

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

**HOUSE BILL 412
RATIFIED BILL**

**AN ACT TO MAKE CHILD CARE REGULATORY REFORMS; AND TO MAKE
BUILDING CODE REVISIONS.**

The General Assembly of North Carolina enacts:

PART I. DECOUPLE RATED LICENSE AND SUBSIDIZED CHILD CARE

SECTION 1.(a) The General Assembly recognizes the need to balance maintaining critical health, safety, and welfare standards for child care, as well as a well-established rating system used for informational purposes, with the need to move toward maximizing State funds for child care and increasing the supply of child care from State-funded sources. The General Assembly further recognizes the importance of weighing the need to decrease the cost of child care through deregulatory actions and at the same time maintain child care subsidy reimbursement rates. The purpose of this provision, in part, is to encourage the business community to partner with the State in achieving this goal.

SECTION 1.(b) To that end, by May 1, 2026, the Department of Health and Human Services, Division of Child Development and Early Education (Division), shall develop a proposed plan to separate the quality rating improvement system (QRIS) from the requirements and payments for participation in the State-subsidized child care program using the market rate study required by Section 1(c) of this act and make recommendations on implementation of the plan while meeting the federal Child Care and Development Fund requirements including a quality standard measurement. The Division should report any difference in the proposed plan and the current reimbursement rate. The Division shall submit the proposed plan to the chairs of the House and Senate Appropriations Committees, the chairs of the House and Senate Appropriations Committees on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division by May 1, 2026. The current plan will stay in full force and effect until such time as the General Assembly first considers and approves and adopts the proposed plan and any amendments to that plan and then the federal government approves the proposed plan and any amendments. The Division should also include an update on the QRIS Modernization rules process under S.L. 2024-34.

SECTION 1.(c) The Division shall complete a new market rate study by May 1, 2026. This market rate study shall be made available to the public by May 1, 2026. The Division shall ensure that the market rate study includes potential rates that are not segmented by star-rating and new market rates for the QRIS system. The Division shall not implement new reimbursement rates unless approved by the federal Administration of Children and Families and authorized to do so by the General Assembly.

SECTION 1.(d) Nothing in this section shall be construed as impacting the star-rating requirements for the NC Prekindergarten (NC Pre-K) program.

PART II. REGULATORY CHANGES

SECTION 2. G.S. 110-86(5a) reads as rewritten:



"(5a) Lead teacher. – An individual who is responsible for planning and implementing the daily program of activities for ~~a group~~ no more than two groups of children in a child care facility."

SECTION 5.(a) G.S. 110-91 reads as rewritten:

"§ 110-91. Mandatory standards for a license.

All child care facilities shall comply with all State laws and federal laws and local ordinances that pertain to child health, safety, and welfare. Except as otherwise provided in this Article, the standards in this section shall be complied with by all child care facilities. ~~However, none~~ Notwithstanding any provision of law or rule to the contrary, any building and grounds which are currently approved for school occupancy and which house a public or private elementary or middle school shall be deemed to have met the space and equipment, sanitation, fire, and building code requirements for a licensed child care facility when the building and grounds are serving the same, or a subset of the same, school-age children in an out-of-school child care program. None of the standards in this section apply to the school-age children of the operator of a child care facility but do apply to the preschool-age children of the operator. Children 13 years of age or older may receive child care on a voluntary basis provided all applicable required standards are met. The standards in this section, along with any other applicable State laws and federal laws or local ordinances, shall be the required standards for the issuance of a license by the Secretary under the policies and procedures of the Commission except that the Commission may, in its discretion, adopt less stringent standards for the licensing of facilities which provide care on a temporary, part-time, drop-in, seasonal, after-school or other than a full-time basis.

...

(6) Space and Equipment Requirements. – There shall be no less than 25 square feet of indoor space for each child for which a child care center is licensed, exclusive of closets, passageways, kitchens, and bathrooms, and this floor space shall provide during rest periods 200 cubic feet of airspace per child for which the center is licensed. There shall be adequate outdoor play area for each child under rules adopted by the Commission which shall be related to the size of center and the availability and location of outside land area. In no event shall the minimum required exceed 75 square feet per child. The outdoor area shall be protected to assure the safety of the children receiving child care by an adequate fence or other protection. A center operated in a public school shall be deemed to have adequate fencing protection. A center operating exclusively during the evening and early morning hours, between 6:00 P.M. and 6:00 A.M., need not meet the outdoor play area requirements mandated by this subdivision.

