

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 1047
PROPOSED COMMITTEE SUBSTITUTE S1047-PCS35469-BRF-38

Short Title: Regulatory Reform Act of 2026.

(Public)

Sponsors:

Referred to:

May 4, 2026

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

The General Assembly of North Carolina enacts:

**GUARANTEED ENERGY SAVINGS CONTRACTS – REFORM AND
RECODIFICATION**

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

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

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

"Part 3. Guaranteed Energy Savings Contracts.

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

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

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

- (1) The name and address of the governmental unit and a contact person.**
- (2) A general description of the facilities and scope of energy conservation measures being considered.**



- 1 (3) The evaluation criteria and relative criteria weighting to be applied in the
2 selection process.
- 3 (4) The closing date and time for receipt of qualifications.
- 4 (5) A statement reserving the right of the governmental unit to reject any or all
5 responses.

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

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

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

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

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

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

43 (h) State Energy Office Review. – The State Energy Office shall review the qualified
44 provider's proposal, cost-benefit analysis, and other relevant documents prior to the governmental
45 unit entering a guaranteed energy savings contract. For State governmental units, the State
46 Energy Office shall complete its review within 10 business days of receiving the proposal. The
47 State Energy Office shall advise the governmental unit on the suitability of the proposed
48 guaranteed energy savings contract. However, if the State Energy Office identifies in the proposal
49 any instances of noncompliance with the requirements of this Article, the State Energy Office
50 shall notify the governmental unit of such noncompliance. A governmental unit may not enter

1 into the proposed guaranteed energy savings contract until the State Energy Office has
2 determined the proposal to be in compliance with this Article.

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

5 **"§ 143-64.18B. Guaranteed energy savings contracts.**

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

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

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

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

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

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

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

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

40 ~~(f) In the case of a State governmental unit, a qualified provider shall, when feasible,~~
41 ~~after the acceptance of the proposal of the qualified provider by the State governmental unit,~~
42 ~~conduct an investment grade audit. During this investment grade audit, the qualified provider~~
43 ~~shall perform in accordance with Part 1 of this Article a life cycle cost analysis of each energy~~
44 ~~conservation measure in the final proposal. If the results of the audit are not within ten percent~~
45 ~~(10%) of both the guaranteed savings contained in the proposal and the total proposal amount,~~
46 ~~either the State governmental unit or the qualified provider may terminate the project without~~
47 ~~incurring any additional obligation to the other party. However, if the State governmental unit~~
48 ~~terminates the project after the audit is conducted and the results of the audit are within ten~~
49 ~~percent (10%) of both the guaranteed savings contained in the proposal and the total proposal~~
50 ~~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 **AUTHORITY FOR MOBILE HOME PARK AND TINY HOME COMMUNITY**
25 **LANDLORDS TO BILL TENANTS FOR MASTER-METERED WATER SERVICE**

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

27 "(g) In addition to the authority to issue a certificate of public convenience and necessity
28 and establish rates otherwise granted in this Chapter, for the purpose of encouraging water
29 conservation, the Commission may, consistent with the public interest, adopt procedures that
30 allow (i) a lessor of any leased residential premises, as that term is defined under G.S. 42-59(3),
31 to charge for the costs of providing water or sewer service to persons who occupy the leased
32 premises, (ii) an owners' association, as that term is defined under G.S. 47F-1-103(3), to charge
33 for the costs of providing water or sewer service to persons who occupy townhomes within a
34 planned community, as that term is defined under G.S. 47F-1-103(23), and (iii) a unit owners'
35 association, as that term is defined under G.S. 47C-1-103(3), to charge for the costs of providing
36 water or sewer service to persons who occupy a condominium, as that term is defined under
37 G.S. 47C-1-103(7). For purposes of this subsection, the term "townhome" means a single-family
38 dwelling unit constructed in a group of three or more attached units. The following provisions
39 shall apply:

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

46 (1a) If the leased premises are contiguous dwelling units built prior to 1989, and
47 the lessor determines that the measurement of the lessee's total water usage is
48 impractical or not economical, the lessor may allocate the cost for water and
49 sewer service to the lessee using equipment that measures the lessee's hot
50 water usage. In that case, each lessee shall be billed a percentage of the lessor's
51 water and sewer costs for water usage in the dwelling units based upon the hot

1 water used in the lessee's dwelling unit. The percentage of total water usage
2 allocated for each dwelling unit shall be equal to that dwelling unit's
3 individually submetered hot water usage divided by all submetered hot water
4 usage in all dwelling units. The following conditions apply to billing for water
5 and sewer service under this subdivision:

- 6 a. A lessor shall not utilize a ratio utility billing system or other allocation
7 billing system that does not rely on individually submetered hot water
8 usage to determine the allocation of water and sewer costs.
- 9 b. The lessor shall not include in a lessee's bill the cost of water and sewer
10 service used in common areas or water loss due to leaks in the lessor's
11 water mains. A lessor shall not bill or attempt to collect for excess
12 water usage resulting from a plumbing malfunction or other condition
13 that is not known to the lessee or that has been reported to the lessor.
- 14 c. All equipment used to measure water usage shall comply with
15 guidelines promulgated by the American Water Works Association.
- 16 d. The lessor shall maintain records for a minimum of 12 months that
17 demonstrate how each lessee's allocated costs were calculated for
18 water and sewer service. Upon advanced written notice to the lessor, a
19 lessee may inspect the records during reasonable business hours.
- 20 e. Bills for water and sewer service sent by the lessor to the lessee shall
21 contain all the following information:
 - 22 1. The amount of water and sewer services allocated to the lessee
23 during the billing period.
 - 24 2. The method used to determine the amount of water and sewer
25 services allocated to the lessee.
 - 26 3. Beginning and ending dates for the billing period.
 - 27 4. The past-due date, which shall not be less than 25 days after
28 the bill is mailed.
 - 29 5. A local or toll-free telephone number and address that the
30 lessee can use to obtain more information about the bill.

31 (1b) Notwithstanding the provisions of subdivisions (1), (1a), and (1c) of this
32 subsection, if the Commission approves a flat rate to be charged by a water or
33 sewer utility for the provision of water or sewer services to contiguous
34 dwelling units, the lessor, owners' association, or unit owners' association, as
35 applicable, may pass through and charge the tenants or occupants of the
36 contiguous dwelling units the same flat rate for water or sewer services, rather
37 than a rate based on metered consumption, and an administrative fee as
38 authorized in subdivision (2) of this subsection. Bills for water and sewer
39 service sent by the lessor, owners' association, or unit owners' association, as
40 applicable, to the lessee or occupant shall contain all the information required
41 by sub-sub-subdivisions e.2. through e.5. of subdivision (1a) of this
42 subsection.

