

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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**SENATE BILL 449
Education/Higher Education Committee Substitute Adopted 4/9/25
House Committee Substitute Favorable 6/10/25
Proposed Conference Committee Substitute S449-PCCS35328-NE-1**

Short Title: Continuing Budget Operations Part IV.

(Public)

Sponsors:

Referred to:

March 25, 2025

A BILL TO BE ENTITLED
AN ACT TO IMPLEMENT ADDITIONAL BUDGETARY ADJUSTMENTS AND TO MAKE
OTHER CHANGES.

The General Assembly of North Carolina enacts:

PART I. DISASTER RECOVERY MODIFICATIONS

GOLDEN LEAF – HURRICANE HELENE BRIDGE LOAN MODIFICATIONS

SECTION 1.1.(a) Section 4C.3 of S.L. 2024-53 reads as rewritten:

"...

"SECTION 4C.3.(b) Definitions. – The following definitions apply in this section:

...

- (2) Interest-only period. – A period of time, not to exceed 12-24 months from the date that a loan is awarded, within which a qualifying business may make interest-only payments on a loan.

...

"SECTION 4C.3.(c) Use of Funds. – The following shall apply to the program and to loans made under the program:

...

- (2) ~~A loan provided~~ The total amount loaned to a qualifying business under the program is limited to no more than one hundred fifty thousand dollars (\$100,000) per qualifying business. (\$150,000).

- (3) The term of the loan shall not extend beyond June 30, 2030-2032.

...

- (5) A lender, as authorized by Golden LEAF, may take prudent and commercially reasonable efforts to remedy a default, a likelihood of default, or bankruptcy filing by a business, including restructuring the terms of a loan and entering into settlement agreements, provided that, if a loan is restructured, the following requirements are met:

...

- b. The term of the loan is not extended beyond June 30, 2030-2032.

"SECTION 4C.3.(e) Reporting. – Beginning ~~December~~ March 15, 2025, 2026, and continuing every six months thereafter, Golden LEAF shall submit a report on the program to the Joint Legislative Economic Development and Global Engagement Oversight Committee and



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the Fiscal Research Division. The duty to report pursuant to this section shall cease after the submission of the report following when Golden LEAF has remitted the entirety of the net loan funds to the Office of State Budget and Management. Each report shall contain, at a minimum, all of the following:

...."

SECTION 1.1.(b) This section is effective when it becomes law and applies retroactively to all loans made under the program.

LOCAL GOVERNMENT CAPITAL GRANT PROGRAM MODIFICATION

SECTION 1.2.(a) Section 2B.1(b) of S.L. 2025-26 reads as rewritten:

"SECTION 2B.1.(b) Criteria; Uses. – OSBM shall disburse grants to eligible recipients under a damage per capita formula developed from FEMA's damage estimates and reports in the affected area from Hurricane Helene. The grants shall be used for capital projects to repair, renovate, or replace infrastructure damaged by Hurricane Helene. These capital projects must be projects that ~~have been denied eligibility~~ are not eligible for FEMA Public Assistance reimbursement. OSBM shall consult with the Department of Public Safety, Division of Emergency Management, to confirm each project's ineligibility for FEMA Public Assistance reimbursement."

SECTION 1.2.(b) This section is retroactively effective on June 27, 2025, and applies to grants applied for, disbursed, or obligated on or after that date under the Hurricane Helene Local Government Capital Grant Program.

CASHFLOW LOAN PROGRAM FOR LOCAL GOVERNMENTS MODIFICATION

SECTION 1.3.(a) Purpose. – Notwithstanding Section 4E.5 of S.L. 2024-53, as amended by Section 1F.1 of S.L. 2024-57, the Department shall make modifications to the cashflow loan program for eligible communities consistent with this section.

SECTION 1.3.(b) Definitions. – The following definitions apply in this section:

- (1) Affected area. – As defined in Section 1.4 of S.L. 2025-26.
- (2) Affected city. – A city, as defined in G.S. 160A-1, that has a population of 10,000 or fewer and has a preliminary damage estimate of greater than one hundred percent (100%) of the city's 2024-2025 budget.
- (3) Affected county. – A county, as defined in G.S. 153A-1, that (i) has a population of 25,000 or fewer based on the 2023 Certified County Population Estimates from the State Demographer, and has a preliminary damage estimate of greater than fifty percent (50%) of the county's 2024-2025 budget, or (ii) contains within its territory an unincorporated area that suffered catastrophic damage.
- (4) Budget. – As defined in G.S. 159-7(b)(1).
- (5) Cashflow loan program. – The program operated by the Department in accordance with Section 4E.5 of S.L. 2024-53, as amended.
- (6) Catastrophic damage. – Damage caused by Hurricane Helene that qualifies, in whole or in part, for FEMA Public Assistance Categories C through G.
- (7) Department. – The Department of the State Treasurer.
- (8) Eligible community. – An affected city or county or an affected county that has within its territory an unincorporated area located within the affected area that suffered catastrophic damage.
- (9) FEMA. – Federal Emergency Management Agency.

SECTION 1.3.(c) Terms of Loans. – An eligible community that receives a loan under the cashflow loan program shall not be required to repay any portion of such loan until the occurrence of the latest of (i) June 30, 2030, (ii) the final declination of FEMA coverage or reimbursement, or (iii) receipt of FEMA reimbursement funds.

SECTION 1.3.(d) Existing Loans. – At the request of the borrowing eligible community, the Department shall renegotiate the terms of a loan issued under the cashflow loan program prior to the effective date of this section for conformity with the requirements of subsection (c) of this section.

SECTION 1.3.(e) Use of Funds. – The loan requirements set forth in Section 4E.5(a)(1), (1a), (2), and (3), as amended by Section 1F.1 of S.L. 2024-57, apply to loans issued under this section. If an affected county applies for a loan under this section for an unincorporated area, then those funds shall only be spent in that unincorporated area and not elsewhere within the affected county.

SECTION 1.3.(f) Reporting. – The reporting requirements set forth in Section 4.1(g) of S.L. 2025-2 apply to loans issued under this section.

SECTION 1.3.(g) Effective Date. – This section is effective when it becomes law.