Each child care facility shall provide indoor area equipment and furnishings that are child size, sturdy, safe, and in good repair. Each child care facility that provides outdoor area equipment and furnishings shall provide outdoor area equipment and furnishings that are child size, sturdy, free of hazards that pose a threat of serious injury to children while engaged in normal play activities, and in good repair. The Commission shall adopt standards to establish minimum requirements for equipment appropriate for the size of child care facility. Space shall be available for proper storage of beds, cribs, mats, cots, sleeping garments, and linens as well as designated space for each child's personal belongings.

The Division of Child Development of the Department of Health and Human Services shall establish and implement a policy that defines any building which is currently approved for school occupancy and which houses a public or private elementary or middle school to include the playgrounds and athletic fields as part of the school building when that building is used to

serve school-age children in ~~after-school~~ out-of-school child care programs. ~~Playgrounds and athletic fields referenced in this section that do not meet licensure standards promulgated by the North Carolina Child Care Commission shall be noted on the program's licensure and rating information.~~

...."

SECTION 5.(b) The Child Care Commission shall adopt or amend any rules to ensure uniformity and consistency in application of the exemptions for school-age children in out-of-school child care programs as provided in this section.

SECTION 6. G.S. 110-91(7)a. reads as rewritten:

"a. The Commission shall adopt rules for child care centers regarding staff-child ratios, group sizes and multi-age groupings other than for infants and toddlers, provided that these rules shall be no less stringent than those currently required for staff-child ratios as enacted in Section 156(e) of Chapter 757 of the 1985 Session Laws. Each lead teacher shall support no more than two groups. In the circumstance in which a lead teacher is responsible for two groups of children in a child care facility, at least one other individual overseeing the group shall be engaging in the North Carolina Early Childhood Credential coursework or seeking job training with the goal of accomplishing the five-year pathway to seek a future Lead Teacher qualification.

1. Except as otherwise provided in this subdivision, the staff-child ratios and group sizes for infants and toddlers in child care centers shall be no more than as follows:

Age	Ratio Staff/Children	Group Size
0 to 12 months	1/5	4 <u>15</u>
12 to 24 months	1/6	12 <u>18</u>
2 to 3 years	1/10	20.

No child care center shall care for more than 25 children in one group. Child care centers providing care for 26 or more children shall provide for two or more groups according to the ages of children and shall provide separate supervisory personnel and separate identifiable space for each group.

1a. If a child care center is operating under voluntary enhanced requirements, the maximum group size for toddlers aged 2 to 3 years may be increased from 18 to 20 children when the child care center maintains a 1/9 staff-child ratio.

1b. If a child care center is operating under the highest voluntary enhanced requirements, the child care center may use the following maximum group sizes for infants and toddlers when the child care center maintains staff-child ratios as provided herein:

<u>Age</u>	<u>Ratio Staff/Children</u>	<u>Group Size</u>
<u>0 to 12 months</u>	<u>1/4</u>	<u>12</u>
<u>12 to 24 months</u>	<u>1/5</u>	<u>15</u>
<u>2 to 3 years</u>	<u>1/8</u>	<u>20.</u>

...."

SECTION 7.(a) G.S. 110-91(8) reads as rewritten:

"(8) Qualifications for Staff. – Qualifications for child care staff are as follows:

a. All child care center administrators shall be at least 21 years of age. All child care center administrators shall have the North Carolina Early Childhood Administration Credential or its equivalent as

determined by the ~~Department~~. Department or the School-Age Administration Credential when exclusively providing school-age child care. All child care administrators performing administrative duties as of the date this act becomes law and child care administrators who assume administrative duties at any time after this act becomes law and until September 1, 1998, shall obtain the required credential by September 1, 2000. Child care administrators who assume administrative duties after September 1, 1998, shall begin working toward the completion of the North Carolina Early Childhood Administration Credential or its ~~equivalent~~ equivalent, or the School-Age Administration Credential when exclusively providing school-age child care, within six months after assuming administrative duties and shall complete the credential or its equivalent within two years after beginning work to complete the credential. Each child care center shall be under the direction or supervision of a person meeting these requirements. All staff counted toward meeting the required staff-child ratio shall be at least 16 years of age, provided that persons younger than 18 years of age work under the direct supervision of a credentialed staff person who is at least 21 years of age.