43 (1c) The lessor may equally divide the amount of the water and sewer bill for a
44 unit among all the lessees in the unit and may send one bill to each lessee. The
45 amount charged shall be prorated when a lessee has not leased the unit for the
46 same number of days as the other lessees in the unit during the billing period.
47 Each bill may include an administrative fee up to the amount of the
48 then-current administrative fee authorized by the Commission in Rule 18-6
49 for water service and, when applicable, a late fee in an amount determined by
50 the Commission. The lessor shall not charge the cost of water and sewer from

1 any other unit or common area in a lessee's bill sent pursuant to this
 2 subdivision.
 3 (1d) Notwithstanding the provisions of subdivisions (1), (1a), and (1c) of this
 4 subsection, if the leased premises is a mobile home located within a mobile
 5 home park, or a tiny home located within a tiny home community, and the
 6 lessor determines that the measurement of the lessee's total water usage is
 7 impractical or not economical, the lessor may allocate the cost for water and
 8 sewer service to the lessee using either of the following:
 9 a. Equipment that measures the lessee's hot water usage. In that case,
 10 each lessee shall be billed a percentage of the lessor's water and sewer
 11 costs for water usage in the mobile home park or tiny home
 12 community, as applicable, based upon the hot water used in the lessee's
 13 mobile home or tiny home. The percentage of total water usage
 14 allocated for each mobile home or tiny home, as applicable, shall be
 15 equal to that mobile home's or tiny home's individually submetered hot
 16 water usage divided by all submetered hot water usage in all mobile
 17 homes located within the mobile home park or tiny homes within the
 18 tiny home community, as applicable.
 19 b. A ratio utility billing system or other allocation billing system that
 20 does not rely on individually submetered hot water usage to determine
 21 the allocation of water and sewer costs.
 22 The conditions set forth in sub-subdivisions b. through e. of subdivision (1a)
 23 of this subsection shall apply to billing for water and sewer service under this
 24 subdivision. For purposes of this subsection, the term "tiny home" means a
 25 single-family detached dwelling unit that is 400 square feet or less in floor
 26 area, specifically excluding lofts.
 27"

29 **MINING PERMIT MODIFICATIONS**

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

31 **"§ 74-49. Definitions.**

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

34 ...
 35 (7) "Mining" means any of the following: (i) the breaking of the surface soil in
 36 order to facilitate or accomplish the extraction or removal of minerals, ores,
 37 or other solid matter; (ii) any activity or process constituting all or part of a
 38 process for the extraction or removal of minerals, ores, soils, and other solid
 39 matter from their original location; or (iii) the preparation, washing, cleaning,
 40 or other treatment of minerals, ores, or other solid matter so as to make them
 41 suitable for commercial, industrial, or construction use.

42 "Mining" does not include:

43 ...

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

49"

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

51 **"§ 74-50. Permits – General.**

1 ...
2 (b2) The notice shall inform the owners of record and chief administrative officers of the
3 opportunity to submit written comments to the Department regarding the proposed new or
4 modified mining operation that adds land to the permitted area and the opportunity to request a
5 public hearing regarding the proposed new or modified mining operation. Requests for public
6 hearing shall be made within 30 days of issuance of the ~~notice~~notice or receipt of the application
7 by the Department, whichever is later.

8 ...
9 (c) No permit shall become effective until the operator has deposited with the Department
10 an acceptable performance bond or other security pursuant to G.S. 74-54.

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

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

20 ...
21 (e) Public comment periods and time frames for conducting public hearings as
22 established by this Article shall not be extended nor altered by the Department. When the
23 Department holds a public hearing pursuant to G.S. 74-51(c), the 60-day technical review period
24 established in G.S. 74-51(b1) shall not conclude until either 30 days following the public hearing
25 or the original 60-day technical review period, whichever is later."

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

27 "§ 74-51. Permits – Application, granting, conditions.

28 ...
29 (b) Before deciding whether to grant a new permit, the Department shall circulate copies
30 of a notice of application for review and comment as it deems advisable. The Department shall
31 grant or deny the permit requested as expeditiously as possible, ~~but in no event later than 60 days~~
32 ~~after the application form and any relevant and material supplemental information reasonably~~
33 ~~required shall have been filed with the Department, or if a public hearing is held, within 30 days~~
34 ~~following the hearing and the filing of any relevant and material supplemental information~~
35 ~~reasonably required by the Department.~~ possible. Priority consideration shall be given to
36 applicants who submit evidence that the mining proposed will be for the purpose of supplying
37 materials to the Board of Transportation. In accordance with G.S. 143B-279.18, except to the
38 extent required by federal or State law, the Department shall not refuse to accept an application
39 for, nor refuse to issue, a new, modified, or transferred mining permit based solely on the failure
40 of an applicant to obtain another permit, authorization, or certification required for the same
41 project. For purposes of this section, failure to obtain a permit, authorization, or certification shall
42 not include denial of the permit, authorization, or certification by the Department based on the
43 standards for approval of the permit, authorization, or certification provided by law.