EXTENSION OF TREE ORDINANCE RESTRICTION IN DISASTER DECLARED COUNTIES

SECTION 1.4.(a) Section 1D.8 of S.L. 2024-57 reads as rewritten:

"SECTION 1D.8.(a) Notwithstanding the provisions of Chapter 160D, Article 6 of Chapter 153A, or Article 8 of Chapter 160A of the General Statutes or any local act of the General Assembly, no local government in the affected area may enforce any ordinance regulating the removal, replacement, and preservation of trees on private property, including tree removal, trimming, or maintenance activities, or require a permit for those activities, on the portion of any private property that is more than 10 feet from the property boundary.

"SECTION 1D.8.(b) Notwithstanding subsection (a) of this section, a local government may: (i) enforce an existing ordinance, or provision of an ordinance, regulating the removal, replacement, and preservation of trees on private property, including tree removal, trimming, or maintenance activities, or require a permit for those activities, solely for the purpose of protecting life or property from damage resulting from natural hazards, including, but not limited to, mudslides, slope failures, or flooding, and (ii) adopt and enforce such an ordinance pursuant to authority granted by this subsection, which shall be narrowly tailored to protect life or property from such hazards. Existing and newly adopted ordinances authorized pursuant to this subsection shall not regulate trees for aesthetic or general environmental purposes, except as required pursuant to State or federal law in accordance with subdivision (2) of subsection (c) of this section.

~~"SECTION 1D.8.(b)–1D.8.(c)~~ This section shall not apply to any of the following:

- (1) An imminent threat to public safety, as determined by a certified arborist or other local authority.
- (2) Areas where tree removal or maintenance activities are prohibited by State or federal law, including endangered species habitats, riparian buffers, and wetlands.

~~"SECTION 1D.8.(c)–1D.8.(d)~~ This section expires ~~March 1, 2025~~ October 1, 2026."

SECTION 1.4.(b) Section 5.1(3)c. of S.L. 2025-2 is repealed.

SECTION 1.4.(c) This section is effective when it becomes law and applies only to local governments located in the affected area that qualify, in whole or in part, for FEMA Public Assistance Categories C through G.

MODIFY EXTENSIONS OF CERTAIN GOVERNMENT APPROVALS AFFECTING THE DEVELOPMENT OF REAL PROPERTY IN THE AREA AFFECTED BY HELENE

SECTION 1.5.(a) Section 1D.3 of S.L. 2024-57 reads as rewritten:

"SECTION 1D.3.(a) Definitions. – As used in this section, the following definitions apply:

- (1) Development. – The division of a parcel of land into two or more parcels; the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any building or other structure or facility; or any grading, soil removal or relocation, excavation or landfill, or any use or change in the use of any building or other structure or land or extension of the use of land.
- (2) Development approval. – Any of the following approvals issued by the State, any agency or subdivision of the State, or any unit of local government, regardless of the form of the approval, that are for the development of land or for the provision of water or wastewater services by a government entity:
- ...
- k. Any approval by a local government of sketch plans, preliminary plats, plats regarding a subdivision of land, a site specific development plan or a phased development plan, a development permit, a development agreement, or a special use, conditional use, or building permit under Chapter 160D of the General Statutes.

...

"SECTION 1D.3.(b) For any development ~~approval~~ approval:

- (1) ~~that~~ That is current and valid at any point during the period beginning January 1, 2024, and ending December 31, 2027, the running of the period of the development approval and any associated vested right under G.S. 160D-108 or G.S. 160D-108.1 is suspended within the affected area during the period beginning January 1, 2024, and ending December 31, 2027.
- (2) That was current and valid on September 25, 2024, the expiration date shall be automatically extended for a period of 12 months beyond the date on which the approval would otherwise expire pursuant to the suspension of the running of time under subdivision (1) of this subsection.

Notwithstanding the extensions granted by this section, a local government may revoke or modify a development approval automatically extended under this section if, due to changed site conditions resulting from Hurricane Helene or subsequent related natural disasters, the local government determines that it would not issue the permit under current site conditions based on a determination that the site no longer meets applicable State or federal safety, environmental, or engineering standards, or that the extension of the approval would present a material risk to life, health, or property. A local government exercising authority to revoke or modify a development approval automatically extended under this subsection shall provide written notice to the holder of the development approval of the revocation or modification, including findings of fact to support a determination that the site no longer meets applicable State or federal safety, environmental, or engineering standards, or that the extension of the approval would present a material risk to life, health, or property. The extensions granted by this subsection shall run concurrently with, and not in addition to, any other extension of the same development approval provided by State law or local ordinance.

"SECTION 1D.3.(c) This section shall not be construed or implemented to:

- ...
- (6) Affect the ability of a government entity to revoke or modify a development approval pursuant to ~~law~~ law, for reasons other than the running of time.
- (7) Modify any requirement of law that is necessary to retain federal delegation by the State of the authority to implement a federal law or program.
- (8) Revive a development approval that expired prior to September 25, 2024.
- (9) Affect any vested rights established under G.S. 160D-108 or other applicable law.

"SECTION 1D.3.(d) When a development approval that is contingent upon connection to a water supply system or a sanitary sewer system is suspended or extended under subsection (b) of

1 this section and there is not sufficient supply or treatment capacity to accommodate requests for
2 additional allocation, the local government that granted the allocation may reallocate reserved
3 capacity from projects whose approvals are suspended or extended but are not ready to proceed
4 if the local government meets all of the following requirements:

- 5 (1) Establishes an allocation plan for existing capacity that determines actual
6 capacity and provides for a fair and equitable process to distribute the
7 remaining capacity.
- 8 (2) Establishes a reallocation plan to meet requests for capacity above permitted
9 capacity that is fair and equitable and requires the following:
 - 10 a. That an applicant for a new or additional allocation demonstrates the
11 ability to begin construction.
 - 12 b. That the holder of a development permit suspended under subsection
13 (b) of this section demonstrates the ability or intent to begin
14 construction in no less than 120 days in order to retain the reserved
15 capacity.
- 16 (3) Does not reallocate capacity to exceed the amount of the reserved capacity.

17 **"SECTION 1D.3.(e)** This section does not reduce the original period of a development
18 permit.

19 **"SECTION 1D.3.(f)** Within 30 days after the effective date of this section, each agency or
20 subdivision of the State to which this section applies shall place a notice in the North Carolina
21 Register listing the types of development approvals that the agency or subdivision issues and
22 noting the extension provided in this section. This ~~section~~ subsection does not apply to units of
23 local government.

