HOUSE BILL 926:
Regulatory Reform Act of 2025.

2025-2026 General Assembly

Committee:	Senate Regulatory Reform. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	July 29, 2025
Introduced by:	Reps. Riddell, Zenger, Chesser	**Prepared by:**	Jennifer McGinnis Kyle Evans Aaron McGlothlin Committee Counsel
Analysis of:	PCS to Fifth Edition H926-CSCC-18		

OVERVIEW: The Proposed Committee Substitute (PCS) for House Bill 926 would amend State laws related to State and local government, occupational licenses, commerce, environment, and various other regulations.

CURRENT LAW & BILL ANALYSIS:

ALLOW AUTHORIZED ON-SITE WASTEWATER EVALUATOR TO PREPARE A SITE DENIAL LETTER FOR SUBSURFACE WASTEWATER SYSTEMS

Section 1 would direct the Environmental Management Commission (Commission) to implement its rules concerning on-site wastewater systems to allow either a local county health department official or an Authorized On-Site Wastewater Evaluator to prepare and submit site denial letters for subsurface wastewater systems. This section would also direct the Commission to readopt its rules consistent with that implementation.

SURVEYOR RIGHT OF ENTRY

G.S. 89C-19.2 (Limited right of entry by professional land surveyors) does the following:

- Grants a licensed professional land surveyor, and the surveyor's agents, employees, or personnel under the surveyor's supervision, the right to enter upon the lands of others with the surveyor's customary equipment and vehicles, if necessary to perform surveys for the practice of land surveying, including the location of property corners, boundary lines, rights-of-way, and easements.
- Clarifies that an entry by a professional land surveyor as authorized by the statute does not constitute trespass under Articles 22A or 22B of Chapter 14 of the General Statutes, and the surveyor making an authorized entry is not subject to arrest or a civil action by reason of the entry.

Section 2 would repeal G.S. 89C-19.2 and establish a limited right of entry by professional land surveyors under Chapter 14 (Criminal Law).

PROHIBIT INSPECTION DEPARTMENTS FROM CHARGING FEES FOR CERTAIN INSPECTION CANCELLATIONS

Section 3 would prohibit local inspection departments from charging permit holders a fee or failing inspections of a building or structure subject to the North Carolina Residential Code, if the permit holder cancels the inspection with more than one business day's notice.

LIMIT DESIGN METHODOLOGY AND CONSTRUCTION STANDARDS FOR CERTAIN MUNICIPAL STREETS

Section 4 would prohibit local governments from establishing or requiring pavement design standards for public or private roads that are more stringent than the minimum pavement design standards adopted by the Department of Transportation.

This section would become effective January 1, 2026, and apply to projects initiated on or after that date.

LOCAL GOVERNMENT REQUIREMENTS FOR PEDESTRIAN FACILITIES AND ROADWAY IMPROVEMENTS IN EXTRATERRITORIAL JURISDICTION

Section 5 would require a local government that requires a developer to construct a pedestrian facility or road improvement to standards or with attributes which would preclude their acceptance by NCDOT to coordinate with the Department to enter into agreements for the local government to assume maintenance and repair responsibilities for portions of the improvement precluded from acceptance. This section applies to projects located within an ETJ.

This section would become effective January 1, 2026, and apply to projects initiated on or after that date.

EXEMPT MODEL HOMES FROM FIRE PROTECTION WATER SUPPLY REQUIREMENT DURING CONSTRUCTION

The North Carolina Building Code and North Carolina Fire Code require approved water supplies for fire protection availability as soon as combustible materials arrive on a job site.

Section 6 would authorize a fire code official to reduce fire-flow requirements for an isolated model home at a subdivision project site where full fire flow requirements is impractical or pending. This section would also require the Building Code Council and Residential Code Council to make conforming changes to the Code, as applicable.