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

- 1 (1) The Department shall perform an administrative review of an application and
2 of a resubmittal of an application determined to be incomplete under
3 subdivision (3) of this subsection within 10 working days of receipt to
4 determine if the information is administratively complete. If complete, the
5 Department shall issue a receipt letter or electronic response stating that the
6 application is complete and that a 60-calendar day technical review period has
7 started as of the original date the application was received. If required items
8 or information is not included, the application shall be deemed incomplete,
9 and the Department shall issue an application receipt letter or electronic
10 response identifying the information required to complete the application
11 package before the technical review begins. When the required information is
12 received, the Department shall then issue a receipt letter or electronic response
13 specifying that it is complete and that the 60-calendar day technical review
14 period has started as of the date of receipt of all required information. The
15 Department shall develop an application package checklist identifying the
16 items and information required for an application to be considered
17 administratively complete.
- 18 (2) If, during the 60-calendar day technical review period, the Department
19 determines that the application meets the standards for issuance of a new,
20 modified, or transferred mining permit, it shall approve the application.
- 21 (3) If, during the 60-calendar day technical review period, the Department
22 determines that additional information is required to continue processing the
23 application, the Department and the applicant shall comply with the following:
- 24 a. The Department shall issue a letter or electronic response with a list of
25 the additional information required to issue the permit.
- 26 b. The applicant shall have up to 180 calendar days from the date the
27 letter or electronic response is sent to submit the additional
28 information to the Department.
- 29 c. If the applicant is unable to provide the required information within
30 the time frame specified in sub-subdivision b. of this subdivision, the
31 applicant may request, with good cause, that a one-year extension be
32 granted by the Department; if the one-year extension granted by the
33 Department is insufficient, the applicant may then request another
34 one-year extension granted by the Mining Commission.
- 35 d. If the applicant fails to provide the required information within 180
36 calendar days or within any extensions granted by the Department and
37 Commission pursuant to sub-subdivision c. of this subdivision, the
38 Department shall return the application to the applicant, the
39 application is deemed denied, and the applicant must resubmit a
40 complete application with a new application fee before the project may
41 be reviewed.
- 42 e. Upon receipt of the required information from the applicant, the
43 Department shall have 45 calendar days to complete the subsequent
44 technical review and issue the permit, issue the permit with
45 modifications, deny the permit, or issue a letter or electronic response
46 with a list of additional information required to continue processing
47 the application, and the review process will proceed in accordance
48 with sub-subdivision b. or c. of this subdivision, as applicable.
- 49 f. After issuing a letter or electronic response requesting additional
50 information under this subdivision, the Department shall not
51 subsequently request additional information that was not previously

1 identified as missing or required in that additional information letter
 2 or electronic response. The Department may, however, request
 3 additional information if required for the technical review based on
 4 any new information, changed circumstances, or changed designs
 5 provided by the applicant in a response provided pursuant to
 6 sub-subdivision b. or c. of this subdivision, as applicable.

7 g. Where the Department identifies information that should have been
 8 requested, the Department may address this information by including
 9 conditions in or modifications to the permit upon issuance but shall
 10 not deny the permit because of the missing information. This
 11 prohibition on permit denial shall not apply where an application was
 12 deemed denied under sub-subdivision d. of this subdivision.

13 ...
 14 (d) The Department may deny the permit upon finding:

15 ...
 16 (7) That the applicant or any parent, subsidiary, or other affiliate of the applicant
 17 or parent has not been in substantial compliance with this Article, rules
 18 adopted under this Article, or other laws or rules of this State for the protection
 19 of the environment or has not corrected all violations that the applicant or any
 20 parent, subsidiary, or other affiliate of the applicant or parent may have
 21 committed under this Article or rules adopted under this Article and that
 22 resulted in:

- 23 a. Revocation of a permit,
- 24 b. Forfeiture of part or all of a bond or other security,
- 25 c. Conviction of a misdemeanor under G.S. 74-64,
- 26 d. Any other court order issued under G.S. 74-64, or
- 27 e. Final assessment of a civil penalty under G.S. 74-64, [or]
- 28 f. ~~Failure to pay the application processing fee required under~~
 29 ~~G.S. 74-54.1.~~

30 (8) That the applicant failed to pay the application processing fee required by
 31 G.S. 74-54.1 within 30 days of receipt of the application by the Department.

32 ...
 33 (h) Upon approval of an application, the Department shall set the amount of the
 34 performance bond or other security that is to be required pursuant to G.S. 74-54. The operator
 35 shall have 60 days after the Department mails a notice of the required bond to the operator in
 36 which to deposit the required bond or security with the ~~Department.~~ Department or the permit
 37 application will be automatically denied. The operating permit shall not be issued until receipt of
 38 this deposit.

39"

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

42
 43 **EXEMPT CERTAIN COMPOST FACILITIES FROM FINANCIAL ASSURANCE**
 44 **REQUIREMENTS**

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

46 "(k) An owner or operator of a permitted Small or Large Type 1, Type 2, or Type 3
 47 compost facility shall be exempt from financial assurance requirements under this section,
 48 provided that:

49 (1) The facility does not accept mixed municipal solid waste, post-collection
 50 separated or processed waste, industrial solid waste, sewage sludge, biosolids,

septage, or any other feedstock that would cause the facility to be classified as a Type 4 compost facility.

(2) The facility is in substantial compliance with its permit, this Article, and rules adopted under this Article.

(3) The owner or operator has not abandoned the facility.

Notwithstanding the exemption provided herein, the Department shall retain full authority to require financial assurance for a facility if it makes a written, site-specific determination that a facility has (i) been abandoned; (ii) failed to meet closure requirements; (iii) caused or contributed to a release of pollutants; or (iv) a history of significant or repeated violations, as defined in G.S. 130A-295.3.

Nothing in this subsection shall be construed to exempt a facility from requirements for permitting, siting, design, operational, closure, enforcement, or corrective action under this Article, or rules adopted thereunder.

This subsection shall not apply to a Type 4 compost facility, sanitary landfill, transfer station, septage management facility, or any other solid waste management facility located on the same site as a facility exempt pursuant to this subsection, unless the other solid waste management facility is independently exempt under law.

Upon request by an owner or operator qualifying under this subsection, the Department shall release or authorize cancellation of any financial assurance instrument required solely for closure of the compost facility."

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

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

"§ 130A-131.7. Definitions.

The following definitions apply in this Part:

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

- ...
 - c. Any concentration of lead dust that is equal to or greater than ~~10 micrograms~~ 5 micrograms per square foot on floors, ~~100 micrograms~~ 40 micrograms per square foot on interior windowsills, or 250 micrograms per square foot on vinyl miniblinds, bathtubs, kitchen sinks, or lavatories.
 - d. Any lead-based paint or other substance that contains lead on a friction or impact surface that is subject to abrasion, rubbing, binding, or damage by repeated contact and where the lead dust concentrations on the nearest horizontal surface underneath the friction or impact surface are equal to or greater than ~~40 micrograms~~ 5 micrograms per square foot on floors or ~~250 micrograms~~ 40 micrograms per square foot on interior windowsills.

...."

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

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

- (1) Less than ~~10 micrograms~~ 5 micrograms per square foot for lead dust on floors.
- (2) Less than ~~100 micrograms~~ 40 micrograms per square foot for lead dust on interior windowsills.
- (2a) Less than 250 micrograms per square foot for lead dust on vinyl miniblinds, bathtubs, kitchen sinks, and lavatories.

