

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

SESSION LAW 2025-65
SENATE BILL 664

AN ACT TO ALLOW FLEXIBILITY IN THE EVENT OF NONCOMPLIANCE WITH A JMAC AGREEMENT; TO AMEND THE ABC LAWS TO EXPAND USE OF ALTERNATING PROPRIETORSHIPS AND MAKE CORRECTIONS CONCERNING "TO GO" MIXED BEVERAGES TO CONFORM WITH FEDERAL LAW; TO PROVIDE AN EXEMPTION FROM NONBETTERMENT COSTS FOR CERTAIN MUNICIPALITIES; AND TO MAKE A TECHNICAL CORRECTION TO THE MEGASITES READINESS PROGRAM.

The General Assembly of North Carolina enacts:

PART I. REVISIONS TO JMAC REQUIREMENTS

SECTION 1. G.S. 143B-437.012 reads as rewritten:

"§ 143B-437.012. Job Maintenance and Capital Development Fund.

...

(d) Eligibility. – A business is eligible for consideration for a grant under this section if it satisfies the conditions of subdivision (1), (1a), (2), (2a), or (2b) of this subsection and satisfies subdivision (4) of this subsection:

- (1) The business is a major employer. A business is a major employer if the business meets the following requirements:
 - a. The Department certifies that the business has invested or intends to invest at least two hundred million dollars (\$200,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a six-year period beginning with the time the investment commences.
 - b. The business employs at least 2,000 full-time employees or equivalent full-time contract employees at the project that is the subject of the grant at the time the application is made, and the business agrees to maintain at least 2,000 full-time employees or equivalent full-time contract employees at the project for the full term of the grant agreement.
 - c. The project is located in a development tier one area at the time the business applies for a grant.
- (1a) The business previously received a grant as a major employer under this section and meets the following requirements:
 - a. The Department certifies that the business has invested or intends to invest at least one hundred fifty million dollars (\$150,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a six-year period beginning with the time the investment commences. Amounts certified as invested under sub-subdivision a. of subdivision (1) of this subsection shall not be included in the amount required by this sub-subdivision.



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- b. The business employs at least 2,000 full-time employees or equivalent full-time contract employees at the project that is the subject of the grant at the time the application is made and the business agrees to maintain at least 2,000 full-time employees or equivalent full-time contract employees at the project for the full term of the grant agreement.
 - c. The project is at the same location as that for which a grant was previously awarded under subdivision (1) of this subsection.
- (2) The business is a large manufacturing employer. A business is a large manufacturing employer if the business meets the following requirements:
- a. The business is in manufacturing, as defined in G.S. 105-129.81, and is converting its manufacturing process to change the product it manufactures or is investing in its manufacturing process by enhancing pollution controls or transitioning the manufacturing process from using coal to using natural gas for the purpose of becoming more energy efficient or reducing emissions.
 - b. The Department certifies that the business has invested or intends to invest at least fifty million dollars (\$50,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a five-year period beginning with the time the investment commences.
 - c. The business meets one of the following employment requirements:
 - 1. If in a development tier one area, the business employs at least 320 full-time employees at the project that is the subject of the grant at the time the application is made, and the business agrees to maintain at least 320 full-time employees at the project for the full term of the grant.
 - 2. If in a development tier two area with a population of less than 60,000 as of July 1, 2013, the business employs at least 800 full-time employees or equivalent full-time contract employees at the project that is the subject of the grant at the time the application is made, and the business agrees to maintain at least 800 full-time employees or equivalent full-time contract employees at the project for the full term of the grant.
- (2a) The business is a heritage manufacturing employer. A business is a heritage manufacturing employer if the business meets the following requirements:
- a. The business is in manufacturing, as defined in G.S. 143B-437.01, and has been operating in this State for over 100 years.
 - b. The Department certifies that the business has invested or intends to invest at least three hundred twenty-five million dollars (\$325,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a four-year period beginning with the time the investment commences.
 - c. The business employs at least 1,050 full-time employees or equivalent full-time contract employees in the State at the time the application is made and the business agrees to (i) maintain at least 1,050 full-time employees or equivalent full-time contract employees in the State for the full term of the grant and (ii) retrain and relocate to a development tier two area at least 400 of those full-time employees or equivalent full-time contract employees upon the commencement of commercial production at its tier two area facility.