ADVANCED TEACHING ROLES – LIMITED CLASS SIZE EXCEPTION AND TRACK ROLES IN STUDENT INFORMATION SYSTEM

G.S. 115C-301 establishes class size requirements for kindergarten through 3rd grade. Article 20A of Chapter 115C of the General Statutes establishes the Advanced Teaching Roles program (ATR Program), which develops advanced teaching roles and organizational models that link teacher performance and professional development to salary increases for classroom teachers in selected local school administrative units. Participating local school administrative units (ATR units) can receive grants to support the implementation of the ATR Program for up to two three-year terms, during which time the units also receive class size flexibility.

Section 7 would allow the State Board of Education to authorize any ATR unit that received its final year of grant funding in the 2024-2025 school year to exceed the maximum class size requirements for the 2025-2026 and 2026-2027 school years. Additionally, this section would require the Department of Public Instruction to create designations in the student information system for teachers serving in advanced teaching roles.

END DUAL LICENSURE REQUIREMENTS FOR AUDIOLOGISTS

It is generally unlawful for a person to fit or sell hearing aids without being licensed to do so by the State Hearing Aid Dealers and Fitters Board. In addition to this Board, there exists the Board of Examiners for

Speech and Language Pathologists and Audiologists. This Board licenses speech pathologists and audiologists independently.

Under current law, licensed audiologists who possess a doctoral degree in audiology are expressly authorized to fit or sell hearing aids, without being required to obtain separate licensure from the State Hearing Aid Dealers and Fitters Board.

Section 8 would authorize anyone holding an unrestricted license as an audiologist from the Board of Examiners for Speech and Language Pathologists and Audiologists to fit or sell hearing aids without having to obtain separate licensure from the State Hearing Aid Dealers and Fitters Board.

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

G.S. 93D-7 requires that every person fitting or selling a hearing aid, at or before the time of delivery, provide the purchaser a statement of sale that includes the following information: the date of sale; whether the hearing aid is new, used, or refurbished; the hearing aid identification number; name of manufacturer; price of hearing aid; charge for fitting and service; name of the dealer or fitter; and the customer's signature. This requirement does not apply to the selling of over-the-counter hearing aids.

Section 9 would establish certain requirements applicable to licensed hearing aid specialists who sell "locked hearing aids," which are defined as "a prescription hearing aid or an over-the-counter hearing aid that uses proprietary programming software or locked, nonproprietary programming software that restricts programming or servicing of the device to specific facilities or providers."

This section would require licensed hearing aid specialists who sell locked hearing aids to provide purchasers with the following written notice in 12-point font type or larger, prior to the sale:

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

The purchaser would have to sign this written notice prior to completing the sale.

Upon selling a locked hearing aid, the seller must deliver to the purchaser a written receipt that provides, in addition to the information required by G.S. 93D-7, the following information: the date of sale; the make, model, and serial number of the hearing aid; whether the hearing aid is new, used, or reconditioned; the name and license number of each person who sold or provided any recommendation or consultation regarding the purchase; the address and office hours for the licensee's business; and the terms of any guarantee or written warranty made to the purchaser.

This section would also require the seller to maintain the following records for at least three years after the sale, including: a copy of the written notice signed by the purchaser; a copy of the receipt containing all requisite information regarding the sale; the results of any audiologic tests or measurements performed; and a copy of any written recommendations prepared as part of the fitting or dispensing of the hearing aid.

Section 9.1 would establish requirements for licensed audiologists that are identical to those requirements in Section 9 which are applicable to hearing aid specialists.

Sections 9 and 9.1 would become effective October 1, 2025.

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

By rule adopted by the North Carolina Real Estate Commission, a broker acting as an agent in a real estate transaction may not use a preprinted offer or sales contract that includes any provision regarding the payment of commission or compensation to a broker or firm.

Section 10 would direct the Real Estate Commission to implement its rule concerning offer and sales contracts to allow preprinted contracts to include provisions regarding the payment of commission or compensation and amend its rule consistent with that implementation.

PROHIBIT WAITING PERIODS FOR REFILING OF DEVELOPMENT APPLICATIONS

Section 11 would bar a development regulation or unified development ordinance from including 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.

