

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 547
Committee Substitute Favorable 4/30/25
Third Edition Engrossed 5/7/25

Short Title: Children's Services Protection Act.

(Public)

Sponsors:

Referred to:

March 31, 2025

A BILL TO BE ENTITLED
AN ACT TO LIMIT LIABILITY FOR NONGOVERNMENTAL CONTRACTORS
WORKING WITH AND FOR CERTAIN PUBLIC AGENCIES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 31 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-300.1B. Limited liability for licensed nongovernmental contractors with agencies.

(a) The following definitions apply in this section:

(1) Nongovernmental contractor. – Any corporation, organization, or association, incorporated or otherwise, that is organized or operating in the State, or an individual operating a facility licensed under Article 2 of Chapter 122C of the General Statutes or Article 1A of Chapter 131D of the General Statutes.

(2) Public agency. – The Department of Health and Human Services and any county or local agency administering programs of public assistance pursuant to Chapter 108A of the General Statutes.

(b) Any nongovernmental contractor that contracts with the public agency for the provision of services to minors may be held liable for injury or damage caused by the negligence of the nongovernmental contractor but shall not be held liable for the injury or damage caused by the negligence of the public agency, including any officer, employee, volunteer, or agent of the public agency acting within the scope of their employment.

(c) The nongovernmental contractor and the public agency shall each bear the costs of defending itself against their respective acts and omissions and claims arising from those acts and omissions.

(d) Except as otherwise provided in subsections (b) and (e) of this section, if a tort claim against the nongovernmental contractor arises from or related to the performance of the contracted services to minors, the nongovernmental contractor shall be subject to the monetary limits equivalent to those for a public agency as provided for in G.S. 143-299.2. Any claim against the nongovernmental contractor arising from the nongovernmental contractor's provision of the contracted services to minors shall be filed with a court of competent jurisdiction and not before the Industrial Commission.

(e) Any nongovernmental contractor that contracts with the public agency for the provision of services to minors which takes any action that would qualify as abuse under G.S. 7B-101(1) shall not be subject to the limited liability provided in subsection (d) of this section."



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1 **SECTION 2.** This act becomes effective October 1, 2025, and applies to claims
2 arising from acts or omissions occurring on or after that date and contracts entered into or
3 renewed on or after that date.