- b. All lead teachers in a child care center shall have at least a North Carolina Early Childhood Credential or its equivalent as determined by the Department. Lead teachers shall either (i) be enrolled in the North Carolina Early Childhood Credential coursework or its equivalent as determined by the Department within six months after becoming employed as a lead teacher or within six months after this act becomes law, whichever is later, and shall complete the credential or its equivalent within 18 months after enrollment or (ii) have a minimum of five years of documented experience teaching in a licensed child care facility in this State which shall be deemed equivalent to the North Carolina Early Childhood Credential.
- c. Only administrators and lead teachers in licensed child care centers are required to have a North Carolina Early Childhood Credential or its equivalent as determined by the Department. All other staff shall meet the standards established by the Commission for their positions that do not include a North Carolina Early Childhood Credential or its equivalent as determined by the Department.
- d. For child care centers licensed to care for 200 or more children, the Department, in collaboration with the North Carolina Institute for Early Childhood Professional Development, shall establish categories to recognize the levels of education achieved by child care center administrators and teachers who perform administrative functions. The Department shall use these categories to establish appropriate staffing based on the size of the center and the individual staff responsibilities.
- e. Effective January 1, 1998, an operator of a licensed family child care home shall be at least 21 years old and have a high school diploma or its equivalent. Operators of a family child care home licensed prior to January 1, 1998, shall be at least 18 years of age and literate. Literate is defined as understanding licensing requirements and having the ability to communicate with the family and relevant emergency

personnel. Any operator of a licensed family child care home shall be the person on-site providing child care.

- f. The Commission shall adopt standards to establish appropriate qualifications for all staff in child care centers. These standards shall reflect training, experience, education and credentialing and shall be appropriate for the size center and the level of individual staff responsibilities. It is the intent of this provision to guarantee that all children in child care are cared for by qualified people. Pursuant to G.S. 110-106, no requirements may interfere with the teachings or doctrine of any established religious organization. The staff qualification requirements of this subdivision do not apply to religious-sponsored child care facilities pursuant to G.S. 110-106."

SECTION 8. Section 8 of S.L. 2024-34 is amended by adding a new subsection to read:

"SECTION 8.(a1) In modifying the quality rating improvement system (QRIS), the Division of Child Development and Early Education shall ensure a North Carolina Early Childhood Credential based on five years of work experience in a licensed child care facility in this State is treated as equivalent to when that credential is earned through other pathways for purposes of awarding a star-rating."

SECTION 9. The Weikart Youth Program Quality Assessment ("Weikart Program") shall be added as an assessment tool for evaluating out-of-school child care programs and awarding of a star-rating. The Department of Health and Human Services, Division of Child Development and Early Education, shall complete the necessary crosswalk evaluation of the Weikart Program and have it available for applicants to use not later than one year after the date this act becomes law.

SECTION 10. Notwithstanding any other provision of law, rule, or regulation, the Department of Health and Human Services, Division of Child Development and Early Education (Division), shall, for courses offered by a community college in the North Carolina Community Colleges System (NCCCS), assign credit for continuing education courses on the same basis as curriculum courses designated by NCCCS as equivalent to the continuing education courses for the purpose of providing any credential offered by the Division.

SECTION 11. The Department of Health and Human Services, Division of Child Development and Early Education, shall:

- (1) Not later than December 1, 2025, and in consultation with the North Carolina Community Colleges System, create a North Carolina School Age/Out-of-School Care Credential that aligns with a new curriculum course and continuing education course entitled "Introduction to School Age Care and Education."
- (2) Award the North Carolina Early Childhood Administration Credential or the North Carolina Family Child Care Credential to individuals who have successfully completed continuing education courses that are equivalent to child care curriculum courses, as determined by the Community Colleges System. The Community Colleges System shall ensure that the continuing education courses are comparable to the corresponding curriculum courses in course descriptions, competencies, and hour requirements and shall state the credential that is to be awarded for each continuing education course.

SECTION 12.(a) The Commissioner of the Department of Insurance shall establish a workgroup to examine the potential for developing group liability insurance plan opportunities for all child care providers and for all nongovernmental contractors that contract with the Department of Health and Human Services and any county or local agency administering programs of public assistance pursuant to Chapter 108A of the General Statutes for the provision

of services to minors which are licensed under Article 2 of Chapter 122C of the General Statutes or Article 1A of Chapter 131D of the General Statutes. The workgroup shall consist of representatives from all of the following:

- (1) The Department of Insurance.
- (2) The insurance industry.
- (3) NC Licensed Child Care Association.
- (4) The Department of Health and Human Services, Division of Child Development and Early Education.
- (5) The American Tort Reform Association.
- (6) Benchmarks NC.