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

Section 12 would prohibit a city from adopting or enforcing an ordinance that prohibits or restricts a property owner from displaying an American flag or a North Carolina flag on the property owner's property. A city would, however, be authorized to adopt an ordinance to reasonably regulate the manner and placement of the display of an American flag or a North Carolina flag only when necessary to protect public health and safety. To enforce such an ordinance against a particular property, the city would be required to produce written findings of fact documenting the public health and safety concerns. If a city asserts a traffic-based justification concerning a flag on a particular property, a site study conducted by the Department of Transportation must 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 12 would be 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 would be abated by this section.

ALLOW OFF-SITE FOOD SERVICE FOR WORKPLACE EVENTS

Section 13 would authorize a permitted food establishment to serve food or drink in a workplace setting at an offsite location for the employees of that designated workplace and their invited guests. The food establishment must notify the local health department before initiating offsite service at a designated workplace and comply with a number of other requirements.

EXTEND NOTICE REQUIRED BEFORE CONTESTED CASE HEARINGS

Under current law, the parties to a contested case must be given notice at least 15 days before the hearing.

Section 14.(a) would provide that for Article 3 contested cases, the Office of Administrative Hearings (OAH) must give the parties notice of the location and week that the hearing is expected at least 30 days before the initial scheduled hearing date. OAH would still issue a formal notice of hearing at least 15 days before the hearing date.

Section 14.(b) would provide that for Article 3A[1] contested cases, the agency must give the parties notice at least 30 days before the hearing.

ENCOURAGE ARTICLE 3A AGENCIES TO NEGOTIATE INFORMALLY

The official policy of the State in disputes between a State agency and another person is that those disputes should be settled through informal procedures. A contested case may be filed only if the dispute cannot be resolved informally.

Section 15 would make clear that this also applies to Article 3A of the Administrative Procedure Act.

SWIMMING POOL AMENDMENTS

Public swimming pools are subject to permitting requirements and rules enforced by the Department of Health and Human Services. Certain types of pools are exempt from regulation, including:

- Private pools serving a single-family dwelling and used only by the residents of the dwelling and their guests,
- Therapeutic pools used in physical therapy programs operated by medical facilities licensed by the Department or operated by a licensed physical therapist, and
- Therapeutic chambers drained, cleaned, and refilled after each individual use.

S.L. 2024-49 amended the law governing public swimming pools, effective July 1, 2025, to expand the exemption for private swimming pools to include private swimming pools offered for use to individuals on a temporary basis through a sharing economy platform, provided that the swimming pools meet certain minimum safety and cleanliness requirements.

Local boards of health may adopt rules more stringent in areas regulated by the Commission for Public Health when the local board finds that a more stringent rule is required to protect the public health.

Section 16 would prohibit a local board of health from adopting a rule concerning a private pool serving a single family dwelling otherwise exempt from regulation by the Department of Health and Human Services pursuant to G.S. 130A-280.

Section 17 would rewrite the S.L. 2024-49 exemption for private swimming pools serving a single-family dwelling used only by residents and their guests to apply regardless of whether the guests gain use of the private pool through a sharing economy platform or pay a fee. In cases where a fee is exchanged for pool access, the private pool must be "maintained in good and safe working order."

This section would also make various technical and organizational changes to G.S. 130A-280.

ZONING REGULATIONS/UNIVERSITY PROPERTY

G.S. 160D-913 exempts from local government zoning and development regulations any building project located in Wake County that is managed by the State Construction Office.

Section 18 would exempt on a Statewide basis any building project managed by the State Construction Office from local zoning and development regulations. This section would also exempt projects that are both: (i) managed by The University of North Carolina or any of its constituent institutions, and (ii) are located in Buncombe, Watauga, or Wake County.

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[1] Article 3A of the Administrative Procedure Act governs contested cases involving (i) occupational licensing boards, (ii) the State Banking Commission, the Commissioner of Banks, and the Credit Union Division of the Department of Commerce, (iii) the Department of Insurance and the Commissioner of Insurance, (iv) the State Chief Information Officer in the administration of the Department of Information Technology, (v) the State Building Code Council, and (vi) the Office of the State Fire Marshal and the State Fire Marshal.

