GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

HOUSE BILL 926

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Short Title: Regulatory Reform Act of 2025. (Public)

Sponsors:

Referred to:

April 14, 2025

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:

PART I. OCCUPATIONAL LICENSING AND PROFESSIONAL PRACTICE REFORMS

AUTHORIZE DISTANCE EDUCATION FOR MASSAGE AND BODYWORK THERAPY LICENSURE

SECTION 1.(a) G.S. 90-622 is amended by adding a new subdivision to read:

"(7) Supervised. – Oversight provided by an instructor who is available either in person or virtually through real-time synchronous learning."

SECTION 1.(b) G.S. 90-629 reads as rewritten:

"**§ 90-629. Requirements for licensure to practice.**

Upon application to the Board and the payment of the required fees, an applicant may be licensed as a massage and bodywork therapist if the applicant meets all of the following qualifications:

(1) Has obtained a high school diploma or equivalent.
(2) Is 18 years of age or older.
(3) Is of good moral character as determined by the Board.
(4) Has successfully completed a training program consisting of a minimum of 650 ~~in-class~~ hours of supervised instruction at a Board-approved school.
(5) Has passed a competency assessment examination that meets generally accepted psychometric principles and standards and is approved by the Board.
(6) Has submitted fingerprint cards in a form acceptable to the Board at the time the license application is filed and consented to a criminal history record check by the State Bureau of Investigation.
(7) Demonstrates satisfactory proof of proficiency in the English language."

DENTISTRY INSTRUCTOR QUALIFICATIONS MODIFICATION

SECTION 2.(a) G.S. 90-29.5 reads as rewritten:

"**§ 90-29.5. Instructor's license.**

(a) The Board may issue an instructor's license to a person who is not otherwise licensed to practice dentistry in this State if the person meets both of the following conditions:

(1) Is licensed to practice dentistry anywhere in the United States or in any country, territory, or other recognized jurisdiction.

(2) Has met or been approved under the credentialing standards of a dental school or an academic medical center with which the person is to be ~~affiliated; such~~ affiliated for a period of at least 36 months or three calendar years, and that dental school or academic medical center shall be accredited by the American Dental Association's Commission on Accreditation or the Joint Commission on Accreditation of Health Care Organizations. If the person seeking an instructor's license under this section only performs research at the affiliated dental school or academic medical center, then the requirement to be credentialed for 36 months or three calendar years does not apply.

(b) The holder of an instructor's license may teach and practice dentistry:

(1) In or on behalf of a dental school or college offering a doctoral degree in dentistry operated and conducted in this State and approved by the North Carolina State Board of Dental Examiners;

(2) In connection with an academic medical center; and

(3) At any teaching hospital adjacent to a dental school or an academic medical center.

(c) Application for an instructor's license shall be made in accordance with the rules of the North Carolina State Board of Dental Examiners. On or after January 1, 2003, all dentists previously practicing under G.S. 90-29(c)(3) shall be granted an instructor's license upon application to the Board and payment of the required fee. The holder of an instructor's license shall be subject to the provisions of this Article."

SECTION 2.(b) G.S. 90-30(a) reads as rewritten:

"(a) The North Carolina State Board of Dental Examiners shall grant licenses to practice dentistry to such applicants who are graduates of a reputable dental institution, who, in the opinion of a majority of the Board, shall undergo a satisfactory examination of proficiency in the knowledge and practice of dentistry, subject, however, to the further provisions of this section and of the provisions of this Article.

The applicant for a license to practice dentistry shall be of good moral character, at least 18 years of age at the time the application is filed. The application for a dental license shall be made to the Board in writing and shall be accompanied by evidence satisfactory to the Board that the applicant is a person of good moral character, has an academic education, the standard of which shall be determined by the Board; that the applicant is a graduate of and has a diploma from a reputable dental college or the dental department of a reputable university or college recognized, accredited and approved as such by the Board; and that the applicant has passed a clinical licensing examination, the standard of which shall be determined by the Board.

The North Carolina State Board of Dental Examiners is authorized to conduct both written or oral and clinical examinations or to accept the results of other Board-approved regional or national independent third-party clinical examinations that shall include procedures performed on either human subjects or an approved alternative method, including manikins that simulate human subjects as part of the assessment of restorative clinical competencies and that are determined by the Board to be of such character as to thoroughly test the qualifications of the applicant, and may refuse to grant a license to any person who, in its discretion, is found deficient in the examination. The Board may refuse to grant a license to any person guilty of cheating, deception or fraud during the examination, or whose examination discloses to the satisfaction of the Board, a deficiency in academic or clinical education. The Board may employ such dentists found qualified therefor by the Board, in examining applicants for licenses as it deems appropriate.

The North Carolina State Board of Dental Examiners may refuse to grant a license to any person guilty of a crime involving moral turpitude, or gross immorality, or to any person addicted to the use of alcoholic liquors or narcotic drugs to such an extent as, in the opinion of the Board, renders the applicant unfit to practice dentistry.

Any license obtained through fraud or by any false representation shall be void ab initio and of no effect."

…."

SECTION 2.(c) This section becomes effective October 1, 2025.

GENERAL CONTRACTOR CONTINUING EDUCATION EXEMPTIONS

SECTION 3. G.S. 87-10.2 reads as rewritten:

"**§ 87-10.2. Continuing education.**

(a) As a condition of license renewal, at least one qualifier or qualifying party of a licensee holding a building contractor, residential contractor, or unclassified contractor license classification shall complete, on an annual basis, eight hours of continuing education approved in accordance with this section. Where an entity holding a building contractor, residential contractor, or unclassified contractor license classification has multiple qualifiers or qualifying parties, at least one qualifier or qualifying party of the licensee shall complete this requirement for the license to remain valid.

(a1) The following shall be exempt from the continuing education requirements imposed by subsection (a) of this section:

(1) A member of the General Assembly for any calendar year in which the member serves a term or some portion thereof in the General Assembly.

(2) A licensee who holds a special builder designation under G.S. 87-15.4 and meets the requirements of that section.

…."

END DUAL LICENSURE REQUIREMENTS FOR AUDIOLOGISTS

SECTION 4.(a) G.S. 93D-14 reads as rewritten:

"**§ 93D-14. Persons not affected.**

(a) Nothing in this Chapter shall apply to a physician licensed to practice medicine or surgery in the State of North Carolina.

(b) Any person who meets the requirements of ~~having both a doctoral degree in Audiology and~~ holding a valid ~~permanent~~ unrestricted license as an ~~audiologist~~ audiologist, audiology assistant, or certified technician under Article 22 of Chapter 90 of the General Statutes of North Carolina is exempt from licensure under this Chapter. ~~A person who does not meet both requirements of having a doctoral degree in Audiology and holding a valid permanent license as an audiologist under Article 22 of Chapter 90 of the General Statutes of North Carolina must become a registered apprentice or be licensed by the Board before fitting or selling hearing aids in the State of North Carolina.~~

~~(c) Nothing in this Chapter shall be construed to exempt an audiology assistant or certified technician, working under the supervision of a licensee or a person exempt from licensure under this Chapter, from being subject to the provisions of this Chapter. Such a person, before engaging in fitting or selling hearing aids, as defined in this Chapter, must be registered as an apprentice under a Registered Sponsor or be licensed by the Board.~~

(d) The provisions of this Chapter shall not apply to the activities and services of an audiology student pursuing a course of study in an accredited college or university, if these activities and services constitute a part of such person's course of study."

