

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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HOUSE BILL 562

**Senate Appropriations/Base Budget Committee Substitute Adopted 9/22/25
Proposed Conference Committee Substitute H562-PCCS40774-MC-4**

Short Title: Budget Technical Corrections Modifications.

(Public)

Sponsors:

Referred to:

March 31, 2025

A BILL TO BE ENTITLED
AN ACT TO MAKE FURTHER ADJUSTMENTS TO THE 2026 CURRENT OPERATIONS
APPROPRIATIONS ACT AND TO MAKE OTHER CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. If House Bill 268, 2025 Regular Session, becomes law, then:

- (1) Subsection (c) of Section 7.16 of that act is repealed.
- (2) The funds reappropriated in Section 7.2(c) of that act shall be nonrecurring funds instead of recurring funds.
- (3) The Budget Code referenced in Section 7.15 of that act is corrected to Budget Code: 13900.

SECTION 2.(a) If House Bill 268, 2025 Regular Session, becomes law, then Section 4.4 of that act is repealed and, notwithstanding any provision of S.L. 2026-41 or the Committee Report referenced in Section 45.2 of that act, the following shall occur:

- (1) The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services, shall provide the sum of one million five hundred thousand dollars (\$1,500,000) in nonrecurring funds for the 2026-2027 fiscal year for a directed grant to HBOT 4 Heroes, a nonprofit corporation, for the provision of hyperbaric oxygen therapy treatment for veterans with a diagnosis of traumatic brain injury or posttraumatic stress disorder.
- (2) Funds provided as a directed grant to The Community Foundation of NC East, Inc., on page C67, Item 151, of that Committee Report shall be decreased by the sum of one million five hundred thousand dollars (\$1,500,000) in nonrecurring funds for the 2026-2027 fiscal year.

SECTION 2.(b) If House Bill 268, 2025 Regular Session, does not become law, then, notwithstanding any provision of S.L. 2026-41 or the Committee Report referenced in Section 45.2 of that act, the following shall occur:

- (1) The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services, shall provide the sum of one million five hundred thousand dollars (\$1,500,000) in nonrecurring funds for the 2026-2027 fiscal year for a directed grant to HBOT 4 Heroes, a nonprofit corporation, for the provision of hyperbaric oxygen therapy treatment for veterans with a diagnosis of traumatic brain injury or posttraumatic stress disorder.



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- (2) Funds provided as a directed grant to The Community Foundation of NC East, Inc., on page C67, Item 151, of that Committee Report shall be decreased by the sum of one million five hundred thousand dollars (\$1,500,000) in nonrecurring funds for the 2026-2027 fiscal year.

SECTION 3. Notwithstanding any provision of S.L. 2026-41 or the Committee Report referenced in Section 45.2 of that act to the contrary, the funds appropriated in that act to the Office of State Budget and Management – Special Appropriations for the 2026-2027 fiscal year to be used for directed grants to Carolina Lakes Property Owners Association, Inc., (Page F40, Items 182 and 183) shall instead be used for a directed grant to Harnett County for any public purpose.

SECTION 4. Notwithstanding any provision of S.L. 2026-41 or the Committee Report referenced in Section 45.2 of that act to the contrary, the funds appropriated in that act to the Office of State Budget and Management – Special Appropriations for the 2026-2027 fiscal year to be used for a directed grant to Anson County for water and wastewater infrastructure (Page F35, Item 127) shall be used by Anson County to provide a directed grant to Anson Economic Development Corporation, a nonprofit corporation, for sewer system expansion.

SECTION 5.(a) Section 31 of S.L. 2026-46 is repealed.

SECTION 5.(b) G.S. 20-63 reads as rewritten:

"§ 20-63. Registration plates furnished by Division; requirements; replacement of regular plates with First in Flight plates, First in Freedom plates, ~~or~~ National/State Mottos—Mottos, or America's Semiquincentennial plates; surrender and reissuance; displaying; preservation and cleaning; alteration or concealment of numbers; commission contracts for issuance.

...

(b) Every license plate must display the registration number assigned to the vehicle for which it is issued, the name of the State of North Carolina, which may be abbreviated, and the year number for which it is issued or the date of expiration. A plate issued for a commercial vehicle, as defined in G.S. 20-4.2(1), and weighing 26,001 pounds or more, must bear the word "commercial," unless the plate is a special registration plate authorized in G.S. 20-79.4 or the commercial vehicle is a trailer or is licensed for 6,000 pounds or less. The plate issued for vehicles licensed for 7,000 pounds through 26,000 pounds must bear the word "weighted," unless the plate is a special registration plate authorized in G.S. 20-79.4.

A registration plate issued by the Division for a private passenger vehicle or for a private hauler vehicle licensed for 6,000 pounds or less shall be, at the option of the owner, either (i) a "First in Flight" plate, (ii) a "First in Freedom" plate, ~~or~~ (iii) a "National/State Mottos" plate, ~~plate, or~~ (iv) an "America's Semiquincentennial" plate. A "First in Flight" plate shall have the words "First in Flight" printed at the top of the plate above all other letters and numerals. The background of the "First in Flight" plate shall depict the Wright Brothers biplane flying over Kitty Hawk Beach, with the plane flying slightly upward and to the right. A "First in Freedom" plate shall have the words "First in Freedom" printed at the top of the plate above all other letters and numerals. The background of the "First in Freedom" plate may include an image chosen by the Division that is representative of the Mecklenburg Declaration of 1775 or the Halifax Resolves of 1776. A "National/State Mottos" plate shall have in words the motto of the United States "In God We Trust" printed at the top of the plate above all other letters and numerals and have in words the State motto "To Be Rather Than To Seem". The background of the "National/State Mottos" plate shall include an image chosen by the Division that is representative of the American Flag. An "America's Semiquincentennial" plate shall have the words "America 250" at the top of the plate above all other letters and numerals. The background of the "America's Semiquincentennial" plate shall depict on the plate the mountains to the coast, with the cardinal, dogwood flowers, Blue Ridge Mountains, North Carolina State Capitol, Wright Brothers' plane, and the Cape Hatteras Lighthouse.

