

3 **SECTION 11.5.(a)** G.S. 87-21 is amended by adding a new subsection to read:

4 "(c3) Exemption. – The provisions of this Article shall not apply to a person who installs
5 or connects a sanitary sewer line serving a manufactured home, as defined in G.S. 143-143.9(6),
6 if all of the following conditions are met:

7 (1) The sewer line is 3 or 4 inches in diameter and does not exceed 10 linear feet
8 in length.

9 (2) The sewer line connects the manufactured home to an existing septic tank, an
10 existing building sewer, or another existing wastewater system connection
11 point that has been approved by the local health department or other authority
12 having jurisdiction.

13 (3) The work does not include the design, installation, repair, relocation,
14 expansion, replacement, or alteration of the septic tank, drainfield, distribution
15 box, pump tank, or any other component of the wastewater system.

16 (4) The work is performed using materials and installation methods that comply
17 with the North Carolina State Building Code, the North Carolina Regulations
18 for Manufactured Homes adopted by the State Fire Marshal, and Article 11 of
19 Chapter 130A of the General Statutes and rules adopted under the authority of
20 that Article.

21 (5) The work remains subject to all required permits and inspections, and the
22 sewer line is not covered, backfilled, or otherwise concealed until it has been
23 inspected and approved by the authority having jurisdiction."

24 **SECTION 11.5.(b)** This section is effective when it becomes law and applies to
25 work occurring on or after that date.

26
27 **IMPLEMENTATION OF CODE CHANGES FOR USE OF CERTAIN INSULATION IN**
28 **WALLS**

29 **SECTION 12.(a)** Definitions. – As used in this section, "Code" means the current
30 North Carolina State Building Code collection, and amendments to the Code, as adopted by the
31 Council. For purposes of this section and its implementation, "R402 Rules" means provisions
32 and tables within Section 402, Building Thermal Envelope, North Carolina – Residential
33 Provisions, of the North Carolina Energy Conservation Code. As used in this section, "Council"
34 means the Building Code Council and the Residential Code Council.

35 **SECTION 12.(b)** R402 Rules Amendment. – Until the effective date of the rules to
36 amend the Code that the Council is required to adopt pursuant to subsection (d) of this section,
37 the Council and local governments enforcing the Code shall follow the provisions of subsection
38 (c) of this section as it relates to the R402 Rules within the North Carolina Energy Conservation
39 Code.

40 **SECTION 12.(c)** Implementation. – Where Table R402.1.2, Insulation and
41 Fenestration Requirements by Component, within the R402 Rules, require wood frame wall
42 R-values, installing air-impermeable spray foam insulation as cavity insulation, which meets
43 R-13 in climate zones 3 and 4, and R-15 insulation in climate zone 5, without installation of
44 additional continuous insulation, shall be deemed to satisfy the R-value requirements for the
45 wood frame wall in the appropriate climate zone, provided that the building envelope obtains an
46 ACH50 blower door test result of less than or equal to 3.0.

47 **SECTION 12.(d)** Additional Rulemaking Authority. – The Council shall adopt rules
48 to amend the R402 Rules to be consistent with subsection (c) of this section. Notwithstanding
49 G.S. 150B-19(4), the rule adopted by the Council pursuant to this section shall be substantively
50 identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section
51 are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted

1 pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though 10
2 or more written objections had been received as provided in G.S. 150B-21.3(b2).

3 **SECTION 12.(e)** Sunset. – This section expires when permanent rules adopted as
4 required by subsection (d) of this section become effective.

6 **AMEND ENERGY RATING INDEX COMPLIANCE ALTERNATIVE**

7 **SECTION 12.5.(a)** Definitions. – As used in this section, "Code" means the current
8 North Carolina State Building Code collection, and amendments to the Code, as adopted by the
9 Council. For purposes of this section and its implementation, "R406 Rules" means provisions
10 and tables within Section 406, Energy Rating Index Compliance Alternative, North Carolina –
11 Residential Provisions, of the North Carolina Energy Conservation Code. As used in this section,
12 "Council" means the Building Code Council and the Residential Code Council.

13 **SECTION 12.5.(b)** R406 Rules Amendment. – Until the effective date of the rules
14 to amend the Code that the Council is required to adopt pursuant to subsection (d) of this section,
15 the Council and local governments enforcing the Code shall follow the provisions of subsection
16 (c) of this section as it relates to the R406 Rules within the North Carolina Energy Conservation
17 Code.

18 **SECTION 12.5.(c)** Implementation. – There shall be no requirement that the
19 building thermal envelope meets or exceeds the levels of efficiency and Solar Heat Gain
20 Coefficients in Tables R406.2.1 and R406.2.2, which shall be deleted from the R406 Rules. The
21 minimum standards associated with compliance shall be the ANSI RESNET ICC Standard
22 301-2022 "Standard for the Calculation and Labeling of the Energy Performance Index of
23 Dwelling and Sleeping Units using an Energy Rating Index."

24 **SECTION 12.5.(d)** Additional Rulemaking Authority. – The Council shall adopt
25 rules to amend the R406 Rules to be consistent with subsection (c) of this section.
26 Notwithstanding G.S. 150B-19(4), the rule adopted by the Council pursuant to this section shall
27 be substantively identical to the provisions of subsection (c) of this section. Rules adopted
28 pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General
29 Statutes. Rules adopted pursuant to this section shall become effective as provided in
30 G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in
31 G.S. 150B-21.3(b2).

32 **SECTION 12.5.(e)** Sunset. – This section expires when permanent rules adopted as
33 required by subsection (d) of this section become effective.

35 **PERMIT CHOICE MODIFICATIONS**

36 **SECTION 13.** G.S. 143-755 reads as rewritten:

37 **"§ 143-755. Permit choice.**

38 (a) If a development permit applicant submits a permit application for any type of
39 development and a rule or ordinance is amended, including an amendment to any applicable land
40 development regulation, between the time the development permit application was submitted and
41 a development permit decision is made, the development permit applicant may choose which
42 adopted version of the rule or ordinance will apply to the permit and use of the building, structure,
43 or land indicated on the permit ~~application~~ application, except as provided in subsection (a1) of
44 this section. If the development permit applicant chooses the version of the rule or ordinance
45 applicable at the time of the permit application, the development permit applicant shall not be
46 required to await the outcome of the amendment to the rule, map, or ordinance prior to acting on
47 the development permit. If an applicable rule or ordinance is amended after the development
48 permit is wrongfully denied or after an illegal condition is imposed, as determined in a proceeding
49 challenging the permit denial or the condition imposed, the development permit applicant may
50 choose which adopted version of the rule or ordinance will apply to the permit and use of the
51 building, structure, or land indicated on the permit application. Provided, however, any provision

1 of the development permit applicant's chosen version of the rule or ordinance that is determined
2 to be illegal for any reason shall not be enforced upon the applicant without the written consent
3 of the applicant.

4 (a1) A development permit applicant may not select a version of an erosion and sediment
5 control permit or a stormwater permit that does not comply with federal law.

6 (b) This section applies to all development permits issued by the State and by local
7 governments.

8 (b1) If a permit application is placed on hold at the request of the applicant for a period of
9 six consecutive months or more, or the applicant fails to respond to comments or provide
10 additional information reasonably requested by the local or State government for a period of six
11 consecutive months or more, the application review is discontinued and the development
12 regulations in effect at the time permit processing is resumed apply to the application.

13 (c) Repealed by Session Laws 2015-246, s. 5(a), effective September 23, 2015.

14 (d) Any person aggrieved by the failure of a State agency or local government to comply
15 with this section or G.S. 160D-108(b) may apply to the appropriate division of the General Court
16 of Justice for an order compelling compliance by the offending agency or local government, and
17 the court may issue that order. Actions brought pursuant to any of these sections shall be set
18 down for immediate hearing, and subsequent proceedings in those actions shall be accorded
19 priority by the trial and appellate courts.

20 (e) For purposes of this section, the following definitions apply:

21 (1) Development. – Without altering the scope of any regulatory authority granted
22 by statute or local act, any of the following:

- 23 a. The construction, erection, alteration, enlargement, renovation,
24 substantial repair, movement to another site, or demolition of any
25 structure.
26 b. Excavation, grading, filling, clearing, or alteration of land.
27 c. The subdivision of land as defined in G.S. 160D-802.
28 d. The initiation of substantial change in the use of land or the intensity
29 of the use of land.

30 (2) Development permit. – An ~~administrative~~ administrative, legislative, or
31 quasi-judicial approval that is written and that is required prior to commencing
32 development or undertaking a specific activity, project, or development
33 proposal, including any of the following:

- 34 a. Zoning permits.
35 b. Site plan approvals.
36 c. Special use permits.
37 d. Variances.
38 e. Certificates of appropriateness.
39 f. Plat approvals.
40 g. Development agreements.
41 h. Building permits.
42 i. Subdivision of land.
43 j. State agency permits for development.
44 k. Driveway permits.
45 l. Erosion and sedimentation control permits.
46 m. Sign permit.
47 n. Conditional zoning.
48 o. Rezoning.
49 p. Stormwater permits.

- 1 (3) Land development regulation. – Any State statute, rule, or regulation, or local
2 ordinance affecting the development or use of real property, including any of
3 the following:
- 4 a. Unified development ordinance.
 - 5 b. Zoning regulation, including zoning maps.
 - 6 c. Subdivision regulation.
 - 7 d. Erosion and sedimentation control regulation.
 - 8 e. Floodplain or flood damage prevention regulation.
 - 9 f. Mountain ridge protection regulation.
 - 10 g. Stormwater control regulation.
 - 11 h. Wireless telecommunication facility regulation.
 - 12 i. Historic preservation or landmark regulation.
 - 13 j. Housing code.
 - 14 k. Conditional zoning.
 - 15 l. Rezoning.
 - 16 m. Stormwater permits."
 - 17

18 ESTABLISH REVIEW PERIODS FOR LOCAL GOVERNMENT APPROVALS AND 19 DECISIONS

20 SECTION 14.(a) G.S. 160D-403 reads as rewritten:

21 "§ 160D-403. Administrative development approvals and determinations.

22 (a) Development Approvals. – To the extent consistent with the scope of ~~regulatory~~
23 development regulation authority granted by this Chapter, no person shall commence or proceed
24 with development without first securing any required development approval from the local
25 government with jurisdiction over the site of the development. A development approval shall be
26 in writing and may contain a provision requiring the development to comply with all applicable
27 State and local laws. A local government may issue development approvals in print or electronic
28 form. Any development approval issued exclusively in electronic form shall be protected from
29 further editing once issued. Applications for development approvals may be made by the
30 landowner, a lessee or person holding an option or contract to purchase or lease land, or an
31 authorized agent of the landowner. An easement holder may also apply for development approval
32 for ~~such the~~ development as is authorized by the easement.

33 (a1) Time Period for Approval. – Within seven calendar days of the filing of an application
34 for a development approval, a local government or its designated administrative staff, as
35 described under G.S. 160D-402, shall (i) determine whether the application is complete and
36 notify the applicant of the application's completeness and, (ii) if the local government or its
37 designated administrative staff determines the application is incomplete, specify all of the
38 deficiencies in the notice to the applicant. The applicant may file an amended application or
39 supplemental information to cure the deficiencies identified by the local government or its
40 designated administrative staff for a completeness review, which shall be completed within seven
41 calendar days after receiving an amended application or supplemental application from the
42 applicant. Upon the date the application is deemed complete, the local government or its
43 designated administrative staff shall issue a receipt letter or electronic response stating that the
44 application is complete. From the date an application has been determined to be complete, the
45 local government or its designated administrative staff shall have 20 days to perform an initial
46 review of the completed application and notify the applicant of any required changes, to which
47 an applicant shall have 15 days to respond. If the applicant makes changes in response to
48 comments arising from the initial review, the local government or its designated administrative
49 staff shall have 10 calendar days to review any changes submitted by the applicant. Upon
50 expiration of that 10-day secondary review period, a final 90-calendar day review period shall
51 begin. The local government shall approve or deny the application within 90 calendar days of the

1 date the 10-day secondary review period expires, except that if the applicant requests a
2 continuance of the application, the review period shall be tolled for the duration of any
3 continuance. The time period for review may be extended only by agreement with the applicant
4 if the application cannot be reviewed within the specified time limitation due to circumstances
5 beyond the control of the local government. The extension shall not exceed six months. Failure
6 of the local government or its designated administrative staff to act before the expiration of the
7 time period allowed for review shall constitute an approval of the application, and the local
8 government shall issue a written approval upon demand by the applicant.