24 **"SECTION 1D.3.(g)** The provisions of this section shall be liberally construed to effectuate
25 the purposes of this section."

26 **SECTION 1.5.(b)** This section is effective retroactive to December 11, 2024, and
27 applies only to development approvals issued by local governments located in the affected area
28 that qualify, in whole or in part, for FEMA Public Assistance Categories C through G.

29 30 PART II. EDUCATION

31 32 TECHNICAL CHANGES TO COOPERATIVE INNOVATIVE HIGH SCHOOL 33 FUNDING PROVISION

34 **SECTION 2.1.(a)** G.S. 115C-238.54A, as enacted by S.L. 2025-92, reads as
35 rewritten:

36 **"§ 115C-238.54A. Cooperative innovative high schools – supplemental allotment funding
37 based on county development tier designation.**

38 (a) Allocation of Funding. – The Department shall allocate cooperative innovative high
39 school supplemental allotment funds to local school administrative units with a cooperative
40 innovative high school approved pursuant to G.S. 115C-238.51A(c) based on developmental tier
41 area, as defined in G.S. 143B-437.08, as follows:

- 42 (1) Local school administrative units located in a development tier one area shall
43 be allocated ~~funding as follows: the sum of two hundred seventy-five thousand~~
44 dollars (\$275,000) in recurring funds for each cooperative innovative high
45 school in the unit, except as follows:
 - 46 ~~a. The sum of two hundred seventy-five thousand dollars (\$275,000) in~~
47 ~~recurring funds for each cooperative innovative high school in the unit.~~
 - 48 b.a. For the Northeast Regional School of Biotechnology and Agriscience,
49 the Department shall allocate the sum of three hundred ten thousand
50 dollars (\$310,000) in recurring funds from the regional school
51 supplemental allotment for the school for each fiscal year.

b. For a virtual cooperative innovative high school, the Department shall allocate the sum of two hundred thousand dollars (\$200,000) in recurring funds to the local school administrative unit for each fiscal year.

(2) Local school administrative units located in a development tier two area shall be allocated the sum of two hundred thousand dollars (\$200,000) in recurring funds for each cooperative innovative high school in the unit.

(3) Local school administrative units located in a development tier three area shall be allocated the sum of one hundred eighty thousand dollars (\$180,000) in recurring funds for each cooperative innovative high school in the unit.

(b) Applicability of Funds. – The allotment of funds to local school administrative units pursuant to subsection (a) of this section shall include cooperative innovative high schools approved pursuant to G.S. 115C-238.51A(c) operated by a local school administrative unit regardless of not receiving allotments in a prior fiscal year. Funds shall not be allocated to local school administrative units for cooperative innovative high schools approved by the State Board pursuant to G.S. 115C-238.51A(b)."

SECTION 2.1.(b) This section is effective when it becomes law and applies to funds allocated for cooperative innovative high schools beginning with the 2025-2026 school year.

INCREASE NC PROMISE TUITION FOR NONRESIDENTS

SECTION 2.2.(a) G.S. 116-143.11(a) reads as rewritten:

"(a) The NC Promise Tuition Plan shall be established and implemented as provided by this section. Notwithstanding G.S. 116-143 and G.S. 116-11(7), the Board of Governors of The University of North Carolina shall set the rate of undergraduate tuition for Elizabeth City State University, the University of North Carolina at Pembroke, Fayetteville State University, and Western Carolina University as follows: the rate of tuition for students deemed to be North Carolina residents for purposes of tuition shall be five hundred dollars (\$500.00) per academic semester and the rate of tuition for nonresident students shall be ~~two thousand five hundred dollars (\$2,500)~~ three thousand five hundred dollars (\$3,500) per academic semester."

SECTION 2.2.(b) This section applies beginning in the 2026-2027 academic year to nonresident students matriculating at NC Promise institutions. Any nonresident student enrolled in the 2025-2026 academic year at an NC Promise institution who remains continuously enrolled in that institution shall continue to receive a rate of tuition of two thousand five hundred dollars (\$2,500) per academic semester.

SECTION 2.2.(c) For purposes of this section, the term "NC Promise institution" refers to Elizabeth City State University, the University of North Carolina at Pembroke, Fayetteville State University, and Western Carolina University.

TECHNICAL CORRECTION TO REMOVE CONTINGENT BREAK/FIX RATE REPEAL

SECTION 2.3. Section 1.3(b) of S.L. 2025-46 reads as rewritten:

"**SECTION 1.3.(b)** This section is effective when it becomes law and applies beginning with the 2025-2026 academic year. ~~If Senate Bill 449, 2025 Regular Session, becomes law, this section is repealed.~~"

PART III. HEALTH AND HUMAN SERVICES [RESERVED]

PART IV. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

EXTEND ANIMAL WASTE MANAGEMENT SYSTEM GENERAL PERMITS THROUGH SEPTEMBER 30, 2028

1 **SECTION 4.1.** Section 5.1 of S.L. 2024-32 reads as rewritten:

2 **"SECTION 5.1.** Notwithstanding 15A NCAC 02T .0111(e), or any other provision of law,
3 the Department of Environmental Quality, pursuant to the powers relative to general permits and
4 to permits for facilities not discharging to the surface waters of the State that are granted to the
5 Environmental Management Commission under Part 1A of Article 21 of Chapter 143 of the
6 General Statutes and delegated by the Commission to the Department, shall extend the expiration
7 of general permits AWG100000 (Swine), AWG200000 (Cattle), AWG300000 (Wet Poultry)
8 AWG400000 (Swine Digester), AWG50000 (Cattle Digester), and AWG600000 (Wet Poultry
9 Digester) until September 30, ~~2026-2028~~. The Department of Environmental Quality shall also
10 extend the expiration of certificates of coverage issued under these general permits until
11 September 30, ~~2026-2028~~."