SECTION 4.(b) This section is effective when it becomes law.

LOCKED HEARING AID DISCLOSURES FOR HEARING AID FITTERS, DEALERS, AND AUDIOLOGISTS

SECTION 5.(a) Chapter 93D of the General Statutes is amended by adding a new section to read:

"**§ 93D-7.1. Disclosure of locked hearing aid software; additional disclosures and record keeping.**

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

(1) Locked hearing aid. – A hearing aid that uses either proprietary programming software or locked, nonproprietary programming software that restricts programming or servicing of the device to specific facilities or providers.

(2) Locked, nonproprietary programming software. – Software that any provider or seller can render inaccessible to other hearing aid programmers.

(3) Proprietary programming software. – Software used to program hearing aids that is supplied by a hearing aid distributor or manufacturer for exclusive use by affiliated providers or sellers. This software is locked and inaccessible to nonaffiliated providers or sellers.

(b) Disclosure of Locked Programming Software. – To the extent not inconsistent with federal law, any person licensed under this Chapter who sells locked hearing aids shall, before consummating the sale of any locked hearing aid, provide the purchaser with a written notice, in 12-point type or larger, stating:

"The hearing aid being purchased uses proprietary or locked programming software and can only be serviced or programmed at specific facilities or locations."

The purchaser shall sign the notice prior to sale completion. The seller shall retain a copy of the signed notice for at least seven years, subject to the conditions of subsection (d) of this section.

(c) Written Receipt of Sale. – Upon consummation of a sale of a locked hearing aid, in addition to complying with G.S. 93D-7, the licensee shall deliver to the purchaser a written receipt signed by or on behalf of the licensee, containing all of the following information:

(1) The date of consummation of the sale.

(2) The make, model number, and serial number of the hearing aid sold.

(3) Whether the hearing aid is new, used, or reconditioned.

(4) The licensee's name and license number, and the name and license number of any other hearing aid dispenser, apprentice, temporary licensee, or trainee licensee who provided any recommendation or consultation regarding the purchase.

(5) The address of the principal place of business of the licensee, and the address and office hours at which the licensee shall be available for fitting or post-fitting adjustments and servicing of the hearing aid sold.

(6) The terms of any guarantee or written warranty made to the purchaser with respect to the hearing aid.

If multiple locked hearing aids are sold in a single transaction, a single written notice under subsection (b) of this section and a single written receipt under this subsection may be used to satisfy the requirements of this section, provided that the required information for each hearing aid sold is clearly documented.

(d) Record Keeping. – The licensee shall maintain, for a period of at least seven years after the sale, the following records for each hearing aid sold:

(1) A copy of the written notice described in subsection (b) of this section as signed by the purchaser.

(2) A copy of the written receipt described in subsection (c) of this section.

(3) The results of any audiologic tests or measurements performed as part of the fitting and dispensing of the hearing aid or aids.

(4) A copy of any written recommendations prepared as part of the fitting and dispensing of the hearing aid or aids.

These records shall be kept at the licensee's principal place of practice and shall be made available for inspection by the Board."

SECTION 5.(b) The North Carolina State Hearing Aid Dealers and Fitters Board may adopt rules to implement subsection (a) of this section.

SECTION 5.(c) This section becomes effective October 1, 2025.

SECTION 6.(a) Article 22 of Chapter 90 of the General Statutes is amended by adding a new section to read:

"**§ 90-308. Disclosure of locked hearing aid software by audiologists; receipt and record requirements.**

(a) Disclosure of Locked Programming Software. – To the extent not inconsistent with federal law, a licensed audiologist who engages in the fitting or selling of locked hearing aids, as defined in G.S. 93D-7.1(a)(1), shall, before consummating the sale of any locked hearing aid, provide the purchasing patient with a written notice in at least 12-point type stating:

"The hearing aid being purchased uses proprietary or locked programming software and can only be serviced or programmed at specific facilities or locations."

This notice must be signed by the purchasing patient prior to sale completion. The audiologist shall retain a copy of the signed notice in the patient's file in addition to the record requirements of subsection (c) of this section.

(b) Receipt of Sale. – Upon the consummation of a sale of a locked hearing aid, in addition to complying with G.S. 93D-7, the audiologist shall give the purchasing patient a written receipt, signed by or on behalf of the audiologist, containing all of the following information:

(1) The date of consummation of the sale.

(2) The make, model, and serial number of the hearing aid sold.

(3) Whether the hearing aid is new, used, or reconditioned.

(4) The audiologist's name and license number. If any other hearing care professionals licensed under this Article, such as another audiologist or temporary licensee, provided any recommendation or consultation for the purchase, their name and applicable license number shall also be noted.

(5) The address of the principal place of business of the audiologist, and the address and office hours at which the audiologist shall be available for fitting or post-fitting adjustments and servicing of the hearing aid sold.

(6) The terms of any guarantee or written warranty made to the purchasing patient with respect to the hearing aid.

If multiple locked hearing aids are sold in a single transaction, a single written notice under subsection (a) of this section and a single written receipt under this subsection may be used to satisfy the requirements of this section, provided that the required information for each hearing aid sold is clearly documented.

(c) Record Keeping. – A licensed audiologist shall maintain, for a period of at least seven years after the sale, the following records for each locked hearing aid transaction:

(1) A copy of the written notice described in subsection (a) of this section as signed by the purchasing patient.

(2) A copy of the written receipt described in subsection (b) of this section.

(3) The results of any audiologic tests or measurements performed as part of the fitting and dispensing of the locked hearing aid or aids.

(4) A copy of any written recommendations prepared as part of the fitting and dispensing of the hearing aid or aids.

These records shall be kept at the audiologist's principal place of practice and shall be made available for inspection by the Board."

SECTION 6.(b) The North Carolina Board of Examiners for Speech and Language Pathologists and Audiologists may adopt rules to implement subsection (a) of this section.

SECTION 6.(c) This section becomes effective October 1, 2025.

AUTHORIZE BROKERS TO REGISTER WITH MULTIPLE DEALERS

SECTION 7.(a) G.S. 78A-36 reads as rewritten:

"**§ 78A-36. Registration requirement.**

(a) It is unlawful for any person to transact business in this State as a dealer or salesman unless he is registered under this Chapter. No dealer shall be eligible for registration under this Chapter, or for renewal of registration hereunder, unless such dealer is at the time registered as a dealer with the Securities and Exchange Commission under the Securities Exchange Act of 1934.

(b) It is unlawful for any dealer to employ a salesman unless the salesman is registered. The registration of a salesman is not effective during any period when he is not associated with a particular dealer registered under this Chapter. When a salesman begins or terminates those activities which make him a salesman, the salesman as well as the dealer shall promptly notify the Administrator.

The Administrator may by rule or order require the return of a salesman's license upon the termination of those activities which make him a salesman or, if such return is impossible, require a bond or evidence satisfactory to the Administrator of such impossibility. No salesman may be registered with more than one ~~dealer.~~dealer unless each of the dealers which employs or associates with the salesman is under common ownership or control, or the registration is otherwise allowed by a rule or order of the Administrator.

(c) Every registration expires on the thirty-first day of March of each year (or such other date not more than one year from its effective date as the Administrator may by rule or order provide) unless renewed."

SECTION 7.(b) This section becomes effective October 1, 2025.