9"

10 **SECTION 14.(b)** Article 7 of Chapter 160D of the General Statutes is amended by
11 adding a new section to read:

12 **"§ 160D-707. Review period for rezoning decisions.**

13 Within seven calendar days of the filing of an application for amendment of a zoning map or
14 zoning regulations, a local government or its designated administrative staff, as described under
15 G.S. 160D-402, shall (i) determine whether the application is complete and notify the applicant
16 of the application's completeness and, (ii) if the local government or its designated administrative
17 staff determines the application is incomplete, specify all of the deficiencies in the notice to the
18 applicant. The applicant may file an amended application or supplemental information to cure
19 the deficiencies identified by the local government or its designated administrative staff for a
20 completeness review, which shall be completed within seven calendar days after receiving an
21 amended application or supplemental application from the applicant. Upon the date the
22 application is deemed complete, the local government or its designated administrative staff shall
23 issue a receipt letter or electronic response stating that the application is complete. From the date
24 an application has been determined to be complete, the local government or its designated
25 administrative staff shall have 20 days to perform an initial review of the completed application
26 and notify the applicant of any required changes, to which an applicant shall have 15 days to
27 respond. If the applicant makes changes in response to comments arising from the initial review,
28 the local government or its designated administrative staff shall have 10 calendar days to review
29 any changes submitted by the applicant. Upon expiration of that 10-day secondary review period,
30 a final 90-calendar day review period shall begin. The local government shall approve or deny
31 the application within 90 calendar days of the date the 10-day secondary review period expires,
32 except that if the applicant requests a continuance of the application, the review period shall be
33 tolled for the duration of any continuance. The time period for review may be extended only by
34 agreement with the applicant if the application cannot be reviewed within the specified time
35 limitation due to circumstances beyond the control of the local government. The extension shall
36 not exceed six months. Failure of the local government or its designated administrative staff to
37 act before the expiration of the time period allowed for review shall constitute an approval of the
38 application, and the local government shall issue a written approval upon demand by the
39 applicant."

40 **SECTION 14.(c)** This section applies only to local governments with a population
41 of 20,000 people or more.

42 **SECTION 14.(d)** This section becomes effective August 1, 2026, and applies to
43 applications, approvals, and actions filed on or after that date.

44
45 **NUISANCE IMMUNITY FOR RURAL RECREATIONAL AND HERITAGE EVENTS**

46 **SECTION 15.(a)** Chapter 99E of the General Statutes is amended by adding a new
47 Article to read:

48 "Article 11.

49 "Rural Recreational and Heritage Event Nuisance Immunity.

50 **"§ 99E-95. Nuisance immunity for rural recreational and heritage events.**

51 (a) For purposes of this Article, the following definitions apply:

- 1 (1) Area of the facility. – The area within a 3-mile radius of the perimeter of the
2 property or a contiguous group of properties where a facility is located.
- 3 (2) Facility. – A designated and established area that is regularly used to host or
4 conduct one or more rural recreational and heritage events. A facility includes
5 the track, course, arena, ring, field, stable, kennel, pen, staging, spectator, and
6 parking areas, and any associated grounds, buildings, structures, or
7 appurtenances used to conduct or support rural recreational and heritage
8 events. A facility does not include real property to the extent it is used only
9 for the personal or private use of the property by the property owner or the
10 owner's family, guests, or invitees, where that use is not part of a rural
11 recreational and heritage event that is conducted on a recurring basis or that is
12 open to participants, spectators, or the members of a club, association, or other
13 organization that owns, operates, or conducts rural recreational and heritage
14 events at the facility.
- 15 (3) Rural recreational and heritage event. – Any of the following when conducted
16 at a facility:
- 17 a. Motorized and off-road vehicle events, including motocross, dirt-bike
18 events, all-terrain vehicle (ATV) and utility task vehicle (UTV) events,
19 go-kart racing, drag racing, autocross and rallycross, monster truck
20 events, truck pulls, tractor pulls, mud bogging, mud pulls,
21 four-wheel-drive and other off-road events, demolition derbies, lawn
22 mower racing, and similar motorized or off-road competitions or
23 events.
- 24 b. Horse and farm animal events, including horse shows, rodeos, barrel
25 racing, roping and team roping, horse pulls, mounted shooting,
26 equestrian competitions, livestock shows, farm animal exhibitions,
27 agricultural fair events, and similar animal-based competitions or
28 exhibitions.
- 29 c. Sporting dog and outdoor heritage events, including field trials, hunt
30 tests, retriever trials, beagle trials, foxhound events, coonhound
31 events, sporting dog training, hunting-preserve dog events, and similar
32 working or sporting dog events.
- 33 (b) A facility shall not be subject to any action brought by a surrounding property owner
34 under any nuisance or taking cause of action arising from the conduct of a rural recreational and
35 heritage event at the facility if both of the following conditions were met as of the date the
36 surrounding property owner purchased real property located within the area of the facility or, if
37 the surrounding property owner owned that real property before rural recreational and heritage
38 events were first conducted at the facility, as of the date the surrounding property owner first
39 constructed a building on that real property:
- 40 (1) The facility was lawfully established and in compliance with all laws,
41 ordinances, and permitting requirements applicable to the facility at the time
42 of its establishment.
- 43 (2) One or more rural recreational and heritage events have been conducted at the
44 facility within the 24 months preceding the date on which the surrounding
45 property owner purchased the real property or constructed the building."

46 **SECTION 15.(b)** This section is effective when it becomes law and applies to
47 actions commenced on or after that date.

49 **AT-RISK BUILDING CHANGES**

50 **SECTION 16.** G.S. 160D-1110.1 reads as rewritten:

1 "§ 160D-1110.1. Commercial and multifamily building permits for applications with sealed
 2 plans; third-party plan review alternatives; at-risk building foundation permits;
 3 at-risk building structure permits.

4 (a) Applicability. – This section applies to commercial and multifamily development
 5 project building permit applications that have plans and specifications that are complete and
 6 sealed for construction, as applicable, by a professional engineer licensed under Chapter 89C of
 7 the General Statutes or an architect licensed under Chapter 83A of the General Statutes.

8 ...

9 (h) At-Risk Building Permit Options. – At-risk building permit options are available to
 10 an eligible building permit applicant that requested and attended a pre-submittal meeting in
 11 accordance with subsection (b) of this section to discuss a building project prior to permit
 12 application. An eligible permit applicant proceeding with an at-risk permit issued by a local
 13 government pursuant to this subsection assumes all risks of liability, and the local government is
 14 discharged and released from any liabilities, duties, and responsibilities attributable to the review,
 15 approval, or construction pursuant to that at-risk permit. In accordance with G.S. 160D-108(e),
 16 where multiple local development permits are required to complete a development project, a
 17 permit issued by a local government pursuant to this subsection is not an initial development
 18 permit for purposes of the vesting protections of G.S. 160D-108(e). The following at-risk
 19 building permit options are available:

20 (1) At-risk building foundation permit. – At the time of permit application, an
 21 eligible building permit applicant may request an at-risk building foundation
 22 permit authorizing a permit applicant to proceed with building foundation
 23 ~~construction.~~ construction and any associated trade permit necessary to
 24 support the authorized foundation construction. A local government must
 25 issue an at-risk building foundation permit and any associated trade permit
 26 necessary for the authorized scope of work if a local government determines
 27 a permit applicant has submitted all necessary plans and sufficient
 28 information, as discussed at a pre-submittal meeting pursuant to subsection
 29 (b) of this section, and received all approvals necessary, for building
 30 foundation construction and associated trade permit work, notwithstanding
 31 that other development approvals from the local government, or other State or
 32 federal agencies, for the project have not yet been obtained. For the purposes
 33 of this subdivision, a permit applicant must have received an approved erosion
 34 and sedimentation control plan in accordance with Article 4 of Chapter 113A
 35 of the General Statutes for land-disturbing activity at a building foundation
 36 construction site.

37"

39 LIMIT RESTRICTIVE COVENANTS ON SCHOOL PROPERTY

40 **SECTION 16.5.(a)** G.S. 115C-518 is amended by adding a new subsection to read:

41 "(a1) For real property disposed in accordance with this section, local boards of education
 42 shall not impose or enforce a restriction on the future use of the property that prohibits use by a
 43 public school unit or nonpublic school. Restrictions include deed restrictions, covenants, or other
 44 interests that run with the land. A restriction on the use of disposed property that violates this
 45 subsection is against the public policy of this State and is void and unenforceable."

46 **SECTION 16.5.(b)** Any restriction in existence on the effective date of this section
 47 that prohibits the use of property disposed in accordance with G.S. 115C-518 by a public school
 48 unit or nonpublic school is void.

49 **SECTION 16.5.(c)** This section is effective when it becomes law. Subsection (a) of
 50 this section applies to the disposition of property owned by a local board of education on or after
 51 that date.

1
2 **PROMOTE FEE TRANSPARENCY AND PREDICTABILITY FOR APPLICANTS**
3 **PRIOR TO LOCAL GOVERNMENT DEVELOPMENT PERMIT APPROVAL OR**
4 **ISSUANCE**

5 **SECTION 17.(a)** G.S. 160D-102 is amended by adding three new subdivisions to
6 read:

7 "(16a) Fee estimate. – A statement projecting all fees that may reasonably be assessed
8 in the fee statement for the applicant's project, including assumptions applied
9 to the category or purpose of the fees to be charged.

10 (16b) Fee schedule. – A statement of all current fees that may be collected by a local
11 government for the administration and enforcement of provisions set forth in
12 this Chapter and Article 8 of Chapter 162A of the General Statutes and impact
13 fees, facility fees, and other fees authorized by local act, applicable to each
14 project category and purpose, including the data and methodologies used to
15 calculate the fee rates.

16 (16c) Fee statement. – An itemized statement of any fees applicable to the
17 applicant's particular project pursuant to this Chapter."

18 **SECTION 17.(b)** Article 4 of Chapter 160D of the General Statutes is amended by
19 adding a new section to read:

20 **"§ 160D-402.1. Development fee transparency.**

21 (a) Fee Schedule Publication. – Each local government shall prominently display on the
22 local government's official website the local government's current fee schedules. The local
23 government shall update the website to reflect any changes to fees, rates, or methodologies used
24 to develop fees and rates within 30 days of the adoption of any ordinance amending the fees,
25 rates, or methodologies. Each local government shall submit an annual report of its fee schedule,
26 fee collections, and compliance with this section to the Local Government Commission.

27 (b) Local Government Commission Report. – The Local Government Commission shall
28 publish and prominently display on the Commission's website a statewide report of local
29 governments' current fee schedules.

30 (c) Required Disclosure. – Each local government shall provide to the applicant prior to
31 a development approval the current fee schedule and a fee estimate. The local government shall
32 deliver information required under this subsection to the applicant within 10 business days after
33 submission of a completed application. If the project materially changes after the local
34 government has delivered the fee estimate, the local government shall provide a revised estimate
35 within 10 business days of receiving the updated project information. The local government shall
36 not require payment of any fees specified in subsection (a) of this section before the local
37 government provides the estimate.

38 (d) Final Fee Statement. – Each local government shall provide to the applicant, in
39 writing, a final, binding fee statement of exact fees due when a development approval is issued
40 on the application. The final fee amount may not exceed the most recent estimate provided under
41 subsection (c) of this section, unless the local government adopts a new fee schedule by
42 ordinance.

43 (e) Enforcement. – An applicant may commence a civil action in superior court of the
44 county in which the applicant's project is located to compel the local government to comply with
45 the requirements of this section. The court shall allow the prevailing party to recover reasonable
46 attorneys' fees and costs. Nothing in this section shall limit any remedy otherwise available under
47 Article 14 of this Chapter."

48 **SECTION 17.(c)** Nothing in this section shall be construed to limit or otherwise
49 affect the power or authority of a local government to impose fees consistent with its statutory
50 authority or constitutional requirements. This section shall not be construed to require the
51 disclosure of confidential information under G.S. 132-1.2.

1
2 **TOLL DISCONTINUANCE PERIOD FOR VESTED RIGHTS DURING EMERGENCY**
3 **DECLARATIONS**

4 **SECTION 18.** G.S. 160D-108 reads as rewritten:

5 **"§ 160D-108. Permit choice and vested rights.**

6 ...