(b1) The following special registration plates do not have to be a "First in Flight" plate, "First in Freedom" plate, ~~or~~ "National/State Mottos" ~~plate~~ ~~plate~~, or "America's Semiquincentennial" plate, as provided in subsection (b) of this section. The design of the plates that are not "First in Flight" plates, "First in Freedom" plates, ~~or~~ "National/State Mottos" ~~plate~~ ~~plates~~, or "America's Semiquincentennial" plates must be developed in accordance with G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the Division may not issue the plate on a background under this subsection unless it receives the required number of applications set forth in G.S. 20-79.3A(a).

...."

SECTION 5.(c) G.S. 20-79(c) reads as rewritten:

"(c) Form and Duration. – A dealer license plate is subject to G.S. 20-63, except for the requirement that the plate display the registration number of a motor vehicle and the requirement that the plate be a "First in Flight" plate, a "First in Freedom" plate, ~~or~~ a "National/State Mottos" ~~plate~~ ~~plate~~, or an "America's Semiquincentennial" plate. A dealer license plate must have a distinguishing symbol identifying the plate as a dealer license plate. The symbol may vary depending upon the classification of dealer license plate issued. The Division must provide suitably reduced sized license plates for motorcycle dealers and manufacturers.

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SECTION 5.(d) G.S. 20-79.02(c) reads as rewritten:

"(c) Form and Duration. – An LD license plate is subject to G.S. 20-63, except for the requirement that the plate display the registration number of a motor vehicle and the requirement that the plate be a "First in Flight" plate, "First in Freedom" plate, ~~or~~ a "National/State Mottos" ~~plate~~ ~~plate~~, or an "America's Semiquincentennial" plate. An LD license plate must have a distinguishing symbol identifying the plate as an LD license plate. Subject to the limitations in this section, an LD license plate may continue in existence perpetually and may be transferred to other vehicles in the dealer's loaner fleet when the vehicle on which the LD license plate is displayed has been sold or leased to a third party or otherwise removed from the dealer's loaner fleet."

SECTION 5.(e) G.S. 20-79.2(c) reads as rewritten:

"(c) Form, Duration, and Transfer. – A transporter plate is subject to G.S. 20-63, except for the requirement that the plate display the registration number of a motor vehicle and the requirement that the plate be a "First in Flight" plate, a "First in Freedom" plate, ~~or~~ a "National/State Mottos" ~~plate~~ ~~plate~~, or an "America's Semiquincentennial" plate. A transporter plate shall have a distinguishing symbol identifying the plate as a transporter plate. The symbol may vary depending upon the classification of transporter plate issued. A transporter plate is issued for a period of one year. The Division shall vary the expiration dates of transporter registration renewals so that an approximately equal number expires at the end of each month, quarter, or other period consisting of one or more months. When the Division issues a transporter plate, it may issue a registration that expires at the end of any monthly interval. During the year for which it is issued, a business or dealer may transfer a transporter plate from one vehicle to another as long as the vehicle is driven only for a purpose authorized by subsection (a) of this section. The Division must rescind a transporter plate that is displayed on a motor vehicle driven for a purpose that is not authorized by subsection (a) of this section."

SECTION 5.(f) This section is effective retroactively to July 7, 2026, but the Division is not required to issue plates with an "America's Semiquincentennial" background until 180 days after the Division has finalized the background design in accordance with G.S. 20-63(b), as amended by subsection (b) of this section.

SECTION 6. Section 44.5(i) of S.L. 2026-41 is rewritten to read:

"SECTION 44.5.(i) Except as otherwise provided, this section is effective for taxable years beginning on or after January 1, 2027, and applies to funds collected for those taxable years. Except for funds transferred to the State Building Code Regulatory Fund pursuant to Section 13.5

1 of this act, the Insurance Regulatory Charge collected after January 1, 2027, for taxable years
2 beginning before that date, shall be placed in the Insurance Regulatory Fund and shall be used
3 for the purposes listed in subdivisions (1) through (11) of G.S. 58-6-25(d) as that subsection
4 existed immediately before its amendment by subsection (c) of this section."

5 **SECTION 7.** There is appropriated from the General Fund the following sums in
6 recurring funds beginning in the 2026-2027 fiscal year, as follows:

7 (1) Two hundred twenty-five thousand dollars (\$225,000) to the Office of the
8 State Fire Marshal for positions to facilitate administrative functions.

9 (2) Three hundred thousand dollars (\$300,000) to the Department of Labor for
10 positions to facilitate the directives of Sections 13.3, 13.4, and 13.5 of S.L.
11 2026-41.

12 **SECTION 8.** Except as otherwise provided, this act becomes effective July 1, 2026.