PART II. BUSINESS, DEVELOPMENT, AND EDUCATION REFORMS

ALLOW BUYER'S AGENT COMPENSATION TO BE INCLUDED IN THE OFFER TO PURCHASE

SECTION 8.(a) Definitions. – For purposes of this section, "Offer and Sales Contracts Rule" means 21 NCAC 58A .0112 (Offer and Sales Contracts).

SECTION 8.(b) Offer and Sales Contracts Rule. – Until the effective date of the revised permanent rule that the Real Estate Commission is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the Offer and Sales Contracts Rule as provided in subsection (c) of this section.

SECTION 8.(c) Implementation. – A broker acting as an agent in a real estate transaction may use a preprinted offer or sales contract form containing provisions concerning the payment of a commission or compensation, including the forfeiture of earnest money, to a broker or firm.

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

SECTION 8.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

OWNER CHOICE FOR PERMITTING

SECTION 8.5 G.S. 160D-203 reads as rewritten:

"**§ 160D-203. Split jurisdiction.**

(a) If a parcel of land lies within the planning and development regulation jurisdiction of more than one local ~~government, for the purposes of this Chapter, the local governments may, by mutual agreement pursuant to Article 20 of Chapter 160A of the General Statutes and with the written consent of the landowner, assign exclusive planning and development regulation jurisdiction under this Chapter for the entire parcel to any one of those local governments. Such a mutual agreement~~ government, the following shall apply:

(1) If only one local government has the ability to provide water and sewer services to the parcel at the time a site plan for the parcel is submitted, the local government that has the ability to provide public water and sewer services shall have planning and development regulation jurisdiction over the entire parcel.

(2) If all of the local governments have the ability to either provide public water services or public sewer services to the parcel, but not both, at the time a site plan for the parcel is submitted, the landowner may designate which local government's planning and development regulations shall apply to the land.

(3) If all or none of the local governments have the ability to provide public water and sewer services to the parcel at the time a site plan for the parcel is submitted, the local government where the majority of the parcel is located shall have jurisdiction over the land.

(b) The jurisdiction established by this section shall only be applicable to development regulations and shall not affect taxation or other nonregulatory matters. ~~The mutual agreement shall be evidenced by a resolution formally adopted by each governing board and recorded with the register of deeds in the county where the property is located within 14 days of the adoption of the last required resolution.~~"

MODIFY THE FALLS RESERVOIR WATER SUPPLY NUTRIENT STRATEGY RULES TO EXEMPT NEW RESIDENTIAL DEVELOPMENT DISTURBING LESS THAN 1 ACRE

SECTION 9.(a) Definitions. – For purposes of this section and its implementation, "Falls Lake New Development Rule" means 15A NCAC 02B .0277 (Falls Reservoir Water Supply Nutrient Strategy: Stormwater Management for New Development).

SECTION 9.(b) Falls Lake New Development Rule. – Until the effective date of the revised permanent rule that the Environmental Management Commission (Commission) is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the Falls Lake New Development Rule as provided in subsection (c) of this section.

SECTION 9.(c) Implementation. – Except as required pursuant to federal law or permit, no stormwater permit, management plan, or post-construction stormwater controls shall be required under the Falls Lake New Development Rule or local ordinances adopted thereunder for single family and duplex residential that cumulatively disturb less than 1 acre, which is not part of a larger common plan of development. Notwithstanding any authority granted under the Falls Lake New Development Rule or pursuant to other statute or rule, no local government may establish requirements more restrictive than that established by this subsection.

SECTION 9.(d) Additional Rulemaking Authority. – The Commission shall adopt a rule to amend the Falls Lake New Development Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the

General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 9.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

PROHIBIT WAITING PERIODS FOR REFILING OF DEVELOPMENT APPLICATIONS

SECTION 9.2. G.S. 160D-601 is amended by adding a new subsection to read:

"(e) Withdrawn or Denied Applications. – A development regulation or unified development ordinance may not include waiting periods prohibiting a landowner, developer, or applicant from refiling a denied or withdrawn application for a zoning map amendment, text amendment, development application, or request for development approval."

REQUIRE ANNUAL PUBLICATION OF LOCAL GOVERNMENT FINANCIAL REPORTS ON FEES ASSOCIATED WITH BUILDING CODE ENFORCEMENT

SECTION 9.5 G.S. 160D-1102(c) reads as rewritten:

"(c) No later than October 1 of ~~2023, 2024, and 2025,~~ each year, every local government shall publish an annual financial report on how it used fees from the prior fiscal year for the support, administration, and implementation of its building code enforcement program as required by G.S. 160D-402(d). This report is in addition to any other financial report required by law."

ALLOWING THE USE OF UNGRADED LUMBER IN CERTAIN CIRCUMSTANCES

SECTION 10.(a) Definitions. – For purposes of this section, the following definitions apply:

(1) Dimension lumber. – Lumber that has not been grade-stamped under the authority of a lumber grading bureau.

(2) Small mill. – A sawmill that mills less than 1,000,000 board feet of lumber per year.

SECTION 10.(b) The North Carolina Residential Code Council shall amend the North Carolina Residential Code in order to permit dimension lumber that has not been grade-stamped under the authority of a lumber grading bureau to be used in the construction of one- and two-family dwellings, when that use meets all of the following requirements:

(1) The lumber is sold directly by the owner or employee of the sawmill that milled the lumber to the owner of the dwelling to be constructed or that person's authorized representative.

(2) The dimension lumber meets or exceeds the requirements of the North Carolina Residential Code other than the requirements that only grade-stamped lumber be used in residential construction.

(3) The operator of the sawmill has a certificate from a State-approved lumber grading training program, certifies that the lumber conforms with product and inspection standards under American Softwood Lumber Standard PS20, and marks the lumber with (i) the mill number, name, or abbreviation, (ii) the species or combination of species of the lumber, (iii) whether the lumber was dry or green when manufactured as required by American Softwood Lumber Standard PS20, and (iv) whether the lumber conforms with PS20 standards.

(4) The appropriate code enforcement official reviews the framing of the dwelling to ensure that it meets the requirements of the North Carolina Residential Code in all respects other than the requirements that only grade-stamped lumber be used in residential construction. The code enforcement official shall

not be liable for any structural failure that occurs as a result of the use of dimension lumber rather than grade-stamped lumber.

(5) The sawmill provides to the purchaser a certificate containing all of the following information:

a. A statement of the species of wood, quantity milled, and address where the lumber will be used.

b. The name of the sawmill operator certified pursuant to G.S. 143-138.2 who milled the lumber.

c. A certification that the lumber meets or exceeds the requirements of the North Carolina Residential Code with the exception that it has not been grade-stamped by an accredited lumber grading bureau.

d. The date of sale of the lumber.

SECTION 10.(c) The North Carolina Residential Code Council shall amend the North Carolina Residential Code and the North Carolina Building Code Council shall amend the North Carolina Building Code in order to permit dimension lumber that has not been grade-stamped under the authority of a lumber grading bureau to be used in the construction of one- and two-family dwellings and structures classified as Residential Group R-2 or R-3, when that use meets all of the following requirements:

(1) The lumber is sold directly by the owner or employee of a small mill or a mobile sawmill that milled the lumber to the owner of the structure to be constructed or that person's authorized representative.

(2) The dimension lumber meets or exceeds the requirements of the North Carolina Residential Code or the North Carolina Building Code, as applicable, other than the requirements that only grade-stamped lumber be used in residential construction.

