

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 1214
Committee Substitute Favorable 6/9/26
PROPOSED COMMITTEE SUBSTITUTE H1214-PCS10667-DGa-6

Short Title: Make E-Verify Great Again.

(Public)

Sponsors:

Referred to:

May 5, 2026

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE STATE AND LOCAL GOVERNMENT EMPLOYERS TO COMPLY
3 WITH ARTICLE 2 OF CHAPTER 64 OF THE GENERAL STATUTES, TO CREATE A
4 GOOD-FAITH SAFE HARBOR FOR EMPLOYERS WHO UNKNOWINGLY RECEIVE
5 FRAUDULENT DOCUMENTATION RELATED TO THE FEDERAL E-VERIFY
6 PROGRAM, TO ALLOW THE COMMISSIONER OF LABOR TO CONDUCT RANDOM
7 COMPLIANCE CHECKS RELATED TO E-VERIFY, TO ALLOW EMPLOYERS TO
8 CURE ALLEGED VIOLATIONS OF E-VERIFY REQUIREMENTS, TO INCREASE THE
9 CIVIL PENALTIES FOR EMPLOYERS WHO FAIL TO COMPLY WITH E-VERIFY
10 REQUIREMENTS, TO PROTECT EMPLOYEES FROM RETALIATION FOR
11 GOOD-FAITH REPORTS OF SUSPECTED VIOLATIONS OF E-VERIFY
12 REQUIREMENTS, AND TO APPROPRIATE FUNDS TO THE DEPARTMENT OF
13 LABOR FOR THE ENFORCEMENT OF THIS ACT.

14 The General Assembly of North Carolina enacts:

15 SECTION 1.(a) G.S. 64-25 reads as rewritten:

16 "§ 64-25. Definitions.

17 The following definitions apply in this Article:

- 18 (1) Commissioner. – The North Carolina Commissioner of Labor.
19 (2) Employ. – Hire an employee.
20 (3) Employee. – Any individual who provides services or labor for an employer
21 in this State for wages or other remuneration. The term does not include an
22 individual whose term of employment is less than nine months in a calendar
23 year.
24 (4) Employer. – Any person, business entity, or other organization that transacts
25 business in this State and that employs 25 or more employees in this State.
26 ~~This term does not include State agencies, counties, municipalities, or other~~
27 ~~governmental bodies.~~ The term also includes any entity required to participate
28 in E-Verify pursuant to any of the following:
29 a. State and local entities pursuant to G.S. 126-7.1(i).
30 b. Counties pursuant to G.S. 153A-99.1.
31 c. Municipalities pursuant to G.S. 160A-169.1.
32 (5) E-Verify. – The federal E-Verify program operated by the United States
33 Department of Homeland Security and other federal agencies, or any
34 successor or equivalent program used to verify the work authorization of
35 newly hired employees pursuant to federal law.



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(6) Unauthorized alien. – As defined in 8 U.S.C. § 1324a(h)(3)."

SECTION 1.(b) G.S. 64-26 reads as rewritten:

"§ 64-26. Verification of employee work authorization.

(a) Employers Must Use E-Verify. – Each employer, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify.

(b) Employer Preservation of E-Verify Forms. – Each employer shall retain the record of the verification of work authorization required by this section while the employee is employed and for one year thereafter.

(c) Repealed by Session Laws 2013-418, s. 2(g), effective September 4, 2013.

(d) Good-Faith Compliance. – An employer shall be deemed in good-faith compliance with this Article if the employer timely enrolls in and utilizes E-Verify as required by law, properly completes and retains all required forms and documentation, and does not knowingly or with reckless disregard accept fraudulent documentation. An employer acting in good-faith compliance with this Article shall not be subject to civil penalties under this Article solely because an employee submitted fraudulent information or documentation that could not reasonably have been detected."

SECTION 1.(c) G.S. 64-29 reads as rewritten:

"§ 64-29. Investigation of ~~complaints~~; complaints; compliance checks.

(a) Investigation. – Upon receipt of a complaint filed in accordance with G.S. 64-28, the Commissioner shall investigate whether a violation of G.S. 64-26 or G.S. 143-133.3 has in fact occurred.