- 1 (3) Less than ~~400 micrograms~~ 100 micrograms per square foot for lead dust on
2 window troughs.
- 3 (4) Less than 400 parts per million for lead in bare soil in play areas, gardens, pet
4 sleeping areas, and areas within three feet of the residential housing unit or
5 child-occupied facility. Lead in bare soil in other locations of the yard shall
6 be reduced to less than 1,200 parts per million.
- 7 (5) Less than 10 parts per billion for lead in drinking water."
8 **SECTION 9.(c)** This section becomes effective January 1, 2027.
9

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

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

23 **TEMPORARY EVENT EXEMPTION FOR ELECTRIC WORK**

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

- 25 "(12) To any person when that person is temporarily attaching listed single 3-prong
26 (NEMA 5-15R or 5-20R) receptacles or power taps to existing temporary
27 luminaires or lighting fixtures and plugging those luminaires or fixtures into
28 existing permanent receptacles, only when all of the following apply:
- 29 a. The work is performed solely for a permitted international wholesale
30 trade show in an exhibition hall, mercantile, or assembly occupancy
31 space in this State.
- 32 b. A valid electrical permit is obtained from the local authority having
33 jurisdiction prior to the work.
- 34 c. The work is inspected and approved by the local electrical inspector
35 before the international wholesale trade show opens."

36 **SECTION 11.(b)** This section is effective when it becomes law and applies to
37 permitted events occurring on or after that date.
38

39 **IMPLEMENTATION OF CODE CHANGES FOR USE OF CERTAIN INSULATION IN** 40 **WALLS**

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

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

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

8 **SECTION 12.(d)** Additional Rulemaking Authority. – The Council shall adopt rules
9 to amend the R402 Rules to be consistent with subsection (c) of this section. Notwithstanding
10 G.S. 150B-19(4), the rule adopted by the Council pursuant to this section shall be substantively
11 identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section
12 are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted
13 pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though 10
14 or more written objections had been received as provided in G.S. 150B-21.3(b2).

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

17 18 **AMEND ENERGY RATING INDEX COMPLIANCE ALTERNATIVE**

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

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

30 **SECTION 12.5.(c)** Implementation. – There shall be no requirement that the
31 building thermal envelope meets or exceeds the levels of efficiency and Solar Heat Gain
32 Coefficients in Tables R406.2.1 and R406.2.2, which shall be deleted from the R406 Rules. The
33 minimum standards associated with compliance shall be the ANSI RESNET ICC Standard
34 301-2022 "Standard for the Calculation and Labeling of the Energy Performance Index of
35 Dwelling and Sleeping Units using an Energy Rating Index."

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

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

46 47 **PERMIT CHOICE MODIFICATIONS**

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

49 **"§ 143-755. Permit choice.**

50 (a) If a development permit applicant submits a permit application for any type of
51 development and a rule or ordinance is amended, including an amendment to any applicable land

1 development regulation, between the time the development permit application was submitted and
2 a development permit decision is made, the development permit applicant may choose which
3 adopted version of the rule or ordinance will apply to the permit and use of the building, structure,
4 or land indicated on the permit application. ~~application, except as provided in subsection (a1) of~~
5 this section. If the development permit applicant chooses the version of the rule or ordinance
6 applicable at the time of the permit application, the development permit applicant shall not be
7 required to await the outcome of the amendment to the rule, map, or ordinance prior to acting on
8 the development permit. If an applicable rule or ordinance is amended after the development
9 permit is wrongfully denied or after an illegal condition is imposed, as determined in a proceeding
10 challenging the permit denial or the condition imposed, the development permit applicant may
11 choose which adopted version of the rule or ordinance will apply to the permit and use of the
12 building, structure, or land indicated on the permit application. Provided, however, any provision
13 of the development permit applicant's chosen version of the rule or ordinance that is determined
14 to be illegal for any reason shall not be enforced upon the applicant without the written consent
15 of the applicant.

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

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

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

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

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

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

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

- 35 a. The construction, erection, alteration, enlargement, renovation,
36 substantial repair, movement to another site, or demolition of any
37 structure.
- 38 b. Excavation, grading, filling, clearing, or alteration of land.
- 39 c. The subdivision of land as defined in G.S. 160D-802.
- 40 d. The initiation of substantial change in the use of land or the intensity
41 of the use of land.

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

- 46 a. Zoning permits.
- 47 b. Site plan approvals.
- 48 c. Special use permits.
- 49 d. Variances.
- 50 e. Certificates of appropriateness.
- 51 f. Plat approvals.

- 1 g. Development agreements.
 2 h. Building permits.
 3 i. Subdivision of land.
 4 j. State agency permits for development.
 5 k. Driveway permits.
 6 l. Erosion and sedimentation control permits.
 7 m. Sign permit.
 8 n. Conditional zoning.
 9 o. Rezoning.
 10 p. Stormwater permits.
 11 (3) Land development regulation. – Any State statute, rule, or regulation, or local
 12 ordinance affecting the development or use of real property, including any of
 13 the following:
 14 a. Unified development ordinance.
 15 b. Zoning regulation, including zoning maps.
 16 c. Subdivision regulation.
 17 d. Erosion and sedimentation control regulation.
 18 e. Floodplain or flood damage prevention regulation.
 19 f. Mountain ridge protection regulation.
 20 g. Stormwater control regulation.
 21 h. Wireless telecommunication facility regulation.
 22 i. Historic preservation or landmark regulation.
 23 j. Housing code.
 24 k. Conditional zoning.
 25 l. Rezoning.
 26 m. Stormwater permits.
 27

28 ESTABLISH REVIEW PERIODS FOR LOCAL GOVERNMENT APPROVALS AND 29 DECISIONS

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

31 "§ 160D-403. Administrative development approvals and determinations.

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

43 (a1) Time Period for Approval. – Within seven calendar days of the filing of an application
 44 for a development approval, a local government or its designated administrative staff, as
 45 described under G.S. 160D-402, shall (i) determine whether the application is complete and
 46 notify the applicant of the application's completeness and, (ii) if the local government or its
 47 designated administrative staff determines the application is incomplete, specify all of the
 48 deficiencies in the notice to the applicant. The applicant may file an amended application or
 49 supplemental information to cure the deficiencies identified by the local government or its
 50 designated administrative staff for a completeness review, which shall be completed within seven
 51 calendar days after receiving an amended application or supplemental application from the

1 applicant. Upon the date the application is deemed complete, the local government or its
2 designated administrative staff shall issue a receipt letter or electronic response stating that the
3 application is complete. From the date an application has been determined to be complete, the
4 local government or its designated administrative staff shall have 20 days to perform an initial
5 review of the completed application and notify the applicant of any required changes, to which
6 an applicant shall have 15 days to respond. If the applicant makes changes in response to
7 comments arising from the initial review, the local government or its designated administrative
8 staff shall have 10 calendar days to review any changes submitted by the applicant. Upon
9 expiration of that 10-day secondary review period, a final 90-calendar day review period shall
10 begin. The local government shall approve or deny the application within 90 calendar days of the
11 date the 10-day secondary review period expires, except that if the applicant requests a
12 continuance of the application, the review period shall be tolled for the duration of any
13 continuance. The time period for review may be extended only by agreement with the applicant
14 if the application cannot be reviewed within the specified time limitation due to circumstances
15 beyond the control of the local government. The extension shall not exceed six months. Failure
16 of the local government or its designated administrative staff to act before the expiration of the
17 time period allowed for review shall constitute an approval of the application, and the local
18 government shall issue a written approval upon demand by the applicant.