(3) The operator of the small mill or mobile sawmill has a certificate from a State-approved lumber grading training program, certifies that the lumber conforms with product and inspection standards under American Softwood Lumber Standard PS20, and marks the lumber with (i) the mill number, name, or abbreviation, (ii) the species or combination of species of the lumber, (iii) whether the lumber was dry or green when manufactured as required by American Softwood Lumber Standard PS20, and (iv) whether the lumber conforms with PS20 standards.

(4) The appropriate code enforcement official reviews the framing of the structure to ensure that it meets the requirements of the North Carolina Residential Code or the North Carolina Building Code, as applicable, in all respects other than the requirements that only grade-stamped lumber be used in residential construction. The code enforcement official shall not be liable for any structural failure that occurs as a result of the use of dimension lumber rather than grade-stamped lumber.

(5) The small mill or mobile sawmill provides to the purchaser a certificate containing all of the following:

a. A statement of the species of wood, quantity milled, and address where the lumber will be used.

b. The name of the sawmill operator certified pursuant to G.S. 143-138.2 who milled the lumber.

c. A certification that the lumber meets or exceeds the requirements of the North Carolina State Building Code with the exception that it has not been grade-stamped by an accredited lumber grading bureau.

d. The date of sale of the lumber.

SECTION 10.(d) The Residential Code Council and Building Code Council shall adopt temporary rules to implement the requirements of this section no later than 180 days after the effective date of this section. The Residential Code Council and Building Code Council shall also adopt permanent rules to replace the temporary rules.

SECTION 11.(a) Article 9 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-138.2. Lumber grading training program.**

(a) The North Carolina Cooperative Extension Service shall establish a basic lumber grading training program for individuals and establish the general requirements for successfully completing the training program, including requirements for initial certification and for recertification. The North Carolina Cooperative Extension Service shall offer the training program at least annually. The Extension Forestry staff, in cooperation with the staff of the North Carolina Forest Service, shall develop and establish the content of the training program, determine the certification requirements for instructors teaching the training program, and determine the criteria for determining successful completion of the training program. Instructors shall be approved by the North Carolina Cooperative Extension Service.

(b) The North Carolina Cooperative Extension Service may, in its discretion, authorize one or more private lumber grading training programs, provided that the content of the private programs and certification requirements for instructors and criteria for successful completion of the training program are at least as stringent as the program offered by the North Carolina Cooperative Extension Service. An authorized private training program may issue initial certifications and recertifications.

(c) An individual holding an initial certification from the program established by subsection (a) of this section, from a private program authorized under subsection (b) of this section, or from a State-approved lumber grading program in another state who mills lumber in this State shall be recertified under the training program every five years.

(d) An individual who holds an initial certification from the program established by subsection (a) of this section, from a private program authorized under subsection (b) of this section, or from a State-approved lumber grading program in another state shall register with the North Carolina Forest Service before selling lumber that has not been grade-stamped under the authority of a lumber grading bureau directly to the owner of a structure for use in construction of the structure."

SECTION 11.(b) The North Carolina Cooperative Extension Service shall establish the basic lumber grading training program no later than 180 days after the effective date of this section.

SECTION 12. G.S. 160D-1110 is amended by adding a new subsection to read:

"(b1) For a structure constructed with lumber that has not been grade-stamped under the authority of a lumber grading bureau, a building permit applicant shall submit with the building permit application all of the following:

(1) A statement of the species of wood, quantity, and address where the lumber will be used.

(2) The name of the sawmill operator certified pursuant to G.S. 143-138.2 who milled the lumber.

(3) A certification that the lumber meets or exceeds the requirements of the North Carolina State Building Code with the exception that it has not been grade-stamped by an accredited lumber grading bureau.

(4) The date of sale of the lumber."

SECTION 13. Section 10 of this act is effective when it becomes law and expires when the Residential Code Council and Building Code Council have issued permanent rules substantially similar to Sections 10(b) and 10(c) of this act and notified the Codifier of Statutes that it has done so. Section 12 of this act becomes effective on the date that the temporary rules

required to be adopted by the Residential Code Council and Building Code Council by Section 10 of this act become effective.

MINING PERMIT PROCESS MODIFICATIONS

SECTION 14.(a) G.S. 74-49 reads as rewritten:

"**§ 74-49. Definitions.**

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

…

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

"Mining" does not include:

…

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

…."

SECTION 14.(b) G.S. 74-50 reads as rewritten:

"**§ 74-50. Permits – General.**

…

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

…

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

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

(2) If the Department is noticed of pending cancellation of a bond by the surety pursuant to G.S. 74-54(a) and the bond is not replaced within 60 days of the Department's receipt of the notice, the permit to which the bond or security pertains shall be automatically revoked.

…

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

SECTION 14.(c) G.S. 74-51 reads as rewritten:

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

…

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

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

(1) The Department shall perform an administrative review of an application and of a resubmittal of an application determined to be incomplete under subdivision (3) of this subsection within 10 working days of receipt to determine if the information is administratively complete. If complete, the Department shall issue a receipt letter or electronic response stating that the application is complete and that a 60-calendar day technical review period has started as of the original date the application was received. If required items or information is not included, the application shall be deemed incomplete, and the Department shall issue an application receipt letter or electronic response identifying the information required to complete the application package before the technical review begins. When the required information is received, the Department shall then issue a receipt letter or electronic response specifying that it is complete and that the 60-calendar day review period has started as of the date of receipt of all required information. The Department shall develop an application package checklist identifying the items and information required for an application to be considered administratively complete.

(2) If, during the 60-calendar day technical review period, the Department determines that the application meets the standards for issuance of a new, modified, or transferred mining permit, it shall approve the application.

(3) If, during the 60-calendar day technical review period, the Department determines that additional information is required to continue processing the application, the Department and the applicant shall comply with the following:

a. The Department shall issue a letter or electronic response with a list of the additional information required to issue the permit.

b. The applicant shall have up to 180 calendar days from the date the letter or electronic response is sent to submit the additional information to the Department.

c. If the applicant is unable to provide the required information within the time frame specified in sub-subdivision b. of this subdivision, the applicant may request, with good cause, that a one-year extension be granted by the Department; if the one year extension granted by the Department is insufficient, the applicant may then request another one-year extension granted by the Mining Commission.

d. If the applicant fails to provide the required information within 180 calendar days or within any extensions granted by the Department and Commission pursuant to sub-subdivision c. of this subdivision, the Department shall return the application to the applicant, the application is deemed denied, and the applicant must resubmit a complete application with a new application fee before the project may be reviewed.

e. Upon receipt of the required information from the applicant, the Department shall have 30 calendar days to complete the subsequent technical review and issue the permit, issue the permit with modifications, deny the permit, or issue a letter or electronic response with a list of additional information required to continue processing the application, and the review process will proceed in accordance with sub-subdivision b. or c. of this subdivision, as applicable.

f. After issuing a letter or electronic response requesting additional information under this subdivision, the Department shall not subsequently request additional information that was not previously identified as missing or required in that additional information letter or electronic response. The Department may, however, request additional information if required for the technical review based on any new information, changed circumstances, or changed designs provided by the applicant in a response provided pursuant to sub-subdivision b. or c. of this subdivision, as applicable.