- d. The business is operating in a development tier three area at the time the business applies for a grant and the business is relocating to a development tier two area with an estimated population of less than 63,000, according to the 2017 Certified County Population Estimates published by the State Demographer's Office.
 - e. An agreement with a business under this subdivision may provide that the grant paid out over the term of the agreement be in unequal annual payments and in amounts deviating from the factors listed in subsection (l) of this section for any individual annual payment, provided the factors are considered in the aggregate award to be paid to the business over the entire term of the agreement.
- (2b) The business is a supply-chain-impact manufacturing employer. A business is a supply-chain-impact manufacturing employer if the business meets the following requirements:
- a. The business is in manufacturing, as defined in G.S. 105-129.81, manufactures a product used primarily and significantly in the construction of residential and commercial buildings, and is investing in its manufacturing process to transition away from utilizing coal-based energy byproducts to other alternatives.
 - b. The Department certifies that the business has invested or intends to invest at least one hundred ten million dollars (\$110,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a five-year period beginning with the time the investment commences.
 - c. The business and its affiliated companies (i) employ at least 420 full-time employees or equivalent full-time contract employees in the State at the time the application is made and (ii) agree to maintain at least 420 full-time employees or equivalent full-time contract employees in the State for the full term of the grant.
 - d. The business has operations in a development tier two area at the time the business applies for a grant, and the business agrees to maintain or increase the development tier two area operations for the term of the agreement.

...

(j) Agreement. – Unless the Secretary of Commerce determines that the project is no longer eligible or appropriate for a grant under this section, the Department shall enter into an agreement to provide a grant or grants for a project recommended by the Committee. Each grant agreement (i) is binding and constitutes a continuing contractual obligation of the State and the business. ~~The grant agreement business, (ii) shall include the performance criteria, remedies, and other safeguards recommended by the Committee or required by the Department.~~ Department, and (iii) shall contain the following provisions:

~~Each grant agreement shall contain a~~

- (1) A provision prohibiting a business from receiving a payment or other benefit under the agreement at any time when the business has received a notice of an overdue tax debt and the overdue tax debt has not been satisfied or otherwise resolved. ~~Each grant~~
- (2) A provision requiring the business to maintain an employment level. For the purposes of this subsection, the employment level includes full-time employees and equivalent full-time contract employees. The applicable employment level is as follows:

- a. If the grant agreement is for a business that is has qualified as a major employer under subdivision (1) of subsection (d) of this section shall contain section, a provision requiring the business to maintain the employment level at the project that is the subject of the agreement that is the lesser of the level it had at the time it applied for a grant under this section or that it had at the time that the investment required under subsection (d) of this section began. For the purposes of this subsection, the employment level includes full-time employees and equivalent full-time contract employees. The agreement shall further specify that the amount of a grant shall be reduced in proportion to the extent the business fails to maintain employment at this level and that the business shall not be eligible for a grant in any year in which its employment level is less than eighty percent (80%) of that required at the level required in subdivision (d)(1) of this section. The provision shall further require, in the event the business fails to maintain the required level of employment by more than 100 employees, a one percent (1%) reduction of the grant for every one employee below that threshold.
- b. Each If the grant agreement is for a business that is has not qualified as a major employer under subdivision (1) of subsection (d) of this section shall contain section, a provision requiring the business to maintain the employment level required under that subdivision at the project that is the subject of the grant. The agreement provision shall further specify that the business is not eligible for a grant in any year in which the business fails to maintain the employment level.

A grant agreement may obligate the State to make a series of grant payments over a period of up to 10 years. Nothing in this section constitutes or authorizes a guarantee or assumption by the State of any debt of any business or authorizes the taxing power or the full faith and credit of the State to be pledged.

The Department shall cooperate with the Attorney General's office in preparing the documentation for the grant agreement. The Attorney General shall review the terms of all proposed agreements to be entered into under this section. To be effective against the State, an agreement entered into under this section shall be signed personally by the Attorney General.