19"

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

22 **"§ 160D-707. Review period for rezoning decisions.**

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

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

1
2 **AMEND REQUIREMENTS FOR ESTABLISHMENT OF HISTORIC DISTRICTS**3 **SECTION 15.** G.S. 160D-944 reads as rewritten:4 **"§ 160D-944. Designation of historic districts.**5 (a) Any local government may, as part of a zoning regulation adopted pursuant to Article
6 7 of this Chapter or as a development regulation enacted or amended pursuant to Article 6 of this
7 Chapter, designate and from time to time amend one or more historic districts within the area
8 subject to the regulation. Historic districts established pursuant to this Part shall consist of areas
9 that are deemed to be of special significance in terms of their history, prehistory, architecture, or
10 culture and to possess integrity of design, setting, materials, feeling, and association.11 A development regulation may treat historic districts either as a separate use district
12 classification or as districts that overlay other zoning districts. Where historic districts are
13 designated as separate use districts, the zoning regulation may include as uses by right or as
14 special uses those uses found by the preservation commission to have existed during the period
15 sought to be restored or preserved or to be compatible with the restoration or preservation of the
16 district.17 (b) No historic district or districts shall be designated under subsection (a) of this section
18 until all of the following occur:19 (1) An investigation and report describing the significance of the buildings,
20 structures, features, sites, or surroundings included in the proposed district and
21 a description of the boundaries of the district have been prepared.22 (2) The Department of Natural and Cultural Resources, acting through the State
23 Historic Preservation Officer or his or her designee, has made an analysis of
24 and recommendations concerning the report and description of proposed
25 boundaries. Failure of the Department to submit its written analysis and
26 recommendations to the governing board within 30 calendar days after a
27 written request for the analysis has been received by the Department relieves
28 the governing board of any responsibility for awaiting the analysis, and the
29 governing board may at any subsequent time take any necessary action to
30 adopt or amend its zoning regulation.31 (3) Fifty percent (50%) of the property owners in the proposed district sign a
32 petition requesting designation of the district.33 (c) The governing board may also, in its discretion, refer the report and proposed
34 boundaries under subsection (b) of this section to any local preservation commission or other
35 interested body for its recommendations prior to taking action to amend the zoning regulation.
36 With respect to any changes in the boundaries of a district, subsequent to its initial establishment,
37 or the creation of additional districts within the jurisdiction, the investigative studies and reports
38 required by subdivision (1) of subsection (b) of this section shall be prepared by the preservation
39 commission and shall be referred to the planning board for its review and comment according to
40 procedures set forth in the zoning regulation. Changes in the boundaries of an initial district or
41 proposal for additional districts shall also be submitted to the Department of Natural and Cultural
42 Resources in accordance with the provisions of subdivision (2) of subsection (b) of this section.43 On receipt of these reports and recommendations, the local government may proceed in the
44 same manner as would otherwise be required for the adoption or amendment of any appropriate
45 zoning ~~regulation~~-regulation, except that the governing board shall approve the adoption of the
46 district by at least a three-fifths vote of a quorum of the governing board.47 (d) G.S. 160D-914 applies to zoning or other development regulations pertaining to
48 historic districts, and the authority under that statute for the ordinance to regulate the location or
49 screening of solar collectors may encompass requiring the use of plantings or other measures to
50 ensure that the use of solar collectors is not incongruous with the special character of the district."
51

REQUIRE ZONING BASED ON DENSITY AND CLARIFY DENSITY CALCULATION

SECTION 16.(a) G.S. 160D-102 reads as rewritten:

"§ 160D-102. Definitions.

Unless otherwise specifically provided, or unless otherwise clearly required by the context, the words and phrases defined in this section shall have the following meanings indicated when used in this Chapter:

...

(15b) Dwelling unit. – A single unit, subject to the North Carolina Residential Code, providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

...."

SECTION 16.(b) G.S. 160D-703 reads as rewritten:

"§ 160D-703. Zoning districts.

(a) Types of Zoning Districts. – ~~A~~Except as provided in subsection (a1) of this section, a local government may divide its territorial jurisdiction into zoning districts of any number, shape, and area deemed best suited to carry out the purposes of this Article. Within those districts, it may regulate and restrict the erection, construction, reconstruction, alteration, repair, or use of buildings, structures, or land. ~~Zoning~~By illustration, zoning districts may include, but are not be limited to, include any of the following:

- (1) Conventional districts, in which a variety of uses are allowed as permitted uses or uses by right and that may also include uses permitted only with a special use permit.
- (2) Conditional districts, in which site plans or individualized development conditions are imposed.
- (3) Form-based districts, or development form controls, that address the physical form, mass, and density of structures, public spaces, and streetscapes.
- (4) Overlay districts, in which different requirements are imposed on certain properties within one or more underlying conventional, conditional, or form-based districts.
- (5) Districts allowed by charter.

(a1) Residential Zoning Districts Classified Based on Density. – A local government shall classify residential zoning districts based only on the number of dwelling units allowed per acre. A local government shall not classify residential zoning districts based on the minimum lot size allowed in the district. For purposes of determining allowable residential density, the actual gross acreage shall not be reduced by subtracting setbacks, public or private streets, open space or recreation areas, or other areas that are nondevelopable solely because of the local government's development, zoning, or subdivision regulations. Where a portion of a lot is nondevelopable under State or federal law, the local government shall allow the residential units to be located on the developable portion of the lot unless that development would conflict with the North Carolina Residential Code, the North Carolina Building Code, the North Carolina Fire Code, on-site wastewater and well rules, or water supply watershed rules or any law or rule described in subdivision (1) or (2) of this subsection. This subsection shall not be construed to do any of the following:

- (1) Authorize development in an area that may not be developed under State or federal law.
- (2) Limit the authority or duty of a local government to adopt or enforce a regulation required as a condition of a federally delegated or approved program, including floodplain management standards required for participation in the National Flood Insurance Program, post-construction stormwater controls required under a National Pollutant Discharge

1 Elimination System (NPDES) permit, riparian buffer requirements adopted to
2 meet State or federal water quality obligations, and required standards within
3 Areas of Environmental Concern under the Coastal Area Management Act.

