

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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SENATE BILL 416  
Judiciary Committee Substitute Adopted 5/6/25  
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PROPOSED HOUSE COMMITTEE SUBSTITUTE S416-PCS35311-CV-31

Short Title: Personal Privacy Protection Act.

(Public)

Sponsors:

Referred to:

March 25, 2025

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENACT THE PERSONAL PRIVACY PROTECTION ACT AND TO MODIFY  
3 IOLTA EXPENDITURES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Chapter 55A of the General Statutes is amended by adding a new  
6 Article to read:

7 "Article 18.

8 "The Personal Privacy Protection Act.

9 **"§ 55A-18-01. Short title.**

10 This Article may be cited as The Personal Privacy Protection Act.

11 **"§ 55A-18-02. Purpose.**

12 This Article prohibits public agencies from collecting, disclosing, or releasing personal  
13 information about members, volunteers, and financial and nonfinancial donors to 501(c)  
14 nonprofit organizations, except as permitted by State or federal law or regulation. This Article  
15 provides penalties for violation of these privacy protections.

16 **"§ 55A-18-03. Definitions.**

17 In this Article, the following definitions apply:

18 (1) Nonprofit organization. – An entity that (i) is exempt from federal income tax  
19 under section 501(c) of the Internal Revenue Code of 1986 or any successor  
20 section, (ii) has submitted an application with the Internal Revenue Service  
21 for recognition of an exemption under section 501(c) of the Internal Revenue  
22 Code of 1986 or any successor section, or (iii) is a not-for-profit business  
23 entity recognized under State law.

24 (2) Person. – As defined in G.S. 12-3.

25 (3) Personal information. – Any list, record, register, registry, roll, roster, or other  
26 compilation of data of any kind that directly or indirectly identifies a person  
27 as a member, supporter, volunteer, or donor of financial or nonfinancial  
28 support to any nonprofit organization. For the purposes of this Article, the  
29 terms "supporter" and "volunteer" shall not include members of the governing  
30 board, officers, directors, or staff of a nonprofit organization.

31 (4) Public agency. – Any State or local governmental unit and its employees,  
32 however designated, including, but not limited to, this State; any department,  
33 agency, office, commission, board, division, or other entity of this State,  
34 including all boards, departments, and divisions; any political subdivision of



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1           this State, including, but not limited to, a county, city, local school  
2           administrative unit, community college, or any other local governmental unit,  
3           agency, authority, council, board, or commission; or any State or local court,  
4           tribunal, or other judicial or quasi-judicial body.

5   **"§ 55A-18-04. Protections afforded.**

6       (a)   Except as provided in G.S. 55A-18-05 of this Article, a public agency shall not do  
7       any of the following:

- 8           (1)   Require any person or nonprofit organization to provide the public agency  
9               with personal information or otherwise compel the release of personal  
10              information.  
11          (2)   Release, publicize, or otherwise publicly disclose personal information in  
12              possession of the public agency.  
13          (3)   Request or require a current or prospective contractor or grantee with the  
14              public agency to provide a list of nonprofit organizations to which the current  
15              or prospective contractor or grantee has provided financial or nonfinancial  
16              support.

17       (b)   Personal information is not a public record under Chapter 132 of the General Statutes.

18   **"§ 55A-18-05. Exemptions.**

19       This Article does not preclude any of the following:

- 20           (1)   Reporting or disclosure required by Article 22A of Chapter 163 of the General  
21               Statutes.  
22           (2)   Issuing of a lawful warrant for personal information by a court of competent  
23               jurisdiction.  
24           (3)   Request for discovery of personal information in litigation if both of the  
25               following conditions are met:  
26               a.   The requestor demonstrates a compelling need for the personal  
27                    information by clear and convincing evidence.  
28               b.   The requestor obtains a protective order barring disclosure of personal  
29                    information to any person not named in the litigation.  
30           (4)   Admission of personal information as relevant evidence before a court of  
31               competent jurisdiction. However, no court shall publicly reveal personal  
32               information absent a specific finding of good cause.  
33           (5)   Releasing personal information by a public agency that was voluntarily  
34               released to the public by the person or the nonprofit organization to which it  
35               relates.  
36           (6)   Collection of information disclosing the identity of any director, officer,  
37               registered agent, or incorporator of a nonprofit organization in any report or  
38               disclosure required by statute to be filed with the Secretary of State. This  
39               Article does not preclude an audit, examination, review, or investigation  
40               pursuant to the authority of the Secretary of State under Chapters 10B, 55A,  
41               78A, 78C, 78D, 120C, or 131F of the General Statutes so long as both of the  
42               following apply:  
43               a.   The personal information is only used in connection with the specific  
44                    audit, examination, review, or investigation to which the request  
45                    relates and for any related proceedings.  
46               b.   Any personal information collected otherwise remains subject to  
47                    G.S. 55A-18-04(a)(2), unless expressly required by law to be publicly  
48                    disclosed.  
49           (7)   Disclosure of personal information derived from a donation to a nonprofit  
50               organization that is affiliated with a public agency and required by statute, if

the person has not previously requested anonymity from the nonprofit organization.

(8) Collection and reporting by a national securities association that is registered pursuant to 15 U.S.C. § 78o-3, any regulations adopted under it, or any information that the national securities association is required to provide pursuant to State law.

(9) Requests by the Attorney General for personal information required for an audit, examination, review, or investigation pursuant to Chapters 36C, 36E, 55A, 75, and 131F of the General Statutes. Personal information provided pursuant to this exception shall only be used in connection with the specific audit, examination, review, or investigation to which the request relates and for any related proceedings. Any personal information collected shall otherwise remain subject to the provisions of G.S. 55A-18-04(a)(2), unless expressly required by law to be publicly disclosed.

**"§ 55A-18-06. Penalties.**

(a) A person alleging a violation of this Article may bring a civil action for appropriate injunctive relief, damages, or both. Damages awarded under this section may include one of the following, as appropriate:

(1) A sum of money not less than two thousand five hundred dollars (\$2,500) to compensate for injury or loss caused by each violation of this Article.

(2) For an intentional violation of this Article, a sum of money not to exceed three times the sum described in subdivision (1) of this subsection.

(b) A court, in rendering a judgment in an action brought under this Article, may award all or a portion of the costs of litigation, including reasonable attorneys' fees and witness fees, to the complainant in the action if the court determines that the award is appropriate.

(c) A person who knowingly violates this Article is guilty of a Class 2 misdemeanor.

**"§ 55A-18-07. Severability.**

If any provision of this Article or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of this Article that can be given effect without the invalid provision or application and, to that end, the provisions of this Article shall be severable."

**SECTION 2.** All funds received by the North Carolina State Bar, and administered by the North Carolina Interest on Lawyers' Trust Accounts (NC IOLTA) Board of Trustees, from banks by reason of interest earned on general trust accounts established by lawyers pursuant to Rule 1.15-2(b) of the Rules of Professional Conduct, or interest earned on trust or escrow accounts maintained by settlement agents pursuant to G.S. 45A-9, including any interest dividends, or other proceeds earned on or with respect to these funds, shall not be encumbered or expended for the purpose of awarding grants or for any purpose other than administrative costs during the period beginning July 1, 2025, and ending June 30, 2026.

**SECTION 3.** Section 1 of this act becomes effective December 1, 2025, and applies to offenses committed on or after that date. The remainder of this act is effective when it becomes law.