

TABLED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1001

AMENDMENT NO. A2
(to be filled in by
Principal Clerk)

S1001-ATQe-181 [v.8]

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Amends Title [YES]
Third Edition

Date _____, 2026

Senator Smith

1 moves to amend the bill by rewriting the Short Title to read: "Coastal and Other Regulatory
2 Reforms.";

3
4 on page 1, lines 8 and 9, by rewriting the lines to read:

5
6 "AND PROVIDE FUNDING, TO CLARIFY AGENCY AUTHORITY OVER THE COASTAL
7 RESERVE, TO REQUIRE THAT HOMEOWNERS' INSURANCE RATE INCREASES
8 ABOVE 5% MUST BE APPROVED BY THE GENERAL ASSEMBLY, TO REQUIRE
9 RATIFICATION BY THE GENERAL ASSEMBLY OF ANY RATES PROPOSED BY AN
10 ELECTRIC PUBLIC UTILITY THAT INCREASES THE UTILITY'S AUTHORIZED RATE
11 OF RETURN ON EQUITY, TO LIMIT COST RECOVERY OF COMPENSATION PAID TO
12 CHIEF EXECUTIVE OFFICERS OF PUBLIC UTILITIES, TO REQUIRE APPROVAL BY
13 LOCAL REFERENDUM FOR SITING OF WIND ENERGY PROJECTS, TO REQUIRE
14 APPROVAL BY LOCAL REFERENDUM FOR LARGE RESIDENTIAL DEVELOPMENTS,
15 AND TO EXTEND THE LEGISLATOR COOLING OFF PERIOD FOR REGISTRATION AS
16 A LOBBYIST.";

17
18 and on page 4, line 50, through page 5, line 1, by rewriting the lines to read:

19
20 "REQUIRE THAT HOMEOWNERS' INSURANCE RATE INCREASES ABOVE 5%
21 MUST BE APPROVED BY THE GENERAL ASSEMBLY

22 SECTION 7.(a) G.S. 58-36-10 reads as rewritten:

23 "§ 58-36-10. Method of rate making; factors considered.

24 The following standards shall apply to the making and use of rates:

25 ...
26 (8) In the case of residential property, the Rate Bureau shall not file a rate increase
27 that exceeds five percent (5%) of the current rate for any geographic area in
28 the State. Any increase above 5% of the current rate shall be approved by the
29 General Assembly through a public bill."

30 SECTION 7.(b) G.S. 58-40-25 reads as rewritten:

31 "§ 58-40-25. Rating methods.



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1 In determining whether rates comply with the standards under G.S. 58-40-20, the following
2 criteria shall be applied:

3 ...
4 (5) In the case of residential property insurance rates under this Article, a rate
5 increase shall not exceed five percent (5%) of the current rate for any
6 geographic area in the State. Any increase above 5% of the current rate shall
7 be approved by the General Assembly through a public bill."
8

9 **REQUIRE RATIFICATION BY THE GENERAL ASSEMBLY OF ANY RATES**
10 **PROPOSED BY AN ELECTRIC PUBLIC UTILITY THAT INCREASES THE**
11 **UTILITY'S AUTHORIZED RATE OF RETURN ON EQUITY AND LIMIT COST**
12 **RECOVERY OF COMPENSATION PAID TO CHIEF EXECUTIVE OFFICERS OF**
13 **PUBLIC UTILITIES**

14 **SECTION 8.(a)** Article 7 of Chapter 62 of the General Statutes is amended by adding
15 a new section to read:

16 "**§ 62-130.1. General Assembly ratification of rates that increase an electric public utility's**
17 **authorized rate of return on equity.**

18 (a) Ratification Requirement. – Notwithstanding any other provisions of this Chapter, the
19 Commission shall not establish or allow to become effective any retail electric rates that increase,
20 or have the effect of increasing, an electric public utility's authorized rate of return on equity,
21 unless ratified by an act of the General Assembly that specifically approves such retail electric
22 rates.

23 (b) Suspension Order. – If an electric public utility files with the Commission retail
24 electric rates set at an amount that would have the effect of increasing the utility's authorized rate
25 of return on equity, the Commission shall issue an order to suspend the operation of such retail
26 electric rates to the extent that it would allow revenue recovery in excess of the utility's current
27 rate of return on equity authorized by the Commission. Notwithstanding the provisions of
28 G.S. 62-133.16(d), 62-134(b), and 62-135, the suspension order shall remain in effect until the
29 proposed rates are ratified by an act of the General Assembly.