7 (d) Duration of Vesting. – Upon issuance of a development permit, the statutory vesting
8 granted by subsection (c) of this section for a development project is effective upon filing of the
9 application in accordance with G.S. 143-755, for so long as the permit remains valid pursuant to
10 law. Unless otherwise specified by this section or other statute, local development permits expire
11 one year after issuance unless work authorized by the permit has substantially commenced. A
12 local land development regulation may provide for a longer permit expiration period. For the
13 purposes of this section, a permit is issued either in the ordinary course of business of the
14 applicable governmental agency or by the applicable governmental agency as a court directive.

15 Except where a longer vesting period is provided by statute or land development regulation,
16 the statutory vesting granted by this section, once established, expires for an uncompleted
17 development project if development work is intentionally and voluntarily discontinued for a
18 period of not less than 24 consecutive months, and the statutory vesting period granted by this
19 section for a nonconforming use of property expires if the use is intentionally and voluntarily
20 discontinued for a period of not less than 24 consecutive months. The 24-month discontinuance
21 period is automatically tolled during ~~the~~ any of the following:

- 22 (1) The pendency of any board of adjustment proceeding or civil action in a State
23 or federal trial or appellate court regarding the validity of a development
24 permit, the use of the property, or the existence of the statutory vesting period
25 granted by this section.
26 (2) ~~The 24-month discontinuance period is also tolled during the~~ The pendency
27 of any litigation involving the development project or property that is the
28 subject of the vesting.
29 (3) The duration of any emergency declaration issued under G.S. 166A-19.20 or
30 G.S. 166A-19.22 for which the defined emergency area includes the property,
31 in whole or in part.

32"

33
34 **MODIFY EXTENSIONS OF CERTAIN GOVERNMENT APPROVALS AFFECTING**
35 **THE DEVELOPMENT OF REAL PROPERTY IN THE AREA AFFECTED BY**
36 **HELENE**

37 **SECTION 19.** Section 1D.3.(b) of S.L. 2024-57, as amended by Section 1.5(a) of
38 S.L. 2025-97, reads as rewritten:

39 **"SECTION 1D.3.(b)** For any development approval:

- 40 (1) That is current and valid at any point during the period beginning January 1,
41 2024, and ending December 31, 2027, the running of the period of the
42 development approval and any associated vested right under G.S. 160D-108
43 or G.S. 160D-108.1 is suspended within the affected area during the period
44 beginning January 1, 2024, and ending December 31, ~~2027-2030~~.
45 (2) That was current and valid on September 25, 2024, the expiration date shall
46 be automatically extended for a period of 12 months beyond the date on which
47 the approval would otherwise expire pursuant to the suspension of the running
48 of time under subdivision (1) of this subsection.

49 Notwithstanding the extensions granted by this section, a local government may revoke or
50 modify a development approval automatically extended under this section if, due to changed site
51 conditions resulting from Hurricane Helene or subsequent related natural disasters, the local

1 government determines that it would not issue the permit under current site conditions based on
2 a determination that the site no longer meets applicable State or federal safety, environmental, or
3 engineering standards, or that the extension of the approval would present a material risk to life,
4 health, or property. A local government exercising authority to revoke or modify a development
5 approval automatically extended under this subsection shall provide written notice to the holder
6 of the development approval of the revocation or modification, including findings of fact to
7 support a determination that the site no longer meets applicable State or federal safety,
8 environmental, or engineering standards, or that the extension of the approval would present a
9 material risk to life, health, or property. The extensions granted by this subsection shall run
10 concurrently with, and not in addition to, any other extension of the same development approval
11 provided by State law or local ordinance."
12

13 STATUTORY SAFEGUARDS FOR HOA GOVERNANCE

14 SECTION 20.(a) G.S. 47C-3-102(a) reads as rewritten:

15 "§ 47C-3-102. Powers of unit owners' association.

16 (a) Unless the declaration expressly provides to the contrary, the association, even if
17 unincorporated, may do all of the following:

18 ...

19 (12b) Impose a reasonable charge for providing copies of records requested by a
20 member, not to exceed the actual cost of photocopying the records, including
21 the cost of materials used in responding to the request and the cost of shipping
22 if shipping is required.

23 ...

24 (14a) Exercise any authority granted to it under the declaration to approve or
25 disapprove any proposed changes to a unit or limited common element. In
26 exercising such authority, the association shall provide a fair, reasonable, and
27 expeditious procedure for making its decision, which procedure shall be set
28 forth in the association's governing documents. The procedures shall state the
29 maximum time for issuance of any decision on a proposal or a request for
30 reconsideration. An association may adopt formal submission requirements
31 for any proposed change, which shall be communicated to the members. A
32 decision shall be made within 90 days after the initial submission of the
33 proposal or submission of any additional information or changes to the
34 proposal requested by the association in response to the initial submission. A
35 decision shall be in writing, shall be made in good faith, and may not be
36 unreasonable, arbitrary, or capricious. If the proposal is disapproved, the
37 decision shall include an explanation of why the proposal is disapproved and,
38 if the determination was not issued by the executive board, a description of
39 the procedure for reconsideration of the decision by the executive board.

40"

41 SECTION 20.(b) G.S. 47F-3-102 reads as rewritten:

42 "§ 47F-3-102. Powers of owners' association.

43 Unless the articles of incorporation or the declaration expressly provides to the contrary, the
44 association may do all of the following:

45 ...

46 (13b) Impose a reasonable charge for providing copies of records requested by a
47 member, not to exceed the actual cost of photocopying the records, including
48 the cost of materials used in responding to the request and the cost of shipping
49 if shipping is required.

50 ...

1 (15a) Exercise any authority granted to it under the declaration to approve or
 2 disapprove any proposed changes on a lot or limited common element. In
 3 exercising such authority, the association shall provide a fair, reasonable, and
 4 expeditious procedure for making its decision, which procedure shall be set
 5 forth in the association's governing documents. The procedures shall state the
 6 maximum time for issuance of any decision on a proposal or a request for
 7 reconsideration. An association may adopt formal submission requirements
 8 for any proposed change, which shall be communicated to the members. A
 9 decision shall be made within 90 days after the initial submission of the
 10 proposal or submission of any additional information or changes to the
 11 proposal requested by the association in response to the initial submission. A
 12 decision shall be in writing, shall be made in good faith, and may not be
 13 unreasonable, arbitrary, or capricious. If the proposal is disapproved, the
 14 decision shall include an explanation of why the proposal is disapproved and,
 15 if the determination was not issued by the executive board, a description of
 16 the procedure for reconsideration of the decision by the executive board.

17 "

18 **SECTION 20.1.(a)** G.S. 47C-3-107.1 reads as rewritten:

19 "**§ 47C-3-107.1. Procedures for fines and suspension of condominium privileges or services.**

20 Unless a specific procedure for the imposition of fines or suspension of condominium
 21 privileges or services is provided for in the declaration, a hearing shall be held before the
 22 executive board or an adjudicatory panel appointed by the executive board to determine if any
 23 unit owner should be fined or if condominium privileges or services should be suspended
 24 pursuant to the powers granted to the association in G.S. 47C-3-102(11). Any adjudicatory panel
 25 appointed by the executive board shall be composed of members of the association who are not
 26 officers of the association or members of the executive board. The unit owner charged shall be
 27 given notice of the charge, opportunity to be heard and to present evidence, and notice of the
 28 decision. A written notice of hearing shall be sent to the unit owner in the manner provided in
 29 G.S. 47C-3-116(e) not less than 10 days prior to the scheduled hearing date. The notice of hearing
 30 shall specify the date, time, and place of the hearing and shall include a general description of
 31 each alleged violation and the action, if any, required to cure each alleged violation. Not less than
 32 two days prior to the scheduled hearing date, the executive board or adjudicatory panel shall
 33 provide the unit owner with the names of any persons whose testimony it intends to offer in
 34 support of the charge and a copy of any documents, photographs, or other exhibits that it intends
 35 to submit in support of the charge. The unit owner shall be given an opportunity to be heard and
 36 to present evidence at the hearing. A written notice of the decision specifying each violation
 37 verified by the evidence and the action, if any, required to cure each verified violation shall be
 38 sent to the unit owner in the manner provided in G.S. 47C-3-116(e). If it is decided that a fine
 39 should be imposed, a fine not to exceed one hundred dollars (\$100.00) may be imposed for the
 40 violation and without further hearing, for each day more than five days after the decision that the
 41 violation ~~occurs~~-occurs, up to a maximum fine of two thousand five hundred dollars (\$2,500).
 42 Such fines shall be assessments secured by liens under G.S. 47C-3-116. If it is decided that a
 43 suspension of condominium privileges or services should be imposed, the suspension may be
 44 continued without further hearing until the violation or delinquency is cured. A unit owner may
 45 appeal a decision of an adjudicatory panel to the full executive board by delivering written notice
 46 of appeal to the executive board within 15 days after the date of the decision. The executive board
 47 may affirm, vacate, or modify the prior decision of the adjudicatory body."

48 **SECTION 20.1.(b)** G.S. 47F-3-107.1 reads as rewritten:

49 "**§ 47F-3-107.1. Procedures for fines and suspension of planned community privileges or**
 50 **services.**

1 Unless a specific procedure for the imposition of fines or suspension of planned community
2 privileges or services is provided for in the declaration, a hearing shall be held before the
3 executive board or an adjudicatory panel appointed by the executive board to determine if any
4 lot owner should be fined or if planned community privileges or services should be suspended
5 pursuant to the powers granted to the association in G.S. 47F-3-102(11) and (12). Any
6 adjudicatory panel appointed by the executive board shall be composed of members of the
7 association who are not officers of the association or members of the executive board. The lot
8 owner charged shall be given notice of the charge, opportunity to be heard and to present
9 evidence, and notice of the decision. A written notice of hearing shall be sent to the lot owner in
10 the manner provided in G.S. 47F-3-116(e) not less than 10 days prior to the scheduled hearing
11 date. The notice of hearing shall specify the date, time, and place of the hearing and shall include
12 a general description of each alleged violation and the action, if any, required to cure each alleged
13 violation. Not less than two days prior to the scheduled hearing date, the executive board or
14 adjudicatory panel shall provide the lot owner with the names of any persons whose testimony it
15 intends to offer in support of the charge and a copy of any documents, photographs, or other
16 exhibits that it intends to submit in support of the charge. The lot owner shall be given an
17 opportunity to be heard and to present evidence at the hearing. A written notice of the decision
18 specifying each violation verified by the evidence and the action, if any, required to cure each
19 verified violation shall be sent to the lot owner in the manner provided in G.S. 47F-3-116(e). If
20 it is decided that a fine should be imposed, a fine not to exceed one hundred dollars (\$100.00)
21 may be imposed for the violation and without further hearing, for each day more than five days
22 after the decision that the violation ~~occurs~~ occurs, up to a maximum fine of two thousand five
23 hundred dollars (\$2,500). Such fines shall be assessments secured by liens under G.S. 47F-3-116.
24 If it is decided that a suspension of planned community privileges or services should be imposed,
25 the suspension may be continued without further hearing until the violation or delinquency is
26 cured. The lot owner may appeal the decision of an adjudicatory panel to the full executive board
27 by delivering written notice of appeal to the executive board within 15 days after the date of the
28 decision. The executive board may affirm, vacate, or modify the prior decision of the
29 adjudicatory body."

30 **SECTION 20.2.(a)** G.S. 47C-3-116 reads as rewritten:

31 **"§ 47C-3-116. Lien for sums due the association; enforcement.**

32 (a) Any assessment attributable to a unit which remains unpaid for a period of 30 days
33 or longer shall constitute a lien on that unit when a claim of lien is filed of record in the office of
34 the clerk of superior court of the county in which the unit is located in the manner provided in
35 this section. A claim of lien securing a debt consisting of fines or fine-related charges shall be
36 filed separately from a claim of lien securing other sums owed to the association and shall be
37 filed within 90 days after the date the fine was imposed. As used in this section, "fines or
38 fine-related charges" means fines imposed by the association, interest on unpaid fines, or
39 attorneys' fees incurred by the association related to fines imposed by the association. Once filed,
40 a claim of lien secures all sums due the association through the date filed and any sums due to
41 the association thereafter. Unless the declaration provides otherwise, fees, charges, late charges
42 and other charges imposed pursuant to G.S. 47C-3-102, 47C-3-107, 47C-3-107.1, and 47C-3-115
43 are subject to the ~~claim~~ claims of lien provided for under this section as well as any other sums
44 due and payable to the association under the declaration, the provisions of this Chapter, or as the
45 result of an arbitration, mediation, or judicial decision.

