



HOUSE BILL 437: Establish Drug-Free Homeless Service Zones.

2025-2026 General Assembly

Committee:	Senate Judiciary. If favorable, re-refer to Rules and Operations of the Senate	Date:	June 10, 2026
Introduced by:	Reps. Rhyne, Chesser, Pickett	Prepared by:	Michael Johnston* Committee Counsel
Analysis of:	Second Edition		

OVERVIEW: *House Bill 437 would increase the punishment for the offense of manufacture, sale, or delivery, or possession with the intent to manufacture, sell, or deliver a controlled substance, if the offense occurs in a drug-free homeless service zone.*

CURRENT LAW:

G.S. 90-95(a)(1) prohibits the manufacture, sale, or delivery, or possession with intent to manufacture, sell, or deliver a controlled substance.

The penalty for this offense currently varies depending on the controlled substance and whether the offense is for manufacture, sale, or delivery.

The potentially applicable penalties under current law are as follows:

- Generally:
 - Schedule I or II (examples: opiates, fentanyl, cocaine, methamphetamine, heroin):
 - Sale – Class G felony
 - Manufacture of methamphetamine – Class C felony
 - Packaging or labeling methamphetamine – Class H felony
 - Manufacture, sale, delivery, or possession with intent to manufacture, sell, or deliver fentanyl or carfentanil – Class F felony
 - All other Schedule I or II – Class H felony
 - Schedule III, IV, V, or VI (examples: steroids, ketamine, valium, marijuana, some barbiturates):
 - Sale – Class H felony
 - All other – Class I felony
 - Transfer of less than 5 grams of marijuana for no remuneration is not a delivery.
- Other increased penalties currently in G.S. 90-95(e):
 - Sale or delivery to a person more than 13 but less than 16 years old, or to a pregnant female by someone at least 18 – Class D felony
 - Sale or delivery to a person 13 years old or under – Class C felony

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- Offense by person 21 or older on elementary or secondary school property or child care center property, or within 1,000 feet of real property used for that purpose – Class E felony
- Offense by person 21 or older on public park property or within 1,000 feet – Class E felony

BILL ANALYSIS:

House Bill 437 would enact a new G.S. 90-95(e)(8a) which would provide a Class E felony for anyone who manufactures, sells, or delivers a controlled substance in a drug-free homeless service zone if the person knows or reasonably should know it is a drug-free homeless service zone.

Additionally, it would provide a Class H felony for any operator of a facility-based service that intentionally allows a person to manufacture, sell, or deliver in a drug-free homeless service zone.

A "drug-free homeless service zone" would include either of the following:

- If the facility-based service provides shelter or housing for victims of domestic violence, the interior of the building and any outdoor area that can only be accessed through the building, if the facility posts a sign inside the building within 5 feet of the main entrance identifying the facility as a drug-free homeless service zone.
- All other facilities, the exterior and interior of any building and any accompanying grounds, and the area within 100 feet of that building or grounds, if the facility posts a sign at the exterior of the main entrance of the facility.

"Facility-based service" would include emergency or temporary shelters, transitional housing, and permanent supportive housing that receives government funding to provide shelter to homeless persons and other entities that receive government funding and primarily provide treatment, preventive care, or services to homeless persons.

EFFECTIVE DATE: This act would become effective December 1, 2025, and would apply to offenses committed on or after that date.

**Susan Sitze, Staff Attorney with the Legislative Analysis Division, substantially contributed to this summary.*