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

…

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

…

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

a. Revocation of a permit,

b. Forfeiture of part or all of a bond or other security,

c. Conviction of a misdemeanor under G.S. 74-64,

d. Any other court order issued under G.S. 74-64, or
e. Final assessment of a civil penalty under G.S. 74-64, [or]
~~f. Failure to pay the application processing fee required under G.S. 74-54.1.~~

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

…

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

…."

SECTION 14.(d) This section becomes effective October 1, 2025, and applies to permit applications filed on or after that date.

NO DISCRIMINATION IN HIGHER EDUCATION AGAINST CREDITS, DEGREES, OR CERTIFICATIONS BASED ON ACCREDITOR IDENTITY WHERE THE ACCREDITOR IS RECOGNIZED BY THE U.S. DEPARTMENT OF EDUCATION

SECTION 15.(a) Article 1 of Chapter 115D of the General Statutes is amended by adding a new section to read:

"**§ 115D-1.4. No discrimination against potential transfer credits, degrees, or certifications based on accreditor identity.**

The State Board of Community Colleges shall adopt a policy that prohibits any community college from denying or treating disparately any potential transfer credit, degree, or other certification, for any purposes, solely on the basis of the identity of the accreditor, provided that the credits, degree, or other certification came from an institution or program that held accreditation from any accreditor recognized by the United States Department of Education where earned."

SECTION 15.(b) G.S. 116-11 is amended by adding a new subdivision to read:

"(8c) The Board of Governors shall adopt a policy that prohibits any constituent institution from denying or treating disparately any potential transfer credit, degree, or other certification, for any purposes, solely on the basis of the identity of the accreditor, provided that the credits, degree, or other certification came from an institution or program that held accreditation from any accreditor recognized by the United States Department of Education where earned."

DELAY PHASED-IN MANDATORY COMMERCIAL AND RECREATIONAL REPORTING OF CERTAIN FISH HARVESTS, AS ENACTED BY S.L. 2023-137 AND AMENDED BY S.L. 2024-45

SECTION 16. Section 6(f) of S.L. 2023-137, as amended by Section 8 of S.L. 2024-45, reads as rewritten:

"**SECTION 6.(f)** Subsection (a) of this section becomes effective ~~December 1, 2025,~~ December 1, 2026, and applies to violations committed on or after that date. Subsection (b) of this section becomes effective ~~December 1, 2026,~~ December 1, 2027, and applies to violations committed on or after that date. Subsection (c) of this section becomes effective ~~December 1, 2027,~~ December 1, 2028, and applies to violations committed on or after that date. The remainder of this section is effective when it becomes law."

LIMIT LOCAL GOVERNMENT AUTHORITY TO REGULATE THE DISPLAY OF AMERICAN FLAGS ON PRIVATE PROPERTY

SECTION 17.(a) Article 8 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"**§ 160A-205.8. Limitations on regulations of display of certain flags on private property.**

(a) No city shall adopt or enforce an ordinance that prohibits or restricts, or has the effect of prohibiting or restricting, a property owner from displaying a flag of the United States of America or the State of North Carolina, including prohibiting or restricting the size of the flag or the height of any associated flagpole, on the property owner's property.

(b) A city may adopt an ordinance to reasonably regulate the manner and placement of the display of a flag of the United States of America or the State of North Carolina only when necessary to protect public health and safety; provided, however, enforcement of the ordinance as to a particular property shall require evaluation of and written findings of fact documenting the public health and safety concerns justifying enforcement of the ordinance at that particular property. If a city asserts a traffic-based justification concerning a flag on a particular property, a site study conducted by the Department of Transportation shall be performed to evaluate whether traffic concerns will actually arise with manner or placement of the display of the flag at the particular location, and a flag shall only be prohibited if the Department of Transportation determines traffic concerns would in fact arise."

SECTION 17.(b) This section is effective when it becomes law, and any citation, fine, penalty, action, proceeding, or litigation pending on that date which has resulted from application of an ordinance contrary to the provisions of this section is abated by this section.

SECTION 17.2 G.S. 160D-912.1 is amended by adding a new subsection to read:

"(e) This section shall not apply to an ordinance regulating on-premises advertising signs that was lawfully adopted by a local government, and: (i) included an amortization period of 10 or more years during which a nonconforming sign was allowed to remain in place before it was required to be removed or brought into compliance with the current sign ordinance, and (ii) the date of compliance under the amortization period expired on or prior to July 1, 2024."

REVISE LAW GOVERNING RAFFLES

SECTION 17.3.(a) G.S. 14-309.15 reads as rewritten:

"**§ 14-309.15. Raffles.**

(a) It is lawful for any nonprofit organization, candidate, political committee, or any government entity within the State, to conduct raffles in accordance with this section. Each regional or county chapter of a nonprofit organization is eligible to conduct raffles in accordance with this section independently of its parent organization. Any person who conducts a raffle in violation of any provision of this section is guilty of a Class 2 misdemeanor. Upon conviction that person shall not conduct a raffle for a period of one year. It is lawful to participate in a raffle conducted pursuant to this section. It is not a violation of State law to advertise a raffle conducted in accordance with this section. A raffle conducted pursuant to this section is not "gambling." ~~For the purpose of this section, "candidate" and "political committee" have the meaning provided by Article 22A of Chapter 163 of the General Statutes, who have filed organization reports under that Article, and who are in good standing with the appropriate board of elections.~~ Receipts and expenditures of a raffle by a candidate or political committee shall be reported in accordance with Article 22A of Chapter 163 of the General Statutes, and ticket purchases are contributions within the meaning of that Article.

(b) ~~For purposes of this section "raffle" means a~~ The following definitions apply in this section:

(1) 50/50 raffle. – A raffle conducted by a nonprofit organization or any government entity within the State whereby funds collected by sale of raffle

tickets are split evenly between the prize winner or winners and the nonprofit organization or government entity after the raffle drawing.

(2) Candidate. – As defined in Article 22A of Chapter 163 of the General Statutes. This term only includes candidates who have filed organization reports under that Article and who are in good standing with the appropriate board of elections.

(3) Net proceeds of a raffle. – The receipts less the cost of prizes awarded.

(4) Political committee. – As defined in Article 22A of Chapter 163 of the General Statutes. This term only includes political committees that have filed organization reports under that Article and that are in good standing with the appropriate board of elections.

(5) Raffle. – A game in which the prize is won by random drawing of the name or number of one or more persons purchasing chances.

(c) A nonprofit organization may hold no more than five raffles per year.

(d) Except as provided in subsection (g) of this section, the maximum cash prize that may be offered or paid for any one raffle is one hundred twenty-five thousand dollars ($125,000) and if merchandise is used as a prize, and it is not redeemable for cash, the maximum fair market value of that prize may be one hundred twenty-five thousand dollars ($125,000). The total cash prizes offered or paid by any nonprofit organization shall not exceed two hundred fifty thousand dollars ($250,000) in any calendar year. The total fair market value of all prizes offered by any nonprofit organization, either in cash or in merchandise that is not redeemable for cash, shall not exceed two hundred fifty thousand dollars ($250,000) in any calendar year.

(e) Raffles shall not be conducted in conjunction with bingo.

(f) ~~As used in this subsection, "net proceeds of a raffle" means the receipts less the cost of prizes awarded.~~ No less than ninety percent (90%) of the net proceeds of a raffle shall be used by the nonprofit organization for charitable, religious, educational, civic, or other nonprofit purposes. None of the net proceeds of the raffle shall be used to pay any person to conduct the raffle, or to rent a building where the tickets are received or sold or the drawing is conducted.