(k) Safeguards. – To ensure that public funds are used only to carry out the public purposes provided in this section, the Department shall require that each business that receives a grant under this section shall agree to meet performance criteria to protect the State's investment and ensure that the projected benefits of the project are secured. The performance criteria to be required shall include ~~maintenance of an appropriate level of employment at specified levels of compensation,~~ compensation for required levels of employment, maintenance of health insurance for all full-time employees, investment of a specified amount over the term of the agreement, and any other criteria the Department considers appropriate. The agreement shall require the business to repay or reimburse an appropriate portion of the grant based on the extent of any failure by the business to meet the performance criteria. The agreement shall require the business to repay all amounts received under the agreement and to forfeit any future grant payments if the business fails to satisfy the investment eligibility requirement of this section. The use of contract employees shall not be used to reduce compensation at the project that is the subject of the agreement.

...."

PART II. REVISIONS TO ABC LAWS

SECTION 2.(a) G.S. 18B-903 reads as rewritten:

"§ 18B-903. Duration of permit; renewal and transfer.

...

(c1) Construction of Change in Ownership. – Nothing in subsection (c) of this section shall be construed to limit alternating ~~brewery~~ proprietorships in which the holder of a ~~brewery~~ permit under G.S. 18B-1101, 18B-1102, 18B-1104, or 18B-1105 leases or otherwise makes available its facility to another holder of a ~~brewery~~ ~~permit~~ permit under G.S. 18B-1101, 18B-1102, 18B-1104, or 18B-1105. For purposes of this section, if authorized by federal law, the host ~~brewery~~ facility may also hold, at the same facility, brewery, unfortified winery, fortified winery, and distillery permits pursuant to G.S. 18B-1101, 18B-1102, 18B-1104, and 18B-1105. In this arrangement, the tenant ~~brewery~~ producer shall maintain title to the ~~malt~~ beverages at all states of the ~~brewing~~ process and shall be responsible for all aspects associated with manufacturing the product, including maintaining appropriate records, obtaining label approval in its own name, and remitting the appropriate taxes. Alternating brewery proprietorships are authorized between affiliated breweries, but shall not be used as a means to allocate production quantities between affiliated breweries to obtain a malt beverage wholesaler permit pursuant to G.S. 18B-1104(a)(8) where either brewery would not otherwise qualify for a permit, and the Commission shall have no authority to grant an exemption to this requirement pursuant to G.S. 18B-1116(b).

...."

SECTION 2.(b) G.S. 18B-1105 reads as rewritten:

"§ 18B-1105. Authorization of distillery permit.

(a) The holder of a distillery permit may do any of the following:

...

- (4) Sell spirituous liquor distilled or produced at the distillery in closed containers to visitors who tour the distillery for consumption off the premises. The length, content, and other parameters of the tour shall be at the discretion of the distillery, and the distillery shall not be required to maintain records related to tours. Sales under this subdivision are allowed only in a county where the establishment of a county or municipal ABC store has been approved pursuant to G.S. 18B-602(g) and may occur between the hours of 9:00 A.M. and 9:00 P.M. on Monday through Saturday of each week, from 12:00 noon to 9:00 P.M. on Sundays, and from 9:00 A.M. to 9:00 P.M. on each of the following holidays that do not fall on a Sunday: New Year's Day, Fourth of July, Labor Day, and Thanksgiving Day. Spirituous liquor sold under this subdivision shall (i) be listed as a code item for sale in the State, (ii) be sold at the price set by the Commission for the code item pursuant to G.S. 18B-804(b), and (iii) have affixed to its bottle any labeling requirements set by law. A bottle of spirituous liquor sold under this subdivision may have personalized labeling. The personalized labeling shall comply with any other labeling requirements set by law. The personalized labeling shall not cover any portion of the manufacturer's original label. For purposes of this subdivision, the term "personalized labeling" means the inclusion of any of the following on the label:
- a. The name of the purchaser of the bottle or the name of any individual, business entity, or club on whose behalf the bottle is purchased.
 - b. "Bottled for," "distilled for," "in honor of," or other similar language.
 - c. Dates, locations, occasions, and other similar information.
- (4a) In an area where the sale of mixed beverages is authorized by law, sell mixed beverages for consumption on the premises, or for consumption off the premises in accordance with the requirements for sale for consumption off the premises described in G.S. 18B-1001(10). If a distillery elects to sell mixed beverages containing spirituous liquor other than that produced at the

distillery, the distillery shall obtain a mixed beverages permit pursuant to G.S. 18B-1001.