4"

5
6 **PROMOTE FEE TRANSPARENCY AND PREDICTABILITY FOR APPLICANTS**
7 **PRIOR TO LOCAL GOVERNMENT DEVELOPMENT PERMIT APPROVAL OR**
8 **ISSUANCE**

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

11 "(16a) Fee estimate. – A statement projecting all fees that may reasonably be assessed
12 in the fee statement for the applicant's project, including assumptions applied
13 to the category or purpose of the fees to be charged.

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

20 (16c) Fee statement. – An itemized statement of any fees applicable to the
21 applicant's particular project pursuant to this Chapter."

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

24 **§ 160D-402.1. Development fee transparency.**

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

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

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

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

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

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

5
 6 **TOLL DISCONTINUANCE PERIOD FOR VESTED RIGHTS DURING EMERGENCY**
 7 **DECLARATIONS**

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

9 **"§ 160D-108. Permit choice and vested rights.**

10 ...

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

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

26 (1) The pendency of any board of adjustment proceeding or civil action in a State
 27 or federal trial or appellate court regarding the validity of a development
 28 permit, the use of the property, or the existence of the statutory vesting period
 29 granted by this section.

30 (2) ~~The 24-month discontinuance period is also tolled during the~~ The pendency
 31 of any litigation involving the development project or property that is the
 32 subject of the vesting.

33 (3) The duration of any emergency declaration issued under G.S. 166A-19.20 or
 34 G.S. 166A-19.22 for which the defined emergency area includes the property,
 35 in whole or in part.

36 "

37
 38 **MODIFY EXTENSIONS OF CERTAIN GOVERNMENT APPROVALS AFFECTING**
 39 **THE DEVELOPMENT OF REAL PROPERTY IN THE AREA AFFECTED BY**
 40 **HELENE**

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

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

44 (1) That is current and valid at any point during the period beginning January 1,
 45 2024, and ending December 31, 2027, the running of the period of the
 46 development approval and any associated vested right under G.S. 160D-108
 47 or G.S. 160D-108.1 is suspended within the affected area during the period
 48 beginning January 1, 2024, and ending December 31, ~~2027-2030~~.

49 (2) That was current and valid on September 25, 2024, the expiration date shall
 50 be automatically extended for a period of 12 months beyond the date on which

1 the approval would otherwise expire pursuant to the suspension of the running
 2 of time under subdivision (1) of this subsection.

3 Notwithstanding the extensions granted by this section, a local government may revoke or
 4 modify a development approval automatically extended under this section if, due to changed site
 5 conditions resulting from Hurricane Helene or subsequent related natural disasters, the local
 6 government determines that it would not issue the permit under current site conditions based on
 7 a determination that the site no longer meets applicable State or federal safety, environmental, or
 8 engineering standards, or that the extension of the approval would present a material risk to life,
 9 health, or property. A local government exercising authority to revoke or modify a development
 10 approval automatically extended under this subsection shall provide written notice to the holder
 11 of the development approval of the revocation or modification, including findings of fact to
 12 support a determination that the site no longer meets applicable State or federal safety,
 13 environmental, or engineering standards, or that the extension of the approval would present a
 14 material risk to life, health, or property. The extensions granted by this subsection shall run
 15 concurrently with, and not in addition to, any other extension of the same development approval
 16 provided by State law or local ordinance."
 17

18 **STATUTORY SAFEGUARDS FOR HOA GOVERNANCE**

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

20 **"§ 47C-3-102. Powers of unit owners' association.**

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

23 ...

24 (12b) Impose a reasonable charge for providing copies of records requested by a
 25 member, not to exceed the actual cost of photocopying the records, including
 26 the cost of materials used in responding to the request and the cost of shipping
 27 if shipping is required.

28 ...

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

45"

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

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

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

50 ...

1 (13b) Impose a reasonable charge for providing copies of records requested by a
 2 member, not to exceed the actual cost of photocopying the records, including
 3 the cost of materials used in responding to the request and the cost of shipping
 4 if shipping is required.

5 ...

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

22 "

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

24 "**§ 47C-3-107.1. Procedures for fines and suspension of condominium privileges or services.**

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

1 of appeal to the executive board within 15 days after the date of the decision. The executive board
2 may affirm, vacate, or modify the prior decision of the adjudicatory body."

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

4 **"§ 47F-3-107.1. Procedures for fines and suspension of planned community privileges or**
5 **services.**

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

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

36 **"§ 47C-3-116. Lien for sums due the association; enforcement.**

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

1 (b) The association must provide proper notice of delinquent assessments to the unit
2 owner before filing a claim of lien. The association must make reasonable and diligent efforts
3 ensure that its records contain the unit owner's current physical mailing address, address and
4 current electronic mailing address. No fewer than 15 days prior to filing the lien, the association
5 shall ~~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 unit and the unit owner's address of record with the
8 association and, if different, to the address for the unit owner shown on the
9 county tax records for the unit. If the unit 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 unit or to a unit for which there is no United States postal address.

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

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

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

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

49 (d) A claim of lien filed under this section is prior to all liens and encumbrances on a unit
50 except (i) liens and encumbrances, specifically including, but not limited to, a mortgage or deed
51 of trust on the unit, recorded before the filing of the claim of lien in the office of the clerk of

1 superior court and (ii) liens for real estate taxes and other governmental assessments and charges
2 against the unit. This subsection does not affect the priority of mechanics' or materialmen's liens.

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

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

31 ...

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

42 (5a) The notice of hearing required pursuant to G.S. 45-21.16(a) shall be
43 accompanied by the association's certification of the actions it has taken to
44 give the owner notice of delinquent assessments in compliance with
45 subsection (b) of this section.

46 (5b) At the commencement of the hearing, the clerk shall inquire as to whether the
47 owner occupies the unit as his or her principal residence. If it appears that the
48 owner does currently occupy the unit as a principal residence, the clerk shall
49 further inquire as to the efforts the association has made to communicate with
50 the owner and to attempt to resolve the matter voluntarily before the
51 foreclosure proceeding. The clerk's inquiry shall not be required if the

1 association has submitted, at or before the hearing, an affidavit briefly
 2 describing any efforts that have been made to resolve the default with the
 3 owner and the results of any such efforts.

