

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 1121
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30551-NIF-192

Short Title: Added Fee for Sexually Oriented Businesses.

(Public)

Sponsors: Representative Riddell.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT IMPOSING A FEE ON SEXUALLY ORIENTED BUSINESSES.

3 The General Assembly of North Carolina enacts:

4 SECTION 1. Chapter 105 of the General Statutes is amended by adding a new
5 Article to read:

6 "Article 2F.

7 "Sexually Oriented Businesses.

8 **"§ 105-113.130. Address adverse secondary impacts.**

9 (a) Findings. – The General Assembly finds that sexually oriented businesses that
10 combine nudity with the aggravating factor of alcohol can and do cause secondary harmful effects
11 on the public's health, safety, and welfare. The General Assembly further finds that a nominal
12 fee imposed on these businesses, pursuant to the State's police powers, to be used to combat or
13 ameliorate adverse secondary impacts, which is not aimed at any expressive content, is consistent
14 with the federal constitutional protection afforded to nonobscene but sexually explicit speech.

15 (b) Definitions. – The following definitions apply in this Article:

16 (1) Department. – The Department of Revenue.

17 (2) Secretary. – The Secretary of the Department of Revenue.

18 (3) Sexually oriented business. – As defined in G.S. 160D-902(f).

19 (c) Fee Imposed. – A fee of ten dollars (\$10.00) for each entry by each customer is
20 imposed on every sexually oriented business in the State that holds an alcohol permit issued
21 under Chapter 18B of the General Statutes. No sexually oriented business shall be required to
22 impose the fee required by this subsection on any customer of the business. The fee imposed by
23 this subsection shall be in addition to any other applicable fees and taxes imposed by law.

24 (d) Remission of Fee; Report. – Each sexually oriented business shall, on a quarterly
25 basis, remit the fee imposed under this section to the Department in the manner prescribed by the
26 Secretary and shall file a report with the Department in the manner and containing the
27 information required by the Secretary.

28 (e) Records. – Each sexually oriented business shall record on a daily basis in the manner
29 required by the Department the number of customers admitted to the business. Each sexually
30 oriented business shall maintain these records for the time period required by the Department and
31 shall make the records available for inspection and audit upon request by the Department. The
32 records shall not contain the names or personal information of any customer and shall not be used
33 by the Department for any purpose except to verify the information provided by the business as
34 required by this section.

35 (f) Distribution and Use. – The fees collected pursuant to this section shall be deposited
36 in the Sexual Assault and Rape Crisis Center Fund established in G.S. 143B-394.21. The fees



1 deposited in the Fund shall be used by the North Carolina Council for Women in accordance with
2 the provisions of G.S. 143B-394.21.

3 (g) Annual Report. – On or before September 1 of each year, the North Carolina Council
4 for Women, in consultation with the Department, shall submit a report to the Joint Legislative
5 Oversight Committee on General Government and the Fiscal Research Division on all of the
6 following for the current fiscal year and the prior fiscal year:

7 (1) The total amount of fees collected pursuant to this section.

8 (2) The recipients of the fees collected pursuant to this section, including the date
9 and amount of the disbursements, from the Sexual Assault and Rape Crisis
10 Center Fund."

11 **SECTION 2.** This act becomes effective October 1, 2026.