DOWNSTREAM INUNDATION MAPS

An owner of a dam classified by the Department of Environmental Quality as a high-hazard dam or an intermediate-hazard dam must develop an Emergency Action Plan (EAP) for the dam. Information included in the EAP that constitutes sensitive public security information, which includes certain information protected pursuant to rules adopted by the Federal Energy Regulatory Commission (FERC), is exempt from disclosure pursuant to the Public Records Act.

Section 19 would exclude from the definition of sensitive public security information any EAPs or downstream inundation maps associated with impoundments or dams not regulated by FERC.

NO SECOND BITE FOR STORMWATER AND SEWER PERMITTING REVIEW

Section 20 would modify the review process for stormwater and sewer permitting to limit the Environmental Management Commission's ability to make subsequent requests for information from a permit applicant if that information was not previously identified as missing or required in an earlier information request from the Commission, except in certain circumstances

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

The Falls Lake Rules are a nutrient management strategy designed to restore water quality in the lake by reducing the amount of pollution entering upstream. The Falls Lake Nutrient Management Strategy was implemented in 2011 to reduce nutrient inputs to the lake from wastewater discharges, stormwater runoff from new and existing development, and agricultural sources. Among other things, the Falls Lake rule governing stormwater management for new development requires:

- That all local governments subject to the rule develop stormwater management programs with certain elements, including a requirement that a stormwater management plan must be submitted for local government approval for all proposed new development disturbing one-half acre or more for single family and duplex residential property and recreational facilities.[2]
- Proposed new development activity disturbing at least one-half acre but less than one acre of land for single family and duplex residential property and recreational facilities must achieve 30% or more of the needed load reduction in both nitrogen and phosphorus loading onsite and must meet any requirements for engineered stormwater controls described in the rule.

Section 21 would require the Environmental Management Commission to revise the Falls Lake rule governing stormwater management for new development to:

- Except as required pursuant to federal law or permit, prohibit requirements for a stormwater permit, management plan, or post-construction stormwater controls for single family and duplex residential and recreational development that cumulatively disturb less than one acre, which is not part of a larger common plan of development.
- Prohibit applicable local governments from establishing requirements more restrictive than the rule.

[2] The Jordan Lake rule governing stormwater management for new development requires an approved stormwater management plan for all proposed new development disturbing one acre or more for single family and duplex residential property and recreational facilities.

MINING PERMIT PROCESS MODIFICATIONS

Under current law, a person performing mining activities must obtain a permit from the Department of Environmental Quality (Department). For purposes of the Mining Act (Act), "mining" means:

- The breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid matter.
- 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.
- 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.

A number of activities are specifically exempt from the definition, including excavation or grading when conducted solely for activities undertaken on agricultural land that are exempt under the Sedimentation Pollution Control Act (SPCA).

The Mining Act establishes requirements for public notice and public hearings, and timeframes for Department action, in association with a permit application.

Section 22 would:

- **Exempt from the definition of "mining"** activities undertaken at any time on the mine property 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. These activities are also exempt from requirements under the SPCA.
- Provide that **requests for public hearing must be made within 30 days of receipt of notice (rather than within 30 days of issuance of the notice)** from the chief administrative officer of each county and municipality in which any part of the permitted area is located and owners of land adjoining the proposed mine, and owners of land within specified proximity to the proposed mine.
- Provide that the Department may not extend or alter public comment periods and time frames for conducting public hearings established by the applicable statutes.
- Add language explicitly applying a statute governing all permits issued by the Department to the Mining Act, which provides that to the extent required by federal or State law, the Department may 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.
- Modify timeframes for Department review of an application (currently the Department must 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) to establish specific time limits for the Department to perform an administrative review of an application to determine whether it is administratively complete, and additional timeframes and limits on subsequent requests for information from an applicant, with a technical review period of 60 days once the Department determines the application is complete to issue or deny the permit. 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 previous information submittal, and, 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 may not deny the permit because of the missing information.

EFFECTIVE DATE: Unless otherwise specified, this act would become effective when law.