46 (b) The association must provide proper notice of delinquent assessments to the unit
47 owner before filing a claim of lien. The association must make reasonable and diligent efforts
48 ensure that its records contain the unit owner's current physical mailing address. ~~address and~~
49 current electronic mailing address. No fewer than 15 days prior to filing the lien, the association
50 shall ~~mail~~ do all of the following:

- 1 (1) Mail a statement of the assessment amount due by first class mail to the
2 physical address of the unit and the unit owner's address of record with the
3 association and, if different, to the address for the unit owner shown on the
4 county tax records for the unit. If the unit owner is a corporation or limited
5 liability company, the statement shall also be sent by first class mail to the
6 mailing address of the registered agent for the corporation or limited liability
7 company. Notwithstanding anything to the contrary in this Chapter, the
8 association is not required to mail a statement to an address known to be a
9 vacant unit or to a unit for which there is no United States postal address.
- 10 (2) Send a statement of the assessment amount due via electronic mail if the
11 owner has designated an email address as provided in G.S. 55A-1-70(b).

12 (c) A claim of lien shall set forth the name and address of the association, the name of
13 the record owner of the unit at the time the claim of lien is filed, a description of the unit, and the
14 amount of the lien claimed. A claim of lien may also appoint a trustee to conduct a foreclosure
15 as provided in subsection (f) of this section. The first page of the claim of lien shall contain the
16 following statement in print that is in boldface, capital letters, and no smaller than the largest
17 print used elsewhere in the document:

18 "THIS DOCUMENT CONSTITUTES A LIEN AGAINST YOUR PROPERTY, AND IF THE
19 LIEN IS NOT PAID, THE HOMEOWNERS ASSOCIATION MAY PROCEED WITH
20 ~~FORECLOSURE ENFORCEMENT AGAINST YOU AND YOUR PROPERTY IN LIKE~~
21 ~~MANNER AS A MORTGAGE AS PERMITTED UNDER NORTH CAROLINA LAW."~~

22 The person signing the claim of lien on behalf of the association shall attach to and file with
23 the claim of lien a certificate of service attesting to the attempt of service on the record owner,
24 which service shall be attempted in accordance with G.S. 1A-1, Rule 4(j), for service of a copy
25 of a summons and a complaint. If the actual service is not achieved, the person signing the claim
26 of lien on behalf of the association shall be deemed to have met the requirements of this
27 subsection if service has been attempted pursuant to both of the following: (i) G.S. 1A-1, Rule
28 4(j)(1)c, d, or e and (ii) by mailing a copy of the lien by regular, first class mail, postage prepaid
29 to the physical address of the unit and the unit owner's address of record with the association,
30 and, if different, to the address for the unit owner shown on the county tax records and the county
31 real property records for the unit. The association shall also send the owner a copy of the claim
32 of lien and certificate of service by email if the owner has designated an email address as provided
33 in G.S. 55A-1-70(b). In the event that the owner of record is not a natural person, and actual
34 service is not achieved, the person signing the claim of lien on behalf of the association shall be
35 deemed to have met the requirements of this subsection if service has been attempted once
36 pursuant to the applicable provisions of G.S. 1A-1, Rule 4(j)(3) through G.S. 1A-1, Rule 4(j)(9).
37 Notwithstanding anything to the contrary in this Chapter, the association is not required to mail
38 a claim of lien to an address which is known to be a vacant unit or to a unit for which there is no
39 United States postal address. A lien for unpaid assessments is extinguished unless proceedings
40 to enforce the lien are instituted within three years after the filing of the claim of lien in the office
41 of the clerk of superior court. A lien securing a debt consisting of fines or fine-related charges is
42 extinguished unless proceedings to enforce the lien are instituted within one year after the filing
43 of the claim of lien in the office of the clerk of superior court.

44 (d) A claim of lien filed under this section is prior to all liens and encumbrances on a unit
45 except (i) liens and encumbrances, specifically including, but not limited to, a mortgage or deed
46 of trust on the unit, recorded before the filing of the claim of lien in the office of the clerk of
47 superior court and (ii) liens for real estate taxes and other governmental assessments and charges
48 against the unit. This subsection does not affect the priority of mechanics' or materialmen's liens.

49 (e) ~~The association shall be entitled to recover the~~ court may, in the court's discretion,
50 allow the association to recover the reasonable attorneys' fees and costs ~~if the association incurs~~
51 in connection with the collection of any sums due. A unit owner may not be required to pay

1 attorneys' fees and court costs until the unit owner is notified in writing of the association's intent
2 to seek payment of attorneys' fees, costs, and expenses. The notice must be sent by first-class
3 mail to the physical address of the unit and the unit owner's address of record with the association
4 and, if different, to the address for the unit owner shown on the county tax records for the unit.
5 The association must make reasonable and diligent efforts to ensure that its records contain the
6 unit owner's current mailing address. Notwithstanding anything to the contrary in this Chapter,
7 there shall be no requirement that notice under this subsection be mailed to an address which is
8 known to be a vacant unit or a unit for which there is no United States postal address. The notice
9 shall set out the outstanding balance due as of the date of the notice and state that the unit owner
10 has 15 days from the mailing of the notice by first-class mail to pay the outstanding balance
11 without the attorneys' fees and court costs. If the unit owner pays the outstanding balance within
12 this period, then the unit owner shall have no obligation to pay attorneys' fees, costs, or expenses.
13 The notice shall also inform the unit owner of the opportunity to contact a representative of the
14 association to discuss a payment schedule for the outstanding balance as provided in subsection
15 (i) of this section and shall provide the name and telephone number of the representative.

16 (f) Except as provided in subsection (h) of this section, the association, acting through
17 the executive board, may foreclose a claim of lien securing a debt consisting of sums due the
18 association other than fines or fine-related charges in like manner as a mortgage or deed of trust
19 on real estate under power of sale, as provided in Article 2A of Chapter 45 of the General Statutes,
20 if the ~~assessment remains unpaid~~ delinquency has continued for ~~90-180~~ days or more. The
21 association shall not foreclose the claim of lien unless the executive board votes to commence
22 the proceeding against the specific unit. The following provisions and procedures shall be
23 applicable to and complied with in every nonjudicial power of sale foreclosure of a claim of lien,
24 and these provisions and procedures shall control to the extent they are inconsistent or in conflict
25 with the provisions of Article 2A of Chapter 45 of the General Statutes:

26 ...

27 (5) After the association has filed a claim of lien and prior to the commencement
28 of a nonjudicial foreclosure, the association shall give to the unit owner notice
29 of the association's intention to commence a nonjudicial foreclosure to enforce
30 its claim of lien. The notice shall contain the information required in
31 ~~G.S. 45-21.16(c)(5a)~~ G.S. 45-21.16(c)(5) and G.S. 45-21.16(c)(5a) and shall
32 specifically reference the unit owner's right of redemption provided under
33 subdivision (8) of this subsection. The notice shall be sent by first-class mail
34 to the physical address of the unit and the unit owner's address of record with
35 the association and, if different, to the address for the unit owner shown on
36 the county tax records for the unit.

37 (5a) The notice of hearing required pursuant to G.S. 45-21.16(a) shall be
38 accompanied by the association's certification of the actions it has taken to
39 give the owner notice of delinquent assessments in compliance with
40 subsection (b) of this section.

41 (5b) At the commencement of the hearing, the clerk shall inquire as to whether the
42 owner occupies the unit as his or her principal residence. If it appears that the
43 owner does currently occupy the unit as a principal residence, the clerk shall
44 further inquire as to the efforts the association has made to communicate with
45 the owner and to attempt to resolve the matter voluntarily before the
46 foreclosure proceeding. The clerk's inquiry shall not be required if the
47 association has submitted, at or before the hearing, an affidavit briefly
48 describing any efforts that have been made to resolve the default with the
49 owner and the results of any such efforts.

50 (5c) The clerk shall order the hearing continued if the clerk finds that there is good
51 cause to believe that additional time or additional efforts have a reasonable

1 likelihood of resolving the delinquency without foreclosure. In determining
 2 whether to continue the hearing, the clerk may consider (i) whether the
 3 association has offered the debtor an opportunity to resolve the foreclosure
 4 under a payment schedule pursuant to subsection (i) of this section, (ii)
 5 whether the association has engaged in actual responsive communication with
 6 the owner, including telephone conferences or in-person meetings with the
 7 owner or other actual two-party communications, (iii) whether the owner has
 8 indicated that he or she has the intent and ability to resolve the delinquency
 9 by making future payments under a payment plan, and (iv) whether the
 10 initiation or continuance of good-faith voluntary resolution efforts between
 11 the parties may resolve the matter without a foreclosure sale. Where good
 12 cause exists to continue the hearing, the clerk shall order the hearing continued
 13 to a date and time certain not more than 90 days from the date scheduled for
 14 the original hearing. Nothing in this subsection shall limit the authority of the
 15 clerk to continue a hearing for other good cause shown.

16 ...

17 (g) The provisions of subsection (f) of this section do not prohibit or prevent an
 18 association from pursuing judicial foreclosure of a claim of ~~lien, lien~~ securing a debt consisting
 19 of sums due the association other than fines and fine-related charges, from taking other actions
 20 to recover the sums due the association, or from accepting a deed in lieu of foreclosure. Any
 21 judgment, decree, or order in any judicial foreclosure or civil action relating to the collection of
 22 assessments shall include an award of costs and reasonable attorneys' fees for the prevailing
 23 party, which shall not be subject to the limitation provided in subdivision (f)(12) of this section.

24 (h) A claim of lien securing a debt consisting ~~solely of fines imposed by the association,~~
 25 ~~interest on unpaid fines, or attorneys' fees incurred by the association solely associated with fines~~
 26 ~~imposed by the association or fine-related charges~~ may only be enforced by judicial foreclosure,
 27 ~~as provided in Article 29A of Chapter 1 of the General Statutes. the filing of a civil action seeking~~
 28 a judgment. In addition, an association shall not levy, charge, or attempt to collect a service,
 29 collection, consulting, or administration fee from any unit owner unless the fee is expressly
 30 allowed in the declaration, and any claim of lien securing a debt consisting solely of these fees
 31 may only be enforced by judicial foreclosure, as provided in Article 29A of Chapter 1 of the
 32 General Statutes. the filing of a civil action seeking a judgment. Liens arising as a result of the
 33 entry of a judgment in favor of the association in any such civil action shall relate back and be
 34 effective as of the date the claim of lien was filed.

35"

36 **SECTION 20.2.(b)** G.S. 47F-3-116 reads as rewritten:

37 **"§ 47F-3-116. Lien for sums due the association; enforcement.**

38 (a) Any assessment attributable to a lot which remains unpaid for a period of 30 days or
 39 longer shall constitute a lien on that lot when a claim of lien is filed of record in the office of the
 40 clerk of superior court of the county in which the lot is located in the manner provided in this
 41 section. A claim of lien securing a debt consisting of fines or fine-related charges shall be filed
 42 separately from a claim of lien securing other sums due the association and shall be filed within
 43 90 days after the date the fine was imposed. As used in this section, "fines or fine-related charges"
 44 means fines imposed by the association, interest on unpaid fines, or attorneys' fees incurred by
 45 the association related to fines imposed by the association. Once filed, a claim of lien secures all
 46 sums due the association through the date filed and any sums due to the association thereafter.
 47 Unless the declaration provides otherwise, fees, charges, late charges, and other charges imposed
 48 pursuant to G.S. 47F-3-102, 47F-3-107, 47F-3-107.1, and 47F-3-115 are subject to the ~~claim~~
 49 claims of lien provided for under this section as well as any other sums due and payable to the
 50 association under the declaration, the provisions of this Chapter, or as the result of an arbitration,
 51 mediation, or judicial decision.

1 (b) The association must provide proper notice of delinquent assessments to the lot owner
2 before filing a claim of lien. The association must make reasonable and diligent efforts to ensure
3 that its records contain the lot owner's current physical mailing address—address and current
4 electronic mailing address. No fewer than 15 days prior to filing the lien, the association shall
5 ~~mail~~ do all of the following:

6 (1) Mail a statement of the assessment amount due by first-class mail to the
7 physical address of the lot and the lot owner's address of record with the
8 association and, if different, to the address for the lot owner shown on the
9 county tax records for the lot. If the lot owner is a corporation or limited
10 liability company, the statement shall also be sent by first-class mail to the
11 mailing address of the registered agent for the corporation or limited liability
12 company. Notwithstanding anything to the contrary in this Chapter, the
13 association is not required to mail a statement to an address known to be a
14 vacant lot on which no dwelling has been constructed or to a lot for which
15 there is no United States postal address.