SECTION 12.(b) The workgroup shall develop findings and recommendations related to at least the following:

- (1) Potential methods for creating group liability insurance plan opportunities for all child care providers.
- (2) Reforms that could reduce group liability insurance plan premiums.
- (3) Tort reforms that could reduce the liability damages of child care providers.

SECTION 12.(c) By January 1, 2026, the Department of Insurance shall report the findings and recommendations of the workgroup to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on General Government, and the Fiscal Research Division.

SECTION 13. The Child Care Commission shall adopt or amend any rules to ensure uniformity and consistency in application of the provisions of this act.

SECTION 14. Article 7 of Chapter 110 of the General Statutes is amended by adding a new section to read:

"§ 110-106.3. Exemption for certain Department of Defense family child care homes from child care licensure requirements.

(a) The provisions of this Article shall not apply to a family child care home operating in this State and located outside of the boundaries of a military installation if the family child care home has a certificate issued by the United States Department of Defense (DOD) or the United States Coast Guard to provide child care and has completed background screening by the DOD pursuant to 34 U.S.C. § 20351 and 32 C.F.R. Part 86 and received a favorable suitability and fitness determination. This exemption applies to DOD family child care home operators providing child care exclusively to children eligible for care under the DOD Instruction 6060.02.

(b) A family child care home seeking to operate pursuant to this section shall register with the Department. The individual at each military installation who provides oversight of family child care homes shall be responsible for registering the family child care home operating under this section with the Department. The Department shall establish and maintain a registry in accordance with this section, and the registry shall be used for the following limited purposes:

- (1) Ensuring the DOD family child care home is fully compliant with all DOD requirements to operate the family child care home.
- (2) Certifying that the following State safety provisions are met for the dwelling unit in which the DOD family child care home is located:
 - a. Rooms and areas within a family child care home where occupants receive care are located on the same level of exit discharge.
 - b. Rooms and areas within a family child care home where occupants receive care are located on the same level with, and within a maximum of 40 feet travel distance to, at least one 2A:10B:C fire extinguisher.
 - c. The family child care home has and maintains a Fire Safety, Evacuation, and Lockdown Plan compliant with Section 404 of the North Carolina Fire Code.

- d. The family child care home has carbon monoxide alarm and detection systems compliant with Section R315 of the North Carolina Residential Code.
- e. The family child care home has smoke alarms compliant with Section 51 R314 of the North Carolina Residential Code.
- (3) Receiving confirmation from the person operating the DOD family child care home that the family child care home is within the same dwelling unit occupied by the operator.
- (4) Confirming inquiries regarding a DOD family child care home are directed to the appropriate regulatory authority having oversight of family child care homes for the respective military installation.

(c) The regulatory authority having oversight of family child care homes for the respective military installation shall provide the Department with any updates to the registry on a quarterly basis. The regulatory authority having oversight of family child care homes for the respective military installation shall immediately notify the Department when the DOD adds or removes a family child care home operating under this section from the registry or closes a family child care home for cause.

(d) A DOD family child care home that meets the requirements of this section shall be exempt from all other requirements of this Article and shall not be subject to licensure.

(e) In the event the program's certification as a family child care home operator is suspended or terminated due to noncompliance with the health, safety, or licensing standards or there is substantiated evidence of child abuse, neglect, or endangerment, the operator shall be ineligible to apply for a child care license pursuant to this Article and, if voluntarily licensed by the Department under this Article, shall be subject to an administrative action revoking its child care license. Further, if the DOD or United States Coast Guard substantiates child abuse, neglect, or endangerment, the operator shall have the operator's name placed on the North Carolina Child Maltreatment Registry and shall not be a caregiver pursuant to G.S. 110-105.5."

SECTION 14.1. The Department of Health and Human Services, Division of Child Development and Early Education (Division), in coordination with the Child Care Commission, shall work to clarify the rules governing multiuse child care centers to ensure each of the following:

- (1) Allow the use of existing buildings to house multiunit child care centers and include mixed-age centers if they meet the requirements outlined in the rules regarding multiunit child care centers.
- (2) Grant individual licenses within a multiunit child care center based on the square footage used by each owner.