(g) Real property may be offered as a prize in a raffle. Any nonprofit organization offering real property as a prize in a raffle shall provide the property free from all liens, provide an owner affidavit and indemnity agreement, and provide a title commitment for the property and shall make that commitment available for inspection upon request. The total appraised value of all real estate prizes offered by any nonprofit organization shall not exceed two million two hundred fifty thousand dollars ($2,250,000) in any calendar year.

(h) Notwithstanding any other subsection of this section, it is lawful for a federally insured depository institution to conduct a savings promotion raffle under G.S. 53C-6-20, 54-109.64, 54B-140, or 54C-180.

(i) The restrictions set forth in subsections (c) through (g) of this section do not apply to 50/50 raffles conducted by nonprofit organizations or government entities within the State."

SECTION 17.3.(b) This section becomes effective August 1, 2025, and applies to offenses committed on or after that date.

EXPAND CULINARY ABC PERMIT

SECTION 17.4. G.S. 18B-1001(11) reads as rewritten:

"(11) Culinary Permit. – A culinary permit authorizes a permittee to possess up to 12 liters of either fortified wine or spirituous liquor, or 12 liters of the two combined, in the kitchen of a business and to use those alcoholic beverages for culinary ~~purposes.~~ purposes only. The permit may be issued for ~~either~~ any of the following:

a. ~~Restaurants;~~Restaurants.

b. ~~Hotels;~~Hotels.

c. Cooking schools.
d. Food businesses.
e. Eating establishments.

A culinary permit may also be issued to a catering service to allow the possession of the amount of fortified wine and spirituous liquor stated above at the business location of that service and at the cooking site. The permit shall also authorize the caterer to transport those alcoholic beverages to and from the business location and the cooking site, and use them in cooking."

PART III. NASH COUNTY AND CITY OF ROCKY MOUNT OCCUPANCY TAX REFORM

ALLOW OFF-SITE FOOD SERVICE FOR WORKPLACE EVENTS

SECTION 17.5. G.S. 130A-248 is amended by adding a new subsection to read:

"(c4) Notwithstanding any provision of this Part, a permitted food establishment may serve food or drink in a workplace setting at an offsite location for the employees of that designated workplace and their invited guests. Food may be sold individually to employees or guests of the designated workplace. The food establishment shall notify the local health department before initiating offsite service at a designated workplace. The food establishment shall provide an offsite location schedule to the local health department upon the request of the local health department. The food establishment shall comply with all of the following requirements, and if the local health department inspects the offsite location, only these requirements shall be assessed:

(1) All food served at the offsite location shall be prepared and cooked at the permitted food establishment. Food may be assembled during service at the offsite location with no further cooking.
(2) Assembling and serving food or drink shall only take place indoors.
(3) Food or drink shall be protected from contamination during transportation, display, assembling, and service.
(4) Utensils used during food service shall be returned to the permitted food establishment to be washed, rinsed, and sanitized. The permitted food establishment shall provide extra serving utensils from the food establishment to the offsite location.
(5) The food establishment shall utilize Time as a Public Health Control as required in Section 3-501.19 of the NC Food Code.
(6) No permitted food establishment shall operate in the same location for more than three days in a seven-day period.
(7) Food employees shall be employed by the holder of the food establishment permit and at least one food employee shall always be present from the time food or drink leaves the permitted establishment until the end of the serving period at the offsite location.
(8) One food employee present at the offsite establishment location shall be a certified food protection manager as required in 2-102.12 in the NC Food Code.
(9) Hand washing facilities shall be conveniently located, easily accessible, and supplied with water, soap, and single use towels at the offsite location. Portable or plumbed hand washing facilities may be used. Hand-washing facilities for food employees shall not be located in a restroom.
(10) Customers or guests shall not be allowed to serve themselves."

NASH COUNTY OCCUPANCY TAX CHANGES

SECTION 18.(a) Sections 1 and 2 of Chapter 32 of the 1987 Session Laws, as amended by S.L. 1993-545, S.L. 1997-255, and S.L. 2001-349, read as rewritten:

"Section 1. Occupancy tax. – (a) Authorization and scope. – The Nash County Board of Commissioners may levy a room occupancy tax of three percent (3%) of the gross receipts derived from the rental of ~~any room, lodging, or similar~~ an accommodation ~~furnished by a hotel, motel, inn, or similar place~~ within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). ~~This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations.~~

~~(a1) Authorization of Additional Tax. In addition to the tax authorized by subsection (a) of this section, the Nash County Board of Commissioners may levy an additional room occupancy tax of up to two percent (2%) of the gross receipts derived from the rental of accommodations taxable under subsection (a). The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this section. Nash County may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.~~

(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

(c) Distribution and use of tax revenue. – Nash County shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied under ~~subsection (a) of~~ this section to the Nash County Tourism Development ~~Authority and the net proceeds of the occupancy tax levied under subsection (a1) of this section to the City of Rocky Mount.~~ Authority. The Authority shall ~~spend~~ use at least two-thirds of the funds remitted to it only to promote travel and tourism in ~~Nash County,~~ the county and shall ~~spend~~ use the remainder ~~on~~ for tourism-related ~~expenditures. The City of Rocky Mount shall spend the funds remitted to it only for tourism-related expenditures within Nash County that have been specifically approved in advance by the Nash County Tourism Development Authority.~~ expenditures in the county. The following definitions apply in this subsection:

(1) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in the listed activities.

(3) Tourism-related expenditures. – Expenditures ~~that~~ that, in the judgment of the Tourism Development Authority, are designed to increase the use of ~~lodging facilities in a county~~ accommodations, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the ~~county and expenditures incurred by the county in collecting the tax.~~ county. The term includes ~~expenditures to construct, maintain, operate, or market a convention center and other expenditures that, in the judgment of the Authority, will facilitate and support tourism.~~tourism-related capital expenditures.

"Sec. 2. Tourism Development Authority. – (a) Appointment and membership. – When the Board of Commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a county Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall

provide for the ~~Board of Commissioners to appoint the~~ membership of the Authority, ~~for the terms of office of the members,~~ including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members must be individuals who are affiliated with businesses that collect the tax in the ~~county. If the Authority has an even number of members, then at least one-half of the members shall have experience in the promotion of travel and tourism. If the Authority has an odd number of members, then at least one less than one-half of the members shall have experience in the promotion of travel and tourism.~~ county, and at least one-half of the members must be individuals who are currently active in the promotion of travel and tourism in the county. No elected official may serve as a member of the Authority. The Board of Commissioners shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair ~~or upon a written request signed by at least one-third of its members~~ and shall adopt rules of procedure to govern its meetings. The Finance Officer for Nash County shall be the ex officio finance officer of the Authority.

(b) Duties. – The Authority ~~shall promote travel, tourism, and conventions in the county, and~~ shall expend the net tax proceeds distributed to it under this act for the purposes provided in Section 1(c) of this act.

(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Board of County Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the Board may require."

SECTION 18.(b) This section is effective July 1, 2025, and applies to gross receipts derived from the rental of an accommodation that a person occupies or has the right to occupy on or after that date. The reduction of the room occupancy tax under this section does not affect a liability for a tax that was attached before the effective date of the reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the reduction.