12
13 **REPURPOSE HENDERSON COUNTY WASTEWATER INFRASTRUCTURE FUNDS**

14 **SECTION 4.2.** Funds allocated to Henderson County by Section 12.13(f)(28) of S.L.
15 2021-180 for the improvement of wastewater treatment in the Edneyville area of the County (the
16 Edneyville allocation) shall, notwithstanding that section, instead be used for repairs and
17 upgrades to the Etowah wastewater treatment system, and any funds remaining after the
18 completion of those repairs and upgrades may be used by Henderson County for purposes
19 authorized by the Edneyville allocation.
20

21 **AUTHORIZE THE ENVIRONMENTAL MANAGEMENT COMMISSION TO**
22 **EMPLOY INDEPENDENT STAFF**

23 **SECTION 4.3.(a)** G.S. 143B-283 reads as rewritten:

24 **"§ 143B-283. Environmental Management Commission – members; selection; removal;**
25 **compensation; quorum; services.**

26 ...

27 (b4) ~~Administrative Support.—All clerical and other services required by the Commission~~
28 ~~shall be supplied by the Secretary of Environmental Quality.~~ Commission Staff, Structure, and
29 Function. —

30 (1) The chair is authorized and empowered to employ professional,
31 administrative, technical, and clerical personnel as the chair may determine to
32 be necessary in the proper discharge of the Commission's duty and
33 responsibility as provided by law. The chair shall organize and direct the work
34 of the Commission staff. Any additional clerical and other services required
35 by the Commission shall be supplied by the Secretary of the Department at
36 the direction of the chair.

37 (2) The salaries and compensation of all such personnel shall be fixed in the
38 manner provided by law for fixing and regulating salaries and compensation
39 by other State agencies.

40 (3) The chair, within allowed budgetary limits and as allowed by law, shall
41 authorize and approve travel, subsistence, and related expenses of such
42 personnel incurred while traveling on official business.

43 "

44 **SECTION 4.3.(b)** There is appropriated from the General Fund to the Department
45 of Environmental Quality the sum of seven hundred thousand dollars (\$700,000) in recurring
46 funds beginning in the 2025-2026 fiscal year for up to five full-time equivalent positions as
47 dedicated staff for the Environmental Management Commission. The positions may be
48 established from within the following classifications, at salary grades up to Level III: Deputy
49 Secretary, General Counsel (Attorney), Engineer, Environmental Program Consultant,
50 Economist, and Administrative Officer.
51

EDPNC ADMINISTRATIVE EXPENSES

SECTION 4.4.(a) Notwithstanding any provision of law to the contrary, the nonprofit corporation with which the Department of Commerce contracts pursuant to G.S. 143B-431.01(b) may use for administrative expenses up to two million dollars (\$2,000,000) of the interest earned on monies previously appropriated for the Megasite Readiness Program.

SECTION 4.4.(b) This section is effective when it becomes law and expires June 30, 2027.

REPEAL WRC REGISTERED PROPERTY PROGRAM

SECTION 4.5.(a) Article 21A of Chapter 113 of the General Statutes is repealed.

SECTION 4.5.(b) This section is effective when it becomes law. Prosecutions for offenses committed before the effective date of this section are not abated or affected by this section, and the statutes that would be applicable but for this section remain applicable to those prosecutions.

DACS AVIAN FLU RESPONSE

SECTION 4.6.(a) There is appropriated from the General Fund to the Department of Agriculture and Consumer Services the sum of one million five hundred thousand dollars (\$1,500,000) in recurring funds beginning in the 2025-2026 fiscal year to support up to an additional 10 full-time equivalent positions and operating expenses for the Veterinary Division to support the response and monitoring of avian flu.

SECTION 4.6.(b) There is appropriated from the General Fund to the Department of Agriculture and Consumer Services the sum of one million five hundred thousand dollars (\$1,500,000) in nonrecurring funds for the 2025-2026 fiscal year for laboratory expenses for the Veterinary Division to support the response and monitoring of avian flu.

DACS STATE MEAT INSPECTION COST-SHARE PROGRAM

SECTION 4.7. There is appropriated from the General Fund to the Department of Agriculture and Consumer Services the sum of five hundred eighty-one thousand seven hundred eighty-eight dollars (\$581,788) in recurring funds beginning in the 2025-2026 fiscal year to provide additional support to the State Meat Inspection cost-share program.

PART V. JUSTICE AND PUBLIC SAFETY**FUNDING FOR VIPER NETWORK OPERATING SHORTFALL**

SECTION 5.1. There is appropriated from the General Fund to the State Highway Patrol, Budget Fund 102690, the sum of two million one hundred thousand dollars (\$2,100,000) in recurring funds beginning in the 2025-2026 fiscal year to be used to maintain and operate the VIPER network.

ADMINISTRATIVE OFFICE OF THE COURTS/FUNDING FOR INFORMATION TECHNOLOGY IMPROVEMENTS

SECTION 5.2. There is appropriated from the Information Technology Reserve established in Section 2.2(h) of S.L. 2021-180 to the Administrative Office of the Courts, Budget Fund 100051, the sum of seven million two hundred thousand dollars (\$7,200,000) in nonrecurring funds for the 2025-2026 fiscal year to be used for costs related to information technology improvements.

TECHNICAL CORRECTIONS TO IRYNA'S LAW

SECTION 5.3.(a) G.S. 15A-534(b), as amended by subsection (d) of Section 1 of S.L. 2025-93, reads as rewritten:

"(b) Except for a defendant charged with a violent offense, a judicial official in granting pretrial release must impose condition (2) or (3) in subsection (a) above unless he determines that such release will not reasonably assure the appearance of the defendant as required; will pose a danger of injury to any person; or is likely to result in destruction of evidence, subornation of perjury, or intimidation of potential witnesses. Upon making the determination, the judicial official must then impose condition (4) or (5) in subsection (a) above instead of condition (2) or (3), and must record the reasons for so doing in writing to the extent provided in the policies or requirements issued by the senior resident superior court judge pursuant to G.S. 15A-535(a). However, if a defendant has been convicted of three or more ~~offenses~~, offenses in separate sessions of court, each of which is a Class 1 misdemeanor or higher offense, within the previous 10 years, the judicial official must then impose condition (4) or (5) in subsection (a) of this section."

SECTION 5.3.(b) Subsection (j) of Section 1 of S.L. 2025-93 reads as rewritten:

"SECTION 1.(j) Subsections ~~(a) through (e)~~ (a), (b), (d), and (e) of this ~~section~~ section, and subsection (b) of G.S. 15A-533, as amended in subsection (c) of this section, become effective December 1, 2025, and apply to persons appearing before a judicial official for the determination of pretrial release conditions on or after that date. Subsection (b1) of G.S. 15A-533, as enacted by subsection (c) of this section, becomes effective December 1, 2026, and applies to persons appearing before a judicial official for the determination of pretrial release conditions on or after that date. The remainder of this section is effective when it becomes law."