30 (c) Commission Authority Preserved. – Nothing in this section shall be construed to limit
31 or abrogate the Commission's general authority to supervise and control electric public utilities
32 or relieve the Commission of its duty to prevent electric public utilities from charging unjust and
33 unreasonable rates. In respect to retail electric rates ratified by the General Assembly, the
34 Commission shall have the authority: (i) to disallow the recovery of rates found to be unjust,
35 unreasonable, discriminatory, or in violation of any other applicable provision of law; (ii) to
36 impose conditions on the approval of rates; (iii) to rescind, alter, or amend an order approving
37 the rates; or (iv) to revise or change the rates in a subsequent rate proceeding."

38 **SECTION 8.(b)** G.S. 62-133.16(d)(3) reads as rewritten:

39 "(3) When an electric public utility files with the Commission an application for a
40 general rate case pursuant to G.S. 62-133 and that application includes a PBR
41 application, the Commission shall institute proceedings on the application as
42 provided in this subdivision. The electric public utility shall not make any
43 changes in any rate or implement a PBR except upon 30 days' notice to the

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1 Commission, and the Commission may require the electric public utility to
2 provide notice of the pending PBR application to the same extent as provided
3 in ~~G.S. 62-134(a) and~~ G.S. 62-134(a). The Commission may suspend the
4 effect of the proposed base rates and PBR implementation pending
5 investigation in the same manner as provided in G.S. 62-134(b), provided that,
6 unless the rates are subject to ratification by the General Assembly under
7 G.S. 62-130.1, the Commission may suspend the implementation of the
8 proposed base rates for no longer than 330 days. The electric public utility's
9 application shall plainly state the changes in base rates and the time when the
10 change in rates will go into effect and shall include schedules in the same
11 manner required pursuant to G.S. 62-134(a). The Commission shall, upon
12 reasonable notice, conduct a hearing concerning the lawfulness of the
13 proposed base rates and the PBR application. After hearing, the Commission
14 shall issue an order approving, modifying, or rejecting the electric public
15 utility's PBR application. In the event that the Commission rejects a PBR
16 application, the Commission shall nevertheless establish the electric public
17 utility's base rates in accordance with G.S. 62-133 based on the PBR
18 application. If the Commission rejects the PBR application, it shall provide an
19 explanation of the deficiency and an opportunity for the electric public utility
20 to refile, or for the electric public utility and the stakeholders to collaborate to
21 cure the identified deficiency and refile."

22 **SECTION 8.(c)** G.S. 62-134(b) reads as rewritten:

23 "(b) Whenever there is filed with the Commission by any public utility any schedule
24 stating a new or revised rate or rates, the Commission may, either upon complaint or upon its
25 own initiative, upon reasonable notice, enter upon a hearing concerning the lawfulness of such
26 rate or rates. Pending such hearing and the decision thereon, the Commission, upon filing with
27 such schedule and delivering to the public utility affected thereby a statement in writing of its
28 reasons therefor, may, at any time before they become effective, suspend the operation of such
29 rate or rates, but not for a longer period than 270 days beyond the time when such rate or rates
30 would otherwise go into effect. If the proceeding has not been concluded and an order made
31 within the period of suspension, the proposed change of rate shall go into effect at the end of
32 such period. After hearing, whether completed before or after the rate goes into effect, the
33 Commission may make such order with respect thereto as would be proper in a proceeding
34 instituted after it had become effective. This subsection does not apply to suspension orders
35 issued by the Commission for rates subject to ratification by the General Assembly under
36 G.S. 62-130.1."

37 **SECTION 8.(d)** G.S. 62-135 reads as rewritten:

38 "**§ 62-135. Temporary rates under bond.**

39 (a) Notwithstanding an order of suspension of an increase in rates, any public utility
40 except a common carrier ~~may, subject to the provisions of subsections (b), (c) and (d) hereof, and~~
41 an electric public utility subject to G.S. 62-130.1 may put such suspended rate or rates into effect
42 upon the expiration of six months after the date when such rate or rates would have become
43 effective, if not so suspended, by notifying the Commission and its consumers of its action in

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1 making such increase not less than 10 days prior to the day when it shall be placed in effect;
2 provided, however, that utilities engaged in the distribution of utility commodities bought at
3 wholesale by the utility for distribution to consumers may put such suspended rate or rates, to the
4 extent occasioned by changes in the wholesale rate of such utility commodity, into effect at the
5 expiration of 30 days after the date when such rate or rates would become effective if not so
6 suspended; provided that no rate or rates shall be left in effect longer than one year unless the
7 Commission shall have rendered its decision upon the reasonableness thereof within such period.
8 ~~This section to become effective July 1, 1963.~~

9"

10 **SECTION 8.(e)** The Utilities Commission (Commission) shall conduct a study
11 evaluating the cost of equity capital for electric public utilities doing business in North Carolina.
12 In conducting this study, the Commission shall consider each of the following:

- 13 (1) The spread between the average monthly yields of 30-year U.S. Treasury
14 Bonds compared to electric public utilities' rate of return on equity authorized
15 by the Commission.
16 (2) The spread between investor returns on broad based stock market indices,
17 such as the Standard and Poor 500 Index, compared to electric public utilities'
18 rate of return on equity authorized by the Commission.
19 (3) An estimate of any net savings or costs ratepayers might experience from a
20 reduction to an electric public utility's authorized rate of return on equity, in
21 consideration of any potential increase in the utility's borrowing costs as a
22 result of the reduction to its authorized rate of return on equity.
23 (4) The market to book ratio for the parent holding company of an electric public
24 utility doing business in North Carolina, which is the ratio of the company's
25 value based on its market capitalization compared to the amount of
26 shareholder equity stated on the company's balance sheet.