SECTION 18.(c) As soon as practicable after the repeal of the two percent (2%) room occupancy tax under this section and the creation of the Rocky Mount District R Tourism Development Authority under Section 23 of this act, Nash County shall remit to the Rocky Mount District R Tourism Development Authority the net proceeds of the two percent (2%) occupancy tax that have been collected but not yet remitted to the City of Rocky Mount. In addition, any unexpended net proceeds of the two percent (2%) room occupancy tax held by the City of Rocky Mount as of July 1, 2025, shall be remitted to the Rocky Mount District R Tourism Development Authority upon its creation. The net proceeds derived from the two percent (2%) occupancy tax that are remitted to the Rocky Mount District R Tourism Development Authority under this subsection shall be used for the same purposes as authorized for the City of Rocky Mount under Section 1(c) of Chapter 32 of the 1987 Session Laws, as amended by S.L. 1993-545, S.L. 1997-255, and S.L. 2001-349.

ROCKY MOUNT DISTRICT R OCCUPANCY TAX

SECTION 19. Rocky Mount District R Created. – Rocky Mount District R is created as a taxing district. Its jurisdiction consists of only that part of Rocky Mount that is located within Nash County. Rocky Mount District R is a body politic and corporate and has the power to carry out the provisions of this Part. The Rocky Mount City Council shall serve ex officio as the governing body of the district, and the officers of the City shall serve as the officers of the governing body of the district. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

SECTION 20.(a) Occupancy tax. – (a) Authorization and Scope. – The governing body of Rocky Mount District R may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of an accommodation within the district that is subject

to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

SECTION 20.(b) Administration. – A tax levied under this Part shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 20.(c) Distribution and Use of Tax Revenue. – Rocky Mount District R shall, on a quarterly basis, distribute the net proceeds of the occupancy tax to the Rocky Mount District R Tourism Development Authority created pursuant to this section. The Authority shall use at least two-thirds of the proceeds distributed to it to promote travel and tourism and shall use the remainder for tourism-related expenditures. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of Rocky Mount District R.

The following definitions apply in this subsection:

(1) Net proceeds. – Gross proceeds less the cost to the district of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

(3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of accommodations, meeting facilities, or convention facilities in the district or to attract tourists or business travelers to the district. The term includes tourism-related capital expenditures.

SECTION 21.(a) Tourism Development Authority. – (a) Appointment and Membership. – When the governing body of Rocky Mount District R adopts a resolution levying a room occupancy tax under this Part, it shall also adopt a resolution creating a district Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members shall be individuals who are affiliated with businesses that collect the tax in the district, and at least one-half of the members shall be individuals who are currently active in the promotion of travel and tourism in the district. No elected official may serve as a member of the Authority. The governing body of Rocky Mount District R shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The finance officer for the City of Rocky Mount shall be the ex officio finance officer of the Authority.

SECTION 21.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this Part for promoting travel and tourism and for tourism-related expenditures as provided in this Part.

SECTION 21.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Rocky Mount City Council on its receipts and expenditures for the preceding quarter and for the year in such detail as the City Council may require.

SECTION 22. A room occupancy tax levied under this Part may not become effective any earlier than the effective date of the repeal of the two percent (2%) room occupancy tax under Section 18(a) of this act.

OCCUPANCY TAX ADMINISTRATIVE PROVISION

SECTION 23. G.S. 160A-215(g) reads as rewritten:

"(g) Applicability. – Subsection (c) of this section applies to all cities that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Beech Mountain District W, to the Cities of Belmont, Burlington, Conover, Eden, Elizabeth City, Gastonia, Goldsboro, Graham, Greensboro, Hickory, High Point, Indian Trail, Jacksonville, Kings Mountain, Lake Santeetlah, Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Mebane, Monroe, Mount Airy, Mount Holly, Reidsville, Roanoke Rapids, Salisbury, Sanford, Shelby, Statesville, Washington, and Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin, Elon, Fontana Dam, Four Oaks, Franklin, Grover, Hillsborough, Jefferson, Jonesville, Kenly, Kure Beach, Lansing, Leland, McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain, Ranlo, Robbinsville, Selma, Smithfield, St. James, St. Pauls, Swansboro, Troutman, Tryon, West Jefferson, Wrightsville Beach, Yadkinville, Yanceyville, to the municipalities in Avery and Brunswick Counties, to Clayton District C, Rocky Mount District R, Saluda District D, and Stallings District S."

PART IV. JUDICIARY AND ADMINISTRATIVE PROCEDURE ACT REFORMS

PROTECT THE RIGHT TO RACE

SECTION 24.(a) Chapter 99E of the General Statutes is amended by adding a new Article to read:

"Article 10.

"Racing Facility and Racetrack Nuisance Immunity.

"**§ 99E-90. Racing facility nuisance immunity.**

(a) For purposes of this Article, the following definitions apply:

(1) Area of the racing facility. – Within a 3-mile radius of the perimeter of the property or contiguous group of properties where a racing facility is located.

(2) Racing facility. – A designated area where competitive vehicle and motorsport races are conducted. The term includes the track, spectator areas, garages, and any associated grounds, buildings, or appurtenances used to operate the races.

(b) A racing facility shall not be subject to any action brought by a surrounding property owner under any nuisance or taking cause of action if the developer of the racing facility obtained all permits required for construction of the racing facility and established a vested right in the development of the property or contiguous group of properties where the racing facility is located before the surrounding property owner either purchased the real property or constructed any building in the area of the racing facility."

SECTION 24.(b) This section is effective when it becomes law and applies to actions commenced on or after that date.

CARRIER LIABILITY FOR FAILURE TO USE CUSTOMER PROVIDED PARCEL LOCKER FOR PACKAGE DELIVERY

SECTION 25. Article 13 of Chapter 66 of the General Statutes is amended by adding a new section to read:

"**§ 66-67.6. Carrier liability when parcel locker provided by consignee for package delivery.**

Notwithstanding any other provision of law, where a consignee provides a parcel locker compatible with a carrier's requirements for delivery, and has otherwise complied with any requirements of the carrier with respect to use of the parcel locker, the failure of a carrier to deliver goods to the parcel locker shall shift the risk of loss to the carrier if the consignee does not receive the goods due to theft or other loss. For purposes of this section (i) the term "parcel locker" shall mean a lockable storage unit designed to store packages for recipients securely and (ii) the terms "carrier" and "consignee" shall have the same meanings as set forth in G.S. 25-7-102."

AWARD ATTORNEYS' FEES FOR TRESPASS TO REAL PROPERTY OR SURVEYOR NEGLIGENCE

SECTION 26. G.S. 6-21 reads as rewritten:

"**§ 6-21. Costs allowed either party or apportioned in discretion of court.**

Costs in the following matters shall be taxed against either party, or apportioned among the parties, in the discretion of the court:

…

(13) In actions for trespass upon real property.

(14) In actions against any professional land surveyor as defined in G.S. 89C-3(9) or any person acting under the surveyor's supervision and control for physical damage or economic or monetary loss due to negligence or deficiency in performance of surveying or platting.

The word "costs" as used in this section includes reasonable attorneys' fees in whatever amounts the court in its discretion determines and allows. Attorneys' fees in actions for alimony, however, shall not be included in the costs as provided in this section but shall be determined and provided for in accordance with G.S. 50-16.4."

REDUCE PENALTY FOR CERTAIN SHELLFISH AQUACULTURE VIOLATIONS

SECTION 27.(a) G.S. 113-187 reads as rewritten:

"**§ 113-187. Penalties for violations of Subchapter and rules.**

(a) Any person who participates in a commercial fishing operation conducted in violation of any provision of this Subchapter and its implementing rules or in an operation in connection with which any vessel is used in violation of any provision of this Subchapter and its implementing rules is guilty of a Class A1 misdemeanor.