SECTION 5.3.(c) This section is effective when it becomes law.

STATE HIGHWAY PATROL/ADDITIONAL EXEMPT POSITIONS

SECTION 5.4. G.S. 126-5(c1)(40) reads as rewritten:

"(40) Employees of the State Highway Patrol, that the Commander of the State Highway Patrol, at any time, in the Commander of the State Highway Patrol's discretion, exempts from the application of this Chapter by means of a letter to the Director of the Office of State Human Resources designating these employees. The Commander of the State Highway Patrol may exempt no more than ~~10~~ 17 employees under the authorization set forth in this subdivision."

STATE BUREAU OF INVESTIGATION/FUNDING FOR RADIOS AND OTHER NECESSARY EQUIPMENT

SECTION 5.5. There is appropriated from the General Fund to the State Bureau of Investigation the sum of two million dollars (\$2,000,000) in nonrecurring funds for the 2025-2026 fiscal year to be used by the Bureau for radios and other equipment deemed necessary by the Director of the Bureau.

ADMINISTRATIVE OFFICE OF THE COURTS/FUNDING FOR ADDITIONAL SPECIAL ASSISTANT UNITED STATES ATTORNEYS

SECTION 5.6.(a) There is appropriated from the General Fund to the Administrative Office of the Courts the sum of six hundred thousand dollars (\$600,000) in recurring funds beginning in the 2025-2026 fiscal year to be used for additional special assistant United States attorneys.

SECTION 5.6.(b) G.S. 7A-60(a3) reads as rewritten:

"(a3) In a manner not inconsistent with applicable State law, the North Carolina Conference of District Attorneys shall have the authority to assign to specific counties assistant district attorney positions created by the General Assembly for the purpose of serving as special assistant United States attorneys. The Conference will retain assignment authority of assistant district

attorney positions referenced in this subsection for so long as the positions are funded for that purpose.

The number of assistant district attorney positions subject to the requirements of this subsection shall ~~be six,~~ not exceed 12."

STATE BUREAU OF INVESTIGATION/ALLOW USE OF THIRD-PARTY VENDOR FOR FINGERPRINTING OR TO CONDUCT CRIMINAL HISTORY RECORD CHECKS

SECTION 5.7.(a) G.S. 143B-1209.09 reads as rewritten:

"§ 143B-1209.09. ~~Definition.~~Definition; authority to use third-party vendor.

(a) Definition. – For purposes of this Part, the term "Bureau" means the State Bureau of Investigation.

(b) Authority. – The Bureau may contract with any third-party vendor approved by the Director of the Bureau for (i) fingerprinting, (ii) conducting any criminal record check the Bureau is authorized to provide by law, or (iii) fingerprinting and conducting any criminal record check the Bureau is authorized to provide by law. Notwithstanding any provision of law to the contrary, any third-party vendor who contracts with the Bureau under the authority set forth in this subsection may charge a fee for each service provided. Any restrictions or requirements set by law governing fingerprints and other information collected by the Bureau for a criminal record check apply to a third-party vendor used by the Bureau pursuant to this subsection."

SECTION 5.7.(b) This section is effective when it becomes law and applies to criminal record checks requested on or after that date.

PART VI. GENERAL GOVERNMENT

BUDGET AND HUMAN RESOURCES POSITIONS

SECTION 6.1. There is appropriated from the General Fund to the Office of the State Fire Marshal in the Department of Insurance the sum of three hundred thousand dollars (\$300,000) in recurring funds beginning in the 2025-2026 fiscal year to provide funds for three administrative positions, including salaries and benefits, to support the Office of the State Fire Marshal's budgetary and human resources needs.

IBIS SYSTEM REPLACEMENT AND STABILIZATION

SECTION 6.2. There is appropriated from the IT Reserve to the Office of State Budget and Management the sum of twenty million eight hundred fifty thousand dollars (\$20,850,000) in nonrecurring funds for the 2025-2026 fiscal year and eight hundred fifty thousand dollars (\$850,000) in nonrecurring funds for the 2026-2027 fiscal year to be used for the replacement and stabilization of the IBIS system.

GRANT EXTENSION FOR TOWN OF GRANITE FALLS

SECTION 6.3. Notwithstanding any provision of law to the contrary, the funds appropriated in S.L. 2023-134 to be allocated as a directed grant to the Town of Granite Falls to be used for a fire station shall not revert until June 30, 2027.

OLD REX HOSPITAL PROPERTY DISPOSITION

SECTION 6.4.(a) No later than April 1, 2026, the Department of Administration shall identify and select a suitable location for relocation of the Division of Employment Security and complete the relocation of all staff and property to the new location by April 1, 2027. No later than April 15, 2026, the Department of Administration shall seek proposals for the redevelopment of the property situated on the parcel of land in the City of Raleigh, with Wake County real estate ID# 0102702 (Department land asset 5498). A redevelopment plan proposal

shall, in addition to showing the proposed points of ingress and egress, internal traffic circulation and parking, and the arrangement, density, and intensity of the intended land uses for the property, propose either a purchase price or a long-term lease of the property and, notwithstanding any provision of law to the contrary, the Department of Administration shall list the parcel for sale or lease. On the earlier of April 1, 2027, or when the Division of Employment Security is relocated pursuant to this section, the Department of Administration shall select and execute the proposal that provides the best financial benefit to the State; provided, however, the Department shall submit its best proposal to the Fiscal Research Division at least 45 days prior to executing any agreement. No service charge into the State Land Fund shall be deducted from or levied against the proceeds generated from the transaction in connection with the property listed in this section. Notwithstanding G.S. 146-30, the proceeds from the transaction in connection with the property listed in this section shall be handled in accordance with the following priority:

- (1) First, in accordance with the provisions of any trust or other instrument of title whereby title to the subject real property was acquired by the State.
- (2) Second, to reimburse the Department of Administration for any funds expended in connection with the transaction regarding the subject real property.
- (3) Third, to be deposited into the State Capital and Infrastructure Fund established in G.S. 143C-4-3.1.