27 **SECTION 8.(f)** No later than January 1, 2027, the Commission shall submit the
28 study required under subsection (e) of this section to the Joint Legislative Commission on Energy
29 Policy, the House Committee on Energy and Public Utilities, and the Senate Committee on
30 Agriculture, Energy, and the Environment.

31 **SECTION 8.(g)** Article 7 of Chapter 62 of the General Statutes is amended by adding
32 a new section to read:

33 **"§ 62-133.13A. Limitation on compensation for CEOs of public utilities.**

34 The Commission shall not allow a public utility to recover from customers of the State costs
35 resulting from compensation paid to a utility's chief executive officer that exceed 400 times the
36 amount of compensation paid by the utility to the utility's lowest-paid employee."

37
38 **REQUIRE APPROVAL BY LOCAL REFERENDUM FOR SITING OF WIND ENERGY**
39 **PROJECTS**

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

42 **"§ 160D-902.1. Referendum required for siting of wind energy facilities.**

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1 (a) Before issuing an approval to site a wind energy facility, as that term is defined under
2 G.S. 143-215.115, or any portion thereof, within the jurisdiction of a local government, the
3 governing body of such jurisdiction shall conduct a referendum within the jurisdiction on the
4 question of whether the wind energy facility should be allowed to site within the jurisdiction.
5 The election shall be held in accordance with the procedures of G.S. 163-287. The governing
6 body shall hold a public hearing on the question at least 30 days before the date the election is to
7 be held.

8 (b) The ballots used in a referendum shall submit the following proposition:
9 "[] FOR [] AGAINST
10 Approval to site (clear description of the proposed wind energy facility) should be
11 granted."

12 (c) If less than a majority of the votes cast on the referendum are for approval to site the
13 wind energy facility, the governing body may not approve the facility. If a majority of the votes
14 cast on the referendum are for approval to site the wind energy facility, the governing body may
15 proceed with approval to site the wind energy facility."

16 **SECTION 9.(b)** Article 21C of Chapter 143 of the General Statutes is amended by
17 adding a new section to read:

18 **"§ 143-215.120.1. Local referendum required for permit to site offshore wind energy**
19 **facility in jurisdictional waters.**

20 (a) Permit Approval. – The Department shall not approve an application for a permit for
21 a proposed wind energy facility to be located offshore in jurisdictional waters of the State unless
22 the governing body of the county or counties that would be adjacent to the proposed facility
23 conducts a referendum within the jurisdiction on the question of whether the wind energy facility
24 should be allowed to site at the location. The election shall be held in accordance with the
25 procedures of G.S. 163-287. A governing body shall hold a public hearing on the question at
26 least 30 days before the date the election is to be held.

27 (b) The ballots used in a referendum shall submit the following proposition:
28 "[] FOR [] AGAINST
29 Approval to site (clear description of the proposed wind energy facility) should be
30 granted."

31 (c) If less than a majority of the votes cast on the referendum are for approval to site the
32 wind energy facility, the Department may not issue a permit under this Article for the facility. If
33 a majority of the votes cast on the referendum are for approval to site the wind energy facility,
34 the Department may proceed with a permit to site the wind energy facility if it meets all other
35 requirements of this Article."

36
37 **REQUIRE LOCAL REFERENDUM FOR LARGE RESIDENTIAL DEVELOPMENTS**

38 **SECTION 10.(a)** Article 6 of Chapter 160D of the General Statutes is amended by
39 adding a new section to read:

40 **"§ 160D-606. Referendum required for large residential developments.**

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

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- 1 (a) No legislator or former legislator may register as a lobbyist under this Article:
- 2 (1) While in office.
- 3 (2) ~~Before the later of the close of session as set forth in G.S. 120C-100(a)(7)b.1~~
- 4 ~~in which the legislator served or six~~ Within 24 months after leaving office."
- 5 **SECTION 11.(b)** This section is effective when it becomes law and applies to
- 6 legislators, as defined in G.S. 138A-3(50), serving on or after that date.
- 7
- 8 **EFFECTIVE DATE**
- 9 **SECTION 12.** Except as otherwise provided, this act is effective when it becomes".
- 10
- 11
- 12

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____