- (4b) If the distillery is located on a property used for bona fide farm purposes, as defined in G.S. 160D-102(3), sell mixed beverages containing only spirituous liquor produced at the distillery for consumption on the premises, or for consumption off the premises in accordance with the requirements for sale for consumption off the premises described in G.S. 18B-1001(10), regardless of the results of any local mixed beverage election.
- (4c) In an area where the sale of mixed beverages has not been approved by a local election, sell mixed beverages containing only spirituous liquor produced at the distillery for consumption on the premises, or for consumption off the premises in accordance with the requirements for sale for consumption off the premises described in G.S. 18B-1001(10), upon obtaining a mixed beverages permit under G.S. 18B-1001.
- (5) Conduct consumer tastings, sell mixed beverages, and provide spirituous liquor in closed containers in accordance with G.S. 18B-1114.7.

...

(a1) A distillery participating in an alternating proprietorship may sell any product it produces or distills at the permitted location pursuant to subdivision (4), (4a), (4b), (4c), or (5) of subsection (a) of this section at any time the sale of spirituous liquor is allowed on the premises pursuant to those subdivisions. The distilleries in an alternating proprietorship may contract for the host distillery to manage sales of spirituous liquor for the other distillery pursuant to subdivision (4), (4a), (4b), (4c), or (5) of subsection (a) of this section, but each distillery shall be responsible for maintaining appropriate records and remitting the appropriate taxes. Only the host distillery shall be required to have a mixed beverage permit, if required, if the host distillery sells the other distillery's spirituous liquor in mixed beverages.

...."

SECTION 4.(a) G.S. 18B-1001 reads as rewritten:

"§ 18B-1001. Kinds of ABC permits; places eligible.

When the issuance of the permit is lawful in the jurisdiction in which the premises are located, the Commission may issue the following kinds of permits:

...

- (3) **On-Premises Unfortified Wine Permit.** – An on-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine for consumption on the premises, either alone or mixed with other beverages, (ii) the retail sale of unfortified wine in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned and sanitized container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another on-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such

transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The holder of the permit is authorized to ship unfortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

- a. Restaurants.
- b. Hotels.
- c. Eating establishments.
- d. Private clubs.
- e. Convention centers.
- f. Cooking schools.
- g. Community theatres.
- h. Wineries.
- i. Wine producers.
- j. Retail businesses.
- k. Sports and entertainment venues.
- l. Bars.
- m. The holder of a distillery permit authorized under G.S. 18B-1105.
- n. Breweries.

Additionally, an on-premises unfortified wine permit authorizes a permittee that is a restaurant, eating establishment, hotel, private club, bar, brewery, winery, or wine producer to sell at retail single-serving unfortified wine drinks for consumption off the premises, including delivery by the permittee or a delivery service permittee. Single-serving unfortified wine drinks sold for consumption off the premises must be sold with food and shall be packaged in a container with a secure lid or cap and in a manner designed to prevent consumption without removal of the lid or cap. The container shall be no greater than 24 fluid ounces. ~~Notwithstanding~~ In accordance with G.S. 20-138.7, the transportation of single-serving unfortified wine drinks in a motor vehicle shall not be unlawful if the container continues to be sealed and is in the passenger area of a motor vehicle. is an unopened manufacturer's original container or is transported in a locked container, in the trunk, or in the area behind the last upright seat in a motor vehicle not equipped with a trunk. Notwithstanding G.S. 18B-1010, the sale of more than two single-serving unfortified wine drinks at one time shall not be unlawful if the single-serving unfortified wine drinks are sold for delivery or consumption off the permittee's premises. No single-serving unfortified wine by the drink ordered for off-premises consumption shall be provided to any person other than the purchaser of the single-serving unfortified wine drink, except that in the case of delivery, the delivery service permittee through its employees or agents may provide the single-serving unfortified wine drink to a person other than the purchaser if the permittee or the permittee's employees or agents verify that the person is over 21 years of age using age verification software requiring the recipient to provide a form of photographic identification authorized in G.S. 18B-302(d)(1).

...