SECTION 6.4.(b) Except as otherwise provided, the provisions of this section are not subject to the provisions of Article 7 of Chapter 146 of the General Statutes.

SECTION 6.4.(c) This section is effective when it becomes law.

AMERICA'S SEMIQUINCENTENNIAL COMMITTEE EXTENSION

SECTION 6.5.(a) Subsection (f) of Section 14.10 of S.L. 2023-134 reads as rewritten:

"SECTION 14.10.(f) Reports; Termination. – The Committee shall make the following reports to the General Assembly prior to terminating on August 1, 2026:

- (1) ~~an~~ An interim report to the 2025 Regular Session of the 2025 General Assembly and a final report to the 2026 Regular Session of the 2025 General Assembly no later than January 14, 2026. The Committee shall terminate on January 15, 2026 Assembly.
- (2) An interim report by March 31, 2026.
- (3) A final report by August 1, 2026."

SECTION 6.5.(b) This section is effective when it becomes law.

TECHNICAL CORRECTION/EXEMPT HEALTH BENEFIT PLANS OFFERED BY A MEWA FROM SPECIFIED PROVISIONS APPLICABLE TO SMALL GROUP HEALTH BENEFIT PLANS

SECTION 6.6.(a) G.S. 58-50-130, as amended by Section 7 of S.L. 2025-25, reads as rewritten:

"§ 58-50-130. Required health ~~care~~ benefit plan provisions.

...

(b3) A health benefit plan is not subject to subsection (b) or (b1) of this section if the health benefit plan is offered by a multiple employer welfare arrangement licensed under Article 50A of this Chapter.

...."

SECTION 6.6.(b) This section is effective when it becomes law and applies to health benefit plans offered by a multiple employer welfare arrangement licensed under Article 50A of Chapter 58 of the General Statutes on or after that date.

GENERAL ASSEMBLY OPERATING FUNDS AND GENERAL ASSEMBLY SPECIAL POLICE EXECUTIVE PROTECTION AUTHORITY

SECTION 6.7.(a) There is appropriated from the General Fund to the General Assembly the sum of two million five hundred thousand dollars (\$2,500,000) in recurring funds beginning in the 2025-2026 fiscal year for legislative operations and to support the General Assembly Special Police in exercising its powers and performing its duties, including staffing, training, equipment, and protective operations.

SECTION 6.7.(b) G.S. 120-32.2 reads as rewritten:

"§ 120-32.2. General Assembly Special Police.

(a) All sworn members of the General Assembly Special Police employed by the Legislative Services Office are special police officers, and have all the powers of policemen of cities, within any of the following areas of jurisdiction, while on official duty:

...

(2) Throughout the State:

...

e. While accompanying a member of the General Assembly for the purpose of providing executive protection in response to ~~a threat of physical violence threats.~~

...."

HUMAN CAPITAL MANAGEMENT PROJECT

SECTION 6.8.(a) There is appropriated from the Information Technology Reserve established in Section 2.2(h) of S.L. 2021-180 to the Office of State Human Resources (OSHR) the sum of one million one hundred eighty thousand dollars (\$1,180,000) in nonrecurring funds for the 2025-2026 fiscal year to support implementation of the Human Capital Management (HCM) system.

SECTION 6.8.(b) There is appropriated from the Information Technology Reserve established in Section 2.2(h) of S.L. 2021-180 to OSHR the sum of two million six hundred ninety-one thousand dollars (\$2,691,000) in nonrecurring funds for the 2026-2027 fiscal year for vendor subscription and maintenance costs for the HCM system and for the time-limited positions authorized by this section to perform duties necessary to implement and support the HCM system.

SECTION 6.8.(c) OSHR may establish one or more time-limited positions funded by this section to support the implementation and operation of the HCM system; any such positions may begin in the 2025-2026 fiscal year and may continue into the 2026-2027 fiscal year, but shall expire no later than June 30, 2027, and shall not be continued or converted to permanent positions without further legislative authorization. Funds appropriated by this section may be used for the salaries and associated benefits of these positions.

STATE FISCAL RECOVERY FUND ADJUSTMENTS

SECTION 6.9.(a) Notwithstanding any other provision of law, State Fiscal Recovery Funds (SFRF) appropriated in S.L. 2021-180, as amended, that are categorized as revenue loss by the North Carolina Pandemic Recovery Office (NCPRO) may be used to support government services, subject to and consistent with 31 C.F.R. Part 35 and related United States Department of the Treasury guidance. For purposes of this section, "government services" has the meaning set forth in 31 C.F.R. § 35.6(d) and does not include any use prohibited by federal law or federal guidance.

SECTION 6.9.(b) The Office of State Budget and Management (OSBM), in consultation with NCPRO, shall identify all SFRF-funded projects with remaining unexpended balances that were categorized as revenue loss and used for government services. The Director

of the Budget may reclassify such unexpended SFRF balances to support other eligible government services (i) only to the extent permitted under federal law and federal guidance; (ii) only from funds that were properly obligated on or before December 31, 2024; and (iii) with expenditures made consistent with 31 C.F.R. Part 35 and related United States Department of the Treasury guidance. A reclassification under this subsection may occur during the 2025-2026 fiscal year and, to the extent necessary to comply with federal requirements, within the applicable federal period of performance, if all of the following conditions are satisfied:

- (1) The governmental service to receive SFRF support was previously supported by SFRF appropriations.
- (2) The governmental service receives a net General Fund appropriation in the 2025-2026 fiscal year.
- (3) The governmental service is an eligible use of SFRF under 31 C.F.R. Part 35 and related United States Department of the Treasury guidance during the period of performance.

SECTION 6.9.(c) To implement subsection (b) of this section, the Director of the Budget shall make nonrecurring, budget-neutral adjustments as follows:

- (1) Reduce, on a nonrecurring basis, the 2025-2026 fiscal year net General Fund appropriation for each agency receiving SFRF pursuant to this section by an amount equal to the SFRF reclassified to that agency.
- (2) Increase, on a nonrecurring basis, the net General Fund appropriation for each agency from which SFRF were reclassified under this section by an amount equal to the SFRF removed from that agency.
- (3) Notwithstanding G.S. 143C-1-2(b), the net General Fund appropriations made under subdivision (2) of this subsection shall be used only for the projects for which SFRF were reduced under this section and shall not revert but shall remain available until the earlier of project completion or June 30, 2027.
- (4) In no event shall a project from which SFRF are reclassified receive net General Fund appropriations in excess of the project's unexpended SFRF balance as of the date of reclassification.