Applicants who meet the pre-licensing guidelines and are awarded a license by the Division shall be considered eligible to qualify as a tenant in a multiuse facility.

SECTION 14.2. G.S. 110-98.5 reads as rewritten:

"§ 110-98.5. Care for school-age children during state of emergency.

Notwithstanding any provision of law or rule to the contrary, when remote or virtual learning is required due to a declared state of emergency issued under G.S. 166A-19.20, the following shall apply:

- ...
- (3) Care provided to school-age children pursuant to this section is not considered child care as defined under G.S. 110-86. However, if a program was licensed prior to the state of emergency, it shall be deemed licensed during the state of emergency whether it expands its capacity to provide services to more children so long as it adheres to the staff-child ratios for licensure."

PART III. BUILDING CODE REVISIONS

SECTION 15.(a) Definitions. – For the purposes of this section, the following definitions apply:

- (1) Code. – The North Carolina State Building Code, and amendments to the Code, as adopted by the Councils.
- (2) Councils. – The Residential Code Council and the Building Code Council.
- (3) Family child care home. – As described in G.S. 110-86(3)b.

SECTION 15.(b) Family Child Care Home. – Until the effective date of the rules to create a family child care home occupancy classification within a dwelling subject to the North Carolina Residential Code, the Office of the State Fire Marshal, the Councils, and State and local governments enforcing the Code shall adhere to family child care home requirements as provided in subsection (c) of this section.

SECTION 15.(c) Implementation. – Notwithstanding Section 310, Residential Group R, of the North Carolina Building Code, and Section 203.10, Residential Group R, of the North Carolina Fire Code, a family child care home located within a dwelling subject to the North Carolina Residential Code shall be treated as a Residential Group R-3 occupancy. The building where the family child care home is located shall be permitted to comply with the North Carolina Residential Code, provided that a family child care home must meet only the following additional requirements:

- (1) Rooms and areas within a family child care home where occupants receive care shall be on the same level of exit discharge.
- (2) Rooms and areas within a family child care home where occupants receive care shall be located on the same level with, and within a maximum of 40 feet travel distance to, at least one 2A:10B:C fire extinguisher.
- (3) A family child care home shall have and maintain a Fire Safety, Evacuation, and Lockdown Plan compliant with Section 404 of the North Carolina Fire Code.
- (4) A family child care home shall have carbon monoxide alarm and detection systems compliant with Section R315 of the North Carolina Residential Code.
- (5) A family child care home shall have smoke alarms compliant with Section R314 of the North Carolina Residential Code.

SECTION 15.(d) Additional Residential Code Council Rulemaking Authority. – The Residential Code Council shall adopt rules to amend the North Carolina Residential Code to create a family child care home occupancy classification within a dwelling subject to the North Carolina Residential Code consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rules adopted by the Residential Code Council pursuant to this subsection shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subsection 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 15.(e) Additional Building Code Council Rulemaking Authority. – The Building Code Council shall adopt rules to amend the North Carolina State Building Code volumes specified within G.S. 143-138(a)(1) through (9) to make conforming changes consistent with rules adopted by the Residential Code Council as required by subsection (d) of this section. Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subsection 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 15.(f) Sunset. – This section expires when permanent rules adopted as required by subsections (d) and (e) of this section become effective.

SECTION 16.(a) Definitions. – For the purposes of this section, the following definitions apply:

- (1) Code. – The North Carolina State Building Code, and amendments to the Code, as adopted by the Councils.
- (2) Councils. – The Residential Code Council and the Building Code Council.
- (3) Family child care home. – As described in G.S. 110-86(3)b.

SECTION 16.(b) Family Child Care Home. – Until the effective date of the rules to create a family child care home occupancy classification within a dwelling subject to the North Carolina Building Code, the Office of the State Fire Marshal, the Councils, and State and local governments enforcing the Code shall adhere to family child care home requirements as provided in subsection (c) of this section.