- (5) On-Premises Fortified Wine Permit. – An on-premises fortified wine permit authorizes the retail sale of fortified wine for consumption on the premises, either alone or mixed with other beverages, and the retail sale of fortified wine in the manufacturer's original container for consumption off the premises. The permit also authorizes the permittee to transfer fortified wine, not more than four times per calendar year, to another on-premises fortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises fortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The holder of the permit is authorized to ship fortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

- a. Restaurants.
- b. Hotels.
- c. Private clubs.
- d. Community theatres.
- e. Wineries.
- f. Convention centers.
- g. Bars.
- h. The holder of a distillery permit authorized under G.S. 18B-1105.
- i. Sports and entertainment venues.
- j. Breweries.

Additionally, an on-premises fortified wine permit authorizes a permittee that is a restaurant, hotel, private club, bar, brewery, or winery to sell at retail single-serving fortified wine drinks for consumption off the premises, including delivery by the permittee or a delivery service permittee. Single-serving fortified wine drinks sold for consumption off the premises must be sold with food and shall be packaged in a container with a secure lid or cap and in a manner designed to prevent consumption without removal of the lid or cap. The container shall be no greater than 24 fluid ounces. ~~Notwithstanding~~ In accordance with G.S. 20-138.7, the transportation of single-serving fortified wine drinks in a motor vehicle shall not be unlawful if the container continues to be sealed and is in the passenger area of a motor vehicle, is an unopened manufacturer's original container or is transported in a locked container, in the trunk, or in the area behind the last upright seat in a motor vehicle not equipped with a trunk. Notwithstanding G.S. 18B-1010, the sale of more than two single-serving fortified wine drinks at one time shall not be unlawful if the single-serving fortified wine drinks are sold for delivery or consumption off the permittee's premises. No single-serving fortified wine by

the drink ordered for off-premises consumption shall be provided to any person other than the purchaser of the single-serving fortified wine drink, except that in the case of delivery, the delivery service permittee through its employees or agents may provide the single-serving fortified wine drink to a person other than the purchaser if the permittee or the permittee's employees or agents verify that the person is over 21 years of age using age verification software requiring the recipient to provide a form of photographic identification authorized in G.S. 18B-302(d)(1).

...

(10) Mixed Beverages Permit. – A mixed beverages permit authorizes the retail sale of mixed beverages for consumption on the premises. The permit also authorizes a mixed beverages permittee to obtain an antique spirituous liquor permit under subdivision (20) of this section and to use for culinary purposes spirituous liquor lawfully purchased for use in mixed beverages. The permit may be issued for any of the following:

- a. Restaurants.
- b. Hotels.
- c. Private clubs.
- d. Convention centers.
- e. Community theatres.
- f. Nonprofit organizations.
- g. Political organizations.
- h. Sports and entertainment venues.
- i. Bars.
- j. The holder of a distillery permit authorized under G.S. 18B-1105.
- k. Breweries.
- l. Wineries.

Additionally, a mixed beverages permit authorizes a permittee that is a restaurant, hotel, private club, bar, brewery, winery, or the holder of a distillery permit to sell at retail mixed beverages for consumption off the premises, including delivery by the permittee or a delivery service permittee. A mixed beverage sold for consumption off the premises must be sold with food and shall be (i) a premixed cocktail in the manufacturer's original closed container, or (ii) packaged in a container with a secure lid or cap, and in a manner designed to prevent consumption without removal of the lid or cap. The container shall be no greater than 24 fluid ounces. ~~Notwithstanding~~ In accordance with G.S. 20-138.7, the transportation of a mixed beverage in a motor vehicle shall not be unlawful if the container continues to be sealed and is in the passenger area of a motor vehicle. is an unopened manufacturer's original container or is transported in a locked container, in the trunk, or in the area behind the last upright seat in a motor vehicle not equipped with a trunk. Notwithstanding G.S. 18B-1010, the sale of more than one mixed beverage drink at one time shall not be unlawful if the mixed beverage drinks are sold for delivery or consumption off the permittee's premises. No mixed beverage ordered for off-premises consumption shall be provided to any person other than the purchaser of the mixed beverage, except that in the case of delivery, the delivery service permittee through its employees or agents may provide the mixed beverage to a person other than the purchaser if the permittee or the permittee's employees or agents verify that the person is over 21 years of age using age verification software requiring the recipient to provide a form of photographic identification authorized in G.S. 18B-302(d)(1).

...."