SECTION 6.9.(d) To reconcile project-level allocations with available SFRF balances, OSBM, through NCPRO, may adjust SFRF project allocations by up to ten dollars (\$10.00) per project. Adjustments under this subsection are technical and shall not change project scope or shift funds between projects. Nothing in this subsection limits or supersedes a reclassification authorized by subsection (b) of this section.

SECTION 6.9.(e) No later than April 15, 2026, OSBM and NCPRO shall jointly report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on all actions taken under this section, including:

- (1) For each agency and project meeting the revenue-loss criteria in subsection (a) of this section, the project name and the amount of remaining unexpended SFRF as of December 31, 2025. The report shall also identify which projects are complete and have excess SFRF funds and which SFRF projects need additional funds for completion.
- (2) For each agency and project from which unexpended SFRF were reclassified, the project name and the amount of the corresponding nonrecurring net General Fund appropriation provided in lieu of SFRF.
- (3) For each agency and project receiving SFRF pursuant to the reclassification, the project name and the amount of SFRF provided.

The report shall also certify that all SFRF were obligated on or before December 31, 2024, and that expenditures are being made consistent with 31 C.F.R. Part 35 and related United States Department of the Treasury guidance.

SECTION 6.9.(f) The Director of the Budget shall ensure that implementation of this section results in no change to the net General Fund appropriations in the 2025-2026 fiscal year.

ORBIT SYSTEM

SECTION 6.10. Notwithstanding any provision of law to the contrary, and in accordance with the provisions of S.L. 2023-93, in order to provide funds for the transition of retirement system data from on-premises servers to cloud-based storage, the Retirement Systems Division of the Department of State Treasurer may increase receipts from the assets of the Retirement Systems, as defined in G.S. 147-69.2(b), or pay costs associated with the transition of retirement system data directly from the Retirement Systems' assets. Receipts increased or costs paid directly from Retirement Systems' assets as authorized by this section shall not exceed the sum of one million twenty-two thousand dollars (\$1,022,000) in recurring funds beginning in the 2025-2026 fiscal year and an additional one million two hundred sixty thousand dollars (\$1,260,000) in nonrecurring funds in the 2025-2026 fiscal year only.

DOI/LOSS MITIGATION DATE GAP FIX

SECTION 6.11. Section 6(d) of S.L. 2025-45 reads as rewritten:

"SECTION 6.(d) ~~Section 6(b) of this act is~~ Subsections (a) through (c) of this section are effective January 1, 2027, and ~~applies~~ apply to trade practices related to insurance contracts issued, renewed, or amended on or after that date. ~~The remainder of this section is effective when it becomes law and applies to trade practices related to insurance contracts issued, renewed, or amended on or after that date."~~

BANKING SYSTEM UPGRADE

SECTION 6.12. In accordance with the provisions of G.S. 147-68.1, the Financial Operations Division of the Department of State Treasurer may charge to the income or assets of the funds and programs using the banking operations of the Department of State Treasurer the costs of upgrading software for and supporting ongoing maintenance of the State banking system. The costs charged as authorized by this section shall not exceed the sum of three million dollars (\$3,000,000) in recurring funds beginning in the 2025-2026 fiscal year and the sum of four million three hundred thousand dollars (\$4,300,000) in nonrecurring funds for the 2025-2026 fiscal year.

PART VII. INFORMATION TECHNOLOGY

FEDERAL ARPA FUNDS/BROADBAND

SECTION 7.1.(a) From funds available in the Stopgap Solutions–Federal Broadband Funds described in Section 38.5 of S.L. 2021-180, the Department of Information Technology shall allocate as a grant the sum of twelve million dollars (\$12,000,000) to MCNC, a nonprofit organization. MCNC shall use these funds for projects or project phases that (i) rebuild and reinforce fiber networks impacted by Hurricane Helene in the affected area, as defined in Section 1.4 of S.L. 2025-26, and (ii) can be completed and closed out before December 31, 2026.

SECTION 7.1.(b) The Department shall use funds available in the Stopgap Solutions–Federal Broadband Funds described in Section 38.5 of S.L. 2021-180 to provide grants as described in Section 4.3(c) through (e) of S.L. 2025-89.

SECTION 7.1.(c) The Department shall consult with the North Carolina Pandemic Recovery Office to ensure that only federal funds received from the Coronavirus Capital Projects Fund are used for the grant described in subsection (a) of this section and that all funds described in this section are used in accordance with applicable federal regulations.

MODIFY DIT PROCUREMENT EXEMPTIONS

SECTION 7.2.(a) G.S. 143B-1320(b) reads as rewritten:

"(b) Exemptions. – Except as otherwise specifically provided by law, this Article does not apply to the following entities: the General Assembly, the Judicial Department, The University of North Carolina and its constituent institutions, the Office of the State Auditor, the State Board of Elections, ~~and the State Highway Patrol.~~ Patrol, and the Department of State Treasurer. These entities may elect to participate in the information technology programs, services, or contracts offered by the Department, including information technology procurement, in accordance with the statutes, policies, and rules of the Department. The election must be made in writing, as follows:

- (1) For the General Assembly, by the Legislative Services Commission.
- (2) For the Judicial Department, by the Chief Justice.
- (3) For The University of North Carolina, by the Board of Governors.
- (4) For the constituent institutions of The University of North Carolina, by the respective boards of trustees.
- (5) For the Office of the State Auditor, by the State Auditor.
- (6) For the State Board of Elections, by the Executive Director of the State Board of Elections.
- (7) For the State Highway Patrol, by the Commander of the State Highway Patrol.
- (8) For the Department of State Treasurer, other than the Investment Authority under Part 1 of Article 6 of Chapter 147 of the General Statutes, by the State Treasurer.
- (9) For the Investment Authority under Part 1 of Article 6 of Chapter 147 of the General Statutes, by the Board of Directors of the Authority."

SECTION 7.2.(b) This section is effective when it becomes law.