(a1) Random Compliance Checks. – The Commissioner may conduct random compliance checks of employers to determine compliance with G.S. 64-26 and G.S. 143-133.3. Random compliance checks shall be conducted in a neutral and nondiscriminatory manner based on a randomized sample of all employers registered with the Secretary of State, weighted by size and industry. Upon selecting an employer for a random compliance check, the Commissioner shall provide written notice to the employer. The written notice shall include any request for employment records from the employer, provided that any employment records requested under this subsection shall be limited to the documentation listed in subsection (e) of this section. The employer shall provide the Commissioner with the requested employment records within 30 calendar days of receiving the notice of the random compliance check. No employer shall be subject to a random compliance check more than once per calendar year.

(b) Certain Complaints Shall Not Be Investigated. – The Commissioner shall not investigate complaints that are based solely on race, religion, gender, ethnicity, or national origin.

(c) Assistance by Law Enforcement. – The Commissioner may request that the State Bureau of Investigation assist in investigating a complaint under this section.

(d) Subpoena for Production of Documents. – The Commissioner may issue a subpoena for production of employment records that relate to the recruitment, hiring, employment, or termination policies, practices, or acts of employment as part of ~~the investigation of a valid complaint~~ an investigation or compliance check initiated under this section.

(e) Compliance Checks Limited to Documentation. – Any compliance check conducted pursuant to this section shall be limited to the review of records, documents, reports, certifications, or other paperwork required by law to be maintained or submitted by the regulated person or entity. No provision of this section shall be construed to authorize the State, any agency, department, officer, employee, or contractor thereof to enter upon, inspect, access, or conduct a physical examination of private property without the consent of the property owner or lawful occupant, except as otherwise expressly authorized by federal law, State law, or a valid administrative or judicial warrant. A request for documents or records under this section shall not, by itself, create or imply a right of physical entry onto private property."

SECTION 1.(d) G.S. 64-30 reads as rewritten:

"§ 64-30. Actions to be taken; hearing.

1 (a) If, after an ~~investigation,~~ investigation or compliance check, the Commissioner
2 determines that ~~the complaint an alleged violation~~ is not false or ~~frivolous;~~ frivolous, then the
3 following shall occur:

4 (1) If the alleged violation is of G.S. 64-26:

5 a. ~~The Commissioner shall hold a hearing to determine if a violation of~~
6 ~~G.S. 64-26 has occurred and, if appropriate, impose civil penalties in~~
7 ~~accordance with the provisions of this Article.~~

8 a1. If the employer is entitled to the cure period in accordance with
9 subsection (b) of this section, prior to imposing civil penalties pursuant
10 to G.S. 64-31, the Commissioner shall issue a written notice of
11 noncompliance to the employer. The employer shall have 30 calendar
12 days from receipt of the notice to cure the alleged violation by
13 enrolling in E-Verify, completing required verifications, and
14 otherwise complying with G.S. 64-26. If the employer cures the
15 alleged violation within the 30-day cure period and submits proof of
16 compliance to the Commissioner, the Commissioner shall not order
17 the employer to pay a civil penalty under G.S. 64-31.

18 a2. If the employer fails to cure the alleged violation within 30 days, or if
19 the employer is not entitled to the cure period in accordance with
20 subsection (b) of this section, the Commissioner shall hold a hearing
21 to determine if a violation of G.S. 64-26 has occurred and, if
22 appropriate, impose civil penalties in accordance with the provisions
23 of this Article.

24 b. If, during the course of the hearing required by ~~sub-subdivision a-~~
25 ~~sub-subdivision a2.~~ of this subdivision of this section, the
26 Commissioner concludes that there is a reasonable likelihood that an
27 employee is an unauthorized alien, the Commissioner shall notify the
28 following entities of the possible presence of an unauthorized alien:

- 29 1. United States Immigration and Customs Enforcement.
- 30 2. Local law enforcement agencies.

31 (2) If the alleged violation is of G.S. 143-133.3, the Commissioner shall hold a
32 hearing to determine if a violation of the applicable statute has occurred and,
33 if appropriate, shall take action under G.S. 64-33.1.

34 (b) An employer is entitled to the cure period under subdivision (1) of subsection (a) of
35 this section if the Commissioner has not previously issued an order against the employer pursuant
36 to G.S. 64-31 at the time of the alleged violation, regardless of whether the employer has
37 previously utilized the cure period under subdivision (1) of subsection (a) of this section."