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

21 ...

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

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

40"

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

42 "**§ 47F-3-116. Lien for sums due the association; enforcement.**

43 (a) Any assessment attributable to a lot which remains unpaid for a period of 30 days or
 44 longer shall constitute a lien on that lot when a claim of lien is filed of record in the office of the
 45 clerk of superior court of the county in which the lot is located in the manner provided in this
 46 section. A claim of lien securing a debt consisting of fines or fine-related charges shall be filed
 47 separately from a claim of lien securing other sums due the association and shall be filed within
 48 90 days after the date the fine was imposed. As used in this section, "fines or fine-related charges"
 49 means fines imposed by the association, interest on unpaid fines, or attorneys' fees incurred by
 50 the association related to fines imposed by the association. Once filed, a claim of lien secures all
 51 sums due the association through the date filed and any sums due to the association thereafter.

1 Unless the declaration provides otherwise, fees, charges, late charges, and other charges imposed
2 pursuant to G.S. 47F-3-102, 47F-3-107, 47F-3-107.1, and 47F-3-115 are subject to the ~~claim~~
3 claims of lien provided for under this section as well as any other sums due and payable to the
4 association under the declaration, the provisions of this Chapter, or as the result of an arbitration,
5 mediation, or judicial decision.

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

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

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

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

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

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

1 years after the filing of the claim of lien in the office of the clerk of superior court. A lien securing
2 a debt consisting of fines or fine-related charges is extinguished unless proceedings to enforce
3 the lien are instituted within one year after the filing of the claim of lien in the office of the clerk
4 of superior court.

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

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

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

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

40 ...

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

1 (5a) The notice of hearing required pursuant to G.S. 45-21.16(a) shall be
2 accompanied by the association's certification of the actions it has taken to
3 give the owner notice of delinquent assessments in compliance with
4 subsection (b) of this section.

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

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

31 ...

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

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

1 have all rights granted under Article 4 of Chapter 45 of the General Statutes to ensure the
2 association's satisfaction of the claim of lien, and the association shall not be entitled to the
3 collection or award of any attorneys' fees or court costs related to the dismissed civil action or
4 cancelled claim of lien.

5"

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

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

9 "**§ 47C-3-118. Association ~~records~~records and contracts.**

10 ...

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

23 (b) The association, upon written request, shall furnish a unit owner or the unit owner's
24 authorized agents a statement setting forth the amount of unpaid assessments and other charges
25 against a unit. The statement shall be furnished within 10 ~~business~~ days after receipt of the request
26 and is binding on the association, the executive board, and every unit owner. The association, its
27 managers, or its agents may charge a ~~reasonable~~ fee for providing statements of unpaid
28 assessments and other charges, not to exceed two hundred dollars (\$200.00) per statement or
29 request, and an additional ~~expedite~~ expedited fee in an amount not to exceed one hundred dollars
30 (\$100.00) if the ~~request is made within 48 hours of closing.~~ item is requested to be furnished less
31 than 10 days after receipt of the request.

32"

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

34 "**§ 47F-3-118. Association ~~records~~records and contracts.**

35 ...

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

48 (b) The association, upon written request, shall furnish to a lot owner or the lot owner's
49 authorized agents a statement setting forth the amount of unpaid assessments and other charges
50 against a lot. The statement shall be furnished within 10 ~~business~~ days after receipt of the request
51 and is binding on the association, the executive board, and every lot owner. The association, its

1 managers, or its agents may charge a ~~reasonable~~ fee for providing statements of unpaid
 2 assessments, not to exceed two hundred dollars (\$200.00) per statement or request, and an
 3 additional ~~expedite~~ expedited fee in an amount not exceeding one hundred dollars (\$100.00) if
 4 the request for a statement is made within 48 hours of closing. item is requested to be furnished
 5 less than 10 days after receipt of the request.

6"

8 EXEMPT CERTAIN INDIVIDUALS FROM BARBER AND COSMETIC ARTS 9 LICENSING

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

11 "§ 86B-32. Persons exempt from the provisions of this Article.

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

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

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

35 "§ 88B-25. Exemptions.

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

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

49 ALLOW PRIVATE SWIM LESSONS IN PRIVATE POOLS

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

51 "§ 130A-280. Scope and definitions.

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

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

17"

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

19 "(b) A local board of health may adopt a more stringent rule in an area regulated by the
 20 Commission for Public Health or the Environmental Management Commission where, in the
 21 opinion of the local board of health, a more stringent rule is required to protect the public health;
 22 otherwise, the rules of the Commission for Public Health or the rules of the Environmental
 23 Management Commission shall prevail over local board of health rules. However, a local board
 24 of health may not adopt a rule concerning a private pool serving a single family dwelling
 25 otherwise exempt from regulation pursuant to ~~G.S. 130A-280 or a~~ G.S. 130A-280, including
 26 rules concerning the recreational or instructional use of the exempt private pool. A local board
 27 of health may not adopt a rule concerning the grading, operating, and permitting of food and
 28 lodging facilities as listed in Part 6 of Article 8 of this Chapter and as defined in
 29 ~~G.S. 130A-247(1), and a~~ G.S. 130A-247(1). A local board of health may adopt rules concerning
 30 wastewater collection, treatment and disposal systems which are not designed to discharge
 31 effluent to the land surface or surface waters only in accordance with G.S. 130A-335(c)."
 32

33 **ATV RIDER RESTRICTION MODIFICATION**

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

35 "**§ 20-171.15. Age or size restrictions.**

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

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

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

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

- 47 (1) The person is at least 8 years of age.
 48 (2) The person is participating in, or has successfully completed, an all-terrain
 49 vehicle safety course sponsored or approved by the All-Terrain Vehicle Safety
 50 Institute or another all-terrain vehicle safety course approved by the
 51 Commissioner of Insurance pursuant to G.S. 20-171.20.