16 (2) Send a statement of the assessment amount due via electronic mail if the
17 owner has designated an email address as provided in G.S. 55A-1-70(b).

18 (c) A claim of lien shall set forth the name and address of the association, the name of
19 the record owner of the lot at the time the claim of lien is filed, a description of the lot, and the
20 amount of the lien claimed. A claim of lien may also appoint a trustee to conduct a foreclosure,
21 as provided in subsection (f) of this section. The first page of the claim of lien shall contain the
22 following statement in print that is in boldface, capital letters, and no smaller than the largest
23 print used elsewhere in the document:

24 "THIS DOCUMENT CONSTITUTES A LIEN AGAINST YOUR PROPERTY, AND IF THE
25 LIEN IS NOT PAID, THE HOMEOWNERS ASSOCIATION MAY PROCEED WITH
26 ~~FORECLOSURE ENFORCEMENT AGAINST YOU AND YOUR PROPERTY IN LIKE~~
27 ~~MANNER AS A MORTGAGE AS PERMITTED UNDER NORTH CAROLINA LAW."~~

28 The person signing the claim of lien on behalf of the association shall attach to and file with
29 the claim of lien a certificate of service attesting to the attempt of service on the record owner,
30 which service shall be attempted in accordance with G.S. 1A-1, Rule 4(j), for service of a copy
31 of a summons and a complaint. If the actual service is not achieved, the person signing the claim
32 of lien on behalf of the association shall be deemed to have met the requirements of this
33 subsection if service has been attempted pursuant to both of the following: (i) G.S. 1A-1, Rule
34 4(j)(1)c, d, or e and (ii) by mailing a copy of the lien by regular, first-class mail, postage prepaid
35 to the physical address of the lot and the lot owner's address of record with the association, and,
36 if different, to the address for the lot owner shown on the county tax records and the county real
37 property records for the lot. The association shall also send the owner a copy of the claim of lien
38 and certificate of service by email if the owner has designated an email address as provided in
39 G.S. 55A-1-70(b). In the event that the owner of record is not a natural person, and actual service
40 is not achieved, the person signing the claim of lien on behalf of the association shall be deemed
41 to have met the requirements of this subsection if service has been attempted once pursuant to
42 the applicable provisions of G.S. 1A-1, Rule 4(j)(3) through G.S. 1A-1, Rule 4(j)(9).
43 Notwithstanding anything to the contrary in this Chapter, the association is not required to mail
44 a claim of lien to an address which is known to be a vacant lot on which no dwelling has been
45 constructed or to a lot for which there is no United States postal address. A lien for unpaid
46 assessments is extinguished unless proceedings to enforce the lien are instituted within three
47 years after the filing of the claim of lien in the office of the clerk of superior court. A lien securing
48 a debt consisting of fines or fine-related charges is extinguished unless proceedings to enforce
49 the lien are instituted within one year after the filing of the claim of lien in the office of the clerk
50 of superior court.

1 (d) A claim of lien filed under this section is prior to all liens and encumbrances on a lot
 2 except (i) liens and encumbrances, specifically including, but not limited to, a mortgage or deed
 3 of trust on the lot, recorded before the filing of the claim of lien in the office of the clerk of
 4 superior court and (ii) liens for real estate taxes and other governmental assessments and charges
 5 against the lot. This subsection does not affect the priority of mechanics' or materialmen's liens.

6 (e) ~~The association shall be entitled to recover the~~ court may, in the court's discretion,
 7 allow the association to recover the reasonable attorneys' fees and costs ~~if the association incurs~~
 8 in connection with the collection of any sums due. A lot owner may not be required to pay
 9 attorneys' fees and court costs until the lot owner is notified in writing of the association's intent
 10 to seek payment of attorneys' fees, costs, and expenses. The notice must be sent by first-class
 11 mail to the physical address of the lot and the lot owner's address of record with the association
 12 and, if different, to the address for the lot owner shown on the county tax records for the lot. The
 13 association must make reasonable and diligent efforts to ensure that its records contain the lot
 14 owner's current mailing address. Notwithstanding anything to the contrary in this Chapter, there
 15 shall be no requirement that notice under this subsection be mailed to an address which is known
 16 to be a vacant lot on which no dwelling has been constructed or a lot for which there is no United
 17 States postal address. The notice shall set out the outstanding balance due as of the date of the
 18 notice and state that the lot owner has 15 days from the mailing of the notice by first-class mail
 19 to pay the outstanding balance without the attorneys' fees and court costs. If the lot owner pays
 20 the outstanding balance within this period, then the lot owner shall have no obligation to pay
 21 attorneys' fees, costs, or expenses. The notice shall also inform the lot owner of the opportunity
 22 to contact a representative of the association to discuss a payment schedule for the outstanding
 23 balance, as provided in subsection (i) of this section, and shall provide the name and telephone
 24 number of the representative.

25 (f) Except as provided in subsection (h) of this section, the association, acting through
 26 the executive board, may foreclose a claim of lien securing a debt consisting of sums due the
 27 association other than fines or fine-related charges in like manner as a mortgage or deed of trust
 28 on real estate under power of sale, as provided in Article 2A of Chapter 45 of the General Statutes,
 29 if the ~~assessment remains unpaid~~ delinquency has continued for 90-180 days or more. The
 30 association shall not foreclose the claim of lien unless the executive board votes to commence
 31 the proceeding against the specific lot.

32 The following provisions and procedures shall be applicable to and complied with in every
 33 nonjudicial power of sale foreclosure of a claim of lien, and these provisions and procedures shall
 34 control to the extent they are inconsistent or in conflict with the provisions of Article 2A of
 35 Chapter 45 of the General Statutes:

36 ...
 37 (5) After the association has filed a claim of lien and prior to the commencement
 38 of a nonjudicial foreclosure, the association shall give to the lot owner notice
 39 of the association's intention to commence a nonjudicial foreclosure to enforce
 40 its claim of lien. The notice shall contain the information required in
 41 ~~G.S. 45-21.16(c)(5a)~~ G.S. 45-21.16(c)(5) and G.S. 45-21.16(c)(5a) and shall
 42 specifically reference the lot owner's right of redemption provided under
 43 subdivision (8) of this subsection. The notice shall be sent by first-class mail
 44 to the physical address of the lot and the lot owner's address of record with the
 45 association and, if different, to the address for the lot owner shown on the
 46 county tax records for the lot.

47 (5a) The notice of hearing required pursuant to G.S. 45-21.16(a) shall be
 48 accompanied by the association's certification of the actions it has taken to
 49 give the owner notice of delinquent assessments in compliance with
 50 subsection (b) of this section.

1 (5b) At the commencement of the hearing, the clerk shall inquire as to whether the
2 owner occupies the lot as his or her principal residence. If it appears that the
3 owner does currently occupy the lot as a principal residence, the clerk shall
4 further inquire as to the efforts the association has made to communicate with
5 the owner and to attempt to resolve the matter voluntarily before the
6 foreclosure proceeding. The clerk's inquiry shall not be required if the
7 association has submitted, at or before the hearing, an affidavit briefly
8 describing any efforts that have been made to resolve the default with the
9 owner and the results of any such efforts.

10 (5c) The clerk shall order the hearing continued if the clerk finds that there is good
11 cause to believe that additional time or additional efforts have a reasonable
12 likelihood of resolving the delinquency without foreclosure. In determining
13 whether to continue the hearing, the clerk may consider (i) whether the
14 association has offered the owner an opportunity to resolve the foreclosure
15 under a payment schedule pursuant to subsection (i) of this section, (ii)
16 whether the association has engaged in actual responsive communication with
17 the owner, including telephone conferences or in-person meetings with the
18 owner or other actual two-party communications, (iii) whether the owner has
19 indicated that he or she has the intent and ability to resolve the delinquency
20 by making future payments under a payment plan, and (iv) whether the
21 initiation or continuance of good-faith voluntary resolution efforts between
22 the parties may resolve the matter without a foreclosure sale. Where good
23 cause exists to continue the hearing, the clerk shall order the hearing continued
24 to a date and time certain not more than 90 days from the date scheduled for
25 the original hearing. Nothing in this subsection shall limit the authority of the
26 clerk to continue a hearing for other good cause shown.

27 ...

28 (g) The provisions of subsection (f) of this section do not prohibit or prevent an
29 association from pursuing judicial foreclosure of a claim of ~~lien, lien securing a debt consisting~~
30 ~~of sums due the association other than fines and fine-related charges,~~ from taking other actions
31 to recover the sums due the association, or from accepting a deed in lieu of foreclosure. Any
32 judgment, decree, or order in any judicial foreclosure or civil action relating to the collection of
33 assessments shall include an award of costs and reasonable attorneys' fees for the prevailing
34 party, which shall not be subject to the limitation provided in subdivision (f)(12) of this section.

35 (h) A claim of lien securing a debt consisting ~~solely of fines imposed by the association,~~
36 ~~interest on unpaid fines, or attorneys' fees incurred by the association solely associated with fines~~
37 ~~imposed by the association or fine-related charges~~ may only be enforced by judicial foreclosure,
38 ~~as provided in Article 29A of Chapter 1 of the General Statutes.~~ the filing of a civil action seeking
39 a judgment. In addition, an association shall not levy, charge, or attempt to collect a service,
40 collection, consulting, or administration fee from any lot owner unless the fee is expressly
41 allowed in the declaration, and any claim of lien securing a debt consisting solely of these fees
42 may only be enforced by judicial foreclosure, as provided in Article 29A of Chapter 1 of the
43 General Statutes.the filing of a civil action seeking a judgment. Liens arising as a result of the
44 entry of a judgment in favor of the association in any such civil action shall relate back and be
45 effective as of the date the claim of lien was filed. If, prior to any hearing held pursuant to a civil
46 action filed under this subsection, the lot owner satisfies the debt giving rise to the civil action,
47 the association shall dismiss the civil action and cancel the claim of lien. The lot owner shall
48 have all rights granted under Article 4 of Chapter 45 of the General Statutes to ensure the
49 association's satisfaction of the claim of lien, and the association shall not be entitled to the
50 collection or award of any attorneys' fees or court costs related to the dismissed civil action or
51 cancelled claim of lien.

1"

2 SECTION 20.2.(c) This section becomes effective December 1, 2026, and applies
3 to claims of lien filed and instruments presented for registration on or after that date.

4 SECTION 20.3.(a) G.S. 47C-3-118 reads as rewritten:

5 "§ 47C-3-118. Association ~~records~~records and contracts.

6 ...

7 (a1) A unit owner or the unit owner's authorized agent is entitled to inspect and copy, at a
8 reasonable time and location specified by the association, any contract entered into by the
9 association if the unit owner gives the association written notice of the demand at least five
10 business days before the date on which the unit owner wishes to inspect and copy and the request
11 satisfies the conditions for inspection set forth in G.S. 55A-16-02(c). A demand to inspect made
12 pursuant to this subsection shall be presumed to have been made in good faith and for a proper
13 purpose. In any action to compel the inspection and copying of documents, the court may award
14 reasonable attorneys' fees to the prevailing party. If the association does not allow a unit owner
15 who complies with this subsection to inspect and copy the requested contract, and if a court of
16 competent jurisdiction thereafter enters an order compelling the association to do so, the court
17 shall also order the association to pay the unit owner's costs, including reasonable attorneys' fees,
18 incurred to obtain the order.

19 (b) The association, upon written request, shall furnish a unit owner or the unit owner's
20 authorized agents a statement setting forth the amount of unpaid assessments and other charges
21 against a unit. The statement shall be furnished within 10 ~~business~~-days after receipt of the request
22 and is binding on the association, the executive board, and every unit owner. The association, its
23 managers, or its agents may charge a ~~reasonable~~-fee for providing statements of unpaid
24 assessments and other charges, not to exceed two hundred dollars (\$200.00) per statement or
25 request, and an additional ~~expedite~~-expedited fee in an amount not to exceed one hundred dollars
26 (\$100.00) if the ~~request is made within 48 hours of closing~~-item is requested to be furnished less
27 than 10 days after receipt of the request.

28"

29 SECTION 20.3.(b) G.S. 47F-3-118 reads as rewritten:

30 "§ 47F-3-118. Association ~~records~~records and contracts.

31 ...