PART VIII. SALARIES AND BENEFITS**TEMPORARY WAIVER/PUBLIC EMPLOYEE HEALTH BENEFIT FUND**

SECTION 8.1. Section 3.6 of S.L. 2025-89 is amended by adding a new subsection to read:

"SECTION 3.6.(b1) For the 2025-2026 fiscal year only, the Treasurer shall waive two and fourth-tenths percent (2.4%) of the relevant salaries when calculating the required employer contribution for the Public Employee Health Benefit Fund under subsection (b) of this section for all of the following qualifying entities:

- (1) Each local governmental unit that elected, as authorized under G.S. 135-48.47, to participate in the State Health Plan after July 22, 2014.
- (2) Each local government unit that (i) elected to participate in the State Health Plan prior to July 22, 2014, and (ii) is authorized to cover only active employees and their dependents.
- (3) Each charter school that (i) elected under G.S. 138-48.54 to participate in the State Health Plan and (ii) is not a participating employer in the Teachers' and State Employees' Retirement System under G.S. 135-5.3.

All waivers under this subsection shall cease on June 30, 2026, and payment in full shall again be required for all qualifying entities for amounts due for the 2026-2027 fiscal year. A qualifying entity shall not, at any time, be required to pay any amount waived pursuant to this subsection."

FUNDING FOR PAY PLAN RESERVE

SECTION 8.2. There is appropriated from the General Fund to the Pay Plan Reserve established in G.S. 143C-4-9 the sum of twenty-five million dollars (\$25,000,000) in recurring funds beginning in the 2025-2026 fiscal year.

PART IX. CAPITAL

REALLOCATION OF ACME-MCCRARY MILL RENOVATION FUNDS

SECTION 9.1. Funds appropriated to the City of Asheboro as a grant to be used for the renovation of the Acme-McCrary Textile Mill that remain unexpended and unencumbered may, instead, be used by the City for the Trade Street Infrastructure Project.

DACS REPAIR AND RENOVATION FUNDING

SECTION 9.2. Notwithstanding any other provision of law to the contrary, the Department of Agriculture and Consumer Services may use up to seven million five hundred thousand dollars (\$7,500,000) in available receipts from the North Carolina State Fair for repair and renovation projects at the State Fairgrounds.

DOWNTOWN GOVERNMENT COMPLEX

SECTION 9.3.(a) The Department of Administration shall sell the property situated on the parcel of land in the City of Raleigh, with Wake County real estate ID# 0179265, commonly known as 304 N. Dawson Street, for fair market value. No service charge into the State Land Fund shall be deducted from or levied against the proceeds of the sale of the property listed in this subsection. Notwithstanding G.S. 146-30, the proceeds of the sale of the property listed in this subsection shall be handled in accordance with the following priority:

- (1) First, in accordance with the provisions of any trust or other instrument of title whereby title to the subject real property was acquired by the State.
- (2) Second, to reimburse the Department of Administration for any funds expended in the sale of the subject real property.
- (3) Third, to be deposited into the State Capital and Infrastructure Fund, established in G.S. 143C-4-3.1.

The Department of Administration shall obtain an appraisal assessing the value for the property listed in this subsection according to their best and highest use and shall submit the appraisal to the Joint Legislative Oversight Committee on Capital Improvements and the Fiscal Research Division no later than January 1, 2026.

SECTION 9.3.(b) The Department of Administration shall prepare a plan that, within 18 months of the effective date of this section, would consolidate and move the offices of the State Records Center and any storage or satellite facilities related to the State Records Center to another location outside of the downtown government complex. The Department of Administration shall consider options for lease or purchase and shall submit its plan and cost estimates to the Joint Legislative Oversight Committee on Capital Improvements and the Fiscal Research Division no later than June 1, 2026.

SECTION 9.3.(c) This section is effective when it becomes law.

PART X. TRANSPORTATION

MARINE VESSEL DRY DOCKING AND MAINTENANCE

SECTION 10.1.(a) There is appropriated from the Highway Fund to the Department of Transportation, Ferry Division, Budget Fund 801268, the sum of four million dollars (\$4,000,000) in nonrecurring funds for the 2025-2026 fiscal year to meet U.S. Coast Guard dry dock requirements at external shipyards.

SECTION 10.1.(b) There is appropriated from the Highway Fund to the Department of Transportation, Ferry Division, Budget Fund 801268, the sum of three million dollars (\$3,000,000) in nonrecurring funds for the 2025-2026 fiscal year to be used for marine vessel maintenance and operations.

SECTION 10.1.(c) No later than January 1, 2026, and quarterly thereafter until the funds are expended, the Ferry Division of the Department of Transportation shall submit a progress report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division on the use of funds appropriated by this section for marine vessel dry docking. The report shall include the following information:

- (1) A list of all marine vessels scheduled or under contract for dry docking.
- (2) The estimated cost of the work to be completed for each marine vessel sent to a private shipyard for dry dock.
- (3) The actual cost of the work and the total funds used as of the report date.

NCSSM SPECIAL REGISTRATION PLATE TECHNICAL CORRECTION

SECTION 10.2. G.S. 20-79.4(b)(175) reads as rewritten:

"(175) North Carolina School of Science and Mathematics. – Issuable to a registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall feature the school logo and the acronym "NCSSM," and the letters "~~SM~~" "SM," or another available two-letter combination, to the right of the segment of the plate designated for the special plate design."

PART XI. MISCELLANEOUS AND EFFECTIVE DATE

STATE BUDGET ACT APPLICABILITY

SECTION 11.1. If any provision of this act and G.S. 143C-5-4 are in conflict, the provisions of this act shall prevail. The appropriations and the authorizations to allocate and spend funds which are set out in this act shall remain in effect until the Current Operations Appropriations Act for the applicable fiscal year becomes law, at which time that act shall become effective and shall govern appropriations and expenditures. When the Current Operations Appropriations Act for that fiscal year becomes law, the Director of the Budget shall adjust allotments to give effect to that act from July 1 of the fiscal year.

CONSTRUCTION

SECTION 11.2. Except where expressly repealed or amended by this act, any legislation enacted during the 2025 Regular Session expressly appropriating funds to an agency, a department, or an institution covered under this act shall remain in effect.

EFFECTIVE DATE

SECTION 11.3. Except as otherwise provided, this act is effective retroactively to July 1, 2025.