SECTION 16.(c) Implementation. – Notwithstanding Section 310, Residential Group R, of the North Carolina Building Code, and Section 203.10, Residential Group R, of the North Carolina Fire Code, a family child care home located within a dwelling subject to the North Carolina Building Code shall be treated as a Residential Group R-3 occupancy. The dwelling where the family child care home is located shall be permitted to comply with the North Carolina Building Code, provided that a family child care home must meet only the following additional requirements:

- (1) Rooms and areas within a family child care home where occupants receive care shall be on the same level of exit discharge.
- (2) Rooms and areas within a family child care home where occupants receive care shall be located on the same level with, and within a maximum of 40 feet travel distance to, at least one 2A:10B:C fire extinguisher.
- (3) A family child care home shall have and maintain a Fire Safety, Evacuation, and Lockdown Plan compliant with Section 404 of the North Carolina Fire Code.
- (4) A family child care home shall have carbon monoxide alarm and detection systems compliant with Section 915 of the North Carolina Building Code.
- (5) A family child care home shall have smoke alarms compliant with Section R907 of the North Carolina Building Code.

SECTION 16.(d) Additional Building Code Council Rulemaking Authority. – The Building Code Council shall adopt rules to amend the North Carolina State Building Code volumes specified within G.S. 143-138(a)(1) through (9) to create a family child care home occupancy classification within a dwelling subject to the North Carolina Building Code consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rules adopted by the Building Code Council pursuant to this subsection shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subsection 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 16.(e) Additional Residential Code Council Rulemaking Authority. – The Residential Code Council shall adopt rules to amend the North Carolina Residential Code to make conforming changes consistent with rules adopted by the Building Code Council as required by subsection (d) of this section. Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subsection 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 16.(f) Sunset. – This section expires when permanent rules adopted as required by subsections (d) and (e) of this section become effective.

SECTION 17.(a) Definitions. – For the purposes of this section, the following definitions apply:

- (1) Code. – The North Carolina State Building Code, and amendments to the Code, as adopted by the Councils.
- (2) Councils. – The Residential Code Council and the Building Code Council.
- (3) Family child care home. – As described in G.S. 110-86(3)b.

SECTION 17.(b) Family Child Care Home. – Until the effective date of the rules to create a family child care home occupancy classification within a dwelling subject to the State of North Carolina Regulations for Manufactured Homes, the Office of the State Fire Marshal, the Councils, and State and local governments enforcing the Code shall adhere to family child care home requirements as provided in subsection (c) of this section.

SECTION 17.(c) Implementation. – Notwithstanding Section 310, Residential Group R, of the North Carolina Building Code, and Section 203.10, Residential Group R, of the North Carolina Fire Code, a family child care home located within a dwelling subject to the State of North Carolina Regulations for Manufactured Homes shall be treated as a Residential Group R-3 occupancy. The dwelling where the family child care home is located shall be permitted to comply with the North Carolina Regulations for Manufactured Homes, provided that a family child care home must meet only the following additional requirements:

- (1) Rooms and areas within a family child care home where occupants receive care shall be on the same level of exit discharge.
- (2) Rooms and areas within a family child care home where occupants receive care shall be located on the same level with, and within a maximum of 40 feet travel distance to, at least one 2A:10B:C fire extinguisher.
- (3) A family child care home shall have and maintain a Fire Safety, Evacuation, and Lockdown Plan compliant with Section 404 of the North Carolina Fire Code.
- (4) A family child care home shall have carbon monoxide alarm and detection systems compliant with Section R315 of the North Carolina Residential Code.
- (5) A family child care home shall have smoke alarms compliant with Section R314 of the North Carolina Residential Code.

SECTION 17.(d) Additional Building Code Council Rulemaking Authority. – The Building Code Council shall adopt rules to amend the North Carolina State Building Code volumes specified within G.S. 143-138(a)(1) through (9) to create a family child care home occupancy classification within a dwelling subject to the State of North Carolina Regulations for Manufactured Homes consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rules adopted by the Building Code Council pursuant to this subsection shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subsection 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 17.(e) Additional Residential Code Council Rulemaking Authority. – The Residential Code Council shall adopt rules to amend the North Carolina Residential Code to make conforming changes consistent with rules adopted by the Building Code Council as required by subsection (d) of this section. Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subsection 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 17.(f) Sunset. – This section expires when permanent rules adopted as required by subsections (d) and (e) of this section become effective.

SECTION 18.(a) G.S. 110-86 reads as rewritten:

"§ 110-86. Definitions.