38 **SECTION 1.(e)** G.S. 64-31 reads as rewritten:

39 **"§ 64-31. Consequences of first violation of G.S. 64-26.**

40 (a) ~~Affidavit Must Be Filed.~~ For a first violation of G.S. 64-26, the Commissioner shall
41 order the employer to file a signed sworn affidavit with the Commissioner within three business
42 days after the order issued pursuant to this subsection is issued. The affidavit shall state with
43 specificity that the employer has, after consultation with the employee, requested a verification
44 of work authorization through E-Verify.

45 (b) ~~Effect of Failure to File Affidavit.~~ If an employer fails to timely file an affidavit
46 required by subsection (a) of this section or by G.S. 64-32 or G.S. 64-33, the Commissioner shall
47 order the employer to pay a civil penalty of ten thousand dollars (\$10,000).

48 (c) Applicability of Section. – This section applies to a violation of G.S. 64-26 in either
49 of the following circumstances:

1 (1) At the time of the violation, the Commissioner has not previously issued an
2 order against the employer pursuant to this section and the employer fails to
3 cure the violation within the 30-day cure period provided in G.S. 64-30.

4 (2) At the time of the violation, the Commissioner has previously issued an order
5 against the employer pursuant to this section, but the previous order was
6 issued more than five years before the current violation. However, this
7 subdivision does not apply if, at the time of the violation, the Commissioner
8 has previously issued an order against the employer pursuant to G.S. 64-32 or
9 G.S. 64-33; in such case, the violation shall be subject to G.S. 64-33.

10 (d) Penalty. – For a violation of G.S. 64-26 that occurs in either of the circumstances
11 listed in subsection (c) of this section, the Commissioner may order the employer to pay a civil
12 penalty of up to one thousand dollars (\$1,000) for each required employee verification the
13 employer failed to make, provided that an order under this section shall not require the employer
14 to pay more than three thousand dollars (\$3,000)."

15 **SECTION 1.(f)** G.S. 64-32 reads as rewritten:

16 **"§ 64-32. Consequences of second violation of G.S. 64-26.**

17 For a violation of G.S. 64-26 that occurs within five years after an order has been issued
18 pursuant to G.S. 64-31, the Commissioner shall order ~~the measures required by G.S. 64-31(a)~~
19 ~~and shall also order the employer to pay a civil penalty of one thousand dollars (\$1,000),~~
20 ~~regardless of the number of required employee verifications the employer failed to make.~~two
21 thousand dollars (\$2,000) for each required employee verification the employer failed to make,
22 provided that an order under this section shall not require the employer to pay more than ten
23 thousand dollars (\$10,000)."

24 **SECTION 1.(g)** G.S. 64-33 reads as rewritten:

25 **"§ 64-33. Consequences of third or subsequent violation of G.S. 64-26.**

26 For a violation of G.S. 64-26 that occurs after an order has been issued pursuant to
27 G.S. 64-32, the Commissioner shall order ~~the measures required by G.S. 64-31(a), and shall also~~
28 ~~order the employer to pay a civil penalty of two thousand dollars (\$2,000)~~ five thousand dollars
29 (\$5,000) for each required employee verification the employer failed to ~~make~~ make, provided
30 that an order under this section shall not require the employer to pay more than twenty-five
31 thousand dollars (\$25,000). The Commissioner may also refer the matter to the Attorney General
32 for appropriate enforcement action."

33 **SECTION 1.(h)** Article 2 of Chapter 64 of the General Statutes is amended by
34 adding a new section to read:

35 **"§ 64-33.2. Proceeds of civil penalties.**

36 The clear proceeds of all civil penalties imposed pursuant to this Article shall be remitted to
37 the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

38 **SECTION 1.(i)** G.S. 64-34 reads as rewritten:

39 **"§ 64-34. Commissioner to maintain copies of orders.**

40 The Commissioner shall maintain copies of orders issued pursuant to G.S. 64-31, 64-32, and
41 64-33, and shall maintain a database of the employers and business locations that have a violation
42 of G.S. 64-26 and make the orders available on the Commissioner's website. The Commissioner
43 shall also maintain records of compliance checks conducted pursuant to G.S. 64-29."

44 **SECTION 1.(j)** G.S. 126-7.1(i) reads as rewritten:

45 "(i) Each State agency, department, institution, university, community college, and local
46 education agency shall (i) verify, in accordance with the Basic Pilot Program administered by the
47 United States Department of Homeland Security pursuant to 8 U.S.C. § 1101, et seq, each
48 individual's legal status or authorization to work in the United States after hiring the individual
49 as an employee to work in the ~~United States~~ United States and (ii) comply with Article 2 of
50 Chapter 64 of the General Statutes."