32 (a1) A lot owner or the lot owner's authorized agent is entitled to inspect and copy, at a
33 reasonable time and location specified by the association, any contract entered into by the
34 association if the lot owner gives the association written notice of the demand at least five
35 business days before the date on which the lot owner wishes to inspect and copy and the request
36 satisfies the conditions for inspection set forth in G.S. 55A-16-02(c). A demand to inspect made
37 pursuant to this subsection shall be presumed to have been made in good faith and for a proper
38 purpose. In any action to compel the inspection and copying of documents, the court may award
39 reasonable attorneys' fees to the prevailing party. If the association does not allow a lot owner
40 who complies with this subsection to inspect and copy the requested contract, and if a court of
41 competent jurisdiction thereafter enters an order compelling the association to do so, the court
42 shall also order the association to pay the lot owner's costs, including reasonable attorneys' fees,
43 incurred to obtain the order.

44 (b) The association, upon written request, shall furnish to a lot owner or the lot owner's
45 authorized agents a statement setting forth the amount of unpaid assessments and other charges
46 against a lot. The statement shall be furnished within 10 ~~business~~-days after receipt of the request
47 and is binding on the association, the executive board, and every lot owner. The association, its
48 managers, or its agents may charge a ~~reasonable~~-fee for providing statements of unpaid
49 assessments, not to exceed two hundred dollars (\$200.00) per statement or request, and an
50 additional ~~expedite~~-expedited fee in an amount not exceeding one hundred dollars (\$100.00) if

1 the request for a statement is made within 48 hours of closing-item is requested to be furnished
 2 less than 10 days after receipt of the request.

3"

4
 5 **EXEMPT CERTAIN INDIVIDUALS FROM BARBER AND COSMETIC ARTS**
 6 **LICENSING**

7 **SECTION 20.5.(a)** G.S. 86B-32 reads as rewritten:

8 "**§ 86B-32. Persons exempt from the provisions of this Article.**

9 The following persons are exempt from the provisions of this Article while engaged in the
 10 proper discharge of their duties:

- 11 (1) Persons authorized under the laws of the State to practice medicine and
 12 surgery, and those working under their supervision.
- 13 (2) Commissioned medical or surgical officers of the United States Army or other
 14 components of the Armed Forces of the United States, and those working
 15 under their supervision.
- 16 (3) Registered nurses and licensed practical nurses and those working under their
 17 supervision.
- 18 (4) Licensed embalmers and funeral directors and those working under their
 19 supervision.
- 20 (5) Persons who are working in licensed cosmetic shops or beauty schools and
 21 are licensed by the State Board of Cosmetic Art Examiners pursuant to
 22 Chapter 88B of the General Statutes.
- 23 (6) Persons who are working in barbershops and are licensed by the State Board
 24 of Cosmetic Art Examiners pursuant to Chapter 88B of the General Statutes,
 25 provided that those persons shall comply with G.S. 86B-31.
- 26 (7) Inmates under the jurisdiction of the North Carolina Department of Adult
 27 Correction.
- 28 (8) ~~Persons who are employed by barbershops and~~ whose duties are expressly
 29 confined to the shampooing or blow drying of hair, provided that the person
 30 shall comply with G.S. 86B-31."

31 **SECTION 20.5.(b)** G.S. 88B-25 reads as rewritten:

32 "**§ 88B-25. Exemptions.**

33 The following persons are exempt from the provisions of this Chapter while engaged in the
 34 proper discharge of their professional duties:

- 35 (1) Undertakers and funeral establishments licensed under G.S. 90-210.25.
- 36 (2) Persons authorized to practice medicine or surgery under Chapter 90 of the
 37 General Statutes.
- 38 (3) Nurses licensed under Chapter 90 of the General Statutes.
- 39 (4) Commissioned medical or surgical officers of the United States Army, Air
 40 Force, Navy, Marine Corps, Space Force, or Coast Guard.
- 41 (5) ~~A person employed in a cosmetic art shop~~ whose duties are expressly confined
 42 to the shampooing or blow drying of hair, provided that the person shall
 43 comply with ~~rules adopted by the Board relating to sanitary management of~~
 44 ~~cosmetic art shops.~~ G.S. 86B-31."

45
 46 **ALLOW PRIVATE SWIM LESSONS IN PRIVATE POOLS**

47 **SECTION 21.(a)** G.S. 130A-280 reads as rewritten:

48 "**§ 130A-280. Scope and definitions.**

49 (a) This Part provides for the regulation of public swimming pools in the State as they
 50 may affect the public health and safety. This Part does not apply to any of the following:

- 1 (1) A private pool serving a single family dwelling and used only by the residents
 2 of the ~~dwelling and their guests, dwelling, their guests, or a person providing~~
 3 swim instruction, regardless of whether their guests or the swim instructor
 4 gain use of the private pool through a sharing economy platform or pay a fee
 5 for its use. In all cases in which a fee is exchanged for access to a private pool
 6 serving a single family dwelling that is used only by the residents of the
 7 ~~dwelling and their guests, dwelling, their guests, or a person providing swim~~
 8 instruction, the private pool shall be maintained in good and safe working
 9 order.
- 10 (2) Repealed by Session Laws 2025-94, s. 17, effective October 6, 2025.
- 11 (3) Therapeutic pools used in physical therapy programs operated by medical
 12 facilities licensed by the Department or operated by a licensed physical
 13 therapist, nor to therapeutic chambers drained, cleaned, and refilled after each
 14 individual use.

15"

16 **SECTION 21.(b)** G.S. 130A-39(b) reads as rewritten:

17 "(b) A local board of health may adopt a more stringent rule in an area regulated by the
 18 Commission for Public Health or the Environmental Management Commission where, in the
 19 opinion of the local board of health, a more stringent rule is required to protect the public health;
 20 otherwise, the rules of the Commission for Public Health or the rules of the Environmental
 21 Management Commission shall prevail over local board of health rules. However, a local board
 22 of health may not adopt a rule concerning a private pool serving a single family dwelling
 23 otherwise exempt from regulation pursuant to ~~G.S. 130A-280 or a G.S. 130A-280, including~~
 24 rules concerning the recreational or instructional use of the exempt private pool. A local board
 25 of health may not adopt a rule concerning the grading, operating, and permitting of food and
 26 lodging facilities as listed in Part 6 of Article 8 of this Chapter and as defined in
 27 G.S. 130A-247(1), and a G.S. 130A-247(1). A local board of health may adopt rules concerning
 28 wastewater collection, treatment and disposal systems which are not designed to discharge
 29 effluent to the land surface or surface waters only in accordance with G.S. 130A-335(c)."

30 **ATV RIDER RESTRICTION MODIFICATION**

31 **SECTION 22.(a)** G.S. 20-171.15 reads as rewritten:

32 "**§ 20-171.15. Age or size restrictions.**

33 (a) It is unlawful for any parent or legal guardian of a person less than eight years of age
 34 to knowingly permit that person to operate an all-terrain vehicle.

35 (b) Repealed by Session Laws 2015-286, s. 3.13(a), effective October 22, 2015.

36 (c) ~~It-Except as provided in subsection (c1) of this section, it is unlawful for any parent~~
 37 or legal guardian of a person less than 16 years of age to knowingly permit that person to operate
 38 an all-terrain vehicle in violation of the Age Restriction Warning Label affixed by the
 39 manufacturer as required by the applicable American National Standards Institute/Specialty
 40 Vehicle Institute of America (ANSI/SVIA) design standard.

41 (c1) Safety Course Rider-Fit Exception. – Subsection (c) of this section does not apply to
 42 a person less than 16 years of age operating an all-terrain vehicle if all of the following
 43 requirements are met:

44 (1) The person is at least 8 years of age.

45 (2) The person is participating in, or has successfully completed, an all-terrain
 46 vehicle safety course sponsored or approved by the All-Terrain Vehicle Safety
 47 Institute or another all-terrain vehicle safety course approved by the
 48 Commissioner of Insurance pursuant to G.S. 20-171.20.

49 (3) A course instructor certified or approved to teach a course described in
 50 subdivision (2) of this subsection determines in writing that, because of the
 51

1 person's height, weight, or physical size, the person cannot safely operate an
 2 all-terrain vehicle that complies with the Age Restriction Warning Label and
 3 that the all-terrain vehicle to be operated is appropriate for the person.

4 (4) The person satisfies all of the following rider-fit requirements with respect to
 5 the all-terrain vehicle being operated:

6 a. Brake reach. – With hands placed in the normal operating position and
 7 fingers straight out, the first joint from the tip of the middle finger
 8 extends beyond the brake lever and clutch.

9 b. Leg length. – While sitting and with their feet on the pegs, the rider's
 10 knee is bent at least 45 degrees.

11 c. Grip reach. – While sitting upright on the ATV with hands on the
 12 handlebars and not leaning forward, the rider's upper arm and the
 13 forearm form a distinct angle.

14 d. Handlebar control. – The rider must be able to turn the handlebars from
 15 lock to lock while maintaining grip on the handlebars and maintaining
 16 the throttle and brake control.

17 (5) The person operates the all-terrain vehicle under the direct supervision of the
 18 safety course instructor while participating in the course or, after successful
 19 completion of the course, under the continuous visual supervision of a person
 20 18 years or older, pursuant to subsection (d) of this section.

21 (6) The person complies with all other requirements of this Part, including helmet
 22 and eye-protection requirements.

23"

24 **SECTION 22.(b)** G.S. 20-171.20 reads as rewritten:

25 **"§ 20-171.20. Safety training and certificate.**

26 Effective October 1, 2006, every all-terrain vehicle operator born on or after January 1, 1990,
 27 shall possess a safety certificate indicating successful completion of an all-terrain vehicle safety
 28 course sponsored or approved by the All-Terrain Vehicle Safety Institute or by another all-terrain
 29 vehicle safety course approved by the Commissioner of Insurance. The North Carolina
 30 Community College System is authorized to provide all-terrain vehicle safety training, approved
 31 by the Commissioner, to persons less than 18 years of age. An all-terrain vehicle safety certificate
 32 issued to a person less than 16 years of age may include a written rider-fit determination by the
 33 course instructor identifying the type or size of an all-terrain vehicle the instructor has determined
 34 is appropriate for the person pursuant to G.S. 20-171.15(c1)."

35
 36 **PLUMBING BOARD FEE CAP CLARIFICATION**

37 **SECTION 23.** G.S. 87-22 reads as rewritten:

38 **"§ 87-22. License fee; expiration and renewal; reinstatement.**

39 All persons, firms, or corporations engaged in the business of either plumbing or heating
 40 contracting, or both, shall pay an annual license fee not to exceed one hundred fifty dollars
 41 (\$150.00). The annual fee for a piping or restricted classification license shall not exceed that for
 42 a plumbing or heating license. All persons, firms, or corporations engaged in the business of fire
 43 sprinkler contracting shall pay an initial application fee not to exceed seventy-five dollars
 44 (\$75.00) and an annual license fee not to exceed three hundred dollars (\$300.00). In the event the
 45 Board refuses to license an applicant, the license fee deposited shall be returned by the Board to
 46 the applicant. All licenses shall expire on the last day of December in each year following their
 47 issuance or renewal. Persons who obtain a license by passing an examination on or after October
 48 1 of any year may receive a license for the remainder of the year by paying one-half of the usual
 49 license fee for that classification of license. It shall be the duty of the secretary and treasurer to
 50 send by United States mail or email to every licensee registered with the Board, notice to the
 51 licensee's last known address reflected on the records of the Board of the amount of fee required

1 for renewal of license, the notice to be mailed at least one month in advance of the expiration of
2 the license. The Board may require payment of all unpaid annual fees before reissuing a license.
3 In the event of failure on the part of any person, firm or corporation to renew the license certificate
4 annually and pay the required fee during the month of January in each year, the Board shall
5 increase the license fee by twenty-five dollars (\$25.00) to cover any additional expense
6 associated with late renewal. The Board shall require reexamination upon failure of a licensee to
7 renew license within three years after expiration. The Board may adopt regulations requiring
8 attendance at programs of continuing education as a condition of license renewal. A licensee
9 employed full time as a local government plumbing, heating, or mechanical inspector and holding
10 qualifications from the Code Officials Qualifications Board may renew the license at a fee not to
11 exceed twenty-five dollars (\$25.00). The Board shall not charge any fee or payment associated
12 with licensing except those expressly authorized by this section."
13

14 **EXTEND ANNUAL REPORTING REQUIREMENTS FOR BUSINESS ENTITIES** 15 **OWNED BY DEPLOYED MEMBERS OF THE ARMED FORCES**

16 **SECTION 24.(a)** G.S. 55-16-22(a) reads as rewritten:

17 **"§ 55-16-22. Annual report.**

18 (a) Requirement. – Except as provided in G.S. 55-16-22.3 and in subsections (a1) and
19 (a2) of this section, each domestic corporation and each foreign corporation authorized to transact
20 business in this State shall deliver an annual report directly to the Secretary of State in electronic
21 form or in paper form as prescribed by the Secretary of State under this section."

