

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 416
Judiciary Committee Substitute Adopted 5/6/25
Third Edition Engrossed 5/7/25
House Committee Substitute Favorable 6/24/25

Short Title: Personal Privacy Protection Act.

(Public)

Sponsors:

Referred to:

March 25, 2025

A BILL TO BE ENTITLED

AN ACT TO ENACT THE PERSONAL PRIVACY PROTECTION ACT AND TO MODIFY
IOLTA EXPENDITURES.

The General Assembly of North Carolina enacts:

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

"Article 18.

"The Personal Privacy Protection Act.

"§ 55A-18-01. Short title.

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

"§ 55A-18-02. Purpose.

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

"§ 55A-18-03. Definitions.

In this Article, the following definitions apply:

- (1) Nonprofit organization. – An entity that (i) is exempt from federal income tax under section 501(c) of the Internal Revenue Code of 1986 or any successor section, (ii) has submitted an application with the Internal Revenue Service for recognition of an exemption under section 501(c) of the Internal Revenue Code of 1986 or any successor section, or (iii) is a not-for-profit business entity recognized under State law.
- (2) Person. – As defined in G.S. 12-3.
- (3) Personal information. – Any list, record, register, registry, roll, roster, or other compilation of data of any kind that directly or indirectly identifies a person as a member, supporter, volunteer, or donor of financial or nonfinancial support to any nonprofit organization. For the purposes of this Article, the terms "supporter" and "volunteer" shall not include members of the governing board, officers, directors, or staff of a nonprofit organization.
- (4) Public agency. – Any State or local governmental unit and its employees, however designated, including, but not limited to, this State; any department, agency, office, commission, board, division, or other entity of this State, 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

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

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

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

15 **"§ 55A-18-06. Penalties.**

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

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

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

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

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

27 **"§ 55A-18-07. Severability.**

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

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

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