51 **SECTION 1.(k)** G.S. 153A-99.1 reads as rewritten:

1 **"§ 153A-99.1. County verification of employee work authorization.**

2 (a) Counties Must Use E-Verify. – Each county shall register and participate in E-Verify
3 to verify the work authorization of new employees hired to work in the United States.
4 Additionally, each county shall comply with Article 2 of Chapter 64 of the General Statutes.

5 (b) E-Verify Defined. – As used in this section, the term "E-Verify" means the federal
6 E-Verify program operated by the United States Department of Homeland Security and other
7 federal agencies, or any successor or equivalent program used to verify the work authorization
8 of newly hired employees pursuant to federal law.

9 (c) Nondiscrimination. – This section shall be enforced without regard to race, religion,
10 gender, ethnicity, or national origin."

11 **SECTION 1.(l)** G.S. 160A-169.1 reads as rewritten:

12 **"§ 160A-169.1. Municipality verification of employee work authorization.**

13 (a) Municipalities Must Use E-Verify. – Each municipality shall register and participate
14 in E-Verify to verify the work authorization of new employees hired to work in the United States.
15 Additionally, each municipality shall comply with Article 2 of Chapter 64 of the General Statutes.

16 (b) E-Verify Defined. – As used in this section, the term "E-Verify" means the federal
17 E-Verify program operated by the United States Department of Homeland Security and other
18 federal agencies, or any successor or equivalent program used to verify the work authorization
19 of newly hired employees pursuant to federal law.

20 (c) Nondiscrimination. – This section shall be enforced without regard to race, religion,
21 gender, ethnicity, or national origin."

22 **SECTION 1.(m)** This section becomes effective July 1, 2027, and applies to
23 violations occurring on or after that date.

24 **SECTION 2.(a)** G.S. 95-241 reads as rewritten:

25 **"§ 95-241. Discrimination prohibited.**

26 (a) No person shall discriminate or take any retaliatory action against an employee
27 because the employee in good faith does or threatens to do any of the following:

28 (1) File a claim or complaint, initiate any inquiry, investigation, inspection,
29 proceeding or other action, or testify or provide information to any person
30 with respect to any of the following:

- 31 a. Chapter 97 of the General Statutes.
- 32 b. Article 2A or Article 16 of this Chapter.
- 33 c. Article 2A of Chapter 74 of the General Statutes.
- 34 d. G.S. 95-28.1.
- 35 e. Article 16 of Chapter 127A of the General Statutes.
- 36 f. G.S. 95-28.1A.
- 37 g. Article 52 of Chapter 143 of the General Statutes.
- 38 h. Article 5F of Chapter 90 of the General Statutes.
- 39 i. Article 2 of Chapter 64 of the General Statutes.

40 (2) Cause any of the activities listed in subdivision (1) of this subsection to be
41 initiated on an employee's behalf.

42 (3) Exercise any right on behalf of the employee or any other employee afforded
43 by Article 2A or Article 16 of this Chapter, by Article 2A of Chapter 74 of the
44 General Statutes, or by Article 52 of Chapter 143 of the General Statutes.

45 (4) Comply with the provisions of Article 27 of Chapter 7B of the General
46 Statutes.

47 (5) Exercise rights under Chapter 50B. Actions brought under this subdivision
48 shall be in accordance with the provisions of G.S. 50B-5.5.

49 (b) It shall not be a violation of this Article for a person to discharge or take any other
50 unfavorable action with respect to an employee who has engaged in protected activity as set forth

1 under this Article if the person proves by the greater weight of the evidence that it would have
2 taken the same unfavorable action in the absence of the protected activity of the employee."

3 **SECTION 2.(b)** This section becomes effective October 1, 2026, and applies to
4 discriminatory or retaliatory actions taken on or after that date.

5 **SECTION 3.(a)** There is appropriated from the General Fund to the Department of
6 Labor the sum of ninety thousand dollars (\$90,000) in recurring funds for the 2026-2027 fiscal
7 year for one full-time equivalent position to assist in the enforcement of this act. This position
8 shall be designated as an exempt policymaking position of the Commissioner of Labor, not
9 subject to the limitations under G.S. 126-5(d)(2).

10 **SECTION 3.(b)** This section becomes effective July 1, 2026.

11 **SECTION 4.** Except as otherwise provided, this act is effective when it becomes
12 law.