- 1 (3) A course instructor certified or approved to teach a course described in
 2 subdivision (2) of this subsection determines in writing that, because of the
 3 person's height, weight, or physical size, the person cannot safely operate an
 4 all-terrain vehicle that complies with the Age Restriction Warning Label and
 5 that the all-terrain vehicle to be operated is appropriate for the person.
- 6 (4) The person satisfies all of the following rider-fit requirements with respect to
 7 the all-terrain vehicle being operated:
- 8 a. Brake reach. – With hands placed in the normal operating position and
 9 fingers straight out, the first joint from the tip of the middle finger
 10 extends beyond the brake lever and clutch.
- 11 b. Leg length. – While sitting and with their feet on the pegs, the rider's
 12 knee is bent at least 45 degrees.
- 13 c. Grip reach. – While sitting upright on the ATV with hands on the
 14 handlebars and not leaning forward, the rider's upper arm and the
 15 forearm form a distinct angle.
- 16 d. Handlebar control. – The rider must be able to turn the handlebars from
 17 lock to lock while maintaining grip on the handlebars and maintaining
 18 the throttle and brake control.
- 19 (5) The person operates the all-terrain vehicle under the direct supervision of the
 20 safety course instructor while participating in the course or, after successful
 21 completion of the course, under the continuous visual supervision of a person
 22 18 years or older, pursuant to subsection (d) of this section.
- 23 (6) The person complies with all other requirements of this Part, including helmet
 24 and eye-protection requirements.

25 "

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

27 **"§ 20-171.20. Safety training and certificate.**

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

37
 38 **PLUMBING BOARD FEE CAP CLARIFICATION**

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

40 **"§ 87-22. License fee; expiration and renewal; reinstatement.**

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

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

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

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

19 "**§ 55-16-22. Annual report.**

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

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

26 "**§ 55-16-22.3. Exemptions for corporations owned by deployed members of the Armed**
27 **Forces.**

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

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

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

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

- 1 (2) In the event the deployment is extended beyond the date stated in the affidavit
2 of deployment, the corporation shall file electronically with the Secretary of
3 State, within 180 days of the end date stated in the affidavit of deployment
4 filed with the Secretary of State pursuant to subdivision (1) of this subsection,
5 a sworn affidavit of extended deployment by an authorized representative of
6 the corporation that includes the following information:
7 a. The title or position in the corporation held by the affiant.
8 b. The full name of the deployed member.
9 c. The name of the corporation and the state under whose law it is
10 incorporated.
11 d. The percentage ownership interest in the corporation currently held by
12 the deployed member.
13 e. The expected end date of the extended deployment.
14 f. A statement either certifying that the information contained in the most
15 recently filed annual report has not changed or setting forth the
16 updated information required by G.S. 55-16-22(a3)(2) through (5).
17 (3) The due date of the corporation's next annual report is the ninetieth day
18 following the end date stated in the affidavit of deployment filed pursuant to
19 subdivision (1) of this subsection; provided, however, that if the deployment
20 is extended, the due date of the corporation's annual report is the ninetieth day
21 following the end date stated in the affidavit of extended deployment filed
22 pursuant to subdivision (2) of this subsection.
23 (4) The grounds for dissolution under G.S. 55-14-20 apply to corporations that
24 are subject to this section only if the period of delinquency for the applicable
25 ground is 180 days or more past the end date stated in the affidavit of
26 deployment filed with the Secretary of State pursuant to subdivision (1) of this
27 subsection.

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

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

31 **"§ 57D-2-24. Annual report for Secretary of State.**

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

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

- 43 (1) The name of the limited liability company and, in the case of a foreign LLC,
44 any different name that the foreign LLC is authorized under Article 3 of
45 Chapter 55D of the General Statutes to use to transact business in this State,
46 as provided in the foreign LLC's certificate of authority.
47 (2) In the case of a foreign LLC, the name of the jurisdiction under whose law the
48 foreign LLC is organized.
49 (3) The street address, and the mailing address if different from the street address,
50 of the limited liability company's registered office in the State, the county in
51 which the registered office is located, the name of its registered agent at that

1 office, and a statement of any change of the registered office or registered
2 agent.

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

4 (5) The names, titles, and business addresses of the limited liability company's
5 principal company officials.

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

7"

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

10 **"§ 57D-2-26. Exemptions for LLCs owned by deployed members of the Armed Forces.**

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

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

15 (2) Deployed member. – A member of the Armed Forces who is removed from
16 his or her county of residence pursuant to an official order for a deployment
17 period that ends on or after the ninetieth day preceding the due date of the
18 annual report required by G.S. 57D-2-24.

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

23 (1) Prior to the start of the deployment, the LLC or foreign LLC shall file
24 electronically with the Secretary of State a sworn affidavit of deployment
25 executed by the deployed member that includes the following information:

26 a. The full name of the deployed member.

27 b. The name of the LLC or foreign LLC and, for a foreign LLC, any
28 different name under which the foreign LLC is authorized to transact
29 business in this State and the name of the jurisdiction under whose law
30 the foreign LLC is organized.

31 c. The percentage ownership interest in the LLC or foreign LLC
32 currently held by the deployed member.

33 d. The expected start and end dates of the deployment.

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

37 (2) In the event the deployment is extended beyond the date stated in the affidavit
38 of deployment, the LLC or foreign LLC shall file electronically with the
39 Secretary of State, within 180 days of the end date stated in the affidavit of
40 deployment filed with the Secretary of State pursuant to subdivision (1) of this
41 subsection, a sworn affidavit of extended deployment by an authorized
42 representative of the corporation that includes the following information:

43 a. The title or position in the LLC or foreign LLC held by the affiant.

44 b. The full name of the deployed member.

45 c. The name of the LLC or foreign LLC and, for a foreign LLC, any
46 different name under which the foreign LLC is authorized to transact
47 business in this State and the name of the jurisdiction under whose law
48 the foreign LLC is organized.

49 d. The percentage ownership interest in the LLC or foreign LLC
50 currently held by the deployed member.

51 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 ~~(1a)~~(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.

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

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

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

13 **"§ 90-632.16. Unlicensed massage and bodywork therapy prohibited at massage and**
14 **bodywork therapy establishments.**

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

22
23 **LIMIT LOCAL GLAZING AND TRANSPARENCY REQUIREMENTS**

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

26 **"§ 160D-702.1. Glazing and transparency limitations.**

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

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

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

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

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

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

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

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

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

12 (2) The North Carolina Fire Code.

13 (3) Floodplain or floodproofing requirements.

14 (4) Requirements imposed by State or federal law.

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

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

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

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

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

30 SEVERABILITY AND EFFECTIVE DATE

31 **SECTION 30.(a)** If any provision of this act or its application is held invalid, the
32 invalidity does not affect other provisions or applications of this act that can be given effect
33 without the invalid provisions or application and, to this end, the provisions of this act are
34 severable.
35

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