SECTION 4.(b) G.S. 20-138.7(a) reads as rewritten:

"(a) Offense. – No person shall drive a motor vehicle on a highway or the right-of-way of a ~~highway~~ highway while both of the following conditions are met:

- (1) ~~While there~~ There is an alcoholic beverage in the passenger area in other than the unopened manufacturer's original container or a container that remains securely sealed pursuant to G.S. 18B-1001(3), 18B-1001(5), or 18B-1001(10).container.
- (2) ~~While the~~ The driver is consuming alcohol or while alcohol remains in the driver's body."

SECTION 4.(c) This section becomes effective October 1, 2025, and applies to offenses committed on or after that date.

PART IV. EXEMPTION FROM NONBETTERMENT COSTS

SECTION 6.(a) G.S. 136-27.1 reads as rewritten:

"§ 136-27.1. Relocation of water and sewer lines of municipalities, nonprofit water or sewer corporations or associations, local boards of education, and certain private water or sewer utilities.

(a) The Department of Transportation shall pay the nonbetterment cost for the relocation of water and sewer lines, located within the existing State transportation project right-of-way, that are necessary to be relocated for a State transportation improvement project and that are owned by: (i) a municipality with a population of ~~40,000-20,000~~ or less according to the latest decennial census; (ii) a nonprofit water or sewer association or corporation; (iii) any water or sewer system organized pursuant to Chapter 162A of the General Statutes; (iv) a rural water system operated by a County as an enterprise system; (v) any sanitary district organized pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes; (vi) constructed by a water or sewer system organized pursuant to Chapter 162A of the General Statutes and then sold or transferred to a municipality with a population of greater than ~~40,000-20,000~~ according to the latest decennial census; (vii) a local board of education; or (viii) a private water or sewer utility organized pursuant to Chapter 62 of the General Statutes serving ~~40,000-20,000~~ or fewer customers.

(b) A municipality with a population of greater than ~~40,000-20,000~~ shall pay a percentage of the nonbetterment cost for relocation of water and sewer lines owned by the municipality and located within the existing State transportation project right-of-way that are necessary to be relocated for a State transportation improvement project. The percentage shall be based on the municipality's population, with the Department paying the remaining costs, as follows:

- (1) A municipality with a population of greater than ~~40,000-20,000~~, but less than 50,000, shall pay twenty-five percent (25%) of the cost.
- (2) A municipality with a population of 50,000 or greater, but less than 100,000, shall pay fifty percent (50%) of the cost.
- (3) A municipality with a population of 100,000 or greater shall pay one hundred percent (100%) of the cost."

SECTION 6.(b) This section is effective retroactive to January 1, 2025, and applies to (i) nonbetterment costs arising after that date and (ii) nonbetterment costs arising before that date but unpaid by a municipality on that date.

PART VI. MEGASITES READINESS PROGRAM TECHNICAL CORRECTION

SECTION 8. Section 11.11 of S.L. 2022-74, as amended by Section 11.11 of S.L. 2023-134 and Section 4.2 of S.L. 2025-4, reads as rewritten:

"SECTION 11.11.(a) Purpose. – It is in the best economic and developmental interests of the State to support the development of megasites to ensure the State's ongoing competitiveness

for major manufacturing opportunities, including, but not limited to, the aerospace, automotive, clean energy, food processing, semiconductor, and life science industries. The purpose of this section is to establish a competitive grant program serving to do the following:

- (1) Identify and evaluate up to seven megasites for preferred development and marketing.
- (2) Assist local governments or a partnership of local governments in the acquisition of a newly identified or existing megasite.
- (3) Support local governments or a partnership of local governments to analyze, plan, install, or upgrade ~~public~~ infrastructure, including water, gas, and sewer systems, transportation infrastructure, and the electric infrastructure necessary to meet the needs of prospective employers for megasites.

...."

PART VII. EFFECTIVE DATE

SECTION 9. Except as otherwise provided, this act is effective when it becomes law, and Section 1 of this act applies to awards in effect on or after that date.

In the General Assembly read three times and ratified this the 30th day of June, 2025.

s/ Phil Berger
President Pro Tempore of the Senate

s/ Donna McDowell White
Presiding Officer of the House of Representatives

s/ Josh Stein
Governor

Approved 3:14 p.m. this 7th day of July, 2025