(b) Any owner of a vessel who knowingly permits it to be used in violation of any provision of this Subchapter and its implementing rules is guilty of a Class A1 misdemeanor.

(c) Any person in charge of a commercial fishing operation conducted in violation of any provision of this Subchapter and its implementing rules or in charge of any vessel used in violation of any provision of this Subchapter and its implementing rules is guilty of a Class A1 misdemeanor.

(d) Any person in charge of a commercial fishing operation conducted in violation of the following provisions of this Subchapter or the following rules of the Marine Fisheries Commission; and any person in charge of any vessel used in violation of the following provisions of the Subchapter or the following rules, shall be guilty of a Class A1 misdemeanor. The violations of the statute or the rules for which the penalty is mandatory are:

(1) Taking or attempting to take, possess, sell, or offer for sale any oysters, mussels, or clams taken from areas closed by statute, rule, or proclamation because of suspected pollution.

(2) Taking or attempting to take or have in possession aboard a vessel, shrimp taken by the use of a trawl net, in areas not opened to shrimping, pulled by a vessel not showing lights required by G.S. 75A-6 after sunset and before sunrise.

(3) Using a trawl net in any coastal fishing waters closed by proclamation or rule to trawl nets.
(4) Violating the provisions of a special permit or gear license issued by the Department.
(5) Using or attempting to use any trawl net, long haul seine, swipe net, mechanical methods for oyster or clam harvest or dredge in designated primary nursery areas.

(e) Any person who takes menhaden or Atlantic thread herring by the use of a purse seine net deployed by a mother ship and one or more runner boats in coastal fishing waters is guilty of a Class A1 misdemeanor.

(f) Notwithstanding subsection (a) or subdivision (d)(4) of this section, any person who operates a shellfish aquaculture operation who commits any of the following violations shall be punished as follows:

(1) For an improperly marked shellfish lease area, a first offense shall be punishable only by issuance of a warning ticket pursuant to G.S. 113-140. A second offense within one month of the issuance of a warning ticket shall be punishable as an infraction as provided in G.S. 14-3.1. A third offense within one month of the issuance of a warning ticket shall be punishable as a Class 3 misdemeanor.
(2) For operating under an expired aquaculture operation permit, if the violation occurs within one month of the expiration of the permit, the violation shall be punishable only by issuance of a warning ticket pursuant to G.S. 113-140.
(3) For operating under an expired shellfish lease agreement, if the violation occurs within one month of the expiration of the agreement, the violation shall be punishable only by issuance of a warning ticket pursuant to G.S. 113-140."

SECTION 27.(b) This section becomes effective December 1, 2025, and applies to offenses committed on or after that date.

EXTEND NOTICE REQUIRED BEFORE CONTESTED CASE HEARINGS

SECTION 28.(a) G.S. 150B-23(b) reads as rewritten:

"(b) ~~The parties to a contested case shall be given a notice of hearing not less than 15 days before the hearing by the Office of Administrative Hearings.~~ Not less than 45 days prior to the initial scheduled hearing date, the parties to a contested case shall be informed in writing by the Office of Administrative Hearings of the location and the week during which the hearing is expected to occur. Additionally, the Office of Administrative Hearings shall issue a notice of hearing not less than 15 days before the hearing date. If prehearing statements have been filed in the case, the notice shall state the date, hour, and place of the hearing. If prehearing statements have not been filed in the case, the notice shall state the date, hour, place, and nature of the hearing, shall list the particular sections of the statutes and rules involved, and shall give a short and plain statement of the factual allegations."

SECTION 28.(b) G.S. 150B-38 reads as rewritten:

"**§ 150B-38. Scope; hearing required; notice; venue.**

(a) The provisions of this Article shall apply to:
(1) Occupational licensing agencies.
(2) The State Banking Commission, the Commissioner of Banks, and the Credit Union Division of the Department of Commerce.
(3) The Department of Insurance and the Commissioner of Insurance.
(4) The State Chief Information Officer in the administration of the provisions of Article 15 of Chapter 143B of the General Statutes.
(5) The North Carolina State Building Code Council.
(5a) The Office of the State Fire Marshal and the State Fire Marshal.

(6) Repealed by Session Laws 2018-146, s. 4.4(b), effective December 27, 2018.

(b) Prior to any agency action in a contested case, the agency shall give the parties in the case an opportunity for a hearing without undue delay and notice not less than ~~15 days~~ 45 days before the hearing. Notice to the parties shall include all of the following:

(1) A statement of the date, hour, place, and nature of the hearing.

(2) A reference to the particular sections of the statutes and rules involved.

(3) A short and plain statement of the facts alleged.

…."

REQUIRE AGENCY ATTORNEYS TO COMPLY WITH RULE 4.2 OF THE RULES OF PROFESSIONAL CONDUCT IN CONTESTED CASES

SECTION 29.(a) Article 3 of Chapter 150B of the General Statutes is amended by adding a new section to read:

"**§ 150B-35.1. Agency communications with person represented by counsel.**

(a) A lawyer for an agency shall not communicate about the subject of the representation with a person the lawyer knows to be represented by another lawyer in the matter, unless the lawyer has the consent of the other lawyer or is authorized to do so by law or a court order. It is not a violation of this section for a lawyer to encourage his or her client to discuss the subject of the representation with the opposing party in a good-faith attempt to resolve the controversy.

(b) A lawyer who violates this section shall be considered in violation of Rule 4.2 of the Rules of Professional Conduct of the North Carolina State Bar and shall be subject to discipline by the State Bar."

SECTION 29.(b) G.S. 150B-40 is amended by adding a new subsection to read:

"(d1) A lawyer for an agency shall not communicate about the subject of the representation with a person the lawyer knows to be represented by another lawyer in the matter, unless the lawyer has the consent of the other lawyer or is authorized to do so by law or a court order. It is not a violation of this section for a lawyer to encourage his or her client to discuss the subject of the representation with the opposing party in a good-faith attempt to resolve the controversy. A lawyer who violates this subsection shall be considered in violation of Rule 4.2 of the Rules of Professional Conduct of the North Carolina State Bar and shall be subject to discipline by the State Bar."

ENCOURAGE ARTICLE 3A AGENCIES TO NEGOTIATE INFORMALLY

SECTION 30. G.S. 150B-22 reads as rewritten:

"**§ 150B-22. Settlement; contested case.**

(a) It is the policy of this State that any dispute between an agency and another person that involves the person's rights, duties, or privileges, including licensing or the levy of a monetary penalty, should be settled through informal procedures. In trying to reach a settlement through informal procedures, the agency may not conduct a proceeding at which sworn testimony is taken and witnesses may be cross-examined.

(b) If the agency and the other person do not agree to a resolution of the dispute through informal procedures, either the agency or the person may commence an administrative proceeding to determine the person's rights, duties, or privileges, at which time the dispute becomes a "contested case." A party or person aggrieved shall not be required to petition an agency for rule making or to seek or obtain a declaratory ruling before commencing a contested case pursuant to G.S. 150B-23.

(c) This section applies to agencies covered under both this Article and Article 3A of this Chapter."

PART V. EFFECTIVE DATE

SECTION 31. Except as otherwise provided, this act is effective when it becomes law.