22 **SECTION 24.(b)** Article 16 of Chapter 55 of the General Statutes is amended by
23 adding a new section to read:

24 **"§ 55-16-22.3. Exemptions for corporations owned by deployed members of the Armed** 25 **Forces.**

26 (a) Definitions. – As used in this section, the following terms have the following
27 meanings:

- 28 (1) Armed Forces. – The United States Air Force, Army, Coast Guard, Marine
29 Corps, Navy, or Space Force, or any reserve component of the foregoing.
30 (2) Deployed member. – A member of the Armed Forces who is removed from
31 his or her county of residence pursuant to an official order for a deployment
32 period that ends on or after the ninetieth day preceding the due date of the
33 annual report required by G.S. 55-16-22.

34 (b) Notwithstanding G.S. 55-16-22, an annual report is deemed timely filed if it is filed
35 by a domestic or foreign corporation (i) in which more than fifty percent (50%) of the ownership
36 interest is owned by one or more deployed members and (ii) within 90 days of the end of the
37 deployment period. The following provisions apply:

- 38 (1) Prior to the start of the deployment, the corporation shall file electronically
39 with the Secretary of State a sworn affidavit of deployment executed by the
40 deployed member that includes the following information:
41 a. The full name of the deployed member.
42 b. The name of the corporation and the state under whose law it is
43 incorporated.
44 c. The percentage ownership interest in the corporation currently held by
45 the deployed member.
46 d. The expected start and end dates of the deployment.
47 e. A statement either certifying that the information contained in the most
48 recently filed annual report has not changed or setting forth the
49 updated information required by G.S. 55-16-22(a3)(2) through (5).
50 (2) In the event the deployment is extended beyond the date stated in the affidavit
51 of deployment, the corporation shall file electronically with the Secretary of

1 State, within 180 days of the end date stated in the affidavit of deployment
2 filed with the Secretary of State pursuant to subdivision (1) of this subsection,
3 a sworn affidavit of extended deployment by an authorized representative of
4 the corporation that includes the following information:

5 a. The title or position in the corporation held by the affiant.

6 b. The full name of the deployed member.

7 c. The name of the corporation and the state under whose law it is
8 incorporated.

9 d. The percentage ownership interest in the corporation currently held by
10 the deployed member.

11 e. The expected end date of the extended deployment.

12 f. A statement either certifying that the information contained in the most
13 recently filed annual report has not changed or setting forth the
14 updated information required by G.S. 55-16-22(a3)(2) through (5).

15 (3) The due date of the corporation's next annual report is the ninetieth day
16 following the end date stated in the affidavit of deployment filed pursuant to
17 subdivision (1) of this subsection; provided, however, that if the deployment
18 is extended, the due date of the corporation's annual report is the ninetieth day
19 following the end date stated in the affidavit of extended deployment filed
20 pursuant to subdivision (2) of this subsection.

21 (4) The grounds for dissolution under G.S. 55-14-20 apply to corporations that
22 are subject to this section only if the period of delinquency for the applicable
23 ground is 180 days or more past the end date stated in the affidavit of
24 deployment filed with the Secretary of State pursuant to subdivision (1) of this
25 subsection.

26 (c) Any fees required by G.S. 55-1-22 for documents filed pursuant to subsection (b) of
27 this section are waived."

28 **SECTION 25.(a)** G.S. 57D-2-24 reads as rewritten:

29 **"§ 57D-2-24. Annual report for Secretary of State.**

30 (a) Excluding professional limited liability companies governed by ~~G.S. 57D-2-02,~~
31 G.S. 57D-2-02 and except as provided in G.S. 57D-2-26, each LLC and each foreign LLC
32 authorized to transact business in this State must deliver to the Secretary of State for filing annual
33 reports on a form prescribed by, and in the manner required by, the Secretary of State and as
34 otherwise provided in subsection (b) of this section. Each annual report must specify the year for
35 which the report applies and provide the information required by this subsection. The information
36 must be current as of the date the limited liability company completes the report. If the
37 information in the limited liability company's most recent annual report has not changed, the
38 limited liability company may certify in its annual report that the information has not changed in
39 lieu of restating the information.

40 The following information must be included in each annual report:

41 (1) The name of the limited liability company and, in the case of a foreign LLC,
42 any different name that the foreign LLC is authorized under Article 3 of
43 Chapter 55D of the General Statutes to use to transact business in this State,
44 as provided in the foreign LLC's certificate of authority.

45 (2) In the case of a foreign LLC, the name of the jurisdiction under whose law the
46 foreign LLC is organized.

47 (3) The street address, and the mailing address if different from the street address,
48 of the limited liability company's registered office in the State, the county in
49 which the registered office is located, the name of its registered agent at that
50 office, and a statement of any change of the registered office or registered
51 agent.

- 1 (4) The address and telephone number of its principal office.
- 2 (5) The names, titles, and business addresses of the limited liability company's
- 3 principal company officials.
- 4 (6) A brief description of the nature of its business.

5"

6 **SECTION 25.(b)** Article 2 of Chapter 57D of the General Statutes is amended by
7 adding a new section to read:

8 **"§ 57D-2-26. Exemptions for LLCs owned by deployed members of the Armed Forces.**

9 (a) Definitions. – As used in this section, the following terms have the following
10 meanings:

- 11 (1) Armed Forces. – The United States Air Force, Army, Coast Guard, Marine
12 Corps, Navy, or Space Force, or any reserve component of the foregoing.
- 13 (2) Deployed member. – A member of the Armed Forces who is removed from
14 his or her county of residence pursuant to an official order for a deployment
15 period that ends on or after the ninetieth day preceding the due date of the
16 annual report required by G.S. 57D-2-24.

17 (b) Notwithstanding G.S. 57D-2-24, an annual report is deemed timely filed if it is filed
18 by an LLC or foreign LLC (i) in which more than fifty percent (50%) of the ownership interest
19 is owned by one or more deployed members and (ii) by April 15 of the year immediately
20 following the end of the deployment period. The following provisions apply:

- 21 (1) Prior to the start of the deployment, the LLC or foreign LLC shall file
22 electronically with the Secretary of State a sworn affidavit of deployment
23 executed by the deployed member that includes the following information:
 - 24 a. The full name of the deployed member.
 - 25 b. The name of the LLC or foreign LLC and, for a foreign LLC, any
26 different name under which the foreign LLC is authorized to transact
27 business in this State and the name of the jurisdiction under whose law
28 the foreign LLC is organized.
 - 29 c. The percentage ownership interest in the LLC or foreign LLC
30 currently held by the deployed member.
 - 31 d. The expected start and end dates of the deployment.
 - 32 e. A statement either certifying that the information contained in the most
33 recently filed annual report has not changed or setting forth the
34 updated information required by G.S. 57D-2-24.
- 35 (2) In the event the deployment is extended beyond the date stated in the affidavit
36 of deployment, the LLC or foreign LLC shall file electronically with the
37 Secretary of State, within 180 days of the end date stated in the affidavit of
38 deployment filed with the Secretary of State pursuant to subdivision (1) of this
39 subsection, a sworn affidavit of extended deployment by an authorized
40 representative of the corporation that includes the following information:
 - 41 a. The title or position in the LLC or foreign LLC held by the affiant.
 - 42 b. The full name of the deployed member.
 - 43 c. The name of the LLC or foreign LLC and, for a foreign LLC, any
44 different name under which the foreign LLC is authorized to transact
45 business in this State and the name of the jurisdiction under whose law
46 the foreign LLC is organized.
 - 47 d. The percentage ownership interest in the LLC or foreign LLC
48 currently held by the deployed member.
 - 49 e. The expected end date of the extended deployment.

f. A statement either certifying that the information contained in the most recently filed annual report has not changed or setting forth the updated information required by G.S. 57D-2-24.

(3) The due date of the LLC's or foreign LLC's next annual report is the ninetieth day following the end date stated in the affidavit of deployment filed pursuant to subdivision (1) of this subsection; provided, however, that if the deployment is extended, the due date of the LLC's or foreign LLC's annual report is the ninetieth day following the end date stated in the affidavit of extended deployment filed pursuant to subdivision (2) of this subsection.

(4) The grounds for dissolution under G.S. 57D-6-06 apply to LLCs and foreign LLCs that are subject to this section only if the period of delinquency for the applicable ground is 180 days or more past the end date stated in the affidavit of deployment filed with the Secretary of State pursuant to subdivision (1) of this subsection.

(c) Any fees required by G.S. 57D-1-22 for documents filed pursuant to subsection (b) of this section are waived."

SECTION 26.(a) G.S. 59-84.4 reads as rewritten:

"§ 59-84.4. Annual report for Secretary of State.

(a) ~~Each~~ Except as provided in G.S. 59-84.6, each registered limited liability partnership and each foreign limited liability partnership authorized to transact business in this State shall deliver to the Secretary of State for filing an annual report, in a form prescribed by the Secretary of State, that sets forth all of the following:

(1) The name of the registered limited liability partnership or foreign limited liability partnership and the state or country under whose law it is formed.

(2) The street address, and the mailing address if different from the street address, of the registered office, the county in which the registered office is located, and the name of its registered agent at that office in this State, and a statement of any change of the registered office or registered agent, or both.

(3) The street address and telephone number of its principal office.

(4) A brief description of the nature of its business.

(5) The fiscal year end of the partnership.

If the information contained in the most recently filed annual report has not changed, a certification to that effect may be made instead of setting forth the information required by subdivisions (2) through (4) of this subsection. The Secretary of State shall make available the form required to file an annual report.

...."

SECTION 26.(b) Article 3B of Chapter 59 of the General Statutes is amended by adding a new section to read:

"§ 59-84.6. Exemptions for limited liability partnerships owned by deployed members of the Armed Forces.

(a) Definitions. – As used in this section, the following terms have the following meanings:

(1) Armed Forces. – The United States Air Force, Army, Coast Guard, Marine Corps, Navy, or Space Force, or any reserve component of the foregoing.

(2) Deployed member. – A member of the Armed Forces who is removed from his or her county of residence pursuant to an official order for a deployment period that ends on or after the ninetieth day preceding the due date of the annual report required by G.S. 59-84.4.

(b) Notwithstanding G.S. 59-84.4, an annual report is deemed timely filed if it is filed by a registered or foreign limited liability partnership (i) in which more than fifty percent (50%) of

1 the ownership interest is owned by one or more deployed members and (ii) within 90 days of the
2 end of the deployment period. The following provisions apply:

- 3 (1) Prior to the start of the deployment, the registered or foreign limited liability
4 partnership shall file electronically with the Secretary of State a sworn
5 affidavit of deployment executed by the deployed member that includes the
6 following information:
- 7 a. The full name of the deployed member.
 - 8 b. The name of the registered or foreign limited liability partnership and
9 the state or country under whose law it is formed.
 - 10 c. The percentage ownership interest in the registered or foreign limited
11 liability partnership currently held by the deployed member.
 - 12 d. The expected start and end dates of the deployment.
 - 13 e. A statement either certifying that the information contained in the most
14 recently filed annual report has not changed or setting forth the
15 updated information required by G.S. 59-84.4(a)(2) through (5).
- 16 (2) In the event the deployment is extended beyond the date stated in the affidavit
17 of deployment, the registered or foreign limited liability partnership shall file
18 electronically with the Secretary of State, within 180 days of the end date
19 stated in the affidavit of deployment filed with the Secretary of State pursuant
20 to subdivision (1) of this subsection, a sworn affidavit of extended deployment
21 by an authorized representative of the registered or foreign limited liability
22 partnership that includes the following information:
- 23 a. The title or position in the registered or foreign limited liability
24 partnership held by the affiant.
 - 25 b. The full name of the deployed member.
 - 26 c. The name of the registered or foreign limited liability partnership and
27 the state or country under whose law it is formed.
 - 28 d. The percentage ownership interest in the registered or foreign limited
29 liability partnership currently held by the deployed member.
 - 30 e. The expected end date of the extended deployment.
 - 31 f. A statement either certifying that the information contained in the most
32 recently filed annual report has not changed or setting forth the
33 updated information required by G.S. 59-84.4(a)(2) through (5).
- 34 (3) The due date of the registered or foreign limited liability partnership's next
35 annual report is the ninetieth business day following the end date stated in the
36 affidavit of deployment filed pursuant to subdivision (1) of this subsection;
37 provided, however, that if the deployment is extended, the due date of the
38 registered or foreign limited liability partnership's annual report is the
39 ninetieth day following the end date stated in the affidavit of extended
40 deployment filed pursuant to subdivision (2) of this subsection.
- 41 (4) The grounds for revocation of registration under G.S. 59-84.4(f) apply to
42 registered and foreign limited liability partnerships that are subject to this
43 section only if the period of delinquency for the applicable ground is 180 days
44 or more past the end date stated in the affidavit of deployment filed with the
45 Secretary of State pursuant to subdivision (1) of this subsection.