Unless the context or subject matter otherwise requires, the terms or phrases used in this Article shall be defined as follows:

- ...
- (3) Child care facility. – Includes child care centers, family child care homes, and any other child care arrangement not excluded by G.S. 110-86(2), that provides child care, regardless of the time of day, wherever operated, and whether or not operated for profit.
- a. A child care center is an arrangement where, at any one time, there are three or more preschool-age children or nine or more school-age children receiving child care.
- b. A family child care home is a child care arrangement located in a ~~residence~~an operator occupied private dwelling where, at any one time, more than two children, but less than 11 children, receive child care, provided the arrangement is in accordance with G.S. 110-91(7)b.

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SECTION 18.(b) G.S. 110-91 reads as rewritten:

"§ 110-91. Mandatory standards for a license.

All child care facilities shall comply with all State laws and federal laws and local ordinances that pertain to child health, safety, and welfare. Except as otherwise provided in this Article, the standards in this section shall be complied with by all child care facilities. However, none of the standards in this section apply to the school-age children of the operator of a child care facility but do apply to the preschool-age children of the operator. Children 13 years of age or older may receive child care on a voluntary basis provided all applicable required standards are met. The standards in this section, along with any other applicable State laws and federal laws or local ordinances, shall be the required standards for the issuance of a license by the Secretary under the policies and procedures of the Commission except that the Commission may, in its discretion, adopt less stringent standards for the licensing of facilities which provide care on a temporary, part-time, drop-in, seasonal, after-school or other than a full-time basis.

- ...
- (4) Building. – Each child care facility shall be located in a building which meets the appropriate requirements of the North Carolina State Building Code~~under standards which shall be developed by the Building Code Council, Code,~~ subject to adoption by the Commission specifically for child care facilities, including facilities operated ~~in a private residence~~as family child care homes. These standards shall be consistent with the provisions of this Article. A local building code enforcement officer shall approve any proposed alternate material, design, or method of construction, provided the building code enforcement officer finds that the alternate, for the purpose intended, is at least the equivalent of that prescribed in the technical building codes in quality, strength, effectiveness, fire resistance, durability, or safety. A local building code enforcement officer shall require that sufficient evidence or proof be submitted to substantiate any claim made regarding the alternate. The Child Care Commission may request changes to the North Carolina State Building Code to suit the special needs of preschool children. Satisfactorily written reports from representatives of building inspection agencies shall be required prior to the issuance of a license and whenever renovations are made to a child care center, or when the operator requests licensure of space not previously approved for child care.
- (5) Fire Prevention. – Each child care facility shall be located in a building that meets appropriate requirements for fire prevention and safe evacuation that apply to child care facilities as established by the ~~Department of Insurance~~

Office of the State Fire Marshal in consultation with the Department. Except for child care centers located on State property, each child care center shall be inspected at least annually by a local fire department or volunteer fire department for compliance with these requirements. Child care centers located on State property shall be inspected at least annually by an official designated by the ~~Department of Insurance~~Office of the State Fire Marshal."

SECTION 19.1. The Division of Child Development and Early Education (Division) shall establish the Licensed Childcare Licensure Workgroup to examine streamlining regulatory requirements related to the physical structures of licensed child care facilities. The workgroup shall consist of at least one representative from each of the following:

- (1) The Division of Child Development and Early Education.
- (2) The Office of the State Fire Marshal.
- (3) The Department of Insurance.
- (4) The North Carolina Building Code Council.
- (5) The Division of Public Health.
- (6) The League of Municipalities.
- (7) The North Carolina Association of County Commissioners.
- (8) N.C. Licensed Child Care Association.
- (9) The North Carolina Child Care Commission.
- (10) Other representatives deemed necessary by the Division.

The Division shall appoint two individuals to serve as co-chairs of the workgroup.

Each entity above shall choose the individual or individuals to serve on the workgroup in a number to be determined by the Division.

SECTION 19.2. The workgroup shall develop findings and recommendations related to at least the following:

- (1) Streamlining the regulatory requirements related to the physical structures of licensed child care facilities, including building codes, fire codes, and sanitation codes.
- (2) Resolving conflicts between various code requirements for licensed child care facilities.

SECTION 19.3. The Division of Child Development and Early Education shall report the findings and recommendations of the workgroup to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on General Government, and the Fiscal Research Division no later than one year after this act becomes law.

PART IV. EFFECTIVE DATE

SECTION 20. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2025.

s/ Rachel Hunt
President of the Senate

s/ Destin Hall
Speaker of the House of Representatives

Josh Stein
Governor

Approved _____m. this _____ day of _____, 2025