46 (c) Any fees required by G.S. 59-35.2 for documents filed pursuant to subsection (b) of
47 this section are waived."

48 **SECTION 27.** G.S. 132-1.2 reads as rewritten:

49 **"§ 132-1.2. Confidential information.**

50 Nothing in this Chapter shall be construed to require or authorize a public agency or its
51 subdivision to disclose any information that:

1 ...
2 (12) Reveals information contained in an affidavit of deployment or an affidavit of
3 extended deployment filed with the Secretary of State pursuant to
4 G.S. 55-16-22.3, 57D-2-26, or 59-84.6."

5 **SECTION 28.** The Secretary of State shall make available the form or forms needed
6 for the affidavit of deployment and affidavit of extended deployment required by this act and
7 shall take any other action necessary to allow business entities to begin filing pursuant to this act
8 on October 1, 2026.

9 **SECTION 29.** Sections 24 through 27 of this act become effective October 1, 2026.

10
11 **CLARIFY EXEMPTION FOR STRETCHING SERVICES AT MASSAGE AND**
12 **BODYWORK THERAPY ESTABLISHMENTS**

13 **SECTION 29.2.(a)** G.S. 90-622 reads as rewritten:

14 **"§ 90-622. Definitions.**

15 The following definitions apply in this Article:

16 ...
17 (1a) Active stretching. – The provision by a practitioner of resistance or guidance
18 while a client engages the client's own muscles to move a part of the client's
19 body through a range of motion.

20 (1b) Active-assisted stretching. – A combination of passive stretching and active
21 stretching.

22 (1c) Board. – The North Carolina Board of Massage and Bodywork Therapy.

23 ...
24 (4b) Passive stretching. – The movement by a practitioner of a part of a client's
25 body through a range of motion without muscular effort by the client.

26 ...
27 (7) Stretching services. – The provision to a client of passive stretching, active
28 stretching, or active-assisted stretching. Stretching services do not include any
29 of the following:

30 a. Effleurage, petrissage, or tapotement.

31 b. Deep tissue manipulation.

32 c. Myofascial release.

33 d. Any other system of activity applied to the soft tissues of the human
34 body within the meaning of subdivision (3) of this section."

35 **SECTION 29.2.(b)** G.S. 90-624 is amended by adding a new subdivision to read:

36 "(9) The provision of stretching services by a person who provides only stretching
37 services, as provided in G.S. 90-624.1."

38 **SECTION 29.2.(c)** Article 36 of Chapter 90 of the General Statutes is amended by
39 adding a new section to read:

40 **"§ 90-624.1. Stretching services.**

41 (a) Notwithstanding G.S. 90-622(3)a., a person who provides only stretching services is
42 not required to be licensed under this Article with respect to the provision of those stretching
43 services.

44 (b) A massage and bodywork therapy establishment may employ or contract with one or
45 more persons to provide stretching services. This subsection applies regardless of whether a
46 person provides stretching services as an employee of the establishment or as an independent
47 contractor.

48 (c) The license of a massage and bodywork therapy establishment does not extend any
49 authorization to practice massage and bodywork therapy to a person who provides only stretching
50 services at the establishment, and the person is not authorized to practice massage and bodywork
51 therapy pursuant to the establishment's license.

(d) Nothing in this section shall be construed to do any of the following:

- (1) Authorize a person who is not licensed under this Article to practice massage and bodywork therapy.
- (2) Alter, limit, or expand the definition of massage and bodywork therapy in G.S. 90-622(3) or the practice of massage and bodywork therapy under this Article.
- (3) Alter or limit the ability of a person not licensed under this Article to provide stretching services outside of a licensed massage and bodywork therapy establishment.
- (4) Affect, limit, or impair any civil remedy otherwise available to a client under any other provision of law."

SECTION 29.2.(d) G.S. 90-632.16 reads as rewritten:

"§ 90-632.16. Unlicensed massage and bodywork therapy prohibited at massage and bodywork therapy establishments.

A massage and bodywork therapy establishment shall not employ or contract with any person in this State to provide massage and bodywork therapy unless that person holds a current license to practice massage and bodywork therapy issued pursuant to this Article. This section does not prohibit a massage and bodywork therapy establishment from employing or contracting with a person to provide only stretching services as provided in G.S. 90-624.1, and for purposes of this section, a person who provides only stretching services is not a person employed or contracted to provide massage and bodywork therapy."

LIMIT LOCAL GLAZING AND TRANSPARENCY REQUIREMENTS

SECTION 29.3.(a) Article 7 of Chapter 160D of the General Statutes is amended by adding a new section to read:

"§ 160D-702.1. Glazing and transparency limitations.

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

- (1) Glazing requirement. – Any zoning regulation, development regulation, design standard, or permitting requirement for windows, doors, storefront glass, glass block, transparent or translucent panels, faux windows, or similar facade treatments intended to satisfy a transparency or facade-opening requirement.
- (2) Ground-floor facade area. – The exterior wall area of a building measured from grade to 10 feet above grade, excluding loading docks, service bays, mechanical areas, emergency exits, vehicular doors, and other functional areas that are not reasonably treated as storefront facade.

(b) General Limitation. – No local government may adopt or enforce a glazing requirement that requires glazing, transparency, windows, doors, storefront glass, faux windows, or other transparent or translucent facade materials to exceed thirty-five percent (35%) of the ground-floor facade area of a commercial or mixed-use building.

(c) Limitation for Non-Storefront Uses. – For portions of a commercial or mixed-use building used primarily for non-storefront purposes, no local government may adopt or enforce a glazing requirement that requires glazing or transparency to exceed twenty percent (20%) of the ground-floor facade area. Non-storefront uses include all of the following:

- (1) Religious assembly or sanctuary space.
- (2) Medical or dental examination, treatment, or healthcare services.
- (3) Educational instruction or counseling.
- (4) Civic or nonprofit services.
- (5) Funeral services.
- (6) Lodge or meeting hall use.
- (7) Storage or back-of-house operations.

(8) Other institutional, assembly, or service uses not primarily operated as walk-in retail, restaurant, bar, entertainment, or commercial storefront uses.

(d) Voluntary Glazing. – The limitations in subsections (b) and (c) of this section apply only to glazing or transparency required by a local government. Nothing in this section limits glazing voluntarily provided by an owner, developer, architect, or tenant, except that a local government may not condition the approval of a development permit, special use permit, conditional use permit, variance, or other development approval upon the voluntary provision of glazing in excess of the limits in this section.

(e) Exceptions. – This section does not apply to or affect any of the following:

(1) The North Carolina Building Code, including emergency egress, accessibility, or energy efficiency requirements.

(2) The North Carolina Fire Code.

(3) Floodplain or floodproofing requirements.

(4) Requirements imposed by State or federal law.

(5) Property located within a local historic district established under G.S. 160D-944 or an individually designated local historic landmark established under Article 9 of this Chapter.

(6) Property subject to review by a local historic preservation commission for a certificate of appropriateness.

(7) Property subject to a federal or State historic preservation review requirement, including a requirement related to the use of federal or State historic tax credits, grants, or funding.

(8) State or federal requirements for airport safety, military installation safety, or other public safety requirements."

SECTION 29.3.(b) This section becomes effective July 1, 2026, and any development regulation that is inconsistent with G.S. 160D-702.1, as enacted by this section, on or after that date is void and unenforceable to the extent of the inconsistency. This section does not affect the validity of a development approval issued, or an application for a development approval submitted, before the effective date of this section.

FURTHER PROHIBIT PROPERTY RESTRICTIONS ON FLYING THE AMERICAN AND NORTH CAROLINA FLAG

SECTION 29.4.(a) G.S. 47C-3-121 reads as rewritten:

"§ 47C-3-121. American and State flags and political sign displays.

Notwithstanding any provision in any declaration of covenants, no restriction on the use of land shall be construed to:

(1) Regulate or prohibit the display of the flag of the United States or North Carolina, of a size no greater than four feet by six feet, which is displayed in accordance with or in a manner consistent with the patriotic customs set forth in 4 U.S.C. §§ 5-10, as amended, governing the display and use of the flag of the United States ~~unless:~~States.

a. ~~For restrictions registered prior to October 1, 2005, the restriction specifically uses the following terms:~~

1. ~~Flag of the United States of America;~~
2. ~~American flag;~~
3. ~~United States flag; or~~
4. ~~North Carolina flag.~~

b. ~~For restrictions registered on or after October 1, 2005, the restriction shall be written on the first page of the instrument or conveyance in print that is in boldface type, capital letters, and no smaller than the largest print used elsewhere in the instrument or conveyance. The~~

1 restriction shall be construed to regulate or prohibit the display of the
 2 United States or North Carolina flag only if the restriction specifically
 3 states: "~~THIS DOCUMENT REGULATES OR PROHIBITS THE~~
 4 ~~DISPLAY OF THE FLAG OF THE UNITED STATES OF~~
 5 ~~AMERICA OR STATE OF NORTH CAROLINA~~".

6 This subdivision shall apply to owners of property who display the flag of the
 7 United States or North Carolina on property owned exclusively by them and
 8 does not apply to common areas, easements, rights-of-way, or other areas
 9 owned by others.

10"

11 **SECTION 29.4.(b)** G.S. 47F-3-121 reads as rewritten:

12 "**§ 47F-3-121. American and State flags and political sign displays.**

13 Notwithstanding any provision in any declaration of covenants, no restriction on the use of
 14 land shall be construed to:

15 (1) Regulate or prohibit the display of the flag of the United States or North
 16 Carolina, of a size no greater than four feet by six feet, which is displayed in
 17 accordance with or in a manner consistent with the patriotic customs set forth
 18 in 4 U.S.C. §§ 5-10, as amended, governing the display and use of the flag of
 19 the United States ~~unless:~~ States.

20 a. ~~For restrictions registered prior to October 1, 2005, the restriction~~
 21 ~~specifically uses the following terms:~~

- 22 1. ~~Flag of the United States of America;~~
- 23 2. ~~American flag;~~
- 24 3. ~~United States flag; or~~
- 25 4. ~~North Carolina flag.~~

26 b. ~~For restrictions registered on or after October 1, 2005, the restriction~~
 27 ~~shall be written on the first page of the instrument or conveyance in~~
 28 ~~print that is in boldface type, capital letters, and no smaller than the~~
 29 ~~largest print used elsewhere in the instrument or conveyance. The~~
 30 ~~restriction shall be construed to regulate or prohibit the display of the~~
 31 ~~United States or North Carolina flag only if the restriction specifically~~
 32 ~~states: "**THIS DOCUMENT REGULATES OR PROHIBITS THE**~~
 33 ~~**DISPLAY OF THE FLAG OF THE UNITED STATES OF**~~
 34 ~~**AMERICA OR STATE OF NORTH CAROLINA**".~~

35 This subdivision shall apply to owners of property who display the flag of the
 36 United States or North Carolina on property owned exclusively by them and
 37 does not apply to common areas, easements, rights-of-way, or other areas
 38 owned by others.

39"

40 **SECTION 29.4.(c)** This section is effective when it becomes law.

41
 42 **SEVERABILITY AND EFFECTIVE DATE**

43 **SECTION 30.(a)** If any provision of this act or its application is held invalid, the
 44 invalidity does not affect other provisions or applications of this act that can be given effect
 45 without the invalid provisions or application and, to this end, the provisions of this act are
 46 severable.

47 **SECTION 30.(b)** Sections 1 through 4 of this act become effective July 1, 2026.
 48 Except as otherwise provided, the remainder of this act is effective when it becomes law.